GROUPE BPCE

Registration document, financial reports - Half year 2009

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Registration document, financial reports - Half year 2009

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This document is an English-language translation of the French “Document de référence” (Registration document N° R. 09-076) filed with the *Autorité des marchés financiers (AMF*) on September 28, 2009 in compliance with Article 212-13 of the AMF’s standard regulations. Only the original French version can be used to support a financial transaction, provided it is accompanied by an Information notice “note d’opération” duly certified by the *Autorité des marchés financiers*. This document was produced by the Groupe BPCE and the signatories to it are responsible for its contents.

1

PRESENTATION OF THE GROUP

1.1 Message from the Chairman of the Management Board of BPCE

The results for the first half of 2009, while they still bear the marks of the crisis that the global economy is experiencing, must be seen in the light of the major event represented by the establishment of BPCE, the central institution of the Banque Populaire and Caisse d'Epargne networks, and majority shareholder of Natixis.

In recent months, our teams have worked hard to bring the merger of these two complementary and well-known networks to fruition. Their efforts have paid off, with the birth of France's second-largest banking group, with 127,000 employees, 8,200 branches, 37 million customers and 7 million member-stakeholders.

Built on very sound foundations (36 billion in capital and a Tier-1 ratio of 8.6% as of June 30, 2009), and boasting enviable competitive positions, particularly in the SME and retail banking markets, the new group must now consolidate its achievements by looking to the future. This is the overriding goal of the group-wide project we recently launched: by the beginning of next year, we aim to have drawn up a strategic roadmap and laid down the architecture, internally as well as externally, of our three divisions, Retail Banking (63% of NBI), Corporate and Investment Banking (26% of NBI) and Real Estate (11% of NBI).

Building on each network's strengths and specificities, our first mission will be to determine how to make the Retail Banking division's performances even better. Better for the group, by extracting the multitude of synergies possible between the networks, without undermining their autonomy or respective identities, thereby making them more profitable.

Another of the group's priorities will be to make Natixis a veritable instrument serving the Banque Populaire and Caisse d'Epargne networks.

Work has already commenced in this area, with the strategic review conducted by Natixis and its refocus on its three main divisions, Corporate and Investment Banking, Savings and Specialized Financial Services. Against this backdrop, the guarantee that BPCE recently provided for sensitive assets held by Natixis should allow it to make a fresh start, focusing on the development of its profitable continuing activities.

The project will also allow us to determine the best way to build up our Real Estate division, in the aim of making it a new source of value creation. And it will provide us with an opportunity to give thought to how we can best affirm the group's international ambitions, which we see as a veritable growth driver.

Our ambition is for the Groupe BPCE to swiftly achieve its full stature and to constantly adapt to today's ever-changing world. The group as a whole amply demonstrated its effectiveness by establishing BPCE so quickly. We must now keep this dynamic alive in defining the group's new strategy and, above all, implementing it in each of our three main divisions.

In the coming period, BPCE will play its role as central institution to the full, so as to get the best of the know-how of each of the entities comprising it and to ensure sustainable value creation for the new Groupe BPCE and each and every one of its clients.

1.2 Key figures

Pro-forma data

GROUPE BPCE

(in millions of euros)	H109	H108
Net banking income	9,699	8,356
Gross operating income	1,652	374
Net income attributable to the group	(757)	(9)

	06/30/2009
Tier-1 capital *(€bn)*	35.8
Tier-1 ratio	8.6%
Capital adequacy ratio	10.6%

GROUPE BANQUE POPULAIRE

(in millions of euros)	H109	H108
Net banking income	3,544	3,555
Gross operating income	377	477
Net income attributable to the group	(986)	94

	06/30/2009	06/30/2008
Tier-1 capital *(€bn)*	15.4	16.2
Tier-1 ratio	9.5%	9.6%
Capital adequacy ratio	10.8%	12.2%

GROUPE CAISSE D'EPARGNE

(in millions of euros)	H109	H108
Net banking income	5,956	4,522
Gross operating income	1,761	260
Net income attributable to the group	338	21

	06/30/2009	06/30/2008
Tier-1 capital *(€bn)*	19.4	18.2
Tier-1 ratio	8.7%	8.3%
Capital adequacy ratio	10.2%	10.8%

Groupe BPCE: Banque Populaire network, Caisse d'Epargne network, BPCE central institution and its subsidiaries, BP Participation and its subsidiaries, CE Participation and its subsidiaries.

17
Caisses d'Epargne et de Prévoyance banks

20
Banques Populaires banks

7
million member-stakeholders

GROUPE BPCE SA

(in millions of euros)	H109	H108
Net banking income	2,764	1,833
Gross operating income	(136)	(1,148)
Net income attributable to the group	(512)	(621)

	06/30/2009
Tier-1 capital *(€bn)*	15.6
Tier-1 ratio	9.3%
Capital adequacy ratio	13.0%

GROUPE BANQUE FEDERALE DES BANQUES POPULAIRES

(in millions of euros)	H109	H108
Net banking income	763	916
Gross operating income	(528)	(376)
Net income attributable to the group	(1,334)	(312)

	06/30/2009	06/30/2008
Tier-1 capital *(€bn)*	4.1	4.1
Tier-1 ratio	6.7%	7.3%
Capital adequacy ratio	9.3%	9.9%

GROUPE CAISSE NATIONALE DES CAISSES D'EPARGNE

(in millions of euros)	H109	H108
Net banking income	3,029	1,954
Gross operating income	1,080	(119)
Net income attributable to the group	49	(92)

	06/30/2009	06/30/2008
Tier-1 capital *(€bn)*	8.4	10.6
Tier-1 ratio	6.7%	8.6%
Capital adequacy ratio	10.1%	12.9%

BPCE Credit ratings	Long term	Short term	Outlook
Standard and Poor's	A+	A-1	Stable
Moody's	Aa3	P-1	Stable
Fitch Ratings	A+	F1+	Stable

Groupe BPCE SA: central institution and subsidiaries.

37
million customers

8,200
branches

127,000
employees

1.3 The group's history

France's second-largest banking group was born on July 31, 2009, from the merger of two cooperative banks, Groupe Caisse d'Epargne and Groupe Banque Populaire (their registration documents and updates are available on the BPCE website at *www.bpce.fr*).

Groupe Banque Populaire		Groupe Caisse d'Epargne	
1878	Creation of the first Banque Populaire in Angers	1818	Creation of the first Caisse d'Epargne in Paris
1917	Adoption of cooperative bank status, owned by member-stakeholders	1835	Recognition of the Caisses d'Epargne as private establishments with public utility status
1921	Creation of Caisse Centrale des Banques Populaires (CCBP)	1837	Centralization of funds at the Caisse des Dépôts
1929	Creation of Chambre Syndicale des Banques Populaires (CSBP)	1968	Creation of Union Nationale des Caisses d'Epargne
1974	Creation of CASDEN Banque Populaire	1983	The Caisses d'Epargne become banks Creation of Centre National des Caisses d'Epargne (CENCEP)
1998	Acquisition of Natexis SA	1999	Adoption of cooperative status Creation of the Caisse Nationale des Caisses d'Epargne (CNCE) and the Fédération des Caisses d'Epargne (FNCE) Adoption of the Groupe Caisse d'Epargne (GCE) name Acquisition of Crédit Foncier
1999	Creation of Natexis Banques Populaires CCBP becomes Banque Fédérale des Banques Populaires	2002	Creation of Financière Océor
2001	Transfer of CSBP's activities to BFBP	2003	Acquisition of a stake in San Paolo, renamed Banque Palatine
2003	Adoption of banque populaire status by Crédit Coopératif	2004	Acquisition of Ixis GCE becomes a universal bank
2006	Creation of Natixis		
2007	Acquisition of FONCIA	2007	Acquisition of a stake in Nexity
2008	Acquisition of seven regional banks from HSBC France	2009	Deregulation of *Livret A* savings accounts

1.3.1 The decision to merge the two Groups

October 8, 2008: Creation of France's second-largest banking group.

The Management Boards of the Banque Fédérale des Banques Populaires (BFBP, the central institution of Groupe Banque Populaire) and the Supervisory Board of the Caisse Nationale des Caisses d'Epargne (CNCE, the central institution of Groupe Caisse d'Epargne) agreed in principle to a merger between Groupe Banque Populaire and Groupe Caisse d'Epargne, and decided to open talks with a view to reaching an agreement.

The merger was to involve the BFBP and the CNCE, forming a single central institution governing the two autonomous networks that together comprise France's second-largest banking group.

November 12, 2008: Conclusion of an agreement paving the way for the opening of talks between the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne.

The Boards of the BFBP and the CNCE examined the progress made in initial work on the planned merger of the two central institutions.

Following these meetings, an agreement was reached allowing merger negotiations to open, setting the framework of the work to be undertaken and talks to be conducted between the BFBP and the CNCE.

This agreement laid down the governance of the new central institution, which was to take the form of a joint-stock corporation (*société anonyme*) with Management and Supervisory Boards, based on the principles of balance and equity between the two networks.

The two events summarized above were dealt with in press releases available on the BPCE website, *www.bpce.fr*, in the Regulated Information sub-section on the Investor Relations page.

1.4 Significant events in the first half of 2009: establishment of BPCE and the Groupe BPCE

1.4.1 Key dates

February 26, 2009: Project launch. François Pérol is appointed CEO of the BFBP and Chairman of the Supervisory Board of the CNCE.

June 19, 2009: Publication in the Official Journal of the French Republic of the June 18, 2009 law relative to the creation of BPCE, the central institution established by the merger of the Banque Fédérale des Banques Populaires (the central institution of Groupe Banque Populaire) and the Caisse Nationale des Caisses d'Epargne (the central institution of Groupe Caisse d'Epargne).

June 22, 2009: Authorization to operate granted by the French competition authority (*Autorité de la concurrence*). The authorization was granted pending a commitment to remedy antitrust issues identified on Reunion Island.

To remedy the specific issues identified on Reunion Island, the Groupe BPCE pledged to maintain the legal independence and the management autonomy of its three networks (Banque de la Réunion, Caisses d'Epargne et BRED Banque Populaire) for a period of five years. During this period, France's competition authority will carry out regular checks of the new bank's competitive positioning in order to determine whether this commitment is sufficient or whether assets need to be sold.

June 23, 2009: Approval granted by the French banking supervisor (*Comité des établissements de crédit et des entreprises d'investissement*, CECEI).

June 24, 2009: Endorsement of BPCE's founding principles by the Management Boards of the BFBP and the Supervisory Board of the CNCE.

July 31, 2009: Approval of the final stage in the creation of the Groupe BPCE given by extraordinary meetings of BFBP, CNCE and BPCE shareholders.

July 31, 2009: Sale by Caisses d'Epargne Participations to BPCE of its indirect stake in CNP Assurances. The marketing agreements between CNP Assurances and the Caisses d'Epargne, as well as other Groupe Caisse d'Epargne banks, are transferred to the Groupe BPCE.

July 31, 2009: End of the exchange offer, launched on July 6, 2009, for Tier-1 securities issued by Natixis for securities issued by BPCE. This transaction improved the quality of the consolidated regulatory capital of both BPCE and Natixis. BPCE's first foray into the markets allowed Natixis to realize a capital gain of roughly €400 million and added 20 basis points to its core Tier-1 ratio.

August 3, 2009: BPCE becomes operational.

August 26, 2009: In conjunction with the release of the pro-forma interim results of the Groupe BPCE, BPCE announces its intention of doing everything necessary to restore Natixis to better health, give it the means to grow, implement its new strategic plan and start creating shareholder value again.

Accordingly, BPCE and Natixis agreed to set up a mechanism protecting Natixis against the risk of future losses and earnings volatility relating to the GAPC portfolio (Workout Portfolio Management Structure). This mechanism aims to allow Natixis to project itself into the future and bring about a return to profit.

The various stages in the creation of the Groupe BPCE were dealt with in press releases available on the BPCE website, *www.bpce.fr,* in the Regulated Information sub-section on the Investor Relations page. The French competition authority's press release may be consulted (in French) on its website, *www.autoritedelaconcurrence.fr.*

1.4.2 Principles governing the establishment of BPCE and the Groupe BPCE

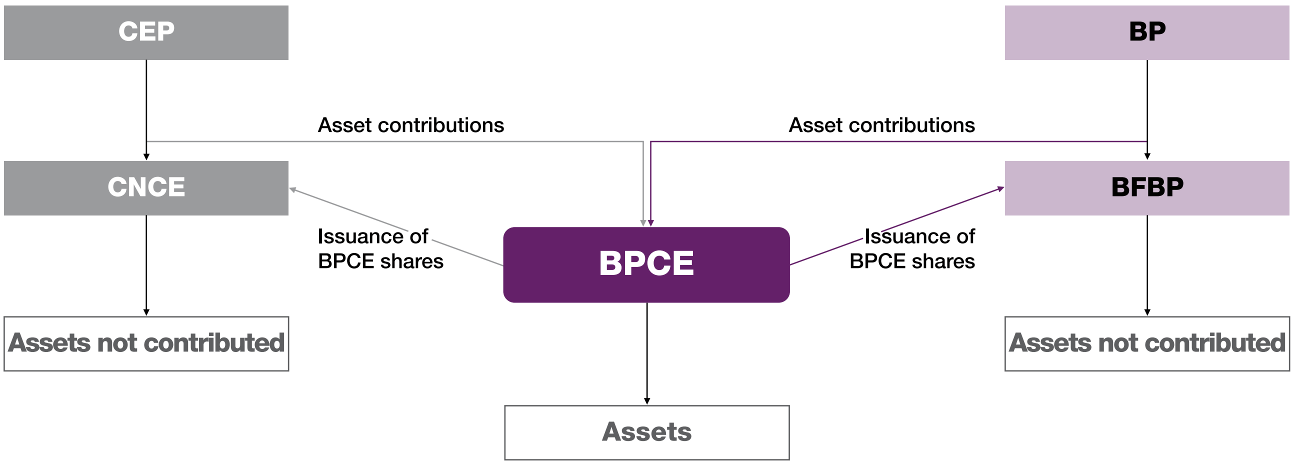
THE NEW BPCE CENTRAL INSTITUTION

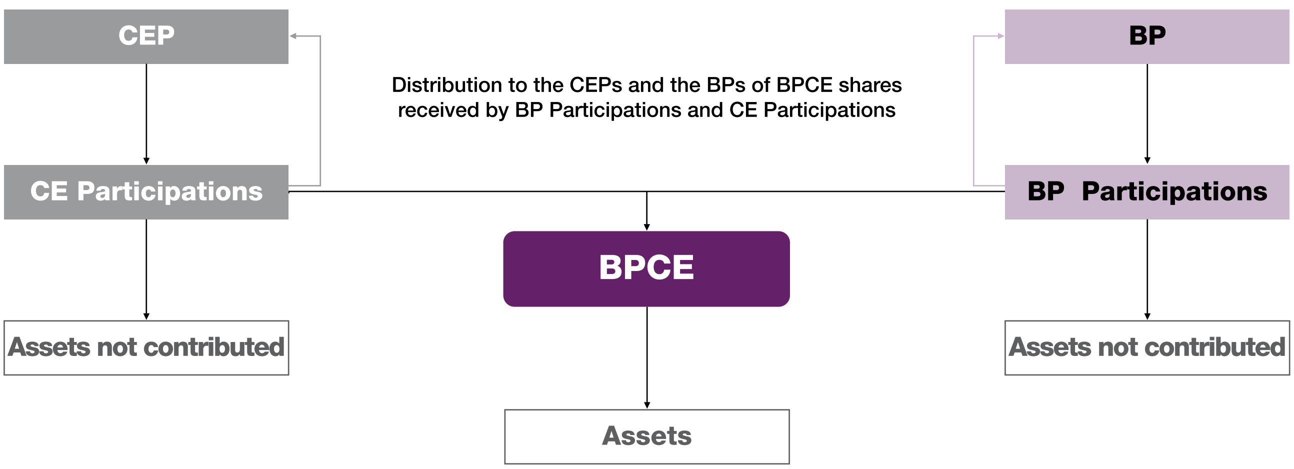
First stage: the establishment of BPCE

BPCE was established primarily by the contribution of assets formerly belonging to the CNCE and the BFBP to a joint stock company (*société anonyme*) with no prior corporate purpose, BPCE, which became BPCE at its July 9, 2009 combined shareholders' meeting.

BPCE shares received by the CNCE and the BFBP in exchange for the assets they contributed were immediately distributed to their respective shareholders, Banques Populaires (BP) and Caisses d'Epargne et de Prévoyance (CEP), pro-rated on the basis of their respective interests in the capital of the CNCE or the BFBP.

Investments and assets not transferred to BPCE were kept by the CNCE or the BFBP, which have become the holding companies in which these investments are housed.





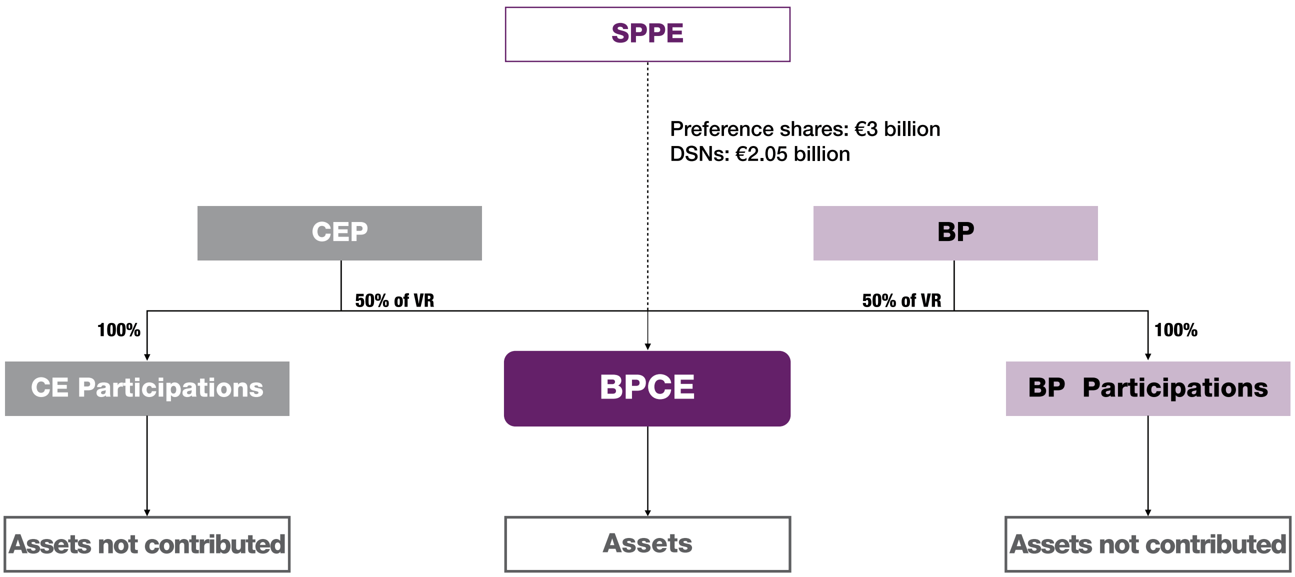
Second stage: Financial contribution by the French state

After the finalization of the first stage, the French state, *via* the intermediary of the *Société de prises de participation de l'Etat* (SPPE), a state-sponsored vehicle for reinforcing bank capital, subscribed to:

- preference shares issued by BPCE for a total of €3 billion;
- deeply subordinated notes (DSN) issued by BPCE for a total of €2.05 billion.

Each of the two networks owns 50% of voting rights (VR) in BPCE.

The state's financial contribution was aimed at reinforcing and broadening the financial scope of the group comprising BPCE and its subsidiaries, holding companies and the various CEPs and BPs (the "Groupe BPCE"). It is of a temporary nature and is not intended as a long-term investment. As such, the new central institution has a call option enabling it to redeem the preference shares at any time as of the first anniversary of their issue.



BPCE'S SCOPE OF CONSOLIDATION

The new central institution comprises assets contributed or sold by the CNCE and the BFBP. These include all the means directly and solely related to the exercise of their prerogatives as the central institutions of their respective networks, Natixis shares owned by the CNCE and the BFBP, i.e. roughly 72% of Natixis' share capital, as well as the retail banking subsidiaries and production entities of the CNCE and the BFBP, the most important of which are:

- entities contributed by Groupe Caisse d'Epargne: Holassure (CNP Assurances: personal insurance), Financière Océor (commercial banking in international markets and France's overseas territories), GCE Assurances (non-life insurance), Banque BCP (France) and Banque BCP (Luxembourg) (commercial banking operations born of the merger of Portuguese banks), Twins Participations (holding company housing the residual interest in CIFG), GCE Covered Bonds (the Caisse d'Epargne's covered bonds program), DV Holding (elderly care services), GCE Technologies (IT services), etc.;
- entities contributed by Groupe Banque Populaire: Société Marseillaise de Crédit (regional commercial banking), BCI and BICEC (commercial banks based in Congo and Cameroon respectively), BIAT (commercial bank based in Tunisia), Twins Participations, BP Covered Bonds (the Banque Populaire's covered bonds program), i-BP, Bateau Banque Populaire (the Banque Populaire's boat management subsidiary) and Click & Trust (digital certification), etc.

In addition, BPCE received bonds issued to the customers of the two networks at the time of its establishment. It also received sums relating to certificate of deposit and medium-term note (MTN) programs.

The merger also unified the ownership structure of Natixis, whose governance was simplified. To this end, a resolution transforming Natixis into a company with a Management Board governed in accordance with articles L. 225-17 and L. 225-56 of the French Commercial Code was approved at its April 30, 2009 combined shareholders' meeting.

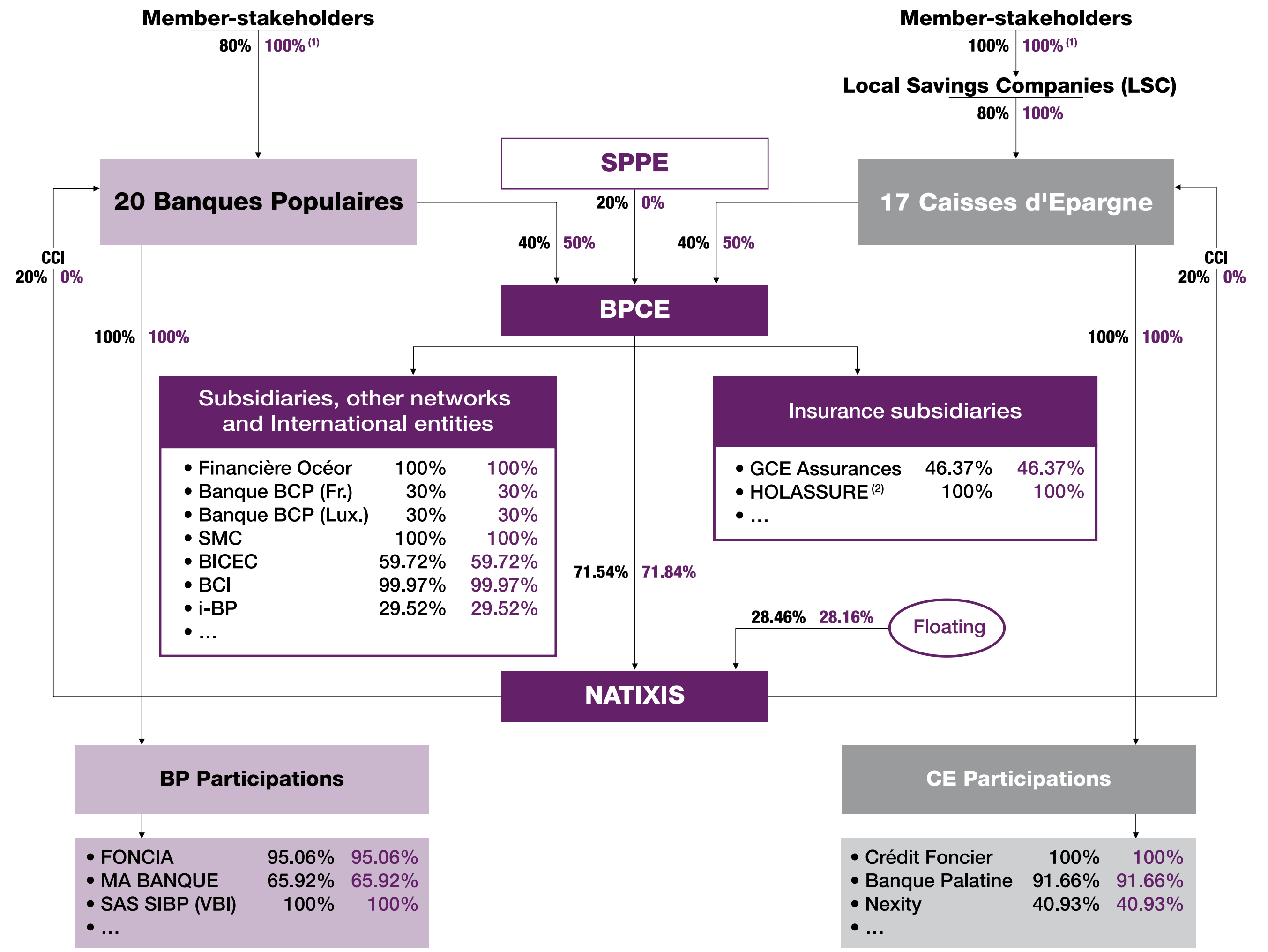
THE GROUPE BPCE

The new cooperative group, known as the Groupe BPCE, resulted from the creation of a new single central institution, BPCE, for the Caisse d'Epargne et de Prévoyance and Banque Populaire networks. It is built around two autonomous and complementary networks and brands. It has roughly 37 million customers, more than 7 million member-stakeholders, an extensive network *via* 8,200 branches and a total of more than 127,000 employees. At the time of its creation, the new group had €38.5 billion in capital and 22% of deposits held by French banks. It is positioned as a leading force in the funding of the economy (individuals, professionals, SMEs and large corporations).

The group is focused on retail banking, primarily in its domestic market, and is also committed to pursuing the transformation of Natixis, its corporate banking and financial services arm.

The subsidiaries of the Real Estate division (Crédit Foncier de France, Nexity, FONCIA, Meilleurtaux) and a number of other interests (Banca Carige, Banque Palatine, VBI and MA BANQUE) have initially remained subsidiaries of the CNCE and the BFBP (renamed Caisses d'Epargne Participations and Banques Populaires Participations respectively).

ORGANIZATION CHART AS OF JULY 31, 2009



% economic interest.

% voting rights.

(1) *The 80% held by member-stakeholders represent 100% of voting rights.*

(2) *HOLASSURE owns a 49.9% stake in SOPASSURE which owns 35.5% of CNP.*

1.4.3 Organization of the Groupe BPCE

THE TWO RETAIL BANKING NETWORKS

The group has a distinctly cooperative character: its member-stakeholders own the two Retail Banking networks, the 20 Banques Populaires and the 17 Caisses d'Epargne.

The Banques Populaires are 80%-owned by their member-stakeholders and 20%-owned by Natixis *via* the cooperative investment certificates (CIC).

The capital of the Caisses d'Epargne is 80%-owned by the Local Savings Companies (LSC) and 20%-owned by Natixis *via* the CICs. The LSCs, of which there were 350 as of December 31, 2008, are cooperative companies with open-ended capital stock 100%-owned by member-stakeholders. Any natural or legal entity that is a Caisse d'Epargne customer may acquire members' shares in a local savings company and thereby become member-stakeholders. Caisses d'Epargne employees are also entitled to become member-stakeholders. Lastly, local and regional authorities, and French intermunicipal cooperation bodies (*établissements publics de coopération intercommunale*) are entitled to become member-stakeholders of LSCs in whose territorial constituency they are located, although local and regional authorities may not own more than 20% of the capital of a given LSC.

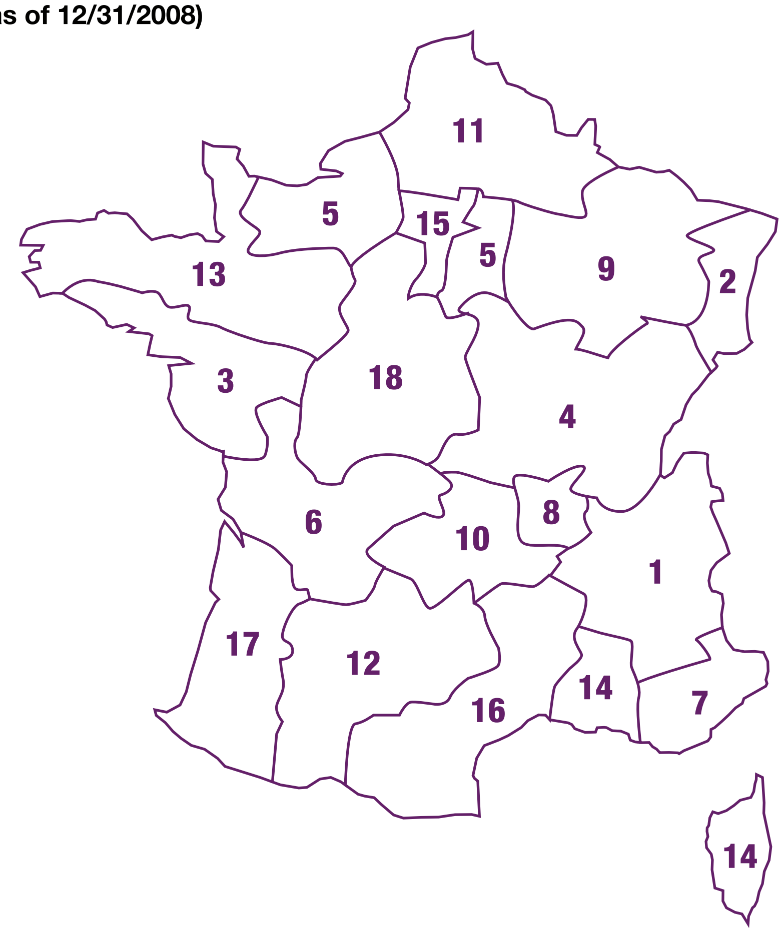
The LSCs are tasked with coordinating the member-stakeholder base within the framework of the general objectives defined by the individual Caisse d'Epargne to which they are affiliated.

