BPCE

Press Release

Paris, August 4, 2011

Results at June 30, 2011:
Sound results in a more challenging environment: €957 million in net income attributable to the parent in Q2-11 (+2.4% vs Q2-10)

- **Growth in revenues (€6,116 million in Q2-11, +2.4% compared with Q2-10) and in the group's net income (€957 million in Q2-11, +2.4% compared with Q2-10) in a more challenging environment.**
- **Strong growth in on-balance sheet savings (+9.1%) for the past year.**
- **Expense and revenue synergies (€564 million and €424 million, respectively) achieved ahead of the strategic plan.**
- **Limited exposure to sovereign risks related to peripheral European states**
- **Marginal impact on net income from Greek debt impairment (€55 million)**
- **Slight reduction in the cost of risk (excluding the impact of Greece): -1.7% to €451 million from the €459 million in Q2-2010, representing a very moderate risk profile.**
- **New improvement in the group's capital adequacy: Core Tier 1 ratio of 8.5%[1] [2] against 8.2%[2] at March 31, 2011.**

The net income of €1,946 million generated in the first six months of the year demonstrates the relevance of the strategic choices made in 2009: decision to refocus on banking and insurance activities, adoption of a full-service banking model, priority given to customer relations, and reduction in the risk profile

[1] Estimate at June 30, 2011
[2] Excluding floor effects (additional capital requirements with respect to floor levels)

On August 4, 2011, the Supervisory Board of BPCE convened a meeting chaired by Philippe Dupont to examine the group's financial statements for the second quarter and the first six-months of 2011.

François Pérol, Chairman of the Management Board of BPCE, made the following statement:

"The second quarter of 2011 confirms the strength of the fundamentals of Groupe BPCE, which has increased its revenues and its results in a more challenging business environment. The strategic choices made when the group was created two years ago – the decision to refocus on retail banking and insurance, the adoption of a full-service banking model, priority given to customers relations, reduction in the group's risk profile – and their systematic implementation have demonstrated their worth. The business activities of the retail networks were buoyant in the 2nd quarter, and the priority given to encouraging new fund inflows is beginning to bear fruit. Natixis performed well in all its core business lines. The group's capital adequacy was further strengthened this quarter and its risk profile has been reduced with a greatly limited exposure to the sovereign debt of states on the periphery of the euro zone."

1. Consolidated Results of Groupe BPCE for the 2nd Quarter and 1st Half of 2011[3]

Results for the 2nd quarter of 2011

Groupe BPCE put up a fine performance in the 2nd quarter of 2011, generating net income of almost one billion euros thanks to the extremely satisfactory results posted by its core business lines.

Net banking income stands at €6,116 million, the highest level achieved in the space of one quarter since the group was first created, up 2.4% compared with the 2nd quarter of 2010. The growth in the revenues posted by the group's core business lines[4] is even more significant: +3.5%, standing at a total of €5,442 million. The net banking income generated by the Commercial Banking and Insurance core business increased by 3.9% to reach a total of €3,858 million thanks, in particular, to 3.9% growth in the net banking income of the Banque Populaire banks[5] and a 0.5%[6] growth in the net banking income generated by the Caisses d'Epargne (excluding the impact of the decline in commissions earned on *Livret A* passbook savings accounts). The revenues generated by the core business lines of Natixis have risen by a total of 2.6% to reach €1,584 million.

Operating expenses have risen by 2.4% and currently stand at €4,096 million. If the impact of the systemic tax on banking institutions is excluded, the increase of this item is limited to +1.4%

The **cost/income ratio** remains stable at 67% for the group as a whole. It has declined by a marginal 0.5 percentage point to 63.5% for the core business lines.

