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The rankings cited in this document are derived either from explicitly stated external sources or, when this is not the case, from internal sources.
Together, the Banque Populaire banks and the Caisses d’Epargne have created the 2\(^{\text{nd}}\) largest banking group in France: Groupe BPCE. This group of banking institutions boasts a total of 127,000 employees at the service of 37 million customers, including more than 7 million cooperative shareholders.
More accessible, with 8,200 branches serving customers all over France, decisions taken at a local, grassroots level, the determination to provide our customers with the best possible service over the long term and to prepare the banking institution of the future.
More entrepreneurial as they work alongside companies and new business creators... more enterprising in their drive to capture new territories and new customers.
More competitive together thanks to the wider diversity of skills, the pooling of resources and projects, the development of synergies between our different businesses.
Our ambition: to become the preferred banking institutions of the French people and their companies.
Working through more than 8,200 branches, Groupe BPCE provides a comprehensive range of banking, financial and real estate services for all types of clientele.

With its two historic brands – Banque Populaire and Caisse d’Epargne – and its specialized subsidiaries boasting expert knowledge in their particular areas of activity, the group pursues all the different activities of a commercial banking and insurance specialist and provides financial solutions through its Corporate and Investment Banking arm.

Its original 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;
- the central institution with BPCE;
- the subsidiaries, including Natixis, a publicly listed company that includes the Corporate and Investment Banking, Investment Solutions, and Specialized Financial Services activities, Crédit Foncier, Société Marseillaise de Crédit, Banque Palatine, the banks in the Océor network, etc.
The year 2009 will remain key milestone in the history of the founding banks: Groupe Banque Populaire and Groupe Caisse d’Epargne. In joining together to create the second ranking bank in France, these two groups have finalized a project which they embarked upon in 2006 with the creation of Natixis. They have entered a new chapter in the history of Banque Populaire banks and Caisses d’Epargne, within Groupe BPCE.

Accelerated by the unprecedented financial turmoil which affected the entire banking industry, the newly created Groupe BPCE bases its legitimacy, strength and confidence in the cooperative values shared by the 20 Banque Populaire banks and the 17 Caisses d’Epargne. The management of the Group’s companies, which have a strong foothold in their regions, is constantly guided by these shared values: long-term action, entrepreneurship and a sense of responsibility.

We are deeply attached to the legacy of cooperative values which form the identity of our Group. We will defend and promote these values as we are convinced that our model is the best suited for developing our activity throughout the regions where we operate. We also believe that this is the most appropriate model for building the bank of tomorrow that will take on board the forthcoming challenges, be it tougher competition, improving our quality of service and our performance or the new regulatory framework of the banking sector.

The creation of Groupe BPCE provides the group with a new impetus, offering its companies considerable development potential and additional synergies serving both our cooperative shareholders and customers. It also offers a variety of opportunities for personal development to our 127,000 employees, who are committed to serving the Group on a daily basis.

Present in 68 countries, BPCE, the second largest banking group in France, will use its skills and experience to serve its 37 million customers and has clearly identified its role in contributing to the long-term economic development of the regions in which it operates.

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

Groupe BPCE was founded on July 31, 2009.

In joining forces, Banque Populaire banks and Caisses d’Epargne have created France’s second largest banking group, a cooperative group with 127,000 employees serving 37 million customers and over 7 million cooperative shareholders. BPCE also maintains a strong capital base of almost €44 billion.

After the initial phase where the Group was created, the bank’s teams are now focused on two key priorities: returning to profitability as soon as possible, and mapping out an industrial and strategic plan for 2013.

**Returning to profitability**

Results for the first half of 2009 were impacted by the financial crisis: the adjustments to the risk-weighted assets and the goodwill impairment charge made by Natixis on assets acquired at the peak of the cycle heavily impacted results, leading to a €757 million loss for the first half. In the second half, however, we reported profits of €1,294 million, reflecting the strong performance of the commercial banking networks and insurance business and the turnaround of Natixis.

Despite the current challenging economic environment, the Banque Populaire banks, the Caisses d’Epargne, and the Group’s national brands such as Crédit Foncier de France, have shown strong resilience in all business lines. They worked towards financing the economy in line with the commitments made with the French government in October 2008. Over the full year, Groupe BPCE loans outstanding rose 3.7%, outstripping its 3.5% growth target. Net banking income for Commercial Banking totaled €14 billion and net income came out at close to €1.9 billion.

Natixis, the Group’s main listed subsidiary, although severely hit by the crisis, also returned to profit in the second half. Now that it has a sole majority shareholder, its corporate governance structure has been simplified. A new management team has been appointed, headed by Laurent Mignon, who has been Chief Executive Officer since May 15, 2009. A new strategic direction has been mapped out: as Groupe BPCE’s “investment bank,” Natixis is an integrated company which refocused on its three core businesses serving the Group’s key clients. BPCE has guaranteed the “GAPC(1)” assets, after carrying out an in-depth review of its subsidiary’s risky assets. Natixis reported net income of €1 billion in the second half, reflecting the relevance of the Group’s choices and their efficient implementation.

In 2009, Groupe BPCE net banking income exceeded €21 billion. Operating expenses were stabilized thanks to efforts deployed throughout the Group. However, cost of risk rose sharply due to the economic environment and significant charges booked by Natixis in the first half. Net income attributable to equity holders of the parent totaled €537 million, reflecting the Group’s return to profitability in the second half.

(1) GAPC Gestion active des portefeuilles cantonnés (workout portfolio).
Customer-focused strategy
In 2010 and thereafter, Groupe BPCE will face two major challenges. Firstly, it must adapt to customer needs and strengthen close customer relationships which are the driving force of the 20 Banque Populaire banks and the 17 Caisses d’Epargne operating throughout their regions. And secondly, it needs to strengthen its financial structure and give itself the necessary means for development, while it repays the capital provided by the French government during the financial turmoil.

To achieve these targets we have made a clear and plain decision: we will focus all our human and financial resources on developing our core businesses – banking and insurance. Groupe BPCE is a universal banking group, offering a comprehensive range of banking and financial services to all our customers. The Group focuses on its core businesses: Commercial Banking and Insurance, via the Banque Populaire and Caisse d’Epargne networks and Crédit Foncier de France, Banque Palatine and Société Marseillaise de Crédit; and Corporate and Investment Banking, Investment Solutions and Specialized Financial Services grouped together at Natixis. The Group’s other activities, namely in real estate will be managed as equity investments.

The creation of Groupe BPCE is also an opportunity to generate additional income: €810 million in additional income are expected by the full year 2013 from the closer relationships between Natixis and the Banque Populaire and Caisse d’Epargne networks. With stronger capital, the Group also targets customer acquisition and further international development.

Meanwhile cost savings linked to the merger are estimated at €1 billion by the full year 2013, due to a streamlined organization and IT processes and shared infrastructures.

Finally, the Group’s structure will be simplified in line with the targets of the strategic plan. Subject to the necessary prior approvals, the holding companies will merge with BPCE mid-2010. The Group will be in marching order to deal with the challenges in the coming years.

Our strategic plan has been baptized “Ensemble” (Together) as all of Groupe BPCE’s companies share the same vision. Building closer customer relationships and entrepreneurial spirit, in order to achieve long-term improved performance.

We are convinced that focusing solely on our core business and respecting our shared values, we will strengthen the trust of our customers, our cooperative shareholders and our investors. That will allow us to become the preferred bank of the French people and their companies.

François Pérol
Chairman of the Management Board of BPCE
Key figures 2009

EARNINGS
(in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>21,227</td>
<td>16,096</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>4,868</td>
<td>(241)</td>
</tr>
<tr>
<td>Operating income</td>
<td>723</td>
<td>(3,387)</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the parent</td>
<td>537</td>
<td>(1,847)</td>
</tr>
</tbody>
</table>

(1) Pro forma figures.

FINANCIAL STRUCTURE

**Equity attributable to equity holders of the parent**

<table>
<thead>
<tr>
<th></th>
<th>06/30/2009</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions of euros)</td>
<td>39.6</td>
<td>44.0</td>
</tr>
</tbody>
</table>

**Tier-1 capital**

<table>
<thead>
<tr>
<th></th>
<th>06/30/2009</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions of euros)</td>
<td>35.8</td>
<td>37.6</td>
</tr>
</tbody>
</table>

**Tier-1 ratio**

<table>
<thead>
<tr>
<th></th>
<th>06/30/2009</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.6%</td>
<td>9.1%</td>
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</tbody>
</table>

**Capital-adequacy ratio**

<table>
<thead>
<tr>
<th></th>
<th>06/30/2009</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.6%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

BREAKDOWN OF NET BANKING INCOME CONTRIBUTED BY EACH CORE BUSINESS IN 2009

- Commercial Banking and Insurance: 74%
- Corporate and Investment Banking, Investment Solutions and Specialized Financial Services: 26%
2009 DATA

37 million customers

7.7 million cooperative shareholders

127,000 employees

8,200 bank branches

OUTSTANDINGS AT DECEMBER 31, 2009
(in billions of euros)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2009</th>
<th>12/31/2008(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>1,029</td>
<td>1,144</td>
</tr>
<tr>
<td>Banque Populaire and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caisse d’Epargne networks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer loan outstandings</td>
<td>277</td>
<td>264</td>
</tr>
<tr>
<td>Guaranteed-capital savings</td>
<td>303</td>
<td>294</td>
</tr>
<tr>
<td>Financial savings</td>
<td>200</td>
<td>193</td>
</tr>
</tbody>
</table>

(1) Pro forma figures.

RATINGS ASSIGNED BY THE RATINGS AGENCIES
(February 2010)

<table>
<thead>
<tr>
<th>Agencies</th>
<th>Long-term rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A+</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Aa3</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A+</td>
<td>Stable</td>
</tr>
</tbody>
</table>
The strategy pursued by Groupe BPCE

The 2010-2013 Group Plan: “Ensemble”

July 2009 saw the birth of Groupe BPCE, the result of the determination of the Banque Populaire and Caisse d’Epargne groups to create, together, the second largest banking group in France.

- It is focusing its development on its Commercial Banking core businesses, directly involved in promoting savings deposits and providing financing for the French economy as a whole with a comprehensive range of banking and financial services aimed at individual customers, self-employed professionals, SMEs, major corporations, local authorities, entities active in the social housing movement, associations and institutional.
- It exploits synergies between Commercial Banking, Insurance and the businesses pursued by the Corporate and Investment Banking, Investment Solutions and Specialized Financial Services division for the greater benefit of its customers.
- It builds on the pooling of resources and the joint implementation of plans to enhance its performance and competitiveness.
- It also innovates to satisfy the expectations of its customers and to keep pace with changes in their circumstances.

Its ambition is to be the banking group that provides its customers with the best long-term service and support with a view to becoming the preferred banking institutions of the French and their companies.

The entities belonging to Groupe BPCE are determined to take full advantage of the Group’s new structure and its potential to generate new synergies.

“Ensemble” (Together), the strategic plan adopted by Groupe BPCE for 2010-2013, is mobilizing all the Group’s employees around a sustainable approach to banking for the greater benefit of its customers, its cooperative shareholders, the French economy in general and the regional markets in particular.

HUMAN-SIZED COMPANIES, CLOSE TO THEIR CUSTOMERS AND COOPERATIVE SHAREHOLDERS

Groupe BPCE has adopted a business model founded on human-sized companies, close to their cooperative shareholders and customers.

The Group will complete a new phase in its organization by simplifying its architecture at the end of July 2010. Indeed, the strategic review carried out within the framework of the Group Plan in addition to the third-part audit of all its structured loan assets completed in 2009 made it possible for the Group’s shareholders – the Caisses d’Epargne and Banque Populaire banks – to consider merging their holding companies with BPCE.

Plans for the simplified organizational structure of Groupe BPCE

(1) Subject to obtaining the necessary authorizations.
(2) Nexity is not a direct subsidiary of BPCE but a holding company owned exclusively by the Caisses d’Epargne.
The Group will adopt a three-tier structure:
• a cooperative level, with 37 regional mutual banking institutions: the 20 Banque Populaire banks and the 17 Caisses d’Epargne;
• a federal level, with BPCE, the central institution. BPCE is jointly owned by the 20 Banque Populaire banks and the 17 Caisses d’Epargne;
• the subsidiaries owned by the central institution, including Natixis, a publicly listed entity that encompasses Corporate and Investment Banking activities, Investment Solutions and Specialized Financial Services.

CLEARLY IDENTIFIED CORE BUSINESS LINES
Groupe BPCE has made the strategic choice to focus its development on business activities that directly contribute to its original mission of facilitating savings deposits and providing financing solutions.

Commercial Banking and Insurance
These businesses chiefly embrace the activities of the Banque Populaire and Caisse d’Epargne networks, along with Crédit Foncier, a major player in the area of real estate financing, Banque Palatine and Société Marseillaise de Crédit. The division also includes Financière Océor and the other international subsidiaries not forming part of Natixis; this entity will be changing its name in the future to BPCE International et Outre-mer(1). Insurance remains a strategic business line for local banking activities and represents a vector for the Group’s organic growth.

Corporate and Investment Banking, Investment Solutions and Specialized Financial Services
Divided into three core business lines – Corporate and Investment Banking, Investment Solutions and Specialized Financial Services – Natixis has refocused its activities on providing services tailored to its clientele of large corporate and institutional investors and to the needs of the Group’s banking networks. Natixis has also been given responsibility for all the group’s specialized business lines at the service of the retail networks.

The Group’s other holding will be managed as equity investments. This is the case, in particular, of the non-banking subsidiaries active in the real estate sector which, thanks to their earning capacity, help to finance the Group’s ongoing development.

(1) Subject to obtaining the necessary authorizations.

WHAT ARE THE MAJOR PRIORITIES OF THE GROUP’S STRATEGIC PLAN?
First of all, a corporate culture focused on service. Customer satisfaction is central to our plan. We are going to invest to ensure that every employee – irrespective of his or her function: account manager, IT technician, HR administrator or management controller – helps to guarantee the satisfaction of our customers.

Secondly, an entrepreneurial spirit. We must preserve the pioneering spirit of the founding fathers of the Banque Populaire banks and Caisses d’Epargne, expand our presence in new geographical areas, win new customers, identify new growth drivers and export our know-how to other countries.

Lastly, sustainable performance. The creation of the Group offers us fresh leverage through the creation of new value by reducing our expenses or by tightening the commercial relations between Natixis and our Commercial Banking activities.

PRINCIPLES FOR ACTION
# Being committed to a strategy of sustainable performance.
# Developing a corporate culture focused on service.
# Promoting initiative and the entrepreneurial spirit.
# Favoring proximity and taking full advantage of diversity.

Question for François Riahi
Deputy Chief Executive Officer, Strategy
The strategy pursued by Groupe BPCE

BANKS MORE ACCESSIBLE TO THEIR CUSTOMERS

The principal goal of the Group and of all its entities is to provide each of its customers with outstanding advice and impeccable service thanks to the expertise of its sales forces and the creation of close customer relationships. Improving the quality of service and advice, optimizing customer relationship channels, anticipating changes in expectations and behavior are the principal work and investment priorities pursued by Groupe BPCE in its drive to create a more approachable and innovative bank.

Above and beyond the objectives shared by all the networks, the Banque Populaire banks will base their growth on the development of peer-led approaches and an offer of long-term support for their key customer groups. Their goals for the end of 2013 include attracting 300,000 additional customers using the Banque Populaire banks as their principal banking partner, 2,000 new corporate customers generating annual sales in excess of €15 million and achieving a cost-income ratio (excluding dividends) of 64.5%.

The Caisses d’Epargne will put quality at the heart of the customer relations in order to achieve the best market standards in terms of customer satisfaction for their priority targets. Their goals for the end of 2013 include securing 5.2 million domiciled customers, an annual 10% increase in net banking income generated by the regional development banking division, and a cost-income ratio (excluding dividends) of 68%.

Natixis will put its three core business lines at the service of its customers. The Corporate and Investment Banking business will develop its capital market and structured financing activities among its major corporate customers and financial institutions. The Investment Solutions activity will offer a range of products and solutions tailored to its different types of clientele: institutional, corporate customers, high-net-worth individuals, and retail network clientele. The Specialized Financial Services business will consolidate its position as the favored supplier of products and services for the Commercial Banking division and its customers.

“I firmly believe in the successful differentiation of decentralized networks.”

Olivier Klein
Chief Executive Officer,
Commercial Banking and Insurance
MORE ENTREPRENEURIAL BANKS

Groupe BPCE is determined to cultivate further still the entrepreneurial spirit embodied by the Banque Populaire banks and the Caisses d’Epargne. The Group’s ongoing development depends upon its ability to succeed in its gradual and targeted conquest of new geographical markets combined with the conquest of new customers and the development of new sources of future growth.

Conquering new geographical areas

In the Group’s Commercial Banking and Insurance division, where business is chiefly pursued in France, Groupe BPCE has set itself the target of developing its presence in the international market through the acquisition of majority interests in small- to medium-sized banks and a focus on strong-growth countries offering good potential for the extension of banking services. This gradual development will be led and supervised by BPCE, the central institution, working closely with the regional banking entities; it will also allow the Group to expand its know-how and enrich its international culture.

Conquering new clientele

To satisfy the needs of specific groups of customers – such as small- to medium-sized companies generating annual sales of between 15 and 100 million euros – Groupe BPCE has decided to set up a dedicated organization with a view to providing solutions tailored to the key milestones in the lives of these companies thanks, for example, to loan sharing systems. A whole range of initiatives designed to take full advantage of the Group’s venture capital resources at a regional level, to improve national coverage of mergers and acquisitions, to share tools and expertise, and to innovate in the area of payment systems and cash management solutions will allow the Group’s banking institutions to be stronger and more efficient together.

We want to export the expertise we have acquired in retail banking to new targeted geographical areas.

Bruno Deletré
Chief Executive Officer of BPCE International et Outre-mer (1)

(1) The future name of La Financière Océor, subject to obtaining all the necessary authorizations.

Natixis, which is already present in 68 different countries, will also launch new sharply targeted business development projects in the international arena both as far as its Corporate and Investment Banking and asset management activities are concerned. Developing a global approach to its customers’ needs, setting up new offices notably in Asia and in the United States, completing its array of expertise in asset management through new targeted acquisitions, forging new international partnerships are some of the principal initiatives already taken by Natixis.

Conquering new clientele

To satisfy the needs of specific groups of customers – such as small- to medium-sized companies generating annual sales of between 15 and 100 million euros – Groupe BPCE has decided to set up a dedicated organization with a view to providing solutions tailored to the key milestones in the lives of these companies thanks, for example, to loan sharing systems. A whole range of initiatives designed to take full advantage of the Group’s venture capital resources at a regional level, to improve national coverage of mergers and acquisitions, to share tools and expertise, and to innovate in the area of payment systems and cash management solutions will allow the Group’s banking institutions to be stronger and more efficient together.

With entities such as the Banque Populaire banks and the Caisses d’Epargne boasting a strong and long-standing commitment to sustainable development, Groupe BPCE has both the legitimacy and the determination to become a benchmark banking institution in the area of “green growth”. In order to achieve this objective, the Group will create a dedicated structure and a broader range of products tailored to the new challenges of environmental protection and climate change.
The strategy pursued by Groupe BPCE

MORE EFFICIENT BANKS
Enhanced performance is a priority concern for Groupe BPCE. Attaining this goal will allow it to achieve sustainable, long-term and well-balanced growth, in line with its corporate values.

