
RESULTS FOR THE FIRST QUARTER OF 2016 OF GROUPE BPCE

Good commercial performance against a background of low interest rates and adverse market conditions. Net income attributable to equity holders of the parent stable at €872m

CONTINUED GROWTH DYNAMIC PURSUED BY THE CORE BUSINESS LINES

Banque Populaire and Caisse d’Epargne retail banking network
- Buoyant year-on-year growth in loan outstandings of +4.2% after 2 years of higher than market growth and growth in on-balance sheet deposits & savings +3.0%
- Growth in the customer base with priority targets: +157,000 principal active customers using banking services over one year

Insurance
- Strong momentum in life insurance with gross inflows up +23% vs. Q1-15
- Growth in portfolios of non-life insurance contracts +10% vs. March 31, 2015

Core business lines of Natixis
- Investment Solutions: assets under management of €776bn at end-March 2016, oriented downward following a negative foreign exchange effect, disposal of affiliates and slight outflows (-€1bn); continued increase in margins
- Corporate & Investment Banking: proportion of commissions in the revenues from structured financing maintained at a high level (37% in Q1-16) and continued strong momentum in Equity derivatives
- Specialized Financial Services: good performance with premiums issued up +15% vs. Q1-15 (Sureties & financial guarantees), factored turnover up +10%, and strong growth in new production of real-estate leases

RESULTS STABLE DESPITE THE ENVIRONMENT CHARACTERIZED BY LOW INTEREST RATES

- Decline in core business line revenues to €5.7bn (-3.1%): commercial performance of retail banking limiting the negative impact of interest rates on net interest income and stability in Natixis core business lines revenues
- Tight control over operating expenses, excluding increase in the estimated contribution to the Single Resolution Fund (SRF): +0.4% vs. Q1-15 (SRF: €218m in 2016, i.e a €112m increase vs. 2015)
- Decline in the cost of risk to a moderate level: €372m (-24.6%), or 24bps (vs. 32bps in Q1-15)
- Attributable net income generated by the core business lines: €1bn in Q1-16, -1.2% vs. Q1-15
- Attributable net income (excluding estimated increase in the SRF): €680m, +5.4% vs. Q1-15

CONTINUED STRENGTHENING OF THE BALANCE SHEET

- Common Equity Tier 1 ratio (or CET1) of 13.3% at March 31, 2016 (+10bps vs. Dec. 31, 2015)
- Total capital adequacy ratio of 17.3% (+30bps vs. Dec. 31, 2015)

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1 Q1-15 pro forma (cf. the note on methodology at the end of this press release) ; unless specified to the contrary, all changes use the same reference base of March 31, 2015
2 Excluding non-economic and exceptional items, and after restating to account for the IFRIC 21 impact
3 Core business lines: Commercial Banking & Insurance, Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services
4 Entities included: CNP Assurances, Natixis Assurances, Prépar Vie (gross inflows held by the Banque Populaire and Caisse d’Epargne)
5 Excluding non-economic and exceptional items
6 €102m increase in net income attributable to equity holders of the parent vs. Q1-15
7 Estimate at March 31, 2016 – CRR/CRD4 without transitional measures after deferred tax asset restatement on tax loss carryforwards
8 Including circa €1.6bn in Tier-2 issues completed after March 31, 2016
On May 8, 2016, the Supervisory Board of Groupe BPCE convened a meeting chaired by Pierre Valentin to examine the Group’s financial statements for the first quarter of 2016.

Francois Pérol, Chairman of the Management Board of Groupe BPCE, said: “These results reflect the resilience of our business model. Thanks to the good commercial performance achieved in its strategic business lines and the low cost of risk, Groupe BPCE has stabilized its results against a background of historically low interest rates and adverse market conditions in this first quarter of the year. We have also continued to strengthen our balance sheet structure during the quarter. The probable persistence of low interest rates over a long period has led the Group to launch an in-depth analysis regarding a new program of business transformation and operational excellence.”

1. RESULTS OF GROUPE BPCE FOR THE FIRST QUARTER OF 2016

Despite an adverse market environment and low interest rates, Groupe BPCE reports resilient results for the first quarter of 2016. The revenues posted by the core business lines have declined by 3.1% year-on-year to 5,720 million euros. The good commercial performance of the networks made it possible to limit the increasing negative impact of low interest rates on retail banking revenues. The loan outstandings of the Banque Populaire and Caisse d’Epargne retail-banking network have risen by 16 billion euros in the space of one year, equal to an increase of 4.2%, making it possible to limit the decline in net interest income. Life and non-life insurance activities have progressed strongly, with 23% growth in gross new life fund inflows and a 10% increase in the portfolios of non-life insurance contracts. The core business lines of Natixis also stood up well.

