BPCE

Press Release

Paris, November 9, 2011

Results of Groupe BPCE at September 30, 2011:

Strong resilience in a extremely adverse environment in the 3rd quarter

- Revenues up 3.4%[1] in Q3 to a total of €5.48bn versus €5.30bn in Q3 2010
- Net income attributable to equity holders of the parent, excluding impairment for Greek government bonds, up by a marginal 1.3%[1] to €839m versus €828m in Q3 2010
- Impairment of Greek government bonds increased to 60% of aggregate exposure: €507m charge on net income attributable to equity holders of the parent in Q3 2011, reducing overall exposure to €332m
- Capital adequacy level maintained: Core Tier 1 ratio of 8.6%[2] at Sept. 30, 2011

Strong basis of recurring results

- Core business lines over the 1st 9 months of the year: 1.5% growth in revenues, reaching €15.7bn (up from €15.4bn in 9M-10) and a 2.5% increase in net income attributable to equity holders of the parent, to €2.83bn vs. €2.76bn in 9M-2010
- Very limited exposure to sovereign risks in European peripheral states
- Drive to finance the French economy: growth in loan outstandings of 10.6% [3]

Continued adaptation of the group to the new regulatory and financial environment

- Common Equity Tier 1 ratio under Basel 3 > 9% in 2013 (without phase-in)[4], and Core Tier 1 ratio under Basel 2.5 > 9% in June 2012 (including the buffer for sovereign exposure calculated by the European Banking Authority)
- Plan to introduce an instrument (P3CI)[5] in Q1 2012 designed to reinforce the Core Tier 1 ratio of Natixis prior to the implementation of Basel 3
- Reduction in overall refinancing needs served by the financial markets of €25bn to €35bn by the end of 2013
- Market-based medium-/long-term refinancing program reduced to €21bn in 2012

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[1] Growth calculated pro forma to account for the disposal of Foncia and Eurosic in June and July 2011 respectively
[2] Estimate Sept. 30, 2011: pro forma to account for the redemption of deeply subordinated notes completed in October 2011
[3] At Aug. 31, 2011 – source: Banque de France
[4] After restating to account for deferred tax assets
[5] *Prêt couvrant les certificats coopératifs d'investissement*, or "Loan Covering the Cooperative Investment Certificates"

On November 9, 2010, the Supervisory Board of BPCE convened a meeting chaired by Philippe Dupont to examine the group's financial statements for the third quarter and the first nine months of 2011.

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

"Against the background of the profound crisis that has unsettled the economic and financial environment for the past few months, Groupe BPCE is resolutely pursuing the objectives that it set itself two years ago. These objectives are guided by four key priorities: the concentration of our activities exclusively around the core business lines of retail banking and insurance, the refocusing of the group on its customer-based activities, the strengthening of its capital and capital adequacy and the reduction of the group's overall risk profile.
The group's core business lines – which enjoy close, local contacts with their customers backed up by a wealth of commercial and technological innovations – have seen their net income grow by 2.5%, to reach a total of €2.8 billion over the first 9 months of the year. These results testify to the underlying strength of our business model.
What is more, the bank's risk profile remains extremely moderate, if the impact of exposure to Greek government bonds is excluded. In this respect, the level of provisions – increased to 60% of our exposure – is entirely capable of being supported by the group, which only holds small sovereign positions in the European peripheral states.
Lastly, we are also pursuing our drive to enhance our capital adequacy and to reduce our liquidity requirements. For the past two years, we have increased our capital by an amount equivalent to €11 billion. Natixis has reduced its consumption of cash by €50 billion and its risk weighted assets by 33% by focusing on its customer-based activities. Our efforts in this direction must now be pursued and extended. The group is revising its capital adequacy target upwards for 2013 and confirms that it will be in a position to meet the targets fixed by the European authorities for June 2012. With respect to liquidity, we will further reduce our wholesale funding needs by €25 to €35 billion by the end of 2013, and we are reviewing our medium/long-term funding program accordingly. For Natixis, in pursuit of the strategy adopted two years ago, this is leading to greater selectiveness in the activities undertaken with a systematic preference for customer service.
In the current business environment, as we adapt to a more demanding environment for banking groups and build on the professional expertise of the people working for the Banques Populaires, the Caisses d'Epargne, Natixis, Crédit Foncier, and Banque Palatine, we are more than ever convinced of the relevance of our business model entirely devoted to financing the French economy and to supporting our individual and corporate customers, almost one quarter of whom are also loyal cooperative shareholders."

