GROUPE BPCE

Press Release

Paris, November 6, 2013

Results for the 3rd quarter and the first 9 months of 2013

Robust results in Q3-13 and 9M-13.
Net income attributable to equity holders of the parent, excluding the revaluation of the Group's own debt, has increased by 10.7% compared with Q3-12 to €779 million, and by 12.3% compared with 9M-12 to €2,319 million.

- **Strong commercial dynamism**
  - Robust growth in revenues generated by the core business lines[1]: +7.1%[2] in Q3-13 vs. Q3-12
  - Growth in Commercial Banking and Insurance outstandings: on-balance sheet customer deposits and savings +9.9%[3] and customer loans +6.2%[4]
  - Natixis: strong growth in revenues from all business lines (Wholesale Banking +7.5%, Investment Solutions +14.7%, Specialized Financial Services +8.7% in Q3-13 vs. Q3-12)
- **Confirmation of the positive trends in results[2] in 2013**
  - Q3-13 attributable net income[2], excluding the revaluation of the Group's own debt: €779 million, up 10.7% compared with Q3-12
  - 9M-13 attributable net income[2], excluding the revaluation of the Group's own debt: €2,319 million, up 12.3% compared with 9M-12
  - The cost of risk remains moderate in a lackluster economic environment (31 bp in Q3-13 vs. 36 bp in Q2-13)
- **Continued strengthening of the financial structure**
  - Common Equity Tier-1 ratio under Basel 3[5]: 9.9%, +40 bp compared with June 30, 2013
  - Two Tier-2 bond issues completed since July 2013 (€1 billion in July and $1.5 billion in October): overall capital adequacy ratio under Basel 3[5,6] increased to 12.7%
  - Group's loan-to-deposit ratio[7] +126% (-6 points vs. September 30, 2012)
- **Accelerated disposal of non-customer assets**
  - GAPC: disposal of assets for a total of €4.7 billion during the first nine months of 2013, making it possible to confirm that GAPC will be wound up by mid-2014
  - Crédit Foncier: €3.1 billion of international asset disposals completed during the first nine months of 2013

[1] Commercial Banking and Insurance, Wholesale Banking, Investment Solutions and Specialized Financial Services.
[2] Pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and theCaisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.
[3] Banque Populaire and Caisse d'Epargne retail networks, excluding centralized savings products.
[4] Banque Populaire and Caisse d'Epargne retail networks.
[5] Estimate at Sept. 30, 2013, CRR/CRD4, as applied by Groupe BPCE, without transitional measures and after restatement to account for deferred tax assets.
[6] Including the October 2013 bond issue.
[7] Excluding SCF (Compagnie de Financement Foncier, the Group's *société de crédit foncier* - a French legal covered bonds issuer).

On November 6, 2013, the Supervisory Board of BPCE convened a meeting chaired by Yves Toublanc to examine the Group's financial statements for the third quarter and first nine months of 2013.

François Pérol, Chairman of the Management Board of Groupe BPCE, said:

"With our strong momentum in revenues, the tight management of expenses and the cost of risk, the robust and regular growth in our net income, the improvement of our capital adequacy, the quality of these quarterly results represent a sound foundation for the launch of the 2014-2017 strategic plan to be presented to investors on Wednesday, November 27, 2013."

1 CONSOLIDATED RESULTS [8] FOR THE THIRD QUARTER AND THE FIRST NINE MONTHS OF 2013 OF GROUPE BPCE

Groupe BPCE achieved a robust third quarter driven by the dynamism of its core business lines: Commercial Banking and Insurance, Wholesale Banking, Investment Solutions and Specialized Financial Services. The revenues posted by the core business lines have all achieved substantial growth and, together, rose 7.1% in the 3rd quarter.

The Group is generating robust and regular results. In the third quarter of 2013, the Group's net income[8] attributable to equity holders of the parent, excluding the revaluation of its own debt, stood at €779 million, up 10.7% compared with the 3rd quarter of 2012. Net income came to €746 million in the first quarter of 2013 and €793 million in the second quarter of this year.
During the first nine months of the year, it enjoyed 12.3% growth, to €2,319 million.