If the estimated increased contribution to the Single Resolution Fund (SRF) is excluded, operating expenses remain under tight control. Expressed as a ratio of the gross customer loan outstandings position, the Group’s cost of risk has been reduced to a moderate 24 basis points in the first quarter of 2016 against 32 basis points in the first quarter of 2015 (excluding the impact of the Heta Asset Résolution AG provision). Net income attributable to equity holders of the parent remains stable compared with the first quarter of 2015, and stands at 872 million euros.

New synergies will be generated by the three mergers between regional banks launched since the beginning of the year.

Groupe BPCE is continuing to strengthen its balance sheet with a Common Equity Tier 1 (CET1) ratio of 13.3% at March 31, 2016, up 10 basis points compared with December 31, 2015. The total capital adequacy ratio is equal to 17.3%, up 30 basis points compared with December 31, 2015.

1.1 Consolidated results for the first quarter of 2016: stability in net income attributable to equity holders of the parent at 872 million euros

The net banking income of Groupe BPCE in the first quarter of 2016 stood at 5,787 million euros, representing a decline of 4.0% compared with the first quarter of 2015. The core business lines contributed 5,720 million euros to net banking income, down 3.1% compared with the first quarter of 2015.

The Group’s operating expenses came to 4,394 million euros, up 3.0% year-on-year. The operating expenses of the core business lines, which amounted to 3,946 million euros, have

9 Q1-15 pro forma (cf. the note on methodology at the end of this press release) ; unless specified to the contrary, all changes use the same reference base of March 31, 2015
10 Excluding non-economic and exceptional items
11 Excluding non-economic and exceptional items, and after restating to account for the IFRIC 21 impact
increased by 1.2%. However, if the estimated increase in the SRF contribution is excluded, the Group’s operating expenses, kept under tight control, have only increased by a marginal 0.4%.

**Gross operating income**\(^{10}\) stands at 1,393 million euros, down 21.0% compared with the first quarter of 2015. The contribution of the core business lines came to 1,774 million euros, down 11.6% on a year-on-year basis.

The **cost of risk**\(^{10}\), which currently stands at 24 basis points\(^{12}\), was reduced by a significant 24.6% in the first quarter of 2016 compared with the first quarter of 2015. It is now equal to 372 million euros. The cost of risk of the core business lines stands at 352 million euros, down by 25.6% and is also equal to 24 basis points.

**Income before tax**\(^{10}\) has declined by 14.7% to 1,136 million euros in the first quarter of 2016. For the core business lines, income before tax stands at 1,524 million euros, down 4.8% compared with the first quarter of 2015.

When restated to account for the impact of IFRIC 21, and excluding non-economic and exceptional items, **net income attributable to equity holders of the parent** remains stable compared with the first quarter of 2015 and stands at 872 million euros. The corresponding metric for the core business lines has declined by 1.2% and currently stands at 1,003 million euros. The **cost/income ratio** is up 3.6 points and now stands at 70.1% for the Group as a whole. It is equal to 66.0% for the core business lines, representing a 2.9-point increase compared with the first quarter of 2015. The Group’s **ROE** stands at 6.2%, a figure virtually unchanged vs. the first quarter of 2015 (-0.1 point). ROE is 10% for the core business lines, down one point compared with the first quarter of 2015.

After accounting for non-economic and exceptional items, and cancelling restatements made to account for the impact of IFRIC 21, **published net income attributable to equity holders of the parent** declined by 10.5% in the first quarter of 2016, to 578 million euros. The published net income of the core business lines is down 1.2% to stand at 883 million euros for the first quarter of this year. However, if the estimated increase in the SRF contribution is excluded, the published net income attributable to equity holders of the parent\(^{11}\) rose by 5.4%.

