

Press Release

Paris, February 17, 2013

Groupe BPCE: full-year 2012 results

- **Operation to simplify the Group's organizational structure: projected buy-back by the Banque Populaire banks and the Caisses d'Épargne, for a total of €12.1 billion¹, the Cooperative Investment Certificates (CCIs) held by Natixis in the capital of the Banque Populaire banks and Caisses d'Épargne, followed by the cancellation of these certificates.**
- **Net income attributable to equity holders of the parent (excluding revaluation of the Group's own debt) of €2.3 billion: solid results in a tight business environment.**

At the end of the "Together" strategic plan launched in 2010 – which has enabled the Group to return to profit, to reinforce its capital adequacy and liquidity, to reduce its risk profile, notably regarding Natixis, and to make Natixis a fully-fledged member of the Group *via* the development of synergies with the Banque Populaire banks and the Caisses d'Épargne – Group BPCE is announcing major plans to simplify its organizational structure.

- **Projected simplification of the Group's organizational structure**
 - > **Plan for the Banque Populaire banks and the Caisses d'Épargne to buy back** the Cooperative Investment Certificates (CCIs) held by Natixis in the capital of the mutual banks, in an amount of €12.1 billion¹
 - > **A threefold objective:** projected simplification of the Group's organizational structure, clearer appreciation of Natixis' performance, and optimization of the allocation of equity within the Group
 - > **An operation that creates value for Natixis' shareholders:** exceptional payment² of dividends in an amount of €2 billion (€0.65 per share), improvement of the cost/income ratio³, enhanced ROTÉ³ (from 8.1% before the operation to 8.5% after the operation)
 - > **No impact on Groupe BPCE results** and marginal impact on its capital adequacy (estimated 15-basis point decline in the Common Equity Tier-1 ratio under Basel 3⁴ on a pro-forma basis at Dec. 31, 2012)
- **Enhancement of the Group's financial structure in 2012**
 - > Core Tier-1 ratio under Basel 2.5 of 10.7%⁵ at Dec. 31, 2012, +160 basis points in 1 year
 - > Common Equity Tier-1 ratio under Basel 3 in excess of 9%^{4,5} at Dec. 31, 2012, ahead of target
 - > Goal to reduce liquidity requirements by €35 billion achieved one year in advance. Liquidity reserves of €144 billion at Dec. 31, 2012, equal to an increase of €34 billion in one year
 - > 2013 Medium-/Long-Term refunding program 50%⁶ complete at January 31, 2013

¹ 2012 dividend rights attached; representing 1.05 x the aggregate equity of the Banque Populaire banks and Caisses d'Épargne

² Proposal submitted to the Extraordinary General Shareholders' meeting

³ Return on Tangible Equity, or return on total shareholders' equity less deeply subordinated notes, intangible assets and goodwill. Excluding non-operating items – 2012 pro forma versus real 2012

⁴ Without transitional measures and after restatement for deferred tax assets and subject to the finalization of regulatory provisions

⁵ Estimate

⁶ Including amounts raised at the end of 2012 in excess of the 2012 program

- **Solid results in a tight business environment**

- > Stability in core business line revenues at €20.9 billion (-1.0% vs. 2011)
- > Net income attributable to equity holders of the parent (excluding revaluation of the Group's own debt) of €2.34 billion (-5.9% vs. 2011⁷)
- > Net income attributable to equity holders of the parent: €2.15 billion

- **Continued adaptation of the business models of the core business lines**

- > **Banque Populaire banks and Caisses d'Épargne:** strong growth in the number of active customers leading to substantial growth in on-balance sheet savings deposits and continued funding of the French economy
- > **Crédit Foncier:** active balance sheet management with the disposal of international assets for €4.9 billion since November 30, 2011; 7% cost reduction vs. 2011; launch of the project to pool IT resources with the creation of the Caisses d'Épargne platform
- > **Natixis:** goal of reducing capital and liquidity consumption achieved one year ahead of schedule; implementation of the *Originate to Distribute* model in the Wholesale Banking arm and launch of the Operational Efficiency Plan

On February 17, 2013, the Supervisory Board of BPCE convened a meeting chaired by Yves Toublanc to examine the Group's financial statements for the full year and fourth quarter of 2012.

