FitchRatings KNOW YOUR RISK

Banks

France
Credit Analysis

Groupe BPCE

Ratings

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1+
Individual Rating	C/D
Support Rating	1
Support Rating Floor	A+

Sovereign Risk

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

Outlooks

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

Financial Data

Groupe BPCE

	30 Sept 09	30 Jun 09
Total assets (USDm)	n.a.	1,531,130.3
Total assets (EURm)	n.a.	1,083,290.0
Total equity (EURm)	n.a.	32,158.0
Operating profit (EURm)	-2,163.0	-2,903.0
Published net income (EURm)	n.a.	-1,589.0
Comprehensive income (EURm)	n.a.	-1,589.0
Operating ROAA (%)	-0.27	-0.53
Operating ROAE (%)	-8.97	-17.59
Eligible capital/ weighted risks (%)	n.a.	6.83
Tier 1 ratio (%)	8.80	8.60

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Related Research

Applicable Criteria

- *Global Financial Institutions Rating Criteria (December 2009)*
- *Rating Criteria for European Banking Structures Backed by Mutual Support Mechanisms (December 2009)*
- *Rating Hybrid Securities (December 2009)*

Other Research

- *Natixis (June 2009)*

Rating Rationale

- Groupe BPCE's (GBPCE) Issuer Default Ratings (IDRs) are driven by support from the French state. Its Individual Rating reflects the group's impressive domestic retail franchise, sound loan quality in its traditional retail business and satisfactory liquidity, but also considers its low profitability, moderate capital ratios given the volume of risky assets, and dependence on wholesale funding.
- GBPCE is a cooperative banking group according to French Banking Law. Its 37 regional banks (20 Banques Populaires— BPs — and 17 Caisses d'Epargne et de Prévoyance — CEPs) as well as its central body (BPCE) share the same legally binding cross-guarantee mechanism. A number of subsidiaries (among them Natixis — the wholesale lending, investment banking and specialised services banking subsidiary) benefit from a legal commitment from BPCE to maintain their liquidity and solvency above the regulatory minimum under an affiliation agreement and are consequently assigned the same IDRs as GBPCE.
- GBPCE's profitability was very poor until end-June 2009 due to significant write-downs and impairment charges at Natixis and the group returned to modest net profit only in Q309. While operating profit and net income are both expected to be positive for the second quarter in a row in Q409, the group is likely to record an operating loss of around EUR1bn for full year 2009. At 75% in Q309 (Fitch calculations), GBPCE's cost-to-income ratio is high and requires improvement.
- GBPCE enjoys sound loan quality, with a 3% NPL ratio, a 68% coverage ratio and loan impairment charges representing less than 50bp of the loan book in 9M09 (the best ratio among large French banks over the period). Nevertheless, the group is still carrying around EUR24bn of troubled or illiquid assets that may require additional provisioning.
- While the CEPs and the BPs enjoy an acceptable 119% loan-to-deposit ratio, the loan book is only 74% financed by customer resources on a consolidated basis. Although Natixis requires liquidity support from its parent, liquidity is not a problem to the group, notably owing to its very large stock of repoable assets.
- Of the EUR7bn capital received from the state since end-2008, EUR3.9bn of Tier 1 qualifying subordinated debt has been downstreamed to Natixis and EUR3bn of preference shares remain at BPCE level. While GBPCE repaid EUR750m in November 2009, it is the only French bank that has not fully repaid the state aid, and full repayment is not expected before 2011.

Support

- Given GBPCE's domestic importance, Fitch Ratings considers there is an extremely high probability that the French state would support it, if necessary.

Key Rating Drivers

- GBPCE's Individual rating would benefit from the full repayment of the state aid combined with reduced uncertainties on the true value of the troubled assets.

Profile

GBPCE ranks second in French retail banking, controlling over 21% of the market. It is the third-largest banking group in France in terms of equity and generates three quarters of its operating income from retail/commercial banking.

- Created on 31 July 2009
- A cooperative organisation mostly focused on retail/commercial banking
- Legally responsible for Natixis, a weak wholesale banking subsidiary

Profile

GBPCE was created on 31 July 2009 from the merger of two leading cooperative banking groups, Groupe Caisse d'Epargne (GCE) and Groupe Banque Populaire (GBP). The French state strongly encouraged this merger, notably because Natixis's previous shareholding structure and governance proved inadequate for a quick and complete restructuring of the bank. The state appointed senior management and injected EUR5bn of Tier 1 regulatory capital into GCE/GBP/GBPCE in 2009 (in addition to the EUR2.05bn injected in 2008), including EUR3bn of non-voting preferences shares, which can be redeemed by BPCE (GBPCE's central body) at any time after the first anniversary of their issuance. Were GBPCE not able to repay these preference shares within a five-year period, the government could choose to convert them into ordinary shares, giving the French state a maximum 20% stake in BPCE. The French state waited for GBPCE to be created (31 July 2009) to subscribe to these EUR3bn preference shares. This came a few months after the second industry-wide capital support to the French banking system, and consequently gave rise to a specific communication (ie, approval) by the EC. This aid was approved by the EC as it did not want the negative impact of the merger on the group's solvency to refrain it from financing the French economy. Nevertheless, neither GBPCE nor its subsidiary Natixis have at any stage been subject to a specific restructuring plan to be validated by the EC.

GBPCE's organisation and cross-guarantee mechanism are described in *Annex 1*. In line with Fitch's Rating Criteria for European Banking Structures Backed by Mutual Support Mechanisms, the Long- and Short-Term IDRs assigned to GBPCE also apply to its regional banks (the BPs and the CEPs) as well as BPCE given the legally binding cross-guarantee mechanism in place. Every CEP and BP and most of the specialised subsidiaries, including Natixis, Crédit Foncier de France (CFF — a dedicated real estate bank) and Banque Palatine are affiliated to BPCE. Credit updates on CFF and Banque Palatine published on 29 June 2009 are available at www.fitchresearch.com. As GBPCE's central body, BPCE defines strategy, sets risk limits and policies, takes on treasury functions, issues debt, and is responsible for its affiliates' liquidity and solvency. Caisses d'Epargne Participations (previously named Caisse Nationale des Caisses d'Epargne et de Prévoyance — CNCE) and Banques Populaires Participations (previously named Banque Fédérale des Banques Populaires — BFBP) continue to exist as holding companies and are also affiliated to BPCE. GBPCE has three core business lines.