The Group is completing its first 2010-2013 strategic plan with revenue and cost synergies ahead of target. Additional revenues generated between Natixis and the Banque Populaire and Caisse d'Epargne retail networks amounted to €817 million at the end of September 2013, exceeding the target of €810 million fixed for the end of 2013, driven by substantial contributions from consumer finance, payments and insurance activities.

Cost synergies amounting to €1,009 million had been generated as at September 30, 2013 for the Group as a whole, exceeding the target of €1 billion set for the end of this year.

The success of the actions taken in pursuit of the "2010-2013 Together" strategic plan provides a strong foundation for Groupe BPCE's new 2014-2017 plan to be officially presented in November.

Groupe BPCE is continuing to reinforce its financial structure. It has further improved its capital adequacy with a Common Equity Tier-1 ratio under Basel 3[9] of 9.9%, representing an increase of 100 basis points since the beginning of 2013. The Group's liquidity indicators are satisfactory, with liquidity reserves covering 141% of funding outstandings, up 9 points since the end of 2012, and a loan-to-deposit ratio[10] of 126%, representing a 6-point year-on-year decline.

[8] Pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.
[9] Estimate at Sept. 30, 2013, CRR/CRD4, as applied by Groupe BPCE, without transitional measures and after restatement to account for deferred tax assets.
[10] Excluding SCF (Compagnie de Financement Foncier, the Group's société de crédit foncier - a French legal covered bonds issuer).

1.1 CONSOLIDATED RESULTS[11] OF GROUPE BPCE FOR THE THIRD QUARTER OF 2013[12]

Net banking income, excluding the revaluation of the Group's own debt, has risen by 2.9% to reach €5,657 million.

The revenues posted by the Group's core business lines[13] stand at €5,356 million, driven by strong growth dynamics (+7.1%).

The Group's **operating expenses** remain stable at €3 912 million (-0.3%). The **operating expenses of the core business lines** remain under tight control, with growth limited to 1.9% and currently stand at €3,515 million. The operating expenses of the Commercial Banking and Insurance devision have increased by a marginal 0.9%, while those of the core businesses of Natixis have experienced a 4.4% rise owing to an increase in expenses incurred by the Investment Solutions division, in line with growth in its business activities.

The **cost/income ratio** stands at 69.2% for the Group as a whole, down 2.2 points; the same ratio is 65.6% for the core business lines, representing a 3.4-point reduction.

Gross operating income, excluding the revaluation of the Group's own debt, has risen 10.9% to reach €1,744 million. The contribution from the Group's core business lines reached €1,842 million, equal to growth of 18.8%.

Cost of risk stands at €458 million, up 2.6%. The overal cost of risk for Groupe BPCE as a whole remains at a moderate level: 31 basis in what remains a lackluster economic environment. The cover rate of non-performing loans is 75.9%, up 2.2 points compared with December 31, 2012.

The cost of risk of the core business lines has risen 11.1% to €427 million, and stands at 31 basis points [14]. In the Commercial Banking and Insurance division, the average cost of risk of the Banque Populaire and Caisse d'Epargne retail networks stands at 32 basis points[15], with an increase in the cost of risk related to medium-sized companies. The cost of risk of the Wholesale Banking, Investment Solutions and Specialized Financial Services core businesses is stable in what continues to be an adverse economic environment.

Income before tax, excluding the revaluation of the Group's own debt, comes to a total of €1,335 million, equal to growth of 14.0%. The income before tax of the core business lines stands at €1,464 million, up 20.4%.

Net income attributable to equity holders of the parent, excluding the revaluation of the Group's own debt, displayed robust growth (+10.7%) and reached €779 million.

Net income attributable to equity holders of the parent achieved particularly robust growth of 21.1% to reach a total of €747 million.

The **net income attributable to equity holders of the parent of the core business lines** stands at €858 million, the result of strong growth: +19.1%.

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[11] Result pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.
[12] Compared with the 2nd quarter of 2013.
[13] The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail networks in addition to Crédit Foncier, Banque Palatine and BPCE International et Outre-mer), Wholesale Banking, Investment Solutions and Specialized Financial Services (Natixis).
[14] Cost of risk expressed in annualized basis points on gross customer loan outstandings at the beginning of the period.
[15] Cost of risk expressed in annualized basis points on gross customer loan outstandings at the beginning of the period (excluding provisions related to a specific case in Q4-11, Q1-12 and Q2-12)..