1. GROUPE BPCE: CONSOLIDATED RESULTS FOR THE 3RD QUARTER AND 1ST 9 MONTHS OF 2010[6]

Results for the 3rd quarter of 2011

In an adverse business environment, Groupe BPCE continues to demonstrate the underlying resilience of its business model and the recurrent nature of the results posted by its core business lines.

Net banking income reached a total of €5,480m[7], representing growth of 3.4% compared with the 3rd quarter of 2010. The net banking income of the core business lines[8] declined

[6] The quarterly results of the group for the 3-month period ended September 30, 2011 were approved by the Management Board on November 7, 2011. The quarters prior to Q3 2011 have be restate to reflect the pro forma impact of the disposal of Foncia and Eurosic in June and July 2011.

[7] Net bankincome effect on the revaluation of own debt + €240m in Q3-11 vs. - €45m in Q3-10

slightly to reach €4,876m (- 2.1%). The revenues generated by the Commercial Banking and Insurance core business line remain stable at €3,637m thanks to the good commercial performance achieved by the two retail networks.

Operating expenses remain under tight control at €3,702m.

The **cost/income ratio** has improved by 1.8 points, and now stands at 67.6%.

The **gross operating income** stands at €1,778m, up from €1,624m in the third quarter of 2010, representing growth of 9.5%.

Groupe BPCE booked additional impairment with respect to Greek government bonds for a total of €784m in the 3rd quarter of 2011, taking the discount to 60% of total Greek sovereign exposure.
Aggregate impairment in the 2nd and 3rd quarters amounts to €867m, representing a charge of €558m on net income for the first nine months of 2011.
Most of the Greek sovereign exposure is held by Crédit Foncier (representing €1.2 billion at balance sheet value on September 30, 2011) , whose capital has been reinforced following the provision booked by a shareholder's advance of €500 million approved today by the Supervisory Board.
Groupe BPCE has only limited exposure to sovereign risks in the other European peripheral states. The net direct exposure of the banking portfolio[9] comes to a total of €2,643 million for Italy, €346m for Ireland, €167m for Portugal and €55m for Spain. Overall exposure consequently stands at €3,211m.

If the impact of the impairment of Greek government bonds is excluded, the **cost of risk** stands at €394m, down 12.6% compared with the 2nd quarter of 2011.

Net income attributable to equity holders of the parent therefore stands at €332m compared with €828m in the third quarter of 2010. If provisions booked to cover Greek government bonds are excluded, net income stands at €839m, equal to growth of 1.3% compared with last year.

The Return on Equity of the core business lines amounts to 10%, versus 13% during the same period last year.

The group's ROE has also declined – to 2.5% – but remains stable compared with the 3rd quarter of 2010 at 7.4% if impairment of Greek government bonds is excluded.

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[8] Commercial Banking and Insurance; CIB, Investment Solutions and Specialized Financial Services
[9] Calculated using the methodology drawn up by the European Banking Authority (EBA) for the stress tests – net direct exposures excluding derivatives