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\(^{12}\) Cost of risk expressed in annualized basis points on gross customer outstandings at the beginning of the period
### CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FIRST QUARTER OF 2016

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>Q1-16</th>
<th>Q1-16 / Q1-15 pf % change</th>
<th>Core business lines Q1-16</th>
<th>Q1-16 / Q1-15 pf % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income *</td>
<td>5,787</td>
<td>-4.0%</td>
<td>5,720</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-4,394</td>
<td>+3.0%</td>
<td>-3,946</td>
<td>+1.2%</td>
</tr>
<tr>
<td><strong>Gross operating income</strong></td>
<td>1,393</td>
<td><strong>-21.0%</strong></td>
<td>1,774</td>
<td><strong>-11.6%</strong></td>
</tr>
<tr>
<td>Cost of risk *</td>
<td>-372</td>
<td>-24.6%</td>
<td>-352</td>
<td>-25.6%</td>
</tr>
<tr>
<td><strong>Income before tax</strong></td>
<td>1,136</td>
<td><strong>-14.7%</strong></td>
<td>1,524</td>
<td><strong>-4.8%</strong></td>
</tr>
<tr>
<td><strong>Net income attributable to equity holders of the parent</strong></td>
<td>597</td>
<td><strong>-11.3%</strong></td>
<td>883</td>
<td><strong>-1.2%</strong></td>
</tr>
</tbody>
</table>

**Restated to account for the IFRIC 21 impact**

| Net income attributable to equity holders of the parent** | 872   | 1,003                     | **-1.2%**                |
| Cost/income ratio**                             | 70.1% | +3.6 pts                  | 66.0%                     | +2.9 pts                  |
| ROE**                                           | 6.2%  | -0.1 pt                   | 10.0%                     | -1 pt                     |

**Impact of non-economic and exceptional items on net income**

-19

**Reinstatement of the impact of IFRIC 21**

-275

**Published net income**

578  

-10.5%  

883  

-1.2%

Q1-15 pro forma, cf. the note on methodology at the end of this press release

The core business lines are Commercial Banking & Insurance (with the Banque Populaire and Caisse d’Epargne retail banking networks in addition to Crédit Foncier, Banque Palatine and BPCE International), Investment Solutions, Corporate & Investment Banking and Specialized Financial Services (Natixis)

* Excluding non-economic and exceptional items

** Excluding non-economic and exceptional items and after restating to account for the IFRIC 21 impact
2. CONTINUED STRENGTHENING OF THE BALANCE SHEET STRUCTURE IN THE FIRST QUARTER OF 2016

2.1 Enhanced total capital adequacy ratio

The CET1 ratio\(^\text{13}\) of Groupe BPCE continued to improve in the first quarter of 2016 with an estimated level of 13.3% at March 31, 2016, up 10 basis points compared with December 31, 2015. This increase in the CET1 ratio is chiefly driven by retained earnings (taking account of the projected distribution of dividends), with an impact of 12 basis points since December 31, 2015 (17 basis points after restating to account for the impact of the implementation of the IFRIC 21 standard).

Groupe BPCE enjoys a total capital adequacy ratio\(^\text{13}\) at a high level, estimated at 17.3%\(^\text{14,15}\) at March 31, 2016, up 30 basis points compared with December 31, 2015.

Total capital increased by 1.5 billion euros in the first quarter of 2016, rising from 66.4 billion euros at December 31, 2015 to an estimated 67.9 billion euros at March 31, 2016. This growth in the Group’s total capital is largely related to the increase in Tier-2 capital, which rose by 1.3 billion euros resulting from Tier-2 issues\(^\text{15}\). The Group’s CET1 has increased by 0.4 billion euros, rising from 51.6 billion euros at December 31, 2015 to 52.0 billion euros at March 31, 2016. During the same period, additional Tier-1 capital decreased by 0.2 billion euros owing to changes in the phase-out rate, which rose from 30% in 2015 to 40% on January 1, 2016.

Risk-weighted assets remain under close control, virtually unchanged vs. December 31, 2015 at 391 billion euros.

At March 31, 2016, the leverage ratio\(^\text{16}\) (under Basel 3) stood at 4.7% including centralized savings inflows in exposures. It remains unchanged compared with the pro-forma ratio at December 31, 2015.

2.2 Liquidity reserves largely covering short-term funding requirements

At March 31, 2016, liquidity reserves covered 137% of total short-term funding requirements and medium-/long-term and subordinated debt with maturities of one year or less. Liquidity reserves stood at 160 billion euros at March 31, 2016 (against 161 billion euros at December 31, 2015\(^\text{17}\)), including 118 billion euros of available assets eligible for central bank funding (115 billion euros at December 31, 2015\(^\text{17}\)) and 42 billion euros in liquid assets placed with central banks (46 billion euros at December 31, 2015\(^\text{17}\)).