LSCs hold cooperative shareholders' meetings at least once a year to approve the annual financial statements, and are governed by a Management Boards elected by the Shareholders' Meeting from among the cooperative shareholders. The Management Boards appoints a chairman, who is responsible for representing the local savings company at the Annual Shareholders' Meeting of its affiliated Caisse d'Epargne. LSCs are not authorized to carry out banking operations.

CICs are marketable securities. They do not carry voting rights, but represent economic rights as an interest in the capital of the Caisses d'Epargne.

Holders of CICs receive remuneration set by the Annual Shareholders' Meeting of each Banque Populaire and Caisse d'Epargne, the amount of which depends on that bank's results for the year. Holders also benefit from rights to net assets in proportion to their interest in the bank's capital.

Banques Populaires (as of 12/31/2008)



1 Banque Populaire des Alpes

Chairman
Jean Clochet

Chief Executive Officer
Pascal Marchetti

Number of member-stakeholders: 134,795
Number of employees: 1,895
Number of branches: 157
Regulatory capital: €809.8 million
Net banking income: €290.2 million
Net income attributable to the group: €32.4 million
www.alpes.banquepopulaire.fr

2 Banque Populaire d'Alsace

Chairman
Thierry Cahn

Chief Executive Officer
Dominique Didon

Number of member-stakeholders: 101,478
Number of employees: 1,261
Number of branches: 102
Regulatory capital: €703.6 million
Net banking income: €195.3 million
Net income attributable to the group: €31.9 million
www.alsace.banquepopulaire.fr

3 Banque Populaire Atlantique

Chairman
Jean-Guy Sarrazin

Chief Executive Officer
Stéphanie Paix

Number of member-stakeholders: 108,972
Number of employees: 1,823
Number of branches: 159
Regulatory capital: €964.9 million
Net banking income: €280.6 million
Net income attributable to the group: €41 million
www.atlantique.banquepopulaire.fr

4 Banque Populaire Bourgogne Franche-Comté

Chairman
Jean-Philippe Girard

Chief Executive Officer
Bernard Jeannin

Number of member-stakeholders: 147,862
Number of employees: 1,840
Number of branches: 184
Regulatory capital: €1.2 billion
Net banking income: €339 million
Net income attributable to the group: €69 million
www.bpbfc.banquepopulaire.fr

5 BRED Banque Populaire

Chairman
Stève Gentili

Chief Executive Officer
Jean-Michel Laty

Number of member-stakeholders: 105,995
Number of employees: 3,584
Number of branches: 325
Regulatory capital: €2.2 billion
Net banking income: € 883.7 million
Net income attributable to the group: € 241 million
www.bred.banquepopulaire.fr

6 Banque Populaire Centre Atlantique

Chairman
Jacques Raynaud

Chief Executive Officer
Pierre Yves Dréan

Number of member-stakeholders: 72,493
Number of employees: 992
Number of branches : 107
Regulatory capital: €463.4 million
Net banking income: €151.3 million
Net income attributable to the group: €22.7 million
www.centreatlantique.banquepopulaire.fr

7 Banque Populaire Côte d'Azur

Chairman
Bernard Fleury

Chief Executive Officer
Jean-François Comas

Number of member-stakeholders: 63,501
Number of employees: 1,145
Number of branches [(1)]: 98
Regulatory capital: €396 million
Net banking income: €161 million
Net income attributable to the group: €14.8 million
www.cotedazur.banquepopulaire.fr

8 Banque Populaire Loire et Lyonnais

Chairman
Jean Brunet-Lecomte

Chief Executive Officer
Olivier de Marignan

Number of member-stakeholders: 73,415
Number of employees: 1,163
Number of branches: 107
Regulatory capital: €601.4 million
Net banking income: €200.3 million
Net income attributable to the group: €28.1 million
www.loirelyonnais.banquepopulaire.fr

(1) *Including Monaco.*

9 Banque Populaire Lorraine Champagne

Chairman
Raymond Oliger

Chief Executive Officer
Jacques Hausler

Number of member-stakeholders: 156,791
Number of employees: 1,672
Number of branches: 140
Regulatory capital: €1.2 billion
Net banking income: €336.4 million
Net income attributable to the group: €52.2 million
www.lorrainechampagne.banquepopulaire.fr

10 Banque Populaire du Massif Central

Chairman
Dominique Martinie

Chief Executive Officer
Christian du Payrat

Number of member-stakeholders: 77,648
Number of employees: 855
Number of branches: 87
Regulatory capital: €420.3 million
Net banking income: €138.4 million
Net income attributable to the group: €22.7 million
www.massifcentral.banquepopulaire.fr

11 Banque Populaire du Nord

Chairman
Jacques Beauguerlange

Chief Executive Officer
Gils Berrous

Number of member-stakeholders: 75,606
Number of employees: 1,170
Number of branches: 116
Regulatory capital: €436.2 million
Net banking income: €151 million
Net income attributable to the group: €15.7 million
www.nord.banquepopulaire.fr

12 Banque Populaire Occitane

Chairman
Michel Doligé

Chief Executive Officer
Alain Condaminas

Number of member-stakeholders: 144,880
Number of employees: 2,308
Number of branches: 223
Regulatory capital: €1.3 billion
Net banking income: €358 million
Net income attributable to the group: €72.1 million
www.occitane.banquepopulaire.fr

13 Banque Populaire de l'Ouest

Chairman
Pierre Delourmel

Chief Executive Officer
Yves Breu

Number of member-stakeholders: 93,953
Number of employees: 1,701
Number of branches: 135
Regulatory capital: €818.9 million
Net banking income: €258.6 million
Net income attributable to the group: €26.2 million
www.ouest.banquepopulaire.fr

14 Banque Populaire Provençale et Corse

Chairman
Jean-Louis Tourret

Chief Executive Officer
François-Xavier de Fornel

Number of member-stakeholders: 55,896
Number of employees: 1,308
Number of branches: 86
Regulatory capital: €418.2 million
Net banking income: €143 million
Net income attributable to the group: €22.1 million
www.provencecorse.banquepopulaire.fr

15 Banque Populaire Rives de Paris

Chairman
Marc Jardin

Chief Executive Officer
Jean Criton

Number of member-stakeholders: 368,624
Number of employees: 2,917
Number of branches: 230
Regulatory capital: €1.3 billion
Net banking income: €476.9 million
Net income attributable to the group: €74.6 million
www.rivesparis.banquepopulaire.fr

16 Banque Populaire du Sud

Chairman
André Joffre

Chief Executive Officer
François Moutte

Number of member-stakeholders: 163,194
Number of employees: 2,092
Number of branches: 156
Regulatory capital: €1.0 billion
Net banking income: €316.8 million
Net income attributable to the group: €48.5 million
www.sud.banquepopulaire.fr

17 banque Populaire du Sud-Ouest

Chairman
François de la Giroday

Chief Executive Officer
Dominique Wein

Number of member-stakeholders: 92,690
Number of employees: 1,675
Number of branches: 104
Regulatory capital: €554.1 million
Net banking income: €213.8 million
Net income attributable to the group: €29.6 million
www.sudouest.banquepopulaire.fr

18 Banque Populaire Val de France

Chairman
Gérard Bellemon

Chief Executive Officer
Gonzague de Villèle

Number of member-stakeholders: 133,623
Number of employees: 2,227
Number of branches: 207
Regulatory capital: €1.4 billion
Net banking income: €342.2 million
Net income attributable to the group: €60.3 million
www.bpvf.banquepopulaire.fr

19 CASDEN Banque Populaire

Chairman and Chief Executive Officer
Pierre Desvergnes

Number of member-stakeholders: 1,157,976
Number of employees: 461
Number of branches: 1
Regulatory capital: €1.4 billion
Net banking income: €175.3 million
Net income attributable to the group: €43.2 million
www.casden.banquepopulaire.fr

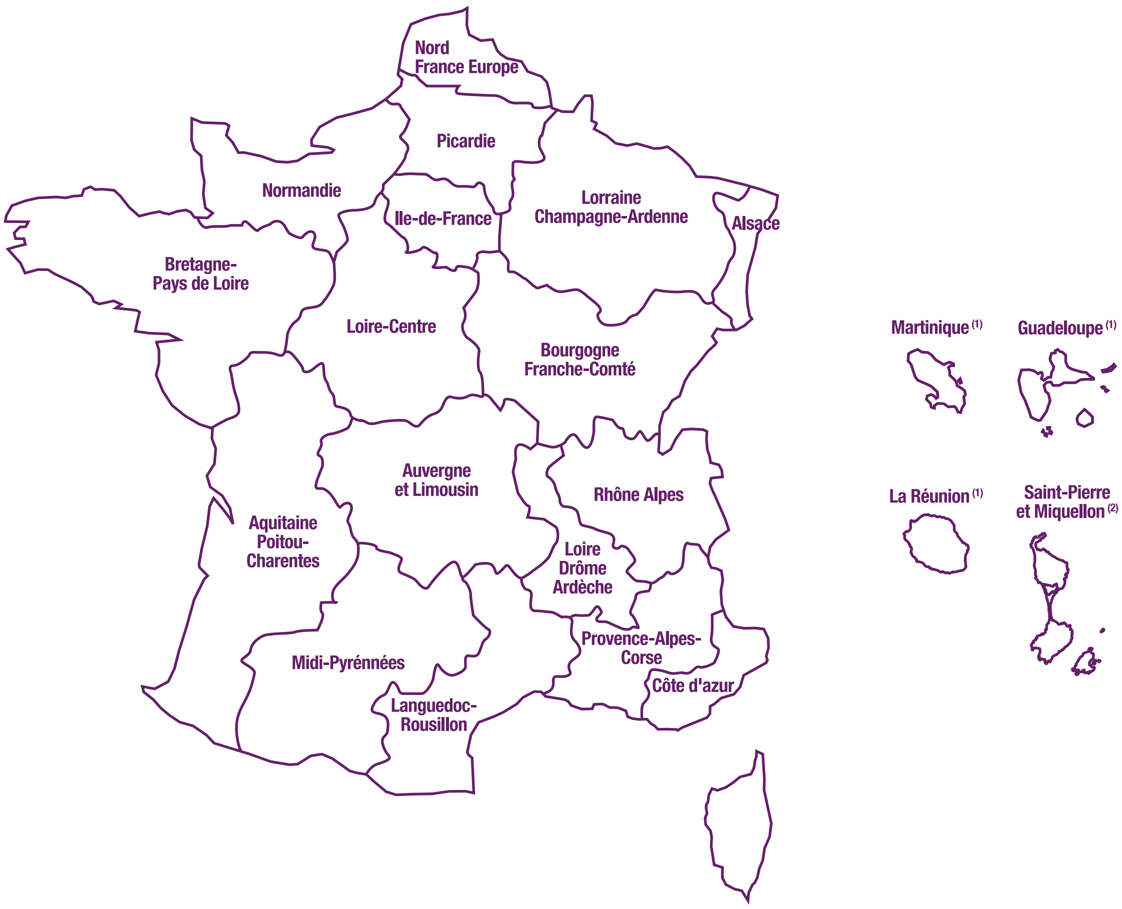
20 Crédit Coopératif

Chairman
Jean-Louis Bancel

Chief Executive Officer
Philippe Jewtoukoff

Number of member-stakeholders: 41,738
Number of employees: 1,840
Number of branches: 101
Regulatory capital: €911.4 million
Net banking income: €375.2 million
Net income attributable to the group: €22.2 million
www.credit-cooperatif.fr

Caisses d'Epargne et de Prévoyance (as of 12/31/2008)



(1) Attached to Caisse d'Epargne Provence-Alpes-Corse
(2) Attached to Caisse d'Epargne Ile-de-France

1 Caisse d'Epargne Alsace

Chairman of the Steering and Supervisory Boards
Astrid Boos

Chairman of the Management Boards
Jean-Pierre Deramecourt

Number of member-stakeholders: 95,913
Number of branches: 139
Number of employees: 1,057
Regulatory capital: €492 million
Net banking income: €150 million
Net income: €25 million

2 Caisse d'Epargne Aquitaine Poitou-Charentes

Président du conseil d'orientation et de surveillance
Jean-Charles Boulanger

Président du directoire
Jean-François Paillissé

Number of member-stakeholders: 271,781
Number of branches: 382
Number of employees: 2,920
Regulatory capital: €1.4 billion
Net banking income: €369 million
Net income: €1 million

Share capital: average share capital

3 Caisse d'Epargne d'Auvergne et du Limousin

Chairman of the Steering and Supervisory Boards
Michel Sorbier

Chairman of the Management Boards
Maurice Bourrigaud

Number of member-stakeholders: 123,523
Number of branches: 209
Number of employees: 1,441
Regulatory capital: €798.3 million
Net banking income: €237 million
Net income: €50 million

4 Caisse d'Epargne de Bourgogne Franche-Comté

Chairman of the Steering and Supervisory Boards
Jean-Pierre Gabriel

Chairman of the Management Boards
Alain Maire

Number of member-stakeholders: 204,645
Number of branches: 260
Number of employees: 1,662
Regulatory capital: €1.2 billion
Net banking income: €239 million
Net income: €19 million

5 Caisse d'Epargne Bretagne-Pays de Loire

Chairman of the Steering and Supervisory Boards
Victor Hamon

Chairman of the Management Boards
Didier Patault

Number of member-stakeholders: 395,276
Number of branches: 435
Number of employees: 3,021
Regulatory capital: €1.5 billion
Net banking income: €461 million
Net income: €93 million

6 Caisse d'Epargne Côte d'Azur

Chairman of the Steering and Supervisory Boards
Pierre Mackiewicz

Chairman of the Management Boards
Jean-Claude Créquit

Number of member-stakeholders: 127,177
Number of branches: 155
Number of employees: 1,819
Regulatory capital: €810.2 million
Net banking income: €273 million
Net income: €52 million

7 Caisse d'Epargne Ile-de-France

Chairman of the Steering and Supervisory Boards
Jean-Paul Foucault

Chairman of the Management Boards
Bernard Comolet

Number of member-stakeholders: 537,518
Number of branches: 534
Number of employees: 5,164
Regulatory capital: €2.7 billion
Net banking income: €748 million
Net income: €73 million

8 Caisse d'Epargne Languedoc-Roussillon

Chairman of the Steering and Supervisory Boards
Pierre Valentin

Chairman of the Management Boards
Jean-Marc Carcelès

Number of member-stakeholders: 130,386
Number of branches: 187
Number of employees: 1,539
Regulatory capital: €845.7 million
Net banking income: €274 million
Net income: €71 million

9 Caisse d'Epargne Loire-Centre

Chairman of the Steering and Supervisory Boards
Jean Arondel

Chairman of the Management Boards
Nicole Etchegoinberry

Number of member-stakeholders: 193,082
Number of branches: 218
Number of employees: 1,781
Regulatory capital: €998.8 million
Net banking income: €271 million
Net income: €49 million

10 Caisse d'Epargne Loire Drôme Ardèche

Chairman of the Steering and Supervisory Boards
Catherine Amin-Garde

Chairman of the Management Boards
Philippe Moneta

Number of member-stakeholders: 102,058
Number of branches: 154
Number of employees: 1,179
Regulatory capital: €583.5 million
Net banking income: €196 million
Net income: €31 million

Share capital: average share capital

11 Caisse d'Epargne Lorraine Champagne-Ardenne

Chairman of the Steering and Supervisory Boards
Francis Henry

Chairman of the Management Boards
Benoît Mercier

Number of member-stakeholders: 221,171
Number of branches: 269
Number of employees: 2,316
Regulatory capital: €1.3 billion
Net banking income: €327 million
Net income: €37 million

12 Caisse d'Epargne de Midi-Pyrénées

Chairman of the Steering and Supervisory Boards
Bernard Roux

Chairman of the Management Boards
Pierre Carli

Number of member-stakeholders: 107,248
Number of branches: 240
Number of employees: 1,759
Regulatory capital: €1.1 billion
Net banking income: €292 million
Net income: €50 million

13 Caisse d'Epargne Nord France Europe

Chairman of the Steering and Supervisory Boards
Philippe Lamblin

Chairman of the Management Boards
Jean Mérelle

Number of member-stakeholders: 306,223
Number of branches: 280
Number of employees: 2,339
Regulatory capital: €1.7 billion
Net banking income: €399 million
Net income: €83 million

14 Caisse d'Epargne Normandie

Chairman of the Steering and Supervisory Boards
Nicolas Plantrou

Chairman of the Management Boards
Joël Chassard

Number of member-stakeholders: 172,619
Number of branches: 250
Number of employees: 2,106
Regulatory capital: €1.0 billion
Net banking income: €273 million
Net income: €7 million

15 Caisse d'Epargne de Picardie

Chairman of the Steering and Supervisory Boards
Yves Hubert

Chairman of the Management Boards
Alain Denizot

Number of member-stakeholders: 103,468
Number of branches: 135
Number of employees: 1,290
Regulatory capital: €846.8 million
Net banking income: €203 million
Net income: €15 million

16 Caisse d'Epargne Provence-Alpes-Corse

Chairman of the Steering and Supervisory Boards
Jean-Claude Cette

Chairman of the Management Boards
Alain Lacroix

Number of member-stakeholders: 256,833
Number of branches: 272
Number of employees: 2,773
Regulatory capital: €1.8 billion
Net banking income: €494 million
Net income: €105 million

17 Caisse d'Epargne Rhône Alpes

Chairman of the Steering and Supervisory Boards
Yves Toublanc

Chairman of the Management Boards
Olivier Klein

Number of member-stakeholders: 350,573
Number of branches: 313
Number of employees: 3,038
Regulatory capital: €1.7 billion
Net banking income: €538 million
Net income: €127 million

Website: www.caisse-epargne.fr

Share capital: average share capital

The Banques Populaires and the Caisses d'Epargne are both cooperative banks. Sharing the same legal form has given them a number of values and management rules in common, including:

- the involvement of the member-stakeholders in the life of the bank, especially by means of their active participation in shareholders' meetings and the appointment of directors;
- the anchoring of each bank in the life of its respective region;
- real closeness to customers and a greater understanding of their needs;
- a decentralized decision-making process: Banques Populaires and Caisses d'Epargne managers have decision-making power for their bank, in compliance with Group rules, and take part in the decision-making process at their Group level;
- solidarity between the banks belonging to the network.

Member-stakeholders, who guarantee each bank's independence and its anchoring in the local economy, are involved in the life of their bank.

In addition, territorial development was central to the banks' respective structures from the outset. The Caisses d'Epargne was set up to encourage saving by the general public, and the Banques Populaires to support shopkeepers and small businesses:

- since their creation, the Caisses d'Epargne have aimed to promote saving by the general public. As of 1895, the Caisses began participating in the local and social economies, carrying out public interest missions (funding housing for instance);
- since the Banques Populaires adopted their status in 1917, their goal has been to boost lending to small and medium-sized businesses.

In addition to their shared values, the Banques Populaires and the Caisses d'Epargne have in common a number of principles underscoring their organization and management:

- impediments to owners of large interests in their share capital from exercising specific influence over their management;
- guaranteed independence in the way they run their activities.

The two networks also adhere to the same principles in terms of financial management, namely:

- the preservation of the value of the members' shares, whatever the direction taken by the equity markets;
- the possibility offered to the banks to regularly reinforce their capital *via* the sale of members' shares to interested customers.

The Banque Populaire and Caisses d'Epargne banks have a broad retail banking customer base, with very strong positions among personal customers, professional customers and SMEs:

- personal customers: N°2 in terms of market penetration in all products, N°2 in terms of market penetration as primary bank, N°2 in home lending (source: Banque de France);
- professional customers and SMEs: N°1 in terms of market penetration among professional customers and business owners (source: *Enquête Pépites* 2007-2008), N°1 in terms of the number of active SME accounts (source: TNS SOFRES 2007).

The purpose and expertise of the respective networks dovetail perfectly:

- the Banques Populaires have traditionally focused on professional customers (N°2 player with 17% market penetration, source: *Enquête Pépites* 2007-2008) and SMEs (leading player, with 37% market penetration, source: TNS SOFRES 2007), a segment in which they possess unparalleled experience and expertise in the French market;
- the Caisses d'Epargne have traditionally focused on personal customers, and particularly the lowest socioeconomic groups, guaranteeing them prudent management of their savings, and the financing of the real estate and local authority sectors and associations.

Each of the two networks owns an equal share in the group's central institution, known as BPCE.

They also wholly own their former respective central institutions, the BFBP for the Banques Populaires and the CNCE for the Caisses d'Epargne. The BFBP and the CNCE have become holding companies housing those assets that were not contributed to BPCE. They have been renamed BP Participations and CE Participations respectively. The management of these holding companies, which are not intended to have a long life, is based on clear and harmonized governance, and is closely controlled by BPCE. The two holding companies have a limited, specific and exclusive corporate purpose: in accordance with article L. 311-1 of the French Monetary and Financial Code (*Code monétaire et financier*), to manage and control their respective investments and proprietary trading activities, and to ensure the continuity of any lending operations undertaken by the BFBP or the CNCE that were not transferred to BPCE within the framework of asset contributions.

The two holding companies' governing bodies comprise shareholder representatives (Banques Populaires for BP Participations, or Caisses d'Epargne et de Prévoyance for CE Participations), as well as the directors of BPCE sitting as non-voting members. The managers of the two holding companies are subject to prior approval by BPCE, whose role as central institution gives it the right to oppose a number of major or strategic decisions.

CENTRAL INSTITUTION OF THE GROUPE BPCE: BPCE

The central institution's affiliates within the meaning of article 511-31 of the French Monetary and Financial Code

- The 20 Banques Populaires, their 59 Mutual Guarantee Companies, Crédit Maritime BP, Participations.
- The 17 Caisses d'Epargne, 17 finance companies (Batimap, Batiroc, Capital Finance, Tofiso, Cicobail, Cinergie, Compagnie de Financement Foncier, Compagnie Foncière de Crédit, Comptoir Financier de Garantie, Crédit Foncier d'Alsace et de Lorraine, Financière Océor, Locindus, Sebadour, Océor Lease Nouméa, Océor Lease Réunion, Océor Tahiti, Société Centrale pour le Financement de l'Immobilier, Sud-Ouest Bail) and 12 banks (BCP France, Banque Fiducial, Banque de la Réunion, Banque de Tahiti, Banque de Nouvelle Calédonie, Banque des Antilles Françaises, Banque des Iles St Pierre et Miquelon, Banque Palatine, CE Nouvelle Calédonie, Crédit Foncier de France, Crédit Saint Pierrais, Crédit Foncier et Communal d'Alsace et de Lorraine), CE Participations.
- Natixis.

The organization

To carry out the duties described in the "General Information" chapter, on page 393 of this registration document, the central institution is structured around four divisions, as well as eight large functional departments.

- The Retail Banking division, under the stewardship of two members of the Management Boards, each responsible for the development and marketing coordination of one of the two networks, the management of the group's other Retail Banking brands, international expansion and the insurance business.

- Natixis, whose Chief Executive Officer sits on BPCE's Management Committee.
- The Real Estate division, which manages this business and coordinates the various parts of the group involved in Real Estate business lines.
- The Operations division, which is responsible for the supervision and coordination of the technical means of the group and the central institution, particularly with respect to IT systems, the industrial platforms made available to Group entities, and the coordination of the Payment Systems business line.

The eight functional departments include:

- the Finance Department, which is under the responsibility of a member of the Management Boards;
- the Human Resources Department, which is under the responsibility of a member of the Management Boards;
- the Internal Audit Department;
- the Risk Management Department;
- the Compliance Department;
- the Corporate Secretary's office, which includes the Legal Department;
- the Strategy Department;
- the Communications Department.

For some tasks, especially those relating to marketing coordination, staff are dedicated to one of the two networks on the basis of their respective needs.

- The activities of the central institution that have a bearing on the running of the group and the networks are governed by general and specialist committees, occasionally including regional managers.

The divisions

The Retail Banking division

The Retail Banking division will have the following duties:

The coordination of each of the two networks, using separate teams for the Caisses d'Epargne and the Banques Populaires, each placed under the responsibility of a member of the Management Boards so as to preserve each network's distinct strategies and marketing approaches. This task encompasses the following activities:

- management of the offering by overseeing the development of new product ranges and assessing the performances (profitability and positioning) of the existing offering;
- aspects of pricing policy and its implementation;
- the construction and rollout of an appropriate multi-channel distribution strategy;
- marketing coordination *via* the steering and implementation of commercial and marketing action plans;
- the definition and implementation of institutional communication around each brand and sponsoring policies as appropriate;
- the coordination of external or affiliate partnerships in specific markets.

Tasks carried out on behalf of the two networks by the Retail Banking Coordination Department:

- the Retail Banking Coordination Department carries out tasks aimed at promoting both networks. It is under the joint stewardship of the two members of the Management Boards with responsibility for Retail Banking, and is involved in the following areas:
  - Group-level communications with regulatory authorities,
  - technology watch, research and development, and joint project management (multi-channel banking and branch formats for instance),
  - product and service quality,
  - sustainable development.

The coordination of business-line subsidiaries and the steering of Retail Banking subsidiaries on behalf of the group:

- the member of the Management Boards with responsibility for the Retail Banking activities of the Banques Populaires is also in charge of:

1. overseeing the group's international Retail Banking activities,
2. monitoring the Société Marseillaise de Crédit (SMC) subsidiary;

- the member of the Management Boards with responsibility for the Retail Banking activities of the Caisses d'Epargne is also in charge of:

1. overseeing the group's insurance activities,
2. monitoring the Banque Palatine subsidiary.

The Real Estate division

The Real Estate division is tasked with organizing and coordinating the group's operations in the real estate market, in order to ensure the growth of these business lines and to optimize synergies with the group's other activities, particularly the networks' banking operations.

It supervises all subsidiaries operating in the real estate sector, whether they be owned directly or indirectly by BPCE, or whether supervision is carried out on behalf of BP Participations or CE Participations.

The Real Estate division will be tasked with the following:

- coordinating and structuring the Real Estate business lines within the group:

1. representing the group within the subsidiaries,
2. taking part in the group's strategic planning and the implementation of its strategic plan,
3. monitoring strategic operations,
4. ensuring the consistency and convergence of the strategic positioning of the various brands and entities operating in this business line,
5. looking for marketing synergies between the Real Estate business lines and with other business lines,
6. looking for synergies with the group's other businesses,
7. monitoring the performance of the business line;

- coordinating relations with the various subsidiaries:

1. monitoring each subsidiary's performances,
2. preparing Board meetings,
3. preparing recommendations bearing on value sharing.

The Operations division

The central institution bears a particular responsibility in the preparation of initiatives designed to improve the industrial efficiency of the group as a whole and, as such, its competitiveness.

This will fall under the brief of the Operations division, *via* five departments:

- IT and technology;
- Payment Systems;
- Cooperation and Industrial Efficiency;
- Procurement;
- IT Systems Security.

THE IT AND TECHNOLOGY DEPARTMENT

- is in charge of IT federally and for BPCE:

1. designs, in coordination with the business lines, federal IT systems necessary for the central institution, network parent companies and the two holding companies,
2. plans and oversees projects conducted by BPCE's federal IT Systems Department and those of some subsidiaries,
3. provides assistance to the project management for cross-network and -subsidiary projects, as well as projects initiated by BPCE,
4. manages local IT and technology logistics for the central institution, the two holding companies and the subsidiaries;

- carries out IT and Technology coordination on behalf of the group:

1. directs IT policies,
2. extracts IT synergies within the group,
3. defines and oversees the consistency of the group's joint infrastructures,
4. manages the group's major projects,
5. represents BPCE on regulatory authorities, professional bodies and the group's IT governance bodies;

- oversees and manages the IT and organizational integration of retail banks operating internationally;
- takes responsibility for IT and Technology purchases, in coordination with the Procurement Department.

THE PAYMENT SYSTEMS DEPARTMENT

- defines the group Payment Systems policy;
- coordinates market relations or cooperation, defending the group's interests;
- takes full responsibility for the economic oversight and the efficiency of Payment Systems businesses, including with respect to regulatory issues;
- takes part in the governance and oversight of industrial operators;
- carries out Payment Systems research and development in conjunction with industrial operators, BPCE's Development Department and network IT Systems teams.

THE COOPERATION AND INDUSTRIAL EFFICIENCY DEPARTMENT

- analyzes and develops cooperation and process industrialization within the group by determining the areas in which the group's interests require resources to be shared, recommending the appropriate organization, management and governance in such cases. Depending on the case, such services may be provided:

1. by the establishment or Group entity with the greatest amount of experience in the relevant area, and which is accordingly best placed to become the group's "pole of excellence" in the said field,
2. if appropriate, by a special-purpose entity, with financial means contributed as needed on a case-by-case basis by the central institution itself, by all affiliated banks or just by the banks concerned,
3. if appropriate, by the central institution itself, if it transpires that it is best placed to provide such services;

- oversees shared means of production by auditing the quality and cost of producing the services rendered on behalf of clients (internal and external where appropriate);
- oversees continual improvement by helping Group and BPCE teams improve their efficiency on permanent basis, within the framework of a specific industrial structure.

THE PROCUREMENT DEPARTMENT

- draws up the group's purchasing strategy and policies;
- coordinates the procurement function across the group;
- assists the IT and Technology purchasing staff.

THE IT SYSTEMS SECURITY DEPARTMENT

- oversees the security of the group's IT systems;
- coordinates the group's IT System Security function;
- ensures compliance with legal and regulatory requirements bearing on IT security;
- sits on internal and external bodies;
- oversees the security of the central institution's IT systems.

