

2.9 Persons responsible for auditing the financial statements

2.9.1 Statutory Audit system

Within the Group, the main rules that govern the Statutory Audit system and aim to guarantee Statutory Auditor independence in Groupe BPCE companies are defined in the "Framework for Statutory Auditor Assignments at Groupe BPCE," approved by BPCE's Supervisory Board on June 27, 2012.

Applicable to all Group businesses this framework primarily defines:

- the rules governing the selection of Statutory Auditors for the Group and its entities;
- the rules governing the services that may be provided by Statutory Auditors (or their networks);
- the role of Audit Committees with respect to monitoring the system.

In 2016, the Group launched initiative to incorporate the impacts of the EU regulation adopted in 2014 (directive 2014/56/EU and Regulation [EU] No 537/2014), which has been in effect in France since June 17, 2016. In accordance with the new regulation, the Group has adopted new provisions on:

- the selection of Statutory Auditors for the Group and its entities
 - before the EU reform, a list of networks of Statutory Auditors was approved by the Management Board of BPCE,
 - as this measure is no longer permitted under the new regulation:
 - the Group recommends, in order to ensure there is a consistent, harmonized financial audit system available within the Group, that each Group company continue to designate at least one network of Statutory Auditors to certify BPCE's consolidated and individual financial statements,
 - however, the company's Audit Committee retains the authority to select Statutory Auditors subject to the approval of the company's Annual General Shareholders' Meeting;
- the prior approval of *services other than financial statement certification*:

- on January 3, 2017, a joint statement by AFEP/ANSA/CNCC/MEDEF/Middle Next drew the attention of businesses to the uncertainties still surrounding the approval process for services other than financial statement certification, taking into account ongoing discussions within the industry,
- due to uncertainties that persist within the industry regarding the practical implementation of the prior approval process for services other than financial statement certification, the Group has defined the following principal phase-in measures:
 - the Statutory Auditor carrying out the assignment must specifically mention in its engagement letter that it has ensured that the service to be provided is not subject to the prohibitions set out in Article 5 of Regulation (EU) No 537/2014,
 - if the value of the service is greater than or equal to €0.5 million before tax, a request to BPCE's Audit Committee must be made in advance.

With this EU reform, the Audit Committee takes a stronger role in examining services rendered by Statutory Auditors within Group companies. Aside from the prior approval of services other than financial statement certification in compliance with provisions that will be defined by the Group, the Committee must keep examining the fees and type of services rendered that appear on the income statement of each company.

To implement this approach, the Audit Committee relies on the function that carries out Level 2 controls on the quality of accounting and financial information (Review function). A Group standard on the control of the independence of Statutory Auditors specifies the role of this function in this area and the main procedures it must implement. The work carried out within this framework is presented to each company's Audit Committee and, on a consolidated basis, to the Group Audit Committee.

2.9.2 Statutory Auditors of BPCE

BPCE's Statutory Auditors are responsible for auditing the individual financial statements of BPCE and the consolidated financial statements of Groupe BPCE and BPCE SA group. At December 31, 2016, the Statutory Auditors were:

PricewaterhouseCoopers audit	Deloitte Et Associés	Mazars
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	185, avenue Charles-de-Gaulle 92524 Neuilly-sur-Seine Cedex	61, rue Henri-Regnault 92075 Paris-La Défense Cedex

PricewaterhouseCoopers Audit (672006483 RCS Nanterre), Deloitte et Associés (572028041 RCS Nanterre) and Mazars (784824153 RCS Nanterre) are registered as Statutory Auditors, members of the Compagnie Régionale des Commissaires aux Comptes de Versailles and under the authority of the Haut Conseil du Commissariat aux Comptes.

PRICEWATERHOUSECOOPERS AUDIT

The Annual General Shareholders' Meeting of BPCE of May 22, 2015, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to renew the term of PricewaterhouseCoopers Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

PricewaterhouseCoopers Audit is represented by Agnès Husserr and Nicolas Montillot.

Substitute: Jean-Baptiste Deschryver, residing at 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, for a period of six fiscal years, *i.e.* until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

DELOITTE & ASSOCIÉS

The Annual General Shareholders' Meeting of BPCE of May 22, 2015, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to appoint Deloitte Et Associés for a period of six fiscal years, *i.e.* until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

Deloitte Et Associés is represented by Jean-Marc Mickeler and Sylvie Bourguignon

Substitute: BEAS, represented by Mireille Berthelot, located at 195, avenue Charles-de-Gaulle, 92524 Neuilly-sur-Seine Cedex, for a period of six fiscal years, *i.e.* until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

MAZARS

The Annual General Shareholders' Meeting of BPCE of May 24, 2013, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to appoint Mazars for a period of six fiscal years, *i.e.* until the Ordinary General Shareholders' Meeting to be held in 2019, convened to approve the financial statements for the year ending December 31, 2018.