François Pérol, Chairman of the Management Board of BPCE, said: *"Building on sound results in 2012, generated in a tight business environment, Groupe BPCE is today announcing a major project aimed at simplifying its organizational structure. The projected buy-back of Cooperative Investment Certificates (CCIs) follows on directly from the strategic decisions that we have taken since 2009: confirmation of the Group's cooperative banking model, clarification of its organization, transformation of Natixis' business model and risk profile, a stronger customer focus adopted by all our business activities. Once the operation has been completed, the entire capital of the Banque Populaire banks and Caisses d'Épargne will be held by their cooperative shareholders; Natixis, a fully-fledged member of Groupe BPCE, is BPCE's listed entity responsible for pursuing core business lines in favor of the Group's long-term strategy. Our results for last year, the further strengthening of our financial structure and the launch of the CCI buy-back operation allow us to look forward with confidence to drawing up our new strategic plan for the period running from 2014 to 2017."*

⁷ Pro forma to account for the disposal of Eurosic and Foncia in June and July 2011

1. GROUPE BPCE SIMPLIFIES ITS ORGANIZATIONAL STRUCTURE AND ANNOUNCES THE PROJECTED JOINT BUY-BACK BY BANQUE POPULAIRE BANKS AND CAISSES D'ÉPARGNE OF THE COOPERATIVE INVESTMENT CERTIFICATES (CCIs) HELD BY NATIXIS IN THE CAPITAL OF ITS PARENT COMPANIES

With the buy-back of the CCIs held by Natixis, BPCE is announcing plans to substantially simplify its organizational structure. In this context, Natixis would pay its shareholders an exceptional dividend⁸ in an amount of €2.0 billion. This plan is consistent with the implementation of the 2012-2013 strategic plan "Together".

BPCE S.A. and Natixis announced today that they have presented to their respective Supervisory Board and Board of Directors, a project implying a significant simplification of Groupe BPCE's structure. The contemplated operation would consist in the buy-back by the Banque Populaire banks and the Caisses d'Épargne of all the Cooperative Investment Certificates (CCIs), they had issued and which are currently wholly-owned by Natixis. Following the cancellation of the CCIs bought back by each Banque Populaire bank and Caisse d'Épargne, these banks would be fully owned by their cooperative shareholders. This buy-back operation of CCIs would be accompanied by the unwinding of associated financing agreements and intra-group mechanisms (such as the P3CI instrument).

This operation would represent a new key milestone in the construction of Groupe BPCE. Since its creation in 2009, BPCE has already managed to simplify its legal structures, its organization and its governance; it has achieved the greatest part of the disposal program regarding its non-core assets (including GAPC) and drawn conclusions of unstable macroeconomic and financial conditions on its accounts. This operation, while concluding "Together", Groupe BPCE's strategic plan for 2009-2013, would enable Groupe BPCE to engage in the preparation on solid foundations of its new strategic plan for the period 2014-2017 to be announced in the autumn. As part of this future plan, Natixis, one of Groupe BPCE's core businesses, will keep deploying its offering and services in the Banque Populaire and Caisse d'Épargne networks, making it possible to further enhance revenue and cost synergies that have already materialized over the past few years (€616m and €930m respectively as at the end of 2012), achieved ahead of the target initially fixed for the end of 2013.

For Natixis, the envisaged buy-back of the CCIs, in the context of this operation, would allow it to show an improved profitability profile as well as a simplified financial and prudential structure. This operation would constitute a new key milestone in the transformation of its business model, which is now clearly based on three customer-centric core business lines – Wholesale Banking, Investment Solutions, and Specialized Financial Services – and on Coface. Natixis also demonstrates a significantly lowered risk profile since 2009, while presenting, on a consistently recurring basis, a profitable activity since then.

The price paid for this buy-back would amount to €12.1 billion (with 2012 dividend rights attached), hence valuing the CCIs marginally above (1.05x) their share of the aggregated book value of the Banque Populaire banks and Caisses d'Épargne. This disposal would have a neutral impact on Natixis' net income attributable to equity holders of the parent in 2012. Détrôyat Associés⁹ will assess the fairness of this operation and will present its conclusions to Natixis' Board of Directors and general shareholders' meeting.

This buy-back operation of the CCIs would result in an approximately €16 billion decrease in Natixis' risk weighted assets (net of the impact of the P3CI instrument). In order to distribute

⁸ Proposal subject to the approval of the General Shareholders' meeting of Natixis

⁹ A consultancy specializing in financial valuations

the capital surplus thus generated, Natixis would propose the payment of a €2.0 billion exceptional dividend⁸ to its shareholders (€0.65 per share) in addition to the ordinary €0.10 per share dividend to be proposed for approval in the general shareholders' meeting.