The functional departments

The Finance Department

The central institution's financial responsibilities stem from two constraints:

- market constraints, which place all Groups under an obligation to protect the quality of their name and, accordingly, to make single, if not coordinated calls on each of the main compartments (e.g. bonds, medium-term notes, interbank, options);
- constraints pursuant to the French Monetary and Financial Code, specifically article L. 511-31, which gives central institutions responsibility for *"guaranteeing the liquidity and solvency of each affiliated bank and the network as a whole"*, and makes it incumbent upon them not only to provide means, but also to achieve a result.

To satisfy these requirements, within the framework of the group's governance rules, the Finance Department is placed under the responsibility of a member of the Management Boards, and is designed to be able to carry out its very broad remit, in the interests of the group as a whole, *via*:

- treasury and refinancing units enabling the central institution to do everything necessary to guarantee the liquidity and solvency of the entities of the two networks and the various affiliates (including the two holding companies). These units have especial responsibility for:

1. carrying out any financial transactions necessary for managing the group's liquidity, optimizing its financing costs, laying down the conditions for and coordinating access to liquidity for the networks and affiliates, taking responsibility for the main financial transactions bearing on the group as a whole or, where appropriate, handing responsibility

for certain types of transactions over to Natixis or another Group bank, clearly acting on behalf of the group as a whole,

2. defining the conditions under which individual Group banks may enter into transactions with other banks, issue financial instruments or offer such instruments to investors, carry out securitization transactions, or invest their liquidities;

- group management control and financial planning units (including the allocation of equity), which also define standards and make the necessary tools available to the networks and affiliates;
- an ALM (asset-liability management) unit responsible for laying down Group ALM rules and standards, ensuring their application, coordinating ALM by networks and affiliates, and organizing the exchange of best practice;
- accounting teams tasked with defining accounting standards and consolidating financial statements;
- a team of tax specialists;
- a financial communications team;
- the support units needed for the Department's smooth running (project management, middle and back offices, internal audit).

The Human Resources Department

Placed under the responsibility of a member of the Management Boards, the Human Resources Department carries out integrated tasks and specific tasks. Integrated tasks include human resources and internal communications.

Integrated human resources tasks include the following objectives:

- develop human resource strategies and policies, and bolster the reputation of the new group in the market;
- oversee and coordinate human resources within the group, paying close attention to the consistency of data, actions and messages;
- oversee and coordinate the development of human resources (e.g. employer image, training, career management, equal opportunity);
- carry out activities relative to labor relations and policies (organizing negotiations, managing remuneration in the broad sense and for the CNCE, health insurance and pensions);
- carry out activities relative to HR information (including IT human resources projects, consolidation of information of a regulatory or mandatory nature, consolidation for HR communications);
- manage BPCE's human resources;
- manage the group's senior management;
- oversee and coordinate internal communications within the group, paying close attention to the consistency of actions and messages.

Integrated internal communications tasks include the following objectives:

- carry out the managerial communications of the group and BPCE, the internal communications of BPCE and communications aimed at all employees;
- coordinate the group's communicators;
- pool the group's internal communications activities.

Lastly, specific tasks include:

- part of "Human Resources" development and labor relations;
- the activities of the Intercompany Works Council (IWC) specific to the Banques Populaires network.

Control functions

Article L. 511-31 of the Monetary and Financial Code requires central institutions to *"ensure the application of legal and regulatory provisions relative to affiliates, and to effect administrative, accounting and financial control over their organization and management."* The same article also gives them the power to carry out on-site checks on their direct and indirect subsidiaries' premises, and those of their affiliates. Lastly, it empowers them to take any measures necessary to remedy dysfunctions.

Central institutions' oversight and control responsibilities are thus critical for the smooth running and stability of the group as a whole. By their nature, they may not be delegated, and must be carried out by the central institution itself.

The central mechanism is based on a series of permanent and periodic controls, for which correspondents have been placed within all affiliates.

The central institution is responsible for implementing the appropriate procedures in the event of serious dysfunctions coming to light in an affiliated bank.

These tasks are organized by the following three departments:

THE INTERNAL AUDIT DEPARTMENT

- Carries out periodic controls of the organization, management and quality of the financial situation of the group's banks, ensures compliance with the principles and conditions under which the internal audit system of the group and its networks operates, and provides reports on these matters to the group's executive and decision-making bodies.
- Coordinates the group's Audit function.
- Coordinates relations with the French Banking Commission on subjects relating to internal audits, in conjunction with other central institution departments with respect to other issues.

THE RISK MANAGEMENT DEPARTMENT

Under the group's governance rules, the Risk Management Department is responsible for risk management for all group entities. It consolidates risks, oversees their management, lays downs standards and makes projections regarding:

- credit risk;
- financial risks (ALM and markets);
- operational risk.

It can also provide regulatory expertise.

The department will be structured around the following teams:

- financial risks (ALM and markets);
- statistics (modeling and validation);
- credit risk;
- project management for the IT risk management system;
- operational risk;
- consolidation;
- risk project management.

THE COMPLIANCE DEPARTMENT

The Compliance Department has responsibility, with respect to all affiliates and their subsidiaries, for permanent controls (art. 11 R. 97-02):

1. compliance and ethics, including compliance for the new central institution;
2. legal and regulatory compliance;
3. prevention of financial crime;
4. organization and oversight of permanent compliance controls.

The department coordinates compliance and permanent controls within the group.

It is also in charge of the Security function, and as such:

i. guarantees the security of people, property and Group information;

ii. takes responsibility for business continuity, crisis and major risk prevention and management.

The Compliance Department reports to the two members of the Management Boards in charge of Retail Banking.

The corporate secretary's office

The Corporate Secretary's office is responsible for the following departments:

- Legal;
- Management Services and Logistics;
- Institutional activities and market relations;
- Secretariats of governing bodies.

The Corporate Secretary's office also has an assistance and coordination unit.

Its departments include:

THE LEGAL DEPARTMENT

- Takes responsibility for preventing and controlling the legal and litigation risks of the central institution and Group entities (including the prevention of reputational risk).
- Monitors change, and provides information, assistance, and legal and regulatory advice to all Group entities.
- Ensures the consistency and effectiveness of non-compliance-risk controls in respect to the laws and regulations applicable to banking and financial activities.
- Issues recommendations and coordinates legal and litigation risk policies for the group.
- Represents and protects the interests of the group within national and international regulators and organizations.

THE MANAGEMENT SERVICES AND LOGISTICS DEPARTMENT

- Recommends and implements policies with respect to planning and services.
- Defines the property strategy of the central institution and subsidiaries in the Greater Paris region.
- Takes responsibility for administrative management and the running of all sites.
- Provides services to people working on Group property through the oversight of service providers.
- Coordinates a Management Services function in the networks.

The strategy department

- Helps the group define, formalize and coordinate its strategic development goals.
- Takes responsibility for technology watch.
- Carries out macroeconomic and financial research used as a basis for determining trends affecting major aggregates.
- Promotes, directs and oversees the group's strategic operations, including external growth, partnerships, possible capital increases or transactions involving the capital of listed subsidiaries.
- Manages, supervises and coordinates business strategies, including international expansion.

The communications department

The Communications Department will have three broadly defined roles:

- develop communications strategy and policy for the new Group;
- carry out the group's external communications: media relations, institutional communications;
- coordinate the BPCE communications function.
- a functional link will be established with other communications teams within the central institution (internal communications, investor relations, brand communications).

The holding company role

The holding company role that the central institution will be called on to play stems from two types of considerations:

- first, it is incumbent on it to have direct ownership of economic interests (known as "strategic stakes") in the banks and other companies whose activities fall within the scope of its sole responsibility. This is the case for stakes in:

i. Public agencies (such as Oséo) or bodies that manage services used by the entire banking profession (such as the *Groupement des Cartes Bancaires*, The French Bankcard Association),

ii. Banks carrying out financial transactions on behalf of the group as a whole, foremost among which Natixis;

- the central institution is also bound to own, alone or jointly with all or part of its affiliates, stakes in bodies responsible for providing services to the entire Group.

The central institution plays its holding company role in different ways in the group's various businesses and activities.

- The Retail Banking division is in charge of supervising Retail Banking subsidiaries in France and internationally, as well as investments in insurance.
- The Real Estate division, which reports to the Chairman of the Management Boards, is in charge of supervising subsidiaries operating in the Real Estate sector, and ensures that their operations are coordinated between each other and with the rest of the group.
- The Operations division covers the Payment Systems business.

In a cross-functional manner and for all investments, the Finance Department is responsible for the auditing and financial reporting of all subsidiaries owned directly by the central institution or *via* the two "Participations" holding companies owned by the networks.

BPCE's main subsidiaries

Natixis

Natixis is the group's corporate banking, asset management and financial services subsidiary. It offers its clients – companies, institutional investors, local authorities, professional and personal customers – solutions suited to their ambitions.

Its know-how and expertise are structured around three core businesses: Corporate and Investment Banking, which has been refocused on high value added activities; Savings, which has strong global ambitions; and Specialized Financial Services, which is resolutely turned towards bolstering growth in retail banking.

Natixis uses its own sales force and those of the networks of the BPCE group to roll out its numerous services.

Natixis can boast strong marketing performances, in France as well as internationally.

- N°1 in AAA-rated French bonds (source: Dealogic 2008);
- N°2 in European Agencies (source: Dealogic 2008);
- Top 3 in French corporate bonds by the number of issues (source: Dealogic 2008),
- Top 3 in the market for covered bonds (source: Dealogic 2008);
- Top 20 in asset management (Cerulli 2009 ranking based on assets under management as of end-2008);
- Pioneer in the field of SRI asset management (the Nord Sud Développement fund was 25 years old in 2009);
- N°4 non-life bancassureur in France (source: G11 2008);
- N°1 in the management of employee savings in France (source: AFG 12/31/2008);
- N°2 in property leasing in France (source: ASF March 2008);
- N°3 in credit insurance worldwide (source: Coface, based on ICISA data 2008);
- 2nd best French broker (source: Thomson Extel 2008).

Natixis shares (ticker KN) are listed on Euronext.

Natixis' registration documents and their updates are available on the *www.natixis.com* website, in the Annual Reports sub-section on the Shareholders and Investors page.

CNP Assurances

CNP Assurances, known as Caisse Nationale de Prévoyance until 1992, was born in 1959 as part of the Caisse des Dépôts et Consignations, following the merger between the Caisse nationale d'assurance en cas d'accident (created in 1868) and the Caisse nationale d'assurance sur la vie. The latter structure, created in 1949, merged the Caisse Nationale d'Assurance en cas de décès (1848) and the Caisse de retraite pour la vieillesse (1850). CNP's origins thus go back more than 150 years, to the very roots of the notion of life insurance.

Specialized in the field of personal insurance, CNP has been France's leading player in this sector since 1991, with market share of nearly 18%. It currently insures 14 million people.

What does personal insurance cover?

As life expectancy increases and doubts grow over the sustainability of traditional social welfare systems, demand for savings, retirement and provident insurance products has become stronger.

Personal insurance comes into play when people need to save, *via* life insurance contracts, prepare for retirement, or cover themselves against specific risks such as death, incapacity or invalidity.

Its experience gained over more than a century has given CNP great control over risks. This has allowed it to develop a full range of products and services adapted to the needs of the market and to anticipate social change, particularly with respect to dependency, unemployment and retirement.

CNP is focused on the three main segments of the personal insurance market: savings; retirement; and risks (mainly loan insurance). It offers a full range of risk guarantees and savings products, both individually and collectively.

CNP Assurances shares (ticker CNP) are listed on Euronext.

CNP Assurances' annual and interim financial statements are available on the *www.cnp.fr* website, in the CNP Publications sub-section on the Financial Information page.

GCE Assurances

GCE Assurances has developed a range of non-life insurance products distributed in the Caisses d'Epargne network: car insurance, home insurance, personal risk and legal protection.

Since January 2008, non-life insurance and para-banking activities have been merged, allowing GCE Assurances to cover all areas of the non-life insurance market, as well as health insurance.

For personal customers: car and motorcycle insurance, home insurance, means of payment insurance, cell phone insurance, health savings insurance and personal accident insurance.

For professional customers: means of payment insurance, professional activity insurance, insurance for associations, health and provident insurance.

GCE Assurances is France's second-largest bancassureur in personal accident insurance, and the third-largest in car and comprehensive home insurance, with 480,000 contracts sold in 2008, bringing the number of active contracts in the portfolio up to 2 million.

Financière Océor

In charge of the Océor Group, Financière Océor is responsible for supervising and coordinating Océor's various banks and subsidiaries, sharing tools and processes with them. It ensures strict compliance with regulatory provisions within the group.

For each of its entities, Financière Océor recommends an organizational model that respects its identity, its customers and its environment, building on business and product synergies developed with the different companies making up BPCE.

As the group's commercial banking arm in France's overseas dependencies and internationally, Océor currently comprises eleven banks and four specialized subsidiaries in Guadeloupe, French Guiana, Martinique, New Caledonia, French Polynesia, Reunion Island, Mayotte, Mauritius, Saint-Barthélemy, Saint-Martin, Saint-Pierre-et-Miquelon, Luxembourg, Morocco and Tunisia.

Retail banks with strong local ties, the banks of the Océor Group are key players in the economic development of their respective territories. They are present in all markets and provide all types of banking services: Banque des Antilles Françaises, Banque de la Réunion, Banque de Tahiti, Banque de Nouvelle-Calédonie, Caisse d'Epargne de Nouvelle-Calédonie, Banque de Saint-Pierre & Miquelon, Banque des Mascareignes, Crédit Immobilier Hôtelier, Banque TunisoKoweitienne, Fransabank SA.

The Océor Group also has subsidiaries in a number of business lines: INGEPAR; for the design and implementation of complex asset-financing solutions; Océor Lease for specialized credit solutions including leasing, rental and leasing with a purchase option; Océorane specialized in the fiscal optimization of investments in France's overseas dependencies and the financing of capital investment; and GCE Maroc, devoted to real estate activities in Morocco.

BCP France

BCP was born in 2001 of the merger of the French branches of Portugal's oldest financial institutions (Banco Mello and Banco Pinto & Sotto Mayor), after they joined the BCP group, as well as 50% of the activities of Spanish banking group Banco Popular Comercial, which in 1992 had joined Banco Atlântico, another front-ranking Portuguese financial institution acquired by the BCP group.

These three companies have a track record going back nearly 40 years in France. Combining their complementary know-how in the service of the expatriate Portuguese community gave BCP a full range of skills in savings, lending and banking services, and enabled it to continue along the road to becoming the reference among people of Portuguese descent of all generations living in France.

BCP is focused on retail banking, and has a network of 60 branches in France.

In July 2006, Groupe Caisse d'Epargne became BCP's reference shareholder.

As of December 31, 2008, BCP France had 139,000 customers, with total loans of €617 million and managed savings of €1.4 billion.

BCP Luxembourg

BCP Luxembourg was established in 1983. It was initially known as Banque Portugaise du Luxembourg.

BCP SA employs 61 people in a network of 5 branches across Luxembourg.

Like BCP France, BCP Luxembourg is focused on retail banking.

In July 2006, Groupe Caisse d'Epargne became BCP Luxembourg's reference shareholder.

As of December 31, 2008, BCP Luxembourg had 14,000 customers, with total loans of €284 million and managed savings of €121 million.

Société Marseillaise de Crédit

Regional presence going back 143 years.

Société Marseillaise de Crédit was created in 1865. The cornerstones of the bank are its deep regional roots and its strong identity.

In 1998, it launched a strategic restructuring plan based on three major priorities: clarifying its positioning by promoting close customer relationships; modernizing the company organization; and tightening management processes. Once this plan was completed in 2005, the bank concentrated on growth with its plan entitled "Sud 2008," which outlined strategic growth priorities and boosted sales performances.

Société Marseillaise de Crédit offers all its customers a close relationship with a large regional bank *via* its network of 145 branches and 18 regional divisions covering 12 *départements* and Monaco.

As of December 31, 2008, it had 194,000 clients, with managed savings of €5,240 million and total loans of €2,340 million.

BICEC

BICEC (Banque internationale du Cameroun pour l'épargne et le crédit) was created following the restructuring of BICIC (Banque internationale pour le commerce et l'industrie au Cameroun).

In March 1997, the management of BICEC was entrusted to the Groupe Banque Populaire. In 2000, BICEC became a subsidiary of the Groupe Banque Populaire.

BICEC is now a leading player in the Cameroonian banking market, with solid performances overall. With 622 employees and 28 branches, it boasts the leading branch network in Cameroon, and strong roots in the 10 Cameroonian provinces.

It has 274,000 customers, of which 266,000 personal customers and 8,000 small business customers.

As of December 31, 2008, customer deposits totaled €532 million and loans totaled €343 million.

BCI

BCI (Banque Commerciale Internationale) began operations on October 4, 2006, following its spin-off from Cofipa Investment Bank at the time of the latter's liquidation. It is 100%-owned by SAS IBP and has share capital of €3 million.

After BICEC's successful expansion in Cameroon, BCI has become the Groupe Banque Populaire's second-largest operation in the Economic and Monetary Community of Central Africa (CEMAC). BCI has 16 branches, and as such boasts the tightest network in Congo, focused on Brazzaville and Pointe-Noire. It has roughly 47,000 customers, of which 45,000 personal customers and 2,000 small business customers.

Business is growing in savings as well as lending.

- Average monthly deposits at end-2008 amounted to €104 million.
- Customer loans at December 31, 2008 totaled €64 million.

I-BP

i-BP is the Banques Populaires' single IT platform.

The businesses at the heart of i-BP's activities can be divided into three families:

- the implementation of IT systems.

  These businesses help define the outlines of IT architecture, compliance with functional constraints specific to banking activities, and the development, design and integration of applications.
- technical assistance.

  These businesses involve the control and updating of technical environments: methods; systems engineering; networks; and micros.
- operations.

These businesses help ensure the optimum functioning of our platform, in technical as well as applicative terms.

1.4.4 Financial solidarity mechanism

Internal guarantees are the key to the group's solidarity mechanisms. In accordance with the founding principles of the new central institution, there will be only one guarantee fund, established by means of the contribution of former funds, and the creation of a new direct-contribution mechanism. The new system will follow a single set of governance rules, whatever the origin of the sums held. The new fund is to have been set up by December 31, 2009 at the latest.

Management rules will be laid down in a single document. They will be passed directly on to the executive and decision-making bodies of all affiliated banks (parent companies, direct and indirect subsidiaries).

The new rules will supersede all existing rules.

STRUCTURE OF THE FINANCIAL SOLIDARITY MECHANISM

The convergence of the two former funds

The BFBP has a guarantee fund placed in the general banking risks reserve. The sums placed in this fund were obtained from the dissolution of the guarantee fund of the former Chambre Syndicale des Banques Populaires and represent a total of 450 million. No assets are recorded against the general banking risks reserve.

The CNCE has a fund formed by security deposits made by the Caisses d'Epargne et de Prévoyance (CEP). Each CEP recognizes its general banking risks reserve under liabilities, as deposits. The CNCE puts them in a special-purpose investment fund investing in safe, liquid and segregated assets. The fund is topped up by returns made on its investments, and by contributions assessed on the basis of an equal weighting of regulatory capital and the CEPs' capital requirements. In short, the CNCE records its shares in the fund as assets in its parent company financial statements; the CEPs' (interest-bearing) deposits are booked as liabilities. The CEPs recognize their deposits as assets, and a specific general banking risks reserve among their liabilities. The fund represented a total of 282 million as of December 31, 2008.

As a reminder, the general banking risks reserve, which is not eligible for this treatment under IFRS, was restated as equity when the consolidated financial statements were prepared in accordance with international standards.

The initial convergence will involve change in two areas:

- the funds will be invested in safe and liquid assets;
- the amount of each of the two funds will be lifted to €450 million.

The BFBP will record assets against the guarantee fund, and the CEPs will be called on to make an exceptional contribution of €180 million.

The contribution of funds from the BFBP's general banking risks reserve will be made by means of the constitution of assets recorded against a security deposit booked by BPCE. This term deposit will be symmetrical to that of the CEPs. As the BFBP holding company no longer has bank status, it will not be able to top up its general banking risks reserve, which will nevertheless retain its qualification for the initial sum.

Security deposits topped up by the CEPs will be held by the CNCE, which has become a holding company, and matched by equivalent funds in the BPCE's books. These sums are 10-year term deposits. The fund rules will state that security deposits made by contributors shall be paid to BPCE directly from the time of the its establishment.

As such, any movement of funds will affect the books of the BPCE, which may exert control independently of service agreements tying it to the holding companies.

The BPCE will puts these sums in a special-purpose investment fund investing in safe, liquid and segregated assets, like the CNCE's existing fund. According to terms that are currently being examined, this fund will either be open to the BFBP and the BPs, or dissolved in favor of a new investment fund, yet to be established, possibly by means of the contribution of assets already managed by existing funds. The commitment to use a single fund will be a key feature of the fund rules.

PROJECTED BALANCE SHEETS

BFBP holding company *(in millions of euros)*

Assets	Liabilities
Security deposits made to BPCE 450	General banking risks reserve 450

CNCE holding company *(in millions of euros)*

Assets	Liabilities
Security deposits made to BPCE 450	Security deposits made by the CEPs 450

CEP *(in millions of euros)*

Assets	Liabilities
Security deposits made to the CNCE holding company 450	General banking risks reserve 450

BPCE *(in millions of euros)*

Assets	Liabilities
Investment fund 900	Security deposits made by the BFBP holding company 450
	Security deposits made by the CNCE holding company 450

The guarantee fund

- Contribution base

The guarantee fund will be topped up by contributions. BPCE's Supervisory Board is yet to determine the base on which these contributions shall be made. It will take into account the breakdown of BPCE's capital. As such, calls on shareholders or the fund will be indifferent or close in terms of the final imputation of losses. The inclusion of risk-weighted assets (RWA) in the breakdown, as is already the case within Groupe Caisse d'Epargne, is not expected to have a material impact in this respect.

The principle of referring to BPCE shareholders implies that BPCE subsidiaries will not contribute, despite their being covered by the solidarity mechanism as affiliates. BPCE and its parent companies are already responsible as the direct or indirect shareholders of these subsidiaries.

The call for contributions from the CEPs, aimed at bringing their initial guarantee fund to €450 million, may be made to correct the initial breakdown and achieve contributions consistent with the new one.

The pace at which top-up contributions will be made to the fund will depend on BPCE's contribution to the consolidated net income of the group. It will amount to 5% of its net-income contribution, capped at 0.3% of the group's risk-weighted assets for the three available funds. This base has the advantage of being counter-cyclical.

An exceptional contribution could be called for should the fund's situation deteriorate, with the obligation of building it back up to 0.15% of the group's risk-weighted assets.

- Establishment of the guarantee fund

An initial contribution of €10 million per network was called up when BPCE was established, bringing the total amount available to €920 million.

BPCE will invest these funds in the investment fund that contains the security deposits of each of the two networks.

Dynamics of the guarantee funds

The guarantee funds represent 2.39% of the new Group's initial capital (€38.5 billion), and are close to the average equity of BPCE's parent companies. They will represent 0.22% of the group's risk-weighted assets. The existing funds (€732 million) represented 1.90% of capital and 0.17% of risk-weighted assets.

INITIAL GUARANTEE FUND

BPCE *(in millions of euros)*

Assets	Liabilities
Investment fund 920	Security deposits made by the BFBP holding company 450
	Security deposits made by the CNCE holding company 450
	Security deposits made by the BPs 10
	Security deposits made by the CEPs 10

Top-up contributions will be made by retaining at least 50% of the fund's management income and by debiting parent company current accounts in BPCE's books in favor of term accounts. The fund rules will allow BPCE to make such transactions at will within the framework of prior approvals agreed to by the contributors and each of the two networks' holding companies.

As such, it will not be possible for one or several parent companies to hinder the smooth running of the fund should it oppose the required payment. In extreme cases, their debit balance could exceed the group's management limits, which would allow BPCE to invoke the provisions of article L. 511-31 of the French Monetary and Financial Code.

Contributions to the contributors' specific general banking risks reserve will be made in exchange for a security deposit will be a general rule.

Management of the guarantee fund

Fund governance rules

Decisions on the use of the fund, the rate at which it is topped up or the amount to be contributed to reconstitute it are made by BPCE's Management Boards, which must inform the Supervisory Board. These rules are included in the BPCE by-laws and the fund rules.

No prior consultation of the holding companies' executive or decision-making bodies is required. The holding companies have no power to stop or oppose such decisions.

Recourse to the fund, or directly to the parent companies, is accordingly up to BPCE's Management Boards, whatever the origin of the defaulting bank (BP network, CEP network, subsidiary of BPCE or the BPCE).

The fund rules provide a definition of default (failure to pay or failure by shareholders or member-stakeholders to reconstitute capital), the size of contributions (5% of the contribution to consolidated net income, capped at 0.3% of the cooperative Group's risk-weighted assets), the thresholds at which it becomes mandatory for the fund to be reconstituted (0.15% of the cooperative Group's risk-weighted assets).

Rules for allocating the use and reconstitution of the fund

- Order of imputation

  If the defaulting bank belongs to one of the two networks (the CEPs and their subsidiaries with bank status and BPCE affiliation, the BP and their subsidiaries with bank status and BPCE affiliation), the amount:

  - is charged first against the guarantee fund of the appropriate network, i.e. against the deposit (term or demand) of the corresponding holding, until this deposit has been depleted;
  - when this deposit has been depleted, the parent companies of the corresponding network are called on to contribute within their capacities (see below);
  - when their capacities have been depleted, the amount is charged against the investment fund, i.e. against term deposits held in the books of BPCE in the name of all the parent companies;
  - if the investment fund has been depleted, any residual amount is charged against the guarantee fund of the other network, i.e. against term deposits of the other holding company;
  - if the guarantee fund of the other network has also been depleted, the parent companies of the said network are called on within their capacities.

  If the defaulting bank is BPCE or one of its subsidiaries, the amount:

  - is charged first against the guarantee fund, i.e. against term deposits held in the books of BPCE in the name of all the parent companies until it has been depleted;
  - then, symmetrically, against the two networks' guarantee funds, i.e. against the term deposits of the two holding companies;
  - if these two funds have been depleted, the parent companies are called on within their capacities.
  - capacity to contribute

  The imputation of the loss to be recognized by one of the parent companies is limited to the capacity of this entity to contribute, over and above strict compliance with the solvency ratio required by the French Banking Commission. The portion of the loss that cannot be imputed is divided between the parent companies of the same network, pro-rated on the basis of their contribution to the fund. The holding companies are treated in accordance with the principle of transparency with their shareholders.

  If all the banks in a network have used up their capacity to contribute, the banks of the other network step in, following the same rules.

  If all the parent companies have used up their capacity to contribute, any residual loss is allocated over and above their capacity in accordance with the basis for calculating contributions to the fund. In extreme cases, the reconstitution of capital would give rise to a review by BPCE's Supervisory Board, under the authority of the French Banking Commission.

- Reconstitution of the guarantee funds

  BPCE's Management Boards holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors, independently of any further authorization or approval to be obtained from their executive or decision-making bodies when the necessary resources are mobilized.

  When the fund rules so require, or when BPCE's Management Boards decides to reconstitute the funds or one of the funds, calls for contributions are made in accordance with the rules adopted for topping up the investment fund, whatever fund is concerned. Term deposits are made in the books of BPCE or the holding company of one of the networks, depending on which fund is to be reconstituted.

  The contributors to the fund(s) that had to bear the losses are first asked to reconstitute them. When all losses have been offset by new contributions, additional calls are made against all BPCE's parent companies.

1.4.5 The group's businesses

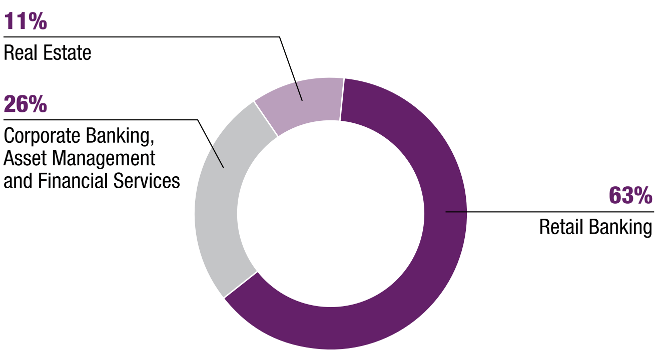
The Groupe BPCE is a multi-business and multi-brand group serving individuals, companies and institutions.

Building on strong and complementary brands, the Groupe BPCE is structured around three operating divisions:

- Retail Banking;
- Corporate Banking, Asset Management and Financial Services;
- Real Estate.

Retail Banking	• 20 Banques Populaires • 17 Caisses d'Epargne • Other networks • International and French overseas dependencies • Insurance
Corporate Banking, Asset Management and Financial Services	• Corporate and Investment banking • Savings (Asset Management, Private Banking, and Life Insurance) • Specialist Financial Services
Real Estate	• Crédit Foncier • Real Estate services FONCIA, Nexity

BREAKDOWN OF NBI



Percentages calculated excluding activities in sur-off management.

RETAIL BANKING

Banques Populaires

Created by entrepreneurs, the Banques Populaires have consistently sought to round out their offering and meet the needs of a broad customer base. France's fourth-largest banking network, they include 18 regional banks and two national networks, Crédit Coopératif and CASDEN Banque Populaire.

KEY FIGURES AS OF JUNE 30, 2009

9.5 million customers

3.5 million member-stakeholders

3,273 branches

Savings and deposits: €173 billion

Loans: €138 billion

(source: Banque Populaire reporting system)

Personal customers

ONGOING CONQUEST

The number of personal customers banking with the regional Banques Populaires increased by 0.7% year-on-year as of June 30, 2009, reaching nearly 6,382,000. The number of active customers reached 3,329,000, up 1.03% year-on-year (i-BP banks). More than 1,414,000 personal customers have their main account with a Banque Populaire bank, up 0.8% in the six months to June 30, 2009. "Simplidom," a new service facilitating changes of address rolled out early in the year, should help bolster this trend.