Tapping the resources of the entire Group
Commercial relations between Natixis and all the Group’s different banking institutions must be stepped up to help develop the business activities pursued by Groupe BPCE. There are numerous sources of synergies: duplicate in one network what works well in the other, expand existing offerings to a wider audience or combine both these strategies for certain customer segments or products.

As a result of these initiatives, additional net banking income of €810 million will be generated in a full year in 2013 from consumer credit, private banking, employee savings schemes, asset management solutions, etc.

Similarly, all projects – whether related to IT, purchasing, the organization of personnel and processes – must be founded on an approach and frame of reference that embraces the entire group in order to achieve a significant reduction in expenses. The ambitious, yet perfectly achievable, objective that the Group has set itself is to trim expenses by a total of €1 billion in a full year by 2013 by pooling and optimizing resources, sharing good practices, applying the principles of mutualization, etc.

Philippe Queuille
Chief Executive Officer, Operations

“There are a great many good practices to be shared, and each company can learn from the others.”

QUANTIFIED TARGETS FOR 2013
# Aggregate net banking income: €25 bn.
# Additional net banking income with Natixis: €810 m.
# Reduction in full-year expenses: €1 bn.
# Cost-income ratio: 66%.
# Profitability of core business lines: 12%.
Reinforcing the Group’s financial strength
The financial crisis has had an impact on the companies belonging to Groupe BPCE. It has reduced its equity capital and called for State intervention. As a result, the overall aim of the strategic plan is to return the Group to a sufficient level of profitability to allow it to rebuild its equity capital.

As it reinforces its equity capital, the Group will be able to improve its solvency ratios and gradually reimburse the French State during the life of the Strategic Plan. A stronger equity position will also give the Group additional leeway, enabling it to seize opportunities as and when they arise and to enjoy the means required for its ongoing development.

Building collective momentum
Above and beyond the creation of a more streamlined, more effective and more profitable organization, the success of the Strategic Plan depends upon the active commitment of the group’s employees and their desire to build their vision together.

By placing a premium on employer/trade union dialogue and high quality managerial relations, by giving credit for autonomy and initiative, the plan will make Groupe BPCE a benchmark employer, a Group where “it’s a pleasure to work.” The creation of a unified management structure for senior executives will create a sense of belonging and facilitate the transfer of knowledge and experience. Mechanisms designed to promote professional mobility and the management of skills will be rolled out to open up and diversify career paths and professional prospects both in France and overseas.

SUSTAINABLE, TIGHTLY MANAGED PERFORMANCE
Groupe BPCE is determined to restore an earning capacity allowing it to reinforce its solvency ratios, to reimburse the French State and to pursue its plans for future growth. It is planned to completely reimburse State funds during the life of the Strategic Plan with an initial reimbursement of preference shares beginning in 2010.

Groupe BPCE has set itself a number of ambitious targets for the year 2013:
• net banking income of more than €25 billion, two-thirds generated by the Commercial Banking division and one third derived from the core business activities of Natixis;
• 11-point improvement in the cost-income ratio at 66%;
• profitability of the core business lines multiplied by a factor of two compared with 2009 and greater than 12%.

The strengthening of the Group’s profitability will allow it to enjoy sound equity capital foundation with a Core Tier-1 ratio greater than 8% (Basel II definition) by 2013.
The Banque Populaire banks – financial institutions created by and for entrepreneurs – have constantly innovated and expanded their range of products and services to satisfy the needs of an extensive customer base. They currently form the 4th largest banking network in France comprised of 20 Banque Populaire banks: 18 regional Banque Populaire banks and 2 banks operating at a national level: Crédit Coopératif and CASDEN Banque Populaire.

Playing a key role in the local regional economy, the Banque Populaire banks support and encourage entrepreneurship in all its forms. The no. 1 banking partner of SMEs, tradespeople, franchisees and franchisers, they are the leading providers of new business creation loans, providing their support every year to more than 70,000 new entrepreneurs.

Represented throughout all of France, CASDEN Banque Populaire and Crédit Coopératif form an integral part of the wider organization of the Banque Populaire banks. Born from a demand expressed by French teachers, created and managed by them, CASDEN Banque Populaire is a cooperative banking institution reserved for the employees of the French ministries of Education, Research and Culture, in addition to active or retired civil servants working at a national or local level.

Crédit Coopératif is the reference bank for the social economy, cooperative or mutual companies, associations, mutual insurance companies, small- to medium-sized enterprises, etc.

At December 31, 2009

- **20** Banque Populaire banks
- **3,430** branches
- **3.6** million cooperative shareholders
- **7.5** million customers
- **€175.8 bn** customer savings and deposits
- **€139.8 bn** loan outstandings
Commitment to the professional and solidarity-based projects of its cooperative shareholders is the hallmark of the “Banque Populaire spirit.” Pioneers in financing eco-friendly projects, the no. 1 partner of the world of sailing, the Banque Populaire banks also play a major role in the solidarity-based economy as the leader for solidarity-based savings and microcredit solutions.

In actions taken at a local level, the Banque Populaire banks give tangible expression to their values rooted in humanism and social solidarity. They also pursue an active patronage and sponsorship policy in favor of the arts, the environment and society in general through the Banque Populaire Foundation.

THE BANQUE POPULAIRE BANKS: COOPERATIVE REGIONAL BANKS

The Banque Populaire banks are 80% owned by their cooperative shareholders. Natixis owns the remaining 20% in the form of Cooperative Investment Certificates (CICs), which give the right to a dividend but confer no voting rights.

Customers of individual Banque Populaire banks may acquire shares in their Banque Populaire and thereby become a cooperative shareholder. Every year, a proposal for the amount of dividends to be paid on the shares is submitted by the Board of Directors to the approval of the cooperative shareholders convened in an Annual General Meeting.

The cooperative shareholders elect from among their numbers the Directors appointed to the Board of Directors of their Banque Populaire. The Directors all maintain close ties with local community and business organizations, local chambers of commerce and related institutions, etc. This involvement in all areas of regional life gives the Banque Populaire banks an excellent understanding and knowledge of their local economy, enabling them to be fully committed to the success of their regional economies and dedicated to serving their local communities.

In each Banque Populaire, the roles of Chairman and Chief Executive Officer are clearly separated. The Chairman must have acquired experience in senior management positions in industry. The Chief Executive Officer must possess detailed knowledge of the banking business.

The Fédération Nationale des Banques Populaires, a body created in 2009, is responsible for representing and defending the interests of the Banque Populaire banks and their cooperative shareholders, to facilitate and coordinate actions involving the cooperative shareholders and the cooperative movement. It is governed by a Board of Directors comprised of ten members, one half of whom are appointed from the ranks of the Chairmen, and one half from among the Chief Executive Officers of Banque Populaire banks.

(1) BRED Banque Populaire also operates in the following countries and overseas territories: French Polynesia, New Caledonia, Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.
The Caisses d’Epargne
At the service of individuals
and the local economy

The 17 Caisses d’Epargne, at the service of individuals and the local economy, rank among the principal banking institutions in their respective regions.

With a comprehensive range of products and services covering bancassurance (collection and management of savings, loans, means of payment, asset management, insurance, etc.), the French savings banks support all economic agents – whether private individuals, professionals, companies, associations, local authorities, etc. – in the realization of their different projects.

Since 1818, the Caisses d’Epargne have been in the vanguard of social solidarity in their capacity as banking institutions but also as social housing operators, as driving forces in local development, promoters of sustainable development and militants engaged in the combat against all types of exclusion. More than 4 million customers share this commitment and have become cooperative shareholders of their local savings banks.

Within the framework of their corporate social responsibility policy, the Caisses d’Epargne finance local initiatives of a philanthropic nature in addition to actions designed to promote financial inclusion and, more generally, to develop social and environmental innovations. They also strive to reduce all forms of dependence and exclusion related to old age, disability or illiteracy through the work of the Caisses d’Epargne Foundation for Social Solidarity.

At December 31, 2009

<table>
<thead>
<tr>
<th>17</th>
<th>4,323</th>
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<tbody>
<tr>
<td>Caisses d’Epargne</td>
<td>branches</td>
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<tr>
<td>4.1 million cooperative shareholders</td>
<td>27 million customers</td>
</tr>
<tr>
<td>€327.1 bn customer savings and deposits</td>
<td>€137.3 bn loan outstandings</td>
</tr>
</tbody>
</table>
THE CAISSES D’EPARGNE: COOPERATIVE REGIONAL BANKS

The Caisses d’Epargne are cooperative regional banks. 80% of their capital, and 100% of their voting rights, are held by Local Savings Companies, which are owned, by their cooperative shareholders. Natixis owns the remaining 20% of the share capital in the form of Cooperative Investment Certificates (CICs) that entitle holders to receive dividends but include no voting rights.

Every customer of an individual Caisse d’Epargne may acquire shares in a local savings company and thereby become a “cooperative shareholder.” The cooperative shareholders elect a Board of Directors, which then appoints a Chairman responsible, in particular, for representing the local savings company at the Annual General Meeting of the Caisse d’Epargne. It is during this Meeting that the amount of dividend paid on the shares is decided every year.

Each Caisse d’Epargne is administered by a Management Board of between two and five members, which is itself supervised by an 18-member Steering and Supervisory Board.

The Fédération Nationale des Caisses d’Epargne (FNCE) is the voice and representative of the individual Caisses d’Epargne, their 4.1 million cooperative shareholders and their elected representatives. Its principal responsibility is to develop relations between the Caisses d’Epargne and their cooperative shareholders, to organize training sessions for the elected representatives, to define, coordinate and promote the corporate social responsibility activities of the Caisses d’Epargne and to help to define the overall strategic objectives of the network. It is governed by a 34-member Board of Directors comprised of the Steering and Supervisory Board Chairmen and the Management Board Chairmen of all the individual Caisses d’Epargne.

(1) The Caisse d’Epargne Ile-de-France is also present in Saint-Pierre-et-Miquelon.
(2) The Caisse d’Epargne Provence-Alpes-Corse is also present in Martinique, in Guadeloupe and in La Réunion.
BPCE
At the service of the 2nd largest banking group in France

At the service of the 2nd largest banking group in France, BPCE is the central institution common to the Banque Populaire banks and the Caisses d’Epargne.

BPCE is held equally by the 17 Caisses d’Epargne and the 20 Banque Populaire banks. The French State holds preference shares, which confer no voting rights. BPCE directly owns 72% of 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.

MISSIONS DEFINED BY FRENCH LAW
BPCE leads the strategy and ensures the control, coordination and organization of the Group’s different companies.

In its capacity as the central institution of the Group, it ensures strict compliance with the legal statutes, regulations and good professional practices within affiliated entities.

The missions entrusted to BPCE are defined by the French law dated June 18, 2009; the principal responsibilities of BPCE are as follows:

• to define the policy and strategic objectives of the Group and its networks;
• to coordinate sales policies;
• to represent the Group and its networks on regulatory bodies and to negotiate national or international agreement on their behalf;
• to represent the Group and its networks as an employer;
• to take all measures enabling it to oversee the Group with respect to its liquidity, capital adequacy, risk management and internal control procedures.
The General Management Committee at April 7, 2010

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

From left to right: Laurent Mignon, Olivier Klein, Philippe Queuille, François Pérol, Nicolas Duhamel, François Riahi and Jean-Luc Vergne.

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

Alain Lemaire and Yvan de La Porte du Theil – respectively, Chief Executive Officer of the Caisses d’Epargne and Chief Executive Officer of the Banque Populaire banks – served on the General Management Committee in their capacity as members of the Management Board of BPCE from the moment of its creation until April 7, 2010.
The Supervisory Board of BPCE

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 Boards of Directors and by the Chairmen of the Caisse 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 Chairman of Steering and Supervisory Boards and two Management Board Chairmen;
• four members appointed on the proposal of the French State including two independent members.

Seven non-voting members (censeurs) – three from the Caisses d’Epargne and three from the Banque Populaire banks and Natixis, which is a fully-fledged censeur – also take part in the work of the Supervisory Board.

Two representative of the BPCE Works Council also attend meetings of the Supervisory Board.

The bylaws of BPCE also specify that two representatives appointed by the employees of the Caisse d’Epargne and Banque Populaire networks attend the meetings of the Supervisory Board.

Three specialized committees – on which the Caisse d’Epargne and Banque Populaire networks are equally represented – assist the Supervisory Board in its deliberations and decisions.

THE AUDIT AND RISKS COMMITTEE
This committee is responsible for monitoring the financial reporting process and the audit by the statutory auditors of the parent company and consolidated financial statements. It also monitors the independence of the statutory auditors and the efficacy of the internal control and risk management mechanisms.

THE APPOINTMENTS AND REMUNERATION COMMITTEE
This committee makes proposals regarding the choice of members of the Supervisory Board and censeurs, and regarding the appointment of the Chairman of the Management Board. It supervises the process whereby the Board’s performance is assessed and makes proposals regarding the level and conditions of the compensation paid to members of the Management Board, the Chairman and Vice-Chairman of the Supervisory Board and the allocation of directors’ fees. It is kept informed of the remuneration policies pursued by the Group’s different companies.

THE COOPERATIVE COMMITTEE
The Cooperative Committee makes proposals and recommendations to promote and give tangible expression to the cooperative and societal values of long-term commitment, professional and relational ethics in the activities pursued by the Group and its networks.
Philippe Dupont(1), Chairman

Yves Toublanc(1), Vice-Chairman
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Rhônes Alpes

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

Bernard Comolet(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

Representatives of the French State

Olivier Bourges(3)
Deputy General Manager of the French Government Shareholding Agency (APE), an organization forming part of the French Ministry of Economy, Industry and Employment

Ramon Fernandez(2)
Director-General of the Treasury in the French Ministry of Economy, Industry and Employment

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

Representatives of the Works Council

Jean-Luc Débarre
Pierre-Eric Randrianarisoa

Censeurs (non voting members)

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

Alain Condaminas
Chief Executive Officer of the Banque Populaire Occitane

Christian du Payrat
Chief Executive Officer of the Banque Populaire du Massif Central

Jean-Philippe Girard
Chairman of the Fédération Nationale des Banque Populaires

Jean Mérelle
Chairman of the Management Board of the Caisse d’Epargne Nord France Europe

Natixis
represented by Laurent Mignon, Chief Executive Officer

Michel Sorbier
Chairman of the Fédération Nationale des Caisses d’Epargne

(1) Member of the Cooperative Committee chaired by Philippe Dupont.
(2) Member of the Appointments and Remuneration Committee chaired by Laurence Danon.
(3) Member of the Audit and Risks Committee chaired by Marwan Lahoud.
Anticipating customers’ expectations, and innovating to satisfy them, a shared choice to become the preferred banking institutions of the French people and of their companies.
More than 50% of the French population are clients of one of the Groupe BPCE banks. With 8,200 branches and 37 million customers, Commercial Banking is at the heart of the Group’s business. This activity is supported by two networks boasting deep roots in their respective regions: the Banque Populaire banks (with CASDEN Banque Populaire and Crédit Coopératif) and the Caisses d’Epargne. Other brands add to the Group’s services: Crédit Foncier, Banque Palatine, Société Marseillaise de Crédit, Crédit Maritime Mutuel and the banks from the Océor network...

To provide their clients with all the required services, advice, financing and investment solutions, the banking networks rely on the expertise and support of the Group’s specialized subsidiaries. This approach respects the close relationship and the decision making capacities appreciated by clients and provides them with satisfying solutions in insurance, real estate, asset management, payment methods, factoring, leasing and many other services.

Groupe BPCE is also present in Central and Eastern Europe, in the Mediterranean basin, in Central Africa and in the Indian Ocean. The Group should gradually expand its international operations over time.

On the backdrop of the economic crisis and slowing consumer spending, Commercial Banking maintained strong momentum and increased market share. Commercial Banking represents 67% of the Group’s net banking income totaling €14.2 billion while net income came out at almost €1.9 billion.
No. 2 bank for individual customers  
(Source: OPERBAC 2008 CSA study)

No. 2 bank for self-employed professionals and entrepreneurs  
(Source: Pépites 2007-2008 CSA study)

No. 1 bank for SMEs, tradespersons and franchisees  
(Source: TNS Sofres 2009)

No. 1 bank for the social housing movement, the local public sector and the public health sector  
(Internal source)

No. 2 bank for real estate financing  
(Internal source)

No. 2 bank for the social economy  
(Internal source)
The Banque Populaire banks continued to develop their activity with individual customers, small businesses and corporates and made a net gain of 56,000 clients. Loan outstandings rose 2.5% to €139.8 billion\(^{(1)}\) due to an increase in demand in the second half. Customer savings and deposits rose 6.4% to €175.8 billion\(^{(1)}\). Net banking income totaled €5.9 billion\(^{(1)}\).

INDIVIDUAL CUSTOMERS

The Banque Populaire banks focused successfully on increasing services to active customers and acquiring new clients. The number of clients rose 0.7% reaching almost 6.4 million: over 3.3 million are active and over 1.4 million individual customers have their main account with the Banque Populaire network, i.e. a 1.7% increase over the year. *Simplidom*, a new service facilitating changes of address rolled out in 2009, helped bolster this trend.

NEW ADVANTAGES FOR YOUNG CUSTOMERS

The number of clients aged under 28 increased by 1.2% and now represents more than 22% of individual customers. The Banque Populaire network, which in 2008 was the first to sign an agreement enabling it to offer the Student loan guaranteed by the French State, is now the leading bank offering this product and has granted 4,000 loans totaling €30 million.

The website [www.banquedesetudiants.com](http://www.banquedesetudiants.com), launched in partnership with the LMDE (national student health insurance), was redesigned. Banque Populaire offers LMDE members solutions for financing their studies and for renting an apartment without needing a guarantee.

SAVINGS AND LIFE INSURANCE: CONFIRMED MOMENTUM

Individual customers’ demand deposits were up 5.3%. The year was primarily marked by the deregulation of distribution rights for *Livret A* savings accounts: 815,000 *Livrets A* were opened in the Banque Populaire network totaling €2.8 billion at December 31, 2009.

In the second half, as interest rates on liquid savings and the *Livret A* dropped, life insurance inflows were in line with that of *bancassureurs*. Over the full year, gross inflows rose 4% and net inflows increased by 77%. Deposits, up 10.5%, totaled more than €37 billion assets under management. €378 million were subscribed in unit-linked policies due to the success of the BFBP (Banque Fédérale des Banques Populaires) EMTN bond which brought in €112 million in life insurance in two months.

Several new guaranteed-capital funds were launched: *OptiZen*, *FructiZen* and *Izeis*. Subscriptions totaled €365 million.

The Banque Populaire network notched up a noteworthy performance by placing €227 million in EDF bonds between June 17 and July 6, 2009.

LOANS: INCREASE IN LOAN OUTSTANDINGS

Home loans and consumer credit dropped sharply in the first half although the Banque Populaire network had not changed its distribution policy. Over the year, new home loans dropped 25.3% while new consumer loans remained stable. Outstandings rose by 3.9% for home loans to €68.1 billion and by 2.7% for consumer loans to €72 billion at December 31, 2009.