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[3] The quarterly results of the group as at June 30, 2011 were approved by the Management Board at their meeting convened on August 1, 2011.
[4] The core business lines are Commercial Banking and Insurance (with, notably, the Banque Populaire and Caisse d'Epargne networks in addition to Crédit Foncier de France, Banque Palatine and BPCE International et Outre-mer) and Corporate & Investment Banking, Investment Solutions and Specialized Financial Services (Natixis)
[5] Excluding variations in provisions for home purchase saving schemes and excluding the impact of volatility in fair value on structured products managed on a run-off basis (introduced within the framework of asset-liability management).
[6] Excluding variations in provisions for home purchase saving schemes and excluding the impact of the decline in *Livret A* commissions.

Gross operating income stands at €2,020 million, up from €1,974 million in the 2nd quarter of 2010. The **gross operating income** of the core business lines has improved by 5.1% to reach a total of €1,988 million.

If the impairment of the Greek debt is excluded, the **cost of risk** has declined slightly by 1.7% to reach a total of €451 million, down from €459 million during the 2nd quarter of 2010.

Based on an impairment rate of 21%, the impact of the new Greece rescue plan on the cost of risk is €83 million. The group's exposure to this European state as far as its banking activities are concerned amounts to €1.1 billion, including €0.3 billion for maturities covered by the new rescue plan, i.e. until 2020. The group's exposure regarding its insurance activities, net of policyholders' participation, stands at €104 million, including €73 million for maturities covered by the new rescue plan.

Income before tax increased by 7.1% to reach a total of €1,579 million in the second quarter of 2011.

As a result, **net income attributable to equity holders of the parent** stands at €957 million, up from €935 million in the second quarter of 2010 despite a sharp increase in taxation (+18.1%) with the tax rate standing at 31.4% for this quarter. The **net income attributable to equity holders of the parent of the core business lines** has made even more significant progress: +7.2%, to reach a total of €996 million.

The return on equity after tax of the core business lines stands at 14% compared with 13% for the same period last year. The ROE at group level has also improved slightly to 8.6%.

CONSOLIDATED RESULTS OF GROUPE BPCE IN THE 2ND QUARTER OF 2011

in €m	Q2 2011	Q2 2010	Q2-11 / Q2-10	Core business lines Q2 2011	Core business lines Q2 2010	Q2-11 / Q2-10
Net banking income	6,116	5.973	+2.4%	5,442	5,258	+3.5%
Operating expenses	-4,096	-3.999	+2.4%	- 3,454	- 3,367	+2.6%
Gross operating income ***Cost/income ratio***	***2,020*** ***67.0%***	***1.974*** ***67.0%***	***+2.3%***	***1,988*** ***63.5%***	***1,891*** ***64.0%***	***+5.1%*** ***-0.5 pts***
Cost of risk	-534	-459	+16.3%	- 426	*- 413*	*+3.1%*
Income before tax	***1,579***	***1, 474***	***+7.1%***	***1,628***	***1,534***	***+6.1%***
Income tax	***- 496***	***- 420***	***+18.1%***	***- 515***	***- 475***	***+8.4%***
Minority interests	***- 126***	***- 119***	***+5.9%***	***- 117***	***- 130***	***-10.0%***
Net income attributable to equity holders of the parent	**957**	**935**	**+2.4%**	**996**	**929**	**+7.2%**
ROE	**8.6%**	**8.4%**		**14%**	**13%**	

Results for the first half of 2011

The **net banking income** generated by Groupe BPCE stood at €12,038 million during the period, reflecting a marginal 0.8% improvement over the 1st half of 2010. The net banking income of the core business lines, which enjoyed growth of 3.2%, stands at €10,784 million.

All the different components of the 2010-2013 strategic plan "Together" are making headway. In particular, the revenue synergies developed between Natixis and the Banque Populaire and

Caisse d'Epargne networks generated €424 million in aggregate additional net banking income (on an annualized basis) at June 30, 2011; these synergies have progressed faster than anticipated in the strategic plan.

The **operating expenses** of the core business lines rose by 2.5% to reach a total of €6,851 million (excluding the systemic tax on banking institutions).

