Groupe BPCE

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1+
Viability Rating	a–
Support Rating	1
Support Rating Floor	A+

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Financial Data

Groupe BPCE

	30 Sept 12[a]	31 Dec 11
Total assets (USDm)	1,539,866	1,472,887
Total assets (EURm)	1,190,933	1,138,395
Total equity (EURm)	50,179	45,620
Fitch core capital (EURm)	36,757	31,390
Operating profit (EURm)	3,375	4,553
Published net income (EURm)	1,972	3,023
Operating ROAA (%)	0.39	0.42
Operating ROAE (%)	9.40	9.71
Fitch core capital/ weighted risks (%)	9.62	7.63
Core Tier 1 ratio (%)	10.50	9.10

[a] 9 months

Related Research

Natixis (December 2012)

2013 Outlook: French Banks (December 2012)

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Key Rating Drivers

Support-Driven IDRs: Groupe BPCE's (GBPCE) IDRs are driven by Fitch Ratings' view that the probability of French state support, if required, is extremely high given the group's domestic importance. The Viability Rating (VR) reflects GBPCE's strong retail franchise in its core market, modest risk appetite, good loan quality and acceptable capital ratios. The VR also takes into account the group's dependence on wholesale funding.

Cross-Support Mechanism: GBPCE is a cooperative banking group. A cross-support mechanism covers its central body (BPCE S.A.) and its 36 regional banks. In addition, an affiliation exists between the central body and most of the group entities, whose IDRs are therefore aligned with GBPCE's. Under this affiliation, BPCE S.A. is legally responsible for its affiliates' liquidity and solvency.

Pressure on Profitability Manageable: Fitch expects GBPCE to be able to continue to deliver acceptable profitability despite the tougher regulatory environment. The group benefits from modest earnings volatility given the traditionally low contribution of its market activities (c.8% of 9M12 operating profit) and the resilience of its core business, domestic retail banking.

Acceptable Asset Quality: GBPCE maintains one of the lowest non-performing loan (NPL) ratios among large French banks (3.7% at end-Q312), given its significant focus on the low-risk domestic retail segment. The moderate coverage of impaired loans is offset by adequate collateral. GBPCE's legacy assets are now modest (14% of Fitch core capital (FCC)) and generate low losses.

Dependence on Wholesale Funding: Although declining, GBPCE has the highest loans/deposits ratio among the large French banks (144% at end-June 2012). Further significant reduction may be constrained by the largely wholesale nature of funding at two of GBPCE's main subsidiaries, Crédit Foncier de France (CFF) and Natixis (both 'A+'/Negative). Nonetheless, GBPCE is successfully attracting more deposits and can use its strong franchise to place debt with its customers in regional banks (11% of 10M12 debt issuance).

Satisfactory Liquidity: GBPCE maintains a sizeable stock of liquid assets (EUR150bn at end-Q312), which covers its stock of short-term debt instruments, although the average quality of these assets is somewhat lower than some European peers', according to Fitch.

Acceptable Capital: GBPCE has substantially strengthened its capital ratios since 2009, and they are now at an acceptable level (9.6% FCC ratio at end-Q312; 4.93% at end-2009). GBPCE has fully repaid preference shares and hybrid capital subscribed to by the French state in 2008/2009, and given its historically modest dividend payout ratio, the group should benefit from higher capital generation potential through retained earnings.

What Could Trigger a Rating Action

Potential for VR Upgrade: GBPCE's VR would benefit from reduced dependence on wholesale funding and higher capital ratios. Conversely, a material deterioration of capital ratios could lead to a downgrade.

IDRs Dependent on Support: GBPCE's IDRs would be downgraded if Fitch perceived a weakening of the state's willingness or ability to support large French banks. The Negative Outlook on GBPCE's Long-Term IDR mirrors that on the French state's.

Profile

GBPCE is France's third-largest banking group by equity. It was created in 2009 when Groupe Banque Populaire (GBP) and Groupe Caisse d'Epargne (GCE), two leading French cooperative banking groups, merged.

As a cooperative group operating with a legally binding cross-support mechanism, and in line with Fitch's *Rating Criteria for Banking Structures Backed by Mutual Support Mechanisms* (see *Related Criteria* below), the Long- and Short-Term IDRs assigned to GPBCE also apply to its regional banks (the Banques Populaires (BPs) and the Caisses d'Epargne et de Prévoyance (CEPs)), as well as to BPCE S.A. GBPCE's organisation and cross-support mechanism are described in the *Annex*.

Every BP and CEP and most of GBPCE's specialised subsidiaries, including Natixis, CFF, Banque Palatine and BPCE International et Outre-Mer (BPCE IOM), are affiliated to BPCE S.A. As GBPCE's central body, BPCE S.A. defines strategy, sets risk limits and policies, takes on treasury functions, issues debt, and is legally responsible for its affiliates' liquidity and solvency.

Business Mix

GBPCE has two core business lines and two additional divisions.

Commercial Banking and Insurance

Commercial banking and insurance (referred to as retail banking in this report) is GBPCE's largest activity by far (see Figure 1). It is predominantly conducted through the 19 BPs and 17 CEPs, and to a lesser extent through CFF (a real estate specialist bank), Banque Palatine (SME lending) and BPCE IOM. GBPCE's overall French retail network enjoys a 16%-25% market share depending on segment. The BPs and CEPs are competitors, although each retail network has its own leading segment (SMEs and corporates for the BPs, private individuals for the CEPs). GBPCE's international retail banking activities are not material (around 3% of retail business).

Insurance activities are mainly carried out through BPCE Assurances (non-life insurance; 60% controlled by GBPCE, with the remainder owned by two French insurers) and CNP Assurances (France's leading life insurance company; GBPCE owns 15.8%). The CEPs distribute CNP Assurances' products. Natixis Assurances also contributes to GBPCE's life and non-life insurance activities, albeit on a smaller scale.

Wholesale Banking, Investment Solutions, and Specialised Financial Services

These activities are almost exclusively handled by Natixis, which is 72.4%-owned by GBPCE (see Fitch Rating Report under *Related Research*). Natixis remains a modest and predominantly European corporate and investment banking (CIB) player, with some leading domestic positions (largest bank in euro-denominated covered-bond issues, second-largest bank in French corporate issues in 9M12, according to Dealogic). Natixis does not intend to try to catch up with bigger CIB players, but rather to develop its already less risky, customer-oriented, business model. To face the tougher capital and liquidity environment, Natixis is trying to promote an originate-to-distribute model; this translated into a first partnership in August 2012 with the insurer Ageas N.V. ('BBB+'/Negative).

The Investment Solutions division includes asset management, private banking, insurance and private equity. The asset management division gathered EUR570bn of assets at end-Q312, with a significant presence in the US. External growth opportunities in some regions will be considered, particularly in light of the group's current low presence outside France and the US.