The number of customers aged less than 28 was up 1.5% as of end-June 2009, accounting for more than 22% of personal customers. Product ranges suited to all categories (adolescents, apprentices, students, people in their first jobs) were enriched in the first half of 2009 the launch of *"Avance Premiers Salaires"* and two new websites:

- *www.assistancescolaire.banquepopulaire.fr* provides free online tutoring, from primary school to high-school graduation, a first in the banking sector;
- *www.cinema.banquepopulaire.fr* offers programs of events and advantages linked to the cinema.

The number of member-stakeholders of CASDEN Banque Populaire (the bank for people working in the French Education, Research and Culture ministries) continued to grow, with the number of accounts up 3% year-on-year as of end-June 2009. CASDEN Banque Populaire reinforced its offering aimed at older customers in May 2009, with the *"Départ à la retraite"* personal loan, on which repayments can be deferred for up to a year.

Numbers of civil servant customers (excluding those from the Education Ministry) increased significantly, with the number of accounts up 4.2% year-on-year as of end-June 2009. The target of 400,000 customers belonging to the Association pour le Crédit et l'Epargne des Fonctionnaires (ACEF), with which Banque Populaire has formed a partnership, should be reached in the second half. Early in 2009, car and comprehensive home insurance contracts on especially favorable terms were successfully launched (source: Federal Data Warehouse).

SAVINGS AND LIFE INSURANCE: ASSET GATHERING REMAINED STRONG

Personal customers' demand deposits were up 0.6% year-on-year as of June 30, 2009.

The deregulation of the distribution of the *Livret A* savings account on January 1, 2009 led to the opening of 800,000 such accounts for personal customers in the first half. Deposits now stand at nearly €2.8 billion.

Inflows of €2 billion were recorded in life insurance in the first half of 2009, down slightly compared with the same period in 2008. However, lower returns on liquid products and *Livret A* savings accounts are prompting savers to return to life insurance, with inflows up sharply in May and June. A total of €350 million was subscribed to in unit-linked funds thanks to the success of an EMTN issue by BFBP, which drew €112 million into life insurance in two months.

Subscriptions to principle-protected funds totaled nearly €200 million.

The Banque Populaire network notched up a noteworthy performance by placing €227 million of the EDF bond between June 17 and July 6.

NON-LIFE AND PERSONAL RISK INSURANCE: SUSTAINED GROWTH

In non-life insurance, aggregate gross production in the first half of 2009 amounted to nearly 73,700 contracts, up 15.4% year-on-year. Revenues were up 4.9% at €160.4 million.

In provident insurance, Natixis Assurances' premium income was up 17% in the six months to June 30, 2009, at €68 million. Autonomis dependency-insurance contracts performed particularly well, advancing by 23% year-on-year.

LOANS: INCREASED VOLUMES

As of end-June 2009, home loans were up 5.3% year-on-year on an organic basis [(1)].

Origination totaled €1.5 billion in the six months to end-June 2009, down 7.6% compared with the same period in 2008. Personal loan volumes were virtually unchanged, edging down by 0.9% on an organic basis [(1)].

Rolled out in 2008, the Créodis revolving credit card generated €170.4 million in loan volumes in the six months to end-June 2009, with a total of 151,775 customers. This compared with loan volumes of €34.8 million, and 38,635 customers, as of end-June 2008.

The number of mature bankcards was up 0.8% year-on-year at end-June 2009, and personal customers' payments by card were up 1.7% compared with the same period in 2008 (source: Group and Payment Systems reporting system).

Private banking and real estate activities

The Banques Populaires' private banking business aims to serve high-net worth (assets of between €150,000 and €1 million at a Banque Populaire bank) and wealthy customers (more than €1 million in assets at a Banque Populaire bank) customers. It targets self-employed professionals and owners of PMEs. More recently, it has also targeted buy-to-let investors, in synergy with FONCIA.

AN AGGRESSIVE STRATEGY

Growth in private banking owes a lot to aggressive marketing policies, and the expertise of Banque Populaire banks' 360 specialist account managers and 40 financial engineering experts. If need be, they can call on the financial engineering experts of Banque Privée 1818, Natixis' private bank born of the merger between Banque Privée Saint-Dominique and Compagnie 1818.

The private banking business has a well-rounded offering, which recently received a number of additions:

- advisory services relating to the French wealth tax, with more than 20,000 wealth tax statements issued in the first half of 2009, up from 6,000 in 2008;
- fiscal optimization, with products designed around the Girardin residential and industrial tax-shelter law, with a full range of wealth-tax-shelter products combining a property fund (FCPI) and a wealth tax holding company. It received €23 million in the first half of 2009, nearly twice the amount received in 2008;
- financial savings, with high-end structured products, and, life insurance, with a legal, fiscal and financial check-up of contracts, and arbitrage mandates on offer. Other short-term offers were made in relation to market conditions;
- tools aimed at fostering advisory services on the sale of businesses and, more broadly, help for customers as they build up, manage and pass on their wealth.

Customers benefit from high-quality dedicated information: the magazine *Synthèses*, the *www.gestionprivee.banquepopulaire.fr* website and a monthly newsletter.

IMPRESSIVE RESILIENCE IN VOLATILE MARKETS

After heavy falls lasting until March 2009, a rally had brought the equity markets nearly back their level at the start of the year by the end of June. Fixed income markets offered exceptionally high yields early in the year.

Funds under private management were stable over the half-year. They totaled €32 billion for high-net-worth customers and €5.1 billion for wealthy customers (source: Federal Data Warehouse).

Inflows remained at a sustained level, especially in life insurance, with gross new money up 3.4% and 1.06% for high-net-worth and wealthy customers respectively compared with the first half of 2008.

SYNERGIES WITH FONCIA

The Groupe BPCE owns 95% of FONCIA, France's leader in the management of rental property and residential building management services. Work is continuing to develop synergies between the two networks.

FONCIA's banking services with the Banque Populaire banks represented an average of €13 million as of end-June 2009.

Cross-selling between the two networks included:

- more than 2,800 *Pass Location* loans granted by MA BANQUE for a total of €4 million. These loans finance the first month's rent, the security deposit and FONCIA's fees;
- 12,235 *Habitation MR Privilège* comprehensive home insurance contracts sold to FONCIA tenants by Assurances Banque Populaire;
- in the first quarter of 2009, €35 million in home loans managed by Solufimmo, FONCIA's loan brokerage subsidiary;
- two pilot schemes with the Banques Populaires Val de France and Sud-Ouest to encourage FONCIA tenants to become Banque Populaire customers, the early results of which have been encouraging.

(1) Including the regional banks acquired from HSBC as of January 1, 2008.

Professional customers

One in three tradespersons and one in four shopkeepers are customers of the Banque Populaire banks, which work with a total of 360,000 tradespersons and shopkeepers, 66% of whom also have their private account with a Banque Populaire bank. The leading bank among both franchisees and franchisers, with penetration of 25% and 51% respectively, the third-largest bank among self-employed professionals with 100,000 customers, it also had more than 61,000 farmers among its customers as of June 30, 2009.

EXTENSION OF THE RANGE OF FINANCING AND GUARANTEES

Every year, the Banque Populaire assists more than 70,000 people start new businesses. Working alongside most of the networks dedicated to assisting entrepreneurs, and the leading provider of business start-up loans, with market share of 28%, it supports professional micro-loans. In the first half of 2009, Crédit Coopératif opened lines of credit totaling €9.1 million for Adie (*Association pour le droit à l'initiative économique*, a leading provider of micro-loans in France). Since 2004, it has refinanced a total of €37.6 million, representing roughly 13,400 loans granted by Adie to people with plans for new businesses.

Thanks to its partnership with Socama (small business mutual guarantee companies) and the European Investment Fund, Banque Populaire offers loans entrepreneurs and buyers of small businesses without requiring a personal guarantee. More than 14,000 Socama loans were distributed in the first half of 2009, for a total of €378 million.

Banque Populaire works alongside CAPEB, a body for tradespersons and small businesses in the building industry, to support the work of tradespersons, especially *via* the ECO Artisan® scheme, and facilitate the sale of small businesses. It has formed a partnership with CRA, an association of people buying and selling small businesses, to help transactions involving franchises belonging to the French Franchise Federation. It provides active support to young self-employed professionals to help them set up their practice, and has forged several partnerships with their professional organizations to this end.

Since May 2009, Banque Populaire has also offered subsidized loans to the forestry industry within the framework of the €600 million made available following the windstorm that devastated South-West France in January 2009.

Banque Populaire also rounded out its offering of guarantees to very small enterprises by distributing SACCEF products. These guarantees cover the financing of professional or mixed-use property purchases, for a number of specific customer categories including self-employed professionals and farmers, with three new SA*CCEF Agri* guarantees rolled out in the first half of 2009.

Banque Populaire Factorem secures and finances trade receivables. The overhaul of its offering translated into growth of 4% in factoring and 17% in credit insurance in the first half of 2009.

A LEADER IN PAYMENT SYSTEMS

With more than 50% of its customers equipped with bankcards and nearly 156,000 active contracts with shopkeepers as of end-June 2009, Banque Populaire is a leading player in payment systems for professionals. Its shopkeeper clients can now accept payments on the cards of China Union Pay, the world's second-biggest issuer.

In online retailing, the *CyberPlus Paiement* solution is one of the market leaders, and enjoyed growth of 40%.

Banque Populaire is also focusing on working with healthcare professionals, with devices that read the *Sesam-Vitale* cards issued by the French Health Service and accept payments by bankcard.

A SPECIALIST IN EMPLOYEE BENEFITS FOR VERY SMALL ENTERPRISES

In a challenging and highly competitive environment, the Banque Populaire banks maintained their level of employee savings for very small enterprises (+1%), with *Fructi Duo*, the first product designed specifically for this category. The number of contracts increased by 5% to nearly 34,820, for total savings of roughly €1.8 billion.

SMEs and institutional clients

Financing 38% of companies with fewer than 1,000 employees and a first-tier banker of virtually all of France's leading corporations with Natixis, Banque Populaire assists companies with their various needs throughout their lives (source: TNS SOFRES 2007).

It turned in a strong sales performance in the first half of 2009, with 1,700 new clients among companies generating sales of more than €15 million.

Loans to non-financial companies increased by 3.7% to €46.6 billion. A partnership was formed with the European Investment Bank to finance SMEs. A new service offering a trade-receivables diagnosis was rolled out to assess the impact on cash flow of a new law modernizing the French economy.

Banque Populaire banks, including Crédit Coopératif, continued their development among institutions and players in the social economy, building on a very broad sales offering: cash management, asset management, insurance, employee benefits, financing of the regional public sector (short-term loans, bridging finance, medium- and long-term loans, infrastructure project financing) (source: Federal Data Warehouse).

Caisses d'Epargne

Serving the needs of personal customers and local authorities, the Caisses d'Epargne are among the leading banks in their respective regions. Multi-business banks, they assist all client categories with the help of complementary brands and specialized subsidiaries.

KEY FIGURES AS OF JUNE 30, 2009

27 million customers

3.9 million member-stakeholders

4,312 branches

Savings and deposits: €325 billion

Loans: €131 billion

(source: Caisse d'Epargne reporting system)

Retail banking

The Caisses d'Epargne's retail banking operations cover the personal and professional customer segments.

PERSONAL CUSTOMERS

Livret A

Against the backdrop of the deregulation of their distribution, the fall in total deposits in *Livret A* savings accounts was limited (4% since January 1, 2009). Only 210,000 requests for transfers from the Caisse d'Epargne to other banks were made in the first half of 2009, leading to 125,000 closures.

Strong performance by other savings products

The Caisses d'Epargne responded to the heightened competition by launching two new savings accounts offering higher interest rates, which recorded deposits of more than €3.5 billion in the first quarter: *Livret GrAnd FormAt* and *Livret GrAnd Prix*. Nearly 90% of funds deposited in the *Livret GrAnd Prix* had been recycled by end-June (source: Management Control reporting system).

The decline in deposits into PEL home-savings accounts was limited to €294 million thanks to sustained efforts to boost sales of these products, helped along by renewed interest in this type of investment against a backdrop of falling interest rates: net openings of PEL accounts totaled 95,000 in the first half (source: Management Control reporting system).

Sales of members' shares totaled €1.41 billion, double the 2008 level and well ahead of the target set in an adverse media environment. This reflects the high level of confidence that long-standing Caisse d'Epargne customers have in their bank.

The Caisse d'Epargne notched up an excellent performance in life insurance, boosting its market share on the back of the success of the *Livret Insurance Vie* without purchase fees: more than 100,000 of these products were sold, bringing in €1.2 billion. The first-half life insurance surplus totaled nearly €2.5 billion.

Emprunts Ecureuil recorded very strong inflows in the first half of 2009: as of June 30, they totaled €1.1 billion. As of the same date, the network's bond volumes were up 23% year-on-year at €13.5 billion (source: GCE Technologies).

The Caisse d'Epargne also placed €450 million of the EDF bond, 14% of the total (source: Natixis).

UCITS volumes held up well

Despite the severe crisis that swamped the capital markets, volumes in "home-grown" Caisses d'Epargne UCITS were down only a shade compared with the first half of 2008 (-4.5% to €22.6 billion). The decline was focused on equity funds.

Increased banking penetration

The Caisse d'Epargne is still the only major French bank to pay interest on its customers' demand deposits.

A total of €5.4 million personal customers benefited from an interest-bearing current account thanks to their Caisse d'Epargne package as of end-June 2009. Sales of the high-end *Satellis Intégral* package were up 23% in the first half. The Caisse d'Epargne also conducted a campaign offering 3% interest on demand deposits in the first three months of the year, which was a big success. A system allowing for statements to be sent electronically was set up, and six Caisses d'Epargne rolled out a card co-branded with the OM soccer team.

Lending: significant market share gains in consumer finance

The Caisse d'Epargne continued to win market share in consumer finance. In a contracting market, new loans totaled €3 billion, up 3%.

Home loans were down slightly year-on-year. Business was marked by a steep decline in the first quarter, ahead of a sharp recovery in the second quarter, bringing volumes back to their level in the first half of 2008. The Caisse d'Epargne is the third-biggest distributor of the new interest-free *éco-prêt* (green loan), set up within the framework of the French government's environmental policies to help finance thermal insulation in homes.

Non-life and provident insurance: contrasting sales performances

Rolled out in the first half of 2009, the new *Mon auto & moi* car insurance contract received a great response: sales of contracts in June were nearly 48% higher than in the same period in 2008. For each level of cover, the contracts are "all-in," with guarantees and services tailored to the client's profile: help changing tires for women; support for older clients if they are the victims of an aggression; and lower premiums for people who do not travel long distances in their cars for instance.

Sales of other non-life and provident insurance contracts were up compared with the first half of 2008, despite more muted marketing activity.

Les Caisses d'Epargne increased their penetration of the payment-protection insurance market, despite the fall in home loan origination.

Private banking: a new marketing structure at the service of 840,000 high-net-worth customers

With its 512 account managers, the private banking business continued its growth and had 123,000 active customers as of June 30, 2009. Inflows of financial savings increased sharply in the second quarter, bringing the net total to €1,331 million by end-June, driven chiefly by life insurance. However, transfers of liquidity to long-term savings sparked by lower short-term interest rates initially had a more beneficial impact on products tailored to specific market conditions (such as the *Livret Insurance Vie*) than on the private banking range.

In more general terms, 2009 saw the launch of a new structure aimed at providing special treatment for the Caisses d'Epargne's 850,000 high-net-worth customers (customers whose financial assets exceed €75,000). This structure was based on the creation of a new branch function, namely specially trained account managers offering targeted services and a first level of expertise for this important category.

As the same time, the first *Espaces Patrimoine* opened in France's big cities. The *Espaces Patrimoine* are premises dedicated to the wealthiest customers (with more than €250,000 in capital under management or a private banking profile), offering bespoke banking services and private banking solutions.

PROFESSIONAL CUSTOMERS
(source: Etude Pepites CSA Novembre 2007)

The strongest growth in the market

The Caisses d'Epargne enjoyed the strongest level of market growth in three years, with more than 220,000 professional customers (tradespersons, shopkeepers, self-employed professionals, small businesses), of which 164,000 active customers. The market penetration rate is close to 10%. There was a very significant increase among tradespersons, particularly in the building industry and the services (healthcare professionals, real estate specialists and consultants).

The chief source of new growth in retail banking

The severe crisis in the early part of the year stunted the Caisses d'Epargne's performances, with the number of banking customers up only 4%, demand deposits advancing by 8% and professional loan origination stable at nearly €1.1 billion.

For professional customers with cash to cover the day-to-day running of their business, the Caisse d'Epargne's interest-bearing current accounts are a real bonus.

With a view to helping entrepreneurs, the Caisse d'Epargne rolled out *Ecureuil Installation Pro*. In addition to offering customers a wide range of advice and directing them to the appropriate partner, this product, aimed at people setting up or buying a business, offers financing solutions without a personal guarantee, as well as a full range of banking services to help people get started (overdraft, package, bankcard, etc.). It also launched the *Forfait Auto Entrepreneur* package, including an interest-bearing current account with no transfer fees, the insurance of means of payment and the assistance of a professional account manager for a monthly fee of 6 euros.

The creation of a new self-employed status prompted the rollout, in May, of a dedicated offering in all the Caisses d'Epargne. This offer received wide media coverage, especially in the *Le Parisien Aujourd'hui en France* newspaper and industry publication *Observatoire de la Franchise*. A space for people setting up or buying small businesses was added to the *www.caisse-epargne.fr* website, and can be accessed by professional and personal customers. Its aim is to provide information for people starting or buying businesses (video describing business start-up loans, advice on presenting a plan to start or buy a business to the bank, etc.).

Greater presence in partnerships and trade organizations

A prominent participant in trade fairs, the Caisse d'Epargne has formed close ties with franchise networks. Its portfolio increased by 30%, with nearly 150 partner banners. Activity picked up speed in the second quarter, allowing production to remain steady over the half-year.

A network open to professional customers

The Caisse d'Epargne's 1,100 professional account managers and the 1,500 branch managers specially trained to serve professional customers have a high level of understanding of the issues facing these customers, and provide advice tailored for their needs. Professional customers can also count on the advice of 500 private asset managers.

Regional development banking

Regional development banking is aimed at all the decision-makers in a given region: businesses; property developers and builders; the public sector; and players in the social economy and social housing sectors. Regional development banking draws on expertise from across the entire Group, driving its growth by satisfying client expectations to an ever-increasing extent. It has directly benefited from the increase in size following the amalgamation of individual Caisses d'Epargne, giving these banks the means to offer a wider range of services to key regional accounts at the heart of the market.

All the markets contributed to revenue growth, driven by the increased provision of banking services, with aggregate average daily balances up 7.1% at €3.1 billion, and a big surplus of €1.9 billion in inflows thanks to players in the social economy and social housing sectors, as well as growth in lending despite more muted demand.

CORPORATE CUSTOMERS: A HIGH LEVEL OF GAINS OF NEW CUSTOMERS

The conquest continued at a strong level, with more than 1,000 accounts opened by the Caisses d'Epargne in the first half of 2009, up 23% compared with the same period in 2008.

In troubled times for businesses, commercial flows processed by the Caisses d'Epargne topped €18 billion, similar to the amount in the first half of 2008. Origination of investment loans by Caisses d'Epargne totaled €555 million, again consistent with the level recorded in the first half of 2008. The difficulties encountered by SMEs were monitored carefully and benefited from a very effecting mediation system.

SOCIAL ECONOMY: GROWTH IN INFLOWS AND THE PROVISION OF BANKING SERVICES

Buoyed by targeted marketing actions, surplus inflows in the Caisses d'Epargne network totaled €953 million, bringing total volumes to more than €6 billion, up 3% compared with the first half of 2008. Average demand deposits totaled €1.3 billion.

In the social economy market, the first survey of national and regional satisfaction conducted by polling institute CSA showed that 88% of Caisse d'Epargne clients were satisfied.

For persons under legal protection, more than 282,000 customers continue to place their trust in the Caisses d'Epargne.

With an increase of €169 million, funds under management were up more than 3% in the first half, bringing total volumes to €5.5 billion.

The range of products and services was rounded out by the *Equilibra* card, which does not have a personal ID number, aimed at people in great difficulty, and an online account management service, *webprotexion*, for legal representatives.

With the creation of social and budgetary assistance measures, a new training module aimed at new players (local government, social security bodies, etc.) was rolled out in synergy with Finances & Pédagogie.

PUBLIC SECTOR: SUSTAINED FINANCING OF LOCAL AUTHORITIES

Thanks to the provision of nationwide endowments set up in November 2008, medium-and long-term loan origination totaled €2.7 billion, stable compared with the first half of 2008. Classic, unstructured loans accounted for 96% of new commitments. Debt management transactions topped €800 million, an increase compared with 2008. They bore mainly on arbitrage in favor of fixed-rate loans.

SOCIAL HOUSING: GREATER PRESENCE

The Caisses d'Epargne are the leading privately owned bank in the social housing sector, historically financed by deposits in *Livret A* savings accounts. Surplus *Livret A* deposits stood at more than €1.5 billion as of end-June 2009.

The Caisses d'Epargne and Crédit Foncier obtained €2.2 billion in regulated PLS/PLI/PSLA [(1)] home loan tenders, and used the first €125 million tranche of the European Investment Bank's France Social Housing initiative, which helped them boost funding for social housing.

The Caisses d'Epargne also participated actively in the governance of more than 250 public and private social housing bodies, thanks to the reinforcement of the expertise of directors hailing from the Caisses d'Epargne.

REAL ESTATE PROFESSIONALS: SELECTIVE ASSISTANCE

The Caisses d'Epargne prioritized the monitoring of existing business and reined in loan origination, which totaled €674 million. The widening of spreads and good risk management using predictive tools helped boost profitability. Concurrently, synergies with the Real Estate division were stepped up.

(1) *PLS (prêts locatifs sociaux): loans to build social housing, PLI (prêts locatifs intermédiaires): intermediate rental loans, PSLA (prêts sociaux locatifs aidés): loans to facilitate home-ownership by low-income families.*

The other networks

FRANCE

Banque Palatine

As a business and private bank, Banque Palatine helps small business owners manage their assets throughout their personal and business lives. It provides entrepreneurs with access to all areas of banking: private banking, cash management, online banking, financing, international operations, mergers and acquisitions, etc. It has 51 branches.

MA BANQUE

The Groupe BPCE owns 65.6% of MA BANQUE alongside mutual insurers MAAF and MMA, which together own 34%. MA BANQUE and its insurer partners offer their personal customers a range of banking products suited to their needs.

Socram

The Groupe BPCE is a shareholder in Socram, which since 2009 has housed banking services designed by the Caisse d'Epargne for Macif and MAIF members. The two networks started testing these products in the first half of 2009. Wider distribution is expected later in the year.

INTERNATIONAL

VBI

The Groupe BPCE owns Volksbank International AG together with DZ Bank AG and WGC Bank, each owning a 24.5% stake. VBI manages a banking network spanning nine countries in Central and Eastern Europe. It operates 1.5 million accounts for personal customers and SMEs through a network of 630 branches.

Groupe Banque Populaire du Maroc

This partnership initiated at end-2008 became operational in the first half of 2009. It is aimed at developing business between French and Moroccan SMEs by helping finance clients wishing to set up operations in either country.

Insurance

Insurance is one of the chief growth drivers of the banking networks and the Groupe BPCE, one of France's leading bancassureurs. It is built around specialized subsidiaries and partnerships aiming to satisfy the day-to-day needs of network customers, offering a wide range of life, non-life, provident and payment-protection insurance. The Groupe BPCE is also present in personal-care services and payment vouchers, including pre-paid *Cesu* vouchers for casual employees providing such services.

N°2 bancassureur in life insurance and in personal risk insurance

N°3 bancassureur in car and comprehensive home insurance

N°2 insurer of home loans for personal customers

(source: FFSA, G11)

LIFE INSURANCE

Life insurance is the driving force in deposit gathering for the networks. The Groupe BPCE can call on several companies to satisfy their needs.

- The Groupe BPCE, together with La Poste, owns 35.5% of CNP Assurances, France's leading personal insurer. CNP Assurances designs and manages life insurance policies distributed by the Caisses d'Epargne networks, with the support of Ecureuil Vie Développement, which coordinates the business;
- Natixis Assurances provides life insurance products for the Banque Populaire banks and independent financial advisors. Prépar Vie works with the Bred network.

In the first half of 2009, life insurance sales by the Caisse d'Epargne advanced by nearly 15% thanks to the *Livret Insurance* product, which is exempt from purchase fees and has been a big success.

Life insurance volumes amounted to €5.6 billion, accounting for nearly 8% of the market as a whole. Net inflows totaled nearly €2.6 billion.

Natixis Assurances' life insurance inflows came to €1.7 billion in the first half of 2009, compared with €1.8 billion in the same period in 2008, and a total of €2 billion adding inflows for Prepar Vie. Lower returns on liquid products and the *Livret A* savings account sparked a return to favor for individual life insurance, with strong growth in May and June 2009. Natixis Assurances' individual life insurance volumes totaled €29.7 billion as of June 30, 2009, up 2% year-on-year.

Non-life and provident insurance

The group's main structures are Natixis Assurances, in partnership with MAAF in non-life insurance, and GCE Assurances, in partnership with Macif and MAIF, which hold stakes of 25% and 15% respectively in that entity.

Natixis Assurances, whose products are distributed by the Banque Populaire network, also enjoyed brisk business in non-life insurance among personal customers, with revenues of €160.4 million, up 4.9%, in the first half of 2008. The *MR Privilège* comprehensive home insurance offered to FONCIA tenants recorded strong growth.

In provident insurance for personal and professional customers, premiums issued by Natixis Assurances totaled €96.3 million in the half-year ended June 30, 2009, up a stellar 19%.

GCE Assurances, whose products are distributed by the Caisses d'Epargne network and Crédit Foncier, manages a portfolio of more than 2 million contracts and successfully rolled out a new car insurance offering in May. In the first half of 2009, its premium income totaled €239 million, up 5.4% compared with the same period in 2008.

PAYMENT-PROTECTION INSURANCE AND CREDIT INSURANCE

Inseparable from the lending business, payment-protection insurance, financial sureties and guarantees allow the group to offer a comprehensive and range of secure solutions to personal and professional customers, real estate professionals and businesses.

- The Caisses d'Epargne and Natixis Assurances work alongside CNP Assurances in payment-protection insurance for the networks' personal customers;
- The Compagnie Européenne de Garantie et Cautions, a Natixis subsidiary, is the second-largest player in the French market for loan guarantees, with strong positions in the real estate market;
- Coface, a subsidiary of Natixis, manages public procedures for export guarantees, notably market survey cover, long-term export credit insurance, foreign exchange risk cover and foreign investment insurance.

In the first half of 2009, the Caisses d'Epargne boosted their share of payment-protection insurance policies offered within the framework of the group contract managed by CNP, despite the decline in loan origination. This confirmed the appeal of the cover offered to borrowers under this contract.

Natixis Assurances recorded growth of 39% in payment-protection premium income, benefiting from growth in production by a number of Banque Populaire banks.

Five Banque Populaire banks began offering property guarantee insurance. This should help drive growth.

PERSONAL-CARE SERVICES

In personal care, the Caisses d'Epargne, with Macif, MAIF and MGEN, own the nationwide Séréna brand, while the Banques Populaires own a stake in France Domicile.

The Caisses d'Epargne have partnered Accor Services France in ACE, a joint-venture specializing in pre-paid *Cesu* service vouchers used to pay casual employees offering personal-care services. Natixis Intertitres is one of five issuers of special payment vouchers, such as CESE checks, meal vouchers and gift vouchers.

The Groupe BPCE is also a leading provider of services for old-age people, with the Fondation Caisses d'Epargne pour la Solidarité and DomusVi, in which the group owns a 17% stake.

CORPORATE BANKING, ASSET MANAGEMENT AND FINANCIAL SERVICES

With 22,000 employees throughout the world, Natixis designs banking, financial and insurance solutions suited to the ambitions of its clients – local authorities, companies, institutional investors, professionals and personal customers. To roll out its numerous financing, investment, asset management and insurance services, Natixis uses its own sales force and those of the retail banking networks, especially those of the Banques Populaires and the Caisses d'Epargne. A reference in its field, Natixis boasts front-ranking positions in France and internationally, and its marketing performances in numerous markets provide testimony to its expertise.

The first half of 2009 was marked by the very severe contraction in business in the first quarter. In the second quarter, the scaling up of government stimulus plans and a return to calm in the capital markets allowed the French economy to stabilize. Support for banks put together by the French government at the end of 2008 and interest-rate cuts by the European Central Bank (325 basis points since the start of 2009) substantially improved banks' refinancing conditions. However, demand from households and businesses continued to fall, as unemployment increased and uncertainty over the medium-term economic outlook to prevail.

In this challenging environment, Natixis continued the goal of restoring its continuing activities to health. Its marketing performances remained sound in corporate and investment banking, and in services. Asset management held up well, with net inflows of €14 billion over the half-year. Cost-cutting plans started paying off. The pro-forma Tier-1 ratio stood at 9.3% as of June 30, 2009.

A detailed strategic business review led to the implementation of a medium-term strategic plan running until 2012 and built around three business lines:

- corporate and Investment Banking, the Groupe BPCE's business bank;
- savings, including asset management, a business with global ambitions, as well as insurance and private banking;
- specialized Financial Services, offering expertise in the service of the BPCE networks.