Natixis would present a 9.2%¹⁰ Core Tier-1 ratio under Basel 3¹⁰ (pro forma the contemplated operation) as at January 1, 2013, consistent with the Core Tier-1 ratio¹⁰ posted by the company as at January 1, 2013, before this operation (9.0%¹⁰). Natixis would thus further improve – post operation – its already highly robust solvency position.

At Groupe BPCE's level, this CCI buy-back operation, coupled with the distribution of an exceptional dividend by Natixis, would have a marginal impact (-15bps) on its Common Equity Tier-1 ratio¹⁰ as at January 1, 2013. This reflects the fact that the CCIs are already cancelled in Groupe BPCE's consolidated accounts.

With this operation, Groupe BPCE once again demonstrates its ability to optimize capital circulation within its perimeter in order to ensure an appropriate allocation of its resources. Thus, in the context of this operation, BPCE S.A. would reimburse the highly-subordinated debt (€2.0 billion nominal) subscribed by the Banque Populaire banks and Caisses d'Epargne, and reduce the capital of BPCE SA by €2 billion in favor of the Banque Populaire banks and the Caisses d'Epargne.

This operation will be submitted, after approval of employees representative bodies, for approval by the Boards of Directors of Banque Populaire banks and by the Supervisory Boards of the Caisses d'Epargne (joint and equal shareholders of BPCE S.A.), by the Board of BPCE and by the Board of Directors of Natixis. This operation could be closed during the third quarter of 2013.

Rothschild & Cie Banque and Bredin Prat are advising Natixis and Groupe BPCE in this Operation.

JP Morgan is providing financial consultancy services to Natixis' audit committee.

Détroyat Associés consulting firm is acting as an expert and fairness arbitrator on behalf of Natixis.

The Ricol, Lasteyrie firm has been appointed as experts by BPCE on behalf of the Banque Populaire banks and the Caisses d'Epargne.

2. CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FULL YEAR AND 4TH QUARTER OF 2012

2.1 Consolidated results for full-year 2012¹¹

The Group has recorded solid results in a tight business environment. Revenues from its core business lines stand at €20.9 billion, down 1.0% compared with 2011, while 2012 net income attributable to equity holders of the parent amounts to €2,754 million, down 18.3% compared with 2011¹².

The negative impact of non-operating items on net income attributable to equity holders of the parent represents an aggregate total of -€607 million including, in particular, -€198 million revaluation of the Group's own debt, -€273 million in goodwill impairment and value adjustments, and -€190 million representing the prolonged decline in value of the interest in Banca Carige.

¹⁰ Without transitional measures and after restatement for deferred tax assets and subject to the finalization of regulatory provisions

¹¹ Excluding non-operating items

¹² Pro forma to account for the disposal of Eurosic and Foncia in June and July 2011

Groupe BPCE is efficiently pursuing its drive to adapt to changes in the regulatory environment by strengthening its capital adequacy before the transition to the new Basel 3 regulatory framework, with a Core Tier-1 ratio of 10.7%¹³, up 160 basis points in the course of 2012.

The **net banking income** of Groupe BPCE came to €22,504 million, down 1.2% (excluding non-operating items) compared with 2011¹².

The revenues posted by the core business lines of BPCE remain stable despite the adverse economic environment, buoyed up by the dynamism of the Group's commercial activities.

Revenues posted by the Group's core business lines¹⁴ stand at €20,867 million, down just 1.0% compared with 2011.

The Group's **operating expenses** reached a total of €15,935 million, up 2.1%. If new fiscal measures are excluded, the Group's expenses rose by 1.0%. **The operating expenses of the core business lines** increased 2.9% to reach a total of €14,061 million, (+1.8% in the absence of new fiscal measures). The **cost/income ratio** stands at 70.8% for the Group and at 67.4% for the core business lines.

Gross operating income came to €6,569 million, down 8.3% compared with 2011. The contribution made by the Group's core business lines came to €6,806 million, down 8.1% compared with 2011.

The **cost of risk** came to a total of €2,176 million, representing a 17.7% increase over 2011. The cost of risk of the core business lines follows the same upward trend, rising 22.5% to €1,788 million, reflecting the downturn in the economic environment and the impact of a specific case of funding of a financial leasing activity in partnership with a specialized company (+13.3% excluding the impact of this item).