The **return on equity** of the Group's core business lines stands at 11%, equal to growth of 2 points.

1.2 CONSOLIDATED RESULTS[11] FOR THE FIRST NINE MONTHS OF 2013[16]

Net banking income, excluding the revaluation of the Group's own debt, stands at €17,112 million, up 2.5%.

The revenues posted by the Group's core business lines[17] rose 4.6% to reach €16,088 million against a backdrop of economic fragility.

The Group's **operating expenses** increased by a moderate +0.9% to €11,879 million.

The **cost/income ratio** stands at 69.4% for the Group as a whole, equal to a decline of 1.1 points. It now stands at 65.9% for the **core business lines**, representing a 1.8-point improvement.

Gross operating income, excluding the revaluation of the Group's own debt, is equal to €5,233 million, driven by growth of 6.5%. The contribution of the Group's core business lines rose by 10.2% to reach €5,483 million.

The **cost of risk** stands at €1,477 million, down 5.0%. The **cost of risk of the core business lines** is equal to €1,407 million; this item has increased by 6.8%.

Income before tax, excluding the revaluation of the Group's own debt, stands at €3,956 million, up 12.7%. For the core business lines, the corresponding figure is €4,247 million, up 11.4%.

Net income attributable to equity holders of the parent excluding the revaluation of the Group's own debt enjoyed growth of 12.3% to reach €2,319 million.

Net income attributable to equity holders of the parent recorded extremely significant growth of +16.3% and stands at €2,260 million for the period.

Net income attributable to equity holders of the parent of the core business lines amounts to €2,538 million, reflecting growth of 13.5%.

The **return on equity** of the Group's core business lines stands at 11%, up 1 point.

1.3 WORKOUT PORTFOLIO MANAGEMENT (GAPC): disposal of assets of €4.7 billion in the first nine months of 2013

GAPC is pursuing its asset disposal program, without it having any significant impact on the Group's net income attributable to equity holders of the parent.
The amount of disposals completed in the 3rd quarter of 2013 amounts to €1.1 billion; total disposals stand at €4.7 billion for the first nine months of the year, with a limited discount.

By reducing the amount of these managed assets, the risk-weighted assets under Basel 3[18] have declined by 76% since December 2011 and reduced by €4.5 billion since June 2013; they currently stand at €13.6 billion.

[16] Compared with the first 9 months of 2012.
[17] The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail networks in addition to Crédit Foncier, Banque Palatine and BPCE International et Outre-mer), Wholesale Banking, Investment Solutions and Specialized Financial Services (Natixis).
[18] Estimate under Basel – 3 CRR/CRD4, as applied by Groupe BPCE.

The net value (excluding derivatives) of these assets has declined by 75% since December 2009 to reach €8.6 billion at September 30, 2013.

The target for winding up GAPC completely by mid-2014 has been confirmed.

2. Capital Adequacy and Liquidity: Common Equity Tier-1 Ratio under Basel 3[19] of 9.9% at the end of September 2013

2.1 Capital Adequacy

Groupe BPCE is further enhancing its capital adequacy with a Common Equity Tier-1 ratio under Basel 3[19] of 9.9% at September 30, 2013, up 40 basis points compared with June 30, 2013.
The Group's Common Equity Tier-1 capital[19] stands at €41.6 billion while risk-weighted assets under Basel 3[19] amount to €421 billion.

Groupe BPCE has set itself the target of achieving a Common Equity Tier-1 ratio under Basel 3[19] of more than 10% in 2014.

Groupe BPCE had a leverage ratio under Basel 3[20] greater than 3% at September 30, 2013.

2.2 Liquidity reserves and Short-term funding

Liquidity reserves cover 141% of the short-term funding outstandings and stood at €156 billion at the end of September 2013, including €116 billion of available assets eligible for central bank financing or liable to be so in the short term and €40 billion in liquid assets placed with central banks.

The loan-to-deposit ratio of Groupe BPCE[21] has declined by 6 points compared with September 30, 2012 and now stands at 126%.