Corporate and Investment Banking (CIB) offers companies, institutional investors, insurers and banks a diversified range of financing and capital markets solutions, building on all Natixis' skills: advisory services, origination, structuring and placement. The expertise and technical prowess of its teams, backed up by respected and award-winning research, allow Natixis to tailor solutions to its clients' needs, using the latest market developments. Natixis has a Coverage team that enables it to maintain close ties with its clients, in France and internationally, assisting them over time and offering them its profound understanding of numerous business sectors within a risk-managed framework. A dedicated platform provides financing and advisory solutions building on complementary skills in the field of specialized origination, loan structuring and distribution. Natixis' expertise is also acknowledged in the fixed-income, foreign exchange, commodities, lending and equity markets, allowing it to offer a range of diversified and bespoke products.

The continuing CIB activities recorded net banking income (excluding CPM) of €1,842 million in the first half of 2009.

Asset Management, under the aegis of the Natixis Global Asset Management holding company, develops expertise and investment solutions for the group's banking networks, institutional investors, market companies, intermediaries and personal customers. The division comprises roughly 20 specialized asset management companies in France, the US and Asia (Natixis Asset Management, Loomis Sayles, AEW Europe, Absolute Asia, etc.), backed up by Natixis Global Associates, its global distribution structure. Natixis Global Asset Management and its affiliated asset management companies work in all asset classes and capital markets worldwide. Each asset management company has its own investment style and philosophy. For instance, Natixis was a pioneer in SRI and solidarity products. It has been active in this field since 1984, where it currently has some €3.6 billion in assets under management.

In the first half of 2009, Asset Management recorded net banking income of €612 million. Natixis had €476 billion in assets under management as of June 30, 2009.

Private Equity and Private Banking covers businesses that are by nature close to clients, their organization and their professional practices.

A historic force in private equity, Natixis has been active in this field for 20 years *via* its Natixis Private Equity subsidiary. It is acknowledged as a leader in private equity for SMEs in France, with €4.3 billion in funds under management as of June 30, 2009.

In France, Banque Privée 1818 targets personal customers whose wealth requires a very high level of service and expertise. It builds on the know-how of experts and offers a wide range of services tailored to the needs of its different customer segments: wealth management for direct customers, the creation of products and services for the private banking customers of the group's networks, the sale of products and services to independent financial advisors. Natixis Private Banking International offers its solutions and know-how to European customers.

Natixis also offers **services designed for financial intermediaries or companies.** These complementary and interactive services – both commercially and technically – are structured around six business lines. Four are specialized in the design and management of products and services sold primarily by the Banques Populaires and Caisses d'Epargne networks:

- Insurance and guarantees;
- Specialized financing;
- Employee benefits planning;
- International services.

The Payments and Securities Services business lines are responsible for processing payments and transactions involving financial instruments on behalf of Group entities and external clients.

In the first half of 2009, the Services division recorded net banking income of €475 million.

The **Receivables Management** division encompasses Coface and Natixis Factor, which offer companies solutions enabling them to manage, protect and finance their trade receivables *via* four business lines: corporate credit ratings and information, receivables management, credit insurance and factoring. In France, distribution is made *via* the Coface, Natixis and BPCE networks, and *via* specialized brokers. In foreign markets, where Coface has a strong presence, marketing is done by specialized brokers and local partners belonging to the CreditAlliance network.

In the first half of 2009, the Receivables Management division recorded net banking income of €181 million.

REAL ESTATE

With Nexity, FONCIA, Maisons France Confort, GCE Habitat, Crédit Foncier, etc., the Groupe BPCE is a leading force in real estate in France. It is present in businesses along the entire chain, with front-ranking positions in financing for personal customers, businesses and local authorities, social housing and project finance.

N°1 bank in real estate financing for businesses, professionals and local authorities

N°1 privately owned player in social housing

N°1 distributor of interest-free loans for first-time buyers

N°1 in housing development

N°1 in rental and residential building management services

N°1 in residential real estate transactions

(source: strategic documents used in preparing the merger of the two central institutions)

The first half of 2009 bore the impact of the broad economic downturn and the crisis in the real estate market. Despite these difficulties, the Real Estate division, through its various entities, demonstrated great resilience – to the point of winning market share in some segments.

Real estate financing

Crédit Foncier

Crédit Foncier is France's leading bank specialized in real estate financing. It works in close synergy with the Caisses d'Epargne network, personal customers, businesses, institutions, local authorities, public and private groups. Its subsidiary, Compagnie de Financement Foncier, is one of the world's leading private bond issuers.

In a depressed market, Crédit Foncier's net banking income totaled €472 million, down 15% compared with the first half of 2008. Its gross operating income was €188 million, down 28% compared with the first half of 2008.

PERSONAL CUSTOMERS: FOCUS ON FIRST-TIME BUYERS

New loans to personal customers amounted to €3.6 billion in the first half of 2009, down 8.1% compared with the same period in 2008. Total volumes of direct loans to personal customers stood at €45.2 billion as of June 30, 2009, up 3.4% compared with end-2008.

Crédit Foncier prioritized growth in the more active first-time-buyers segment. On January 19, Crédit Foncier launched a new interest-free loan, doubling the amount offered under the previous scheme, aimed at enabling first-time buyers, builders and developers to benefit from the measures contained in the government's new-home-building stimulus package. New variable-rate, first-time-buyer and interest-free *éco-prêt* loans were added to the range. In the first half, Crédit Foncier was the biggest distributor of new interest-free and first-time-buyer loans, with 25% and 39% of the market respectively. All loan contracts were rewritten to make them easier to understand.

PUBLIC SECTOR: ORIGINATION MAINTAINED IN SOCIAL HOUSING

In social housing, new loans totaled €426 million in the first half of 2009, up 2.9% compared with the same period in 2008. Crédit Foncier focused on regulated loans, winning nearly 60% of loans offered by the government under the various schemes (PLS/PLI/PSLA).

In France's regional public sector, the first half featured stable demand for hospitals. Crédit Foncier focused on refinancing offered by the European Investment Bank (EIB). New loans totaled €345 million, down 68.2% compared with the first half of 2009. Interest-rate arbitrage transactions were carried out on existing debt totaling €603 million, up 50% compared with the first half of 2008.

With a wait-and-see attitude prevailing, new loans to local authorities outside France totaled €769 million in the first half of 2009, down 60.7% compared with the same period in 2008. Volumes amounted to €19.5 billion [(1)] as of June 30, 2009 of which 59% in Europe, 32% in North America and 9% in Japan.

PRIVATE PLAYERS: SELECTIVITY

Against a backdrop characterized by restrictions on lending and contracting markets, Crédit Foncier was highly selective. New loans to private players totaled €829 million, down 57.6% [(2)] compared with the first half 2008. Loans to developers, investors and businesses, focused on the best risks, were down sharply. Private-public partnerships rose from €100 million to €217 million, with transactions signed in 2008 getting started in the first half of 2009.

BOND MARKET: STRONG BUSINESS

Government-guaranteed issues created a new market segment, allowing the bond market to reopen, while the European Central Bank's repurchase agreements got the covered bonds market going again. With a volume of €60 billion, the ECB plan involves direct purchases on the primary and secondary markets for a year, until June 2010.

With covered bond issues down in the first half of 2009 (€61 billion as opposed to €71 billion in the first half of 2008), Compagnie de Financement Foncier, rated AAA, and Crédit Foncier, rated A+, raised €8 billion in the first half of 2009, compared with €7.5 billion in the same period in 2008. The average maturity of Compagnie de Financement Foncier's issues has gone from 3.9 years in 2008 to 10 years in 2009, reflecting the confidence of leading investors in its name.

(1) Direct loans + securities backed by international residential mortgages + sovereigns other than France.

(2) Including acquisitions of securities backed by mortgages on commercial property.

Real estate services

Nexity

France's leading private player in real estate development and urban renewal, the number two player in real estate services with Lamy and the Century 21 and Guy Hoquet realtor networks, Nexity is the front-ranking integrated player in real estate in France. It can provide a seamless response to the real estate needs of personal customers, institutional investors, businesses and local authorities, and benefits from a diversified revenue base, part of which is recurrent.

In a difficult climate, Nexity demonstrated its resilience by posting consolidated sales of €1,312 million in the first half of 2009 (stable compared with the first half 2008) and an operating profit of €94 million, putting the operating margin at 7.2%.

REAL ESTATE DEVELOPMENT: RECOVERY IN HOUSING

The market for new homes was in very poor shape in the second half of 2008, but started improving in February 2009 on the back of falling interest rates and government stimulus, with the doubling of interest-free loans to first-time buyers and the new Scellier-Carrez tax shelter for investments in rental property.

A total of 5,794 off-plan sales of new homes were made in the first half of 2009, up 31% compared with the same period in 2008. Purchases of allotments were down 18%, hurt by sluggish demand from private developers, at 959 units.

Investments in office buildings remained very depressed in France, falling by 68% from €7.1 billion in the first half of 2008 to €2.3 billion in the first half of 2009. Nexity is an active player in the development of office buildings, logistics platforms and business parks, primarily in the Greater Paris region, but also in the South-East (Lyon, Aix-en-Provence/Marseille) and major European cities (Brussels, Madrid, Milan, Warsaw). Programs are generally sold to institutional investors or their future occupants before building begins.

REAL ESTATE MANAGEMENT AND TRANSACTIONS: CONTRASTING SITUATIONS

The number of residential units under management was unchanged at end-June 2009, at 990,000. Office space under management totaled 7.7 million square meters, down 12% compared with December 31, 2008. Nexity continued reorganizing its real estate management activities by client segment, around its main brands, Lamy, Saggel and Richardière.

The number of franchised realtors was down by 134 compared with December 31, 2008 at 1,465 branches as of end-June 2009 and their transactions down 11.2%.

FONCIA

FONCIA is France's leader in residential property management and transactions, with 522 integrated and 116 franchised branches as of June 30, 2009. Its sales totaled €268 million in the half-year ended June 30, 2009, up 3% compared with the same period in 2008.

Management activities held up well, with 241,000 units under rental management as of June 30, 2009, up 11% year-on-year, and 32,000 buildings managed, representing more than 1 million units, up 7% year-on-year. The economic environment put a damper on transactions and rental activities.

The first half of 2009 was also marked by the start of the rollout of Thétrawin, a new IT tool, which will continue until early 2010. The new tool is aimed at streamlining the day-to-day running of branches, in terms of both productivity and the quality of service offered to customers, and will soon make it possible to offer online services.

Maisons France Confort

The Groupe BPCE owns 49% of Maisons France Confort, the second-largest builder of single-family homes in France. Market conditions pushed orders down 14.3% in 2008, and lengthened the time needed to issue loans. This in turn pushed building starts down by about 30% over the half-year, partially offset by shorter building times.

Sales totaled €213.8 million, down 20.3% compared with the first half of 2008.

Demand nevertheless picked up strongly in the second quarter: the number of orders increased by 11.2%. Maisons France Confort gained market share, with 3,177 orders in the first half of 2009, of which roughly 500 PASS FONCIER®. This represents growth of 4.2% in volumes, in a market down 11% (source: Markemetron).

Meilleurtaux

The Groupe BPCE, jointly with Nexity, Macif and MAIF, owns a majority stake in Meilleurtaux, one of France's leading home-loan brokers for personal customers. Its sales totaled €13.5 million in the first half of 2009.

The management of real estate assets

Eurosic

Eurosic is a listed real estate company. It owns more than 150,000 square meters of office space in Paris and the Greater Paris region, including the Groupe BPCE's headquarters. It also owns leisure properties managed by Center Parcs and Club Med, and refrigerated warehouses leased to the same operator. Some 41,000 square meters of office space are under development in La Défense, Boulogne-Billancourt and Paris, and are slated for delivery in July 2009, end-2009 and mid-2010.

Consolidated sales totaled €40.3 million in the first half of 2009, up 11.4%, or 4.1% on an organic basis, with a financial occupation rate of more than 99%. Rental on office space accounted for 54% of the total, leisure facilities 25%, business parks 16% and logistics 5%.

AEW Europe

With the economy in trouble and market conditions difficult, AEW Europe, a Natixis subsidiary specialized in the management of property assets, managed to maintain fairly strong business, with:

- the "HQE" high environmental quality distinction (programming and design) for a logistics platform acquired by the Logistis III fund, located in the Plaine de l'Ain business park. This transaction, covering nearly 30,000 square meters, delivered in January and leased to Groupe Chevallier, also benefits from a rail connection;
- the acquisition of four major logistics warehouses for a total of £70.25 million located to the west of London/Heathrow. The assets purchased on behalf of the EPISO fund are the four biggest individual assets sold by Brixton, a real estate development company;
- the signature with ProLogis, on behalf of its CCP II fund, of a sale contract bearing on a €119.5 million logistics platform, representing an initial net yield of more than 8%. The 229,000-square-meter platform comprises seven high-quality assets located in Germany and the Netherlands;
- the initiation of the sale process, on behalf of CNP, for a portfolio of office buildings located in the Greater Paris region with a total value of €480 million;

- a fourth IPD Award received in the "diversified funds" category for one of the portfolios managed on behalf of the Caisse des Dépôts.

Social housing and semi-private companies

France's leading banking company in the social housing field with the Caisses d'Epargne, the group is also the leading privately owned operator in the field of social housing, with GCE Habitat and ERILIA, which manage 146,000 social housing units and produce around 4,000 homes per year. The group is also present in the field of semi-private companies with GCE SEM.

GCE Habitat

GCE Habitat manages a portfolio of nearly 70,000 social housing units. Its activities revolve around social housing, nursing homes developed for the Fondation Caisses d'Epargne pour la Solidarité and institutional partners, technical engineering and IT services for Social Housing Enterprises and semi-private companies, with more than 200 clients.

The first half of 2009 benefited form a return to favor for social housing companies against the backdrop of a real estate crisis and cuts in the interest rate paid on the *Livret A* savings account on February 1. A total of 639 social housing units were delivered in the first half, out of a target of 1,800 for the full year. Building started on 883 units out of a total of 2,000 for the year as a whole.

ERILIA

ERILIA manages 46,000 social housing units, retirement homes, student housing and accommodation for seasonal workers. Highly active in the field of urban renewal, Erilia delivered 956 social housing units in the first half of 2009. It has 2,505 units under construction and 2,426 under renovation.

GCE SEM

Groupe Caisse d'Epargne is the largest private shareholder of semi-private companies in France. Devoted solely to semi-private companies, GCE SEM holds stakes in semi-private companies operating in the fields of development, urban renewal, social housing and mixed-use projects.

Two projects were launched in Marseille in the first half:

- the Docks Libres project, in partnership with Nexity and Sogima, which includes social housing and a business village on the Euro Méditerranée site;
- the building of 22,000 square meters of social and intermediate housing as well as a hostel for disabled workers, a crèche and offices in the city's fourth *arrondissement*.

2

CORPORATE GOVERNANCE

2.1 Introduction

The Corporate Governance Code of AFEP (*Association française des entreprises privées* – French Private Business Association) – MEDEF (*Mouvement des entreprises de France* – French Business Movement) is the one to which BPCE referred in preparing this report, as set out in Article L. 225-68 of the French Commercial Code.

Only the provisions on minority shareholder representation were excluded (as they are not applicable to BPCE). Other provisions did not appear relevant with regard to BPCE's operations and the makeup of its board: terms of office and the staggering of board members' reappointments, their possession of a significant number of shares, and the provisions relative to their serving on the committees of a company when directors of said company are already serving on committees created within their own company.

Moreover, in accordance with the agreement signed with the French State on October 24, 2008 and in connection with the French government's economic recovery program, BPCE formally declares that it adheres to and implements the AFEP-MEDEF recommendations on directors' remuneration.

2.2 Supervisory Board

2.2.1 Composition

BPCE's Supervisory Board Members took office effective July 31, 2009, for a term of six years.

2.2.2 Principles

Pursuant to Article 21 of the bylaws, BPCE's Supervisory Board is composed of between ten and eighteen members, i.e., as of July 31, 2009, seven Category A shareholder representatives, seven Category B shareholder representatives, and four Category C shareholder representatives, appointed by the government, of which two are independent within the meaning of the Corporate Governance Code for listed companies, published in December 2008 by AFEP-MEDEF.

Also attending the Supervisory Board meetings with no right to participate in the discussion or vote:

- representatives of the company's Work Committee, pursuant to Article L. 432-6 of the French Labor Code;
- one employee representative from the Banques Populaires network, elected by a single council per the terms set out in Article 25.3 of BPCE's bylaws;
- and one employee representative from the Caisses d'Epargne network, elected by a single council per the terms set out in Article 25.3 of BPCE's bylaws.

2.2.3 Members

The Supervisory Board is chaired by Philippe Dupont, who is also a member of BPCE's Cooperative Committee.

Mr Dupont, 58, has been Chairman and CEO of Banque Fédérale des Banques Populaires since 1999, and Chairman of the Management Board of Natixis. Holding a degree in Management and Economics, Mr Dupont was director of a commodities wholesaler for twelve years and then Chairman of the Board of Directors of BP ROP Banque Populaire (now Banque Populaire Val de France). Mr Dupont is a member of the Executive Committee of the French Banking Federation.

The Board's Vice-Chairman is Yves Toublanc, who is also a member of BPCE's Cooperative Committee.

Mr Toublanc, 63, is a business school graduate and Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes. For many years, he was active in management control and financial management in the Saint-Gobain group, and is a member of the Chamber of Commerce and Industry of Savoie, in which he served as Chairman of the Finance Committee.

In addition to the Chairman and Vice-Chairman, the Board is composed of the following Category A shareholder representatives:

- Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Bernard Comolet, Chairman of the Management Board of the Caisse d'Epargne Ile-de-France;
- Francis Henry, Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Lorraine Champagne-Ardenne;
- Pierre Mackiewicz, Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Côte d'Azur;
- Didier Patault, Chairman of the Management Board of the Caisse d'Epargne Bretagne-Pays de Loire;
- Pierre Valentin, Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Languedoc-Roussillon.

And the following Category B shareholder representatives:

- Gérard Bellemon, Chairman of Banque Populaire Val-de-France;
- Thierry Cahn, Chairman of Banque Populaire d'Alsace;
- Jean Criton, Chief Executive Officer of Banque Populaire Rives de Paris;
- Pierre Desvergnes, Chairman of CASDEN Banque Populaire;
- Stève Gentili, Chairman of BRED Banque Populaire;
- Bernard Jeannin, Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté.

And the following Category C shareholder representatives:

- Laurence Danon, Independent Member, Management Board Member of Edmond de Rothschild Corporate Finance;
- Ramon Fernandez, Chief Executive Officer of the Treasury and Economic Policy with the French Ministry of the Economy, Industry, and Employment;
- Marwan Lahoud, Independent Member, Director of Strategy and Marketing and Member of the Executive Committee of EADS;
- Hervé de Villeroché, Head of Finance, the Economy, General Management of the Treasury, and Economic Policy with the [French] Ministry of Economy, Industry, and Employment.

2.2.4 Non-Voting Members

The Supervisory Board includes seven non-voting members acting in an advisory capacity. In addition to Natixis, a non-voting member ipso facto, the mixed shareholding body, at its July 31, 2009 meeting, temporarily appointed six non-voting members until the end of the integration period, as follows:

- three non-voting members appointed from among the candidates proposed by Category A shareholders, per Article 31.1 9 of BPCE's bylaws;
- three non-voting members appointed from among the candidates proposed by Category B shareholders, per Article 31.1 10 of BPCE's bylaws;

All the information on the members of the Board appears in the table appended to this report.

2.2.5 Appointment of representatives

During the company's life, and subject to co-opting, Supervisory Board Members are appointed to office by the ordinary general shareholders, as indicated in Article 30 of BPCE's bylaws, on a motion by A or B shareholders, depending on the category in question.

As for Supervisory Board Members produced by Category C shareholders, they are chosen from among the candidates appointed by the government. This right of appointment is specifically assigned to the government and cannot be transferred in any event.

Supervisory Board Members hold office for a term of six years. A Supervisory Board Member's duties come to an end after a meeting at which the ordinary shareholders have ruled on the accounts for the past fiscal year, held during the year in which his or her term expires.

Board Members may be re-elected.

2.2.6 Role and Organization

INDEPENDENCE OF MEMBERS

In keeping with the principles and good practice of corporate governance as set out in the Board of Directors' Internal Rules, adopted on July 31, 2009, Supervisory Board Members:

- seek to preserve the independence of their judgments, decisions, and actions in all circumstances. agree not to be influenced by any factor that is contrary to the company interest they have agreed to defend;
- undertake to avoid any conflict that might exist between their moral or material interests and the Company's. inform the Supervisory Board of any conflict of interest in which they might be involved. In such event, they abstain from discussions and from any decision as to the matters concerned.

Moreover, the Supervisory Board and all of its committees include elected or co-opted independent members. The definition shown below is taken from the recommendations of the Corporate Governance Code published in December 2008 by AFEP-MEDEF.

The purpose of the criteria listed below is to pinpoint the qualification of "independent member," knowing that its guiding principle is as follows: "a member is independent when he or she has no relationship whatsoever with the company, its group, or its management that might compromise the exercise of his or her freedom of judgment."

An independent member must not:

- be an employee or corporate officer of the Company or the group, or an employee or director of one of the Company's shareholders, and must not have been so during the previous five years;
- be a government representative, civil servant, or employee of the Acquiring Company of the government or any other entity that is majority-owned, directly or indirectly, by the government;
- be a corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or a corporate officer of the Company (currently or within the last five years) holds a directorship;
- be a client (or directly or indirectly linked to a client), supplier, investment banker, or financing banker, if the business relationship is such that they could compromise the exercise of the freedom of judgment of the member in question;
- have close family ties to one of the corporate officers of the Company or his or her group;
- have been an examiner, accountant, or permanent or temporary auditor of the Company or of any of the group's companies during the last five years;
- be a corporate officer of the company for more than twelve years;
- or receive or have received any substantial additional compensation from the Company or the group, excluding attendance fees, including any participation in any stock option formula or any other performance-based compensation formula.

The expression "corporate officer" means any person who assumes, in the Company or any of the group's companies, the duties of management, i.e. any Chairman, Chairman of the Board of Directors or Management Board, Member of the Management Board, Chief Executive Officer or Executive Director of the Company or any of the group's companies, except for Members of the Board of Directors or Supervisory Board, provided these latter do not collect any other form of compensation from the Company or any of the group's companies, not including any attendance fees paid by the Company or any compensation as Chairman or Vice-Chairman of the Supervisory Board.

The Supervisory Board may find that one of its members, although meeting the criteria above, should not be qualified as independent given his or her individual situation or that of the Company, with regard to his or her shareholding or for any other reason.

INTEGRITY OF MEMBERS

Pursuant to the Internal Rules of BPCE's Supervisory Board, Supervisory Board Members perform their duties with loyalty and professionalism.

They undertake no action to harm the Company's interests, and they act in good faith in all circumstances.

Furthermore, all members of the Supervisory Board and its committees, as well as anyone who may be invited to attend their meetings, are held to an obligation of professional secrecy as provided for in Article L. 511-33 of the French Monetary and Financial Code and to an obligation of discretion on their deliberations, as well as on any confidential information or information presented as confidential by the Chairman of the Meeting, as provided for in Article L. 225-92 of the French Commercial Code.

The Chairman of the Board reiterates that the proceedings of a Meeting are confidential whenever regulations or the interests of the Company or the group may require it. The Chairman of each Board committee proceeds in the same fashion.

The Chairman of the Board or of any Committee does whatever is necessary to guarantee that the proceedings of a Meeting remain confidential. To that end, he or she may require anyone attending the Meeting to sign a confidentiality statement.

In the event that any member of the Board or of one of its committees fails to abide by his or her obligations, particularly with respect to confidentiality, the Chairman of the Supervisory Board refers the matter to the Board with the intent of issuing a warning to said member, independently of any measures that may be required by applicable laws or regulations or the group's own bylaws.

The Board member shall be informed in advance of any motions as to penalties to be applied to said member and shall be able to present his or her observations to the Supervisory Board.

Finally, Supervisory Board Members:

- undertake to dedicate the necessary time and attention to their duties;
- must, unless impossible, attend all of the meetings of the Supervisory Board and the Committees of which they are members;
- stay informed about the Company's business lines, activity details, stakes, and values;
- endeavor to update the knowledge that is useful to them in fulfilling their duties;
- are bound to require and to make every effort to obtain, within an appropriate time, the items of which they consider they must be informed before deliberating at the Supervisory Board Meeting in full knowledge of the facts.

In accordance with Commission Regulation (EC) No. 809/2004 (14.1, 14.2):

- none of the people who are Members of the Supervisory Board, Management Board, or Executive Management:
  - has had any conviction in relation to fraudulent offences for at least the past five years,
  - has been associated with any bankruptcies, receiverships or liquidations for at least the past five years,
  - has been subject to any official public incrimination and/or sanctions of such person by statutory or regulatory authorities,
  - has been prevented by a court of law from acting as the member of an administrative, management, or supervisory body of an issuer, or from being involved in the management or running of the business of an issuer during the last five years.
- there are no family relationships between these persons;
- there are no potential conflicts of interest between the Board Members with regard to BPCE and their private interests, in keeping with the aforementioned European regulation;
- there is no service agreement binding the Board Members to BPCE that might stipulate that benefits be awarded at the end of such an agreement and that would be likely to challenge their independence or interfere in their decisions. Moreover, the banking relationship between BPCE's subsidiaries and the groups chaired by the Independent members are not likely to affect the impartiality of their judgment;
- none of the Board Members is bound to the Company or to any of its subsidiaries by an employment contract.

RESPONSIBILITIES AND POWERS

The Supervisory Board performs the duties that devolve to it by law. Throughout the year, it performs the checks and controls that it deems appropriate, and may request disclosure of any documents it deems useful in the accomplishment of its duties.

To this end, the Supervisory Board:

- receives a report from the Management Board on the transaction of the Company's business once per quarter;
- checks and controls the Company's individual and consolidated parent company financial statements prepared by the Management Board and presented by that Board within three months from the year-end closing, along with a written report on the Company's and its subsidiaries' position and their activity during the past year;
- presents its observations on the Management Board's report and on the annual financial statements at the ordinary general shareholders' meeting.

Pursuant to law, the following transactions cannot be performed by the Management Board until they have secured prior authorization from the Supervisory Board, acting by simple majority of its present or represented members:

- disposal of buildings by type and total or partial disposals of interests;
- provision of security interests on corporate assets.

In addition to these powers, the Supervisory Board has powers to:

- appoint the Chairman of the Management Board;
- on the motion of the Chairman of the Management Board, appoint the other members of the Management Board;
- set the method and amount of compensation for each member of the Management Board;
- confer the powers of Chief Executive Officer on one or more Management Board Members, or remove those powers from them;
- move for the appointment of the Auditors at the general shareholders' meeting;
- decide where to move the registered offices within the same department or in an adjacent department, subject to that decision being ratified at the next ordinary general shareholders' meeting;
- approve the group's policy and strategic guidelines as well as those of each network;

- authorize any planned transaction or buyback of C shares for an amount greater than €200 million;
- approve the company's annual budget and set the rules for calculating dues owed by the affiliated entities;
- pronounce approval of disposals of securities;
- authorize the conclusion of regulated agreements pursuant to the French Commercial Code;
- approve the group's internal solidarity mechanisms;
- approve the national and international agreements involving each of the networks and the group as a whole;
- approve the general criteria that must be fulfilled by the directors of the group's affiliated entities to obtain approval – including age limits, which cannot exceed 65 years old for Chief Executive Officers or members of the Management Board, and 68 years old for Chairmen of the Board of Directors, Steering Board and Supervisory Board;
- authorize the directors of affiliated entities or remove authorizations of directors of affiliated entities and make other dismissals as set out in Article L. 512-108 of the Monetary and Financial Code;
- approve the creation or removal of a Banque Populaire or a Caisse d'Epargne et de Prévoyance, specifically by means of a merger of two or more Banques Populaires or two or more Caisses d'Epargne et de Prévoyance;
- review and approve the primary limits in terms of group risks and of each of the networks defined by the Management Board; regularly review and audit the group's risk statements, any changes in them, and the systems and procedures in place to control them; review internal oversight's activity and results, as well as the principal lessons taken from the engagements of the group's Internal Audits;
- appoint BPCE's representatives to Natixis' Board of Directors, among whom representatives from the Groupe Caisse d'Epargne and representatives from Groupe Banque Populaire will be of identical number and will hold at least the majority of seats together;
- any decision to subscribe or acquire (or to enter into any agreement binding the Company for the purpose of subscribing or acquiring), by any means (including by contribution to the Company), securities or rights of any type whatsoever, be they issued by a company or any other entity, and representing an investment or asset transfer value, directly or indirectly, for an amount greater than €1 billion;
- any decision to transfer (or to enter into any agreement binding the Company for the purpose of a transfer), by any means, securities or rights of any type whatsoever held by the Company and representing for the Company a disinvestment of an amount greater than €1 billion;
- any decision by the Company to issue capital securities or securities giving immediate or eventual access to the Company's capital, with the shareholders' preferential subscription rights waived;
- any decision to move before the general shareholders for any statutory changes concerning the Company that affect or are likely to affect the rights of Category C shareholders, or that change the terms of governance;
- any merger, division, spin-off, or related decision involving the Company;
- any decision about a significant change to the Internal Rules of the Company's Supervisory Board affecting the specific rights of Category C shareholders;
- any decision to remove the capacity of Chairman from the Chairman of the Company's Management Board;
- and any decision as to the admission of shares of the Company or any one of its primary subsidiaries (direct or indirect) to trading on a regulated market.

Furthermore, the Supervisory Board adopts the Board's Internal Rules.

The Supervisory Board's decisions, taken in the context of the Company's exercise of its functions as the central body of the network, are preceded by a consultation with Natixis.

RULES AND PRINCIPLES GOVERNING THE SETTING OF REMUNERATION AND BENEFITS

The July 31, 2009 Combined General Shareholders' Meeting set the total amount of attendance fees payable by BPCE at €600,000.