Net income attributable to equity holders of the parent shows considerable resilience and stands at €2,754 million, down 18.3% if non-operating items are excluded. The **net income of the core business lines** has declined by 18.2% and amounted to €3,075 million in 2012.

The **ROE** of the core business lines stands at 9%, down 2.0 percentage points.

2.2 Results for the 4th quarter of 2012¹⁵

In the 4th quarter of 2012, **net banking income** came to a total of €5,662 million, up 0.2%, while the net banking income of the core business lines reached a total of €5,326 million.

Operating expenses represent a charge of €4,157 million, representing a closely managed increase of 2.0%; for the core business lines, operating expenses have risen 4.0% to a total of €3,678 million.

Gross operating income declined 4.5% to reach €1,505 million. For the core business lines, it fell 7.8% to €1,648 million.

The cost of risk stands at €644 million, up 5.3%.

Net income attributable to equity holders of the parent is down 12.4% at €521 million.

¹³ Estimate at December 31, 2012

¹⁴ The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Épargne retail banking networks along with Crédit Foncier, Banque Palatine and BPCE International et Outre-mer) and Wholesale Banking, Investment Solutions, and Specialized Financial Services (Natixis)

¹⁵ Excluding non-operating items

The **ROE** of the core business lines stands at 8%, down 1.0 percentage point.

The 2010-2013 strategic plan "Ensemble" is continuing to drive Groupe BPCE's banking model, which is achieving enhanced results in terms of operational efficiency, with results ahead of the predetermined target. At December 31, 2012, additional net banking income worth an aggregate €616 million since the launch of the strategic plan had been generated from synergies developed between Natixis and the Banque Populaire and Caisse d'Épargne retail networks, chiefly in the areas of consumer finance, payments and insurance. As a result, the rollout of the personal loan offering in the Banque Populaire banks and the sustained growth enjoyed by leasing activities have enabled businesses related to financing to exceed their targets. The business context is more difficult for financial savings products.

At December 31, 2012, cost synergies for Groupe BPCE as a whole amount to an aggregate €930 million since the strategic plan was first launched thanks, in particular, to the rationalization of third-party expenses, the optimization of Group purchasing, and the pooling of IT-related expenses.

2.3 Workout portfolio management (GAPC)

The GAPC is continuing to implement its asset disposal program by reducing the amount of assets managed on a run-off basis, without having a significant impact on net income attributable to equity holders of the parent. Assets worth a total of €3.6 billion were divested in 2012.

Risk-weighted assets declined by €1.7 billion in the 4th quarter of 2012, falling 58% since June 2009.

3. CAPITAL ADEQUACY AND LIQUIDITY: ADAPTING THE GROUP TO ITS NEW ENVIRONMENT

Groupe BPCE is pursuing its drive to reinforce its financial strength and has enhanced its capital adequacy by 160 basis points compared with December 31, 2011. The Core Tier-1 ratio under Basel 2.5 stood at 10.7%¹⁶ at December 31, 2012.

Core Tier-1 capital represented €40.9 billion at December 31, 2012, up from €23.3 billion in June 2009 when Groupe BPCE was first created (excluding the temporary capital injection received from the French government and which has since been reimbursed in full).

Groupe BPCE has already reached its target of Common Equity Tier-1 under Basel 3, without transitional measures¹⁷, of more than 9% in 2013, considering that it stood at 9%¹⁶ at December 31, 2012.

Groupe BPCE had set itself the target of reducing its wholesale funding requirements by €25-35 billion between the end of June 2011 and the end of 2013. At December 31, 2012, it achieved this target one year ahead of schedule, enabling the Group to enjoy a good liquidity position with €144 billion in liquidity reserves (including €98 billion in available assets eligible for central bank financing, and €46 billion in liquid assets placed with central banks at December 31, 2012) for short-term refinancing outstandings of €103 billion¹⁶ at the end of December 2012.

At December 31, 2012, short-term refinancing outstandings were covered by liquidity reserves by a factor of 140%.

¹⁶ Estimate at December 31, 2012.

¹⁷ After restating to account for deferred tax assets and subject to the finalization of regulatory provisions

On-balance sheet deposits continued to increase in the Banque Populaire and Caisse d'Epargne retail banking networks, with a loan-to-deposit ratio of 114%¹⁶ at December 31, 2012.

3.1 Medium-/Long-Term Funding: 50% of the 2013 program completed at January 31, 2013

The 2013 Medium-/Long-Term Funding program for a total of €21 billion – smaller than the 2012 program of €24.5 billion – was 50% completed at the end of January 2013 (including amounts raised at the end of 2012 above and beyond the 2012 funding program), with an average maturity of 5.8 years and an average mid-swap rate of +60 basis points.