2.3 Medium- / Long-term Funding

Thanks to its ability to access major debt markets, the Group had successfully raised medium- and long-term resources for a total of €25.5 [22] billion at September 30, 2013, (of which €18.2 billion in the form of unsecured bond issues and €7.2 billion in covered bond issues), representing 121% of the 2013 funding plan.
The average maturity of the issue is 5.2 years and the average rate is mid swap +47 basis points.

With regard to BPCE's medium- and long-term funding pool, 154% of the €14 billion plan has been completed with resources of €21.5[22] billion raised with an average maturity of 3.9 years.

A Tier-2 issue of €1 billion was completed on July 11, 2013. In addition, a $1.5 billion issue was completed more recently on October 15, thereby confirming the Group's ability to access a variety of funding sources, including for its regulatory capital (71% of this bond issue was placed in the United States).

[19] CRR/CRD4 estimate, as applied by Groupe BPCE, without transitional measures and after restatement to account for deferred tax assets (pro forma du rachat des CCI).
[20] Without transitional measures and after restating to account for deferred tax assets, calculated using the CRR/CRD4 method.
[21] Excluding SCF (Compagnie de Financement Foncier, the Group's *société de crédit foncier* - a French legal covered bonds issuer).
[22] Including €5.4bn raised in excess of the 2012 plan and allocated to the 2013 plan (€4bn from the BPCE funding pool and €1.5bn from the CFF funding pool).

Regarding the medium- and long-term funding pool of Crédit Foncier, 57% of the €7 billion plan has been completed with €4.0[22] billion raised with an average maturity of 12.3 years.

CONSOLIDATED RESULTS OF GROUPE BPCE IN THE THIRD QUARTER OF 2013

In millions of euros *Pro forma results****	Q3-13	Q3-13 / Q3-12	CORE BUSINESS LINES* Q3-13	Q3-13 / Q3-12
Net banking income**	5,657	+2.9%	5,356	+7.1%
Operating expenses	-3,912	-0.3%	-3,515	+1.9%
Gross operating income ** ***Cost/income ratio***	***1,744*** ***69.2%***	***+10.9%*** ***-2.2 pts***	***1,842*** ***65.6%***	***+18.8%*** ***-3.4 pts***
Cost of risk	-458	+2.6%	-427	-11.1%
Income before tax**	***1,335***	***+14.0%***	***1,464***	***+20.4%***
Net income attributable to equity holders of the parent** *Impact of the revaluation of own debt on net income*	**779** *-32*	**+10.7%** *-63.1%*	**-**	**-**
Net income attributable to equity holders of the parent	**747**	**+21.1%**	**858**	**19.1%**
ROE	**6.0%**	**+0.8 pt**	**11%**	**2 pts**

* The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail networks in addition to Crédit Foncier, Banque Palatine and BPCE International et Outre-mer), Wholesale Banking, Investment Solutions and Specialized Financial Services (Natixis).
** Excluding the revaluation of BPCE's own debt for the Group's results.
*** Pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and theCaisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.

CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FIRST NINE MONTHS OF 2013

In millions of euros *Pro forma results****	9M-13	9M-13 / 9M-12*	CORE BUSINESS LINES*	9M-13 / 9M-12
Net banking income**	17,112	+2.5%	16,088	+4.6%
Operating expenses	-11,879	+0.9%	-10,606	+1.9%
Gross operating income** ***Cost/income ratio***	***5,233*** ***69.4%***	***+6.5%*** ***-1.1 pt***	***5,483*** ***65.9%***	***+10.2%*** ***-1.8 pt***
Cost of risk	-1,477	-5.0%	-1,407	+6.8%
Income before tax**	***3,956***	***+12.7%***	***4,247***	***+11.4%***
Net income attributable to equity holders of the parent** *Impact of the revaluation of own debt on net income*	***2,319*** *-58*	**+12.3%** *-52.1%*	-	-
Net income attributable to equity holders of the parent	**2,260**	**16.3%**	**2,538**	**13.5%**
ROE	**6.2%**	**-0.5 pt**	**11%**	**-1 pt**

* The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail networks in addition to Crédit Foncier, Banque Palatine and BPCE International et Outre-mer), Wholesale Banking, Investment Solutions and Specialized Financial Services (Natixis).
** Excluding the revaluation of BPCE's own debt for the Group's results.
*** Pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and theCaisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.