CONSOLIDATED RESULTS OF GROUPE BPCE IN THE 3RD QUARTER OF 2011

in €m	Q3 2011[10]	Q3 2010[9]	Q3-11 / Q3-10	Core business lines[11] Q3 2011	Core business lines[3] Q3 2010	Q3-11 / Q3-10
Net banking income	5,480	5,300	+ 3.4%	4,876	4,979	- 2.1%
Operating expenses	-3,702	-3,676	+ 0.7%	- 3,277	- 3,231	+ 1.4%
Gross operating income	***1,778***	***1,624***	***+9.5%***	***1,599***	***1,748***	***- 8.5%***
Cost/income ratio	***67.6%***	***69.4%***	***- 1.8 pt***	***67.2%***	***64.9%***	***+2.3 pts***
Cost of risk	-1,163	-244	n.s	- 434	*- 315*	+ *37.8%*
Excl. Greek government bond impairment	*-394*	*-244*	+61,5%			
Income before tax	***586***	***1,431***	***-59.0%***	***1,181***	***1,488***	***- 20.6%***
Income tax	**- 182**	**- 540**	**- 66.3%**	**- 381**	**- 474**	**-19.6%**
Minority interests	**- 72**	**- 63**	**+ 14.3%**	**- 65**	**- 106**	**-38.7%**
Net income attributable to equity holders of the parent	**332**	**828**	**-59.9%**	**735**	**908**	**-19.1%**
Excl. Greek government bond impairment	***839***	***828***	***+1.3%***			
ROE	**2.5%**	**7.4%**		**10%**	**13%**	
Excl. Greek government bond impairment	**7.4%**	**7.4%**				

Results for the first 9 months of 2011

The **net banking income** of Groupe BPCE reached a total of €17,234m in the first 9 months of 2011, representing an increase of 1.7%. The growth in the net banking income of the core business lines (up 1.5% to a total of €15,660m) testifies to the commercial dynamism and strong resilience of these businesses despite the adverse business environment.

All the projects included in the 2010-2013 "Together" strategic plan are making progress and demonstrating their positive effects. In particular, the revenue synergies developed between Natixis and the Banque Populaire and Caisse d'Epargne retail network generated additional aggregate net banking income of €415m at September 30, 2011, notably in the areas of consumer credit, insurance and payments.
These revenue synergies have been developed earlier than initially scheduled in the strategic plan.

Operating expenses have risen by 1.6%, to reach a total of €11,538m.

At September 30, 2011, the **cost/income ratio** remained stable at 66.9% for the group and at 64.7% for the core business lines (up 0.4 of a percentage point).

The **gross operating income** stands at €5,696m, representing growth of 1.8%. The contribution made by the group's core business lines reached a total of €5,532m.

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

11 Commercial Banking and Insurance; CIB, Investment Solutions and Specialized Financial Services

If the impairment of Greek government bonds is excluded, the **cost of risk** has risen by a marginal 1.6%. In the core business lines, it has declined by a total of 9.1%.

Net income attributable to equity holders of the parent, which stands at €2,831m, has risen by 2.5% for the core business lines, thereby demonstrating their strong resilience in an unfavorable business environment.

The return on equity after tax has declined by 6.6% over the first nine months of the year but remains stable at 8.3% of the impairment of Greek government bonds is excluded.

CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FIRST 9 MONTHS OF 2011

in €m	9M-2011[10]	9M-2010[10]	9M-11/ 9M-10	Core business lines 9M-11	Core business lines 9M-10	9M-11/ 9M-10
Net banking income	17,234	16,950	+ 1.7%	15,660	15,428	+ 1.5%
Operating expenses	- 11,538	- 11,353	+ 1.6%	- 10,128	- 9,915	+ 2.1%
Gross operating income ***Cost/income ratio***	***5,696*** ***66.9%***	***5,597*** ***67.0%***	***+1.8%*** ***-0.1 pts***	***5,532*** ***64.7%***	***5,513*** ***64.3%***	***+ 0.3%*** ***+0.4 pts***
Cost of risk *Excl. Greek government bond impairment*	- 2,087 *-1,235*	- 1,215 *1,215*	+ 71.8% *+ 1.6%*	-1,053	-1,159	- 9.1%
Income before tax	***3,706***	***4,434***	***- 16.4%***	***4,609***	***4,520***	***+ 2.0%***
Income tax	- 1,203	- 1,432	- 16.0%	- 1,468	- 1,422	+3.2%
Minority interests	- 263	- 250	+ 5.2%	- 310	- 336	- 7.7%
Net income attributable to equity holders of the parent *Excl. Greek government bond impairment*	**2,240** ***2,798***	**2,752** ***2,752***	**-18.6%** ***+ 1.7%***	**2,831**	**2,762**	**+ 2.5%**
ROE *Excl. Greek government bond impairment*	**6.6%** **8.3%**	**8.3%** **8.3%**		**13%**	**13%**	