The Group has raised €10.6 billion¹⁸ from its two funding pools: €6.8 billion from unsecured bond issues and €3.8 billion from covered bond issues.

BPCE's Medium-/Long-Term Funding pool has completed 59% of its €14 billion program with €8.3 billion raised with an average maturity of 4.0 years.

As for the Crédit Foncier Medium-/Long-Term Funding pool, 33% of the €7 billion program has been completed, with €2.3 billion⁸ in resources raised with an average maturity of 12.1 years.

2012 CONSOLIDATED RESULTS OF GROUPE BPCE EXCLUDING NON-OPERATING ITEMS

<i>in €m</i>	2012	2012 / 2011¹⁹	CORE BUSINESS LINES* 2012	2012/ 2011
Net banking income	22,504	-1.2%	20,867	-1.0%
Operating expenses	-15,935	+ 2.1%	-14,061	+ 2.9%
<i>Excluding new fiscal measures</i>	-15,760	+ 1.0%	-13,913	+ 1.8%
Gross operating income	6,569	-8.3%	6,806	-8.1%
Cost/income ratio	70.8%	+ 2.3 pts	67.4%	+ 2.5 pt
Cost of risk	-2,176	+ 17.7%	-1,788	+ 22.5%
Résultat avant impôt	4,605	-16.6%	5,236	-14.7%
Net income attributable to equity holders of the parent	2,754	-18.3%	3,075	-18.2%
ROE			9%	-2.0 pts

* The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail banking networks along with Crédit Foncier, Banque Palatine and BPCE International et Outre-mer) and Wholesale Banking, Investment Solutions, and Specialized Financial Services (Natixis).

¹⁸ Including €5.4 billion raised in excess of the 2012 program and deducted from the 2013 program (€4.0 billion from the BPCE funding pool and €1.5 billion from the CFF pool)

¹⁹ Pro forma to account for the disposal of Eurosic and Foncia in June and July 2011

CONSOLIDATED RESULTS OF GROUPE BPCE IN THE 4TH QUARTER OF 2012, EXCLUDING NON-OPERATING ITEMS

<i>in €m</i>	Q4-12	Q4-12 / Q4-11	CORE BUSINESS LINES*	Q4-12 / Q4-11
Net banking income	5,662	+0.2%	5,326	-
Operating expenses	-4,157	+ 2.0%	-3,678	+ 4.0%
Gross operating income	1,505	-4.5%	1,648	-7.9%
Cost/income ratio	73.4%	+1.3 pt	-69.1%	+2.6 pts
Cost of risk	-644	+ 5.3%	-469	+ 15.2%
Résultat avant impôt	915	-12.4%	1,239	-13.2%
Net income attributable to equity holders of the parent	521	-12.4%	728	-15.5%
ROE			8%	-1.0 pt

* The core business lines are Commercial Banking and Insurance (with, in particular, the Banque Populaire and Caisse d'Épargne retail banking networks along with Crédit Foncier, Banque Palatine and BPCE International et Outre-mer) and Wholesale Banking, Investment Solutions, and Specialized Financial Services (Natixis).

4. RESULTS OF THE CORE BUSINESS LINES

4.1 Commercial Banking and Insurance: buoyant commercial activity resulting in growth in on-balance sheet savings deposits

The Commercial Banking and Insurance core business line groups together the activities of the Banque Populaire and Caisse d'Épargne retail banking networks, of the Real Estate Financing division (chiefly Crédit Foncier de France) and the Insurance, International and "Other networks" activities.

2012: initiatives for the benefit of our customers

In 2012, the Commercial Banking and Insurance division took a great many initiatives for the benefit of its customers while developing synergies within Groupe BPCE.

In response to new consumer habits, in line with technological developments, the two retail networks pursued their multi-channel distribution program with the final rollout of on-line branches and the development of websites, thereby enhancing the public visibility of its brands: 54 million visitors per month for the Caisse d'Épargne website and 25 million visitors for the Banque Populaire on-line account management area alone. This visibility is also reflected in the 2.7 million mobile applications downloaded in 2012 for both retail networks.

In the means of payment area, the Banque Populaire banks and the Caisses d'Épargne have also innovated, by developing a range of payment solutions via mobile phone. This offering represents a tangible step towards the "bank of the future": *S-money*, launched in July, is the first banking solution that allows customers to pay, receive and send money instantaneously from a smartphone.