In the first half of 2011, the **cost/income ratio** stood at 67.3% for the group and has continued to improve for the core business lines, declining by a 0.5 percentage point to reach 63.5%.
The realization of cost synergies – also achieved ahead of the schedule laid down in the strategic plan – made it possible to release a total of €564 million at the end of June 2011.

Gross operating income stands at €3,936 million. The contribution of the group's core business lines amounts to €3,933 million, up 4.5% compared with the 1st half of 2010.

The **cost of risk** declined by a factor of 4.7%, to reach a total of €924 million versus €970 million in the first half of 2010. If the impairment of the Greek debt is excluded, this item declined by 13.3%.

Net income attributable to equity holders of the parent stood at €1,946 million for the first six months of 2011, virtually unchanged compared with the same period last year despite a 13.1% increase in tax expense.

CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE 1ST HALF OF 2011

in €m	H1 2011	H1 2010	H1-11 / H1-10	Métiers cœurs H1 2011	Métiers cœurs Q1 2010	H1-11 / H1-10
Net banking income	12,038	11,946	+0.8%	10,784	10,449	+3.2%
Operating expenses	- 8,102	- 7,938	+2.1%	- 6,851	- 6,684	+2.5%
Gross operating income ***Cost/income ratio***	***3, 936*** ***67.3%***	***4,008*** ***66.4%***	***-1.8%*** ***+0.9 pts***	***3,933*** ***63.5%***	***3 765*** ***64.0%***	***+4.5%*** ***-0.5 pts***
Cost of risk	- 924	- 970	- 4.7%	- 700	*- 844*	*- 17.1%*
Income before tax	***3,162***	***3,040***	***+4.0%***	***3,347***	***3,032***	***+10.4%***
Income tax	***- 1,020***	***- 902***	***+13.1%***	***- 1,059***	***- 948***	***+11.7%***
Minority interests	***- 196***	***- 193***	***+1.6%***	***- 242***	***- 230***	***+5.2%***
Net income attributable to equity holders of the parent	**1,946**	**1,945**	**=**	**2,046**	**1,854**	**+10.4%**
ROE	**8.6%**	**8.8%**		**14%**	**13%**	

2. COMMERCIAL BANKING AND INSURANCE: BOUYANT ACTIVITY IN BOTH LOANS AND SAVINGS

The Commercial Banking and 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 de France) and the Insurance, International and "other networks" activities.

The Commercial Banking and Insurance core business line put up a robust commercial and financial performance in the first half of the year. The division enjoyed good growth in savings deposits (+9.1%[7] for on-balance sheet savings compared with June 30, 2010). Loan outstandings continued to progress in both retail networks, in line with what remains a dynamic real estate sector.

In order to keep pace with changes in their customer relations, the two networks updated their communication territories with the launch of nationwide advertising campaigns in the course of the first half of the year.

The new communication territory chosen by the **Caisses d'Epargne** emphasizes the fact that they have become 17 modern, innovative, full-service banking institutions. This represents a new departure not only regarding the communication strategy pursued by the brand but also a radical departure from the tone typically adopted in the banking industry.

On June 15 earlier this year, **Banque Populaire** also launched a new campaign to reshape its public image through the implementation of its new brand strategy while simultaneously reasserting its identity, taste for entrepreneurship, and its strong regional presence.

At the same time, the Commercial Banking and Insurance core business demonstrated its innovative flair throughout the 6-month period with the launch, for example, of "micro SD technology" for a contactless payment system accessible to smartphones or with the opening of automated e-branches, thereby providing an additional contribution to net banking income.