Commercial Banking and Insurance (CBI)

Retail banking (ie, banking services for private individuals, professionals and SMEs) is mostly conducted by the CEPs and the BPs and is by far GBPCE's most significant activity. The CEPs and the BPs are fairly complementary, with the CEPs more focused on individual and regional development banking (local authorities and public housing authorities) and the BPs being the leader in the SME sector and professionals and individual entrepreneurs, but the two retail networks act independently and will remain competitors. The combined retail network holds market shares in French retail banking of 16%-25% (depending on product; for instance 20% market share in the housing market) and serves over 26 million banking customers (over 37 million including customers that have only "Livret A", a tax-free regulated savings deposit) through 8,171 branches/agencies (29% market share). Within the insurance sector, the group controls 15.76% of CNP Assurances (France's leading life insurance company), is active in the non-life sector through GCE Assurances, and has a strategic partnership with two well-established companies, Macif and Maif, which control a total 40% of GCE Assurances. In addition, the two retail networks distribute the products of Natixis Assurances.

Market Activities, Asset Management and Specialised Financial Services

These are carried out by Natixis (see Fitch's credit analysis on Natixis published on 29 June 2009 and available at www.fitchresearch.com), which is 72%-owned by

GBPCE (see *Annex 1*), and include corporate and investment banking (CIB: commercial banking/capital markets/structured finance), savings (asset management/insurance/private banking) and specialised financial services(factoring/leasing/consumer credit/guarantees). Natixis has been negatively affected by the credit crisis and has performed very poorly since 2007. This weighed heavily on GBPCE, as did the need to recapitalise this subsidiary several times and to take over and subsequently write off the monoline insurer CIFG.

Real Estate

GBPCE controls a number of vehicles in this sector: Nexity (40%-owned, which operates across a broad range of related businesses such as property development, construction and estate agencies), Foncia (a leading real estate brokerage and property management group), Eurosic (33%-owned, a property investment company), Meilleurtaux (an online mortgage broker) and 23% of Maisons France Confort (a leading housing construction company).

Strategy

A strategic plan for Natixis was completed in summer 2009 and the bank is now focusing on three core businesses: CIB, savings and specialised financial services. The latter are expected to be large providers of products to be distributed by the CEPs and the BPs. Investment banking ambitions and proprietary trading have been largely shelved. A strategic plan for other GBPCE entities (with a detailed industrial project including planned synergies) was initiated in September 2009 and is expected to be finalised in February 2010. For instance, those subsidiaries remaining under Caisses d'Epargne Participations and Banques Populaires Participations are undergoing a strategic review and could either move under BPCE or be sold. At the same time, partnerships and acquisitions in international retail banking will be considered. For the time being, management's top priorities are to restore profitability at Natixis and create synergies between the two retail networks (notably in the back office/purchase functions). It should be noted that the change of management at Natixis in mid-2009 strengthened the integration with its parent very significantly, and GBPCE now has a firm grip on its subsidiary.

Corporate Governance

As in every French cooperative banking group, senior management and decision-making powers are centralised at the central body level. BPCE's management board is headed by Mr Francois Pérol (previously a senior adviser to President Sarkozy). BPCE's management board comprises five members, including one representing the CEPs, one representing the BPs, one person in charge of human resources, the CFO and the chairman (for a four-year term). It is nominated and supervised by a supervisory board numbering 18 members (in addition to representatives of the employees), which is currently headed (for a two-year term) by BFBP's former CEO. Of the 18 members, seven are nominated by the BPs, seven by the CEPs, and four by the French state (of whom two are independent). Given the importance of Natixis within GBPCE, its CEO is a member of the general management committee.

Presentation of Accounts

Although GBPCE was created on 31 July 2009, it has since produced proforma balance sheet (at end-December 2008) and profit and loss (at end-June 2008 and 2009) accounts and has released partial information on its Q309 profit and loss account. Natixis is fully consolidated into GBPCE.

- 63% of revenue generated from low-risk commercial banking and insurance
- Operating loss around EUR1bn expected for full year 2009 but quarterly operating profit since Q309

Performance

Consolidated Performance

As can be seen in Table 1, GBPCE's profitability was very poor until end-June 2009 and the group returned to net profit in Q309. The main drivers behind GBPCE's poor profitability in H109 were significant write-downs and impairment charges against

Table 1: Details of GBPCE's Performance

(EURm)	Proforma figures H108	H208	2008	H109	Q309	9M09
Operating income	**8,379**	**7,530**	**15,909**	**8,134**	**5,288**	**13,422**
Of which write-downs on run-off assets/activities	n.a.	n.a.	-5,315	-1,726	-663	-2,389
Operating expenses	**8,162**	**8,192**	**16,354**	**8,047**	**3,961**	**12,007**
Pre-impairment operating profit	**217**	**-662**	**-445**	**87**	**1,327**	**1,415**
Impairment charges	**748**	**2,399**	**3,147**	**2,990**	**588**	**3,578**
Of which imp. charges on run-off assets/activities	n.a.	n.a.	1,155	1,070	-3	1,067
Operating profit	**-531**	**-3,061**	**-3,592**	**-2,903**	**739**	**-2,163**
Of which commercial banking and insurance	985	n.a.	n.a.	1,032	736	1,768
Of which market activities (recurring), asset management and specialised financial services	550	n.a.	n.a.	-957	62	-895
Of which real estate	351	n.a.	n.a.	207	163	370
Of which others, including run-off assets/activities	-2,417	n.a.	n.a.	-3,184	-223	-3,407
Non-operating income	**482**	**-241**	**241**	**742**	**n.a.**	**n.a.**
Of which change in fair value of own debt[a]	157	436	593	1,565	-319	1,246
Of which gain realised on debt buyback	n.a.	n.a.	n.a.	n.a.	460	460
Of which goodwill impairment charge	20	-187	-167	-996	n.a.	n.a.
Of which fraudulent trading activity	0	-752	-752	0	0	0
Of which realised capital gains and profits from equity accounted affiliates	305	262	567	173	n.a.	n.a.
Pre-tax profit	**-49**	**-3,302**	**-3,351**	**-2,161**	**n.a.**	**n.a.**
Taxes	207	-1,061	-854	-572	n.a.	n.a.
Net income	**-256**	**-2,241**	**-2,497**	**-1,589**	**n.a.**	**n.a.**
Minority interests	**-247**	**-604**	**-851**	**-832**	**n.a.**	**n.a.**
Net income (group share)	**-9**	**-1,637**	**-1,646**	**-757**	**447**	**-310**