Specialised Financial Services (SFS) includes leasing, factoring, consumer lending and guarantee services, all largely located in France. Natixis, where these activities are housed, was the third- and fourth-largest consumer finance and factoring player respectively in France

Related Criteria

Global Financial Institutions Rating Criteria (August 2012)

Evaluating Corporate Governance (December 2012)

Rating Criteria for Banking Structures backed by Mutual Support Mechanisms (December 2012) in Q312. Leveraging the SFS franchise is one important goal for GBPCE, which is enjoying increasing volumes, although they remain moderate as a proportion of overall lending exposures.

Equity Interests

GBPCE controls the real estate developer Nexity and the credit insurer Coface, and runs a modest private equity business. In line with its repositioning strategy, GPBCE is expected to divest some of its equity interests.

Run-Off Activities

Complex structured product portfolios, accumulated until 2008 by Natixis, are isolated in a dedicated compartment, Gestion Active Des Portefeuilles Cantonnés (GAPC), which is being run down.

Corporate Governance

As in every French cooperative banking group, senior management and decision-making powers are centralised at the central body level. BPCE S.A.'s management board comprises four members, including one person in charge of finance/risk/operations, one in charge of commercial banking and insurance, one heading human resources, and the chairman (for a four-year term). Top management of BPCE and Natixis has been in place since 2009 and has been very successful in reshaping the group following the 2008 crisis. In November 2012 the current chairman was confirmed for another four-year mandate.

The management board is nominated and supervised by a supervisory board comprising 18 members (in addition to employee representatives). Seven of the members are nominated by the BPs, seven by the CEPs, and four are independent.

Given the importance of Natixis within GBPCE, its chief executive officer is a member of BPCE S.A.'s general management committee.

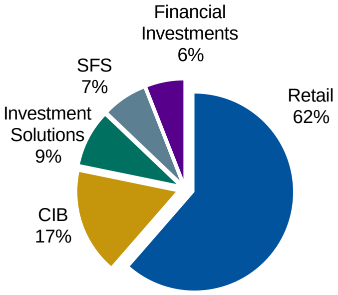
Strategy

GBPCE's strategic plan is largely oriented toward achieving synergies and savings given pressures on profitability. Revenue synergies, already under way and ahead of target, are mainly coming from SFS.

With Basel III constraints to come, GBPCE is implementing an adaptation plan with the objective of reducing wholesale funding needs by EUR25bn-35bn (EUR31.1bn achieved at end-Q312) – half of which for Natixis – and risk-weighted assets by end-2013. This is being done through the exiting of some business lines/countries and the sale of assets, not at the expense of retail lending in France, in which GBPCE intends to maintain a strong franchise. In addition, GBPCE is conducting a specific deleveraging plan at CFF to refocus on its domestic housing and local authorities lending businesses.

Figure 1

Contribution of Business Lines to Operating Profit
(9M12)



Source: GBPCE

Performance

Global Picture

Fitch expects GBPCE to be able to continue to deliver acceptable profitability despite the tougher regulatory environment. GBPCE's operating ROAE and ROAA reached 9.4% and 0.39% respectively in 9M12, levels that must be viewed in light of the group's modest risk profile compared with most of its French peers. In addition, unlike some of its domestic peers, GBPCE's profitability shows moderate volatility due to the limited contribution of market activities to the group's earnings (see Figure 1) and its focus on a mature but low-risk market (French retail banking).

GBPCE's deleveraging plan, the worsened economic environment and the new regulatory framework have already incurred waning revenues. Nonetheless, Fitch expects the group to be able to at least partly offset pressure on earnings through revenue and cost synergies – a further EUR450m synergies are expected to be achieved between end-Q312 and end-2014 (including Natixis' cost saving plan announced in November 2012), according to Fitch's calculations.

Overall impairment charges remain acceptable in the prevailing environment and lower than for other French peers as a percentage of gross loans (36bp in 9M12; +26% yoy in 9M12 excluding the reserve booked for the Greek sovereign securities in 2011). The increase underlines the deterioration in the economic environment, crystallised by a rise in collective provisions, but also partly relates to one significant exposure (4bp).

Securities impairment charges, which were quite high until last year due to exposure to the Greek sovereign and legacy assets isolated in GAPC, are now small (EUR139m overall in H112, of which EUR57m was for GAPC). While Fitch does not expect future securities impairment charges linked to GAPC's assets to be a material problem for the group, higher losses on such assets could be booked if GBPCE decided to accelerate the sale process to get rid of these exposures. A breakdown of GAPC's assets is provided in the *Risk Management* section.

Breakdown by Business Line

Group operating profit is driven by domestic retail activities (65% of total operating profit in 9M12). Although the retail loan portfolio of GBPCE's two main networks – BPs and CEPs – grew by c.4% between end-2011 and end-Q312, new lending contracted strongly in 2012, in line with market trends. Housing lending particularly suffered from the ending of some tax incentives. Retail banking gross revenues declined in H112, due to higher funding costs and declining customer fees (−7% yoy in H112). Indeed, on top of high spreads asked from all banks by debt investors, GBPCE is more affected than some of its peers when rates served on regulated savings deposits are high, given its sizeable market share for such products. French savings deposit interest rates, factoring in inflation, are today disconnected from the low short-term interest rates.

CIB business is a moderate contributor to GBPCE's profitability (16% of overall operating profit in 9M12), and the natural volatility of this activity has manageable impacts on the group. CIB revenues were well balanced at end-June 2012, with an equal split between capital markets and commercial banking/structured finance. In 9M12, the former recovered by 8% yoy, whereas the commercial banking division fell by 17% and the structured finance business was more resilient (−6%).

The Investment Solutions and SFS divisions accounted for 9% and 6% of overall operating profit respectively in 9M12. The former is suffering from the difficult market environment, with money outflows in 9M12 (EUR13.3bn excluding currency and market impacts, and largely linked to money market funds). The SFS division is catching up with leading banks but remains a modest player; operating profit rose 14% yoy due to contained operating and loan impairment charges.

Peer Comparison

Figure 2 compares GBPCE's H112 profitability with that of French and Italian peers: two French cooperative banks (Crédit Agricole and CM11-CIC); one French bank with an equal focus on retail and CIB businesses (Société Générale); and one Italian peer (UniCredit). GBPCE's performance is in line with its peers'. GBPCE has lower pre-impairment operating ROAE/ROAA ratios than peers, underlining its more conservative business mix with consequently lower margins, but also poorer cost efficiency. At the same time, this more conservative business mix, particularly compared with Société Générale and UniCredit, translates into lower impairment charges and consequently similar operating ROAEs.