\(^{(1)}\) Scope of consolidation: 20 Banque Populaire banks and their subsidiaries.
A new website, www.immobilier.banquepopulaire.fr, offers customers advice and enables them to simulate loans and repayments. Crédidom is now the brand of real estate loans.

**A PIONEER IN THE NEW ECO PTZ LOAN**

In line with its long-standing commitment to protect the environment, the Banque Populaire network was the first to offer the new Eco PTZ interest-free green loan, which enables homeowners to finance energy saving measures in their principal residence. This interest-free green loan can be contracted for 10 to 15 years for a maximum of €30,000 and is not subject to any earnings condition. To accompany the launch of the new product, the Banque Populaire banks printed an explanatory booklet in partnership with Point P (a French building supplies store) and the Confédération de l’artisanat et des petites entreprises du bâtiment, CAPEB (Confederation of Craftsmen and Small Building Contractors). 7,500 interest-free green loans were contracted in 2009, representing a 10% market share.

For personal loans, CASDEN Banque Populaire, serving employees from the French national education, research and culture sectors, widened its offer for seniors Départ à la retraite, a personal loan offering deferred repayments for pensioners up to 12 months.

**Créodis**, the revolving credit launched in 2008, was contracted by 116,800 new clients in 2009 for a total amount of €267 million. Total outstandings came out at €246 million at December 31, 2009 for a portfolio of 200,000 Créodis.

The number of bank cards grew by 4% and the total amount of consumer card payments increased by 2.9%. For a flat charge, debit card holders were offered a new service enabling them to pay certain items in three installments. Clients may terminate this service without incurring any extra costs. At December 31, 2009, eight Banque Populaire banks offered this service and 15,000 clients had subscribed to it.

**A NEW CHAPTER IN THE FAIRYTALE SAGA...**

After Cinderella and Snow White, it was Tom Thumb who was chosen to present the Banque Populaire’s innovative solution for young working people: Avance Premiers Salaires. This personal loan helps people aged 28 or younger to get off to a good start in their professional lives by offering them interest-free loans for amounts of up to two months of their salaries, repayable over a period of up to 24 months and costing just €1.

**BANQUE POPULAIRE “ELECTED FOR CUSTOMER SATISFACTION FOR THE YEAR 2010”**

Banque Populaire was again awarded the “Élu Service Client de l’année 2010” prize in the Banking category. This prize for customer satisfaction in 2010 is awarded on the basis of a survey conducted between May and July 2009 by the BVA and Viséo Conseil market research institutes using “mystery customers” who appraised the bank on criteria such as response times, the quality of the welcome reserved for customers and the personalization of contacts. With an overall mark of 14.36 out of 20, Banque Populaire exceeds the general average obtained by all industrial categories as a whole and took first place in the banking industry.

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PRIVATE BANKING

Private Banking customers include customers who own between €150,000 and €1 million and high net worth customers who own more than €1 million. It targets self-employed professionals and owners of SMEs and buy-to-let investors, in synergy with FONCIA. It offers its clients the expertise of 360 private banking account managers, around 40 wealth management engineers and, where necessary, the expertise of Banque Privée 1818, Groupe BPCE’s wealth management bank.

AN OFFENSIVE STRATEGY LEADING TO INCREASED INFLOWS

The Banque Populaire banks develop a wide range of services, which has recently been enhanced in various areas:

- advisory services relating to the French wealth tax, with more than 20,000 wealth tax statements issued in 2009, up from 6,000 in 2008;
- fiscal optimization, with a real estate investment trust (SCP\(^{(1)}\) Scellier) designed around the so-called Scellier law, a residential and industrial tax-shelter solution based on the Girardin law, and a full range of wealth tax-shelter products combining a property fund (FCPI\(^{(2)}\)) and a wealth tax holding company. A new tool calculates the impact of the capping of tax avoidance opportunities introduced in 2009 and enables client investments to be optimized;
- financial savings products with complex structured finance products, particularly in life insurance. Other short-term offers were made in relation to market conditions;
- tools aimed at fostering advisory services on the sale of businesses and, more broadly, help for customers as they build up, manage and pass on their wealth.

Clients are offered a monthly newsletter, a magazine – Synthèses – and a special website, www.gestionprivee.banquepopulaire.fr.

In 2009, the rate of financial savings inflows remained strong mainly invested in Natixis Assurances life insurance products. Assets under management totaled €38.8 billion at December 31, 2009.

(1) Société civile de placements immobiliers.
(2) Fonds commun de placement dans l’innovation.

SMALL BUSINESSES CLIENTS

With almost 950,000 small business clients, the Banque Populaire network works side by side with craftspeople and retailers serving as their main banker\(^{(3)}\), and with self-employed professionals, farmers and small service industries, supporting them from the start up to the sale of their business. One in three tradespersons and one in four shopkeepers are customers of the Banque Populaire banks. Out of a total of 360,000 tradespersons and shopkeepers as customers, 66% also have their personal account with a Banque Populaire bank\(^{(4)}\). The leading bank among both franchisees and franchisers, with penetration of 25% and 57% respectively\(^{(5)}\), and the third-largest bank among self-employed professionals with 100,000 customers\(^{(6)}\), it also has more than 61,000 farmers among its customers.

SUPPORTING CLIENTS SETTING UP OR BUYING SMALL BUSINESSES

Partner of the main networks assisting entrepreneurs and the leading distributor of business start-up loans, with a market share of 27.5%, the Banque Populaire network finances more than 70,000 projects every year and continues to support microloans to self-employed professionals. Together with the Réseau Entreprendre entrepreneurial network, the bank aims to increase sustainable development awareness amongst entrepreneurs and buyers of small businesses.

In 2009, the Banque Populaire banks together with Crédit Coopératif opened lines of credit totaling €20.5 million for the French association for the right to economic initiative Adie, helping a large number of self-employment projects. Since 2004, it has refinanced a total of more than €47 million, representing roughly 17,200 loans granted by Adie to people with plans for new businesses.

Thanks to its partnership with Socama (small business mutual guarantee companies) and the European Investment Fund, the Banque Populaire banks offer loans to entrepreneurs and buyers of small businesses without requiring a personal guarantee. More than 28,000 Socama loans were distributed in 2009, for a total of €765 million.

(3) Source: CSA Pépites 2008.
(4) Internal source.
AN ACTIVE PARTNERSHIP POLICY

The Banque Populaire banks work alongside CAPEB, a body for tradespersons and small businesses in the building industry, to support the work of tradespersons, especially via the ECO Artisan® scheme, to satisfy financing requirements and facilitate business transfers. Their advisors are active every year during the Semaine nationale de l’artisanat (national craftspeople week) and the Semaine nationale de la création reprise (national week for entrepreneurship).

In partnership with the Chamber of Commerce and Industry (CCI) for the Challenge Commerce et Services (Small Businesses Challenge), the Banque Populaire banks participate in training courses for future economic attachés of the CCI. The leading banks among both franchisees and franchisers, the Banque Populaire banks have an active policy of listing new franchise networks. Over 100 of them are able to offer their members privileged relationships with Banque Populaire branches. In 2009, the Banque Populaire banks worked on projects involving around 300 different brands via the national franchise structure.

It provides active support to young self-employed professionals to help them set up their practice, and has forged several partnerships with professional organizations such as the professional organization of physiotherapists in 2007, and that of nurses in 2009. Providing help with setting up business, an array of financing solutions, banking services, and an electronic banking package, the Atout Libéral range of services is regularly extended.

The Banque Populaire network also rounded out its offering of guarantees to very small enterprises by distributing products designed by SACCEF, a subsidiary of Natixis. These guarantees cover the financing of professional or mixed-use property purchases, for a number of specific customer categories including self-employed professionals and farmers, with three new SACCEF Agri guarantees rolled out in 2009. At December 31, 2009, volumes of loans to small businesses dropped slightly by 3%, down to €23 billion.

The Banque Populaire banks maintained at previous levels their distribution of employee savings solutions for very small enterprises with Fructi Duo, the first product designed specifically for this category. The number of contracts increased by 6% to 42,500, for total savings of almost €2 billion.

A LEADER IN ELECTRONIC PAYMENT SYSTEMS

With more than 50% of its customers equipped with bank cards and nearly 160,000 active contracts with shopkeepers as of end-December 2009, the Banque Populaire network is a leading player in payment systems for professionals. Its shopkeeper clients can now accept payments on the cards of China Union Pay, a leading global issuer.

In online retailing, the CyberPlus Paiement solution is one of the market leaders.

The Banque Populaire banks are also focusing on working with healthcare professionals, with devices that read the Sesam-Vitale cards issued by the French Health Service and accept payments by bankcard.

In 2009, a new tariff package for payment of fees by bank card was very successful: the number of new contracts rose by 71% year-on-year.
SMEs AND INSTITUTIONAL CLIENTS

Financing 38% of companies with over 10 employees\(^1\), the Banque Populaire banks confirm their leadership on this segment with 75,000 business clients, showing net growth of 5%. 160 business centers and 1,000 employees serve 172,000 entrepreneur clients of the Banque Populaire banks.

**LOANS SEE GROWTH**

Loans to businesses rose 3% to €29.6 billion in 2009. The leading partner of the OSEO agency for innovation, the Banque Populaire network maintained this partnership helping small businesses in areas of guarantees, financing and business start-ups.

The Banque Populaire network is the third loan provider for small businesses with sales between €1.5 million and €15 million\(^2\), It is also very active in receivables management with Natixis Factor, leasing with Natixis Lease, financing renewable energies with Natixis Energeco and cash management with the Natixis Global Asset Management’s range of products.

In 2009, the Banque Populaire banks launched a service enabling businesses to obtain a market guarantee online with the subsidiary Cegi.

They are the privileged distributor of Coface’s new Assurance Prospection which guarantees 100% of funds required for prospecting abroad if the budget does not exceed €100,000 per year.

As regards international development, companies wishing to invest in Morocco have been greatly aided by the co-financing and risk-sharing agreement signed at the end of 2008 with Banque Populaire du Maroc. This partnership could be reproduced in other Mediterranean and Asian countries.

**NEW SERVICES FOR INSTITUTIONS**

The Banque Populaire banks, including Crédit Coopératif dedicated to the social economy sector, are developing their positions with institutions and the regional public sector.

Supported by the expertise of the specialized subsidiaries of Groupe BPCE, they offer services to meet the new needs of these clients in a changing economic and regulatory environment, marked by decentralization and increased banking penetration for the regional public sector and by increased consolidation among mutual benefit societies.

(1) Source: TNS Sofres 2009.
(2) Source: Banque de France.
17% of French farmers are customers of the Banque Populaire banks

**€1 bn FOR FARMING, €600 m FOR THE FORESTS**
The Banque Populaire banks are actively involved in the French farm support plan to the tune of €1 billion, offering a range of low-interest loans designed to assist farmers left exposed by the 2009 economic crisis by allowing them to restore their working capital or consolidate their financial position. The Banque Populaire banks also distribute subsidized loans to forestry professionals within the framework of the global funding envelope of €600 m made available after the storm that devastated southwest France in January 2009.

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**# STARS & MÉTIERS AWARDS** This prize – organized in partnership with the Chambres des métiers et de l’artisanat (chambers of trade and craft industries) – is designed to pay public tribute to tradespersons for their outstanding achievements and exemplary success in the area of commercial dynamism, innovation and human resources management. In 2009, more than 2,000 application files were received and awards were presented to eight exceptional tradespersons.

* What if our tradespersons where the true stars of the economy?

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**# SPEED MEETING OF THE FRANCHISE INDUSTRY** This evening – which, from the very outset, has been jointly organized by the Banque Populaire banks and Adventi Franchise – is one of the only events dedicated to franchise network leaders. The 2009 meeting, organized in partnership with the Paris Chamber of Commerce and Industry and the Les Echos de la franchise.com website, allowed network heads and future franchisers to gather a maximum amount of professional information in the shortest possible time, to swap their experience and benefit from the advice of specialists from the Banque Populaire network.

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**www.assistancescolaire.banquepopulaire.fr**
This new website allows customers of the Banque Populaire network and their children to enjoy free access to online tutoring services for students from the beginning of primary school to the end of secondary school, the first time a service of this kind has been offered in the banking industry.

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**Banque Populaire keeps us in the picture**
In its capacity as the reference banking institution for the French cinema, Banque Populaire is present in all aspects of the cinematographic industry, from film production to the construction of movie theaters. In less than 10 years, it has helped finance more than 150 French films. The new www.cinema.banquepopulaire.fr website presents events and advantages related to the cinema.

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**7,500 interest-free green loans distributed**

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**70,000 projects for new business creation financed every year**

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Playing for the planet
Banque Populaire, a financial partner of green growth and the no. 1 bank for renewable energies and energy saving solutions, offers an educational game to heighten the general public’s awareness of different environmental challenges. Officially launched during the French Farming Exhibition, it attracted considerable attention during the Planète PME exhibition.
The Caisses d’Epargne showed strong commercial performance on virtually all the markets in which they are present in terms of increased banking penetration, cash flow solutions, deposits and loans. Loans rose 7.3% to €137.3 billion, while customer savings and deposits increased by 1.6% to €327 billion. Net banking income totaled €6.1 billion. Caisse d’Epargne accompanies its clients with all their projects: Retail Banking offers its services to individuals and small businesses, while Regional Development Banking serves regional public and private entities.

**RETAIL BANKING**

**INDIVIDUAL CUSTOMERS**

**Increased banking penetration**

Caisse d’Epargne is the only major French bank to pay interest on the demand deposit accounts of all its clients with a service package. Almost 5.2 million customers benefit from this, up 240,000 over the year.

4.5 million customers are also members of the multi-brand loyalty program *S’Miles*, which continues to be a success with more than 1 million loyalty gifts handed out to date. In 2009, individual customer demand deposits rose on average by 5% increasing the Caisse d’Epargne market share to over 9%.

**Livret A shows resilience and other savings products perform well**

The year saw the deregulation of distribution rights for *Livret A* savings accounts, but only around 1% of clients made transfers. The *Livret A* savings account was harder hit by lower interest rates on regulated savings accounts which led customers to move to other products.

Inflows for life insurance and PERP popular retirement savings plans rose by 140% totaling €4.2 billion. *Emprunts Ecureuil* brought in €2.1 billion and sales of the Caisses d’Epargne cooperative shares totaled €3 billion, almost four times the amount in 2008. This reflects the high level of confidence that long-standing Caisse d’Epargne customers have in their bank.

Caisse d’Epargne also placed €450 million of the EDF bond, 14% of the total.

Three new mutual funds were launched and, despite the capital markets crisis, Caisse d’Epargne UCITS volumes only dropped 13% totaling €15.7 billion at December 31, 2009.

**Loans: recovery in the second half for all products**

Caisse d’Epargne continued to strengthen positions in consumer finance. In a contracting market, new loans totaled €5.6 billion, up 2.5%.

Caisse d’Epargne signed an agreement with OSEO garantie to sell government-guaranteed loans for students. This guarantee fund is aimed at giving students easier access to bank loans. This solution is currently being rolled out in the Caisses d’Epargne. A new offer, *Prêt Pour Avancer*, is available for young people starting their careers; it consists of a loan of up to €7,000, to help them set up and become independent.
Caisse d’Epargne also promotes the Ecureuil Crédit Développement Durable (sustainable development loan), to finance energy saving initiatives in housing accommodation. Home loans experienced a difficult first half, but sales picked up in the second half. Business was mainly supported by the following two factors: first home ownership as the interest-free loans were doubled, and the so-called Scellier measures, which promoted buy-to-let investment.

New loans totaled €12.9 billion in 2009, compared with €13.8 billion in 2008. The Caisse d’Epargne’s market share for home loans exceeded 10% (1) with €72 billion at the end of 2009. The Caisse d’Epargne is the third leading distributor of the new interest-free éco-prêt (2) (green loan), set up in 2009 within the framework of the French government’s environmental policies to help finance thermal insulation in homes.

Private Banking: a new marketing structure

With more than 500 account managers, and 144,000 active clients, Private banking continued to show growth in 2009, providing strong inflows of financial savings totaling €2.3 billion in life insurance. Growth was mainly seen in the high-end life insurance Ecureuil Vie product Nuances Privilèges (+39%), and the Banque Privée 1818 wealth management offer. New products extended the range with a view to tax optimization, namely the wealth tax holding company set up by Vivéris Management, the wealth tax investment fund (FCPI ISF) run by Masseran Gestion and the Scellier law real estate investment trust managed by Ciloger Habitat, one of the market leaders. A new Private Banking section has been created on the Caisse d’Epargne website and Espaces Patrimoine (wealth management centers) have been created in three pilot Caisse d’Epargne to provide a better service for high net worth customers.

(1) Source: Banque de France.
(2) Source: SGFGAS.
In more general terms, 2009 saw the launch of a new structure aimed at providing special treatment for the Caisses d’Epargne’s 886,000 customers whose financial assets exceed €75,000. Specially trained wealth management account managers are dedicated to these customers for banking and wealth management matters. Customers whose financial assets exceed €150,000 are managed by 500 Caisse d’Epargne Private Banking account managers, working throughout the country. They also benefit from the expertise of Banque Privée 1818, the privileged partner to which selected Private Banking customers are channeled.

**SMALL BUSINESS CUSTOMERS**

Almost one in ten self-employed professionals are Caisse d’Epargne clients, representing over 220,000 craftspeople, shopkeepers, self-employed professionals and small companies. 75% of these are also individual customers. 1,500 branch managers and 1,100 account managers are specially trained and dedicated to serving small business customers.

Net banking income was up 6% to almost €400 million. Average daily demand deposits increased 6.5% to €2.5 billion, while electronic banking contracts rose 13%. New loan origination for professional clients rose 5% to €1.8 billion despite the crisis. New loans for small business customers with personal accounts totaled €1.2 billion. Net inflows, excluding the Livret A savings product, were positive. Net inflows totaled €205 million in life insurance while the subscription of members’ shares exceeded €100 million.

The savings banks continued to increase their market penetration in franchises and trade organizations and maintained annual growth of 12% on files transmitted to the Caisses d’Epargne.

Interest-bearing current accounts, service packages such as Franchise & Vous (Franchise & Yourself), the Visa Business card and innovative electronic banking solutions are driving increased banking penetration.

Whether it concerns business creation or business transfers, equipment loans, financial leasing or long-term rental, business clients have a complete range of products for financing their requirements in a simple and personalized way. Among the offers launched in 2009: a simplified overdraft facility of up to €7,500 and Facturea, a simple and flexible factoring solution. Designed together with Natixis Factor, it offers a flat rate based on the amounts transferred.

**NO.1 PARTNER IN THE LOCAL PRIVATE EQUITY MARKET**

The Caisses d’Epargne establish for their customers Local Investment Funds, Innovation Investment Funds and Venture Capital Funds. These funds invest in the seed capital, development capital and buy-in/buy-out segments of their local regions and, as such, contribute to their economic development. They are managed locally by teams of private equity specialists.
Regional Development Banking is aimed at all the decision-makers at regional level: businesses, property developers and builders, the public sector, and players in the social economy and social housing sectors. Regional Development Banking draws on expertise from across Groupe BPCE as a whole to meet client expectations. It has directly benefited from the increase in size following the amalgamation of individual Caisses d’Epargne enabling it to serve key regional accounts.