The customer loan/deposit ratio\(^\text{18}\) of Groupe BPCE remains stable, equal to 119% at March 31, 2016.

The liquidity coverage ratio (LCR) remained higher than 110% at March 31, 2016.
2.3 55% of the 2016 medium-/long-term funding program completed at April 30, 2016

Groupe BPCE’s ability to access major debt markets allowed it to raise medium-/long-term (MLT) resources for an aggregate total of 13.2 billion euros at April 30, 2016, equal to 55% of a 2016 funding program for a total of 24 billion euros. The average maturity at issue is 6.9 years and the average interest rate is equal to mid-swap +41 basis points. During the first four months of 2016, 54% of the medium-/long-term funding had been completed in the form of public bond issues and 46% in the form of private placements.

During the first four months of 2016, 64% of the medium-/long-term funding program had been completed in the form of unsecured bond issues, for a total of 8.4 billion euros. This total can be broken down into 6.6 billion euros in the form of senior debt and 1.8 billion euros in the form of Tier-2 subordinated debt. Covered bond issues accounted for 36% of medium-/long-term funding, or 4.7 billion euros.

Groupe BPCE continues to raise substantial funds thanks to a greater diversification of its investor base. As a result, 35% of the unsecured bonds issued in the institutional market were placed in currencies other than the euro (notably 32% in USD).
3. RESULTS\textsuperscript{19} OF THE BUSINESS LINES: GOOD COMMERCIAL PERFORMANCE

3.1 Commercial Banking & Insurance: continued strong commercial dynamics limit the decline in net interest income

The Commercial Banking & Insurance business line groups together the activities pursued by the Banque Populaire and Caisse d’Epargne retail banking networks, and those of the Other Networks division comprised of the subsidiaries of BPCE International, Banque Palatine, Crédit Foncier and the minority interest in CNP Assurances.

The Banque Populaire banks and Caisses d’Epargne continued to enjoy strong commercial dynamics in the first quarter of 2016. Loan outstandings, where the volume of new loan production has remained at a high level, stood at 400 billion euros at March 31, 2016. They have increased by 4.2% on a year-on-year basis, equal to growth of 16 billion euros, driven by home loans (+5.5%) and consumer finance (+9.8%).

Aggregate customer deposits & savings of the Banque Populaire banks and Caisses d’Epargne stood at 635 billion euros at March 31, 2016, representing year-on-year growth of 16 billion euros. This growth is largely due to the increase in on-balance sheet deposits & savings (+3.0% year-on-year) driven, in particular, by the strong increase in demand deposits (+13.3%) and the dynamic performance of regulated home savings plans (+10.0%). The reasons for this growth can also be traced to the increase in off-balance sheet deposits & savings, which rose by 2.0%, buoyed up by the continued dynamism of life insurance with life funds increasing by 2.8% over the period.

A partner of French economic life, Groupe BPCE has joined forces, via its two Banque Populaire and Caisse d’Epargne retail banking networks, with the European Investment Fund (EIF). Banque Populaire has signed a second agreement with EIF to finance growth-oriented initiatives launched by innovative companies thanks to an envelope of collateralized loans for a total of 300 million euros. Thanks to the previous agreement, Banque Populaire enabled more than 700 companies to benefit from Innov&Plus funding. The Caisse d’Epargne, for its part, has signed guarantee agreements with the EIF for its young and corporate customers. The first agreement (Erasmus+) covers the funding of loans granted to students enrolled on the Erasmus program for a total of 30 million euros. The second agreement, InnovFin, will make it possible to grant innovative companies loans worth 200 million euros, 50% counter-guaranteed by the EIF.

Banque Populaire has launched for the benefit of its professional customers the CyberPlus Pro application available for mobile phones and tablet devices, providing solutions for companies’ everyday account management requirements.

A major player in providing funding for local communities, the Caisse d’Epargne has developed an internet portal entitled Développement et Collectivités (“Development and Local Communities”) to provide local elected officials with a range of tools designed to simulate budgets and prepare the way for investments in their municipality.

Groupe BPCE is also the first banking group in Europe to become involved, in March 2016, in the “Global FinTech Challenge,” an open innovation competition organized online bringing together the innovative ecosystem of young FinTech companies worldwide.