Figure 2

Peer Comparison (End-June 2012)

	GBPCE	CM11-CIC	CA[a]	SG	UC
Viability Rating	a−	a+	a	a−	a−
Equity (EURbn)	49.00	28.27	74.6	47.24	64.48
Net interest revenue/earning assets (%)	1.20	1.08	1.48	1.17	1.79
Cost/income (%)	70.12	64.83	63	66.24	58.27
Pre-impairment operating ROAA (%)	0.58	0.84	0.71	0.71	1.22
Operating ROAA (%)	0.39	0.60	0.34	0.42	0.43
Pre-impairment operating ROAE (%)	14.23	14.63	16.77	18.44	18.57
Operating ROAE (%)	9.52	10.46	7.96	10.94	6.45
Operating income (EURbn)	11.20	5.83	34.40	12.56	13.46
Operating profit (EURbn)	2.24	1.43	6.06	2.52	2.00

[a] Figures at end-2011
Source: Fitch

Prospects

In its 2010-2013 strategic plan, GBPCE targeted EUR25bn in net banking income and a 66% cost/income ratio. While these objectives are unlikely to be met given the new constraints on the whole European banking industry, Fitch remains confident that GBPCE will be able to deliver acceptable profitability, provided the economic outlook does not deteriorate strongly.

Risk Management

The risk management department (direction des risques groupe) is responsible for credit, market and operational risk management. It determines all group risk objectives and policies and establishes limits for all businesses. It is fully independent from the operational entities. The chairman of BPCE S.A.'s management board chairs the major risk committees. Fitch sees GBPCE's risk appetite and risk profile as among the lowest among large French banks at present.

The finance department is responsible for monitoring and managing asset and liability management (ALM) including liquidity risk, as well as ensuring compliance with capital adequacy requirements. The group ALM committee, which meets on a monthly basis, defines structural risk limits, receives refinancing and investment forecasts from every group entity, examines the group's structural risks, and sets strategies to manage them. All group entities use the same management tools, models and limits, allowing consolidation of risk management at the GBPCE level.

These risk departments cover all credit institutions within GBPCE. Some of these institutions (notably Natixis) also have their own risk management, finance and compliance departments, which work closely with those in place at the GBPCE level.

Credit Risk

Global Picture

GBPCE's credit risk exposure reached EUR1,013bn at end-June 2012 (breakdown in Figure 3), and was stable compared to end-2011. It represented 85% of total risk-weighted assets at the same date.

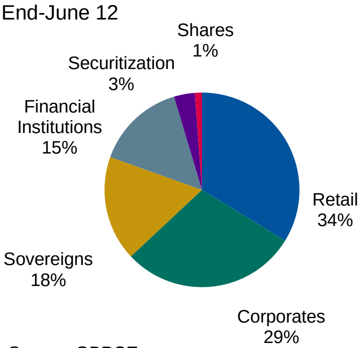
GBPCE's overall NPLs reached a moderate 3.7% of end-Q312 gross loans. While the coverage ratio may look moderate (53%, but in line with almost all of GBPCE's French peers), it should be viewed in light of the sizeable collateral held by GBPCE in many transactions. At 20% of the group's equity base at end-Q312, the unreserved portion of NPLs remained acceptable.

Around 41% of credit exposure remains under the standard approach at end-June 2012 (mostly, CFF, Palatine, BPCE IOM and partly the CEPs), which penalises the group in terms of capital requirements relative to some of its major competitors that have already moved on to more advanced approaches.

Figure 3

Breakdown of EUR1,013bn Credit Risk Gross Exposure

End-June 12



Source: GBPCE

Retail Portfolio – 34% of Credit Risk Exposure

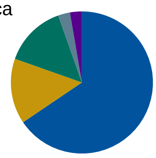
At end-June 2012, BPs and CEPs accounted for most of retail exposures (retail exposures: EUR342bn; up 1% on end-2011). A large portion of the retail portfolio related to housing loans, with a minute portion of foreign exposures. Fitch does not see a strong risk associated with this sizeable real estate exposure. While home sale volumes and prices have started to decline in France, the agency does not expect a strong contraction given the prevailing low housing supply compared with demand. In addition, housing lending in France is primarily based on debt capacity repayment, and underwriting standards have proved conservative. Any deterioration of this housing loan portfolio would therefore probably reflect deterioration in France's unemployment figures, which are unlikely to experience a severe rise, in Fitch's view. Owing to prudent underwriting criteria, losses represent only a few basis points of GBPCE's real estate loan book.

Consumer loans to individuals represent a modest part of the retail loan book. There is an accrued credit risk for these loans in the prevailing gloomy economic environment, although the impaired loan ratio remains acceptable and higher risk is offset by typically significant margins.

Fitch considers the professionals/self-employed segment to be more at risk given these borrowers' higher vulnerability to economic shocks, although there has been no surge in impairments so far. There is no undue sector concentration except for real estate investments. Among the largest sector exposures, two sectors presented a higher risk: hotels/restaurants/food (EUR4.9bn) and construction (EUR6bn). However, with strict monitoring of these exposures, GBPCE managed to stabilise or reduce the NPL ratio of these sectors in H112.

Figure 4

Geographical Breakdown Corporate Exposures at End-June 12



Source: GBPCE

Corporate Portfolio – 29% of Credit Risk Exposure

Corporate banking (including SMEs) is mainly realised in France (65% at end-H112; see the geographical breakdown in Figure 4), with most of the rest split evenly between the US and other European countries. The majority of corporate loans are extended by Natixis and the BPs.

More risk is embedded in the sizeable SME loan portfolio, which Fitch views as more vulnerable by nature.

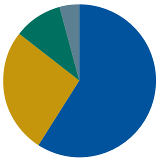
The three largest sector exposures were to finance & insurance (EUR61.3bn; 21% of the total corporate loan book), real estate investment companies (EUR32.3bn), and other real estate-related exposures (EUR24bn; property developers and real estate professionals). While exposure to real estate investment companies is, again, deemed resilient by Fitch given the market fundamentals and low supply trend, exposure to property developers bears more risk.

Exposure to sectors particularly affected by the difficult economic conditions, such as transport, construction and consumer goods, is declining. For such sectors, the largest exposures are to well-established companies and concentration remains moderate.

The top 20 exposures accounted for a low percentage of GBPCE's overall loan portfolio and an acceptable level of its FCC at end-June 2012. These exposures were largely to well-established French corporates, on which Fitch does not have specific concerns.

Figure 5

Breakdown of EUR151bn Interbank Exposure at End-June 12



Source: GBPCE

Interbank – 15% of Credit Risk Exposure

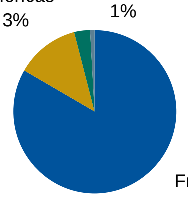
Loans to banks are diversified, as shown in Figure 5, and mostly to well-rated French counterparties. The top 10 exposures reached around a quarter of total interbank placements.