2. Commercial Banking and Insurance: Stable revenues in a dfficult business environment, Improvement in Commercial Performance.

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

The Commercial Banking and Insurance businesses put up a satisfactory commercial and financial performance despite the uncertain economic environment. In the third quarter of 2011, their net banking income (€3,637m) remained stable compared with the same period in 2010. During the first nine months of this year, net banking income increased by 2.1% compared with the first nine months of 2010 to reach a total of €11,273m.

While simultaneously continuing to increase their on-balance sheet savings deposits, both retail banking networks remained actively engaged in providing financing for all their different customer categories. Loan outstandings enjoyed overall growth of 9%, divided between an increase in 9.3% for individual customers and 8.9% or the other markets.

The development of all the projects included in the 2010-2013 strategic plan "Together" is proceeding at a rapid pace, and its effects are already quantifiable. In particular, very satisfactory growth is being achieved the customer base of the Banque Populaire and Caisse d'Epargne networks across all the priority customer targets.

The Commercial Banking and Insurance business is also pursuing its multi-channel distribution policy with the development of online branches: *e-agences* for the Banque Populaire network and *monbanquierenligne* ("my online banker") for the Caisses d'Epargne.

Lastly, these initiatives were given further support with the launch, since the beginning of the year, of a drive to define a new public image and brand territories for the Banque Populaire banks and Caisses d'Epargne via a series of media campaigns.

<u>Commercial Banking and Insurance: results for the 3rd quarter of 2011</u>

The net banking income of the Commercial Banking and Insurance core business line stands at €3,637m, representing growth of 0.6% compared with the 3rd quarter of 2010.

Thee cost/income ratio has improved marginally (0.6 of a percentage point) to reach a total of 64.8%.

Gross operating income has declined slightly (- 1.2%) to €1,279m. The cost of risk related to the outstandings of the two Banque Populaire and Caisses d'Epargne retail banking networks (28 basis points[12]) has declined from its level in the 3rd quarter of 2010 (31 bp) and 2nd quarter of 2011 (30 bp).

However, the net income attributable to equity holders of the parent of the Commercial Banking and Insurance division has fallen 12.5% to €611m owing, in particular, to the booking of a non-recurring provision for a Banque Populaire bank affecting the cost of risk.

[12] Cost of risk (excluding the allocation to a non-recurring provision), expressed in annualized basis points on gross customer outstandings at the beginning of the period.

Commercial Banking and Insurance: results for the first 9 months of 2011

For the first nine months of the year, the net banking income of the Commercial Banking and Insurance division stands at €11,273m, representing growth of 2.1% compared with the same period in 2010.

Gross operating income rose 3.3% to reach a total of €4,016m.

The cost of risk remained stable during the period, at €921m.

The net income attributable to equity holders of the parent of the Commercial Banking and Insurance business line is equal to €2,133m, up 3.8%.

ROE stands at 12% for the first 9 months of the year, virtually unchanged from the same period last year.

2.1 Banque Populaire

The Banque Populaire network comprises the 19 Banque Populaire banks, including CASDEN and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies. On November 8, 2011, Banque Populaire du Sud-Ouest and Banque Populaire Centre Atlantique finalized their merger, which led to the creation of Banque Populaire Aquitaine Centre Atlantique.

- **Customer base**

Benefiting from the rollout of their strategy aimed at winning new customers, the Banque Populaire banks had expanded their customer base across all their priority customer targets at September 30, 2011.