Regional Development Banking’s new business center format and its sales slogan “Regional decision-makers” embody the Group’s ambition to make Regional Development Banking the driving force of Commercial Banking. This new concept shows the Group’s intention to accompany regional economic development decision-makers and brings together Regional Development Banking sales skills in one place providing improved collective efficiency. It provides a very open structure revealing the user friendly and modern customer area. In 2009, nine business centers were refurbished based on this concept.

Business was strong due to increased banking penetration, with average demand deposits of €3.4 billion, up 15%. Deposit inflows totaled €818 million. Loan outstandings rose €6 billion despite shrinking demand.

CORPORATE CUSTOMERS

Caisse d’Epargne plays a role in the success of companies at a regional level. 300 account managers serve 27,800 clients. Over 3,600 companies joined Caisse d’Epargne in 2009. Despite a difficult context, the number of active clients rose 11% over the year. Loan outstandings totaled €5.7 billion (up 16%), deposits totaled €2.1 billion (up 4%), and transactions processed exceeded €43.8 billion.

EMPLOYEE SAVINGS SCHEMES: TAILOR-MADE SOLUTIONS

With Box Office, Perco & Co and Primissime, Caisse d’Epargne makes the investment and retirement planning advantages of employee savings schemes accessible to entities active in the social economy and their employees.

From payment processing and operating cycle management to employee benefit planning, from investment financing, the purchasing or selling of businesses to providing support for business owners, Caisse d’Epargne offers a comprehensive and competitive range of products tailored to client needs thanks to support from the Group’s specialized subsidiaries.

SOCIAL ECONOMY

Caisse d’Epargne strengthened its position throughout the social economy sector. New loans grew sharply, up 60% to exceed a total of €1 billion, while payment processing maintained growth: average daily demand deposit balances rose 11% to €1.3 billion. Account managers boosted sectorial expertise offering solutions tailored to the differentiated needs of their clients: corporate finance for mutual insurers, low-interest financing in the context of subsidies offered by the European Investment Bank (EIB) within its France Santé Solidarité funding envelope or funded by the Livret d’Epargne Populaire and the Livret Développement Durable popular savings and sustainable development passbook accounts.

Caisse d’Epargne also strengthened its ties with UNIOPSS(1), FEGAPEI(2) and FNOGEC(3).

One protected person in three is a Caisse d’Epargne customer, totaling around 284,000 at the end of 2009. In 60% of cases their accounts are managed by legal representatives – trusts, private managers or hospitals – and by a close friend or relation in 40% of cases. Assets managed totaled €5.7 billion, up 6% at

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(1) Union nationale interfédérale des œuvres et organismes privés sanitaires et sociaux (national federation of private health and social organizations).
(2) Fédération nationale des associations gestionnaires au service des personnes handicapées (national federation for the management of associations providing employment and services to mentally disabled persons).
(3) Fédération nationale des organismes de gestion de l’enseignement catholique (national federation of catholic education management).
December 31, 2009. In each region, Caisse d’Epargne offers protected persons, their families and their guardians, the support of dedicated teams, a tailor-made offer and Webprotexion, an account management service via Internet, facilitating account management for professional legal representatives or family guardians.

PUBLIC SECTOR
A major player in financing the regional public sector, public health and social services sector, the Caisse d’Epargne accompanied the economic recovery plan focused on local authorities in 2009. New loans totaled €12.3 billion comprised of €5 billion short-term and €7.2 billion medium- and long-term facilities. Medium- and long-term loan outstandings totaled €42.7 billion at December 31, 2009. Financing of public-private partnership projects totaled €641 million at the end of 2009. Debt management transactions totaled €2.6 billion, up sharply compared with 2008.

Caisse d’Epargne continued to distribute EIB subsidized resources to the public hospital sector (€150 million) and buildings designed in accordance with the criteria of high environmental quality (€350 million).

Automatic cash management, remote transmission, payment for services by Internet (canteens, school transport, etc.), payment for services by Cesu payment vouchers (aid for the elderly and the disabled, etc.), dedicated purchase cards..., the Caisses d’Epargne work side by side on a daily basis with the regional public sector.

Caisse d’Epargne provides 37,000 French town councils and 2,600 districts with a financial and socio-economic diagnosis and a reference document to facilitate budget discussions. With its Financial panorama of towns and districts (ADCF/Caisse d’Epargne), the Financial Barometer of towns and districts (AMF/ Caisse d’Epargne/CSA), the report on the financial impacts of a reform in regional organization (ADF/Caisse d’Epargne/KPMG), the Ecodéfi Forum, the Financial Day organized with the Association of Small French Towns, Caisse d’Epargne helps local authority and regional public institution decision-makers to anticipate the future, increase their knowledge and share information.

PROFESSIONAL REAL ESTATE
The Caisses d’Epargne are prime players in financing the professional real estate sector (builders, property developers, investors), strongly positioned throughout France, and showed initiative in 2009, adapting their business amidst the crisis. New real estate loans totaled €1.8 billion while loan outstandings and financial guarantees totaled €6.7 billion.

The Caisse d’Epargne specialists build close relationships with real estate professionals, a fact that was key to their success in developing projects and financing new real estate transactions, enabling the teams to fulfill their role as economic players in a troubled market.
SOCIAL HOUSING

A closer banking partnership
Caisse d’Epargne is the leading privately owned bank in the social housing sector, historically financed by deposits in Livret A savings accounts. It is itself a private social housing operator and also participates actively in the governance of more than 250 public and private social housing bodies.

In 2009, Caisse d’Epargne and Crédit Foncier obtained €2.2 billion in regulated PLS(1)/PSLA(2) home loan tenders from the French State, and used the first €125 million tranche of the European Investment Bank’s France Logement Social initiative, which helped them boost funding for social housing, the renovation and construction of which are encouraged by government stimulus.

WINNING COMBINATION

The Caisse d’Epargne Bretagne-Pays de Loire combined the France Logement Social and HEEQ(1) funding envelopes of the EIB to finance, under optimum conditions, the renovation and development of the social housing units of Angers Habitat.

FOCUS ON ENERGY SAVINGS

The social housing companies of Groupe BPCE are committed to reducing the energy consumption of their new and renovated housing units and are increasing the number of initiatives:

• 18 wooden-frame housing units for low-income families buying their first home in Douvrin (Nord département);
• 5 programs for low energy consumption buildings in the Provence-Alpes-Côte d’Azur and Languedoc-Roussillon regions;
• 2 nursing homes in Chanteloup-les-Vignes (Seine-et-Marne département) and Sin-le-Noble (Nord département) certified compliant with the Habitat et Environnement (H&E) label, and a host of experimental projects in the Nord-Pas de Calais region: domestic hot water heated by solar energy, creation of a photovoltaic power plant, cogeneration equipment, metal-frame houses, energy efficient passive housing, houses with a positive energy rating and eco-friendly neighborhoods.

These two players offer a full range of loans, including PLS, PSLA, PLI(3)), and a vast array of long-term financing to ensure the financial balance of certain operations. The Caisse d’Epargne and Crédit Foncier new medium- and long-term financing totaled nearly €2 billion resulting in loan outstandings of €9 billion at the end of 2009. Customer deposits outstanding totaled €5.6 billion, €3 billion of which are invested in Livret A savings accounts.

(1) High Energy and Environmental Quality.

(1) Prêt locatif social (regulated loans to build social housing).
(2) Prêt social location-accession (loans to facilitate home ownership by low income families).
(3) Prêt locatif intermédiaire (intermediate rental loans).
Social housing operator
Groupe BPCE is also a private social housing operator with GCE Habitat, Erilia and the Social Housing Enterprise subsidiaries of the Caisses d’Epargne, with more than 149,000 social housing units managed and production of around 4,000 new homes per year. The Group is also present in the field of semi-private companies with GCE Sem.

GCE Habitat and Erilia
GCE Habitat is the Group’s main social housing operator, managing a portfolio of 70,500 social housing units, up 1.5% over the previous year, including 68,200 family housing units and 2,300 beds in nursing homes. It carries out technical engineering and IT services for Social Housing Enterprises and semi-private companies, with 200 clients.

GCE Habitat groups together seven Social Housing Enterprises in two large geographic areas: Logirem group in the Provence-Alpes-Côte d’Azur, Corsica and Languedoc-Roussillon regions, and SIA group in the Nord-Pas de Calais, Picardie and Ile-de-France regions with Viléal Habitat. In 2009, new housing for rental or home ownership exceeded 1,900 units, up 29% compared with 2008. For better upstream management, Logirem and SIA have developed a new activity in the area of refurbishment.

Erilia manages 47,249 social housing units, retirement homes, student housing and accommodation for seasonal workers. It is present in the South of France, in the Rhône-Alpes region, on the Atlantic coast and in the Ile-de-France region. Highly active in the field of urban renewal, Erilia delivered 1,720 social housing units in 2009. It has 1,717 units under construction and a further 2,043 under renovation.

GCE Sem
A banking institution providing financing to local authorities and a private partner of local public companies, with equity investments in 50% of them and an investment of €150 million, Groupe BPCE is a major player in the semi-private company sector. GCE Sem is a shareholder in semi-private companies in the real estate and refurbishment sectors, urban renewal, social housing development and public-private transactions.

Three major projects were launched in Marseilles in 2009: the building of 22,000 square meters of social and intermediate housing as well as a hostel for disabled workers; a crèche and offices in the city’s 4th arrondissement; the Docks Libres project, in partnership with Nexity and Sogima, which includes social housing and a business village on the Euro Méditerranée site.

GCE Sem also accompanies local authorities and social housing owners in their renewable energy projects. GCE Sem assists them in drafting their social utility agreement and in determining their asset management strategy, or provides them with expertise in personal care services, with the DéFi Crèche childcare solution.

REMOTE MONITORING OF SENIOR CITIZENS
In the Nord-Pas de Calais region, elderly tenants of the Group’s social housing units can benefit from a remote monitoring system offered by the Caisses d’Epargne Foundation for Social Solidarity.
Almost €3 bn received from subscriptions for cooperative shares of the Caisse d’Epargne.

144,000 active private banking customers.

THE 2009 CAISSE D’EPARGNE OBSERVATOIRE

71% of French people say they “worry about the future of their children or grandchildren”; 58% admit they are “concerned about the future size of their pensions”; 44% of working people “fear that they will lose their jobs in the next two years”. This increase in anxiety emphasizes a growing divide between social groups and strengthens the ties of family solidarity. The building up of assets – and, notably, the ownership of one’s own home – is acquiring greater importance as a shield against the uncertainties of the future. These are some of the conclusions of the 2009 Caisse d’Epargne Observatoire, entitled Les “choix” des épargnants face à la crise (“The ‘choices’ of savers faced with the economic crisis”).

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FRANCE SANTÉ SOLIDARITÉ

This €175 m funding envelope provided by the EIB enables Caisse d’Epargne to provide low-interest loans to finance nursing homes providing care for elderly or disabled residents. A total of 77 projects to renovate, extend or build nursing homes have already been funded for a total of €140 m.

A MAJOR HOSPITAL CONSTRUCTION PROJECT IN CASTRES

This new inter-municipal hospital, the third of its type in the Midi-Pyrénées region, will meet the needs of 200,000 local inhabitants in 2010. Caisse d’Epargne Midi-Pyrénées is funding one half of the €145 m borrowed to finance this project costing a total of €160 m.

HEQ MIDDLE SCHOOLS

Caisse d’Epargne Nord France Europe and Crédit Foncier are financing nine HEQ (High Environmental Quality) projects planned by the Conseil Général du Nord (departmental council), including six middle schools. This €70 m financing solution enjoys low interest rates thanks to the HEEQ funding envelope provided by the EIB.

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University via a PPP

Caisse d’Epargne Ile-de-France is building the medical school of the University of Versailles-Saint-Quentin on the basis of a private-public partnership (PPP). This €36 m project is the third university PPP after Paris-7-Diderot, which was also awarded to Caisse d’Epargne Ile-de-France, and Paris-4.

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Wearing the colors of OM

This co-branded Visa card provides priority access to tickets for certain matches and a host of advantages from partners of the Olympique de Marseille soccer team. This initiative received a prize at the 2009 Top Com awards.

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€12.3 bn in new loans granted to the local government sector in 2009.
The other networks in France

In addition to its two large historical networks, and with a view to broadening its coverage, Groupe BPCE is present throughout France with both general and specialized networks, national and regional, all with the same aim of offering their clients first-rate tailored services.

CRÉDIT FONCIER

Crédit Foncier is the leading French bank specialized in real estate financing\(^1\). It works in close synergy with the Caisses d’Epargne network, serving individual customers, businesses, institutions, local authorities, public and private groups. Its subsidiary, Compagnie de Financement Foncier, is one of the world’s leading private bond issuers\(^1\).

Crédit Foncier showed its ability to meet the requirements of the economic recovery plan in 2009. Net banking income totaled €999 million, down 3.7% compared with 2008. Gross operating income came out at €414 million, stable at 0.2%.

INDIVIDUALS: FOCUS ON FIRST-TIME BUYERS

New loans to individual customers amounted to €7.7 billion down 7.1%, compared with a market decline of more than 15%. Total volumes of direct loans to individual customers stood at €46.1 billion at December 31, 2009 up 5.5% compared with 2008.

Crédit Foncier prioritized growth in the more active first-time-buyers segment, increasing market share from 6.2% to close to 11%. It reinforced its position on the interest-free loan segment with a market share of 23% and loans to low-income families (36% market share). New variable-rate, first-time-buyer and interest-free eco-loans were added to the range. It confirmed its position in the buy-to-let market driven by the Scellier law products. All loans have been redrafted to simplify them for home owners.

PUBLIC SECTOR: BUSINESS DEPRESSED... WITH THE EXCEPTION OF SOCIAL HOUSING

In social housing, new loans totaled €1.2 billion up 19.9%, and an additional €1.7 billion in commitments. Crédit Foncier focused on regulated loans, winning nearly 60% of loans offered by the government under the various schemes: prêts locatifs sociaux (PLS), prêts locatifs intermédiaires (PLI), and prêts sociaux location-accession (PSLA) (see notes on page 41).

In France’s regional public sector, demand remained stable in general, but at a high level for hospitals in particular. Crédit Foncier focused on refinancing offered by the European Investment Bank (EIB). New loans totaled €494 million. Interest-rate arbitrage transactions were carried out on existing debt totaling €1.7 billion, up 30%.

\(^{(1)}\) Internal source.

No. 1
distributor of loans to facilitate home-ownership for low-income families
On January 19, 2009, Crédit Foncier began distributing the new interest-free loans – boasting a twofold increase in its maximum ceiling – for the acquisition of new accommodation, announced by the French President on December 4, 2008.

New loans to local authorities outside of France totaled €2.5 billion, down 25.2%. Outstandings amounted to €15.8 billion at December 31, 2009 over 70% of which in Europe and 23% in North America.

PRIVATE PLAYERS: SELECTIVITY

In the depressed market of 2009, new loans to private players totaled €2.8 billion, down 27.5% compared with 2008, but better than the market overall. Loans to developers, investors and businesses focused on the best risks. New loans granted to private-public partnership totaled €589 million, down just 6.5%.

BOND MARKET: ROBUST ACTIVITY

Government-guaranteed issues allowed the bond market to reopen, while the European Central Bank’s repurchase agreements got the covered bonds market going again. With a volume of €60 billion, the ECB plan involves direct purchases on the primary and secondary markets for a year, until June 2010.

In a volatile market, Compagnie de Financement Foncier confirmed its leading position on covered bond markets, with a total of €15.8 billion issued.

Compagnie de Financement Foncier, rated AAA/Aaa/AAA (stable outlook), and Crédit Foncier, rated A/Aa3/A+, continued to secure refinancing for the Group. They raised €19.9 billion in 2009 compared with €8.5 billion in 2008. The average maturity of Compagnie de Financement Foncier’s issues has risen from 4.11 years in 2008 to 8.77 years in 2009, reflecting the confidence of leading investors in its name.
Banque Palatine helps the owners of large and medium sized companies manage their personal and business assets. It has 51 branches in France whose renovation is almost complete. Focused on gaining market share and improving profitability, Banque Palatine has maintained its upbeat development: 3 companies and 12 wealthy individuals opened an account with the bank every day throughout 2009. These new customers were mainly in the targeted area of companies which generate sales in excess of €15 million and business owners.

The bank also confirmed its leading position with property managers with almost 1,500 clients and market share close to 40%.

Loan outstandings for companies were up 6%, to €3.71 billion. New documentary credits rose 28%, exceeding €500 million. Financial inflows increased with deposits totaling €6.52 billion.

Its subsidiary Palatine Asset Management saw an increase of almost 17% in assets under management totaling over €5 billion at December 31, 2009.

Banque Palatine’s financial statements show sound risk management despite a tough environment. The bank’s cost/income ratio improved strongly to 65.6%. Net banking income was up 28% at €261.1 million, gross operating income totaled €89.8 million and net income came out at €19.3 million despite €35.6 million in impairments.

Organized with the La Tribune newspaper, BFM and the HEC Group, this prize illustrates the commitment of Banque Palatine in support of business leaders determined to realize their ambitions to the full. In 2009, a special Sustainable Development Prize was awarded to companies innovating in this area.
SOCIÉTÉ MARSEILLAISE DE CRÉDIT

Société Marseillaise de Crédit (SMC) – frequently referred to as “the Southern bank” – has over 140 branches in the south of France. Boasting a strong regional identity, the SMC builds its development upon a close individual relationship with its individual customers and small companies.

The SMC launched its Strategic Plan “SMC 2013, client-centered” which is characterized by its clear ambition to increase its client base, which gained 16,000 new customers in 2009. The bank also confirmed its support to entrepreneurs launching various initiatives, among which it became a founding member of Busibook.fr. Launched by the Marseille-Provence Chamber of Commerce and Industry and the Medef employers’ body in the Bouches-du-Rhône département, this is the first free social network on the Internet for entrepreneurs and managers.

Total deposits rose 3.2% to €3 billion. Financial outstandings dropped 1.7% to €2.5 billion due to low inflows, linked to uncertainty on the markets. Life funds were up 4.3% at €1.7 billion and new policies rose 14% better than the market overall which rose 12%. 60,000 Livret A savings accounts were opened adding an additional €180 million.

At December 31, 2009, customer loan outstandings totaled €2.5 billion, up 4.5%. Net banking income was up 2.4% on a like-for-like basis to €193.4 million, gross operating income totaled €59.3 million, and net income €38.6 million. The cost/income ratio came out at 69%.

“HOW CAN WE IMAGINE LIFE AFTER THE CRISIS?”

200 business leaders, decision-makers and academics were gathered by SMC for its Soirée des Economistes meeting devoted to the question “How can we imagine life after the crisis?”

CRÉDIT MARITIME MUTUEL

A cooperative bank serving all coastal and port-based economic players, Crédit Maritime’s corporate purpose makes it a preferred bank to support the implementation of the fishing and marine culture policy.

Crédit Maritime is affiliated to BPCE and its regional banks are backed by the Banque Populaire banks in coastal regions. In 2009, net banking income totaled €101.7 million, gross operating income came to €6.9 million and net income stood at €5.6 million.