Sovereigns and State-Owned Entities – 18% of Credit Risk Exposure

As suggested in Figure 6, GBPCE's overall sovereign exposure (including all types of public entities) is highly geared towards France – 83% of total sovereign exposure at end-June 2012. The group's exposure to potentially vulnerable eurozone sovereigns is one of the smallest

Figure 6

Breakdown of EUR177bn Sovereign Exposure at End-June 12



Source: GBPCE

among French peers. Indeed, its remaining exposure to Greece was minute (EUR31m at end-September 2012), and that to Spain, Portugal and Ireland together was manageable at EUR0.5bn at end-September 2012, including exposure from GBPCE's insurance activities. Exposure to Italy reached EUR3.9bn, largely in GBPCE's banking book and to a lower extent in insurance activities.

Crisis-Related Exposure

GBPCE has significantly reduced its crisis-related exposure (a significant part of which is isolated in GAPC), with an acceleration of sales since end-H112. At end-Q312, this exposure was EUR7.4bn (see Figure 7), or a manageable 14% of GBPCE's equity (32% at end-H111).

Figure 7

Crisis-Related Exposure at End-Q312

(EURbn)	Natixis	GBPCE (including Natixis)
Unhedged ABS CDOs (US)	0.1	0.1
Unhedged other risky CDOs	3.5	4.7
Unhedged RMBS	1.2	1.5
CMBS	0.1	0.4
Net exposure to monoline insurers and CDPCs	0.7	0.7
Total net exposure	5.6	7.4
Net exposure as % of GBPCE's equity[a]		14

[a] Fitch calculations
Source: GBPCE Q312 results

Market Risk

At end-June 2012, market risks accounted for 5% of total risk-weighted assets, and were largely due to Natixis' activities. GBPCE uses sensitivity analysis, a value-at-risk (VaR) model and stress tests. GBPCE's VaR (99% confidence level and one-day holding period) reached EUR24.5m at end-June 2012.

GBPCE conducts stress tests on its trading portfolio. Under its most severe stress test scenario (*2008 ABS crisis*), the potential loss reached EUR310m at end-June 2012. This potential loss is unusually high due to the de-collateralisation of some assets in the GAPC portfolio, which resulted in higher directional positions.

GBPCE's structural interest risk is managed through derivatives. GBPCE maintains conservative limits under which changes in interest rates cannot reduce its annual interest revenue by more than 5% in the first year and by 9% the following year. At present, the least favourable scenario for GBPCE is a flattening of the yield curve: if short-term interest rates were to increase by 50bp and long-term interest rates were to decrease by 50bp, the impact on GBPCE's net interest margin would be well below the 5% limit. Gap analysis is also conducted, with limited maximum gaps (EUR13.8bn until March 2013).

Operational Risk

At end-June 2012, operational risks accounted for 10% of total weighted risks, and were reported under Basel's standard method. All operational losses above EUR150,000 (EUR1m for Natixis) are reported. Losses reported to date have not proved large or concentrated.

Funding, Liquidity and Capital

Funding

GBPCE benefits from the strong funding franchise of the BPs and CEPs. The group held a 21% market share of deposits in France at end-June 2012. The loans/deposits ratio of these networks was around 125% at end-H112 (excluding private placements with customers), according to Fitch's calculations. Nonetheless, the group's loans/deposits ratio remained the highest among French peers at end-H112, despite successful efforts to lower this level (144.3%; 149.9% at end-2010). This is due to GBPCE's two largest subsidiaries (Natixis and CFF) being almost exclusively wholesale-funded. Fitch views positively GBPCE's efforts to attract traditionally off-balance-sheet customer savings (mutual funds and life insurance) to its balance sheet (mainly term deposits).

In addition to customer deposits, which represented 44% of total funding excluding derivatives at end-H112, GBPCE accesses the repo (17%) and interbank markets (10%), and issues certificates of deposit and commercial paper (11%). GBPCE is a significant long-term debt issuer, with EUR26bn issued in 10M12.

Long-term debt is placed either in the market (89% of the 2012 programme) or with customers in the regional banks (11%), which, in the latter case, have proved more stable. The 2012 issuance programme had been fully realised at end-October 2012, half of which was in the form of covered bonds. The use of secured funding by GBPCE has been significant given the moderate appetite/high spreads for European banks' unsecured debt. Nonetheless, covered bond issuance is closely monitored so as to limit the level of asset encumbrance, which was higher than that of the other large French banks although acceptable at end-June 2012 (16%, according to Fitch's calculations).

Liquidity

Liquidity has never been an issue for GBPCE, even in 2008/2009 and H211. Liquidity risk is closely monitored through maximum overnight positions, static liquidity gaps and dynamic stress tests (systemic, name-specific and combined). These are followed at every subsidiary and every regional bank level.

Under dynamic stress tests, liquidity gaps must remain positive for at least three months. GBPCE runs an ample liquid asset portfolio that could be repo'ed with central banks. This portfolio reached EUR150bn after haircut at end-September 2012, and would allow the group to withstand a prolonged inability to roll over debt (the stock of short-term debt instruments reached EUR117bn at end-September 2012, according to GBPCE). Of this portfolio, EUR45bn was cash placed at the ECB; however, Fitch views part of the rest of these assets as not liquid enough to sell or repo immediately in the market.

Interbank overnight positions are capped at each entity level, with a consolidated limit of EUR20bn. However, GBPCE remains a net placer most of the time.

USD funding requirements have decreased, and represented USD51bn at end-2011 (latest available figure), a trend that is unlikely to reverse, according to Fitch, given that the group has been exiting some USD-intensive activities. At the same date, around 60% of this USD-denominated debt was short-term.

Capital

GBPCE has been strengthening its capitals ratios since 2009, and they are now at an acceptable level (9.6% FCC ratio at end-Q312; 4.93% at end-2009). From 2009 to 2011, GBPCE's net income was partly absorbed by the reimbursement of the hybrid capital subscribed to by the French state in 2008/2009 (EUR7bn), when the latter provided capital support to all large French banks. Now that these capital instruments have been fully reimbursed, Fitch believes that GBPCE's capital generation potential is higher and should help maintain acceptable capital ratios.