3. RESULTS OF THE BUSINESS LINES: GROWTH IN REVENUES POSTED BY ALL BUSINESS LINES

3.1 COMMERCIAL BANKING AND INSURANCE: STRONG COMMERCIAL DYNAMICS

The Commercial Banking & Insurance core business line groups together the activities of the Banque Populaire and Caisse d'Epargne retail banking networks, activities related to real estate financing (chiefly Crédit Foncier) and the Insurance, International and "Other networks" activities.

At September 30, 2013, the Commercial Banking and Insurance business line reported new growth in both on-balance sheet savings and customer loan outstandings. This growth was bolstered by the new terms and conditions governing the centralization of regulated savings adopted in July earlier this year.

As a result, the Banque Populaire and Caisse d'Epargne retail banking networks reported 9.9% growth in on-balance sheet savings (excluding centralized savings products) and a 6.2% increase in customer loan outstandings on a year-on-year basis.

In the 3rd quarter of the year, the retail networks continued to pursue initiatives in favor of their clientele.
Thus, within the framework of its digital strategy, the Caisse d'Epargne network launched in September the first intelligent and universal digital bank safety deposit box, facilitating the automatic storage of documents. This service meets the expectations of customers who now want to simplify their lives by automatically grouping together their administrative or commercial documents (invoices, bank statements, tax returns, etc.) while simultaneously enjoying the guarantee of having a secure space in which to store them. More than 100,000 digital safety deposit boxes have already been opened (145,000 at end-October 2013).

Since September, the Banque Populaire banks – the leading French banks for companies and business creators – have been offering a unique innovation financing solution: Innov&Plus Banque Populaire. This solution, launched in partnership with the European Investment Fund (EIF), enables innovative SMEs and mid-cap companies to apply for a loan with a 50% ceiling on the personal guarantee provided by the senior manager and a reduced rate of interest, thanks to the partial, with counter-guarantee provided by the EIF. The overall funding envelope for these loans is €250 million.

Financial results[23] of the Commercial Banking and Insurance core business for the 3rd quarter of 2013

The revenues generated by the Commercial Banking and Insurance core business rose to €3,780 million[24], equal to growth of 6.2% compared with the same period in 2012.

The net interest margin of the Banque Populaire and Caisse d'Epargne networks continued to progress, rising 7.9%[24] compared with the 3rd quarter of 2012, driven by the volume of new deposits and savings against a backdrop of low interest rates.

The two retail networks also reported 7.0% growth in commission earnings during the 3rd quarter of the year. Bouyed up by the continued development of the networks' customer base and extension of banking services, commission were also boosted by fees generated on early redemption and the renegotiation of loans.

Operating expenses continued to rise at a moderate pace (+0.9%) compared to the same period in 2012.

Gross operating income amounts to €1,267 million, up 17.3%.

The **cost/income ratio** stands at 66.3%, down 3.3 points year-on-year.

The **cost of risk,** at €333 million, has risen by 14.2%.

Net income attributable to equity holders of the parent posted by the Commercial Banking and Insurance core business line stands at €630 million, representing growth of 17.8% compared with the 3rd quarter of 2012.

The **return on equity** achieved by the business line stands at 10% for the quarter, up 1 point compared with the 3rd quarter of 2012.

[23] Pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and theCaisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.
[24] Excluding changes in provisions for home purchase savings schemes.

3.1.1 BANQUE POPULAIRE

The Banque Populaire network comprises the 19 Banque Populaire banks, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies.

- **Customer base**

In the 3rd quarter of 2013, the Banque Populaire retail network pursued its strategy aimed at increasing the size of its customer base, leading to record-breaking growth with 94,100 new individual customers and 14,500 professional customers since the beginning of the year.

At the same time, the banks continued to intensify their relationship with their existing customers, leading to a 5.1% increase in the number of active individual customers using banking services and insurance products over a 12-month period. The year-on-year growth rate was greater than 3% for active customers using banking services and more than 5% for active customers using banking services and insurance products.

In the professional customer market segment, the number of customers active in a dual private and professional capacity increased by 2.9% compared with the end of September 2012.