Results of the Commercial Banking and Insurance core business line at June 30, 2011

The net banking income of the Commercial Banking and Insurance core business line reached a total of €3,858 million, representing 3.9% growth over the second quarter of 2010. Gross operating income stands at €1,386 million, up 9.3%. The cost/income ratio shows a 1.8-point improvement and now stands at 64.1%. The cost of risk has declined marginally: 27 basis points compared with 31 basis points in the 2nd quarter of 2010[8] and continues to remain at a moderate level. Net income attributable to equity holders of the parent posted by the Commercial Banking and Insurance core business lines has grown by 9.8% to reach a total of €716 million.

2.1 Banque Populaire

The Banque Populaire network comprises the 20 Banque Populaire banks, including CASDEN, Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies. Banque Populaire Sud Ouest and Banque Populaire Centre Atlantique have approved the terms of their merger that will lead to the creation of Banque Aquitaine Centre Atlantique before the end of 2011.

In the middle of June, Banque Populaire launched its new brand territory campaign. Adopting a modern, dynamic style, the bank emphasized the message that it is fundamentally a financial institution that supports and promotes its customers' initiatives with the slogan *"the bank that makes you want to act."*

To anticipate their customers' new needs, the Banque Populaire banks opened eight automated e-branches in the first half of 2011. At the same time, the sale of applications dedicated to

[7] Savings deposits of the Banque Populaire and Caisse d'Epargne networks, excluding centralized savings
[8] Expressed in annualized basis points on gross customer loan outstandings at the beginning of the period.

smartphones (iPhone, iPad and Android devices) enables the banks to enhance and modernize the way they interact with their customers.

- **Customer base**

At June 30, 2011, the customer base of the Banque Populaire banks continued to enjoy growth among all its priority targets. The number of active customers using banking services rose 1.6% on an annual basis in the individual customer market while the number of active established professional customers and the number of corporate customers grew by an annualized rate of 2.8% and 5.3% respectively, reflecting the positive dynamics in this market.

- **Savings deposits**

The strong growth in on-balance sheet savings (+10.4% on an annual basis but excluding centralized savings) was chiefly driven by demand deposits (+15.4%). Passbook savings account (+10.4%) in the individual customer market segment and term accounts for professional and corporate customers (+13.8%) all made a significant contribution to this development.

Financial savings deposits – which now stand at €74 billion – have grown at a slower pace (+2.1%) owing to continued withdrawals from mutual funds (-5.0%) in favor of on-balance sheet savings. New life funds show strong growth (+7.2%).

What is more, the campaign based on the slogan *"Prepare the future with peace of mind"* aimed at self-employed professionals confirmed that attracting new savings deposits is one of the strategic areas for this market.

- **Loan outstandings**

The commitment of the Banque Populaire banks to financing the French economy has led to a 6.3% increase in loan outstandings compared with June 30, 2010 (+2.1% at December 2010 compared with June 30, 2010 and +4.1% at June 30, 2011 compared with December 31, 2010). Aggregate outstandings stood at €152 billion at June 30, 2011.

Real estate loans remain the key force driving lending growth with outstandings reaching a total of €76.0 billion at the end of June, representing growth of 8.3% in the space of one year.

Equipment loan outstandings – up by a total of 4.1% – also contributed to the growth dynamic enjoyed by the Banque Populaire banks.

- **Financial results**

The net banking income generated by the Banque Populaire network during the quarter totaled €1,635 million, representing growth of 3.9%[9]

[9] Excluding variations in provisions for home purchase saving schemes and excluding the impact of volatility in fair value on structured products managed on a run-off basis (introduced within the framework of asset-liability management).

Operating expenses are kept under tight control at €1,021 million.

The cost/income ratio stands at 62.4%, down 4.3 points compared with the same period in 2010.

The contribution of the Banque Populaire network to the net income attributable to equity holders of the parent of Groupe BPCE came to a total of €308 million.

2.2 Caisse d'Epargne

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

The first half of the year was marked by the launch of the new brand territory adopted by the French savings banks. Continuing their strategy to attract new customers, the Caisses d'Epargne are focused on putting customers at the very heart of their concerns while refreshing their image as banking institutions. To support this change, the savings banks have developed a policy of musical sponsoring (espritmusique.fr, regional concerts, etc.).