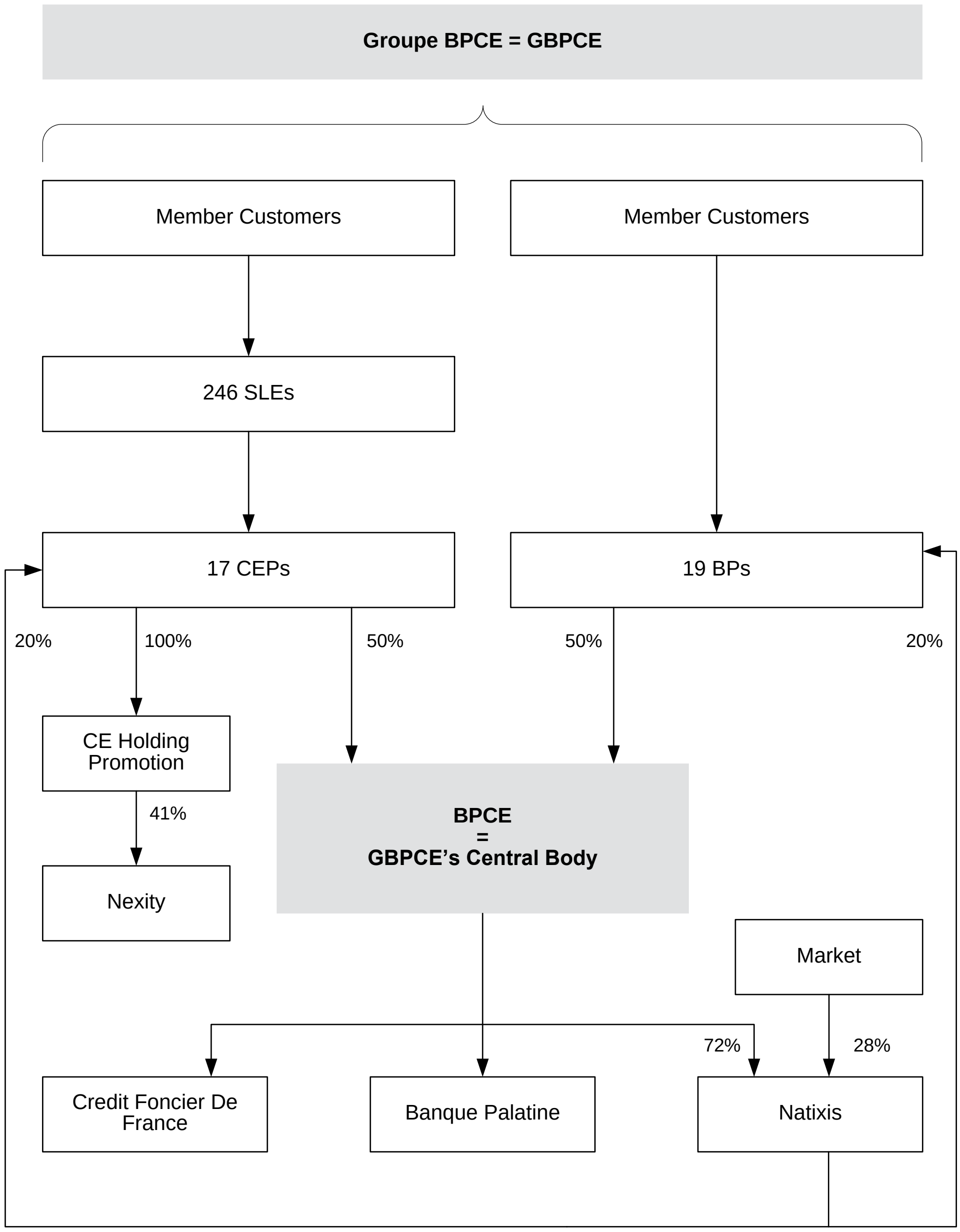
Enhanced capital ratios have been achieved through the group's ability to retain a significant portion of earnings; issuance of cooperative shares which are placed with retail customers; and risk-weighted-asset optimisation (including removal of the Basel I floor at end-2011). GBPCE's dividend payout ratio remains modest (20% in 2011), as the group offers limited remuneration for its cooperative shares and only 27.6% of Natixis' capital is free floating. GBPCE issued EUR2.2bn of cooperative shares in 9M12; despite modest remuneration, demand exists for these shares, partly for fiscal reasons.

GBPCE's FCC ratio could benefit from potential asset divestments, in particular if the group decided to accelerate the sale of its crisis-related exposure and/or non-strategic assets.

GBPCE's FCC ratio materially differs from its Basel 2.5 core equity Tier 1 ratio as the agency deducts the net asset value of the insurance subsidiary when calculating FCC. GBPCE announced plans to achieve a Basel III (excluding the DTA impact) common equity Tier 1 ratio of 9% in 2013. While regulators have not yet released final add-ons for systemically important financial institutions, the add-on for GBPCE is likely to remain at 100bp.

Annex

Group Structure (at end-Q312)



SLEs: Sociétés Locales d' Epargne
CEPs: Caisses d'Epargne et de Prévoyance
BPs: Banques Populaires
Source: Group BPCE's results presentation

GBPCE is a cooperative group unified financially and legally, but with a decentralised decision-making structure. It is organised on a regional basis around 19 BPs and 17 CEPs (owned by around 8.5 million cooperative customers), which themselves fully own BPCE (the network's central body – "organe central" – and the central bank of the group). BPCE holds the group's subsidiaries.

In accordance with French banking law, BPCE has established a financial solidarity mechanism to ensure the liquidity and solvency of the BPs and CEPs and of all other entities affiliated to it.

First, BPCE and each of the BPs and CEPs are required to support each other in case of temporary cash shortage (liquidity guarantee) or in order to prevent and/or cope with severe financial failures (solvency guarantee). Every BP and CEP thus effectively acts as a guarantor of the obligations of BPCE and of the other BPs and CEPs, and BPCE effectively acts as guarantor of the obligations of the BPs and CEPs. This solidarity mechanism is known as the cross-guarantee mechanism; it is internal to the group and does not constitute a guarantee that is enforceable by third parties, although French banking regulators may require the mechanism to be used if needed, according to Fitch. The solidarity mechanism is operated by BPCE under the sole authority of its management board.

Second, BPCE is legally required to safeguard the liquidity and solvency of its affiliates. These are the BPs, the CEPs and any other credit institutions located in France, as long as such affiliation has been notified to the French authorities (notably CFF, Banque Palatine and Natixis). This liquidity and solvency support does not extend to non-French credit institutions or to non-credit institutions.