- **Deposits and savings**

The Banque Populaire network sustained its momentum regarding new on-balance sheet deposits and savings, achieving year-on-year growth of 7.4%, excluding centralized savings products. Growth was driven, in particular, by passbook savings accounts (+11.6%) and term deposit accounts (+11.8%). Demand deposits also remained positive (+4.3%). With regard to financial savings, life funds grew by 2.6%.

- **Customer loan outstandings**

At the end of September, customer loan outstandings generated by the Banque Populaire banks showed growth of 3.2% (to €164 billion), driven by the strong increase in home loans with 5.5% growth in outstandings compared with the end of September 2012. In the equipment loan segment, new production enjoyed a recovery with growth of 4% after two lackluster quarters, thereby making it possible to stabilize aggregate outstandings.

- **Financial results**[25]

Net banking income rose 7.2%, to €1,572 million (excluding changes in provisions for home purchase savings schemes).

Operating expenses have declined by 0.6% and now stand at €1,040 million, resulting in **gross operating income** of €525 million and a **cost/income ratio** of 66.5%, down 4.6 points.

The **cost of risk** stands at €160 million (+37.7%).

In the third quarter of 2013, the Banque Populaire network contributed €236 million to the net income of Groupe BPCE.

[25] Compared with Q3-12

3.1.2 Caisse d'Epargne

The Caisse d'Epargne network comprises the 17 individual Caisses d'Epargne.

- **Customer base**

In the individual customer segment, the Caisse d'Epargne network is pursuing its strategy aimed at forging a closer relationship with its existing customers by focusing, in particular, on the provision of banking services. As a result, the number of principal active customers using banking services has increased by 7.8% in the space of one year. Regarding the professional and corporate customer segment, the strategy of winning new customers has led to significant year-on-year growth in the number of active customers: +4.8% for professional customers and +6.7% for corporate customers.

- **Deposits and savings**

Growth in on-balance sheet deposits and savings was stimulated in the 3rd quarter by the adoption of new terms and conditions governing the centralization of regulated savings. At the end of September, the increase in new deposits stood at 11.8% year-on-year. Apart from the new conditions governing the centralization of regulated savings, new deposit-taking was also buoyed up by growth in demand deposits (+9.4%) and term deposits (+12.6%).

With regard to financial savings, the combined effect of growth in life funds (+1.9%) and a slower pace of withdrawals from mutual funds (-7.6%) resulted in a new overall increase in deposits (+0.9%).

- **Customer loan outstandings**

Customer loan outstandings stood at €197 billion at the end of September 2013, up 8.9% year-on-year.
The greatest change can be noted in real estate loans (+9.5%) although consumer finance also managed to achieve growth (+2.6%) despite the adverse environment. Equipment loans put up a good performance (+8.4%), driven by the strong momentum observed in the professional and corporate markets. As a result, these market segments posted quarterly growth up 13% compared with the same period in 2012.

- **Financial results**

Net banking income stands at €1,723 million (excluding changes in provisions for home purchase savings schemes), equal to growth of 4.8%.

Operating expenses have rusen by 2.4%, to €1,120 million, leading to **gross operating income** of €591 million and a **cost/income ratio** of 65.5%, down 1.7 points.

The **cost of risk** stands at €134 million (+14.3%).

The Caisse d'Epargne network contributed €287 million to the net income of Groupe BPCE in the 3rd quarter of 2013.

3.2 Real estate Financing

Crédit Foncier is the principal entity contributing to the Real estate financing business line.

The operations of the core business lines in France – real-estate and public-sector financing – continued to achieve good commercial results in the 3rd quarter of 2013. New loan production rose by 23% in the 3rd quarter of 2013 compared with the same period last year, and by 22% in the first 9 months of 2013 when compared with the same period in 2012. It amounts to €7.9 billion for the first nine months of 2013.

In the individual customer segment, new loan production grew by 22% over the first nine months of the year compared with the same period in 2012. Crédit Foncier is the principal lender to low-income families with a market share of more than 46% thanks to the *prêt à l'accession sociale*, a loan specifically designed to facilitate home-ownership (SGFGAS figures, dated September 15, 2013.) The volume of these home-ownership loans aimed at low-income families rose to €2.5 billion during the first nine months of 2013, up 33% compared with the same period in 2012.