[a] Natixis, but also in H109 EUR1,485m at BPCE (as some instruments were reclassified from debt to equity) and EUR37m at CFF
Source: Fitch

Natixis' bad bank (GAPC, which hosts Natixis' illiquid assets and activities that are being run down) and a EUR748m general provision written against lending to problematic economic sectors. The negative impact of the bad bank was lower in Q309 and focused on monoline insurers. While operating profit and net income are both expected to be positive for the second quarter in a row in Q409, the group is likely to record an operating loss of around EUR1bn for full year 2009, and it will be difficult to post a positive net income for the full year 2009. At 75% in Q309, GBPCE's cost-to-income ratio needs addressing. The group is actively working on reducing its cost base in the CEPs, whose cost-to-income ratio will fall by 200bp when they move under one single IT system in H110. Loan impairment charges represented less than 50bp of the loan book in 9M09, which is the best ratio reported among large French banks over the period. Table 2 provides a breakdown of operating income by business line and shows that GBPCE generates around two-thirds of its revenue from commercial banking and insurance activities and only 10%-15% from CIB.

Table 2: Breakdown of GBPCE's Operating Income by Division

(%)	9M09 (EURbn)	9M09 (%)	Q309 (EURbn)	Q309 (%)
Commercial banking and insurance	**9,656**	**72**	**3,345**	**63**
- Of which BPs	4,354	32	1,490	28
- Of which CEPs	4,456	33	1,573	30
- Of which others	846	6	282	5
Market activities and specialised financial services	**3,890**	**29**	**1,292**	**24**
- Of which CIB	1,997	15	607	11
- Of which asset management	1,140	8	392	7
- Of which financial services	626	5	207	4
- Participations (coface, private equity, international)	206	1	110	2
Real estate	**1,764**	**13**	**638**	**12**
- Of which CFF	753	6	281	5
- Of which real estate services	1,011	7	356	7
Others, including run-off assets/activities	**-1,888**	**-14**	**13**	**0**
Total operating income	**13,422**	**100**	**5,288**	**100**

Source: Fitch

Performance Per Business Line

Commercial banking and insurance constitute by far the bulk of GBPCE's earnings. On a like-for-like basis, operating income is growing by about 1% per year, which is in line with the sector. In the BPs, the cost-to-income ratio was 67% in 9M09 and loan impairment charges accounted for 49bp of risk-weighted assets (RWAs) — unchanged since Q408. While the cost-to-income ratio was higher in the CEPs at 73%, loan impairment charges accounted for only 22bp of RWAs. These ratios illustrate the different (and hence complementary) customer bases of the two networks.

Table 3: Performance of the Commercial Banking and Insurance Division

	H109	Q309	9M09
Cost to income (%)	73	67	71
Pre-impairment operating profit	1,676	1,089	2,765
Loan impairment charges	644	353	997
Operating profit	1,032	736	1,768
Non-operating income and taxes	-274	n.a.	n.a.
Net income	758	n.a.	n.a.

Source: Fitch

Table 4: Performance of Market Activities and Specialised Financial Services Division

	H109	Q309	9M09
Cost to income (%)	89	80	86
Pre-impairment operating profit	280	261	541
Loan impairment charges	1,237	199	1,436
Operating profit	-957	62	-895
Non-operating income and taxes	525	n.a.	n.a.
Net income	-432	n.a.	n.a.

Source: Fitch

Despite exceptionally strong activity on fixed income products, Natixis (excluding the bad bank) posted net losses in H109 due to significant impairment charges, which included a EUR748m general provision written against problematic economic sectors (mostly leveraged buyout — LBO — and commercial real estate exposure), EUR309m of which has since been allocated to specific exposure. In Q309, the provisioning charge was reduced to EUR190m (a level that management deems as recurring for the near future) and this business line returned to profitability. At 80% in Q309 in more stable market conditions, the cost-to-income ratio remained on the high side and will have to be lowered; this will only be possible by increasing the revenue base and will be handicapped by the drastic reduction of proprietary trading activities. As a whole, the Q309 performance is expected to be repeated in the short to medium term unless the economic environment deteriorates significantly, and Natixis (excluding the bad bank) is likely to remain a small contributor to GBPCE's profits.

Table 5: Performance of the Real Estate Division

	H109	Q309	9M09
Cost to income (%)	78	68	75
Pre-impairment operating profit	246	201	447
Loan impairment charges	39	38	77
Operating profit	207	163	370
Non-operating income and taxes	-40	n.a.	n.a.
Net income	167	n.a.	n.a.

Source: Fitch

The contribution of real estate activities is growing, in line with the group's strategy. Owing to a small rebound in the housing sector in France since Q309, operating income in 9M09 was only down 6% on 9M08.

'Others', which constitute GBPCE's Achilles heel, mostly include Natixis's bad bank and the former proprietary trading portfolios of CNCE (now in the books of Caisses d'Epargne Participations), both managed in a run-off mode, as well as the group's central functions (these record refinancing costs, fair value of own debt and goodwill impairment). As can be seen in Table 6, the impact on GBPCE's operating profit was very heavy until H109 but was largely absorbable in Q309 at only EUR223m (including only EUR34m write-downs on securities and a EUR129m net depreciation on monolines and CDPCs).

Table 6: Performance: Others

	H109	Q309	9M09
Pre-impairment operating profit	-2,114	-225	-2,339
Loan impairment charges	1,070	-2	1,068
Operating profit	-3,184	-223	-3,407
Non-operating income and taxes	116	n.a.	n.a.
Net income	-3,068	n.a.	n.a.