Groupe BPCE
Income Statement

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm Unqualified	Months - Interim EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets
1. Interest Income on Loans	15,481.6	12,297.0	1.05	21,401.0	1.88	19,774.0	1.89	19,826.0	1.93
2. Other Interest Income	5,207.1	4,136.0	0.35	11,522.0	1.01	9,800.0	0.93	14,639.0	1.42
3. Dividend Income	290.8	231.0	0.02	385.0	0.03	342.0	0.03	349.0	0.03
4. Gross Interest and Dividend Income	**20,979.5**	**16,664.0**	**1.42**	**33,308.0**	**2.93**	**29,916.0**	**2.85**	**34,814.0**	**3.38**
5. Interest Expense on Customer Deposits	4,549.9	3,614.0	0.31	6,901.0	0.61	5,628.0	0.54	6,474.0	0.63
6. Other Interest Expense	8,411.2	6,681.0	0.57	13,513.0	1.19	11,764.0	1.12	15,239.0	1.48
7. Total Interest Expense	**12,961.1**	**10,295.0**	**0.88**	**20,414.0**	**1.79**	**17,392.0**	**1.66**	**21,713.0**	**2.11**
8. Net Interest Income	**8,018.4**	**6,369.0**	**0.54**	**12,894.0**	**1.13**	**12,524.0**	**1.19**	**13,101.0**	**1.27**
9. Net Gains (Losses) on Trading and Derivatives	486.0	386.0	0.03	(834.0)	(0.07)	957.0	0.09	585.0	0.06
10. Net Gains (Losses) on Other Securities	(390.3)	(310.0)	(0.03)	(85.0)	(0.01)	(298.0)	(0.03)	(653.0)	(0.06)
11. Net Gains (Losses) on Assets at FV through Income Statement	711.3	565.0	0.05	1,265.0	0.11	920.0	0.09	(1,709.0)	(0.17)
12. Net Insurance Income	(167.4)	(133.0)	(0.01)	598.0	0.05	(359.0)	(0.03)	(824.0)	(0.08)
13. Net Fees and Commissions	4,485.7	3,563.0	0.30	7,447.0	0.65	7,422.0	0.71	6,977.0	0.68
14. Other Operating Income	954.3	758.0	0.06	1,918.0	0.17	2,189.0	0.21	1,915.0	0.19
15. Total Non-Interest Operating Income	**6,079.6**	**4,829.0**	**0.41**	**10,309.0**	**0.91**	**10,831.0**	**1.03**	**6,291.0**	**0.61**
16. Personnel Expenses	6,027.9	4,788.0	0.41	9,411.0	0.83	9,515.0	0.91	9,493.0	0.92
17. Other Operating Expenses	3,857.5	3,064.0	0.26	6,470.0	0.57	6,542.0	0.62	6,866.0	0.67
18. Total Non-Interest Expenses	**9,885.4**	**7,852.0**	**0.67**	**15,881.0**	**1.40**	**16,057.0**	**1.53**	**16,359.0**	**1.59**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	**4,212.5**	**3,346.0**	**0.28**	**7,322.0**	**0.64**	**7,298.0**	**0.70**	**3,033.0**	**0.29**
21. Loan Impairment Charge	1,219.9	969.0	0.08	1,434.0	0.13	1,562.0	0.15	2,912.0	0.28
22. Securities and Other Credit Impairment Charges	175.0	139.0	0.01	1,335.0	0.12	92.0	0.01	1,233.0	0.12
23. Operating Profit	**2,817.6**	**2,238.0**	**0.19**	**4,553.0**	**0.40**	**5,644.0**	**0.54**	**(1,112.0)**	**(0.11)**
24. Equity-accounted Profit/ Loss - Non-operating	129.7	103.0	0.01	(7.0)	(0.00)	217.0	0.02	198.0	0.02
25. Non-recurring Income	5.0	4.0	0.00	52.0	0.00	(78.0)	(0.01)	2,102.0	0.20
26. Non-recurring Expense	237.9	189.0	0.02	89.0	0.01	38.0	0.00	1,279.0	0.12
27. Change in Fair Value of Own Debt	(44.1)	(35.0)	(0.00)	154.0	0.01	4.0	0.00	(277.0)	(0.03)
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	**2,670.3**	**2,121.0**	**0.18**	**4,663.0**	**0.41**	**5,749.0**	**0.55**	**(368.0)**	**(0.04)**
30. Tax expense	992.1	788.0	0.07	1,640.0	0.14	1,716.0	0.16	(293.0)	(0.03)
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	**1,678.2**	**1,333.0**	**0.11**	**3,023.0**	**0.27**	**4,033.0**	**0.38**	**(75.0)**	**(0.01)**
33. Change in Value of AFS Investments	890.1	707.0	0.06	(1,810.0)	(0.16)	(52.0)	(0.00)	1,516.0	0.15
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	130.9	104.0	0.01	153.0	0.01	290.0	0.03	45.0	0.00
36. Remaining OCI Gains/(losses)	(271.9)	(216.0)	(0.02)	541.0	0.05	277.0	0.03	(305.0)	(0.03)
37. Fitch Comprehensive Income	**2,427.3**	**1,928.0**	**0.16**	**1,907.0**	**0.17**	**4,548.0**	**0.43**	**1,181.0**	**0.11**
38. Memo: Profit Allocation to Non-controlling Interests	185.1	147.0	0.01	338.0	0.03	393.0	0.04	(612.0)	(0.06)
39. Memo: Net Income after Allocation to Non-controlling Interests	1,493.1	1,186.0	0.10	2,685.0	0.24	3,640.0	0.35	537.0	0.05
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	491.0	0.04	567.0	0.05	501.0	0.05
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	116.0	0.01	286.0	0.03	409.0	0.04