THE OTHER BANKS

Groupe BPCE also has a network of regional banks, subsidiaries of regional Banque Populaire banks: Banque Chaix, Banque Dupuy, de Parseval, Banque Marze, Banque Pelletier, Banque de Savoie, Crédit Commercial du Sud-Ouest. These banks, enjoying a strong foothold in their regions, reinforce Groupe BPCE’s presence in dynamic regions in the South of France, particularly in Aquitaine, Languedoc-Roussillon and Rhône-Alpes.

Other banks with client or operational specificities round out the Group’s banking network: MA BANQUE, Banque BCP, Socram, SBE…
The overseas networks and international operations

From the outset, both Groupe Banque Populaire and Groupe Caisse d’Epargne had international activities via stakeholdings or subsidiaries in specific geographic regions: Central and Eastern Europe, Central Africa for one and the Mediterranean basin and overseas territories for the other. In addition to its current international network, Groupe BPCE intends to continue its international development in Commercial Banking by acquiring majority shareholdings in small or medium-sized banks, and targeting countries with strong growth and high banking penetration potential. A dedicated structure, to be called BPCE International et Outre-mer(1) will support all the Group’s international subsidiaries.

**VBI in Central and Eastern Europe**

24.5% owned by BPCE, Volksbank International AG (VBI) is present in nine Central and Eastern European countries. It operates 1.5 million accounts for individual customers and SMEs through a network of 582 branches. Net banking income totaled in the region the amount of €489.5 million and net income reached €33.3 million.

**BICEC and BCI in Central Africa**

Banque Internationale du Cameroun pour l’Epargne et le Crédit (BICEC) is the country’s leading bank and leading banking network with 29 branches. It has 215,000 individuals, professionals, associations, SMEs and large corporates as clients and operates over 300,000 accounts. A 61.2% owned Group subsidiary, NBI totaled €56 million and net income came out at €9 million.

Banque Commerciale Internationale (BCI) in Congo-Brazzaville, with its network of 16 branches accounts for half of the country’s banking branches, has almost 40,000 clients, mainly individual customers. Net banking income totaled €12 million and net income €2 million.

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(1) Subject to the necessary authorizations.
CARIGE IN ITALY

15% owned by BPCE, Carige (Caisse d’épargne de Gênes) has a strong presence in Northern Italy with a 22% market share and net banking income of more than €1 billion. Banca Carige employs 5,900 people in 1,000 branches and insurance outlets. The bank is primarily positioned on the individual customer and SME markets.

FINANCIÈRE OCÉOR OVERSEAS AND INTERNATIONAL BANKING

Financière Océor is comprised of 10 banks and a services division with subsidiaries specialized in tax-efficient solutions, financial engineering and leasing. In overseas territories, Océor is present in Guadeloupe, French Guiana, Martinique, Saint-Barthélemy, Saint-Martin, La Réunion, Mayotte, New Caledonia, French Polynesia, and Saint-Pierre-et-Miquelon.

The international banks are located in Mauritius (Banque des Mascareignes), in Tunisia (BTK), in Morocco (CIH – 23.8% owned) and Luxembourg (BCP Luxembourg – 50.1% owned). Océor also owns 40% of Fransabank France with Fransabank SAL. Financière Océor draws up and manages its growth strategy, and directs all operations.

In 2009, the subsidiaries in Saint-Pierre-et-Miquelon were merged. BTK and Banque des Mascareignes extended their network. BCP Luxembourg opened its first branch in Belgium. Over the year, Océor financed and arranged the new port cereal terminal, in La Réunion, in the form of a PPP, and financed photovoltaic power plants.

EURO-MEDITERRANEAN REGION: 20 CONCRETE PROJECTS

Financière Océor manages on behalf of the Group a consortium of 13 Euro-Mediterranean banks that includes the European Investment Bank and the French Development Agency (AFM). This consortium is pursuing 20 initiatives aimed at providing financing for SMEs and infrastructure projects and at making it easier for migrants to save money and transfer funds to their home countries.
Insurance is one of the chief growth drivers of the banking networks and Groupe BPCE is France’s second bancassureur(1). This core business line is built around specialized subsidiaries and partnerships with insurers who have developed expertise in their fields. The Group thereby satisfies the day-to-day needs of network customers, offering a wide range of life, non-life, provident and payment-protection insurance. Groupe BPCE is also present in personal-care services and payment vouchers, including prepaid Cesu vouchers for casual employees providing such services.

LIFE INSURANCE

ROBUST PERFORMANCE
Life insurance is the driving force in deposit gathering for the networks. Groupe BPCE can call on several companies to satisfy their needs and those of their clients.
• Groupe BPCE, together with La Poste, owns 35.5% of CNP Assurances, France’s leading personal insurer. CNP Assurances designs and manages life insurance policies distributed by the Caisses d’Epargne networks, with the support of Ecureuil Vie Développement, which coordinates the business.
• Natixis Assurances provides life insurance products via Assurances Banque Populaire Vie and Natixis Assurances Partenaires, for the Banque Populaire banks and independent financial advisors.
• Prépar Vie is the subsidiary dedicated to BRED Banque Populaire.

2009 was a good year for life insurance, which remains “France’s preferred investment product”. Low short-term rates favored gross inflows, up 12%, and mitigated withdrawals, resulting in a net inflow up 80% in France. Groupe BPCE networks performed better still, with gross inflows in excess of €14.1 billion, up 22%, and net inflows over €5.6 billion. In addition, two BPCE bonds were placed in unit-linked policies and distributed by the Banque Populaire and Caisse d’Epargne networks.

In April 2009, the Caisses d’Epargne successfully launched the Livret Assurance Vie passbook account in response to the demand for secure savings schemes and attractive returns amidst strong volatility. Products marketed throughout the spring and autumn satisfied both these criteria, offering a product denominated solely in euros exempt from purchase fees. The Banque Populaire banks seized a market opportunity and marketed a zero coupon bond in unit-linked life insurance policies offered by Natixis Assurances.

NON-LIFE AND PROVIDENT INSURANCE

SUSTAINED GROWTH
Non-life and provident insurance include car, home, legal protection, accident, medical and health, and invalidity insurance, and provident insurance for professionals in addition to collective provident, health and retirement insurance.

The Group’s main structures are Natixis Assurances, in partnership with MAAF in non-life insurance, and GCE Assurances, in partnership with the Macif and MAIF mutual insurance companies.

GCE Assurances, whose products are distributed by the Caisses d’Epargne and Crédit Foncier, manages a portfolio of more than 2.1 million non-life and health contracts. Its new car insurance

(1) Source: FFSA/G11.
policy *Mon Auto & Moi* launched in May 2009 met with great success. This insurance offers four all-inclusive policies tailored to suit the specific needs of each type of customer. This new offer boosted car insurance sales by 20%.

GCE Assurances total sales came out at €440 million, up 8.2% on the previous year.

Natixis Assurances non-life lines also performed well in the Banque Populaire banks network and FONCIA with sales totaling €202 million, up 3.3%. The *MR Privilège* comprehensive home insurance product offered to FONCIA tenants recorded strong growth, as did comprehensive insurance for craftspeople and shopkeepers.

Regarding provident insurance for individual and small business customers, premiums issued by Natixis Assurances totaled €166 million, up 11%. The three main provident insurance products *Fructi-Famille* death insurance, *MAV* accident insurance, and *Autonomis* invalidity insurance performed well.

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### AUTONOMIS, A LABEL OF EXCELLENCE

There are currently 800,000 dependent individuals in France and the INSEE statistics agency estimates that their total will rise to 1,200,000 by 2040. The management of dependency is one of the major challenges facing contemporary societies.

Fully aware of this trend, Natixis Assurances has forged a partnership with France Domicile and UNA, the no. 1 French network providing aid, care and domestic services, to expand the scope of its *Autonomis* dependency-insurance contracts with a range of innovative services for dependent individuals and their family circle. Distributed by the Banque Populaire banks, *Autonomis nouvelle génération* was awarded a positive review by the *Dossiers de l’Epargne* magazine.

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### AT THE SERVICE OF POLICYHOLDERS

The Klaus storm that devastated parts of France in January 2009 led to more than 8,400 claims being filed in a very short period of time. The organization set up by the Group’s entities to centralize the management of these claims worked perfectly and made it possible to process requests extremely quickly. A toll-free number was made available within 24 hours, the compensation processes were simplified and the related rules were relaxed with the waiver of certain deductibles.

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### PAYMENT-PROTECTION INSURANCE AND GUARANTEES

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### GROWTH IN BUSINESS ACTIVITIES

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 businesses.

- Natixis Assurances works alongside CNP Assurances in payment-protection insurance for the Caisses d’Epargne and the Banque Populaire banks customers.
- Compagnie Européenne de Garantie et Cautions, a Natixis subsidiary, is the second-largest player in the French market for loan guarantees (2).

The percentage of loans offered by CNP Assurances or Natixis Assurances has increased in the Banque Populaire and Caisse d’Epargne networks, in a changing regulatory environment: regulations imposing the separation of loans and insurance is expected in 2010. Against this backdrop, a new offer, *Ecureuil ADE Services*, was tested in certain Caisses d’Epargne and will be rolled out in 2010. A similar offer will be launched in the Banque Populaire network in 2010.

New property guarantee insurance was up 13% in the Caisse d’Epargne network due to much higher penetration.

(2) Internal source.
Corporate and Investment Banking, Investment Solutions and Specialized Financial Services

Natixis is Groupe BPCE’s investment bank, serving large companies, institutional investors and the public sector. It also offers solutions for individual customers, professionals and SMEs from Groupe BPCE networks with which it works in cooperation.

In 2009, Natixis simplified its governance and carried out an in-depth review of its business. In September, it launched New Deal, a new Strategic Plan for 2009-2012, focused on clients, a lower risk profile and three main business lines:
• Corporate and Investment Banking (CIB): Natixis is Groupe BPCE’s investment bank;
• Investment Solutions, including asset management, insurance and private banking: Natixis is one of the top 20 global asset managers and aims to reinforce its positions;
• Specialized Financial Services (SFS): Natixis offers retail bank networks solutions, which are designed and managed industrially.

Several transverse projects have been launched to optimize support functions, develop synergies with the networks and increase cross sales between Group entities.

Natixis continues the goal of restoring its activities to health. Net banking income of continuing activities totaled €5.5 billion, with net income recording positive results in the second half of the year. Listed on Euronext Paris, Natixis had a robust financial structure at December 31, 2009 with Tier-1 capital of €12.7 billion, Tier-1 ratio of 9.1% and good long-term ratings: A+ (stable outlook) for Standard & Poor’s and Fitch Ratings, Aa3 (stable outlook) for Moody’s.
No. 1 bookrunner on euro primary bond issues for French triple-A issuers  
(Source: Dealogic 2009)

No. 1 in the “solidarity-based asset management” market France  
(Source: Finansol 2009)

No. 1 for SRI employee savings schemes  
(Source: CIES)

No. 2 for real estate leasing in France  
(Source: Natixis research)

No. 3 for factoring in France  
(Source: ASF)
Corporate and Investment Banking

Natixis accompanies its clients in their day-to-day business, their development, their investment strategy and risk management, in determining and designing financing solutions.

Thanks to its position in Commercial Banking, Natixis builds close relationships with its clients. The expertise of its teams and the quality of its award-winning research allow Natixis to tailor solutions to its clients’ needs in France and internationally within a risk-managed framework.

In 2009, CIB activities recorded net banking income of €2,561 million and €3,243 million excluding the impact of the Credit Portfolio Management¹.

COMMERCIAL BANKING

Natixis boasts more than 2,000 large European companies amongst its clients, almost 1,000 institutional investors, including 300 key accounts based in Europe, and 700 international banks.

Commercial Banking includes conventional financing, cash-flow solutions and M&A advisory services.

NATIXIS: A MAJOR PLAYER IN THE BOND MARKET

Natixis – the no. 1 player worldwide for issues of covered bonds in excess of €1 billion¹ – managed 42 issues of this type in 2009 including those launched by ABN AMRO NV, BNP Paribas Home Loan, Deutsche Bank, Société Générale SCF, Unicredit, and Bank of Ireland.

With Christian Dior, Rallye, Lagardère, Air France/KLM, Havas, etc., Natixis has also managed virtually all the bond issues launched by unrated French companies and played a leading role for bond issues launched by local authorities. What is more, the bank enjoyed front-ranking status as the bookrunner for AAA-rated French issuers of euro-denominated bonds² (government agencies and local authorities).

¹ Source: The Cover.
² Source: Dealogic.

¹ The Credit Portfolio Management activity pursued by Natixis chiefly concerns steps taken to comply with the major risks ratio by acquiring hedging for the bank’s major counterparties, the release of weighted average outstandings below the ROE threshold fixed by the senior management team, the active management of concentration risks (single name, sector-based or geographic hedging) and the pursuit of strategies designed to reduce the volatility of mark-to-market instruments.
CAPITAL MARKETS

These activities cover equity, fixed income, credit, currency and commodities markets. 2009 was marked by high profitability, particularly in fixed income, credit, and treasury in an environment of increased standardization in capital markets. Focus was placed on cutting costs sharply and reducing risks significantly (outstandings reduced by 25%, VaR reduced from €37 million to €10 million). Capital Markets rethought their supply strategy on equity markets, moving from a multi-niche strategy towards an extended offer of integrated products, to take into account clients’ changing demands.

STRUCTURED FINANCE

Natixis has developed renowned expertise in several specialized fields: export loans, project finance, aviation, commodities, energy, acquisitions and strategic finance, syndication and securitization.

In 2009, the Debt and Finance business focused on high value added positions such as arranger and advisory services. It continued to be selective in its commitments and maintained strict risk management.

In 2009, Debt and Finance also reorganized its five global business lines to create significant sized divisions joining together similar skills, organized as independent profit centers with a clearly defined strategy: commodity finance, asset finance and international trade finance, real estate finance, strategic finance and acquisitions, syndication and securitization.

THE 34 DEALS OF THE YEAR OF NATIXIS

34 Deals of the Year in the project, commodity, structured export, shipping and aviation finance fields, e.g. Astoria II, Senoko, Shuweihat 2, Acciona Renovables, Minera Esperanza, Tullow Oil, Kogas, Eskom, etc.

(Source: Project Finance International, Project Finance Magazine, Global Trade Review, Jane’s Transport Finance.)
This division joins together three discretionary asset management business lines: asset management, insurance and private banking. Together or separately, they propose global solutions to private and institutional clients in investment and risk management.

**ASSET MANAGEMENT**

Natixis Global Asset Management has adopted a multi-boutique organizational structure and includes some 20 asset management firms using a wide range of investment approaches. Its global distribution structure provides it with a strong presence in Europe, the United States, the Asia-Pacific region and the Middle East.

In 2009, Natixis Global Asset Management showed a robust recovery with assets under management up 14% to €505.2 billion, and an increase in net inflows in Europe and the United States.

In addition, Natixis Global Asset Management opened a sales office in Taipei to strengthen its presence in Asia.

**INSURANCE**

Natixis Assurances designs and manages a comprehensive range of individual and collective life insurance, health and benefit protection insurance and non-life insurance products. It is present internationally in partnership with local banks.

It manages almost 1.3 million individual and group life insurance contracts and 795,000 non-life contracts.

Life insurance volumes totaled €33.4 billion, up 8% compared with December 31, 2008. Life insurance sales rose 14% over the year at €3.6 billion, outstripping the market. In health and benefit protection insurance strong sales continued in the networks with revenues up 24%. Unit-linked products accounted for more than 15% of total life insurance sales.

**PRIVATE BANKING**

Private banking in France is provided by Banque Privée 1818, born from the merger in 2009 of Banque Privée Saint Dominique and Compagnie 1818 – Banquiers Privés –, and by Natixis Private Banking International in Europe. Private banking offers financial and wealth management solutions to suit the needs of major private investors, particularly entrepreneurs and managers.

It serves its own customers and offers its services to the Groupe BPCE network and independent asset management advisors.

In addition, 1818 Partenaires, a subsidiary of Banque Privée 1818, is the second largest multi-product platform in France for independent wealth management professionals.

With €14.6 billion assets under management at December 31, 2009, Natixis is one of France’s key private banks.
Specialized Financial Services brings together seven divisions, which enable the banking network to offer their clients a wide range of services and specific financial products. From product design to transaction management, the bank’s offers are based on an industrial logic. Throughout all businesses, this large-scale logic offers clients cutting edge expertise and high-end competitive products.

Developed for Groupe BPCE banks and their clients, these solutions also meet the needs of other large banking networks and financial institutions.

In 2009, Specialized Financial Services showed good resilience with net banking income totaling €214 million. After a year penalized by the deterioration in the economic environment, particularly in the first half, net banking income for specialized financing was up 5% in the fourth quarter at €108 million, while financial services rose by only 2% at €106 million.

Specialized Financial Services focused its development over the year on optimizing transactions with the Groupe BPCE networks and investing in IT.

The EuroTitres department is responsible for retail custody private banking and administrative management. With close to 3.4 million securities accounts, it is the leading sub-contractor in its field in France.

Natixis Paiements manages all types of national, European and international, interbank and card payments and payment transactions. It is the third electronic banking operator in France managing over 6 million cards. In 2009, Natixis Paiements treated 3.9 billion transactions. In 2009, this business developed three new platforms for its clients using cutting edge technology: SystemPay (e-commerce and remote selling payments), Prepaid Anywhere (management platform for all types of prepaid bank cards) and Brand’it Yourself (a process for creating personalized cards).

Natixis Interépargne and Natixis Intertitres, specialized in employee benefits planning, offer a comprehensive range of employee savings solutions, employee share ownership schemes, retirement and health and benefit protection insurance products, and special payment vouchers.

Natixis Interépargne is the leading employee savings manager in France, managing a total of €17.4 billion at December 31, 2009. Natixis Intertitres issued over 70 million special payment vouchers in 2009 for over 22,000 companies and local authorities.

In 2009, several employee benefit products were welcomed by customers: incentive plans for small business customers of the Banque Populaire network, employee savings solutions for SMEs and self-employed professionals banking with the Caisse d’Epargne network. New e-services were developed for employees in employee savings schemes.

No. 3 electronic banking operator in France
Source: Natixis research.

No. 1 employee savings schemes in France
Source: AFG.

(1) Source: Natixis research.
SPECIALIZED FINANCING

Compagnie Européenne de Garanties et Cautions works on several markets. It has strong positions in real estate with borrowers, professionals, property managers and realtors. Volumes of guarantees totaled €58 billion at December 31, 2009.

Natixis Factor offers all types of solutions in receivables management: credit insurance to cover past-due payments, factoring to speed up recovery of due payments, company information to assess solvency. In 2009, Natixis Factor invested in a new production process to develop current services, ensure quick turnaround time in creating new products which are even better adapted to each business segment or client segment and to improve customer relationships.

Natixis Lease offers lease finance products for real estate and non-real estate investments: leasing, operating leases, long-term rentals, etc. In 2009, leasing offers marketed by the regional banks of Groupe BPCE (Société Marseillaise de Crédit, Crédit Commercial du Sud-Ouest, Banque Chaix, Banque Dupuy, de Parseval, Banque Marze, Banque Pelletier and Banque de Savoie) recorded very encouraging net income for the year (close to €30 million in new non-real estate leases). Natixis Lease managed 90,000 contracts for a total of €8 billion at December 31, 2009.