The Caisses d'Epargne also pursued several initiatives during the first 6 months of 2011. These include, within the framework of the "Activation" project aimed at retail customers, the launch of "My Online Banker," a remote branch where customers can carry out all their banking business from the comfort of their own homes. In terms of technological innovation, the bank offers a series of applications designed for the different types of mobile phones. And, lastly, the Caisse d'Epargne has also created an innovative savings product, *Solutions Libre Retraite* ("Free Retirement Solutions"), a precautionary savings product designed for its customers, carried on the balance sheet of the bank.

- **Customer base**

These different initiatives led to an increase in the number of new customers opening accounts with the Caisses d'Epargne, a trend that gathered pace towards the end of the period compared with March 31, 2011. At the end of June, the customer base has expanded as far as all priority targets are concerned compared with the end of June 2010: +2.3% for active individual customers, +8.5% for active professional customers and +11.3% for active corporate customers.

- **Savings deposits**

The 6-month period was marked by the refocusing of savings deposits towards on-balance sheet products: these deposits (excluding centralized savings) enjoyed an 8.2% increase compared with June 30, 2011.

This change in focus took place against a background of high interest rates paid on regulated savings products, leading to substantial new deposits on passbook savings accounts (+4.6% growth in savings deposits). The placing of BPCE bond issues with the network's retail customers also contributed to the increase in on-balance sheet savings (+11.2%). Term accounts also enjoyed strong growth thanks, in particular, to the good performance of specialized markets.

Financial savings deposits – which totaled €119 billion at June 30, 2011 – grew overall (+1.3%) despite substantial withdrawals from mutual funds (-20.5%).

- **Loan outstandings**

The Caisses d'Epargne confirm the dynamism of the role they continue to play in financing the French economy.

Lending activities remained buoyant during the first half of the year despite the rise in interest rates. Outstandings increased by 13.2% compared with the second quarter of 2010 to reach a total of €163 billion. The growth in outstandings, however, has lost some of its impetus since December 2010 (growth of +4.9% at June 30, 2011 compared with December 31, 2010 down from +7.8% at December 31, 2010 compared with June 30, 2010).

This acceleration in loan outstandings is the result of the good performance achieved during the 6-month period but also the inclusion in outstandings of the record-breaking new loan production realized at the end of 2010 in the area of real estate loans (annual growth of +13.3%).

Equipment loans boast growth of 16.4%, a result that also reflects the dynamism of the self-employed professional, corporate and professional real estate markets.

- **Financial results**

The quarterly net banking income of the Caisse d'Epargne network reached a total of €1,715 million. If variations in provisions for home purchase savings schemes and the decline in commission earned on *Livret A* passbook accounts are excluded, the net banking income rose by a marginal 0.5% compared with the 2nd quarter of 2010.

Operating expenses are down 2% compared with the 1st quarter of 2010 and now stand at €1,112 million.
The cost/income ratio shows a 1.1-point improvement compared with the 1st quarter of 2010 to reach 64.8%.

The contribution of the Caisse d'Epargne to the net income attributable to equity holders of the parent of Groupe BPCE totaled €332 million.

2.3 Real estate financing

Crédit Foncier is the principal entity contributing to this business line.

New loan production in the individual customer market segment reached a total of €3.4 billion, representing a slight increase over the first half of 2010.

In the corporate customer market segment, new loan production achieved the same performance as in 2010, at €1.2 billion. This trend underscores the resilience of the activity, which performed well despite the economic fragility of the services sector in general.

2.4 Insurance

The Insurance activity concerns BPCE Assurances and CNP.