Exchange rate USD1 = EUR0.7943

Groupe BPCE
Balance Sheet

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	314,727.4	249,988.0	23.08	243,451.0	23.23	225,344.0	23.46	209,673.0	22.20
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	394,800.5	313,590.0	28.95	317,480.0	30.29	315,049.0	32.80	305,007.0	32.29
6. Less: Reserves for Impaired Loans/ NPLs	14,633.0	11,623.0	1.07	11,183.0	1.07	11,242.0	1.17	10,861.0	1.15
7. Net Loans	**694,894.9**	**551,955.0**	**50.95**	**549,748.0**	**52.46**	**529,151.0**	**55.09**	**503,819.0**	**53.34**
8. Gross Loans	**709,527.9**	**563,578.0**	**52.02**	**560,931.0**	**53.52**	**540,393.0**	**56.26**	**514,680.0**	**54.49**
9. Memo: Impaired Loans included above	27,172.4	21,583.0	1.99	20,255.0	1.93	20,003.0	2.08	18,858.0	2.00
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	170,919.0	135,761.0	12.53	121,492.0	11.59	104,815.0	10.91	114,877.0	12.16
2. Reverse Repos and Cash Collateral	129,686.5	103,010.0	9.51	89,383.0	8.53	79,422.0	8.27	56,167.0	5.95
3. Trading Securities and at FV through Income	106,445.9	84,550.0	7.80	67,524.0	6.44	77,105.0	8.03	90,122.0	9.54
4. Derivatives	143,857.5	114,266.0	10.55	122,001.0	11.64	87,652.0	9.12	100,097.0	10.60
5. Available for Sale Securities	100,108.3	79,516.0	7.34	84,826.0	8.09	68,057.0	7.08	65,853.0	6.97
6. Held to Maturity Securities	12,810.0	10,175.0	0.94	8,864.0	0.85	9,187.0	0.96	8,851.0	0.94
7. At-equity Investments in Associates	2,766.0	2,197.0	0.20	2,149.0	0.21	2,425.0	0.25	2,329.0	0.25
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	**495,674.2**	**393,714.0**	**36.34**	**374,747.0**	**35.76**	**323,848.0**	**33.71**	**323,419.0**	**34.24**
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	26,433.0	2.75	30,332.0	3.21
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	2,390.8	1,899.0	0.18	2,028.0	0.19	2,793.0	0.29	2,465.0	0.26
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**1,363,878.9**	**1,083,329.0**	**100.00**	**1,048,015.0**	**100.00**	**960,607.0**	**100.00**	**944,580.0**	**100.00**
C. Non-Earning Assets									
1. Cash and Due From Banks	15,547.0	12,349.0	1.14	15,995.0	1.53	24,143.0	2.51	13,069.0	1.38
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	6,019.1	4,781.0	0.44	4,819.0	0.46	5,084.0	0.53	5,379.0	0.57
5. Goodwill	5,705.7	4,532.0	0.42	4,505.0	0.43	5,160.0	0.54	5,670.0	0.60
6. Other Intangibles	1,742.4	1,384.0	0.13	1,385.0	0.13	1,934.0	0.20	1,967.0	0.21
7. Current Tax Assets	284.5	226.0	0.02	1,246.0	0.12	958.0	0.10	1,711.0	0.18
8. Deferred Tax Assets	6,928.1	5,503.0	0.51	5,253.0	0.50	4,728.0	0.49	5,464.0	0.58
9. Discontinued Operations	n.a.	n.a.	-	0.0	0.00	43.0	0.00	0.0	0.00
10. Other Assets	79,092.3	62,823.0	5.80	57,177.0	5.46	45,785.0	4.77	50,962.0	5.40
11. Total Assets	**1,479,198.0**	**1,174,927.0**	**108.46**	**1,138,395.0**	**108.62**	**1,048,442.0**	**109.14**	**1,028,802.0**	**108.92**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	136,729.2	108,604.0	10.03	104,633.0	9.98	101,786.0	10.60	88,463.0	9.37
2. Customer Deposits - Savings	282,141.5	224,105.0	20.69	214,654.0	20.48	204,762.0	21.32	202,728.0	21.46
3. Customer Deposits - Term	72,789.9	57,817.0	5.34	59,314.0	5.66	53,951.0	5.62	50,343.0	5.33
4. Total Customer Deposits	**491,660.6**	**390,526.0**	**36.05**	**378,601.0**	**36.13**	**360,499.0**	**37.53**	**341,534.0**	**36.16**
5. Deposits from Banks	110,682.4	87,915.0	8.12	94,335.0	9.00	59,948.0	6.24	86,783.0	9.19
6. Repos and Cash Collateral	196,132.4	155,788.0	14.38	70,275.0	6.71	104,873.0	10.92	87,165.0	9.23
7. Other Deposits and Short-term Borrowings	124,659.4	99,017.0	9.14	112,853.0	10.77	99,138.0	10.32	95,359.0	10.10
8. Total Deposits, Money Market and Short-term Funding	**923,134.8**	**733,246.0**	**67.68**	**656,064.0**	**62.60**	**624,458.0**	**65.01**	**610,841.0**	**64.67**
9. Senior Debt Maturing after 1 Year	168,141.8	133,555.0	12.33	131,179.0	12.52	164,842.0	17.16	155,319.0	16.44
10. Subordinated Borrowing	13,745.4	10,918.0	1.01	11,882.0	1.13	13,847.0	1.44	14,981.0	1.59
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	**181,887.2**	**144,473.0**	**13.34**	**143,061.0**	**13.65**	**178,689.0**	**18.60**	**170,300.0**	**18.03**
13. Derivatives	146,068.2	116,022.0	10.71	124,555.0	11.88	87,489.0	9.11	103,116.0	10.92
14. Trading Liabilities	26,039.3	20,683.0	1.91	65,146.0	6.22	13,270.0	1.38	6,510.0	0.69
15. Total Funding	**1,277,129.5**	**1,014,424.0**	**93.64**	**988,826.0**	**94.35**	**903,906.0**	**94.10**	**890,767.0**	**94.30**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	5,990.2	4,758.0	0.44	4,634.0	0.44	4,791.0	0.50	5,285.0	0.56
4. Current Tax Liabilities	482.2	383.0	0.04	314.0	0.03	365.0	0.04	815.0	0.09
5. Deferred Tax Liabilities	1,050.0	834.0	0.08	412.0	0.04	388.0	0.04	891.0	0.09
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	59,509.0	47,268.0	4.36	46,785.0	4.46	45,506.0	4.74	41,573.0	4.40
9. Other Liabilities	69,269.8	55,021.0	5.08	48,551.0	4.63	42,121.0	4.38	41,677.0	4.41
10. Total Liabilities	**1,413,430.7**	**1,122,688.0**	**103.63**	**1,089,522.0**	**103.96**	**997,077.0**	**103.80**	**981,008.0**	**103.86**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Pref. Shares and Hybrid Capital accounted for as Equity	4,119.4	3,272.0	0.30	3,253.0	0.31	6,150.0	0.64	11,160.0	1.18
G. Equity									
1. Common Equity	58,321.8	46,325.0	4.28	43,537.0	4.15	41,718.0	4.34	33,659.0	3.56
2. Non-controlling Interest	4,717.4	3,747.0	0.35	3,738.0	0.36	3,980.0	0.41	3,806.0	0.40
3. Securities Revaluation Reserves	(804.5)	(639.0)	(0.06)	(1,185.0)	(0.11)	51.0	0.01	71.0	0.01
4. Foreign Exchange Revaluation Reserves	201.4	160.0	0.01	102.0	0.01	8.0	0.00	(198.0)	(0.02)
5. Fixed Asset Revaluations and Other Accumulated OCI	(788.1)	(626.0)	(0.06)	(572.0)	(0.05)	(542.0)	(0.06)	(704.0)	(0.07)
6. Total Equity	**61,648.0**	**48,967.0**	**4.52**	**45,620.0**	**4.35**	**45,215.0**	**4.71**	**36,634.0**	**3.88**
7. Total Liabilities and Equity	**1,479,198.0**	**1,174,927.0**	**108.46**	**1,138,395.0**	**108.62**	**1,048,442.0**	**109.14**	**1,028,802.0**	**108.92**
8. Memo: Fitch Core Capital	44,615.4	35,438.0	3.27	31,390.0	3.00	28,935.0	3.01	20,285.0	2.15