\textsuperscript{19} Q1-15 pro forma (cf. the note on methodology at the end of this press release), unless specified to the contrary, all changes use the same reference base of March 31, 2015
Financial results\textsuperscript{19} for the first quarter of 2016 of the Commercial Banking & Insurance business line

The \textbf{revenues} generated by the Commercial Banking & Insurance business line for the first quarter of 2016 came to 3,802 million euros (excluding changes in provisions for home purchase savings schemes), representing a decline of 4.0% compared with the first quarter of 2015. The trend in interest rates is having an even greater negative impact on net interest income although this effect has been offset by an increase in volumes. The negative change in commission income is the result of the sharp decline in early redemption fees.

\textbf{Operating expenses} are closely managed, standing at 2,619 million euros in the first quarter of 2016, virtually unchanged compared with the first quarter of 2015 (+0.6%).

\textbf{Gross operating income} came to 1,152 million euros, down 14.4% year-on-year.

The \textbf{cost of risk}, which amounted to 268 million euros in the first quarter of 2016, has improved substantially, declining by a factor of 31.7%.

The \textbf{contribution made by the Commercial Banking & Insurance business line to the Group's income before tax} came to 959 million euros in the first quarter of 2016, down 5.2% compared with the first quarter of 2015.

\textbf{Restated to account for the impact of IFRIC 21}, income before tax stands at 1,079 million euros, down 4.9% compared with the first quarter of 2015, while the \textbf{cost/income ratio} rose by 3.5 points, to stand at 66.3%. \textbf{ROE} is equal to 10%, stable vs. the first quarter of 2015.

3.1.1 \textbf{Banque Populaire: dynamic growth in new loan production and continued drive to attract new customers}

The Banque Populaire network comprises the 18 Banque Populaire banks, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies.

- \textbf{Customer base}

The Banque Populaire retail banking network is pursuing its development strategy aimed at priority customer categories, leading to 1.5% year-on-year growth in the number of principal active customers using banking services (+49,000 customers) and a 7.6% year-on-year increase in the number of individual customers using banking services (+81,000 customers).

- \textbf{Loan outstandings}

Loan outstandings came to 174 billion euros at the end of March 2016, the result of a 3.3% increase compared with the same period last year. Home loan outstandings enjoyed 5.6% year-on-year growth. The production of new consumer loans was extremely dynamic, with growth of 28% compared with March 31, 2015, leading to 8.8% growth in outstandings. The recovery in equipment loans is gathering pace, with 19% growth in new loan production compared with same quarter last year, triggering a new recovery in outstandings (+1.0%).

- \textbf{Deposits & savings}

Deposits & savings grew by 10 billion euros on a year-on-year basis, rising to 235 billion euros at March 31, 2016 (+4.4%). On-balance sheet deposits & savings stood at 164 billion euros, equal to 5.0% growth on a 12-month rolling basis, driven by demand deposits (+11.7%) and regulated home savings plans (+9.5%). At the same time, life funds enjoyed growth of 3.1% year-on-year.
• **Insurance**

The P&C, provident & health insurance portfolio continued to expand with an 8.0% year-on-year increase for P&C insurance, and 9.3% growth for provident & health insurance.

• **Financial results**

**Net banking income** for the first quarter of 2016 stood at 1,593 million euros (excluding changes in provisions for home purchase savings schemes), down 4.0% compared with March 31, 2015. This decline is chiefly due to a 7.0% reduction in customer net interest income (excluding changes in provisions for home purchase savings schemes) and a 2.8% squeeze on commissions.

**Operating expenses** for the first quarter of 2016, which reached a total of 1,113 million euros, have increased marginally (+0.7%) compared with the first quarter of 2015.

**Gross operating income** for the first quarter of 2016 is equal to 469 million euros, down 14.7% compared with the same period in 2015.

The **cost of risk** for the first quarter of 2016, at 132 million euros, has declined by a substantial 23.6% compared with the first quarter of 2015.

**Income before tax** for the first quarter of 2016 is 5.6% down compared with the first quarter of 2015, and stands at 367 million euros.

If restated to account for the impact of IFRIC 21, income before tax is equal to 413 million euros, representing a decline of 5.2% compared with the first quarter of 2015, and the **cost/income ratio** stands at 67.5%, up 3.5 points compared with the first quarter of 2015.

**3.1.2 Caisse d'Epargne: enhanced income before tax resulting from buoyant commercial activities and a sharp decline in the cost of risk**

The Caisse d'Epargne network comprises the 17 individual Caisses d'Epargne along with their subsidiaries.