In the second quarter of 2011, the sale of individual life insurance declined by a total of 16% compared with the 2nd quarter of 2010 owing to competition from on-balance sheet products

offered by the banks and a comparison with strong performance in that quarter last year. The number of contracts increased by 3% compared with Q2-10.
In the area of non-life and provident insurance, sales growth remained strong: +9% in non-life where business remained buoyed up by the strong growth in gross sales (+26%), and +10% in provident insurance.
The contribution made by CNP Assurances to the group's net income remains stable versus Q2-10 at €41 million.

2.5 BPCE International et Outre-Mer (IOM)

BPCE IOM groups together the subsidiaries of BPCE operating in the international market and in French overseas territories (excluding Natixis)

Loan outstandings are 2.6% up overall compared with June 30, 2010, reflecting a 1% increase in loans granted to the individual customer segment and a 4% rise among corporate customers, while savings deposits have risen by a total of 4.1% versus June 30, 2010, with a 5.1% increase for individuals and self-employed professionals and 2.6% for corporate customers.

In July 2011, BPCE IOM went ahead with two acquisitions: a 75% equity interest in Banque Malgache de l'Océan Indien (BMOI) and a 19.4% stake in the National Agricultural Development Bank (BNDA) of Mali. This acquisition of an equity stake in an African bank reflects the determination of BPCE to strengthen its presence in this part of the world, which represents one of the group's international development priorities.

2.6 Banque Palatine

Banque Palatine continues to attract new clientele with a number of new high-net-worth individual customers up 11% compared to the 1st half of 2010. Financial savings deposits have declined sharply against a background of financial market volatility. New loan production remains robust, notably regarding medium- to long-term loans granted to corporate customers and real estate loans, which have risen by 33% compared with the first half of 2010.

3. Corporate & Investment Banking, Investment Solutions and Specialized Financial Services (core business lines included in Natixis)

The **net banking income** of the core business lines of Natixis came to a total of €1,584 million for the 2nd quarter of the year, representing growth of 2.6%. Revenues generated by the Corporate & Investment Banking business are up 8%[10]. The Investment Solutions division achieved a good performance (+8.5%) and the net banking income posted by the Specialized Financial Services division enjoyed growth of 7.5%.

[10] Excluding Credit Portfolio Management and excluding the impact of a day-one profit of €27 million in the 2nd quarter of 2010

The **cost of risk** stands at €66 million. Its increase over the extremely low position reached in the 1st quarter of 2011 (€22 million) can be explained, in particular, by the inclusion of impairment of €15 million with respect to sovereign debt securities issued by Greece held by insurance companies controlled by Natixis.

For the 2nd quarter, the contribution of the core business lines of Natixis to the net income attributable to equity holders of the parent of Groupe BPCE amounted to €280 million against €277 million one year earlier.

The annualized ROE after tax of these business lines stands at 21% compared with 19% in the 1st quarter of 2010.

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

4. EQUITY INTERESTS

The net banking income generated by the group's equity interests increased by 12.5% to reach a total of €469 million in the second quarter of 2011. Net income has increased substantially to €32 million (x 4).

Coface

Revenues increased by 9% compared with the 2nd quarter of 2010. In the area of credit insurance, Coface enjoyed growth of the same amount, 9%. This activity accounts for 81% of the company's overall business. Factoring activities in the international market achieved growth of 18%.

The claims rate achieved a 12-point improvement over the 2nd quarter of 2010 with a loss ratio of 47% this quarter against 59% during the same period in 2010.

Nexity

Revenues generated during the 6-month period remained stable at €1,215 million including €795 million (up 1%) for the housing division, whose activities remain stable in terms of volume. The order book represents 19 months of real estate development work. It has increase by 23% compare with December 31, 2010.

5. WORKOUT PORTFOLIO MANAGEMENT (GAPC)

Despite a less favorable environment than in the 1st quarter of 2011, work continued to reduce the impact of the segregated assets with the disposal of assets for a total of €0.9 billion during the quarter. Risk-weighted assets have declined by a total of 52% compared with their position at June 30, 2010. The GAPC had no significant impact on the group's net income in the 2nd quarter of 2011.