In the space of one year, the number of active individual customers using banking services has risen by a total of 2.1%, with regular growth continuing since the beginning of the year. This commercial success is not confined to an increase in "adult" customers and private banking customers but also includes the results of a dynamic policy designed to attract young people and allow them to prepare for the future.

The number of active established professional customer increased by 3.1% and the number of businesses by 3.3%, reflecting the positive dynamics in these key markets for the Banque Populaire banks. These mutual banks, the No.1 principal banking partner of small- to medium-sized enterprises, now boasts more than one million professional and business customers.

- **Savings deposits**

The strong growth in on-balance sheet savings deposits (+9.4% in the space of one year, excluding centralized savings products) was driven, in particular, by the increase in deposits on passbook savings accounts in the individual customer segment (+10,2%) and the increase in term accounts in the professional and business market segments (+13.9%).

Financial savings have suffered a 2.2% decline owing to the continuous fall in mutual fund deposits (- 6.7%) related, firstly, to a loss in value following the sharp deterioration in the financial markets during the summer and, secondly, to a gradual shift in new deposits towards on-balance sheet savings. Despite the adverse market conditions, however, life insurance achieved growth of 1.6%.

Finally, the placement of BPCE bond issues (which enjoyed strong growth), made it possible to satisfy customer demand for investment in life-insurance products (accounting for almost one half of the total amount borrowed) while simultaneously supporting the increase in on-balance sheet savings deposits.

- **Loan outstandings**

The Banque Populaire banks have confirmed their commitment to helping finance the French economy with a 5.8% increase in outstandings compared with September 30, 2010. Aggregate loan outstandings stood at €153bn at September 30, 2011.

Real estate loans remain the principal factor behind this growth with outstandings reaching a total of €77.3bn at the end of September, representing strong but stable growth of 8.2% on a rolling 12-month basis.

Regarding equipment loans, outstandings have risen by 4.0% reflecting the commitment made by the Banque Populaire banks in favor of funding business and self-employed professionals.

- **Financial results at September 30, 2011**

Net banking income rose +2.7% over the first 9 months of the year to reach a total of €4,736m.

The increase in operating expenses remains limited to 2.1%, reflecting the rise in payroll charges and the virtual stability in other costs despite the introduction of the tax related to the systemic risk in the banking sector.

In an uncertain economic environment, the cost of risk – despite rising 43.5% during the quarter owing to the booking of a non-recurring provision by a Banque Populaire bank – remains stable over the first nine months of the year (- 0.8%).

The cost/income ratio stands at 63.6%, down 0.4 of a percentage point compared with the same period in 2010.

Overall, the net income generated by the Banque Populaire banks comes to a total of €833m over the first 9 months of 2011, representing strong growth (+8%) over a year.

2.2 Caisse d'Epargne

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

- **Customer base**

Despite the difficult economic environment, the Caisse d'Epargne network has achieved a dynamic commercial performance since the beginning of 2011, building on the success of its new strategy – that has now been rolled out – of activating the potential of their existing customers.

At September 30, 2011, the customer base of the Caisses d'Epargne had been reinforced across all its priority customer targets with strong growth in the number of active business customers (+9.8%) and active professionals (+7.8%).

In the individual customer market, the number of active customers has increased by 2.8%. In this latter customer segment, it is particularly satisfying to note the growth in the number of young working people and in the number of active customers who have chosen the Caisse d'Epargne as their principal banking partner and making use of banking services.

- **Savings deposits**

In the 3rd quarter of 2011, the Caisses d'Epargne further increased new deposit inflows from what was already a very high level in June earlier this year. A large proportion of new deposits is made in the form of on-balance sheet savings making it possible to increase the amount of balance sheet assets (excluding centralized savings products) which have increased by 8.9% compared with September 30, 2010.

The shift in savings towards on-balance sheet products was favored by the rise in regulated interest rates, leading to substantial new deposits on passbook savings accounts (+4.9% growth in deposits).