Natixis Financement offers revolving credit and manages consumer loans. In 2009, two new customer service centers were opened in Guadeloupe and in La Réunion responsible for granting loans, after-sales service and payment recovery. Consumer finance created Liveo for customers from overseas territories, which is similar to the Caisses d’Epargne revolving credit product Teoz launched in October 2009. Volumes of revolving credit totaled €1.3 billion while volumes of consumer loans managed administratively totaled €7.3 billion at December 31, 2009.
77,000 m² of solar roofs in Perpignan

Installed on the roofs of the Saint-Charles International market in Perpignan, these photovoltaic roofs will produce, starting in 2011, an annual total of 11 MWh representing 10% of the amount of electricity consumed by the city of Perpignan.

The €55 m project is being financed for up to one third by Natixis, for €10 m by the Banque Populaire du Sud, the long-standing partner of this market, with the balance provided by dozen regional Banque Populaire banks.

Working to combat the crisis with the Western Loire region

Natixis structured and managed the bond issue launched in 2009 by the Western Loire region in pursuit of its program to combat the effects of the economic crisis.

The Banque Populaire and Caisse d’Epargne networks successfully combined their efforts to place this bond issue with its customers based in the region.

This issue forms part of the regional economic recovery plan worth a total of €259 m that includes, in particular, the construction of four high schools, apprenticeship centers and transport infrastructures.

### €4.5 bn MANAGED UNDER SRI CRITERIA

Natixis Asset Management ranks among the leading entities in France and Europe specializing in socially responsible investment and solidarity-based asset management with a total of €4.5 bn managed under SRI criteria and 14 investment funds obtaining the SRI Novethic label in 2009.

Natixis Interépargne, for its part, is the leading player for employee savings managed in line with SRI criteria.

### LAND MINES: NATIXIS MAKES A TANGIBLE COMMITMENT

Natixis refuses to finance or invest on its own behalf or on behalf of third parties in companies involved in the manufacture, sale and storage of land mines and cluster bombs.

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2009 NET BANKING INCOME
OF NATIXIS\(^1\): €5.5 bn

| CIB | €2,561 m |
| INVESTMENT SOLUTIONS | €1,540 m |
| SFS | €841 m |
| EQUITY INTERESTS AND OTHER | €562 m |

\(1\) Excluding the GAPC workout portfolio, net income from discontinued operations and net restructuring costs.

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IMPACT

In 1984, the launch by Natixis Asset Management of its first solidarity-based investment fund – the Natixis Impact Nord-Sud Développement mutual fund – enabled Natixis to position itself in the world of finance as a pioneer in socially responsible investment (SRI).

This mutual fund is invested in bonds issued by institutions such as the World Bank or the European Development Bank, in bonds issued by emerging nations and in companies specializing in microcredit solutions. These investments help to promote sustainable development in emerging economies.

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22,000 employees in 68 countries
Equity investments

The equity investments of Groupe BPCE are comprised of the Group’s interests in Nexity, FONCIA, Maisons France Confort, and Eurosic along with the equity interests of Natixis in Coface and Natixis Private Equity.

REAL ESTATE SERVICES

Against the backdrop of the difficult economic environment, Nexity, FONCIA, Maisons France Confort and Eurosic showed good resilience. Several of them gained market share, seizing opportunities offered by increased demand from first-time buyers and individual investors supported by government stimulus. With more than 300,000 new builds in 2009, the recovery in the new housing market is underway and sales of existing homes also recovered well in the second half.

Despite the crisis, real estate is a key issue for the French. The major lack in new homes, reduced purchasing power, household solvency and access to credit and *Grenelle Environnement* requirements are all opportunities for creating suitable and innovative solutions.

The Group’s broad expertise in real estate enable it to develop attractive integrated products in line with the multi-channel distribution strategy of BPCE’s Commercial Banking division.

NEXITY

Nexity covers all aspects of real estate services for private individuals, companies and local authorities. Leader in the different segments of the real estate market: property development (homes, housing estates, offices, shops or businesses) individual and business services, realtor branch networks, asset management and urban renewal, Nexity provides a comprehensive solution to customers’ needs throughout France. Nexity is also present in Europe.

Robust activity in new homes

Activity in new homes picked up, off-plan sales were up 44% in France at 13,013 units (including 10,808 new homes and 2,205 building plots), driven by the stimulus provided by the French government, the so-called Scellier scheme to encourage investment in rental property, doubling of interest-free loans to first-home buyers, the PASS-FONCIER® scheme for new home ownership, and the drop in interest rates. Nexity has taken advantage of increased demand from individual investors and first-time buyers due to its offer focused on compact homes in large cities.

In the office real estate sector, new developments have not yet benefited from the gradual improvement in investment, and net orders remained limited.

In the services sector, the number of residential units under management remained stable at almost 970,000. Office space under management totaled 8.4 million m². In the distribution sector, the number of franchised realtors stabilized in the second half of the year, totaling 1,405 branches at December 31, 2009.

Thanks to its diversified economic model and boosted by its services business which proved resilient despite the downturn in the market, Nexity’s sales were up 6% in 2009 at €2.8 billion, operating income came out at €206 million, with a operating margin of 7.3%.
In 2009, Nexity reviewed its organization to improve customer relationship. Nexity created a Business Development and Organization division to boost growth, confirm market positions, and promote synergies. This division centralizes all organic and external growth transactions. It also accompanies new project launches in France and internationally, partnerships and joint ventures with the Group’s subsidiaries.

Nexity has created a Strategic Marketing division to take into account clients’ global demand, and to develop new offers for individual customers, companies and local authorities.

Sustainable Development Division reports to General Management. To pool together and coordinate property development and rental management skills, the Director of the Social Housing division is now responsible for managed residences (service residences, retirement homes, student residences) supported by Nexity-Patrimoine for property development and by Lamy-Résidences for management.

**FONCIA**

FONCIA is specialized in residential property management and transactions with 508 integrated and 101 franchised branches at December 31, 2009. Its network works closely with the Banque Populaire network, particularly for the cross-selling of loans and comprehensive home insurance for tenants, loans for real estate owners, and selection of high quality rental properties for high-net-worth customers.

FONCIA sales totaled €543 million, up 3.5% compared with the previous year. This reflects the robustness of FONCIA’s business model, with 85% of its business being recurrent: rental management with 274,000 properties under management and residential building management services with over 1 million properties. Sales volumes totaled 11,200 in 2009.

**MAISONS FRANCE CONFORT**

Maisons France Confort, whose holding company MFC PI is 49% owned by Groupe BPCE, is one of the leading builders of single-family homes in France. Market conditions pushed new builds down about 30%, partially offset by shorter building times.
Demand nevertheless picked up strongly in the second half. 6,123 orders were placed by December 31, 2009, up 19% compared with 2008, with around 15% of these sales driven by the PASS-FONCIER® scheme.

Sales totaled €395 million, down 21% compared with 2008, but Maisons France Confort’s quick turnaround and flexibility (86% of its costs are variable), enabled it to maintain positive operating profit of 4%.

**EUROSIc**

Eurosic is a listed real estate company. It owns more than 150,000 m² of office space in Paris and the Greater Paris region, including Groupe BPCE’s headquarters. It also owns leisure properties managed by Center Parcs and Club Med, and refrigerated warehouses. Significant transactions in 2009 include completion of the Quai 33 tower in La Défense (22,500 m²) and the Jazz tower in Boulogne-Billancourt (7,500 m²), completion of a data center (3,900 m²) and the development of a new office building (8,700 m²) in Lille-Seclin.

Rental income was up 5.9% at €81 million in 2009 due to favorable indexation. Rental on office space accounted for 53% of the total, leisure facilities 26%, business parks 16% and logistics 5%.

**RECEIVABLES MANAGEMENT AND PRIVATE EQUITY**

**COFACE**

Coface facilitates exchanges between companies worldwide offering four receivables management tools: credit insurance, factoring, company information and ratings, and receivables management. In France, Coface is also responsible for managing public export guarantees on behalf of the French State. Coface has 6,700 employees in 67 countries serving 130,000 companies, including 45% of the top 500 global corporates. In 2009, Coface launched a new global IT application, which manages all its credit insurance risks, in France and in all the countries where it is present.

**NATIXIS PRIVATE EQUITY**

Natixis Private Equity is active in all areas of private equity: venture capital, expansion capital, buy-in and buy-out, and funds of funds. At December 31, 2009, it held a portfolio of over 600 equity investments and managed €4.4 billion.

In a view to sell its proprietary trading private equity business in France, Natixis confirmed in a press release dated April 20, 2010, that it had concluded a draft agreement with Axa Private Equity. Axa Private Equity confirmed its offer dated February 14, in which the global value of the portfolio is evaluated at €534 million. This draft agreement will be submitted to the employee representative bodies and the Board of Directors of Natixis Private Equity for approval.

**ENERGY EFFICIENCY ACCESSIBLE TO ALL**

Maisons France Confort is promoting three energy efficient solutions with its industrialized Maison Performance range that enables customers to acquire houses for less than €100,000 that comply with the 2012 Low Consumption Building thermal regulation.
Focus on quality and efficiency

Quality of advice, outstanding service and customer relations, operational efficiency, close management of risks: all Groupe BPCE entities share these objectives. In 2009, more than three hundred senior executives spent five months working on the Group’s Strategic Plan. One hundred and ten projects have already been launched. The process is gathering momentum.

SATISFYING CUSTOMERS

Satisfying customers through impeccable quality of service, providing even better consultancy services and strengthening customer relations are core elements of the Group’s Strategic Plan. On behalf of all the Group’s brands, BPCE has been tasked with taking account of all major market changes and launching joint projects associated with these developments in the area of strategic marketing, customer relationship channels, sustainable development, payment methods strategy, relations in the Commercial Banking marketplace, and quality.

Methods for measuring customer satisfaction are being unified to provide a single common resource for use by the Banque Populaire banks and the Caisses d’Epargne. The first joint results will be published at the end of the first half of 2010.

QUALITY, STRATEGIC MARKETING AND INNOVATION

BPCE’s Quality Department was actively involved in discussions related to the Group’s Strategic Plan in order to represent the customer’s voice and to set the quality priorities for the next few years.

The implementation of the quality tools and systems developed over previous years for the two retail networks continued. For the Caisses d’Epargne, this led to the inclusion of new indicators in the national retail banking “barometer” survey process, in particular relating to customer loyalty and the extension of access to banking services. In 2010, the new Crescendo multi-channel platform will provide the Group with more information on customers, in particular on the use of the distribution channels.

For the Banque Populaire banks, the rollout of the customer relationship management (CRM) system was completed in 2009, accompanied by the creation of a national direct marketing platform. This means that the regional Banque Populaire banks can be provided with customized, turnkey solutions, including the regional CRM dimension.

A joint image survey system has been introduced for all Group brands (Banque Populaire, Caisse d’Epargne, Natixis, BPCE). It will be used to gauge the position enjoyed by the brands compared with their competitors, and to measure changes over time.

A team at BPCE has been made responsible for technological intelligence, and for putting forward and running projects to help the networks improve their distribution channels. One key project it is coordinating is Nice sans contact. In this pilot project, customers of the Banque Populaire and Caisse d’Epargne in the Côte d’Azur are being given contactless smart cards for small amounts, while shopkeepers are equipped with matching contactless payment terminals. This technology will prepare the ground for payments by mobile phone.
Focus on quality and efficiency

Providing the Group’s businesses with optimum quality of service at the lowest cost is essential for enhancing operational efficiency. Groupe BPCE’s objective is to save €1 billion per full year by 2013 (baseline: 2008 costs).

Information systems, banking production, organization and purchasing should provide savings of €885 million over the period running from 2010-2013. 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 infrastructures and information systems, from synergies between activities at national or regional level, and from the sharing of best practices. Teams in the central institution’s Operations Division are working to identify the most efficient practices and processes, so that they can be extended to the Group as a whole. The process is gathering momentum: savings of €137 million were achieved in 2009.

**PURCHASING**

Purchasing accounts for more than €3 billion and covers four major areas: technologies, banking production, real estate and general procurement. The Group’s Purchasing Department negotiates selective partnerships with the main regional and national suppliers and service providers. Innovation is at the heart of relations with these major partners, with the aim of developing mutually profitable, long-term collaborations. More than 500 Group contracts have so far been negotiated, under which each business receives preferential purchasing terms.

**I-DATECH: A NEW GROUP ENTITY FOR CHECK PROCESSING**

Back in 2003, the Caisse d’Epargne Alsace, the Caisse d’Epargne Bourgogne Franche-Comté and the Caisse d’Epargne Lorraine Champagne-Ardenne set up an economic interest group to conduct their document-handling processes (checks, desktop publishing and digitization). The Banque Populaire d’Alsace, the Banque Populaire Lorraine Champagne and the Banque Populaire Bourgogne Franche-Comté, for their part, wanted to outsource this activity. With the creation of I-datech, therefore, Groupe BPCE is launching its first industrial partnership for processing checks between the Banque Populaire banks and the Caisse d’Epargne.

The first Group-wide price agreements represent total full-year savings of €18 million. The improvements made in 2009 generated savings of €58 million.

A new entity comprising the procurement teams of the two original groups will be set up in 2010.

**BANKING PRODUCTION**

Cooperation quickly got underway. Two examples are the establishment of a single Group-wide payment operator and a common check-handling center by the three Banque Populaire banks and three Caisses d’Epargne in eastern France. A project to identify best practices and processes has been initiated in each of the big networks. A first national meeting on electronic cash transfer was organized with Natixis Paiements and the Caisse d’Epargne and Banque Populaire networks on the topic of “E-money is on the move; let’s move with it.”
BPCE’s Information Systems Department was set up following the merger of the central teams of Banque Populaire and Caisse d’Epargne.

The two existing information systems (IS) were mapped, and close consultations were held with the business line management teams, to decide which applications would be retained in BPCE’s future information system.

The convergence plan that will enable BPCE to share a single information system is being implemented in the form of a three-stage program:

- August 3, 2009: a standard workstation and certain common applications such as general accounting came into operation;
- during a transitional period lasting 6 to 18 months, other applications will be added to the IS. For example, the current Risks system of the Banque Populaire banks and the current Cash Management system of the Caisses d’Epargne will be established and used by all Groupe BPCE companies;
- within 24 to 36 months, the aim is to have built the unified IS, a more efficient and more economical information system, with one golden rule: to minimize the impact of this work on the networks and their information systems.

The two main existing systems, i-BP for the Banque Populaire banks and MySys for the Caisses d’Epargne, will continue to operate.

In addition, in 2009 the Caisses d’Epargne continued to pursue their Performance SI program, the most extensive IT project carried out in the European banking industry. The switchover of the Caisse d’Epargne Bretagne-Pays de Loire in June and that of BCP in October were both completed successfully. At the end of 2009, the Performance SI project had met all its deadline and budget targets. In 2010, all the Caisses d’Epargne will have implemented a single system, which will save €115 million a year from 2011.

In 2009, i-BP did the groundwork for the relocation of its IT production from the Paris sites to its new Albiréo data center in Castres, in the south of France. Alongside the construction process, which was completed in December, all the technical operations were completed to deadline in 2009, allowing the move to begin in January 2010. This new center meets very high energy consumption, security and availability standards, and will come on stream in mid-2010.

The Group has drawn up the security policy for its information systems.

The IT and Technology Coordination Department has been made responsible for prioritizing the Group’s IT policies to encourage and maximize potential synergies, and establish consistency between information systems, architectures and infrastructures, with a view to providing a high-quality yet cost-effective service. Rationalization is already underway in many areas.

At Group level, the information systems will enhance performance by optimizing the purchase of equipment, licenses and services, by pooling certain developments intended to provide new functions or incorporate regulatory changes, and by grouping the infrastructures into a small number of operating centers.

However, cost synergies are not the only outcomes expected from the merger. Groupe BPCE will reap the benefits of the gradual unification of existing good practices on both sides.

The Group has identified €58 million of new savings in 2009 out of total procurement costs of €3 billion.
Focus on quality and efficiency

MANAGING RISKS

Risk management has become a division to ensure that the same rules are applied in every Groupe BPCE company. The aim is to improve the risk and control functions in line with the highest market standards. 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. Groupe BPCE’s Risks Committee, headed by the Chairman of the Management Board, sets the broad lines of risk policy, decides the ceilings and limits for the Group and for each establishment, and approves the plans employed in measurement, oversight and risk management. In operation since the creation of Groupe BPCE and reporting directly to the Chairman of the Management Board, the Group Risks Department has the primary task of ensuring that uniform risk standards are applied in the different entities and that the group implements a consolidated risk management policy.

CREDIT AND COUNTERPARTY RISKS

The calculation of the Group’s credit and counterparty risks are based on the scoring systems for a part of Basel II approved Group establishments, or establishments aiming to comply with the requirements of the Basel regulations. The process is adapted for each type of customer or operation with the Risks Department responsible for defining and assessing the performance of the system. Decisions are taken within Groupe BPCE under delegation procedures – a control limit system – applicable to each customer group on a consolidated basis, and on a principle of comparative analysis involving the Risks function, with a right of appeal to a higher level Credit Committee. Groupe BPCE has stated its wish that its primary components should achieve rapid harmonization with Basel II principles. The Group Risks Department has therefore conducted preliminary studies to begin the process of IRBA certification for the scope of the Caisses d’Epargne’s retail activities, applying the conditions used in the certification of Groupe Banque Populaire.

MARKET RISKS

The Group Risks Department sets the principles for assessing market risks, which are approved by the appropriate Risk Committees, and implements the tools required to measure risks on a consolidated basis. Where comparative analysis is required, it assesses the system of limits decided within the relevant Risk Committees. It is responsible for mapping consolidated Group risks and the risks of the central institution. It conducts the day-to-day monitoring of positions and risks with reference to the limits assigned. When BPCE was created, the monitoring of risks and results for central cash and refinancing activities was developed in line with regulatory requirements. In particular, specific stress scenarios were implemented.

ASSET AND LIABILITY MANAGEMENT RISKS

The Group 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 ensures that the whole Group is
covered, that procedures are adequate and that the appropriate indicators are set. It establishes refinancing and investment forecasts on the basis of the predicted requirements of the different entities, the authorized risk limits and the Group’s global refinancing capacities on the markets. It is responsible for Groupe BPCE market refinancing. For short-term requirements, 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 (directly or via the issuers of covered bonds that it operates) and Compagnie de Financement Foncier, a subsidiary of Crédit Foncier de France.

BPCE possesses 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) and medium-term and long-term refinancing programs (MTN – Medium-Term Notes – with a ceiling of €10 billion, EMTN – Euro Medium-Term Notes – with a ceiling of €40 billion and two Covered Bond programs with a total ceiling of €50 billion, the last two programs being guaranteed by housing loans issued by the Banque Populaire and Caisse d’Epargne networks). In all, for the two networks, 83% of new lending to customers is covered by customer deposits. As a result, BPCE only needs to turn to the market for a small fraction of its refinancing needs. BPCE is also responsible for the medium-term and long-term refinancing of Natixis, which is no longer a regular issuer on the markets.

OPERATIONAL RISKS

The Group Risks Department is responsible for monitoring, forecasting and controlling operational risks. For this purpose, it has established a map of risks based on uniform assessment standards for the whole Group and on the management of a database of losses associated with confirmed cases of operational risk, and a group-wide alert procedure for serious incidents. In addition, the Group Risks Department sets operational risk indicators and oversees the coverage of these risks through remedial or preventative action plans, business continuity plans and insurance plans.