In the segment providing financing to real-estate investors and public facilities, new loan production remained buoyant with growth of 21% over the first nine months of 2013 versus the same period in 2012.

Crédit Foncier continued its drive to reduce the size of its blance sheet with the sale of international assets for a total of €3.1 billion during the first nine months of 2013, including sales worth €0.8 billion in the 3rd quarter. Since the start of the strategic plan first launched in the 4th quarter of 2011, asset disposals have amounted to €8 billion.
The net impact of asset disposals on net banking income is equal to -€50.1 million, listed under "Other businesses".

The contribution of the Real estate Financing division to the net income attributable to equity holders of the parent amounted to €19 million in the 3rd quarter of 2013, against -€9 million in the 3rd quarter of 2012.

3.3 Insurance[26]

The Insurance division is comprised of BPCE Assurances and CNP Assurances.

The Insurance business recorded continuous growth in its non-life and provident & health insurance segments within the framework of the "Ambition Banker Insurer" initiative.

In the Life Insurance segment, revenues enjoyed 6% growth in the first nine months of 2013 compared with the same period last year to reach €5,004 million. Revenues were driven by Private Banking, which accounted to 53% of aggregate revenues.
Inflows to unit-linked life insurance policies saw 11% growth in new business during the first nine months of the year compared with the same period in 2012.

The Non-Life activity enjoyed strong growth, with revenues equal to €97 million in the 3rd quarter of 2013, up 16% compared with the 3rd quarter of 2012. The portfolio of contracts saw 8% growth compared with the same period last year, reaching 1,414,000 contracts at the end of September 2013.

[26] Entities included within the scope of the segment information of the Insurance division: BPCE Assurances (majority interest) and CNP Assurances (minority interest accounted for by the equity method).

Provident and Health insurance also displayed strong business momentum with 5% growth in revenues to €95 million in the 3rd quarter of 2013. The portfolio of contracts achieved year-on-year growth of 10% to reach a total of 2,336,000.

The contribution of the Insurance division to net income attributable to equity holders of the parent in the 3rd quarter of 2013 stood at €41 million versus €44 million generated in the 3rd quarter of 2012.

3.4 International: BPCE International et Outre-mer (BPCE IOM)

Principal entity contributing to this business line: BPCE International et Outre-mer (BPCE IOM), which represents all the international and overseas subsidiaries of Groupe BPCE (with the exception of Natixis).

At the end of September 2013, the deposits and savings[27] received by BPCE IOM stood at €7.8 billion, equal to growth of 4.2% in the space of one year. All customer segments have contributed to this increase. Demand deposits achieved good growth (+4.6%) along with the other components of on-balance sheet savings (+6.4%); financial savings remained stable.

At September 30, 2013, customer loan outstandings remained stable compared with September 30, 2012 at €8.8 billion. Real estate loan outstandings granted to individual customers rose by 4.7% while personal loans grew by +5.3%. For corporate customers, medium- to long-term loans suffered a downturn (-1.8%).

The contribution of the International division to net income attributable to equity holders of the parent of Groupe BPCE came to €20 million in the 3rd quarter of 2013, against €1 million at the same time last year.

3.5 Other Networks: Banque Palatine

The principal entity contributing to this business line is Banque Palatine

With deposits and savings of €16 billion at September 30, 2013, the division maintained its strong growth dynamic (+12.5% year-on-year). Deposits and savings were driven by strong growth in demand deposits (+26.7%) and by growth in the other components of on-balance sheet savings (+12.4%). Financial savings saw more moderate growth of 2.6%.

Customer loan outstandings enjoyed +5.6% year-on-year growth to reach €7.1 billion. Among individual customers, new real estate loan production enjoyed substantial growth. In the corporate segment, business activities remained at a good level, with medium- and long-term loans enjoying growth of 6.5%.

The contribution of the Other Networks division to net income attributable to equity holders of the parent of Groupe BPCE stood at €27 million in the 3rd quarter of 2013, against €13 million in the 3rd quarter of 2012.

[27] 2012 positions restated following the divestment of BCP Luxembourg in June 2013.