REMUNERATION OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Philippe Dupont, Chairman of the Supervisory Board receives:

- annual lump-sum compensation of €400,000;
- as well as a yearly housing benefit of €40,000;
- this compensation is exclusive of any attendance fees collected.

ATTENDANCE FEES PAID TO SUPERVISORY BOARD MEMBERS

The rules for attributing attendance fees are as follows:

Yves Toublanc, Vice-Chairman of the Supervisory Board:

- is paid €80,000 annually;
- plus €1,500 for each meeting he or she attends, up to the limit of six meetings during the fiscal year.

Each Member of the Supervisory Board is paid:

- €10,000 annually;
- plus €1,000 for each meeting he or she attends, up to the limit of six meetings during the fiscal year.

ADDITIONAL REMUNERATION OF SPECIALIZED COMMITTEE MEMBERS

Marwan Lahoud, Chairman of the Audit and Risk Management Committee is paid:

- €30,000 annually;
- plus €500 for each meeting he or she attends, up to the limit of six meetings during the fiscal year.

The other Members of the Audit and Risk Management Committee are paid:

- €5,000 annually;
- plus €500 for each meeting they attend, up to the limit of six meetings during the fiscal year.

Laurence Danon, Chairman of the Appointing and Compensation Committee is paid:

- €15,000 annually;

- plus €500 for each meeting he or she attends, up to the limit of three meetings during the fiscal year.

The other Members of the Appointing and Compensation Committee are paid:

- €2,000 annually;
- plus €500 for each meeting they attend, up to the limit of three meetings during the fiscal year.

REMUNERATION OF NON-VOTING MEMBERS

Finally, pursuant to Article 28.3 of the bylaws, the Supervisory Board has decided to compensate non-voting members by making a deduction from the attendance fees allocated by the general shareholders' meeting to its members.

As such, non-voting members are paid:

- €5,000 annually;
- plus €500 for each Supervisory Board Meeting they attend, up to the limit of six meetings during the fiscal year.

INTERNAL RULES OF THE SUPERVISORY BOARD

The Internal Rules of the Supervisory Board, adopted at the Board's meeting on July 31, 2009, are the Supervisory Board's governance charter, which sets its internal operating procedures, specifically intending to ensure ease of exchange and the smooth operation of company bodies.

It contributes to the Supervisory Board Members' work by promoting the application of the principles and good practices of corporate governance that are demanded by ethics and efficacy.

Finally, its purpose is to add to the bylaws, specifically:

- specifying the procedures for convening Meetings of the Supervisory Board and the committees it has set up, as well as the rules under which they are to deliberate;
- specifying the various committees' duties;
- specifying the obligation of professional secrecy and confidentiality to which the members of the Supervisory Board and its committees are held;
- and stating the penalties for failure by any member of the Supervisory Board or of any of its committees to abide by either obligation.

2.3 Management Board

2.3.1 Composition

The Members of the Management Board were appointed by the Supervisory Board on a motion by the Chairman of the Management Board at their meeting on July 31, 2009, for a term of four years.

2.3.2 Principles

The Management Board is made up of between two and five members who are natural persons. They do not have to be shareholders.

Management Board Members are at most 65 years of age. When a Member reaches that age limit, he or she is considered removed from office as of the date of the next closest meeting of the Supervisory Board, which will decide on his or her replacement.

The Chairman of the Management Board is appointed by the Supervisory Board.

2.3.3 Members

François Pérol is Chairman of BPCE's Management Board and also Chairman of Natixis' Board of Directors.

A graduate of the HEC business school and the Paris IEP (Institute of Political Studies) and a former student of the *Ecole Nationale de l'Administration* (ENA), Mr Pérol began his career with the *Inspection générale des Finances* (Ministry of Finance) in 1990. In 1994, he became Assistant Secretary General of the CIRI (interministerial committee on industrial restructuring). In 1996, he was appointed to head the Treasury as Head of the Financial Market Office.

From 1999-2001, he was secretary general of the *Club de Paris,* in charge of international negotiations on debt. From Assistant Director of Corporate Finance and Development in the Treasury Department in 2001, he was appointed Deputy Executive Director for Francis Mer, Minister of the Economy, Finance and Industry, then Deputy Executive Director for Nicolas Sarkozy, Minister of State, and Minister of the Economy, Finance and Industry in 2004.

In 2005, he became a Managing Partner of Rothschild & Cie.

In May 2007, he was appointed Assistant Secretary General to the President of France.

Since March 2, 2009, Mr Pérol has been Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne and Chief Executive Officer of Banque Fédérale des Banques Populaires.

Yvan de La Porte du Theil is Chief Executive Officer and Member of the Management Board in charge of the Banques Populaires network.

With a degree from the *Institut d'Administration des Entreprises* (IAE Nantes) and the *Institut de Contrôle de Gestion* (Nantes) business schools, Mr de la Porte du Theil joined Groupe Banque Populaire in 1973. In 1982, he was appointed Deputy Chief Executive Officer of Banque Populaire Val de France. In 1993, he joined the Chambre Syndicale des Banques Populaires where he was by turns Central Director in Charge of Development, Communication and International Affairs, then Deputy Chief Executive Officer, and finally, Executive Chief Executive Officer in Charge of Development, International, Organization, and Technology. He was appointed Chief Executive Officer of Banque Populaire Val de France in 2000.

Yvan de La Porte du Theil has been Executive Director of Banque Fédérale des Banques Populaires since March 2009.

Alain Lemaire is Chief Executive Officer and Member of the Management Board in Charge of the Caisses d'Epargne network.

Mr Lemaire holds a master's degree in public law and is a graduate of the *Ecole Nationale des Impôts* [French tax law school] and the ENA. He began his career with the *Caisse des Dépôts et Consignations* and *Crédit Local de France* (CLF). A Member of CLF's Management Board beginning in 1991, he became a Member of the CDC's Executive Committee in 1993. In 1997, he joined the Groupe Caisse d'Epargne as a Member of the Management Board of the CENCEP (the body that gave birth to the CNCE in 1999).

He was Chief Executive Officer of Crédit Foncier from 1999-2002 and was appointed Chairman of the Caisse d'Epargne Provence-Alpes-Corse in 2002.

Mr Lemaire has been Chief Executive Officer of the Caisse Nationale des Caisses d'Epargne since October 2008 and a Member of the Supervisory Board since 2002.

Nicolas Duhamel is Chief Executive Officer and Member of the Management Board in Charge of Finances.

A graduate of the IEP (Political Studies Institute) in Paris, Mr Duhamel holds a degree in law, a degree in economics, and is an alumnus of ENA (Business Administration School). He was a Finance Inspector at the Ministry of the Economy until 1984. He subsequently had financial responsibilities in several businesses: Head of the Financial Department of France Telecom from 1984 to 1988, Chief Financial Officer of the listed group Havas from 1993 to 1998, and Deputy Chief Executive Officer of the publishing arm of Vivendi Universal until 2001.

Since 2002, Mr Duhamel has been Executive Director, CFO of the La Poste group, and a Member of its Executive Committee.

Jean-Luc Vergne is Chief Executive Officer and Member of the Management Board in charge of Human Resources.

With a master's in public law, Mr Vergne began his career at Sanofi, where he held different positions. He became Human Resources Director for Sanofi in 1987 and for the ELF group in 1993. He joined PSA Peugeot Citroën in 2000 as Human Relations and Resources Director and Member of the Executive Committee, then Member of the Corporate Management Committee in 2007. Mr Vergne was also Chief Executive Officer of Peugeot Citroën Automobiles from 2002 to 2009.

He is Chairman of the AFPA (Adult Professional Training Agency).

2.3.4 Role and Organization

INDEPENDENCE – INTEGRITY

Members of the Management Board may perform other offices subject to compliance with the laws and regulations in force.

A Member of the Management Board cannot perform similar duties or those of Chief Executive Officer, Deputy Chief Executive Officer, or Sole Chief Executive Officer in a Caisse d'Epargne et de Prévoyance or a Banque Populaire.

DUTIES AND POWERS

Pursuant to Article 18 of BPCE's bylaws, the Management Board is invested with the broadest powers to act in all circumstances on behalf of the Company, in the context of the corporate purpose, and subject to the decisions requiring prior authorization under the law or these bylaws of the Supervisory Board and the Shareholders' Meetings.

In particular, the Management Board:

- performs the duties of a central body of the Company as set out by law, and, where applicable, after receiving prior authorization from the Supervisory Board as set out in these bylaws;
- exercises all the banking, financial, administrative and technical powers;
- approves the appointment of persons serving in senior management within the Company's primary subsidiaries (direct or indirect);
- appoints the person(s) in charge of performing the temporary duties of management or control of an affiliated entity in the event of the removal of persons mentioned in Article L. 512-108 of the French Monetary and Financial Code, as decided on by the Supervisory Board;
- in emergencies, decides whether to suspend one or more head executives in an affiliated bank as a protective measure;
- employs the group's internal solidarity mechanisms, specifically by calling in the networks' and the group's guarantee and solidarity funds;
- approves the bylaws of affiliated entities and local savings companies as well as any changes that must be made to them;
- sets the rules on compensation for executives in charge of affiliated banks and the elements of compensation or benefits awarded to these latter when leaving office or subsequently;
- more generally, lays down the general internal guidelines that are obligatory for all affiliated banks to uphold, with a view to ensuring the goals defined in Article L. 511-31 of the French Monetary and Financial Code.

The Management Board is bound to comply with the limits on powers set out specifically in Articles 27.1, 27.2, 27.3 and 27.4 of BPCE's bylaws defining the duties of the Supervisory Board.

The Chairman of the Management Board represents the Company in its dealings with third parties.

On a motion of the Chairman of the Management Board, the Supervisory Board may assign the same representative power to one or more other Members of the Management Board, who then have the title of Chief Executive Officer. The Chairman of the Management Board and the Chief Executive Officer(s), if any, are authorized to have any special agents they disclose stand in for them to exercise their powers partially.

With the Supervisory Board's authorization, Management Board Members may divide management tasks up among themselves, on a motion by the Chairman of the Management Board. But this division cannot in any case result in removing from the Management Board the nature of a corporate body acting collegially.

Finally, once every quarter, the Management Board presents a written report to the Supervisory Board on the Company's pace of business. Within three months from each year-end closing, the Management Board closes the parent company financial statements and presents them to the Supervisory Board for the purposes of checks and controls. Within the same time frame, it submits the consolidated accounts, where applicable.

RULES AND PRINCIPLES GOVERNING THE SETTING OF REMUNERATION AND BENEFITS

Pursuant to Article 19 of the BPCE bylaws, the Supervisory Board sets the amount and method of remuneration for each of the Management Board Members. This remuneration may be fixed or proportional, or both fixed and proportional.

On a motion by the Appointment and Compensation Committee, BPCE's Supervisory Board set the following remuneration for the Chairman and the Members of the Management Board at its meeting on July 31, 2009:

François Pérol will receive:

- annual remuneration of a fixed portion of €550,000; and
- a variable portion of up to 100% of that amount.

Yvan de La Porte du Theil will receive;

- annual remuneration of a fixed portion of €550,000; and
- a variable portion of up to 80% of that amount.

Alain Lemaire will receive:

- annual remuneration of a fixed portion of €550,000; and
- a variable portion of up to 80% of that amount.

Nicolas Duhamel will receive:

- annual remuneration of a fixed portion of €500,000; and
- a variable portion of up to 60% of that amount.

and Jean-Luc Vergne will receive:

- annual remuneration of a fixed portion of €500,000; and
- a variable portion of up to 60% of that amount.

At its next meeting, to be held on September 28, 2009, the Appointment and Compensation Committee will examine the criteria for granting the variable portion of remuneration in order to propose a policy that conforms to current rules and recommendations to the Supervisory Board.

Moreover, in accordance with the amended agreement signed with the French State on October 24, 2008, BPCE has undertaken to comply with stipulations concerning the variable portion of directors' remuneration, set forth in decree no. 2009-348 of March 30, 2009 relating to the conditions for the remuneration of directors of companies receiving aid from the State.

Information relating to the variable portion of remuneration will be detailed in BPCE's next registration document.

2.4 Senior management bodies

2.4.1 Members of the Management Committee

The General Management Committee includes nine people, of which five are Members of BPCE's Management Board, appointed by the Supervisory Board. The General Management Committee is chaired by the Chairman of the Management Board.

- Guy Cotret, Deputy Chief Executive Officer in charge of Real Estate Transactions

  Since July 2007, he has also been Executive Director of Nexity.

  Mr Cotret's entire career has been with Groupe Caisse d'Epargne. After earning his master's in law and his attorney qualification certificate, he joined the Caisse d'Epargne de Reims in 1975. He was appointed Chairman of the Management Board of the Caisse d'Epargne de Champagne-Ardenne upon its creation in 1992, an office he held for ten years. In 2002, he joined the Management Board of Crédit Foncier as Chief Executive Officer.

  Since December 2003, Mr Cotret has been a member of the Caisse Nationale des Caisses d'Epargne in charge of Human Resources and Banking Operations.

- Laurent Mignon, Chief Executive Officer of Natixis since May 14, 2009.

  A graduate of HEC business school and the Stanford Executive Program, Mr Mignon held various positions at Indosuez Bank from 1986 to 1996. Deputy Director at Schroders Bank in London in 1996, he joined AGF group in 1997 as Chief Financial Officer and became a Member of the Executive Committee in 1998. He went on to Investments, AGF Banking, AGF Asset Management, AGF Real Estate, Life & Financial Services, and Credit Insurance. In January 2006, he was appointed Chief Executive Officer of AGF Group, Chairman of the Executive Committee, and Member of the International Executive Committee of Allianz.

  Since September 2007, Mr Mignon has been a Managing Partner of Oddo & Cie.

- Philippe Queuille, Deputy Chief Executive Officer in charge of Operations.

  A graduate of the *Ecole nationale supérieure d'Arts et Métiers,* Philippe Queuille joined Groupe Banque Populaire in 1980 within Banque Populaire du Sud-Ouest. He was appointed Chief Executive Officer of Banque Populaire de la Loire in 1998, then Chief Executive Officer of Banque Populaire de l'Ouest in 2001. In 2006, he became Chairman & CEO of i-BP.

  Mr Queuille has been Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires since January 2008.

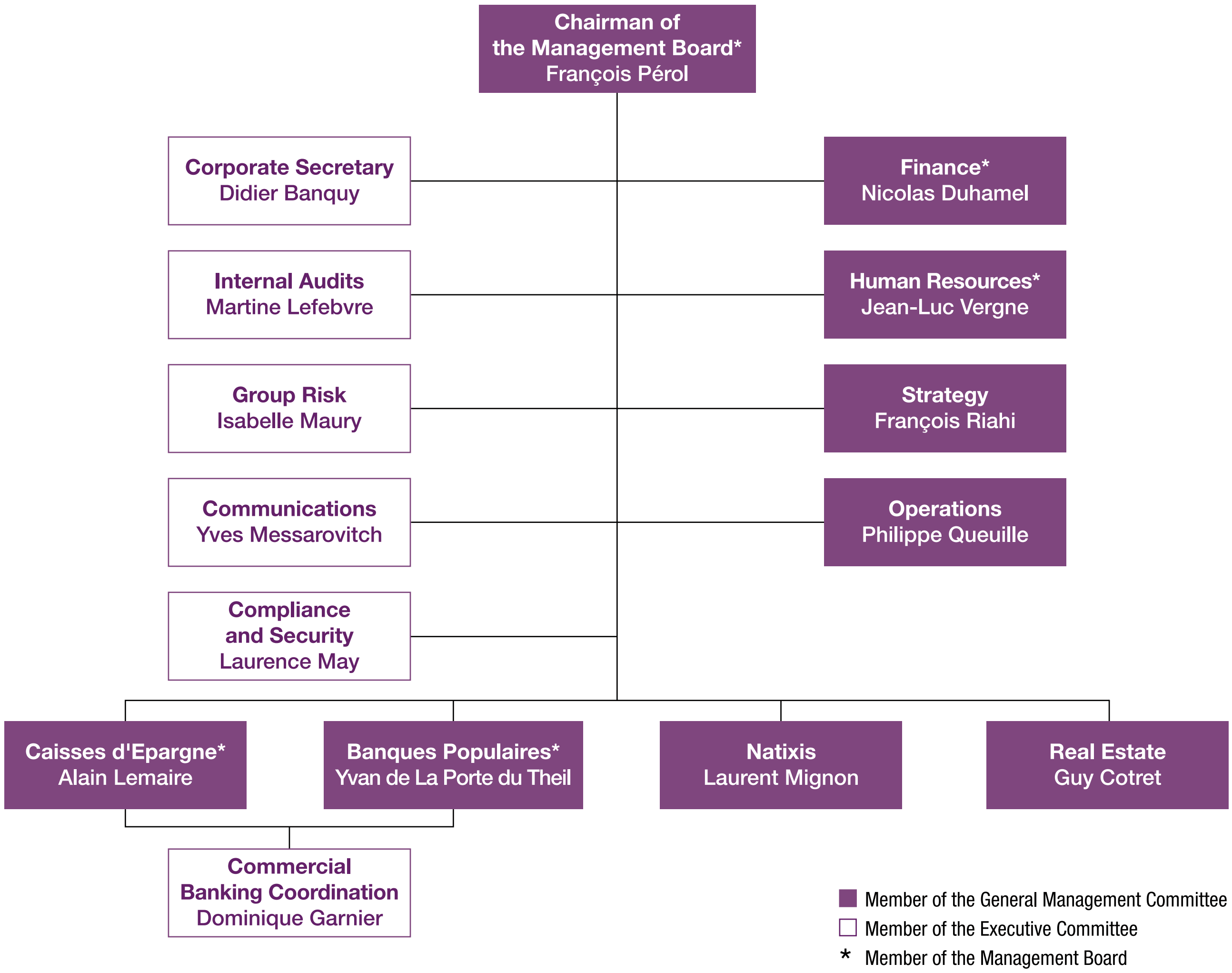
- François Riahi, Deputy Chief Executive Officer in charge of Strategy.

  A graduate of the *Ecole Centrale de Paris* and the *Institut d'Etudes Politiques de Paris,* and an ENA alumnus, Mr Riahi is a Treasury official at the Inspection Générale des Finances from 2001 to 2005. He joined the Budget Management as Official Representative of the Director, then Head of the Budget Policy Office.

  In 2007, he was appointed Advisor to the President of France in charge of government and public finance reform.

  Since March 2009, Mr Riahi has been an Advisor to François Pérol at the Caisse Nationale des Caisses d'Epargne and the Banque Fédérale des Banques Populaires.

2.4.2 Organization of the central body



Non-voting members and federal deputies report to the Chairman of the Management Board. Management Board Members in charge of the Caisses d'Epargne and Banques Populaires poles have privileged access and receive all notices that are sent to them.

2.5 Principal Committees

2.5.1 Common Rules

The Supervisory Board has instituted three specialized committees in charge of preparing its decisions and making recommendations to it, whose duties, resources, and makeup are set out in the Supervisory Board's Internal Rules.

To the extent possible, and depending on applicable circumstances, any deliberation by the Supervisory Board that falls within the jurisdiction of a committee created by it is preceded by submission before said committee and may only be adopted after that committee has issued its recommendations or motions.

The purpose of such consultation with committees cannot be to delegate them the powers that are allocated to the Supervisory Board by law or per the bylaws, nor can it be to reduce or limit the Management Board's powers.

Whenever it is necessary to consult with a committee, the Chairman of that committee receives from the Management Board, within a reasonable time limit (given the circumstances), all of the items and documents that enable the committee to carry out its work and formulate its opinions, recommendations, or motions on the Supervisory Board's planned deliberation.

Committee Members are chosen by the Supervisory Board on a motion by the Chairman of the Board from among its Members. They may be removed from office by the Supervisory Board.

The term of office for members of a committee coincides with their term of office as a member of the Supervisory Board. Both offices may be renewed concomitantly.

Each committee is made up of at least three and at most seven members.

The Supervisory Board may also appoint a non-voting member from outside the group or a *non-voting member* to any of these committees.

Within each of the committees, a chairman is in charge of organizing the work. The Chairman of each committee is appointed by the Supervisory Board.

2.5.2 Compensation and Appointment Committee

PRIMARY DUTIES

In terms of compensation, the Compensation and Appointment Committee is in charge of formulating motions to the Supervisory Board concerning:

- the level and methods of compensating the Members of the Company's Management Board, including benefits in kind, benefit plans, and retirement plans;
- compensation of the Supervisory Board's Chairman and, potentially, Vice-Chairman;
- the allocation of attendance fees among members of the Supervisory Board and committees, and the total amount of attendance fees submitted for approval at the General Meeting of the Company Shareholders.

Furthermore, the Compensation and Appointment Committee:

- gives its opinion to the Board on the policy for allocating subscription or purchase rights for shares or other similar securities, and on the list of recipients;
- is informed of the group's compensation policy, particularly the policy in regard to the principals of the affiliated banks;
- reviews and issues an opinion on the insurance policies taken out by the Company in terms of manager liability;
- gives an opinion to the Board about the portion of the annual report that covers these issues.

Members of the Compensation and Appointment Committee cannot be agents of the Company nor bound to the Company or any other company in the group by an employment contract, nor can they be members of the Audit and Risk Management Committee.

As for appointments, the Compensation & Appointment Committee is in charge of making suggestions to the Board for the choice of members of the Supervisory Board and non-voting members, members from outside the group, recalling that the Supervisory Board Members who are from inside the group are proposed to the Board in keeping with the Company bylaws and Article L. 512-106 of the Monetary and Financial Code.

The Committee is also in charge of:

- making motions to the Board for the appointment of the Chairman of the Company's Management Board;
- steering the Supervisory Board's evaluation process by itself or any other appropriate internal or external procedure. As such, it moves, as needed, for an update on the Company's rules of governance (the Board's Internal Rules);
- reviewing the draft of the Chairman's report on corporate governance.

It meets as needed and at least once a year. It will meet on September 28, 2009.

COMPOSITION

The Compensation and Appointment Committee has been chaired by Laurence Danon since July 31, 2009, the date on which he was appointed by the Supervisory Board as an Independent Member.

It also includes Catherine Amin Garde, Gérard Bellemon, Ramon Fernandez, Stève Gentili and Pierre Mackiewicz.

ORGANIZATION

The Appointment and Compensation Committee has met once since July 31, 2009 in order to set the amount of directors' remuneration. It will convene on September 28, 2009 to examine and make proposals to the Supervisory Board on the criteria for granting the variable portion of remuneration.

2.5.3 Group Audit & Risk Management Committee

PRIMARY DUTIES

Pursuant to the Commercial Code as amended by Order 2008-1278 of December 8, 2008 and Regulation CRBF 97-02 of February 21, 1997, as amended, on internal oversight of banks and investment companies, the Audit and Risk Management Committee is tasked with monitoring:

a) the process of preparing financial information, the statutory audit of the annual and consolidated financial statements by the auditors, and the auditors' independence;

As such, its duties are specifically these:

- to review the Company's and the group's half-year and annual consolidated financial statements, as well as the parent company's annual financial statements, which are presented to it by the Management Board prior to their review by the Supervisory Board,
- to check that the information provided is clear,
- to review the scope of consolidated companies and evidence of it,
- to make an appraisal of the relevance of accounting methods adopted for the creation of the Company's individual financial statements and of the Company's and the group's consolidated financial statements,
- to review the draft of the Supervisory Board Chairman's report on internal oversight procedures relative to preparing and processing accounting and financial information,
- to review the prudential and accounting impacts of any significant external growth operation by the Company or the group,
- to issue a recommendation on the selection procedure of the statutory auditors, and the statutory auditors whom the general shareholders have moved to appoint,
- to make sure that the auditors are independent, specifically by reviewing the itemized fees that are paid to them by the group as well as to any network to which they might belong, and by giving prior approval for any engagement in excess of €1 million, before tax, that does not fall within the strict framework of statutory auditing of the accounts but which is consequential or accessory to it, with any other engagement being disqualified,
- to review the auditors' work schedule, the results of their audits and recommendations, and any follow-up action taken;

b) the efficacy of internal oversight and risk management systems.

As such, its duties are specifically these:

- to make an appraisal of the quality of the Company's and the group's internal oversight, specifically how consistent and exhaustive the risk monitoring and management systems are; to propose, as needed, additional actions in this regard; to this end, to review the annual report(s) relative to risk measurement and monitoring as well as to the conditions in which internal oversight is provided in the group,
- to review the total risk exposure of the Company's and the group's activities, using the reports on such,
- to formulate opinions on the major approaches of the group's policies in terms of risks and compliance, specifically on the risk limits reflecting risk tolerance as presented to the Board,
- to propose to the Board the significance criteria and thresholds mentioned in Article 17 ter of Regulation CRBF 97-02 by which those incidents that must be brought to the Board's attention are identified,
- to ensure that the compensation policy is in line with risk management targets,
- to see to it that the group's internal audit unit is independent, and authorized to receive from the group's banks, or to itself access, all items, systems, or information required for the success of its engagement,
- to review the annual schedule of the group's Internal Audit,
- to see to it that the findings from the engagements of the Banking Commission and the group's Internal Audit, of which the summaries regarding the Company and the group's entities are disclosed to them, are followed up on,
- and to review the follow-up letters sent by the Banking Commission and issue an opinion on the draft responses to these letters.

To this end, the Audit and Risk Management Committee may, in conditions it will determine, hear the company representatives, auditors, executives in charge of preparing the accounts, and, more generally, any manager or person whose expertise it finds useful.

Permanent risk monitoring and compliance managers, as well as the Internal Auditor in charge of routine audits, are invited to attend the Committee's meetings without voting.

The Committee meets in the presence of the college of auditors to review the accounts.

The Committee regularly reports to the Supervisory Board about the progress of its engagements and informs it immediately of any difficulties.

It holds at least six sessions per year.

It is chaired by an independent member. At least two of its members must also have special skills in finance or accounting.

It can only include members of the Company's Supervisory Board.

COMPOSITION

The Audit and Risk Management Committee has been chaired by Marwan Lahoud since July 31, 2009, the date on which he was appointed by the Supervisory Board as an independent member.

It also includes Thierry Cahn, Bernard Comolet, Jean Criton, Pierre Valentin, and Hervé de Villeroché.

ORGANIZATION

The Audit and Risk Management Committee has met once since July 31, 2009 to examine the half-year financial statements.

2.5.4 Cooperative Committee

PRIMARY DUTIES

The Cooperative Committee is in charge of formulating proposals and recommendations to promote and incorporate into the groups and the networks' activities the cooperative and corporate values of long-term commitment and professional and relational ethics, and thereby build up the cooperative aspect of the group and each of its networks.

The Chairman of the Board is a member *ex officio* of the Committee.

It meets as needed and at least once a year.

COMPOSITION

The Cooperative Committee is chaired by Philippe Dupont, Chairman of the Supervisory Board, and a member *ex officio* of the Committee.

It also includes Bernard Comolet, Jean Criton, Pierre Desvergnes, Francis Henry, and Yves Toublanc, appointed by the Supervisory Board for the remainder of their term as members of the Supervisory Board.

Up to now, the Cooperative committee has not met yet.