Apart from passbook savings accounts, the placement of BPCE bonds to network customers also boosted the increase in on-balance sheet savings. Bond placements have increased by 10.7% in the space of a year. A part of these borrowings were offered to customers in the form of life-insurance products, allowing the savings banks to satisfy their demand for greater diversification.

Financial savings, which reached a total of €119bn at September 30, 2011, rose by +1.5% despite a substantial decrease in mutual funds (-17.4%) as a result, in particular, of the collapse in the financial markets in the summer of 2011. In this adverse business environment, life insurance achieved a good rate of growth (+4.9%).

- **Loan outstandings**

The Caisses d'Epargne confirm once again their dynamic commitment to financing the French economy.
Outstandings enjoyed buoyant growth but have entered into a phase of consolidation (+ 12.5% compared with September 30, 2010) to reach a total of €166bn.

This growth in loan outstandings reflects, apart from the strong performance achieved since the beginning of the year, the inclusion of the record-breaking new loan production recorded at the end of 2010 in the area of real estate loans (annual growth of +13.3%).

Equipment loans have increased by 15.1%, also reflecting the dynamism of the professional and business customer markets and professional real estate.

- **Financial results for the first 9 months of 2011**

Net banking income stood at €5,052m in the first 9 months of 2011, reflecting a slight increase of 1% compared with the same period in 2010. In the 3rd quarter of 2011, net banking income declined marginally (- 1.9%) but, when restated to account for the change in provisions for regulated home savings products and the decrease in the Livret A commission rate, net banking income enjoyed growth of 2.9%.

Operating expenses have decreased by 0.8%.
The cost/income ratio has declined by 1.1% and now stands at 64.7%.

The cost of risk remains virtually unchanged (0.4%) in an adverse economic environment.

In all, the net income posted by the Caisses d'Epargne stood at €1,007m at September 30, 2011, boasting growth of +5.1% in the space of one year.

2.3 Real estate financing

Crédit Foncier is the principal entity contributing to this business line

The commercial activities of Crédit Foncier remained buoyant in the 3rd quarter with good margin levels achieved on real estate financing in France. New loan production increased 10% (to €3bn) compared with the 3rd quarter of 2010. In the first 9 months of 2011, it grew by 5% (to €7.6bn) compared with the same period in 2010.

In the individual customers market – buoyed up, in particular, by the success of the PTZ+ zero-interest rate loan – new loan production stood at €1.8bn in the 3rd quarter and at €5.2bn in the first 9 months of 2011.

In the corporate customers market, new loan production stood at €1.26bn in the 3rd quarter and at €2.4bn in the first 9 months of 2011, driven by the buoyancy of the financing activities aimed at investors, property developers and the public sector.

Aggregate customer loan outstandings are stable compared with the end of 2010 at €107 bn.

The contribution of Crédit Foncier to the group's income before tax stands at €48m against €76m at September 30, 2010.

2.4 Insurance, BPCE International et Outre-mer (IOM) and Banque Palatine

The Insurance activity concerns BPCE Assurances and CNP Assurances. The contribution of BPCE Assurances (non-life and provident insurance) to the group's income before tax came to €5m, up from €4m the previous year. The contribution of CNP Assurances (life insurance) to the group's income before tax came to - €1m.

BPCE IOM includes the international subsidiaries and companies in French overseas territories belonging to Groupe BPCE (excluding Natixis).
The contribution of BPCE International et Outre-mer to the group's income before tax amounted to €23m, compared with €21m in the 3rd quarter of 2010.

The contribution made by Banque Palatine to the group's income before tax stands at €20m versus €7m at September 30, 2010.

3. Corporate and Investment Bankingn, Investment Solutions and Specialized Financial Services (core businesses included in Natixis)

The net banking income of the core businesses pursued by Nattixis amounted to €1,239m for the 3rd quarter, down 9%. During the first 9 months of the year, the revenues generated by the core businesses are stable.