6. FINANCIAL STRUCTURE OF GROUPE BPCE

6.1 Continued improvement in the capital adequacy ratios

The tight management of the risk-weighted assets implemented in 2010 is being actively pursued. The group's risk-weighted assets stand at €405 billion (estimate at the end of June 2011).
The group has further reinforced its capital and improved its Core Tier-1 ratio by 30 basis points at June 30, 2011, which now stands at 8.5%[11].

The group confirms its goal to retain more than 80% of its 2011 earnings.

At June 30, 2011, the Tier-1 capital of the group stood at €41.4 billion[12] against €39.5 billion at March 31, 2011. The Tier-1 ratio stands at 10.2%[11] compared with 9.9% at March 31, 2011.

6.2 Liquidity and refinancing

At July 25, 2011, new resources for a total of €25.3 billion were raised, representing 77% of the 2011 medium-/long-term refinancing program. The average maturity of these issues is 4.6 years.
With a view to ensuring the satisfactory diversification of resources, covered bonds accounted for 47% of the total issued, 52% correspond to unsecured senior debt. Full use was made of the two retail networks, which placed bonds for a total of €2.8 billion to their respective clientele.
14% of the institutional public issues were realized on the U.S. market; this accounted for 9% of funds raised overall.

At June 30, 2011, the liquidity reserves of Groupe BPCE stood at €119 billion in the form of available assets eligible for use as collateral for central bank refinancing, or liable to be so in the short term.

The group boasts substantial reserves of collateral for covered bond issues with more than €170 billion in real estate loans outstanding in the Banque Populaire and Caisse d'Epargne networks at June 30, 2011. €18 billion has been allocated as collateral for the issue of covered bonds at June 30, 2011.

Over the past 18 months, BPCE's 5-year issue spread has proved to be substantially more resilient that the Itraxx index of senior debt issuers, leading to a relative improvement in the quality of BPCE's signature compared with the market as a whole.

[11] Estimate at June 30, 2011 – Core Tier-1 ratio
[12] Estimate at June 30, 2011 – Tier-1 ratio excluding the floor effect (- 20 basis points)

7. IMPLEMENTATION OF THE 2010-2013 STRATEGIC PLAN "TOGETHER"

Disposal of non-strategic assets

Within the framework of the ongoing implementation of the 2010-2013 strategic plan "Together", Groupe BPCE has proceeded with the sale of two non-strategic assets: Eurosic and Foncia.
The group's interests in Eurosic were transferred to Batipart, Covea and ACM Vie by Nexity and Banque Palatine in June earlier this year.
The sale of a 98.1% stake in Foncia to the consortium formed by Bridgepoint and Eurazeo, finalized on July 26, has led to an improvement of more than 30 basis points in Groupe BPCE's Core Tier-1 ratio.

Synergies

At June 30, 2011, aggregate **cost synergies** came to a total of €564 million, ahead of the targets defined in the strategic plan thanks, in particular, to the structural projects such as the *Convergence Titres* (securities convergence) program, the reorganization and streamlining of the central institution which led to savings of €100 million, in addition to the creation of IT hubs.

Revenue synergies generated between Natixis and the Banque Populaire and Caisse d'Epargne networks resulted in aggregate **additional net banking income** (on an annualized basis) of €424 million at the end of June 2011, notably in insurance, consumer credit and payments, ahead of the targets laid down in the strategic plan.