Source: Fitch

Peer Analysis

Table 7 shows key financial ratios for GBPCE and its peers with retail banking and CIB activities in Q309, in fairly stable capital markets. It can be seen that GBPCE's performance ratios are slightly below those of its peers due to a more conservative business mix, with a smaller reliance on CIB and with lower margins not being fully offset by a lower cost of risk.

Table 7: Comparative Financial Highlights

(%)		GBPCE	SG	CA	BNPP
Long-term IDR of		A+	A+	AA-	AA
Is driven by		State support	Stand-alone creditworthiness		
Individual rating		C/D	B/C	B	B
Loans (EURbn)	(June 2009)	509	385	729	705
Assets (EURbn)	(June 2009)	1,083	1,059	1,733	2,289
Equity (EURbn)	(June 2009)	32	33	72	60
Loans/customer resources (%)	(June 2009)	135	132	109	116
Q309 operating income (EURbn)		5.3	6.0	8.2	10.7
Of which contribution of domestic retail banking (%)		58	30	53	14
Of which contribution of corporate and investment banking (%)		11	30	13	28
Q309 operating profit (EURbn)		739	559	1,827	2,326
Q309					
Cost/income (%)		75	65	59	67
Pre-impairment operating ROAA (%)		0.49	0.78	0.78	0.81
Pre-impairment operating ROAE (%)		16.48	24.96	18.88	31.05
Loan impairment charges/loans		0.46	1.57	0.85	1.31
Loan impairment charges/RWAs		0.58	1.87	1.28	1.49
Operating ROAA (%)		0.27	0.21	0.42	0.41
Operating ROAE (%)		9.18	6.73	10.21	15.61

Source: Fitch

SG: Societe Generale, CA: Crédit Agricole, BNPP: BNP Paribas

Prospects

Looking forward, GBPCE is expected to post annual net income and operating return-on-equity from its core businesses of around EUR2bn and 10% respectively in the short term. Were the bad bank to require significant additional write-downs, this could be all jeopardised. After the strong losses recorded in 2008, proprietary trading positions have been severely reduced and are not expected to generate more than EUR250m annual revenue.

- Centralised risk monitoring
- Risk concentrated at Natixis
- Significant stock of troubled assets
- Liquidity has not been an issue despite Natixis requiring liquidity support

Risk Management

The risk management department (direction des risques groupe — DRG) 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 and reports directly to the board. In addition, 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. Finally, the group has a compliance department. These departments cover all credit institutions making up GBPCE. Some of these (notably Natixis) also have their own risk management and compliance departments, which work closely with those in place at the GBPCE level. The head of risk management at Natixis is appointed by and reports to the head of risk management at GBPCE.

Credit Risk

Within GBPCE, the advanced internal ratings-based (IRB) approach for Basel II is only used for the retail portfolio of the BPs, the standard approach is used by the CEPs, CFF and Palatine, and the foundation IRB approach is used for the non-retail portfolio of the BPs and by most other entities (including Natixis). For the retail portfolios, the CEPs and CFF aim to use the advanced IRB approach by end-December 2010. Within the CEPs and the BPs, the bulk of loans are approved at branch level.

Corporates and retail customers each account for 30% of total on- and off-balance-sheet credit exposure (EUR963bn), with the balance evenly split between bank and sovereign exposure. By product, credit exposure is dominated by housing loans (around 40% of the loan book), followed by long-term equipment financing loans and working capital loans. Consumer loans are underdeveloped and account for less than 3% of the loan book. GBPCE's loan book is mostly in Europe (France: 67%; non-France: 23%). The 20 largest corporate exposures account for 10% of total corporate exposure; they are not a source of concern and none exceeds 8% of GBPCE's equity. The 20 largest interbank exposures account for 25% of the total but are to highly rated financial institutions. Within the EUR162bn exposure to large corporates (ie, turnover exceeding EUR1bn), the only concentration is to the finance/insurance sector (40% of the total), and real estate/rental property/construction account for only 9%. Within the EUR241bn exposure to other corporates (ie, turnover between EUR3m and EUR1bn), the public sector, the real estate/rental property/construction sectors and the finance/insurance sectors account for 22%, 21% and 20% of the total respectively. The group follows the transport, real estate, construction, communication and tourism sectors closely. On a global basis, the housing/real estate sector dominates GBPCE's risk. Nevertheless, the outlook for the real estate sector in France is steady, as demographics continue to support good demand for housing and other building needs.

Problematic Exposures

GBPCE's NPL ratio (3% at end-June 2009) is the lowest among large French banks and the 68% coverage ratio is in line with the sector average. However, GBPCE still has to face a significant amount of risky assets (see Table 8), most of which are housed in Natixis. A complete audit and valuation of these risky assets was completed in Q209 (notably by BlackRock). The outcome was that these assets were supposedly properly covered/written down at end-June 2009, and that GBPCE is not expected to suffer from these significantly anymore, even in the most severe stress scenarios. This is all the more important as BPCE is guaranteeing the potential additional devaluations on 85% of the value of the illiquid assets isolated in the bad bank. In other words, BPCE is liable for 85% of any additional devaluation and cannot benefit from any upside potential, while Natixis would record any gain or loss on 15% of the value of the portfolio and any upside on 85% of the value of the portfolio. 60% of gross LBO financings are hosted at Natixis, with an average individual exposure of EUR14.6m; these are well split per economic sector. Most of the balance is in the BPs, with an average individual exposure of only EUR1.6m, but there is some concentration in the services and industry sectors. Depreciations on LBO financings have been minute to date; the expected deterioration will be partly covered by the general reserve on the sector (in total Natixis' general reserve against problematic sectors exceeded EUR800m at end-September 2009).