2.6 Offices and appointments of Supervisory Board Members

FOR THE BANQUES POPULAIRES

Philippe DUPONT
Date of birth 4/18/1951

Current offices

Chairman of the Supervisory Board of BPCE
Chairman of the Board of Directors of Banques Populaires Participations
Manager: SCI 48 rue de Paris

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman: Groupe Banque Populaire **Chairman and Chief Executive Officer** of Banque Fédérale des Banques Populaires **Chairman of the Management Board:** Natixis **Chairman:** Confédération Internationale des Banques Populaires **Chairman of the Board of Directors** of the Groupe Banque Populaire business foundation (Fondation d'Entreprise)	**Chairman:** Groupe Banque Populaire **Chairman and Chief Executive Officer** of Banque Fédérale des Banques Populaires **Chairman of the Management Board:** Natixis **Chairman:** Confédération Internationale des Banques Populaires **Chairman of the Board of Directors** of the Groupe Banque Populaire business foundation (Fondation d'Entreprise)	**Chairman:** Groupe Banque Populaire **Chairman & CEO:** Banque Fédérale des Banques Populaires **Chairman of the Management Board:** Natixis **Chairman of the Supervisory Board:** IXIS Corporate & Investment Bank **Vice-Chairman:** Confédération Internationale des Banques Populaires **Chairman of the Board of Directors** of the Groupe Banque Populaire business foundation (Fondation d'Entreprise)	**Chairman:** Groupe Banque Populaire, Natexis Banques Populaires **Chairman & CEO:** Banque Fédérale des Banques Populaires **Vice-Chairman:** Confédération Internationale des Banques Populaires **Chairman of the Board of Directors** of Association des Banques Populaires pour la Création d'Entreprises and the Groupe Banque Populaire business foundation (Fondation d'Entreprise)

Gérard BELLEMON

Date of birth 10/1/1954

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Board of Directors of Banque Populaire Val de France

Chairman of the Board of Directors: Natixis Assurances, Natixis Lease, Natixis LLD

Director: Banques Populaires Participations, Société Marseillaise de crédit (SMC), Fondation d'Entreprise Groupe Banque Populaire

Member of the Supervisory Board: Assurances Banque Populaire – Iard

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Board of Directors of Banque Populaire Val de France **Chairman of the Board of Directors**: Natixis Lease, Natixis Assurances, Natixis LLD **Director:** Société Marseillaise de Crédit (SMC), Fondation d'Entreprise Groupe Banque Populaire **Permanent Representative of the Banque Populaire Val de France to the Supervisory Board:** Assurances Banque Populaire – Iard	**Chairman of the Board of Directors** of Banque Populaire Val de France **Chairman of the Board of Directors:** Natixis Lease, Natixis LLD **Director:** Fondation d'Entreprise Groupe Banque Populaire **Permanent Representative of the Banque Populaire Val de France to the Supervisory Board:** Assurances Banque Populaire – Iard	**Deputy Vice-Chairman** of the Board of Directors of Banque Populaire Val de France **Member of the Supervisory Board:** Novacrédit, Assurances Banque Populaire – Iard **Director:** Banque Populaire Développement, Banque Populaire Images 4, Banque Privée Saint-Dominique, Fructi-Court, Fructilux, i-BP, Natexis Asset Management Immobilier, Natexis Banques Populaires Images, Natexis Banques Populaires Images 3, Natixis Assurances, Natixis Factor, Natixis Interépargne, Natixis Intertitres, Natixis Paiements, Natixis Pramex International, Natixis Lease	**Deputy Vice-Chairman of the Board of Directors** of Banque Populaire Val de France **Chairman of the Board of Directors:** Natexis LLD **Representative of the Banque Populaire Val de France to the Supervisory Board:** Novacrédit **Representative of the Banque Populaire Val de France to the Board of Directors:** Fructi-Maaf

Thierry CAHN

Date of birth 9/25/1956

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Board of Directors of Banque Populaire d'Alsace
Member of the Supervisory Board: FONCIA Groupe

Director: Banques Populaires Participations

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Board of Directors of Banque Populaire d'Alsace **Director:** Banque Fédérale des Banques Populaires **Member of the Supervisory Board:** FONCIA Groupe	**Chairman of the Board of Directors** of Banque Populaire d'Alsace	**Chairman of the Board of Directors** of Banque Populaire d'Alsace	**Chairman of the Board of Directors** of Banque Populaire d'Alsace

Pierre DESVERGNES

Date of birth 11/23/1950

Current offices

Member of the Supervisory Board of BPCE

Chairman and Chief Executive Officer of CASDEN Banque Populaire

Chairman of the Board of Directors: Maine Gestion, Parnasse Finance

Chairman: SAS Parnasse Espace 1, SAS Parnasse Espace 2

Director: Banques Populaires Participations, Banque Monétaire Financière, Parnasse MAIF SA, Natixis Asset Management, Natixis Assurances

Permanent representative of CASDEN Banque Populaire on the Board of Directors of Parnasse Services SA

Permanent representative of CASDEN Banque Populaire to the Supervisory Board of Parnasse Immo (Scpi)

Permanent representative of Parnasse Finance on the Board of Directors of Parnassienne de Crédit SA

Representative of Banques Populaires Participations to the Supervisory Board: FONCIA Groupe

Manager: Sarl Inter-Promo, Sarl Cours des Roches

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman and Chief Executive Officer of CASDEN Banque Populaire **Chairman of the Board of Directors:** Maine Gestion, Parnasse Finance **Director:** Banque Fédérale des Banques Populaires, Banque Monétaire Financière, Parnasse MAIF SA **Permanent representative of CASDEN Banque Populaire on the Board of Directors** of Parnasse Services SA **Permanent representative of BFBP on the Supervisory Board** of FONCIA Groupe **Permanent representative of CASDEN Banque Populaire to the Supervisory Board** of Parnasse Immo (Scpi) **Permanent representative of Parnasse Finance on the Board of Directors** of Parnassienne de Crédit SA **Manager:** Sarl Inter-Promo, Sarl Cours des Roches	**Chairman** of CASDEN Banque Populaire **Director:** Natixis Asset Management, Parnasse Finance, Parnasse Maif **Director representing CASDEN Banque Populaire** on the Board of Directors of Natexis Altaïr **Director representing Parnasse Finance** on the Board of Directors of Parnassienne de Crédit **Member of the Supervisory Board:** FONCIA Groupe representing BFBP **Chairman: Maine Gestion** **Member representing CASDEN Banque Populaire** on the Supervisory Board of Parnasse Immo	**Chairman** of CASDEN Banque Populaire **Chairman:** Line Bourse, Maine Gestion **Director:** Banque Fédérale des Banques Populaires, Natexis Asset Management, Parnasse Finance, Parnasse Maif **Director representing Parnasse Finance** on the Board of Directors of Parnassienne de Crédit **Director representing CASDEN Banque Populaire** on the Board of Directors of Natexis Altaïr **Member representing CASDEN Banque Populaire** on the Supervisory Board of Parnasse Immo	**Chairman** of CASDEN Banque Populaire **Chairman:** Line Bourse, Maine Gestion, Fructi Actions Rendement **Director:** Banque Fédérale des Banques Populaires **Director:** Natixis Asset Management, Parnasse Finance, Parnasse Maif **Director representing CASDEN Banque Populaire** on the Board of Directors of Natexis Altaïr **Director representing BFBP** on the Board of Directors of Natexis Banques Populaires **Director representing Parnasse Finance** on the Board of Directors of Parnassienne de Crédit **Member representing CASDEN Banque Populaire** on the Supervisory Board of Parnasse Immo **Vice-Chairman representing CASDEN Banque Populaire** on the Board of Directors of Valorg

Stève GENTILI
Date of birth 6/5/1949

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Board of Directors of BRED Banque Populaire

Chairman of the Board of Directors: Natixis Pramex International

Director: Coface, Natixis, Natixis Algérie, Natixis Pramex International Milan

Representative of BRED Banque Populaire to the Board of Directors: Société Marseillaise de Crédit (SMC), BICEC, BCI (Banque Commerciale Internationale)

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Board of Directors of BRED Banque Populaire **Chairman of the Board of Directors:** BRED Gestion, Natixis Pramex International, Compagnie Financière de la BRED (Cofibred), Spig **Chairman of the Supervisory Board:** Banque Internationale de Commerce – BRED **Director:** Director: Banque Fédérale des Banques Populaires (Vice-Chairman), Bercy Gestion Finances+, BRED Cofilease, Coface, Natixis Algérie, Natixis Pramex Italia Srl, Prepar Iard (public limited company), Promepar Gestion (public limited company), Société Marseillaise de Crédit **Member of the Supervisory Board:** Natixis, Prépar-Vie **Representative of BRED Banque Populaire to the Board of Directors:** BICEC, BCI – Banque Commerciale Internationale, Njr Invest	**Chairman of the Board of Directors** of BRED Banque Populaire **Chairman:** Agence Banque Populaire pour la Coopération et le Développement, BRED Gestion, International bureau – Forum Francophone des Affaires **Member of the Supervisory Board:** Natixis **Chairman of the Board of Directors** of Natixis Pramex International **Director:** Coface, Natexis Algérie, Pramex International Milan, Compagnie Financière de la BRED (Cofibred), LFI, BGF+, BRED Cofilease **Director representing BRED Banque Populaire:** BICEC, BCI **Vice-Chairman of the Supervisory Board:** Banque Internationale de Commerce-BRED (BIC-BRED) **Member of the Supervisory Board:** Prépar-Vie	**Chairman of the Board of Directors** of BRED Banque Populaire **Chairman:** Association Banque Populaire pour la Coopération et le Développement, BRED Gestion, International bureau – Forum Francophone des Affaires **Member of the Supervisory Board:** Natixis **Chairman of the Supervisory Board:** Banque Populaire Asset Management **Chairman of the Board of Directors** of Natexis Pramex International **Director:** Banque Fédérale des Banques Populaires, Coface, Natexis Algérie, Natexis Pramex Italia SRL, Compagnie Financière de la BRED (Cofibred), LFI, BGF+, BRED Cofilease **Director representing BRED Banque Populaire:** BICEC **Vice-Chairman of the Supervisory Board:** Banque Internationale de Commerce-BRED (BIC-BRED)	**Chairman of the Board of Directors** of BRED Banque Populaire **Chairman:** Association Banque Populaire pour la Coopération et le Développement, BRED Gestion, Medef 94 in Créteil **Chairman of the Supervisory Board:** Banque Populaire Asset Management **Chairman of the Board of Directors** of Natexis Pramex International **Director:** Banque Fédérale des Banques Populaires, COFACE, Compagnie financière de la BRED, LFI, BRED Cofilease, Natexis Banques Populaires **Director representing BRED Banque Populaire:** BICEC **Vice-Chairman of the Supervisory Board:** Banque Internationale de Commerce-BRED (BIC-BRED)

Jean CRITON

Date of birth 6/2/1947

Current offices

Member of the Supervisory Board of BPCE

Chief Executive Officer of Banque Populaire Rives de Paris

Chairman of the Board of Directors: Sud Participation SA, Turbo SA

Permanent Representative of Banque Populaire Rives de Paris to the Board of Directors (Vice-Chairman): i-BP

Director: Coface, Natexis Assurances, Natexis Private Banking, Natexis Private Equity, Société Marseillaise de crédit (SMC), Fondation d'Entreprise Groupe Banque Populaire

Offices held at December 31 of previous years

2008	2007	2006	2005
Chief Executive Officer of Banque Populaire Rives de Paris **Chairman & CEO and Director:** Sud Participation SA **Chairman of the Board of Directors:** Turbo SA **Director:** Coface, Natexis Assurances, Natexis Private Banking, Natexis Private Equity, Société Marseillaise de Crédit (SMC), Fondation d'Entreprise Groupe Banque Populaire **Permanent Representative of Banque Populaire Rives de Paris to the Board of Directors (Vice-Chairman):** i-BP **Chairman:** SAS Sociétariat Banque Populaire Rives de Paris	**Chief Executive Officer** of Banque Populaire Rives de Paris **Chairman & CEO and Director:** Sud Participation SA **Director:** Coface, Natexis Assurances, Natexis Private Banking, Fondation d'Entreprise Groupe Banque Populaire **Permanent Representative of Banque Populaire Rives de Paris to the Board of Directors (Chairman):** i-BP **Chairman:** SAS Sociétariat Banque Populaire Rives de Paris	**Chief Executive Officer** of Banque Populaire Rives de Paris **Chairman & CEO and Director:** Sud Participation SA **Chairman of the Board of Directors:** Turbo SA **Director:** Natexis Private Equity, Coface, Natexis Assurances, Natexis Private Banking **Permanent Representative of Banque Populaire Rives de Paris to the Board of Directors:** i-BP **Chairman:** SAS Sociétariat Banque Populaire Rives de Paris	**Chief Executive Officer** of Banque Populaire Rives de Paris **Chairman & CEO and Director:** Sud Participation SA **Chairman of the Board of Directors:** Turbo SA **Director:** Natexis Private Equity, Coface, Natexis Assurances **Permanent Representative of Banque Populaire Rives de Paris to the Board of Directors:** i-BP

Bernard JEANNIN

Date of birth 4/19/1949

Current offices

Member of the Supervisory Board of BPCE

Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté

Director: Natixis Assurances, Natixis Lease, Natixis Paiements, Banque de Savoie, Natixis, Banques Populaires Participations

Permanent representative of Banque Populaire Bourgogne Franche-Comté on the Board of Directors of i-BP

Offices held at December 31 of previous years

2008	2007	2006	2005
Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté **Director:** Banque Fédérale des Banques Populaires (Board Secretary), Natixis Assurances, Natixis Lease, Natixis Paiements, Banque de Savoie **Member of the Supervisory Board:** Natixis **Permanent representative of Banque Populaire Bourgogne Franche-Comté on the Board of Directors** of i-BP	**Chief Executive Officer** of Banque Populaire Bourgogne Franche-Comté **Member of the Supervisory Board:** Natixis **Director:** Natixis Assurances, Natixis Paiements, Natixis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire **Director representing Banque Populaire Bourgogne Franche-Comté on the Board of Directors** of i-BP	**Chief Executive Officer** of Banque Populaire Bourgogne Franche-Comté **Member of the Supervisory Board:** Natixis **Director:** Banque Fédérale des Banques Populaires, Natexis Assurances, Natexis Paiements, Natexis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire **Director representing Banque Populaire Bourgogne Franche-Comté on the Board of Directors** of i-BP	**Chief Executive Officer** of Banque Populaire Bourgogne Franche-Comté **Director:** Banque Fédérale des Banques Populaires, Natexis Assurances, Natexis Paiements, Natexis Private Equity, Natexis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire **Director representing Banque Populaire Bourgogne Franche-Comté on the Board of Directors** of i-BP

FOR THE CAISSES D'EPARGNE NETWORK

Yves TOUBLANC

Date of birth 8/10/1946

Current offices

Vice-Chairman of the Supervisory Board of BPCE

Chairman of the Steering and Supervisory Board of the Caisse d'Epargne et de Prévoyance Rhône Alpes

Chairman of the Board of Directors: Caisses d'Epargne Participations, SLE Sillon Alpin (RP de Chatel Participations)

Chairman of Chatel Participations

Director: SATIL REM, Procoat

Manager: Chatel Industrie, Cartograim Conseil

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Steering and Supervisory Board: CEP Rhône Alpes	**Chairman of the Steering and Supervisory Board:** CEP Rhône Alpes	**Chairman of the Steering and Supervisory Board:** CEP Rhône Alpes	**Chairman of the Steering and Supervisory Board:** CEP Rhône Alpes
Chairman of the Board of Directors: SLE Sillon Alpin (RP de Chatel Participations)	**Chairman of the Board of Directors:** SLE Sillon Alpin (RP de Chatel Participations)	**Chairman of the Board of Directors:** SLE Sillon Alpin (RP de Chatel Participations)	**Chairman of the Board of Directors:** SLE Sillon Alpin (RP de Chatel Participations)
Chairman: SAS Chatel Participations	**Chairman:** SAS Chatel Participations	**Chairman:** SAS Chatel Participations	**Chairman:** SAS Chatel Participations
Member of the Supervisory Board: Caisse Nationale des Caisses d'Epargne (CNCE)	**Member of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE)	**Member of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE), Ecureuil Vie	**Member of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE), Ecureuil Vie
Director: SATIL REM, Procoat	**Director:** SATIL REM, Procoat	**Director:** SATIL REM, Procoat, GVC Entrprises	**Director:** SATIL REM, Procoat, GVC Entrprises
Manager: Chatel Industrie, Cartograim Conseil	**Manager:** Chatel Industrie, Cartograim Conseil	**Manager:** Chatel Industrie, Cartograim Conseil	**Manager:** Chatel Industrie, Cartograim Conseil

Catherine AMIN-GARDE

Date of birth 3/8/1955

Current offices

Member of the Supervisory Board of BPCE

Chairwoman of the Steering and Supervisory Board of the Caisse d'Epargne et de Prévoyance Loire Drôme Ardèche

Chairwoman of the Board of Directors of Drôme Provençale Centre (local savings company)

Chairwoman of Fondation Loire Drôme Ardèche

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairwoman of the Steering and Supervisory Board: CEP Loire Drôme Ardèche	**Chairwoman of the Steering and Supervisory Board:** CEP Loire Drôme Ardèche	**Chairwoman of the Steering and Supervisory Board:** CEP Loire Drôme Ardèche	**Chairwoman of the Steering and Supervisory Board:** CEP Loire Drôme Ardèche
Chairwoman of the Board of Directors: SLE Drôme Provençale Centre	**Chairwoman of the Board of Directors:** SLE Drôme Provençale Centre	**Chairwoman of the Board of Directors:** SLE Drôme Provençale Centre	**Chairwoman of the Board of Directors:** SLE Drôme Provençale Centre
Chairwoman: Fondation Loire Drôme Ardèche	**Chairwoman:** Fondation Loire Drôme Ardèche	**Chairwoman:** Fondation Loire Drôme Ardèche	**Chairwoman:** Fondation Loire Drôme Ardèche
Member of the Supervisory Board: Caisse Nationale des Caisses d'Epargne (CNCE)	**Member of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE)	**Member of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE)	

Francis HENRY

Date of birth 8/7/1946

Current offices

Member of the Supervisory Board of BPCE
Chairman of the Steering and Supervisory Board of the Caisse d'Epargne et de Prévoyance Lorraine Champagne Ardenne
Chairman of the Board of Directors of SLE Marne Nord (local savings company)
Director: Caisses d'Epargne Participations, Natixis, Crédit Foncier de France

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Steering and Supervisory Board: CEP Lorraine Champagne Ardenne **Chairman of the Board of Directors:** SLE Marne Nord **Director:** Natixis, Crédit Foncier de France	**Chairman of the Steering and Supervisory Board:** CEP Lorraine Champagne Ardenne **Chairman of the Board of Directors:** SLE Marne Nord **Director:** Natixis, Crédit Foncier de France	**Chairman of the Steering and Supervisory Board:** CEP Champagne Ardenne **Chairman of the Board of Directors:** SLE Marne Nord **Director:** Natixis **Member of the Supervisory Board:** Crédit Foncier de France	**Chairman of the Steering and Supervisory Board:** CEP Champagne Ardenne **Chairman of the Board of Directors:** SLE Marne Nord

Pierre MACKIEWICZ

Date of birth 6/26/1949

Current offices

Member of the Supervisory Board of BPCE
Chairman of the Steering and Supervisory Board of the Caisse d'Epargne et de Prévoyance Côte d'Azur
Chairman of the Board of Directors of Est Alpes Maritimes (local savings company)
Director of Caisses d'Epargne Participations

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Steering and Supervisory Board: CEP Côte d'Azur **Chairman of the Board of Directors:** SLE Est Alpes Maritimes	**Chairman of the Steering and Supervisory Board:** CEP Côte d'Azur **Chairman of the Board of Directors:** SLE Est Alpes Maritimes	**Chairman of the Steering and Supervisory Board:** CEP Côte d'Azur **Chairman of the Board of Directors:** SLE Est Alpes Maritimes	**Chairman of the Steering and Supervisory Board:** CEP Côte d'Azur **Chairman of the Board of Directors:** SLE Est Alpes Maritimes

Pierre VALENTIN

Date of birth 2/6/1953

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Steering and Supervisory Board of the Caisse d'Epargne et de Prévoyance Languedoc Roussillon

Chairman of the Board of Directors of SLE Vallée des Gardons (local savings company)

Vice-Chairman of the Supervisory Board of Banque Palatine

Director: Caisses d'Epargne Participations, Société Alésienne de Gestion d'Immeubles (SAGI), Clinique Bonnefon, Pierre et Lise Immobilier

Manager: Les Trois Cyprès, Les Amandiers, Le Victor Hugo

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Steering and Supervisory Board: CEP Languedoc Roussillon **Chairman of the Board of Directors:** SLE Vallée des Gardons **Vice-Chairman of the Supervisory Board:** Banque Palatine **Director:** Société Alésienne de Gestion d'Immeubles (SAGI), Clinique Bonnefon, Pierre et Lise Immobilier **Manager:** Les Trois Cyprès, Les Amandiers, Le Victor Hugo	**Chairman of the Steering and Supervisory Board:** CEP Languedoc Roussillon **Chairman of the Board of Directors:** SLE Vallée des Gardons **Director:** Société Alésienne de Gestion d'Immeubles (SAGI), Clinique Bonnefon, Pierre et Lise Immobilier **Manager:** Les Trois Cyprès, Les Amandiers, Le Victor Hugo	**Chairman of the Steering and Supervisory Board:** CEP Languedoc Roussillon **Chairman of the Board of Directors:** SLE Vallée des Gardons **Director:** Société Alésienne de Gestion d'Immeubles (SAGI) **Manager:** Les Trois Cyprès, Les Amandiers, Le Victor Hugo	**Chairman & CEO:** Société Alésienne de Gestion d'Immeubles (SAGI) **Manager:** Les Trois Cyprès, Les Amandiers, Le Victor Hugo

Bernard COMOLET

Date of birth 3/9/1947

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance Ile-de-France

Chairman of the Supervisory Board: Banque BCP

Vice-Chairman of the Board of Directors: Nexity

Member of the Supervisory Board: Banque BCP Luxembourg, GCE Business Services (legal representative of CEP IDF), GCE Technologies (legal representative of CEP IDF)

Director: Caisses d'Epargne Participations, Financière Océor, Immobilière 3F (legal representative of CEP IDF)

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Management Board: Caisse Nationale des Caisses d'Epargne (CNCE), CEP Ile de France **Chairman of the Supervisory Board:** Natixis, Banque BCP **Chairman:** Fondation des Caisses d'Epargne pour la Solidarité **Vice-Chairman of the Board of Directors:** Nexity, Groupement Européen des Caisses d'Epargne **Vice-Chairman of the Supervisory Board:** Financière Océor **Member of the Supervisory Board:** Banque BCP Luxembourg, GCE Business Services (legal representative of CEP IDF), GCE Technologies (legal representative of CEP IDF), EFIDIS (legal representative of CEP IDF) **Director:** CNP Assurances, Sopassure, Immobilière 3F (legal representative of CEP IDF) **Member of the Executive Committee:** Fédération Bancaire Française	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance Ile-de-France:** CEP Ile de France Paris, CEP Ile de France Ouest **Chairman of the Supervisory Board:** Banque BCP **Vice-Chairman of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE), Natixis **Member of the Supervisory Board:** Banque BCP Luxembourg, GCE Business Services (legal representative of CEP IDF), GCE Technologies (legal representative of CEP IDF), EFIDIS (legal representative of CEP IDF) **Director:** Immobilière 3F (legal representative of CEP IDF) **Non-voting member:** CNP Assurances	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance Ile-de-France:** CEP Ile de France Paris **Chairman of the Supervisory Board:** Banque BCP **Chairman & CEO:** SICAV Ecureuil Dynamique + **Vice-Chairman of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE), Natixis **Member of the Supervisory Board:** Ixis CIB, EFIDIS (legal representative of CEP IDF) **Director:** Immobilière 3F (legal representative of CEP IDF), Eulia Caution (legal representative of CEP IDF), ODACIA (legal representative of CEP IDF), SACCEF (legal representative of CEP IDF), SOCAMAB Assurances (legal representative of CEP IDF) **Non-voting member:** CNP Assurances	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance Ile-de-France:** CEP Ile de France Paris **Chairman & CEO:** SICAV Ecureuil Dynamique + **Vice-Chairman of the Supervisory Board:** Caisse Nationale des Caisses d'Epargne (CNCE) **Member of the Supervisory Board:** Ixis CIB **Director:** Immobilière 3F (legal representative of CEP IDF), Eulia Caution (legal representative of CEP IDF), ODACIA (legal representative of CEP IDF), SACCEF (legal representative of CEP IDF), SOCAMAB Assurances (legal representative of CEP IDF)

Didier PATAULT

Date of birth 2/22/1961

Current offices

Member of the Supervisory Board of BPCE

Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance Bretagne – Pays de Loire

Chairman & CEO of SODERO

Chairman of the Supervisory Board: SODERO Gestion, BATIROC Bretagne – Pays de Loire, Grand Ouest Gestion (permanent representative of SODERO Participations)

Chairman of the Board of Directors: SODERO Participations, Mancelle Habitation, SA des Marchés de l'Ouest (SAMO)

Vice-Chairman of the Board of Directors of Natixis

Member of the Supervisory Board: GCE Capital, GCE Business Services (permanent representative of CEP BPL)

Director: Caisses d'Epargne Participations, Université Groupe Caisse d'Epargne, Pays de la Loire Développement (permanent representative of CEP BPL), SEMITAN (permanent representative of CEP BPL), NAPF (permanent representative of CEP BPL)

Member of the Audit Committee: Compagnie de Financement Foncier SCF

Offices held at December 31 of previous years

2008	2007	2006	2005
Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance: Bretagne – Pays de Loire **Chairman & CEO:** SODERO **Chairman of the Supervisory Board:** SODERO Gestion, BATIROC Bretagne – Pays de Loire, Grand Ouest Gestion (permanent representative of SODERO Participations) **Chairman of the Board of Directors:** SODERO Participations, Mancelle Habitation, SA des Marchés de l'Ouest **Vice-Chairman of the Supervisory Board:** Natixis **Member of the Supervisory Board:** GCE Capital, GCE Business Services (permanent representative of CEP BPL) **Director:** Université Groupe Caisse d'Epargne, Pays de la Loire Développement (permanent representative of CEP BPL), SEMITAN (permanent representative of CEP BPL), NAPF (permanent representative of CEP BPL) **Member of the Audit Committee:** Compagnie de Financement Foncier SCF	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance:** Bretagne – Pays de Loire **Chairman & CEO:** SODERO **Chairman of the Supervisory Board:** SODERO Gestion, BATIROC Bretagne – Pays de Loire, Grand Ouest Gestion (permanent representative of SODERO Participations) **Chairman of the Board of Directors:** SODERO Participations, Mancelle Habitation, SA des Marchés de l'Ouest **Member of the Supervisory Board:** Natixis, GCE Capital, GCE Business Services (permanent representative of CEP BPL) **Director:** Meilleurtaux, Oterom Holding, Université Groupe Caisse d'Epargne, Pays de la Loire Développement (permanent representative of CEP BPL), SEMITAN (permanent representative of CEP BPL), NAPF (permanent representative of CEP BPL) **Member of the Audit Committee:** Compagnie de Financement Foncier SCF	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance:** Bretagne – Pays de Loire **Chairman & CEO:** SODERO **Chairman of the Supervisory Board:** SODERO Gestion, BATIROC Bretagne – Pays de Loire, Grand Ouest Gestion (permanent representative of SODERO Participations) **Chairman of the Board of Directors:** SODERO Participations, Mancelle Habitation, SA des Marchés de l'Ouest **Member of the Supervisory Board:** Natixis, GCE Capital, Ecureuil Vie **Director:** Université Groupe Caisse d'Epargne, Pays de la Loire Développement (permanent representative of CEP BPL), SEMITAN (permanent representative of CEP BPL), NAPF (permanent representative of CEP BPL) **Member of the Audit Committee:** Compagnie de Financement Foncier SCF	**Chairman of the Management Board of the Caisse d'Epargne et de Prévoyance:** Bretagne – Pays de Loire **Chairman & CEO:** SODERO **Chairman of the Supervisory Board:** SODERO Gestion, BATIROC Bretagne – Pays de Loire, Grand Ouest Gestion (permanent representative of SODERO Participations) **Chairman of the Board of Directors:** SODERO Participations, Mancelle Habitation, SA des Marchés de l'Ouest **Member of the Supervisory Board:** Ecureuil Vie **Director:** Université Groupe Caisse d'Epargne, Pays de la Loire Développement (permanent representative of CEP BPL), SEMITAN (permanent representative of CEP BPL), NAPF (permanent representative of CEP BPL)

GOVERNMENT REPRESENTATIVES

Ramon FERNANDEZ
Date of birth 6/25/1967

Current offices

Member of the Supervisory Board of BPCE
Chief Executive Officer of the Treasury and of Economic Policy for the French Ministry of the Economy, Industry, and Employment
Member of the Board of Directors of CNP Assurances, Government Representative

Hervé de VILLEROCHÉ
Date of birth 2/24/1969

Current offices

Member of the Supervisory Board of BPCE
Head of Economic Financing for the General Management of the Treasury, and of Economic Policy for the Ministry of Economy, Industry, and Employment

INDEPENDENT MEMBERS

Laurence DANON
Date of birth 1/6/1956

Current offices

Member of the Supervisory Board of BPCE
Member of the Management Board, Edmond de Rothschild Corporate Finance

Offices held at December 31 of previous years

2008	2007	2006	2005
Member of the Management Board: Edmond de Rothschild Corporate Finance **Member of the Supervisory Board:** Plastic Omnium	**Member of the Management Board:** Edmond de Rothschild Corporate Finance **Member of the Supervisory Board:** Plastic Omnium	**Chairman & CEO:** Le Printemps **Member of the Supervisory Board:** Plastic Omnium	**Chairman & CEO:** Le Printemps **Member of the Supervisory Board:** Plastic Omnium

Marwan LAHOUD
Date of birth 3/6/1966

Current offices

Member of the Supervisory Board of BPCE
Member of the Executive Committee of EADS – Director of Strategy and Marketing

Offices held at December 31 of previous years

2008	2007	2006	2005
Member of the Executive Committee: EADS – Director of Strategy and Marketing **Member of the Supervisory Board:** Institut Aspen France	**Member of the Executive Committee:** EADS – Director of Strategy and Marketing **Member of the Supervisory Board:** Institut Aspen France	**Chief Executive Officer:** MBDA Missile Systems	**Chief Executive Officer:** MBDA Missile Systems

3

RISK MANAGEMENT

3.1 Internal control

3.1.1 Governance framework at the Central Institution level

The governance framework is based on:

- the Executive Board that defines and puts in place the organization and resources to ensure in a comprehensive and optimal manner the correct assessment and management of risks. It has a control framework adapted to BPCE and Groupe BPCE's financial position and strategy.

  The Executive Board is responsible for day-to-day risk management and is accountable to the Supervisory Board.

  It defines the tolerance to risks through general objectives in relation to risk monitoring and management, whose relevance is regularly evaluated. It ensures regular monitoring of the introduction of defined policies and strategies.

  It keeps the Audit and Risk Committee and Supervisory Board regularly informed of the main items and principal lessons learned from the analysis and monitoring of risks associated with the activities and results of Groupe BPCE.

  The Chairman of the Executive Board and the two executive board members responsible for the retail banking division are the three people that ensure the effective determination of the orientation of BPCE's activity;
- the Supervisory Board oversees the management of the principal risks incurred and appraises the internal control framework in accordance with the regulatory framework.

  In this the Board is supported by an Audit and Risk Committee.

3.1.2 Audit and Risk Committee

COMPOSITION AND OPERATION

The committee is composed of Supervisory Board members appointed by it for the term of their board appointment. It is chaired by an independent Supervisory Board member.

Its practical methods of operation are set out in the Supervisory Board's previous Internal Rules approved on July 31, 2009.