In the light of the exceptional crisis currently affecting the financial markets, CIB revenues fell 19.7% in the 3rd quarter 2011, this decrease is however, limited to 5% over the first 9 months of the year. The Investment Solutions division declined by 4.4% and the net banking income of Specialized Financial Services increased by 11.2% driven by synergies generated with the BPCE retail networks.

The cost of risk stands at - €58m in the 3rd quarter of 2011.

For the 3rd quarter of the year, the contribution of Natixis' core businesses to BPCE's net income attributable to the equity holders of the parent comes to €124m compared with €210m one year earlier. Over the first 9 months of 2011, this contribution is virtually stable at €698m against €707m for the first 9 months of 2010 (- 1.3%).

The annualized ROE after tax of the core busines lines stands at 9%, compared with 14% in the 3rd quarter of 2010.

*(For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that you will find on line at the following address: **www.natixis.com**).*

4. Equity Interests

The net banking income generated by the equity interests increased by 3.5%, to €415 million in the third quarter of 2011. Net income increased very significantly to €25 million (x 3.5).

Coface

Revenues increased 1% compared to the third quarter of 2010. In the area of credit insurance, Coface enjoyed growth of 4%. This activity accounts for 84% of the company's overall business.

The claims rate achieved a 10-point improvement over the third quarter 2010 with a loss ratio of 47% this quarter, against 57 during the same period in 2010.

The income before tax for Coface rose 22% compared to the second quarter of 2011 and 94% in relation to the third quarter of 2010.

Nexity

Revenues generated during the first nine months decreased by 4% compared with last year, at €1,773m, including €1,149m (down 1%) for the housing division. Net new home reservations increased 6% compared to the third quarter 2010. This was mostly attributable to the strong growth in sales to first time buyers.

The order book represents 20 months of real estate development work. It has increased 23% compared with December 31, 2010.

5. Workout Portfolio management (GAPC)

The reduction in the impact of the segregated assets continues with disposals of €0.2bn during the quarter, despite the very complex environment. The workout portfolio's risk weighted assets have been halved since June 30, 2009.

The GAPC had no significant impact on the group's net income in the 3rd quarter of 2011.

6. Liquidity and Capital Adequacy: Adapting the group to its new environment

6.1 Confirmed relevance of the strategic planning initiatives implemented since the Group was created in 2009.

During its creation, the group carried out a strategic analysis which led to the implementation of the 2010-2013 strategic plan "Together". The four key initiatives of this plan are as follows:

- Concentrate the group on its core business lines : retail banking and insurance, with notably the disposal of the proprietary private equity activities in France of Natixis to Axa and the disposals of Eurosic (June 2011) and Foncia (July 2011)

- Focus the group on its customer-based acitivities. Natixis, as part of its "New Deal" strategic plan has refocused on its customer based activities and the discontinuation of the majority of its proprietary trading activities.

- Reduce the group's risk profile. The group has undertaken an aggressive drive to reduce the risk-weighted assets of Natixis (-33% versus early 2009) and €50bn reduction in liquidity requirements (CIB and GAPC) of Natixis since early 2009. The GAPC's risk-weighted assets have been divided by two to €14.7bn at September 30, 2011 compared to €29.7bn at June 30, 2009, with no significant impact on net income. The group' risk profile remains moderate, reflecting the predominance of retail banking activities in France. The Commercial banking and Insurance division accounts for 69% of the group's risk weighted assets, compared to 60% in 2009. The contribution of retail banking to group revenues[13] stands at 72% whereas its contribution to net income comes to 77 %. Groupe BPCE has the lowest risk profile of the 4 "systemic" French banking groups.

- Enhance the group's capital adequacy. The regular increase in the Core Tier 1 ratio has been principally obtained through retained earnings in addition to the issue of cooperative shares and the tight management of risk weighted assets. The asset disposals – Société Marseillaise de Crédit, Foncia, Eurosic, segregated assets – have strengthened the capital adequacy ratio. Thus, excluding the funds provided by the

[13] Commercial Banking and Insurance and Specialized Financial Services

French State, which have been fully repaid, the Core Tier 1 ratio increased 300 basis points between June 2009 and September 2011: it rose from 5.6[14]% to 8.6%.