Table 8: Risky Exposures at End-September 2009

	Natixis	GBPCE (including Natixis)
Unhedged US risky ABS CDOs[a]	0.8	0.8
Unhedged non US risky CDOs[a,b]	3.3	5.1
Unhedged US RMBS[c]	5.0	5.0
Unhedged non US RMBS	1.2	2.3
Risky CMBS	0.5	1.0
Net exposure to monoline insurers and CDCPs[d]	1.8	1.8
LBO financing	5.6	8.4
Total net exposures	**18.2**	**24.4**
Equity (end-June 2009)[e]		**32.2**

[a] Loss ratios assumptions on subprime assets: Vintage 2007: 41%; 2006: 34%; 2005: 15%; before 2005: 6%
[b] 30% rated 'AAA', 32% rated 'AA'/'A' and 38% rated 'BBB' or below
[c] Of which EUR3.3bn on US agencies
[d] Notional amounts guaranteed by monoline insurers and credit derivatives products companies (CDPCs): EUR25.4bn
[e] Fitch calculation
Source: Groupe BPCE's and Natixis' results

Market Risks

These are concentrated within Natixis, where a global VAR (99% confidence level/one-day holding period) limit of EUR35m is in place (down from EUR70m at end-2008). In Q309, Natixis' VAR was around EUR25m and interest rate risk accounted for two-thirds of the total. GBPCE is also using stress test scenarios.

Operational Risk

A model to assist in the measurement of operational risks has been developed and is already in use throughout the group, and all potential losses exceeding EUR150,000 are reported (EUR1m at Natixis). Given the merger process between GCE and GBP, the adoption of the advanced measurement approach for measuring operational risk has been postponed and the group is using the standard approach.

Asset/Liability Management

As central body, BPCE is responsible for the group's ALM. GCE's and GBP's ALM departments as well as treasury departments merged when GBPCE was created. While all entities affiliated to BPCE can issue short-term debt in the domestic market, the two main issuers of short-term debt within the group are BPCE and Natixis (these can issue all instruments in all markets). Most medium-/long-term debt is issued in the market by BPCE, CFF (via its Societe de Credit Foncier), GCE Covered Bonds and BP Covered Bonds (these issue 'AAA'-rated covered bonds collateralised by residential French housing loans). The vast majority of Natixis's long-term refinancing needs are met directly by BPCE, with new issuance by Natixis now restricted to structured private placements. Repos transactions with the ECB are carried out by BPCE, CFF, Natixis and BRED Banque Populaire (the largest BP). Within the group, the retail business is exposed to a rise in interest rates and this is being reduced. Although Natixis has been reliant on its parent since autumn 2008 to meet its liquidity needs, GBPCE has not faced any liquidity problem since the crisis started in 2007. GBPCE is not structurally dependent on the ECB repos facilities for its funding/liquidity, but has used them as a way to get cheap funding. The collateral reserve was very substantial at end-September 2009, at around EUR140bn. Liquidity management results from stress testing (systemic, name specific and combined).

- Dependent on wholesale funding despite a very solid retail deposit base
- Capital ratios benefit from EUR6.3bn state capital support

Funding and Capital

GBPCE's large customer deposit base (22% market share — second only to CA) is a major strength. While the loan-to-deposit ratio at the CEPs and the BPs is acceptable at 119%, Natixis is entirely wholesale-funded. As a consequence, on a consolidated basis, only 74% of the loan book is funded by customer resources (deposits 72% + debt securities issued in the networks 2%), which does not compare well with the sector average. GBPCE's short-term funding requirements have never undergone any stress. In the first 10 months of 2009, the group issued EUR36bn medium-/long-term funding, of which EUR15bn covered bonds and EUR11bn via Société de Financement de l'Economie Française (SFEF, which issued debt in the market until October 2009 with a state guarantee).

Table 9: Equity Reconciliation at End-June 2009

(EURm)	GBPCE
Published equity	**42,329**
- Hybrid securities reported in equity	-10,171
Equity	**32,158**
- Goodwill	-5,994
- Other intangibles	-1,976
- Net deferred tax assets	-4,391
Fitch core capital	**19,797**
+ Eligible weighted hybrid capital	8,484
Fitch eligible capital	**28,281**

Source: Fitch

As a non-quoted cooperative group, GBPCE can only increase its core capital by issuing cooperative certificates (subscribed to by the retail customers) or by retaining earnings. GBPCE's Tier 1 capital reported at end-September 2009 (EUR35.8bn) included EUR12.5bn hybrid capital split as follows: EUR5bn Titres Super Subordonnés (TSS - Tier 1 qualifying deeply subordinated debt) and EUR0.5bn trust preferred securities issued by Natixis in 2000 + EUR4.05bn TSS and EUR3bn preference shares subscribed to by the state. One of GBPCE's priorities is to repay the state without deteriorating the level and the quality of its capital ratios — ie, repaying the core capital subscribed to by the state by retained earnings/cooperative certificates, and repaying the TSS subscribed to by the state by TSS to be issued in the market and by retained earnings/cooperative certificates. As such, in November 2009, the group issued EUR750m TSS in the market and used the proceeds to repay EUR750m TSS to the state. Management has indicated that it is planning to start repaying the preference shares to the state in 2010 (from retained earnings/cooperative certificates).

A more detailed plan on the repayment will be released by the group in February 2010. GBPCE has stated that it has no intention of deferring coupon payment on its TSS, and all coupons have been paid up to now. GBPCE had increased ordinary capital by EUR1.3bn by end-Q309 by tapping into retail customers (cooperative certificates, though not highly remunerated — around 3.8% — are fiscally attractive) and a further increase of at least EUR1.2bn was expected for Q409. Management believes that the CEPs' and BPs' ability to raise such additional capital remains strong. Commercial banking and insurance activities account for half of RWAs, against 35% for Natixis. With a Fitch eligible capital/RWAs ratio at 6.8% at end-June 2009 and potential additional write-downs on the large stock of risky assets in the bad bank, GBPCE's solvency is considered only moderate. Hybrid instruments are significant in the total and are capped at 30% of Fitch eligible capital in the calculation. Details of equity components are shown in Table 9. Of the EUR6bn goodwill at end-June 2009, EUR2.6bn was on Natixis (despite a goodwill reduced to nil on CIB), EUR1.9bn on commercial banking and EUR1.5bn on real estate. The difference between Tier 1 capital (EUR35.8bn) and Fitch core capital (EUR19.8bn) at end-June 2009 mainly lies with hybrids instruments and deferred tax assets.