• **Customer base**

The strategy aimed at increasing the use of banking services by individual customers of the Caisse d'Epargne retail banking network was pursued during the first quarter of 2016 and led to a 2.1% growth in the number of principal active customers using banking services, i.e. an additional 108,000 customers. In the professional segment, the strategy aimed at attracting new customers led to a 3.8% increase in the number of active customers (+6,300 customers in the space of one year).

• **Loan outstandings**

Loan outstandings came to a total of 226 billion euros at March 31, 2016, representing growth of 4.9% compared with March 31, 2015. Home loan outstandings increased by 5.4% and the production of new consumer loans rose by 14% year-on-year. The recovery in equipment loans is confirmed with 31% growth in new loan production for loans granted to corporate customers, leading to a 3.5% increase in outstandings.

• **Deposits & savings**
Aggregate deposits & savings rose by 7 billion euros compared with March 31, 2015 (+1.7%) to reach a total of 400 billion euros at March 31, 2016. On-balance sheet deposits & savings came to 270 billion euros, up 1.8% compared with March 31, 2015. Demand deposit enjoyed growth of 15.1% and regulated home savings plans increased by 10.2% at the expense, however, of passbook savings accounts which saw a decline of 4.2%. With respect to off-balance sheet deposits & savings, life funds enjoyed 2.6% year-on-year growth.

- **Insurance**

The Caisse d’Epargne retail banking network boasted substantial growth in its insurance activity, leading to an 11.9% increase in its P&C/non-life portfolio and 9.2% growth in provident and health insurance contracts.

- **Financial results**

**Net banking income** for the first quarter of 2016 stood at 1,873 million euros (excluding changes in provisions for home purchase savings schemes), down 2.1% compared with the first quarter of 2015. This change is chiefly due to a 6.7% decline in customer net interest income (excluding changes in provisions for home purchase savings schemes) and a 5.4% fall in commission income.

**Operating expenses**, which came to 1,254 million euros, have increased by a marginal 0.8% compared with the first quarter of 2015.

**Gross operating income** came to 599 million euros, down 9.8% vs. the first quarter of 2015.

The **cost of risk**, which equaled 85 million euros in the first quarter of 2016, has declined by 51.6% compared with the first quarter of 2015.

**Income before tax** stands at 513 million euros, up 5.1%.

When restated to account for the impact of IFRIC 21, income before tax for the first quarter of 2016 is equal to 566 million euros, representing 4.6% growth compared with the first quarter of 2015, while the **cost/income ratio** has deteriorated by 2.4 points, to 64.8%.

### 3.1.3 Other networks

The contribution of the **Other networks** sub-division to the income before tax of Groupe BPCE came to 79 million for the first quarter of 2016, down 41.5% compared with the same period in 2015. **When restated to account for the impact of IFRIC 21**, income before tax stands at 100 million euros, down 36.9% compared with the first quarter of 2015.

- **Real estate Financing**

_Crédit Foncier is the principal entity contributing to the Real estate Financing business line._

Crédit Foncier enjoyed buoyant commercial activity in the first quarter of 2016, notably in the segment of home loans granted to low- and middle-income households.

Aggregate new loan production came to 2.1 billion euros in the first quarter of 2016, including 1.6 billion euros for the individual customer segment and 0.5 billion euros for the public-sector facilities and real-estate investors segment.

Restated to account for exceptional items (including the CVA/DVA impact) and the cost of deeply subordinated notes set up between CFF and BPCE, **net banking income** is virtually stable (~0.5%) compared with the same period in 2015.
Operating expenses, which came to 138 million euros in the first quarter of 2016, have declined by 4.7% compared with the first quarter of 2015.

The cost of risk\textsuperscript{20} is equal to 28 million euros for the past quarter, up by 12.4% compared with the first quarter of 2015.

Restated to account for the impact of IFRIC 21, income before tax came to 46 million euros in the first quarter of this year. The cost/income ratio increased by 3.7 points compared with the first quarter of 2015 and is now equal to 62.4%.

- CNP and Others

The principal entity comprising the division is the minority interest in CNP Assurances, accounted for by the equity method.

In life insurance, gross new inflows generated by the Caisses d’Epargne came to 3.5 billion euros in the first quarter of 2016, representing growth of 21.1%. The Private Banking activity contributed 64% of this total, up from 59% in the first quarter of 2015. The proportion of unit-linked contracts in gross new inflows reflects the strong commercial dynamism of the Caisses d’Epargne and stood at 17.1% at March 31, 2016.