ETHICS AND COMPLIANCE

Ethics is part of the compliance system, for which the principles are set by BPCE and implemented by each Group entity. Sustained efforts are made to train and educate employees to ensure that they do their jobs in compliance with the code of ethics.

Group entities that are subject to French Financial Market Authority rules take all reasonable measures to detect potential conflicts of interest in their investment or mutual fund management services. The Group has reinforced its systems for tracking and monitoring confidential and privileged information. Insider transactions on the shares of listed subsidiaries carried out by permanent or temporary employees are strictly monitored. Controls on market transactions carried out directly by BPCE have been reinforced.

The training on regulations given to sales employees is set and monitored in consultation with the Compliance Department. It covers the prevention of money laundering and of the funding of terrorist activities, the application of directives on market abuses and the financial instrument markets, banking secrecy and the protection of customer data, and the collection of relevant data for the purpose of proposing appropriate products.

PREVENTING FINANCIAL CRIME

A large part of the European provisions on the prevention of money laundering and the financing of terrorism were transposed into French law in 2009. As part of this process, the provisions on money laundering were updated and specific projects, such as the prevention of money laundering in the real estate sector, were established.

Several convergence projects have also been introduced at Group level. The information and alerts system has been harmonized and the new framework system on money laundering and the financing of terrorism was completed at the end of the year. The Lexis Nexis solution, which is used to improve our knowledge and understanding of customers throughout the customer relationship, has been rolled out across all the networks. An initial national training course for employees responsible for combating financial crime attracted more than 190 employees from the networks and affiliated establishments.
committed
Fulfilling our responsibilities, reasserting our social commitment, a mutual decision to become the preferred banking institutions of the French people and their companies.
our employees

As France’s second largest banking group, Groupe BPCE faces a number of major human resources challenges. In addition to creating an effective group-wide structure, there is the need to establish a social project that fulfills both the imperatives of economic performance and the expectations of its employees. This represents a real challenge but, more than that, an opportunity to inspire the loyalty and commitment of the company’s most valuable asset: its people.

AN AMBITIOUS SOCIAL PROJECT

After a first six months devoted to the merger between the Banque Populaire and Caisse d’Epargne groups, work on building Groupe BPCE and its new central institution began with the launch of two major projects in September 2009.

BPCE, c’est nous! (We are BPCE!) is the name given to the project for the new central institution. The objective: to promote the integration of the teams, the harmonization of working methods, and the emergence of a common sense of identity to ensure that BPCE effectively serves all the entities in the Group.

HR Efficiency, the social component of the Group’s Strategic Plan, is being developed collectively with all its different businesses. The aim is to define a new social compact with a view to giving the Group the status of a benchmark employer within the next three years. This aspiration needs to be enacted in all spheres: attracting the best talent, developing skills and employability, building a group where it is a pleasure to work, which prioritizes managerial relations and social dialogue, and values initiative and autonomy.

New recruitment methods

Groupe BPCE is one of France’s major job providers. In 2009, more than 3,000 new employees were hired on permanent contracts in the Banque Populaire and Caisse d’Epargne networks, with sales jobs representing 80% of this total.

To support this recruitment drive, the Group’s companies have developed a number of initiatives. Following on from the cooptation and job dating(1) operations, the Caisses d’Epargne have developed an internship dating(1) program, where students go into branches to meet operational staff and HR representatives and explain their ambitions. The selected applicants are then interviewed for possible places on an internship scheme.

(1) Preselection interview at a bank branch, lasting around 10 minutes, for a job or an internship.
The Banque Populaire banks have established a partnership with the Graines de Boss national business creation competition, specifically aimed at students in Universities and the Grandes Ecoles schools of engineering and business administration. The intention is to continue developing these initiatives, with a focus on three priorities: to enhance the image of the entities as dynamic employers, to recruit from a wider range of sources and to capitalize on good practices by implementing approaches that encompass new behaviour patterns and more varied profiles.

**A sustained commitment to training**

In 2009, Groupe BPCE’s companies maintained a strong focus on training, with spending in this area equal to 6% of the aggregate payroll. This growing access to training reflects a desire to enhance staff skills in order to further improve customer service.

In addition to remodeling the CIBL’Entreprise training program, the Banque Populaire banks also acquired a new base of 16 modules on the fundamentals of working with individual customers and a brand-new mortgage simulation system. With respect to the Caisses d’Epargne, work continued on the regional development banking core business lines, with the rollout of training programs aimed at business center directors, social economy account managers and promotion, construction and development account managers. The creation of the in-branch position of account managers dedicated to high-net-worth customers has led to the establishment of a special training program. Finally, within the two networks, discussions have been held with Natixis Épargne Financière on the certification of advisers selling financial products.

In 2009, e-learning continued its rise in popularity with, for example, 100,000 hours of training provided in the Banque Populaire network. The same trend is apparent within the Caisses d’Epargne, where online courses are accessible from all workstations and via a dedicated extranet. For instance, more than 53,300 people signed up for the Business Clients Skills training program for sales personnel in 2009.
Active management of jobs and skills
The staff professionalization system has been reinforced in anticipation of the new provisions of French law on vocational training; work in this area was funded by the two banking networks to a net amount in excess of €10 million. In 2009, the Banque Populaire banks implemented more than 270 contracts and more than 1,000 periods of vocational training, while the Caisses d’Epargne signed more than 260 contracts and undertook more than 2,200 periods of training in this area. Finally, almost €800,000 were spent on tutorship across the two networks.

In response to the changes in regulations for older staff, all the Group’s companies introduced dedicated action plans. In 2010, a qualitative study on seniors and their expectations will be conducted by the Observatoires prospectifs des métiers et des qualifications (observatories of prospective trends in banking professions and qualifications) of the Banque Populaire(1) and Caisse d’Epargne(2) segments. In future, this survey should make it possible to offer the staff in question the right measures for a successful later career.

Initiated in 2008 under the so-called Manpower and Skills Planning (GPEC) agreement, the Nomenclature Fédérale des Emplois (uniform list of job descriptions) continued within the Banque Populaire banks. Once the work done in this field by the two networks and by Natixis has been correlated and mapped, it will be possible to identify common criteria. This will promote enhanced career mobility within the Group and form the basis of new career structures.

Towards a shared managerial culture
The effort to develop and train existing and future managers has continued. More than 200 senior executives and high-potential staff followed a curriculum tailored to their needs that included a new or future manager program, an advanced training course for management or senior management.

A special emphasis has been placed on bringing women into senior management and in raising the status of managerial functions. This has led, in particular, to the establishment of a pool of 160 Women of Talent from the Group’s different companies, who will follow a personalized career development program.

The year 2009 also saw the completion of the “100% Managers” initiative, which between May 2008 and December 2009 brought together almost 2,000 managers representing all the Group’s functions and businesses.

The similarity of the two networks’ aspirations for the development of its executives and senior managers opened the way for joint talent spotting and training programs, an important move towards the creation of a single managerial culture within Groupe BPCE.

95,000 Employees Owns Shares in Natixis
On November 12, 2009, 95,000 Groupe BPCE employees became shareholders in Natixis. Each eligible employee received 93 shares, which will have to be retained until November 14, 2011. This operation represents an act of commitment and unity at a time when Natixis is launching its new strategic plan entitled New Deal. It applies to all members of staff, who will share the fruits of a successful joint plan.

(1) Banque Populaire segment: the body of companies subject to national collective agreements negotiated in a national joint committee. The segment includes the Banque Populaire banks.
(2) Caisse d’Epargne segment: the body of companies subject to national collective agreements negotiated in a national joint committee. The segment includes the Caisses d’Epargne, the Fédération Nationale des Caisses d’Epargne along with the joint entities, which include the IT communities.
A COMMITTED AND RESPONSIBLE APPROACH

Disability: a renewed commitment
In the sphere of disability, new synergies have been established and the activities of the network of disability representatives continued at a rate of four to five meetings a year. The Group has renewed its partnerships with Adapt and Hanploi, the principal agencies involved in the placement of staff with disabilities.

This commitment was reflected in Groupe BPCE’s participation in several exhibitions and events, including an official partnership in the Semaine pour l’emploi des personnes handicapées (disabled employment week).

Special emphasis has been placed on staff training and awareness: a dedicated disability awareness module for managers, the Guide to living together and The Handispensibles training sessions of the Banque Populaire banks, the Hello Sylvie program for the Caisses d’Epargne.

Several outsourcing partnerships were signed and discussions were instituted on the Group’s strategy for procurement from the sheltered sector.

A constructive social dialogue
The formation of Groupe BPCE was marked by extremely intense activity in the area of legal provisions and industrial relations. Begun at the end of April, the process of informing and consulting the 53 works councils of the entities belonging to the Banque Populaire and Caisse d’Epargne groups was completed by June 30.

Two major initiatives were undertaken in the second half of the year. The first was the organization of elections for staff representatives in the Banque Populaire and Caisse d’Epargne networks to the BPCE Supervisory Board.

The second was the creation of social dialogue bodies within the Group. Collective negotiations began at the end of 2009 to establish a Group committee and three “subgroup” committees, specifically set up to look at issues specific to the Banque Populaire banks, the Caisses d’Epargne and to Natixis.

In addition, a strategic committee was created as a forum for informal discussions and debates with the trade union organizations. It held its first meeting on December 14, 2009.

Significant efforts went into the setting up of the Banque Populaire segment as required by the law of June 18, 2009 on the creation of BPCE. An agreement establishing the Banque Populaire joint committee was signed on December 16, 2009.

This body is responsible for negotiating the national collective agreements applicable to the companies in the Banque Populaire network and their employees. The agreement defines the joint committee’s operational procedures and sets out the resources allocated to the union organizations for this purpose.

The year was marked by several other topics of collective negotiation, such as pay and the prevention of psychosocial risks in the workplace.

PREVENTION OF STRESS IN THE PLACE OF WORK:
A MODEL AGREEMENT

A national collective agreement on the measurement and prevention of workplace stress, signed by the Caisse d’Epargne segment on July 15, 2009, structures a system for assessing and preventing psychosocial risks in companies with more than 50 employees. Regularly cited as a model by government authorities and experts, this agreement provides a framework for the development of a psychosocial risk prevention policy across Groupe BPCE.
More than 7 million customers of the Banque Populaire banks and the Caisse d’Epargne have chosen to become cooperative shareholders of their banking institutions. Acting together to succeed together: cooperation forges a special relationship, based on mutual trust between the bank and its cooperative shareholders. Thanks to their membership, 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**

In 2009, a large number of initiatives developed in each of the Banque Populaire banks continued to give concrete expression to cooperation and the taste for enterprise.

Against a background of economic crisis, the organization of cooperative shareholders’ meetings devoted to current topics and the staging of events to welcome new customers and allow them to meet cooperative shareholders involved in activities at the heart of the individual branches, provided a continuity that was very much appreciated.

The *Clubs Déclic*, the *Prix Initiatives Région* (Regional Initiative Prizes), the *Oscars du Bénévolat* (Volunteer Awards), the *Universités d’Été* (Summer Courses)… are all ways to generate energy and foster economic, social and cultural life in the regions. Increasing numbers of cooperative shareholders are involved in community initiatives run by the retail network.

**Harnessing the energy of the cooperative shareholders**

In 2009, 13 Banque Populaire banks(1) organized a large number of Regional Initiative Prizes awarded with the help of their cooperative shareholders. These prizes are presented for programs designed to promote social solidarity, to highlight the quality of the natural or cultural heritage, or to focus attention on local landscapes or, yet again, for local initiatives developed by young people.

95,000 cooperative shareholders of the Banque Populaire de l’Ouest were invited to vote for a number of *Prix Initiatives Sociétaires* (Cooperative Shareholder Initiative Prizes), while the Banque Populaire Côte d’Azur organized, for the second year in succession, the *Prix de la Dynamique du Sociétaire* (Cooperative Shareholder Dynamism Prize), which is awarded to cooperative shareholders who show the greatest commitment to local life in three areas: volunteer work, humanitarian action and social innovation in companies.

Four Banque Populaire banks(2) run so-called *Clubs Déclic* for cooperative shareholders involved in local or regional projects: in 2009, more than 150 clubs supported a total of almost 600 projects.

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(1) Banques Populaires des Alpes, d’Alsace, Bourgogne Franche-Comté, Centre Atlantique, Loire et Lyonnais, du Massif Central, du Nord, Occitane, de l’Ouest, Provençale et Corse, du Sud, du Sud Ouest and Val de France.

(2) Banques Populaires du Nord, de l’Ouest, Occitane, and Provençale et Corse.

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3.6 million cooperative shareholders of the Banque Populaire banks
Giving cooperative shareholders a voice
Several Banque Populaire banks have set up systems that allow cooperative shareholders to have their say. For example, every year the Banque Populaire Rives de Paris measures what its cooperative shareholders want from it. It was the first to publish a Cooperative Shareholders’ Charter, which sets out the reciprocal commitments of the cooperative shareholders and their bank, an initiative taken up in 2009 by other Banque Populaire banks.

The Banque Populaire Atlantique launched an online questionnaire – Cooperative shareholders: we’re interested in your point of view – and, at Crédit Coopératif, customers and cooperative shareholders can talk to each other through the dedicated social networking site MyCoop.coop.

Organizing the cooperative shareholders base at the federal level
A cooperative shareholder scoreboard uses a qualitative and quantitative approach to tracking and analyzing trends in cooperative shareholding in each Banque Populaire. A dedicated website, Societatis, allows the Banque Populaire banks to share good practices: it provides a pool of successful experiences in regional initiatives, training, communication and organization of the community of cooperative shareholders.

Every year, a national meeting devoted to shareholders and cooperation brings together senior managers, directors, presidents of cooperative shareholders committees and officers responsible for the cooperative shareholder base. The June 2009 meeting was held in Nancy, the catchment area covered by Banque Populaire Lorraine Champagne, and was devoted to the topic of giving a fresh impulse to the basic values of cooperation.

Created in August 2009, the Fédération Nationale des Banques Populaires is responsible for facilitating and coordinating initiatives related to the cooperative shareholders and to cooperation in general.

THE CAISSES D’ÉPARGNE
In every Caisse d’Epargne, a customer can 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 288 SLEs and a minimum of seven SLEs for each Caisse d’Epargne.

New governance bodies
2009 saw the renewal for six years of the terms of office of the 4,100 directors of the different SLEs and Steering and Supervisory Boards (COS) of the Caisses d’Epargne. 25% of the directors are newly elected.

The establishment of this new body to represent cooperative shareholders was accompanied by a multi-year induction and training program. In 2009, more than a third of the SLE directors were able to follow the Parcours Accueil induction program. The range of training available to directors has been expanded and diversified in order to meet the governance requirements of the oversight authorities. Within this framework, special programs are offered to the Chairmen and members of the COS, members of the audit committees, and SLE directors.
A high level of commitment
1,000 SLE board meetings were held over the year. Many SLE directors volunteer to help in the selection, support and assessment of local philanthropic projects backed by their Caisse d’Epargne.

SLE annual general meetings provide a special opportunity for dialogue between cooperative shareholders, directors and staff of the Caisses d’Epargne. In 2009, nearly 50,000 cooperative shareholders attended a total of 580 annual general meetings. Characterized by a focus on social commitment and sustainable development, the annual general meetings were the opportunity to invite cooperative shareholders to choose their *Coup de Cœur* – their favorite regional community project – among all the social solidarity initiatives supported by their Caisse d’Epargne. Prizes were awarded to the seven most emblematic projects during the *Coups de Cœur de la Solidarité*, the event run in Paris by the Fédération Nationale des Caisses d’Epargne.

10,000 cooperative shareholders attended the *Privilèges* meetings specifically organized for them. In 2009, the topics covered included so-called Scellier buy-to-let system, inheritance solutions and the best investments of the year.

INITIATIVES & CONVERGENCES CONVENTION
The *Initiatives & Convergences Convention* – the annual highlight in the cooperative agenda – was held in March 2009, attended by more than 400 representatives of cooperative shareholders and senior managers from the Caisse d’Epargne network. Based on a resolutely participative approach, the 2009 meeting provided an opportunity to share ideas and take stock of the development of the Caisse d’Epargne model.

New tools to facilitate dialogue
Following on from the renewal of the terms of office of the SLE directors, the Fédération Nationale des Caisses d’Epargne launched an extranet specifically created for their use. Designed as an aid to organization, collaborative work and information sharing, this resource contributes to enhancing the bonds between the individual Caisses d’Epargne and the elected representatives of the cooperative shareholders. The dedicated website for Caisses d’Epargne cooperative shareholders, www.societaires.com, provides extensive regional and national news on the activities of the Caisses d’Epargne and Groupe BPCE. Inspired by web 2.0 concepts, this website is designed to offer cooperative shareholders an interactive forum.

4.1 million
Caisses d’Epargne cooperative shareholders, including 17,000 associations, local authorities and businesses
Groupe BPCE has acquired particular expertise in the social economy and in the financing of sustainable development through the activities of the Caisses d’Epargne, the Banque Populaire banks and its subsidiary Natixis.

As the leading player in solidarity-based finance, number one in socially responsible investment for employee savings, and a pioneer in environmental financing, the Group is deeply committed to the environment and to social solidarity.

It works hard to minimize its ecological footprint and to incorporate sustainable development imperatives into the way it conducts its business. A network of sustainable development correspondents is in charge of implementing these priorities at a local level.

The banking institutions belonging to Groupe BPCE are signatories of the United Nations Global Compact and members of the Friends of the Global Compact network. This means that they undertake to apply and promote ten fundamental principles on human rights, environmental protection and the fight against corruption.

Through its memberships of ORSE(1), CSR Europe(2), Finansol(3) and Avise(4), Groupe BPCE is able to share ideas and experiences relating to matters of corporate social responsibility.

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(1) Observatory of Corporate Social Responsibility.
(2) Corporate Social Responsibility Europe.
(3) The Finansol label identifies solidarity-based investment.
(4) Avise supports the development of initiatives that create jobs and promote social cohesion.
SOLIDARITY-BASED DEVELOPMENT

Social solidarity is the bedrock of the cooperative banks. It lies at the heart of all Groupe BPCE activities and, in the field, finds expression in the numerous initiatives supported by the Group’s networks and their foundations.

FRANCE’S LEADING PROVIDER OF MICROCREDIT

Groupe BPCE is France’s leading provider of personal and business microcredit (including support measures) through the combined activities of the Banque Populaire banks and Caisses d’Epargne.

Alongside Crédit Coopératif, the Banque Populaire banks are the leading contributors to the refinancing of Adie(1), an association providing micro-loans to entrepreneurs excluded from access to traditional sources of lending. In 2009, more than 6,000 business micro-loans were granted for an aggregate total of almost €17 million.

The growth of skills patronage – where companies lend their skilled personnel to new business ventures – and the support provided to France Active, France Initiative Réseau and Réseau Entreprendre, make the Banque Populaire banks the leading partner in solidarity-based business creation. The opening of specialist branches to combat exclusion from banking services and excessive debt – such as the Solidarité branch in Banque Populaire Provençale et Corse or the Adigo branch at the Banque Populaire Rives de Paris – further reinforce the system.