Another innovative customer-centric initiative was launched in 2012: "Digital Enterprise. It allows customers to sign up for savings products in a bank branch by using an electronic signature without using any paper during the process.

To firmly establish the distribution of insurance products (provident and non-life) within the Group's entities, the "Ambition Banquier Assureur" project – has led to substantial growth in the net revenues from general insurance products (+50%) and provident insurance (+ 81 %). The number of contracts in portfolio has increased significantly to reach 4.5 million at the end of 2012.

Synergies are continuing to be generated with Natixis notably with the sale of consumer finance products. The general rollout of the sales application in the Banque Populaire banks, previously implemented successfully in the Caisses d'Épargne, led to a 4% increase in new loan production in 2012 in a contracting market (-4%). Moreover, regarding factoring, revenues grew by 4.4% to reach €15.1 billion for the year as a whole.

Strong growth in the customer base, savings deposits and loan outstandings

Building on their image as (respectively) the French public's first and third most preferred banking institution²⁰, the Caisses d'Épargne and Banque Populaire banks have pursued their dynamic commercial policies. The focus on customer relations, at the very heart of their strategy, has led to the capture of new customers and a strengthening of relationships with their existing clientele. This growth is tangible for all customer categories served by both retail banking networks.

This dynamic growth in the customer base has resulted in 7.2%²¹ growth in on-balance sheet savings deposits driven by passbook savings accounts (+10%) and term accounts (+12.5%). Loan outstandings also display significant growth (+6%) in what remains an adverse economic environment both for households and for business organizations.

Full-year 2012 financial results for Commercial Banking and Insurance

In 2012 as a whole, the revenues generated by the Commercial Banking and Insurance core business line came to €14,846 million²², representing a decline of 1.8%²¹ compared with 2011.

These figures reflect resilient revenue performance in an adverse environment regarding both the economy and changes in the regulatory environment (with, notably, the reduction in commissions paid on centralized savings deposits and interbank payment operations). In this context, the net interest margin of the Banque Populaire and Caisse d'Épargne networks rose +3.1%²³, whereas commissions earned by the retail banking networks declined by 4.9%.

Operating expenses stood at €10,063 million, up +2.3% compared with 2011 (if the impact of new fiscal measures is excluded, growth is limited to +1.0%).

²⁰ JDD/Posternak/IPSOS public image barometer survey, January 2012

²¹ Excluding centralized savings products

²² Excluding regulated home purchase savings schemes

²³ Excluding changes in provisions for regulated home purchase savings schemes

Gross operating income stands at €4,761 million.

The cost/income ratio comes to 68.1%, up 3.3 points compared with last year.

The cost of risk has risen 13.3%, standing at €1,447 million, reflecting the deterioration in the economic environment. The increase is limited to 6.6% if the impact of a specific case of funding of a financial leasing activity in partnership is excluded.

Net income attributable to equity holders of the parent generated by the Commercial Banking and Insurance core business line is €2,233 million.

The ROE of the core business line in 2012 stands at 8%.

4.1.1 Banque Populaire

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

- **Customer base**

The Banque Populaire network is pursuing its drive to offer products and services to its customers. Regarding the individual customer segment, the number of active customers rose by +3.3%, and by +4.9% for active customers using banking services and insurance products. The number of professional and corporate customers increased by +1.6%.

- **Savings deposits**

The growth in on-balance sheet savings for the Banque Populaire banks remained buoyant, up +6.0% in relation to the fourth quarter of 2011 (excluding centralized savings). This positive trend was driven by an increased flow of deposits on passbook savings accounts held by individual customers (deposits +17.3%), related to the increased ceilings of the *livret* A and LDD sustainable development passbook savings accounts, but also as a result of the strategy to develop term accounts destined for professional and corporate customers (+ 22.7%). Within a context of lower yields, life funds remained stable.

- **Loan outstandings**

The lending activity of the Banque Populaire banks stood up well in 2012.

Home loan outstandings advanced +4.0% despite the 25% drop in new lending activity compared with 2011, a percentage that remains, however, better than the market performance overall (-26.4%²⁴).

Regarding consumer finance, the continued industrialization of personal loans with Natixis has led to a 5% rise in new lending and reversed the current trend of loan outstandings, which is now oriented upwards (+0.4%).