- BPCE International\textsuperscript{21}

BPCE International represents all the international subsidiaries of Groupe BPCE, with the exception of Natixis.

The customer deposits & savings of BPCE International enjoyed 1.7% year-on-year growth, rising to 5.3 billion euros at March 31, 2016. This growth was chiefly driven by demand deposits (+6.6%) considering that on-balance sheet deposits & savings, excluding demand deposits, have decreased marginally (-0.9%) and off-balance sheet deposits & savings have suffered a year-on-year decline of 3.4%.

Loan outstandings, which stood at 5.8 billion euros at the end of March 2016, remain stable compared with the end of March last year. Loans granted to individual customers have risen by 3.7% compared with the first quarter of 2015. Outstanding loans granted to corporate customers have fallen by 1.1%.

- Banque Palatine

At March 31, 2016, the customer deposits & savings\textsuperscript{22} of Banque Palatine enjoyed 4.5% year-on-year growth driven by on-balance sheet savings to reach a total of 17.7 billion euros. The corporate customer segment grew by 6.0% reflecting the dynamic performance achieved by new demand deposit inflows. Benefiting from growth in on-balance sheet deposits (+1.8%), outstanding funds from private banking customers rose by 0.3%, thereby offsetting the slight decline in off-balance sheet deposits & savings (-0.4%).

Customer loan outstandings\textsuperscript{22}, which rose 3.5% on a year-on-year basis, stood at 8.2 billion euros at March 31, 2016. Outstanding loans granted to corporate customers enjoyed 3.4% year-on-year growth. In the private banking segment, the production of new home loans – which remained dynamic – resulted in 3.8% growth in loan outstandings in this segment.

\textsuperscript{20} Provision of €142m booked in Q1-15 for Heta Asset Resolution AG, attributed to the Corporate Center

\textsuperscript{21} 2015 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon to the Caisse d’Epargne Provence-Alpes-Corse (CEPAC) in addition to a loan portfolio for a total of €531m

\textsuperscript{22} End-of-period position for loan outstandings and average position for deposits & savings
3.2 Core business lines of Natixis\textsuperscript{23,24} (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services): good performance in the first quarter of 2016 in a highly volatile market environment

The net banking income of the core business lines of Natixis (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services) stood at 1,949 million euros in the first quarter of 2016, marginally down compared with the first quarter of 2015 (-0.2%).

The operating expenses of the core business lines of Natixis amounted to 1,327 million euros in the first quarter of 2016, up 2.6% compared with the same period in 2015.

The gross operating income of the core business lines of Natixis came to 622 million euros in the first quarter of the year, representing a 5.8% decline compared with the first quarter of 2015.

The cost of risk of the core business lines of Natixis amounted to 84 million euros in the first quarter of 2016, up by 4.9%.

The income before tax of the core business lines of Natixis came to 565 million euros in the first quarter of 2016, down 4.0% on a year-on-year basis.

Restated to account for the impact of IFRIC 21, income before tax stands at 615 million euros, down 3.9% compared with the first quarter of 2015. It can be broken down as follows:

- The Investment Solutions division reported income before tax of 269 million euros in the first quarter of 2016, up 6.0% compared with the first quarter of 2015. The Investment Solutions division accounted for 44% of the income before tax of the core business lines.

- In the Corporate & Investment Banking division, income before tax stood at 233 million euros in the first quarter of 2016, down 18.6%. The Corporate & Investment Banking division accounted for 38% of the income before tax of the core business lines.

- The income before tax of the Specialized Financial Services (SFS) division enjoyed growth of 12.6% in the first quarter of 2016, rising to 114 million euros. The Specialized Financial Services division accounted for 18% of the income before tax of the core business lines.

Restated to account for the impact of IFRIC 21, the cost/income ratio of the core business lines of Natixis is equal to 65.5% in the first quarter of 2016, representing an increase of 1.9 points.

Restated to account for the impact of IFRIC 21, ROE was equal to 12% in the first quarter of 2016 and is down one percentage point year-on-year.

(For a more detailed analysis of the core business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com).