4. WHOLESALE BANKING, INVESTMENT SOLUTIONS AND SPECIALIZED FINANCIAL SERVICES (BUSINESS LINES INCLUDED WITHIN NATIXIS) [28]

The **net banking income** of the core business lines of Natixis (Wholesale Banking, Investment Solutions and Specialized Financial Services) in the 3rd quarter of 2013 stood at €1,597 million, up 10.1% compared with the same period in 2012.

The revenues posted by all the core business lines display strong growth: in the Wholesale Banking core business, all the business lines enjoyed improved results with aggregate revenues of €739 million (+7.5%); Investment Solutions achieved growth of 14.7% to €549 million, and Specialized Financial Services improved its performance by +8.7% to reach €309 million.

Operating expenses, at €1,022 million, have increased by 4.4%.

The **cost/income ratio** is down 3.5 points, to 64.0%.

The **cost of risk** stands at €94 million, reflecting the wider deterioration in the economic environment.

The **income before tax** of the three core business lines has increased by 27%, to reach €484 million.

After accounting for minority interests and income tax, the contribution to Groupe BPCE's net income attributable to equity holders of the parent came to €229 million, up by 22.9%.

The **return on equity** of the core business lines of Natixis stands at 13%, up 3 percentage points

(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****).*

5. EQUITY INTERESTS[29]

Equity Interests chiefly concern the activities pursued by Coface and Nexity.

The net banking income of the Equity Interests division amounted to €382 million in the 3rd quarter of 2013, down 7.3% compared with the 3rd quarter of 2012. Net income attributable to equity holders of the parent came to €10 million, down 53.2% compared with the same period last year.

- **Coface**

Turnover generated in the 3rd quarter of 2013 remain stable compared with the 2nd quarter of this year in what remains an adverse commercial environment owing to a slowdown in client activity. Global turnover stands at €351 million.

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[28] Contribution of the core business lines of Natixis to the consolidated accounts of Groupe BPCE. These figures may differ from those published by Natixis

[29] The "Equity Interest" division includes investments in Coface, Nexity, Volksbank Romania in addition to the Private Equity activities of Natixis. Results are pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the Cooperative Investment Certificates (CICs) held by Natixis.

Pre-tax profit for the first nine months of 2013 remains stable compared with the same period last year and stands at €107 million.

The combined ratio, which came to 84% in the 3rd quarter of 2013, has fallen almost 5 points from its level in the 2nd quarter this year; this decline is linked to improvements in the cost and loss ratios.

- **Nexity**

Nexity achieved 2% growth in the value of net reservations for new housing in France, which stood at €1.3 billion (inclusive of tax) in the first nine months of 2013, for a volume of 6,540 housing units, down 8.4% compared with the first nine months of 2012.

The backlog of orders at the end of September 2013 represented a total of €3.3 billion (up 7% compared with December 31, 2012), the equivalent of 16 months of development activity.

For the first nine months of 2013, revenues stood at €1.9 billion, up 1.9% compared with the same period last year. Residential real estate remains stable (-0.4%) compared with the first nine months of 2012; commercial real estate enjoyed growth of 13.6% compared with the first nine months of 2012, with business activities buoyed up by the large number of orders received in 2011.

Notes on methodology

The operation whereby the Banque Populaire banks and Caisses d'Epargne bought back and subsequently cancelled the cooperative investment certificates (CICs) held by Natixis was completed on August 6, 2013. The financial results are presented pro forma to account for this CIC buy-back operation, which involves the reimbursement of related funding and mechanisms, on the following basis:

- Organization of the CIC buy-back operation as at January 1, 2012,

- Reimbursement of P3CI (loan covering the CICs) and completion of other related operations as at January 1, 2012,

- Replacement of liquidity by Natixis and the exceptional distribution to Natixis shareholders of a dividend of approximately €2 billion as at January 1, 2012.

As of Q2-13, regulatory capital is allocated to Groupe BPCE business lines on the basis of 9% of their Basel 3 average risk-weighted assets. The capital allocation specific to the Insurance businesses is replaced by the Basel 3 treatment for investments in insurance companies, as transposed in CRR/CRD4 (the consolidated value of listed and unlisted companies being risk weighted at 290% and 370% respectively).

The segment information of Groupe BPCE has been restated accordingly for previous reporting periods.

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