6.2 Continued implementation of the strategy to reduce the group's risk profile

The implementation of new capital adequacy and liquidity rules under Basel 3 and the tightening of the financial environment confirm the relevance of the Group's strategy and lead it to step up its strategy in reducing its risk profile.

Groupe BPCE has set a new capital adequacy target with a Common Equity Tier 1 Basel 3 ratio above 9% in 2013 without phase-in[15].

In addition, the group will have a Tier 1 ratio under Basel 2.5 above 9% in June 2012, including the buffer on sovereign bonds as set out by the European Banking Authority.

Moreover Natixis's capital adequacy is now being reinforced :
- The planned launch of an instrument (P3CI) [16] will strengthen the Core Tier 1 ratio by 200 basis points in the 1st quarter of 2012, in préparation for Basel 3.
- as of January 1, 2013, the Common Equity Tier 1 ratio will be above 9% without phase-in [15].

The P3CI transaction, which must take place during the 1st quarter of 2012, consists of an issue, by Natixis, of a debt instrument subscribed to by BPCE in an amount of €6.9bn. This instrument will guarantee the value of the CCI[17] in an amount of €6.9bn and will lead to a reduction of €25.6bn in risk weighted assets. At the same time, Natixis will reimbuse the deeply subordinated notes (TSS) subscribed to by BPCE of up to €2.3bn, which will no longer play a useful role in the new regulatory context in place under Basel 3.
The impact of the P3CI transaction on Natixis's earnings per share is negligable.
The transaction will have no impact for Groupe BPCE as a whole.

The group has also set an objective to reduce its wholesale funding requirements, by €25-€35 billion of the overall short-, medium- and long-term needs between June 2011 and the end of 2013.

Natixis liquidity requirements (BCIB and GAPC) have already been reduced by €50bn since 2009. This reduction will continue in an amount of between €15-20bn by the end of 2013.

For the rest of the group, the consumption of wholesale resources will be reduced by €10-15m by the end of 2013. This will be achieved by the continued increase in on-balance sheet deposit taking in the retail networks.

[14] The June 2009 ratio does not take account of the €3bn of preference shares subscribed to by the French state and fully reimbursed between August 2010 and March 2011.
[15] After restating to account for deferred tax assets.
[16] *Prêt Couvrant les Certificats Coopératifs d'Investissement* or Loan Covering Cooperative Investment Certificates
[17] Certificats Coopératifs d'Investissement: 20% economic interest without voting rights held by Natixis in each Banque Populaire and each Caisse d'Epargne

6.3 Funding and liquidity reserves

At October 31, new resources for a total of €31.4bn were raised, representing 105% of the medium-/long-term refinancing program for 2011 of €29.8bn. The average maturity of these issues is 5.2 years. With a view to ensuring access to diversified sources of funding, covered bonds represented 47% of the total issue and 47% for senior unsecured debt.

The two retail networks placed bonds for a total of €3.5bn with their customers.

12% of the public issues to institutional investors were carried out in the US market, representing 7% of the funds raised.

Liquidity reserves represented €97bn of assets eligible for central bank funding, or liable to be so in the short term (at September 30, 2011). A securitization operation made it possible to provide an additional €19bn at the end of October.

The 2012 medium-/long-term funding program has been reduced to €21bn. This program is capable of being completed exclusively in the form of private placements and the issue of covered bonds.

About Groupe BPCE:

Groupe BPCE, the 2nd-largest banking group in France includes two independent and complementary commercial banking networks: the network of 19 Banque Populaire banks and the network of 17 Caisses d'Epargne. It also works through Crédit Foncier de France in the area of real estate funding. It is a major player in corporate and investment banking, asset management, and financial services with Natixis. Groupe BPCE serves more than 36 million customers and enjoys a strong presence in France with 8,000 branches, 117,000 employees and more than 8 million cooperative shareholders.

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