Mazars is represented by Michel Barbet-Massin.

Substitute: Anne Veaute, residing at 61, rue Henri-Regnault, 92075 Paris-La Défense Cedex, for a period of six fiscal years, *i.e.* until the Ordinary General Shareholders' Meeting to be held in 2019, convened to approve the financial statements for the year ending December 31, 2018.

Note 18 Statutory Auditors' fees

Fees in respect of duties carried out by the Statutory Auditors for the whole of Groupe BPCE (including Statutory Auditors not belonging to the same network as those responsible for auditing BPCE's financial statements) in respect of the 2015 and 2016 fiscal years were as follows:

in thousands of euros ⁽¹⁾	Statutory Auditors responsible for auditing BPCE's financial statements												Other Statutory Auditor networks				Total	
	PwC				Mazars				Deloitte				KPMG Audit ⁽²⁾		Other			
	Amount		%		Amount		%		Amount		%		2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Certification of financial statements	11,009	9,521	70%	68%	6,232	5,788	70%	76%	9,068	7,757	56%	50%	5,558	9,447	2,063	2,183	33,930	34,696
Services other than certification of financial statements ⁽³⁾	4,624	4,460	30%	32%	2,701	1,852	30%	24%	7,108	7,653	44%	50%	724	1,729	29	24	15,365	15,716
TOTAL	15,833	13,981	100%	100%	8,933	7,640	100%	100%	16,176	15,410	100%	100%	6,282	11,176	2,092	2,207	49,315	50,412
Change (%)	13%				17%				5%				(44%)		(5%)		(2%)	

(1) Amounts relating to services provided appear on the income statement for the reporting year, notably including non-recoverable VAT.

(2) For the KPMG audit network, amounts include fees paid to the network when it signs the financial statements of shareholder institutions (and their subsidiaries) or direct subsidiaries of BPCE SA group. As a result, these amounts do not include the fees paid by Natixis subsidiaries (€2.3 million for certification of financial statements and €1.4 million for services other than certification of financial statements) and by BPCE SA group (€3 million).

(3) In 2016, "Services other than the certification of financial statements" mainly included services requested by Natixis SA and its subsidiaries, including one assignment (performed by Deloitte for €2.5 million) that accounted for nearly 20% of these services. During this assignment, the auditor continued preparations for the launch of the Insurance division's product line in the Caisses d'Epargne via the Assurance#2016 program at BPCE Vie.

In 2015, these services included assignments outside the scope of statutory auditing and the review of the individual and consolidated financial statements.

Note 17 Statutory Auditors' fees

The following fees were paid to the Statutory Auditors responsible for auditing BPCE's financial statements, together with their networks, in respect of the 2015 and 2016 fiscal years:

in thousands of euros ⁽¹⁾	PwC				Mazars				Deloitte				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Certification of financial statements	8,293	7,013	64%	62%	4,186	3,792	63%	68%	8,107	6,798	54%	47%	20,586	17,603	59%	56%
Issuer	427	411			430	408			419	405			1,276	1,224		
Subsidiaries	7,866	6,602			3,756	3,384			7,688	6,393			19,310	16,379		
Services other than certification of financial statements⁽²⁾	4,651	4,241	36%	38%	2,509	1,778	37%	32%	7,018	7,607	46%	53%	14,178	13,626	41%	44%
Issuer	455	472			413	457			851	287			1,719	1,216		
Subsidiaries	4,196	3,769			2,096	1,321			6,167	7,320			12,459	12,410		
TOTAL	12,944	11,253	100%	100%	6,695	5,570	100%	100%	15,125	14,405	100%	100%	34,764	31,228	100%	100%
Change (%)	15%				20%				5%				11%			

(1) Amounts relating to services provided appear on the income statement for the reporting year, notably including unrecoverable VAT.

(2) In 2016, "Services other than the certification of financial statements" mainly included assignments requested by Natixis SA and its subsidiaries, including one assignment (performed by Deloitte for €2.5 million) that accounted for nearly 20% of these services. This assignment continued the preparation for the launch of the Insurance division's product line in the Caisses d'Epargne via the program entitled Assurance#2016 at BPCE Vie.

In 2015, these services included assignments that were not in the framework of the statutory audit or the review of the individual and consolidated financial statements.