Annex 1

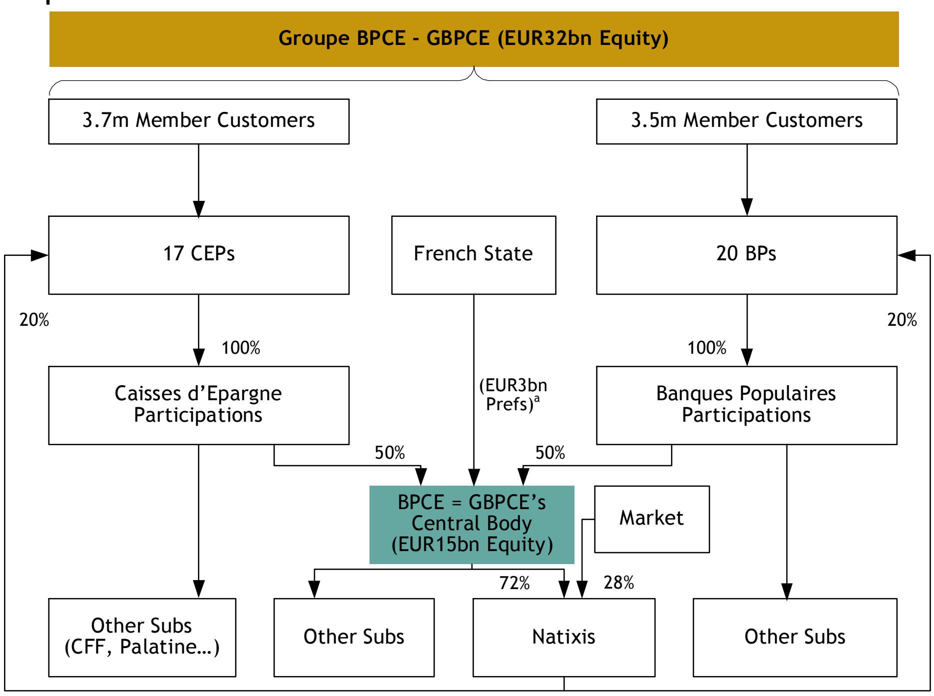
Organisation

GBPCE is a cooperative group unified financially and legally, but with a decentralised decision-making structure. It is organised on a regional basis around 17 CEPs and 20 BPs (owned by around 7.2 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 the French banking Law, BPCE has established a financial solidarity mechanism to ensure the liquidity and solvency of the CEPs and BPs and of all other entities affiliated to it:

- firstly, BPCE and each of the CEPs and BPs is required to support each other in case of temporary cash shortage (liquidity guarantee) or in order to prevent and/or cope with severe financial failings (solvency guarantee). Every CEP and BP thus effectively acts as a guarantor of the obligations of BPCE and of the other CEPs and BPs, and BPCE effectively acts as guarantor of the obligations of the CEPs and BPs. 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. The solidarity mechanism is operated by BPCE under the sole authority of its Management Board.
- secondly, BPCE is legally required to safeguard the liquidity and solvency of its affiliates. These are the CEPs, the BPs and any other credit institutions located in France, as long as such affiliation has been notified to the French authorities (notably Crédit Foncier de France, Banque Palatine and Natixis). This liquidity and solvency support does not extend to non-French credit institutions or to non-credit institutions, such as the real estate companies controlled by Caisses d'Epargne Participations and Banques Populaires Participations.

Group Structure



[a] With an option to convert these into ordinary shares within a five-year period if BPCE if not able to repay them
Source: Transaction documents