\textsuperscript{23} The Groupe BPCE contribution figures are different from those published by Natixis

\textsuperscript{24} Q1-15 results are presented pro forma (cf. notes on methodology)
## NON-ECONOMIC AND EXCEPTIONAL ITEMS

<table>
<thead>
<tr>
<th>Non-economic items</th>
<th>Q1-16</th>
<th>Q1-15 pf</th>
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<tr>
<td></td>
<td>Income before tax</td>
<td>Net income attributable to equity holders of the parent</td>
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<td>Revaluation of own debt* (net banking income)</td>
<td>7</td>
<td>5</td>
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<tr>
<td>Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies** (net banking income)</td>
<td>-45</td>
<td>-29</td>
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<tr>
<td><strong>Total impact of non-economic items</strong></td>
<td>-38</td>
<td>-23</td>
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<table>
<thead>
<tr>
<th>Exceptional items</th>
<th>Q1-16</th>
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<td></td>
<td>Income before tax</td>
<td>Net income attributable to equity holders of the parent</td>
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<tr>
<td>Banca Carige / Permanent impairment (net banking income)</td>
<td>-10</td>
<td>-10</td>
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<tr>
<td>Disposal of international assets managed on a run-off basis (CFF, ex-SCF) (net banking income)</td>
<td>-39</td>
<td>-26</td>
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<td>40</td>
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<tr>
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<td></td>
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<tr>
<td><strong>Total impact of exceptional items</strong></td>
<td>-10</td>
<td>4</td>
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<tr>
<td><strong>Total impact</strong></td>
<td>-48</td>
<td>-19</td>
</tr>
</tbody>
</table>

Q1-15 results are presented pro forma (cf. notes on methodology)

* Concerns Natixis and Crédit Foncier

** Concerns Natixis and BPCE
For further details about the financial results for the 1st quarter of 2016, please consult the Investors/Results section of the corporate website www.bpce.fr.

Notes on methodology

Presentation of pro forma Q1-15 quarterly results
The segment information has been modified as of Q1-16 after the Equity interests division was subsumed into the Corporate Center division. On September 18, 2015, BPCE International transferred to the Caisse d'Epargne Provence-Alpes-Corse the entire equity interests it held in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon. The revenues generated by these entities have been attributed retroactively to the Caisse d'Epargne sub-division. This operation has no impact on the Commercial Banking & Insurance division as a whole.

The retroactive application since January 1st, 2015 of the change in the accounting method whereby assets and liabilities denominated in foreign currencies are hedged by currency swaps (with the impacts of the inefficiency of hedging now being recorded in transferable capital) has led to a restatement of the 2015 quarterly reviews; this restatement has no impact on the 2015 annual result.

The series of financial reports for 2015 is also presented pro forma to account for the transfer of expenses from the Corporate Center division to the SFS division.

Non-economic and exceptional items
The figures and comments contained in this presentation are based on the income statements of Groupe BPCE and its business lines restated to reflect the non-economic and exceptional accounting items listed on page 13 of this press release. A reconciliation of the restated income statement with the income statement published by Groupe BPCE is provided in an annex to this document.

Starting in Q1-16, the contribution to the Single Resolution Fund, booked under the operating expenses of the Corporate Center division, is no longer restated to account for exceptional items.

When the Q1-15 results were published, the amount booked with respect to the Group’s contribution to the Single Resolution Fund was an estimate. The quarterly reviews for 2015 have been restated to take account in Q1-15 of the actual amount of the SRF contribution as calculated by the supervisory authorities. This restatement has no impact on the 2015 annual results.

Restatement to account for the impact of IFRIC 21
The results, operating ratios and ROE after restatement to account for the impact of IFRIC 21 are computed, every quarter, on the basis of ¼ of the amount of taxes and contributions related to the IFRIC 21 interpretation.

Business line performance measured under Basel 3
As of Q1-15, regulatory capital is allocated to Groupe BPCE business lines on the basis of 10% of their Basel 3 average risk-weighted assets.

Leverage ratio
The leverage ratio is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures, after restating to account for deferred tax assets on tax loss carryforwards. Securities financing operations carried out with clearing houses are offset on the basis of the criteria set forth in IAS 32, without consideration of maturity and currency criteria. The savings and deposits centralized with the Caisse des Dépôts et Consignations has been considered in the total leverage exposure since Q1-16.

About Groupe BPCE
Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary commercial banking networks: the network of 18 Banque Populaire banks and the network of 17 Caisses d'Epargne. It also works through Crédit Foncier de France in the area of real estate financing. It is a major player in corporate & investment banking, asset management and financial services with Natixis. Groupe BPCE serves 35 million customers and enjoys a strong presence in France with 8,000 branches, 108,000 employees and more than 8.9 million cooperative shareholders

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