With regards corporate customers, the more uncertain economic situation has led to slower growth in equipment loans (+1.4%) and a rapid expansion in short-term credit facilities (+16.6%).

²⁴ Source : Observatoire Crédit Logement

- **Financial results**

Net banking income for the Banque Populaire network for the full-year 2012 was down 3.6%²⁵, at €6,049 million²³. Operating expenses increased by 2.9% to €4,185 million, leading to gross operating income of €1,847 million and a cost/income ratio of 69.4%, up 5.1 percentage points. The cost of risk has increased by 12.5% to reach €747 million.

In 2012, the Banque Populaire network contributed €731 million to the net income of Groupe BPCE.

4.1.2 Caisse d'Epargne

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

- **Customer base**

The Caisse d'Epargne network put up a solid commercial performance in 2012, in line with its strategy of deepening customer relations, which is reflected in the dynamic policy of developing the customer base with the addition of 313,000 active individual customers, including 247,000 active customers banking principally with the Caisses d'Epargne in 2012. The other markets also posted strong growth, with an annual growth rate of 7% in respect of active professional customers and 9% for corporate customers.

- **Savings deposits**

The Caisses d'Epargne enjoyed dynamic growth in on-balance sheet savings in all segments: passbook account savings rose +8.1%²¹ in 2012, demand deposits +6.1% and term accounts +4.8%. Overall, on-balance sheet savings (excluding centralized savings) rose by +8.1% in relation to 2011.

In adverse market conditions, financial savings deposits showed resilience, with life insurance growth remaining positive at +1.3% compared with the fourth quarter of 2011.

- **Loan outstandings**

After two record-breaking years, the Caisses d'Epargne enjoyed 8.4% growth in aggregate loan outstandings in 2012.

Real estate loans continued to advance at a good rate (+ 8.1% over one year), propped up by new lending which, despite being down 17%, declined less than the market overall (which fell by 26.4²⁶%).

Consumer finance continues to display growth, with a 3.5% increase in outstandings. Despite the sluggish business environment (due to a fall in consumption and a decline in new car registrations), new lending remained stable at a high level.

Finally, equipment loans are up 11.1%, driven by growth in the customer base. New lending was bolstered in particular, in the corporate customer market.

²⁵ Excluding changes in provisions for home purchase savings schemes

²⁶ Source: Observatoire Crédit Logement

- **Financial results**

Net banking income for the year as a whole increased by +0.2% to €6,806 million (excluding changes in provisions for home purchase savings schemes). Operating expenses increased by 2.5% to €4,518 million, leading to gross operating income of €2,238 million and a cost/income ratio of 66.9%, up by 2.1 percentage points. The cost of risk stands at €441 million (+24.2%).

The Caisse d'Épargne network contributed €1,147 million to the net income of Groupe BPCE in 2012.

4.1.3 Real estate financing

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

As part of the implementation of its strategic plan, Crédit Foncier has continued to reduce the size of its balance sheet via a policy geared to divesting its international portfolio, in an amount of €3.6 billion in 2012 (representing €4.9 billion since the plan was first launched); and debt buy-backs came to €1.3 billion (or €2.3 billion since the plan was first launched). The net impact on net banking income in 2012 of these disposals was -€41 million and listed under "Other businesses" for last year.

The cost-cutting plan led to a 7% reduction in costs in 2012 compared with 2011, thanks to the success of the forward-looking management retirement plan, whose final take-up rate was 88%, and the launch of the plan to pool IT resources with the IT-CE platform used by the Caisses d'Épargne.

Crédit Foncier has adapted its business model with the launch of the first syndication operations in the Corporate sector and the securitization of individual customer receivables (€1 billion securitized in 2012).

Aggregate new loan production came to €9.8 billion in 2012. The presence of products for first-time buyers and solutions designed to facilitate home-ownership among low-income families (where Crédit Foncier boasts a market share in excess of 40%²⁷) made it possible to limit the decline in new loan production in the individual customer segment to 15%. The France Corporate customer segment is still proving resilient thanks to social housing funding activities.

4.2. WHOLESALE BANKING, INVESTMENT SOLUTIONS AND SPECIALIZED FINANCIAL SERVICES (CORE BUSINESS LINES INCLUDED IN NATIXIS)

The 2012 net banking income of the core business lines of Natixis (Wholesale Banking, Investment Solutions and Specialized Financial Services) came to €6,088 million in 2012, rising 3.3% compared with 2011. Two core business enjoyed growth: Investment Solutions (+9.4%) and Specialized Financial Services (+2.7%). Net banking income for the Wholesale Banking division was very slightly down (0.7%).