Groupe BPCE
Balance Sheet

	30 Jun 2009			31 Dec 2008		30 Jun 2008	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	6 Months - Interim	As % of
	USDm	EURm	Assets	EURm	Assets	EURm	Assets
	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary
Assets							
A. Loans							
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	719,277.5	508,896.0	46.98	512,070.0	44.78	n.a.	-
6. Less: Reserves for Impaired Loans/ NPLs	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Net Loans	**719,277.5**	**508,896.0**	**46.98**	**512,070.0**	**44.78**	**n.a.**	**-**
8. Gross Loans	**719,277.5**	**508,896.0**	**46.98**	**512,070.0**	**44.78**	**n.a.**	**-**
9. Memo: Impaired Loans included above	n.a.	n.a.	-	n.a.	-	n.a.	-
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets							
1. Loans and Advances to Banks	223,315.6	157,998.0	14.59	155,194.0	13.57	n.a.	-
2. Trading Securities and at FV through Income	348,299.0	246,425.0	22.75	304,793.0	26.65	n.a.	-
3. Derivatives	9,851.5	6,970.0	0.64	5,449.0	0.48	n.a.	-
4. Available for Sale Securities	87,617.1	61,990.0	5.72	58,944.0	5.15	n.a.	-
5. Held to Maturity Securities	13,126.3	9,287.0	0.86	9,167.0	0.80	n.a.	-
6. At-equity Investments in Associates	2,942.7	2,082.0	0.19	2,103.0	0.18	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	**461,836.6**	**326,754.0**	**30.16**	**380,456.0**	**33.27**	**n.a.**	**-**
9. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-
10. Investments in Property	3,534.9	2,501.0	0.23	2,587.0	0.23	n.a.	-
11. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-
12. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-
13. Total Earning Assets	**1,407,964.6**	**996,149.0**	**91.96**	**1,050,307.0**	**91.85**	**n.a.**	**-**
C. Non-Earning Assets							
1. Cash and Due From Banks	14,306.5	10,122.0	0.93	19,168.0	1.68	n.a.	-
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	7,267.7	5,142.0	0.47	5,118.0	0.45	n.a.	-
5. Goodwill	8,472.0	5,994.0	0.55	7,378.0	0.65	n.a.	-
6. Other Intangibles	2,792.9	1,976.0	0.18	2,027.0	0.18	n.a.	-
7. Current Tax Assets	935.7	662.0	0.06	1,389.0	0.12	n.a.	-
8. Deferred Tax Assets	7,697.4	5,446.0	0.50	5,200.0	0.45	n.a.	-
9. Discontinued Operations	603.5	427.0	0.04	0.0	0.00	n.a.	-
10. Other Assets	81,090.0	57,372.0	5.30	52,922.0	4.63	0.0	0.00
11. Total Assets	**1,531,130.3**	**1,083,290.0**	**100.00**	**1,143,509.0**	**100.00**	**0.0**	**0.00**
Liabilities and Equity							
D. Interest-Bearing Liabilities							
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	532,105.6	376,470.0	34.75	370,734.0	32.42	n.a.	-
4. Total Customer Deposits	**532,105.6**	**376,470.0**	**34.75**	**370,734.0**	**32.42**	**n.a.**	**-**
5. Deposits from Banks	184,049.7	130,217.0	12.02	137,094.0	11.99	n.a.	-
6. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Total Deposits, Money Market and Short-term Funding	**716,155.2**	**506,687.0**	**46.77**	**507,828.0**	**44.41**	**n.a.**	**-**
8. Senior Debt Maturing after 1 Year	265,002.6	187,492.0	17.31	208,082.0	18.20	n.a.	-
9. Subordinated Borrowing	21,818.8	15,437.0	1.43	15,303.0	1.34	n.a.	-
10. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-
11. Total Long Term Funding	**286,821.4**	**202,929.0**	**18.73**	**223,385.0**	**19.54**	**n.a.**	**-**
12. Derivatives	7,608.4	5,383.0	0.50	6,132.0	0.54	n.a.	-
13. Trading Liabilities	316,555.2	223,966.0	20.67	273,549.0	23.92	n.a.	-
14. Total Funding	**1,327,140.3**	**938,965.0**	**86.68**	**1,010,894.0**	**88.40**	**n.a.**	**-**
E. Non-Interest Bearing Liabilities							
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	7,362.4	5,209.0	0.48	4,818.0	0.42	n.a.	-
4. Current Tax Liabilities	479.1	339.0	0.03	580.0	0.05	n.a.	-
5. Deferred Tax Liabilities	1,491.1	1,055.0	0.10	1,501.0	0.13	n.a.	-
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	504.6	357.0	0.03	0.0	0.00	n.a.	-
8. Insurance Liabilities	55,375.9	39,179.0	3.62	37,877.0	3.31	n.a.	-
9. Other Liabilities	75,690.8	53,552.0	4.94	45,932.0	4.02	0.0	0.00
10. Total Liabilities	**1,468,044.3**	**1,038,656.0**	**95.88**	**1,101,602.0**	**96.34**	**0.0**	**0.00**
F. Hybrid Capital							
1. Pref. Shares and Hybrid Capital accounted for as Debt	3,257.9	2,305.0	0.21	6,544.0	0.57	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	14,375.8	10,171.0	0.94	950.0	0.08	n.a.	-
G. Equity							
1. Common Equity	41,651.7	29,469.0	2.72	30,745.0	2.69	n.a.	-
2. Non-controlling Interest	3,800.7	2,689.0	0.25	3,668.0	0.32	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	**45,452.4**	**32,158.0**	**2.97**	**34,413.0**	**3.01**	**n.a.**	**-**
7. Total Liabilities and Equity	**1,531,130.3**	**1,083,290.0**	**100.00**	**1,143,509.0**	**100.00**	**0.0**	**0.00**
8. Memo: Fitch Core Capital	27,981.2	19,797.0	1.83	21,309.0	1.86	n.a.	-
9. Memo: Fitch Eligible Capital	39,973.1	28,281.4	2.61	28,578.5	2.50	n.a.	-

Exchange rate	USD1 = EUR0.70751	USD1 = EUR0.71855	USD1 = EUR0.63436

Groupe BPCE
Income Statement

	30 Jun 2009			31 Dec 2008		30 Jun 2008	
	6 Months - Interim USDm Preliminary	6 Months - Interim EURm Preliminary	As % of Earning Assets	Year End EURm Preliminary	As % of Earning Assets	6 Months - Interim EURm Preliminary	As % of Earning Assets
1. Interest Income on Loans	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Other Interest Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**0.0**	**0.0**	**0.00**	**0.0**	**0.00**	**0.0**	**0.00**
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-
6. Preferred Dividends Paid & Declared	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Other Interest Expense	0.0	0.0	0.00	0.0	0.00	0.0	0.00
8. Total Interest Expense	**0.0**	**0.0**	**0.00**	**0.0**	**0.00**	**0.0**	**0.00**
9. Net Interest Income	**0.0**	**0.0**	**0.00**	**0.0**	**0.00**	**0.0**	**0.00**
10. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-
12. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-
14. Net Fees and Commissions	n.a.	n.a.	-	n.a.	-	n.a.	-
15. Other Operating Income	11,496.7	8,134.0	1.65	15,909.0	1.51	8,379.0	0.00
16. Total Non-Interest Operating Income	**11,496.7**	**8,134.0**	**1.65**	**15,909.0**	**1.51**	**8,379.0**	**0.00**
17. Personnel Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-
18. Other Operating Expenses	11,373.7	8,047.0	1.63	16,354.0	1.56	8,162.0	0.00
19. Total Non-Interest Expenses	**11,373.7**	**8,047.0**	**1.63**	**16,354.0**	**1.56**	**8,162.0**	**0.00**
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	**123.0**	**87.0**	**0.02**	**-445.0**	**-0.04**	**217.0**	**0.00**
22. Loan Impairment Charge	4,226.1	2,990.0	0.61	3,147.0	0.30	748.0	0.00
23. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-
24. Operating Profit	**-4,103.1**	**-2,903.0**	**-0.59**	**-3,592.0**	**-0.34**	**-531.0**	**0.00**
25. Equity-accounted Profit/ Loss - Non-operating	147.0	104.0	0.02	185.0	0.02	131.0	0.00
26. Non-recurring Income	97.5	69.0	0.01	382.0	0.04	194.0	0.00
27. Non-recurring Expense	1,407.8	996.0	0.20	919.0	0.09	n.a.	-
28. Change in Fair Value of Own Debt	2,212.0	1,565.0	0.32	593.0	0.06	157.0	0.00
29. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-
30. Pre-tax Profit	**-3,054.4**	**-2,161.0**	**-0.44**	**-3,351.0**	**-0.32**	**-49.0**	**0.00**
31. Tax expense	-808.5	-572.0	-0.12	-854.0	-0.08	207.0	0.00
32. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-
33. Net Income	**-2,245.9**	**-1,589.0**	**-0.32**	**-2,497.0**	**-0.24**	**-256.0**	**0.00**
34. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-
35. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-
36. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-
37. Remaining OCI Gains/ (losses)	n.a.	n.a.	-	n.a.	-	n.a.	-
38. Fitch Comprehensive Income	**-2,245.9**	**-1,589.0**	**-0.32**	**-2,497.0**	**-0.24**	**-256.0**	**0.00**
39. Memo: Profit Allocation to Non-controlling Interests	-1,176.0	-832.0	-0.17	n.a.	-	-247.0	0.00
40. Memo: Net Income after Allocation to Non-controlling Interests	-1,069.9	-757.0	-0.15	-2,497.0	-0.24	-9.0	0.00
41. Memo: Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-
Exchange rate		USD1 = EUR0.70751		USD1 = EUR0.71855		USD1 = EUR0.63436	