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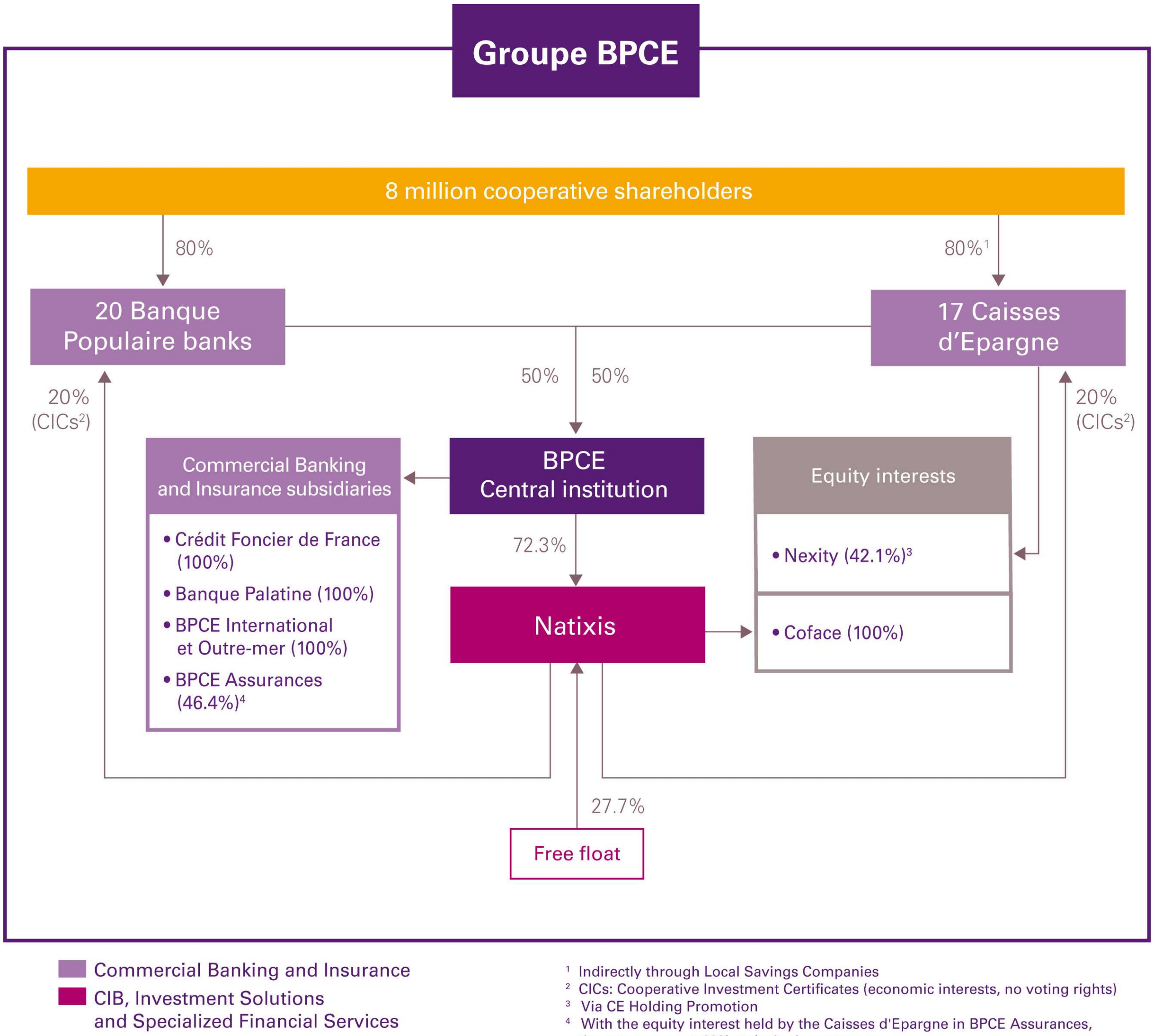
Appendix : Groupe BPCE organization chart



[1] Indirectly through Local Savings Companies
[2] CICs: Cooperative Investment Certificates (economic interests, no voting rights)
[3] Via CE Holding Promotion
[4] With the equity interest held by the Caisses d'Epargne in BPCE Assurances, the group owns a 60% stake in the company