Operating expenses, at €3,998 million, increased by 4.4%.

The **cost/income ratio** was down by 0.7 percentage points, at 65.7%.

²⁷ Source : SGFAS, January 2013

The cost of risk rose to 341 million euros reflecting the decline in the economic environment.

The **income before tax** of the three business lines declined 7.1% to €1,764 million.

After accounting for minority interests and income tax, the contribution to Groupe BPCE's net income came to €842 million, down 10.4%.

The return on equity of these core business lines stands at 14%.

For Natixis, the **underlying net income** came to €1,141 million; non-operating items amounted to -€240 million, net of tax (chiefly the revaluation of the Group's own debt).

(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).

4.3 EQUITY INTERESTS²⁸

Equity Interests chiefly concern the activities pursued by Coface and Nexity

The net banking income posted by the Equity Interests division stood at €1,756 million in 2012, compared with €1,724 million in 2011. Group net income for the division amounted to €76 million.

- **Coface core businesses²⁹**

Revenues amounted to €1,571 million, up 1% compared to 2011, including a 3% increase in the credit insurance business, in a more challenging business environment. The year has nevertheless been characterized by a significant improvement in profitability with pre-tax income rising to €164 million.

The claims ratio remains under close management at 56.7% in 2012, in a sluggish environment down 0.8 percentage points compared with 2011.

5 Groupe BPCE, a socially responsible banking institution

Groupe BPCE, a socially responsible banking institution, has staged a number of large-scale operations in environmental, societal and social areas in 2012.

Chosen by the European Commission to be the first French bank to finance energy efficient projects, BPCE entered into a partnership with the German bank KfW to support geographical regions, local authorities, companies and individuals taking initiatives in this area. This partnership forms part of the European mechanism (ELENA) designed to promote local energy efficiency initiatives.

²⁸ Le pôle Participations financières comprend les participations dans Nexity, Meilleutaux, Volksbank Romania, Coface et les activités de Private Equity de Natixis

²⁹ Activités d'assurance-crédit dans le monde entier et activités d'affacturage en Allemagne et en Pologne.

Groupe BPCE remains the leading banking institution for solidarity-based savings in France³⁰ and the No1 French banking group for microcredits. A leader in solidarity-based initiatives, BPCE devoted €32.5 million in 2012 to societal activities.

A cooperative banking institution, a bank active at the local and regional level, and the bank for all types of clientele, with its 36 million customers and 117,000 employees, the Group considers itself duty bound to reflect the rich diversity of its clientele. Gender equality, identified as one of the strategic thrusts of its human resources policy, has been one of the vectors driving the adaptation of HR processes, and has led to the systematic adoption of awareness-building and employee training activities, as well as the introduction of support measures specifically dedicated to female employees.

Notes on methodology

Capital is now allocated to Groupe BPCE's core business lines on the basis of 9% of average risk-weighted assets against 7% in 2011. Furthermore, the consumption of capital related to the securitization operations involving a deduction from regulatory Tier-1 capital is now attributed to the core business lines. Related figures are published on a pro-forma basis to account for this new allocation.

The Eurosic and Foncia equity interests, sold in June and July 2011, were reclassified under "Other Businesses" on June 11, 2011.

Groupe BPCE sold part of its equity interest in Volksbank International AG (previously attributed to the Commercial Banking and Insurance Division) on February 15, 2012. On December 31, 2011, the financial items corresponding to the businesses in the process of divestment were reclassified under "Other Businesses" and the businesses not subject to divestment were attributed to the Equity Interests core business line.

The impact of Crédit Foncier's dynamic balance sheet management operations (divestment of securities and debt buy-backs) have been classified under "Other Businesses" as of the 2nd quarter of 2012.

The segment information of Groupe BPCE has been restated accordingly for the periods in question.

The audit procedures relating to the consolidated financial statements for the year ended December 31, 2012 have been substantially completed. The reports of the statutory auditors regarding the certification of these consolidated financial statements will be published following the verification of the Management Report and the finalization of the procedures required for the registration of the reference document.

About Groupe BPCE:

Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary commercial banking networks: the network of 19 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 wholesale banking, asset management and financial services with Natixis. Groupe BPCE serves more than 36 million customers and enjoys a strong presence in France with 8,000 branches, 117,000 employees and more than 8.6 million cooperative shareholders.

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ANNEXE

Simplification of the Group's structure