Exchange rate USD1 = EUR0.7943

Groupe BPCE
Summary Analytics

	30 Jun 2012 6 Months - Interim	31 Dec 2011 Year End	31 Dec 2010 Year End	31 Dec 2009 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	4.37	3.88	3.69	3.88
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.89	1.81	1.53	1.83
3. Interest Income/ Average Earning Assets	3.14	3.38	3.06	3.49
4. Interest Expense/ Average Interest-bearing Liabilities	2.07	2.20	1.88	2.29
5. Net Interest Income/ Average Earning Assets	1.20	1.31	1.28	1.31
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.02	1.16	1.12	1.02
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.20	1.30	1.25	1.27
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	43.12	44.43	46.38	32.44
2. Non-Interest Expense/ Gross Revenues	70.12	68.44	68.75	84.36
3. Non-Interest Expense/ Average Assets	1.37	1.48	1.50	1.51
4. Pre-impairment Op. Profit/ Average Equity	14.23	15.61	17.09	8.83
5. Pre-impairment Op. Profit/ Average Total Assets	0.58	0.68	0.68	0.28
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	33.11	37.82	22.66	136.66
7. Operating Profit/ Average Equity	9.52	9.71	13.22	(3.24)
8. Operating Profit/ Average Total Assets	0.39	0.42	0.53	(0.10)
9. Taxes/ Pre-tax Profit	37.15	35.17	29.85	79.62
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.74	1.78	1.81	0.74
11. Operating Profit / Risk Weighted Assets	1.17	1.11	1.40	(0.27)
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	5.67	6.45	9.45	(0.22)
2. Net Income/ Average Total Assets	0.23	0.28	0.38	(0.01)
3. Fitch Comprehensive Income/ Average Total Equity	8.20	4.07	10.65	3.44
4. Fitch Comprehensive Income/ Average Total Assets	0.34	0.18	0.42	0.11
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	0.69	0.73	1.00	(0.02)
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.00	0.46	1.13	0.29
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	9.18	7.63	7.16	4.93
3. Tangible Common Equity/ Tangible Assets	3.68	3.51	3.66	2.32
4. Tier 1 Regulatory Capital Ratio	n.a.	10.60	10.10	9.10
5. Total Regulatory Capital Ratio	11.50	11.60	11.60	10.90
6. Core Tier 1 Regulatory Capital Ratio	10.00	9.10	8.10	6.90
7. Equity/ Total Assets	4.17	4.01	4.31	3.56
8. Cash Dividends Paid & Declared/ Net Income	n.a.	20.08	21.15	(1,213.33)
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	31.83	18.76	77.05
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	5.47	5.30	7.03	(2.69)
E. Loan Quality				
1. Growth of Total Assets	3.21	8.58	1.91	(10.04)
2. Growth of Gross Loans	0.47	3.80	5.00	1.18
3. Impaired Loans(NPLs)/ Gross Loans	3.83	3.61	3.70	3.66
4. Reserves for Impaired Loans/ Gross loans	2.06	1.99	2.08	2.11
5. Reserves for Impaired Loans/ Impaired Loans	53.85	55.21	56.20	57.59
6. Impaired Loans less Reserves for Imp Loans/ Equity	20.34	19.89	19.38	21.83
7. Loan Impairment Charges/ Average Gross Loans	0.35	0.26	0.29	0.57
8. Net Charge-offs/ Average Gross Loans	0.22	0.13	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.83	3.61	3.70	3.66
F. Funding				
1. Loans/ Customer Deposits	144.31	148.16	149.90	150.70
2. Interbank Assets/ Interbank Liabilities	154.42	128.79	174.84	132.37
3. Customer Deposits/ Total Funding excl Derivatives	43.47	43.81	44.16	43.36

Groupe BPCE
Reference Data

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm	onths - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	321,976.6	255,746.0	23.61	268,427.0	25.61	219,364.0	22.84	230,065.0	24.36
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	165,309.1	131,305.0	12.12	126,208.0	12.04	127,726.0	13.30	116,164.0	12.30
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	1,966,483.7	1,561,978.0	144.18	1,533,030.0	146.28	1,395,532.0	145.28	1,375,031.0	145.57
8. Memo: Total Weighted Risks	485,962.5	386,000.0	35.63	411,632.0	39.28	404,253.0	42.08	411,135.0	43.53
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	485,962.5	386,000.0	35.63	411,632.0	39.28	404,253.0	42.08	411,135.0	43.53
B. Average Balance Sheet									
Average Loans	707,861.6	562,254.5	51.90	551,611.0	52.63	535,843.8	55.78	510,752.0	54.07
Average Earning Assets	1,341,649.3	1,065,672.0	98.37	984,236.8	93.91	977,905.3	101.80	997,603.0	105.61
Average Assets	1,456,201.7	1,156,661.0	106.77	1,075,235.0	102.60	1,071,458.3	111.54	1,085,257.0	114.89
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	1,261,016.0	1,001,625.0	92.46	929,419.3	88.68	925,440.8	96.34	947,095.7	100.27
Average Common equity	56,566.8	44,931.0	4.15	43,704.3	4.17	39,265.0	4.09	31,856.3	3.37
Average Equity	59,541.1	47,293.5	4.37	46,893.8	4.47	42,696.3	4.44	34,351.0	3.64
Average Customer Deposits	484,154.0	384,563.5	35.50	380,431.5	36.30	367,925.0	38.30	354,143.0	37.49
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	66,192.0	7.01
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	38,938.0	4.12
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	161,158.0	17.06
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	251,152.0	26.59
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	108,921.0	11.53
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	10,622.0	1.12
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	19,178.0	2.03
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	7,727.0	0.82
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	284,993.0	30.17
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	15,169.0	1.61
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	47,604.0	5.04
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	19,951.0	2.11
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	49,287.0	5.22
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	51,259.0	5.43
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	13,469.0	1.43
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	1,929.0	0.20
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	95,359.0	10.10
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	109,051.0	11.54
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	204,410.0	21.64
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	1,471.0	0.16
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	13,510.0	1.43
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	13,745.4	10,918.0	1.01	11,882.0	1.13	13,847.0	1.44	14,981.0	1.59
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	61,648.0	48,967.0	4.52	45,620.0	4.35	45,215.0	4.71	36,634.0	3.88
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	4,119.4	3,272.0	0.30	3,253.0	0.31	6,150.0	0.64	11,160.0	1.18
3. Add: Other Adjustments	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
4. Published Equity	65,767.3	52,239.0	4.82	48,873.0	4.66	51,365.0	5.35	47,794.0	5.06
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	61,648.0	48,967.0	4.52	45,620.0	4.35	45,215.0	4.71	36,634.0	3.88
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	971.9	772.0	0.07	841.0	0.08	547.0	0.06	543.0	0.06
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	5,705.7	4,532.0	0.42	4,505.0	0.43	5,160.0	0.54	5,670.0	0.60
5. Other intangibles	1,742.4	1,384.0	0.13	1,385.0	0.13	1,934.0	0.20	1,967.0	0.21
6. Deferred tax assets deduction	3,253.2	2,584.0	0.24	2,584.0	0.25	2,693.0	0.28	2,547.0	0.27
7. Net asset value of insurance subsidiaries	5,226.0	4,151.0	0.38	4,151.0	0.40	4,154.0	0.43	3,432.0	0.36
8. First loss tranches of off-balance sheet securitizations	2,077.3	1,650.0	0.15	2,446.0	0.23	2,886.0	0.30	3,276.0	0.35
9. Fitch Core Capital	**44,615.4**	**35,438.0**	**3.27**	**31,390.0**	**3.00**	**28,935.0**	**3.01**	**20,285.0**	**2.15**

Exchange Rate USD1 = EUR0.7943

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.