For their part, the Caisses d’Epargne granted 1,200 business micro-loans worth an aggregate total of €5.3 million in 2009 and provided €1.6 million to business creation support networks.

In addition, they were the leading players in social microcredit, granting 3,000 personal micro-loans in 2009 worth €6 million, 40% of total lending in this sector.

This commitment is part of their Parcours Confiance platform, a financial reintegration and social support program for vulnerable individuals. Present in 90 French départements, Parcours Confiance acts directly through 60 advisors and also enjoys the support of community action partners like the Red Cross, Secours catholique, the Restos du Cœur, the CCAS(2) and UDAF(3).

Finances & Pédagogie, an association supported by the Caisses d’Epargne, works in synergy with Parcours Confiance to assist recipients of micro-loans. More broadly, it trains individuals to use the banking system effectively in their day-to-day lives and helps them to manage their money more effectively to avoid overspending. In 2009, Finances & Pédagogie conducted 3,840 individual interventions and gave almost 11,000 hours of training to a total of 55,000 people.

NO. 1 IN SOLIDARITY-BASED FINANCE

According to the 7th Finansol-La Croix-Ipsos Barometer Survey of solidarity-based finance (Baromètre de la finance solidaire), Groupe BPCE was the leading provider of solidarity-based finance in 2009 both in terms of the number of labeled products and the sums of money involved. This amounted to €940 million at the end of 2009, 58% of the total in France.

In all, 19 Finansol labeled products are available to Group customers who want to give a social dimension to their investments. One example of such investments is the Insertion Emploi Sérénité (solidarity-based savings fund), created in 2009 for investors operating in the social economy.

1,000 INITIATIVES OF A PHILANTHROPIC NATURE

In 2009, the Caisses d’Epargne earmarked €18 million for more than 1,000 projects pursued within the framework of its corporate philanthropy program. What they all have in common is the fact of contributing to the economic or social development of the regions, and helping to preserve their heritage, culture or environment.

(1) Association for the right to economic initiative.
(2) Municipal social action center.
(3) Departmental Federation of family associations.
SUPPORT FROM THE GROUP’S FOUNDATIONS
The foundations created by Groupe BPCE’s companies also demonstrate their social solidarity and commitment to the community.

The Banque Populaire Foundation: talent spotter
The Banque Populaire Foundation helps disabled young people to achieve their career ambitions. It also assists young virtuoso classical musicians or composers at the start of their careers. In 2009, it supported the personal life projects of 24 disabled winners and 11 talented young musicians.

Five regional Banque Populaire foundations operate at a grass-roots regional level, providing support for humanitarian, socio-educational, cultural and environmental projects.
In addition, the Crédit Coopératif Foundation supports projects and local initiatives in the social economy. It also supports the Festival Orphée, an event that helps disabled professional artists to bring their work to public awareness.

The Caisses d’Epargne Foundation for Social Solidarity: an institution granted the official seal of state approval
The Caisses d’Epargne Foundation for Social Solidarity combats all forms of dependency and exclusion related to old age, infirmity, disability or illiteracy.

Employing a total of 4,600 people, it runs France’s largest network of care homes for the dependent elderly: 96 establishments offering 5,900 places and five entities providing services allowing individuals to continue living in their own homes. It supports young people struggling with illiteracy: 21 Savoirs pour réussir (Knowledge for Success) centres specializing in this service have opened since 2003 and have helped 2,200 young people so far. It funds innovative projects in favor of autonomy and professional integration, supporting 51 such projects in 2009.
Nine Caisses d’Epargne foundations, set up under the aegis of the Caisses d’Epargne Foundation for Social Solidarity, work at a grass-roots level on needs specific to their regions, and a scientific foundation – Vivre Longtemps – supports research conducted by Professor Baulieu, the French biochemist specializing in research into the ageing process.

INTERNATIONAL SOLIDARITY
For the past five years, Natixis has been involved in the fight against malaria, which kills more than a million people – mostly children – every year. Natixis is a partner in world anti-malaria day, contributes to the funding of research programs and supports education and prevention initiatives in parts of Africa where malaria is endemic.

Active in seven West African countries, Ecureuil Coopération Internationale lends the professional experience and human qualities of skilled volunteers – employees and former employees of the Caisse d’Epargne – to make banking skills available to its partners. 58 training and support projects in the field were carried out in 2009. New partnerships were also signed, in particular with the Pamiga microfinance network for Groupe Microfinance participative pour l’Afrique and the Organisation internationale de la francophonie (international organization of French-speaking countries).

CONTRIBUTING TO THE DEBATE ON THE MAJOR CHALLENGES FACING SOCIETY
This is the aim pursued by the Diagonales seminars. At these one-day events, run by the Caisses d’Epargne Foundation for Social Solidarity, professionals, academics, associations and partners have the opportunity to share and compare experiences in the Foundation’s spheres of action. The Diagonales 2009 opened the debate on the topics of ageing, disability and disease, and on the way they are reported in the media.
In favor of a sustainable future

ENVIRONMENTALLY AWARE DEVELOPMENT

Caring for the environment, combating global warming: this imperative drives innovation, growth and new job creation. Groupe BPCE is working to reduce its ecological footprint and to help its customers to do the same.

The financing and investment solutions put together by the Group’s businesses are addressed to all client groups for an extremely wide array of renewable energy, infrastructure and anti-climate change projects.

To progress better and help their customers do the same, the Groupe BPCE banks have signed partnership agreements with Vigeo, ADEME, WWF France as regards Caisses d’Epargne, and with the Nicolas Hulot Foundation as regards the Banque Populaire banks. The Caisses d’Epargne’s partnership with WWF France came to an end in December 2009 after six years of fruitful collaboration.

RESPONSIBLE MANAGEMENT

With the renovation of existing buildings and new construction in compliance with high environmental quality (HEQ) criteria, the drive to heighten awareness about “green” habits, the creation of intranets dedicated to sustainable development, Groupe BPCE entities are mobilizing to reduce their emissions and consume less and more efficiently. The aim is to share and apply best practices across the Group.

In 2004, the Caisses d’Epargne set up an intranet database to track their environmental indicators and, in 2005, began establishing Bilans Carbone® (carbon audits) using the ADEME method. At the end of 2009, almost all the Caisses d’Epargne performed this audit, introduced plans to reduce their CO₂ emissions and involved suppliers in the process. An assessment of CO₂ reductions achieved over 2007-2009 will be carried out in the first half of 2010.

In 2009, the Banque Populaire banks adopted a similar process. The aim, in particular, is to introduce a standardized annual Bilan Carbone®, carbon audit system across the entire network.

Numerous initiatives have been taken to save energy: low-energy lighting, presence detectors, day/night heat differentials, 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 toilet cisterns, or the removal of air conditioning systems using non-recycled water.

Significant efforts have also been made to reduce consumption of paper and ink cartridges and to recycle: the adjustment of photocopier settings and printing of monthly bank statement on both sides of the paper, electronic documentation, reassessment of the real needs of branches for brochures and posters. Several entities have also launched company-wide transport plans and set up car sharing schemes.

THE BANQUE POPULAIRE BANKS, PARTNERS OF THE NICOLAS HULOT FOUNDATION

In February 2009, the Banque Populaire banks signed a three-year partnership with the Nicolas Hulot Foundation for Nature and Mankind. This means they will be able to draw on the work of the best environmental experts, and the Foundation’s discussions with Government departments and partner associations, in order to anticipate societal expectations.

In 2009, Groupe BPCE supported the Climate Ultimatum campaign organized to mark the United Nations Climate Summit.
Some Group companies have also adopted an environmental management system based on the ISO 14001 international standard. 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 the floor area used.

GREEN-LOANS FOR INDIVIDUAL CUSTOMERS

Twenty years ago, the Banque Populaire banks were pioneers in launching PREVair, the first loan designed for eco-friendly investments, and then in 1999, CODEVair, the first “green” passbook savings account, and more recently the AUTOVair loan, for vehicles with low CO2 emissions.

The Caisses d’Epargne put part of the funds deposited on Livret A and Livret Développement Durable (Sustainable Development Passbook Accounts) into specialist loans for energy-saving renovations and the purchase of clean vehicles, with the Ecureuil Crédit Développement Durable (Sustainable Development Loan), launched in 2007.

Crédit Foncier notably offers the Prêt Habitat Neuf (New Housing Accommodation Loan), with a reduced rate from the EDF electricity company depending on energy efficiency and better rates for buildings that include solar power or low-energy building solutions.

In 2009, the Group’s banks were heavily involved in distributing the interest-free green-loan (Eco PTZ) launched following France’s Grenelle Environment round table talks, to finance energy-efficiency building work in main residences.

They also designed finance packages linked with energy efficiency certificates, which are likely to develop in 2010.

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.

GREEN GROWTH SOLUTIONS FOR COMPANIES AND LOCAL AUTHORITIES

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

The Banque Populaire banks have set up a dedicated eco-innovation seed capital fund to provide equity support for the creators of small and medium eco-businesses.

The Caisses d’Epargne offer local authorities the Facilité Haute Qualité Energie Environnement program, which enjoys a funding envelop of €350 million provided by the EIB.

Natixis acts in a support or lead role in major public or private projects that contribute to eco-friendly growth. A front-line player in the financing of wind farms, including through leasing solutions with Natixis Lease, Natixis also supports photovoltaic energy, biogas and biomass. Its specialist teams help companies to manage their CO2 quotas efficiently and to invest in projects that generate carbon credits. As a specialist in project financing, Natixis Environnement & Infrastructures manages several environmental investment funds: the European Carbon Fund and European Kyoto Fund for carbon finance, Fideme and Eurofideme 2 for renewable energy and waste recycling.

DECISION SUPPORT TOOLS

The Bilan Carbone Collectivités – a local government carbon audit – was designed with the ADEME environment and energy management agency to enable local authorities to include greenhouse gas emissions in their investment decisions.

Developed with the societal rating agency Vigeo, the social and environmental assessment tools Corde at the Caisse d’Epargne, and Lucie at the Banque Populaire, are provided free of charge to SMEs. Through the Envol and 1,2,3 Environnement processes, SMEs and micro-businesses can take their first steps in environmental management.
In favor of a sustainable future

LEADER IN SRI(1)

From Caisse d’Epargne’s Livret A Kipouss passbook savings account to Crédit Coopératif’s Livret Agir-France Nature Environnement, from Fructi H2O at Banque Populaire to Palatine Or Bleu at Banque Palatine to the Natixis Impact range of funds, Groupe BPCE’s banks offer customers an extremely wide choice of savings and investment vehicles that contribute to sustainable development and the protection of the environment.

Active in this sphere for 25 years, Natixis Asset Management is one of the French market leaders in socially responsible investment(2), with €4.5 billion of assets under management. Natixis Asset Management has developed a full range of SRI funds, covering every class of assets and all the main approaches:

IN 2009, 23 SRI FUNDS MANAGED BY NATIXIS AM AND PALATINE AM WERE AWARDED THE NOVETHIC SRI LABEL(1)

The purpose of this label is to encourage maximum transparency in information on SRI funds. It is awarded, on application, to funds that are based on a full environmental, social and governance (ESG) analysis and that provide comprehensive information on their extra-financial characteristics and composition.

The labels are awarded for one year and checked every six months.

(1) Novethic is the French research center on Corporate Social and Environmental Responsibility (CSER) and Socially Responsible Investment (SRI). Novethic is also an expert media devoted to sustainable development: www.novethic.fr.

NATIXIS ASSET MANAGEMENT ENTERS THE WORLD OF CLIMATE CHANGE

With Impact Funds-Climate Change, Natixis Asset Management is offering an investment strategy that reflects the major issues of climate change. Launched in 2009, these funds are available to all institutional and corporate investors. The aim of the strategy is long-term capital growth through international investment in companies whose activities help to reduce the effects of climate change or to adapt to it. A scientific Climate Change committee – made up of climatologists, economists and geographers – advises the fund management teams.

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integrated (Environment – Social – Governance), themed, ethical and solidarity-based. The Natixis Impact range thus includes 12 funds, excluding dedicated funds and employee savings schemes: shares, bonds, cash and diversified funds. In this way, Groupe BPCE customers can, through their investments, have a real and positive impact on the environment, society and corporate governance. Inspired by Natixis, Palatine Asset Management is developing a dozen SRI funds, all based on comprehensive extra-financial methods of selection and analysis.

(1) Socially Responsible Investment.
(2) Source: Finansol 2009.
Thanks to our partnership with the French Olympic team, we can share in the pursuit of a genuine, collective human endeavor.

François Pérol
Chairman of the Management Board of BPCE

GROUPE BPCE
Partner of the national 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 the exclusive banking partner of the French Olympic Team for a period of three years, from 2010 to 2012.

This alliance will make it possible to promote the set of values shared by Groupe BPCE and the Olympic movement, such as expressing solidarity, maintaining a strong local presence and showing respect for the environment.

The Group and its principal brands – Caisse d’Epargne, Banque Populaire and Natixis – supported the French Olympic Team at the Vancouver Winter Games in 2010, and will be partnering the French Olympic Team at the London Olympics in 2012. The Group will also be backing Annecy’s bid to host the Winter Olympics in 2018, a choice to be settled in July 2011. This aspect of the partnership is naturally of particular interest to the Banque Populaire des Alpes and the Caisse d’Epargne Rhône Alpes, two banking institutions deeply involved in the life of the Alpine region and, as such, staunch supporters of this initiative.

An extensive program of sporting events

In addition to these major Olympic venues, the Group’s companies will be able to take part in events organized throughout the year in France by the CNOSF notably, a Sport - Health – Well-being meeting in September and the Olympique Week event in December organized to unite 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.
BANQUE POPULAIRE

The bank of the world of sailing
For more than 20 years, Banque Populaire has been one of the most active partners of the world of sailing and its most long-standing sponsor. An official partner of the French Sailing Federation and the French Sailing Team since 2000, its actions are further amplified by the regional Banque Populaire banks working closely with local clubs and sailing schools.

As the official partner of the Eric 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. In 2009, for example, a grand cruise of the Eric Tabarly fleet was organized in the Mediterranean.

An historical ship-owner in the multi-hull category and in the Figaro class of vessels, Banque Populaire is also the owner of the largest ocean-going racing trimaran ever built: the Maxi Banque Populaire V. This exceptional vessel, skippered by Pascal Bidégorry, broke two records in August 2009: the record for the longest distance covered by a sailing vessel in the space of 24 hours – 908 miles, or more than 1,600 kilometers – and the record for crossing the North Atlantic in the shortest time: 3 days, 15 hours, 25 minutes and 48 seconds. In the autumn of 2010, it will try to break the current record for the Jules Verne Trophy: sailing around the world via the three capes with the same crew and without stopping.

Thanks to this active involvement at a national and regional level, Banque Populaire is known as the “Sailing Bank” by almost three French people out of four.

CAISSÉ D’ÉPARGNE

Supporting accessible and popular sports
Since 2004, the Caisse d’Epargne has been sponsoring the France Football Cup, a competition that attracts more than 7,300 clubs and 22 million French supporters. At a regional level, the Caisse d’Epargne also supports the leading amateur clubs with the Rolls of Honor Caisse d’Epargne. It also allows children to realize one of their fondest dreams: to accompany the players onto the turf of the Stade de France national stadium at the beginning of the cup final!

Caisse d’Epargne has also been sponsoring the Caisse d’Epargne cycling team since 2005. Officially recognized as the second best cycling team in the world in 2009, the Caisse d’Epargne team enjoyed a good season. In France, it won the Mediterranean Tour, the Paris-Nice, the 4 Days of Dunkirk, the Critérium of the Dauphiné Libéré, and the Tour du Limousin. The Tour de France, during which Luis Leon Sanchez won a stage, enabled the 12 Caisse d’Epargne to organize various events all along the route. Alejandro Valverde, for his part, won the Vuelta a España.

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 300 events organized all over France, including the Paris Marathon, the Médoc Marathon and the Marseilles-Cassis race. First launched in 2005 and entirely reworked in 2009, the peer-led website www.esprit-running.com offers a host of services for all jogging enthusiasts, irrespective of their level. It boasts more than 30,000 members.

NATIXIS

Official sponsor of the Racing Métro 92
Natixis sponsors the Racing Métro 92, a rugby club with a prestigious list of achievements to its credit, a five-times winner of the French championships that joined the ranks of the elite Top 14 clubs for the 2009-2010 season. 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.
Supporting young gifted musicians...
For the past 18 years, the Banque Populaire Foundation has been helping young virtuoso musicians specializing in classical instrumental music (performing musicians and composers) at the dawn of their careers. Since its creation, 192 instrumentalists or composers have enjoyed its support. In 2009, the Foundation selected 11 young musicians for its grants. Auditioned by a panel of experts from the world of music chaired by Marielle Nordmann, an internationally renowned harpist, these young artists are required to demonstrate an exceptional quality of interpretation and level of musical ability. The musicians chosen by the panel are given 3-year grants enabling them to continue their artistic development by following master classes with leading musicians, taking part in the major international competitions, recording their first records, and giving a greater number of concerts.

The Foundation also helps young composers to make names for themselves by commissioning a work from them. In this way, the Foundation does its utmost to promote the development of the leading talent of each generation.

... and promoting them in music festivals
Since 2008, the Foundation has been organizing its own music festival – Les Musicales de Bagatelle – in the Orangerie of the Parc de Bagatelle in the Bois de Boulogne, Paris. In 2009, 28 of the Foundation’s award recipients performed in six concerts before a public of almost 1,200 spectators.

The Foundation also pursues a policy of jointly sponsoring music festivals in regions connected with the Banque Populaire banks. In 2009, more than 21 award recipients performed concerts in events as celebrated as the Polignac Festival (Morbihan), the Music in the Sky Festival (Tarn), the Savoie Musical Encounters festival or, yet again, the Musical Saturdays of Chartres.
Caisse d’Epargne

Principal sponsor of comic books
As the bank for young people, the Caisse d’Epargne has also been the principal sponsor of the world of comic books and graphic novels for the past 25 years. In its capacity as the long-standing partner of the Angoulême International Comic Book Festival, an event that has become the world’s 4th largest festival in this area with a total of 235,000 visitors in 2009, the bank organizes the Schools Comic Book Competition, supports the Graphic Novel Booksellers Prize and provides its backing to a large number of regional events. With Le Gang des Talents, Caisse d’Epargne also provides one year’s support to promising authors of graphic novels when their new book is first released, in partnership with their publishers. Between two festivals, comic book enthusiasts can keep up to date with all the news about graphic novels thanks to the interactive website mundo-bd.fr.

Unique support for 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 by the Caisses d’Epargne in 1979, brought back to France and restored. A veritable 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. It has sailed more than 300,000 nautical miles and crossed the Atlantic several times. The living symbol of a vibrant heritage, it continues to ply the waves along the French coasts and welcome visits from the general public. All the latest news about the Foundation and the Belem can be found on the official website: www.fondationbelem.com.

Natixis
Heritage from the past, treasures of the future
Since 2003, the cultural patronage policy pursued by Natixis has helped to reveal some of the hidden treasures of our heritage to the general public, allowing them to obtain a better understanding of the world and how it has evolved over the years. In pursuit of this policy, Natixis has supported, from 2007 to 2010, the restoration and exhibition of the collection of clothes bequeathed by the celebrated fashion designer Madeleine Vionnet to the Paris Museum of Decorative Arts.