Groupe BPCE
Summary Analytics

	30 Jun 2009	31 Dec 2008	30 Jun 2008
	6 Months - Interim	Year End	6 Months - Interim
	%	%	%
	Preliminary	Preliminary	Preliminary
A. Interest Ratios			
1. Interest Income on Loans/ Average Gross Loans	n.a.	n.a.	n.a.
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.
3. Interest Income/ Average Earning Assets	0.00	n.a.	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	0.00	n.a.	n.a.
5. Net Interest Income/ Average Earning Assets	0.00	n.a.	n.a.
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	-0.59	n.a.	n.a.
B. Other Operating Profitability Ratios			
1. Non-Interest Income/ Gross Revenues	100.00	100.00	100.00
2. Non-Interest Expense/ Gross Revenues	98.93	102.80	97.41
3. Non-Interest Expense/ Average Assets	1.46	n.a.	n.a.
4. Pre-impairment Op. Profit/ Average Equity	0.53	n.a.	n.a.
5. Pre-impairment Op. Profit/ Average Total Assets	0.02	n.a.	n.a.
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	3,436.78	-707.19	344.70
7. Operating Profit/ Average Equity	-17.59	n.a.	n.a.
8. Operating Profit/ Average Total Assets	-0.53	n.a.	n.a.
9. Taxes/ Pre-tax Profit	26.47	25.48	-422.45
C. Other Profitability Ratios			
1. Net Income/ Average Total Equity	-9.63	n.a.	n.a.
2. Net Income/ Average Total Assets	-0.29	n.a.	n.a.
3. Fitch Comprehensive Income/ Average Total Equity	-9.63	n.a.	n.a.
4. Fitch Comprehensive Income/ Average Total Assets	-0.29	n.a.	n.a.
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.
D. Capitalization			
1. Fitch Eligible Capital/ Regulatory Weighted Risks	6.83	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	1.85	1.89	n.a.
3. Tangible Common Equity/ Total Business Volume	1.83	1.86	n.a.
4. Tier 1 Regulatory Capital Ratio	8.60	n.a.	n.a.
5. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.
6. Fitch Eligible Capital/ Tier 1 Regulatory Capital	79.00	n.a.	n.a.
7. Equity/ Total Assets	2.97	3.01	n.a.
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.
10. Net Income - Cash Dividends/ Total Equity	n.a.	n.a.	n.a.
E. Loan Quality			
1. Growth of Total Assets	-5.27	n.a.	n.a.
2. Growth of Gross Loans	-0.62	n.a.	n.a.
3. Impaired Loans(NPLs)/ Gross Loans	n.a.	n.a.	n.a.
4. Reserves for Impaired Loans/ Gross loans	n.a.	n.a.	n.a.
5. Reserves for Impaired Loans/ Impaired Loans	n.a.	n.a.	n.a.
6. Impaired Loans less Reserves for Imp Loans/ Equity	n.a.	n.a.	n.a.
7. Loan Impairment Charges/ Average Gross Loans	1.18	n.a.	n.a.
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	n.a.
F. Funding			
1. Loans/ Customer Deposits	135.18	138.12	n.a.
2 . Interbank Assets/ Interbank Liabilities	121.33	113.20	n.a.

Groupe BPCE
Reference Data

	30 Jun 2009			31 Dec 2008		30 Jun 2008	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	6 Months - Interim	As % of
	USDm	EURm	Assets	EURm	Assets	EURm	Assets
	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary	Preliminary
A. Off-Balance Sheet Items							
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	**1,531,130.3**	**1,083,290.0**	**100.00**	**1,143,509.0**	**100.00**	**0.0**	**0.00**
8. Memo: Total Weighted Risks	585,150.7	414,000.0	38.22	n.a.	-	n.a.	-
B. Average Balance Sheet							
Average Loans	721,520.5	510,483.0	47.12	n.a.	-	n.a.	-
Average Earning Assets	1,446,238.2	1,023,228.0	94.46	n.a.	-	n.a.	-
Average Assets	1,573,687.3	1,113,399.5	102.78	n.a.	-	n.a.	-
Average Managed Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	1,377,972.7	974,929.5	90.00	n.a.	-	n.a.	-
Average Common equity	42,553.5	30,107.0	2.78	n.a.	-	n.a.	-
Average Equity	47,046.0	33,285.5	3.07	n.a.	-	n.a.	-
Average Customer Deposits	528,051.9	373,602.0	34.49	n.a.	-	n.a.	-
C. Maturities							
Asset Maturities:	n.a.	n.a.	-	n.a.	-	n.a.	-
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Liabiliity Maturities:							
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	265,002.6	187,492.0	17.31	208,082.0	18.20	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	21,818.8	15,437.0	1.43	15,303.0	1.34	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-
D. Net Income Reconciliation							
1. Net Income	-2,245.9	-1,589.0	-0.15	-2,497.0	-0.22	-256.0	0.00
2. Add: Preferred Stock Dividend	n.a.	n.a.	-	n.a.	-	n.a.	-
4. Published Net Income	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
E. Equity Reconciliation							
1. Equity	45,452.4	32,158.0	2.97	34,413.0	3.01	n.a.	-
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	14,375.8	10,171.0	0.94	950.0	0.08	n.a.	-
4. Published Equity	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**

Exchange Rate	USD1 = EUR0.70751	USD1 = EUR0.71855	USD1 = EUR0.63436