ROLES

- Assist the Supervisory Board by overseeing the quality of information provided to shareholders and more generally ensures the roles provided for by Regulation 97-02 of February 21, 1997 amended by the CCLRF (Advisory Committee on financial legislation and regulation).
- Check the clarity of information supplied and provides an opinion on the relevance of the accounting methods adopted in the preparation of individual and consolidated financial statements.
- Express an opinion on the appointment or reappointment of the company's statutory auditors and review their work programs, audit conclusions and recommendations as well as any follow-up action in response to their recommendations.
- Review the global risk exposure of activities and provides an opinion on the risk limits presented to the Supervisory Board.
- Ensure the appropriateness of remuneration policy to risk management objectives.
- Provide an appraisal on the quality of internal control, notably the consistency of risk measurement, monitoring and management systems and proposes, if necessary, additional measures in this regard.
- Review reports prepared in accordance with Articles 42 and 43 of Regulation 97.02.
- Ensure that findings from internal audit and regulatory inspections (in this regard it receives internal audit and regulatory reports that concern the group) are followed up and review the annual program for internal audit.

RESOURCES

The Executive Board of the company supplies any documents and information that are useful in the performance of its role.

The Audit and Risk Committee may speak to any executive or person whose expertise it considers useful to it. The heads of permanent risk control, compliance and periodic control are invited to its meetings and provide logistical support.

Minutes are prepared of Audit and Risk Committee meetings. These are communicated to members of the committee and members of the BCPE Supervisory Board.

3.1.3 Participants involved in internal control

ORGANIZATION AT THE GROUPE BPCE LEVEL

The management control framework of Groupe BPCE as the Central Institution is based on three levels of control in accordance with banking regulations and sound management practices: two permanent levels of control and a periodic level of control.

Permanent hierarchical control (tier one)

The permanent hierarchical control (tier one), the first link in internal control is ensured by the operating or functional departments under the supervision of their hierarchy.

These departments are, notably, responsible for:

- checking for compliance with risk limits and transaction processing procedures;
- declarations of operational risk incidents observed and the establishment of business indicators necessary for the evaluation of operational risks;
- proof of account balances arising from movements in the accounts concerned by transactions initiated in its departments.

Depending on the situation and activity, these first-tier controls are conducted preferably by an ad hoc control body such as a middle office or accounting control body, or by the operators themselves.

First-tier controls are subject to formal reporting to the permanent control departments or functions concerned.

Permanent control by dedicated entities (tier two)

Permanent second-tier controls within the meaning of Article 6-a of Regulation 97-02 is ensured by entities dedicated exclusively to this function such as the group Compliance Department and the group Risk Department.

Other central functions are essential participants in the permanent control framework: the group Finance Department, responsible for accounting control, the Legal Department, the Department responsible for Information Systems Security, the group Human Resources Department for issues affecting remuneration policy.

Periodic control (tier three)

Periodic control within the meaning of Article 6-b of Regulation 97-02 is ensured by Internal Audit.

ORGANIZATION BY BUSINESS PROCESS

Integrated permanent and periodic business control processes have been put in place within Groupe BPCE. Three permanent and periodic control departments have been set up within the Central Institution that co-ordinate these business processes: the group Risk Department (p. 79-80) and the group Compliance Department for permanent control (p. 84) and the Groupe BPCE Internal Audit department for periodic control (p. 89).

3.1.4 Management of the control framework

An executive officer of the Central Institution is responsible for ensuring the consistency and effectiveness of permanent control.

A Management Control Coordinating Committee (CCFC) meets every two months and is chaired by this executive officer or its representative.

This Committee has responsibility for dealing with all issues relating to the consistency and effectiveness of the Groupe BPCE internal control framework, as well as results of risk management and internal control work and its follow up.

It is notably responsible for:

- keeping the executive regularly updated of developments in the Groupe BPCE control framework;
- highlighting areas of emerging or recurrent risks whether they arise from changes in the business, alterations in the environment or the state of control frameworks;
- escalating to executive level significant failures observed;
- examining the methods for the implementation of the principal regulatory changes and their potential implications on the control framework and tools;
- ensuring that findings from control examinations are properly taken into account, review corrective measures decided, prioritize them and monitor their implementation;
- deciding measures to be implemented to reinforce the level of security for Groupe BPCE and to ensure, where necessary, coordination of actions developed by the permanent control functions of the Central Institution.

The heads of periodic control (internal audit) and permanent control (Risk Department, Compliance Department), the head of Information Systems Security as well as the head of the group Finance Department responsible, notably, for coordinating the accounting control process and the head of the Legal Department participate in this committee. If necessary, this committee may interview operational heads about measures taken by them with a view to implementing recommendations arising from internal and external control bodies.

3.2 Risk factors

COMMITTEES RESPONSIBLE FOR MONITORING GROUPE BPCE RISKS

- **Groupe BPCE Risk Committee** (general committee that meets bi-monthly)

  Role

  Its scope covers the entire group (Central Institution, holding company, networks, and all subsidiaries).

  It fixes the outlines of the risk policy, decides on the global ceilings and limits for the group and by institution, examines the principal risk areas for the group and by institution, approves risk action plans for the measurement, supervision, risk management and the principal risk standards and procedures of the group. It ensures the monitoring of limits (97-02 Art. 35), notably when global limits are likely to be reached (97-02 Art. 36).

  Global risk limits are reviewed at least once a year and presented to the Audit and Risk Committee (97-02 Art. 33). The group Risk Committee proposes the criteria to the Audit and Risk Committee for identifying incidents to be brought to the attention of the governing body (97-02 Art 38-1 and 17 ter). It notifies the Audit and Risk Committee twice a year of the conditions under which the limits set were respected (97-02 Art. 39).

  Composition

  - Chairman of the BPCE Executive Board.
  - CFO and BPCE Executive Board member.
  - CEO Caisses d'Epargne retail banking, CEO Groupe BPCE Insurance and BPCE Executive Board member.
  - CEO Banque Populaire retail banking, CEO Groupe BPCE international retail banking operations and BPCE Executive Board member.
  - CEO Natixis.
  - Deputy CEO, real estate.
  - Deputy CEO, Real Estate division.
  - Head of Group Audit.
  - Head of Group Risk.
  - Head of Group Compliance.

- **Group Standards and Methods Committee** (meets monthly)

  Role

  This committee is responsible for defining common standards to be applied in the group and to define and approve common models. It covers all Group entities.

  Composition

  - Head of Group Risk.
  - Head of Risk, Natixis.
  - Heads of Risk of the Caisse d'Epargne and the Banque Populaire networks, members of the Standards and Methods Committees specifically dedicated to the Caisse d'Epargne and Banque Populaire.
  - Head of Group Audit.
  - CIOs of BPCE, Caisse d'Epargne and Banque Populaire.

  During the transition period there will be two sub-committees in place:

- **Standards and methods sub-committee specifically dedicated to Banque Populaire**

  This Committee is responsible in the transitional period for approving standard measurement, control and reporting methods for market and ALM credit and operational risks, approving back testing for banks and, updating and circulating risk benchmarks to be applied in the Banque Populaire network.

- **Standards and methods sub-committee specifically dedicated to Caisses d'Epargne**

  It has similar responsibilities as the committee above.

3.2.1 Credit risk (including concentration and residual risk)

DEFINITION

Risk of loss due to the incapacity of customers and other counterparties (including sovereign states) to meet their repayment contractual obligations, or the risk of a loss in market value of a market position related to the reduction in creditworthiness of counterparties.

MONITORING OF RISKS

The risk department is responsible for the definition and checking of performance and risk measurement is based on a rating system aimed at compliance with requirements of Basel regulations, and adapted to each customer or transaction type.

Decision making within Groupe BPCE is carried out under a delegated procedural framework with a system of limits relating to each Group customer on a consolidated basis and the principle of independent analysis involving the risk function, with the right of refusal that can give rise to referral to a higher level of the Credit Committee.

The system of delegation provided for in Groupe BPCE and BPCE, the Central Institution, is approved by the Executive Board, after analysis by the group Risk Department, and is organized as follows:

- delegation granted to the group Credit Committee;
- delegated authority granted to the Watch List and Provisions Committee;
- delegated authority granted to the Credit Risk Committee dedicated to subsidiaries of credit institutions;

- delegated authority granted to specialist credit committees dedicated to the Caisses d'Epargne and Banque Populaire;
- delegated authority granted to the BPCE Risk Committee (scope of the Central Institution);
- delegated authority granted to the Credit Committees of each subsidiary or affiliate.

In Groupe BPCE a single internal rating method is used for the two networks.

Risk Departments in Groupe BPCE are ultimately responsible for the approval of ratings after independent appraisal by their analysts. For Group Credit Committee counterparties the rating is approved by the committee based on the final proposal from the Groupe BPCE Risk Department.

Risk monitoring in Groupe BPCE is based on the quality of information that should be compatible with an accurate risk evaluation and the level of risks taken.

The different levels of control in Groupe BPCE operate under the supervision of the group Risk Department which is also responsible for the consolidated summary reporting to the various authorities.

Sensitive transactions and the provisioning policy are subject to regular examination under the joint responsibility of the finance department and the Groupe BPCE Risk Department as part of a watch list and provisions committee.

In the setting of global limits, the group Risk Department performs the examination of global limits at the Groupe BPCE level for the Groupe BPCE Risk Committee. These are established according to the type of counterparty, country, economic sector or any other criteria considered relevant in order to ensure an accurate control of concentration and residual risk and comply with rules set by the regulator. If necessary, limits are allocated between the different entities of Groupe BPCE.

BPCE GROUP CREDIT RISKS

Quantification of these risks is given on pages 443 to 447 of the Groupe BPCE half-year financial report.

CREDIT RISK MONITORING COMMITTEES

- **Group Credit Committee** (meets bi-monthly)

  Role

  This committee has responsibility for setting limits for customers or counterparties that are common to several entities of Groupe BPCE and, if necessary, to fix the allocation between several entities of the group, or to set individual limits of a group of counterparties beyond a certain threshold, measured as gross risk. Its scope covers the entire Group (Central Institution, networks, and all subsidiaries).

  Composition of the committee

  - Chairman, BPCE Executive Board.
  - CFO and BPCE Executive Board member.
  - Caisses d'Epargne retail banking, CEO Groupe BPCE insurance and BPCE Executive Board member.
  - CEO Banque Populaire retail banking, CEO Groupe BPCE international retail banking operations and BPCE Executive Board member.
  - CEO Natixis.
  - Deputy CEO, Real Estate division.
  - Head of Group Audit.
  - Head of Group Risk.
  - Head of Group Compliance.

- **Credit Risk Committee dedicated to the Central Institution** (frequency of meetings determined by necessity to discuss subjects)

  Role

  It is responsible for approving in advance counterparty limits of the central treasury as well as all commitments taken by the Central Institution and holding company, notably as part of the refinancing of subsidiaries.

  Composition of the committee

  - CFO and BPCE Executive Board member BPCE.
  - Head of Group Risk.
  - CEO Caisses d'Epargne retail banking, CEO Groupe BPCE insurance and BPCE Executive Board member.
  - CEO Banque Populaire retail banking, CEO Groupe BPCE international retail banking operations and BPCE Executive Board member.
  - Head of Group Compliance.
  - Group Legal Manager.

  In the Groupe BPCE environment, the two committees below dedicated to the two retail banking networks is justified by the maintenance of competition between these two networks.

- **Banque Populaire Credit Risk Committee** (meets monthly)

  Role

  This Committee is responsible for reviewing ratings of credit files above a certain threshold, reviewing reports on credit risk and sector analyses relating to the Banque Populaire network and approving in advance syndications proposed to the Banque Populaire network.

  Composition of the Committee

  - CEO of a network Banque Populaire member and member of the BPCE Supervisory Board.
  - Two CEOs from the Banque Populaire network.
  - A Chairman from the Banque Populaire network.
  - Head of Group Risk.

- **Caisses d'Epargne Credit Risk Committee** (meets monthly)

  Role

  This Committee has similar responsibilities to the Committee above and also decides upon certain transactions in advance according to their type.

  Composition of the Committee

  - Three members from the Caisses d'Epargne Executive Board.
  - Head of Group Risk.

- **Credit risk Committee dedicated to subsidiaries of banks** (excluding Natixis) (meets monthly or weekly according to the subsidiaries)

  Role

  Decisions taken in advance for any new counterparty exceeding a subsidiary's delegated limit. Above a certain threshold decisions are referred to the group Credit Committee.

  Composition

  - CEO Banque Populaire retail banking, CEO Groupe BPCE international retail banking operations and BPCE Executive Board member.
  - The two Business Development managers.
  - Head of Group Risk.

- Representatives from the subsidiaries concerned with the head of Risk and a property expert for the Real Estate division.
- Head of group Compliance.
- BPCE group Legal Manager.
- Head of Group Audit.

- **Group Watch List and Provisions Committee** (meets monthly for the watch list and quarterly for provisions)

  Role

  This Committee has responsibility for deciding the entry into, the level of supervision, and the exit from the list of counterparties under supervision, at the consolidated level above a certain threshold and the quarterly examination of provisions at the group level. This Committee also manages the watch list and provisions for the Central Institution.

  Composition of the Committee

  - Chairman of the BPCE Executive Board.
  - CFO and Executive Board member.
  - CEO that chairs the Banque Populaire Credit Risk Committee.
  - Chairman of a Caisse d'Epargne member executive board that chairs the Caisses d'Epargne Credit Risk Committee.
  - Head of Group Audit.
  - Head of Risk, Natixis.
  - Head of Group Risk.
  - CFO and BPCE Executive Board member.

3.2.2 Market risk

DEFINITION

Risk of loss related to changes in market factors (prices, share prices, interest rates, currency exchange rates, credit spreads, correlation, volatility, etc.).

Risk of loss related to incorrect valuation of transactions (notably mark-to-market model).

Liquidity risk impacting position valuations.

MONITORING OF RISKS

The group Risk Department has four principal areas of action:

Measurement

- To set the principles of market risk measurement, approved by the various appropriate Risk Committees.
- Put in place the tools required for the measurement of risks on a consolidated basis.
- Produce risk measurements, notably those corresponding to market operating limits or to ensure their production under the risk process.
- Approve appropriate valuation models and performance metrics or ensure their approval under the risk process. Where models are developed by institutions subject to the Capital Adequacy Directive, and above a certain limit to be determined, it delegates approval of its valuation models to them and receives the mapping of the approved models and notes on the approval if necessary.
- Determine the policies for reductions in values or delegate them to risk departments for institutions subject to the Capital Adequacy Directive, and beyond a certain limit (to be set), and centralize the information.
- Provide second-tier level approval of the management results for the market activities and approves treasury valuation methods of the Central Institution.

Limits

- Manage the limit framework (global limits and, where necessary, operating limits) decided within the various appropriate Risk Committees, as part of the independent risk analysis process.
- Examine the list of authorized products in institutions not subject to the Capital Adequacy Directive or whose activity is below the aforesaid threshold, and the conditions to be complied with, and submit them, for approval to the appropriate Market Risk Committee.

Supervision

- Consolidate the mapping of Group risks and establish that of the Central Institution.
- Ensure or oversee the daily supervision of positions and risks in relation to allocated limits (global ceilings and operating limits).
- Determine reporting standards.
- Organize the decision framework for excesses.
- Ensure or oversee the permanent supervision of excesses and their resolution.
- Establish a consolidated scorecard for the various regulatory authorities.

MARKET RISK MONITORING COMMITTEES

- **Group Market Risk Committee** (meets monthly)

  Roles

  For institutions subject to the CAD and above a certain threshold to be determined, the committee is involved in after-the-event risk supervision through checks monitoring limit usage, excesses and changes to limits, and daily mark-to-market calculations.

  For institutions not subject to the CAD or whose activity is lower than the abovementioned threshold, the Committee is involved at a higher level in analyzing the risks related to a product and sets the operational intervention limits (qualitative and quantitative conditions to be respected and sets limits), undertakes annual reviews or more frequently, if necessary, of the limit framework, and carries out regular compliance monitoring of the limits.

  Composition

  - Chairman of the BPCE Executive Board.
  - CEO Natixis or, represented by the CFO, a Natixis Executive Committee and Executive Board member.
  - Deputy CEO, BPCE, responsible for operations and member of the Natixis Audit Committee.
  - CEO of a Banque Populaire.
  - Chairman of the Caisses d'Epargne Executive Board.
  - CFO and BPCE Executive Board member.
  - Head of Group Risk.
  - Head of Group Audit.
  - Head of Risk, Natixis.
- **Market Risk Committee dedicated to the Central Institution** (meets monthly)

  Role

  This committee deals with products and limits relating to central treasury activity of the Central Institution and own accounts (formerly BFBP and CNCE) placed under the holding companies.

  Composition

  - CFO and BPCE Executive Board member.
  - Head of Group Risk.
  - Head of Group Compliance.

These two Committees refer to the group new products Committee or the new products Committee dedicated to the Central Institution in the event of new products and activities.

3.2.3 Operational risks

DEFINITION

Risk of loss, as a result of the unsuitability or failure attributable to procedures, personnel and internal systems, or to external events. There is close coordination with the compliance function to ensure complete overview of operational risks, including non-compliance and fraud risks.

MONITORING OF RISKS

The Groupe BPCE Risk Department contributes to policy for the management of operational risks. Its role is:

- to establish a risk mapping based on uniform evaluation standards for the whole Group scope, define operational risk indicators, monitor risk hedging (action plans, PCA, insurance) and manage a data base of losses related to confirmed operational risk incidents. The Groupe BPCE Risk Department works with the Compliance Department for the risks concerning it and contributes to the establishment of specific control procedures for the management of operational risks;
- the permanent supervision of risks and, more particularly, the consolidated summary reporting to the various authorities, investigations and analyses of significant major incidents at the group level and the approval and supervision of remedial or preventive action plans relating to these major incidents.

The management of risk information systems in close collaboration with IT departments by defining the standards to be applied for the measurement, control, reporting and management of risks. It carries out its role through a strong functional reporting line to the project manager and the contractor.

OPERATIONAL RISK MONITORING COMMITTEES

- **Group Operational Risk Committee** (meets quarterly)

  Role

  This committee is responsible for the mapping of operational risks, action plans and the performing supervision of losses and incidents at the consolidation level.

  Composition

  - Deputy CEO, BPCE, in charge of operations.
  - Chairman of the Caisses d'Epargne Executive Board.
  - CEO of a Banque Populaire.
  - Head of Group Audit.
  - Head of Risk, Natixis.
- **Central Institution Operational Risk Committee** (meets quarterly)

  Role

  It fulfills the same function within the scope of the Central Institution

  Composition

  - Deputy CEO, BPCE, in charge of operations.
  - Head of Group Risk.
  - Head of Group Compliance.

3.2.4 Structural balance sheet risks of the banking portfolio

DEFINITION

Liquidity risk is defined as the risk of not being able to meet cash outflows, whether expected or unexpected, today or in the future, leading to the inability to unwind or offset a balance sheet position because of the market situation.

Interest rate risk resulting in financial losses arising from fluctuations in interest rates on all balance and off-balance sheet account headings.

Non-trading currency risk leading to financial losses arising from fluctuations in currency exchange rates on all balance sheet and off-balance sheet account headings (excluding currency trading activities).

MONITORING OF RISKS

The role of the Risk Department forms part of the general organization of asset-liability risk management (interest rates, liquidity, non-operational currency risks).

The group Finance Department ensures the management of asset-liability risks and in this regard:

- safeguards the overall consistency and the operational coordination of asset-liability management for Groupe BPCE within BPCE, its affiliates and subsidiaries by ensuring the completeness of the scope covered, the adequacy of procedures, the definition of data and the appropriate indicators;
- proposes ALM agreements to the group ALM Committee: runoff assumptions (enabling the measurement of global interest rate and liquidity risks related to the unmatured assets and liabilities when the contractual runoff does not reflect the true characteristics of the transactions), separation of the banking book from the trading book, definition of instruments accepted for hedging;
- presents to the group ALCO the agreements to be entered into for the intra-group invoicing of capital, and oversees their compliance and that of the rates for internal disposals;
- submits tracking indicators, rules and frequency of reporting to the group ALCO;
- puts in place the agreements and information reporting procedures to enable the consolidation of asset-liability risks within Groupe BPCE;
- conducts a thorough inventory of collateral available in the group and organizes for its possible assignment;
- establishes global forecasts of financing and investment in accordance with the projected requirements of the various entities, authorized risk limits and the overall refinancing opportunities of the group.

  In this regard BPCE has a certificate of deposit program of €60 billion, negotiable medium-term notes of €10 billion and two covered bond programs for each of the two networks for a total amount of €50 billion. These diversified refinancing tools are in an environment where customer deposits cover 84% for the two networks, Caisses d'Epargne and Banque Populaire.

  BPCE is responsible for the medium and long-term refinancing of its subsidiary, Natixis;
- proposes, in liaison with Groupe BPCE Risk Department, ALM limits for the group and the different entities, and the stress scenario analyses for ALCO;
- organizes the group ALCO and be the main contact for internal or external audits on the management of the balance sheet;
- has responsibility for the permanent control of risks, the group Risk Department a member of the group ALCO, approves assumptions used by the finance department of Groupe BPCE in ALM used for the measurement of risks, manages the asset-liability limit framework and the stress test scenarios proposed during the group ALCO, before they are proposed to the executive bodies, ensures the supervision of the framework put in place on a consolidated basis to manage the asset-liability risks and include these risks in the general reporting of Group risks and carry out the permanent control of ALM risks of the Central Institution (BPCE) under the same conditions.

COMMITTEES TO MONITOR STRUCTURAL BALANCE SHEET RISKS OF THE BANKING PORTFOLIO

ALM

- **Consolidated ALCO**

  This Committee is responsible for organizing the asset-liability management process on a consolidated basis and for the subsidiaries. It secures runoff agreements and organizes models enabling the measurement of global currency, interest rate and liquidity risks for the group related to unmatured assets and liabilities when the contractual runoff does not reflect the true characteristics of the operation.

  It determines agreements for the intra-group invoicing of capital and the rates for internal sales, ensures their compliance information and determines reporting procedures to enable the consolidation of asset-liability risks within Groupe BPCE.

  In liaison with Groupe BPCE Risk Department it proposes limits and stress scenario analyses for the entire Group. The global limits framework and the asset-liability management policy are approved by the group Risk Committee.

  It is responsible for group indicators and decisions to be made on asset-liability management.

  It reviews group and affiliate risk indicators and may, if necessary, provide recommendations in the area of risk management.

  It approves group and entity financing plans at least once every year.

- **Commercial banking ALCO**

  This Committee organizes the ALM process for commercial banking. It establishes runoff agreements and organizes models to measure global currency, interest rate and liquidity risks for the group related to unmatured assets and liabilities as well as matured assets for the networks.

  It is also responsible for the consolidation of indicators of the networks, examines network risk indicators may, if necessary, provide recommendations in the area of risk management.

- **Central Institution ALCO**

  It approves the management strategy of the institution and is notified about ALM of holding companies and that of the solidarity fund.

  These Committees are currently being constituted and will meet at defined frequencies.

Treasury

- **Group Treasury Committee** (meets half-yearly)

  Roles

  It approves the general principles of operation for treasury.

  It has prepared and makes use of financing requirement forecasts of affiliate shareholders.

  It underwrites the provision of resources to ensure the security of liquidity sourcing for all affiliates.

  It oversees the consistency of resources and programs implemented and the quality of all Group signatures using a benchmark yield curve.

  Composition of the committee

  - CFO and BPCE Executive Board member.
  - Two CEO's from the Banque Populaire network.
  - A CFO from the Banque Populaire network.
  - Two chairmen of executive boards and a CFO from the Caisses d'Epargne network.
  - CFO Natixis.
  - CFO, Crédit Foncier de France.
  - Head of Risk, BPCE,
  - Head of treasury, BPCE.

- **Affiliates Treasury Committee**

  This Committee is a forum for the exchange of information and suggestions for this process. It may issue proposals that may be approved by the group Treasury Committee.

  The Committee is currently being constituted. It will meet at defined frequencies.

- **Central Institution Treasury Committee** (meets monthly)

  Role

  This is a business committee that approves treasury operational strategies for the Central Institution.

  Composition

  - CFO and BPCE Executive Board member.
  - Head of Treasury.
  - Head of BPCE treasury.
  - Head of New Issues.
  - Head of PPPs' and the medium and long-term portfolio.
  - Head of Listed Investments.
  - Head of banking collateral and agency.
  - Head of Group Risk.
  - Head of Group Compliance.

3.2.5 Technical risks related to insurance activities

DEFINITION

These specific risks concern the employee benefits business. They are based on dispersion risk (the variance compared to the average of guarantees insured per person) and the frequency risk (inadequacy of premium rates compared to the guarantee).

MONITORING OF RISKS

The group Risk Department monitors technical risks for employee benefit contracts, borrower guarantees and guarantees. Risk frameworks have been setup in the subsidiaries (CNP and Natixis) to measure and provision then reinsure risks relating liabilities underwritten as well as to regularly monitor the profitability and value of portfolios.

3.2.6 Counterparty risk

DEFINITION

The risk of default, by a principal or counterparty, in a financial instrument transaction for which the business concerned provides a performance bond.

MONITORING OF RISKS

The monitoring of risks is by measurement of commitments to principals and counterparties as well as the inventory by principals of guarantees constituted either in the form of a financial instrument or in the form of cash. In addition, a system for the monitoring of operations enables operations already undertaken out to be recorded immediately, to calculate the daily market value positions of principals and financial instruments provided as security, to track errors in order assumption and execution.

3.2.7 Settlement/delivery risk

DEFINITION

Risk related to transactions not unwound at the agreed date for securities, currencies and commodities.

MONITORING OF RISKS

Customer orders for financial instruments are transmitted to the Central Institution which has access to technical support from Natixis (Eurotitres) for securities custody and account-keeping services and reception and transmission services.

BPCE monitors through regular audit checks and reporting that its subsidiary (Natixis), responsible for securities custody and account keeping, complies with the applicable regulations and procedures in the area.

3.2.8 Risk related to the BPCE guarantee in favor of Natixis

THE OPERATION

On August 25, 2009 BPCE and Natixis entered into an agreement to set up a protection framework for Natixis against risks related to workout portfolio management structure; sensitive and non-strategic assets managed in runoff in order to lift the uncertainties that have hung over Natixis.

The objectives targeted by this protection framework are as follows:

- reduce the current and future regulatory capital requirements of Natixis for the GAPC portfolio;
- protect Natixis against losses compared to the book values in the balance sheet as at June 30, 2009;
- enable Natixis to retain the potential for appreciation in value on the major part of the GAPC portfolio;
- restrict the volatility of income for Natixis;
- align the interests of Natixis and BPCE for the future management of assets guaranteed by way of retention by Natixis of a share (15% in this case) of the exposure to losses;
- enable Natixis to implement and carry out its strategic plan under a more stable environment.

Except for a few specific lines that do not justify any particular protection (mainly assets guaranteed by the US authorities), all of the GAPC portfolios (loans and debtors on the one hand, instruments at fair value through profit and loss – trading portfolio on the other hand), is covered by the protection mechanism relating to a total nominal value of 38 billion and 31 billion in net book value as at June 30, 2009. The asset analysis is conducted line-by-line on the basis of macro-economic assumptions founded on two stress scenarios. As at June 30, 2009, these portfolios were provisioned at a higher level than the forecast loss in value on termination for these assets under a stress scenario comparable to that used by the US authorities. Moreover, the forecast loss in value under a hyper stress scenario is not of a nature to call into question the solvency of Groupe BPCE.

BPCE guarantees, in return for being given appropriate remuneration up to 85% of the assets included under this consolidation scope, with Natixis retaining 15% of the exposure. This allows Natixis and BPCE interests to be aligned in the future management of guaranteed assets.

The guarantee mechanism includes putting in place an interest rate swap agreement coupled with a purchase option mechanism for assets accounted for as fair market value instrument through profit and loss, accompanied by a premium of around €480 million, and the implementation of a financial guarantee on the stated value of assets recorded as loans and receivables, protecting Natixis against losses going beyond the provisions constituted for this portfolio.

This provision shall be subject to approval by Natixis and BPCE shareholders at their General Meetings under rules for related-party agreements.

When the guarantee is put into place the operation has no impact on the group financial statements as there is no income impact shown at Natixis and BPCE at the outset of the operation. Future results of BPCE could suffer the volatility effects from the mark-to-market of portfolios guaranteed secured, without major risk of final forecast loss, insofar as the premium paid by Natixis to BPCE for granting the guarantee corresponds to provisions raised as at June 30, 2009 on the aforementioned portfolios.

RISK

There is nevertheless a risk that these estimations and valuations could evolve and lead to future losses in value, due to factors that have not been anticipated or correctly valued in statistical models or because of market movements. The potential future additional risks covered shall be fully recorded in Groupe BPCE's share of income (no sharing of risk between the group and minorities).

3.2.9 Risks related to the constitution of BPCE and Groupe BPCE

BPCE

On July 31, 2009, CNCE and BFBP contributed the vast majority of their assets and businesses, including an investment of approximately 72% in Natixis' share capital, into creating a single Central Institution for the two networks called BPCE.

Risk

BPCE has been formed from two entities that already had the resources to fulfill the role of Central Institution.

The risk is that of the integration of information resources and organizational methods of the two entities. Working groups for each department have been set up to manage this combination. However, this merger of resources and methods could either take longer than planned or require additional investments.

A significant challenge to overcome is the successful merger of the cultures, which should, nevertheless, be facilitated by the fact that the two Groups are mutual groups.

GROUPE BPCE

The creation of a single Central Institution has lead to the creation of Groupe BPCE.

Risks

- Groupe BPCE is unable to achieve the synergies that it hopes for from the operations to bring the groups together. As a result, the new group may not perform as well as planned;

- The process of integration of certain functions common to Banques Populaires and the Caisses d'Epargne may prove to be more costly or less effective than planned in terms of income and profit;
- Thus, the results and the financial situation of the new Group could differ from the forecast performance of a new group.

3.2.10 Risks related to the management of own account business for the Caisse Nationale des Caisses d'Epargne (CNCE)

CNCE's own account business is managed in run off with CE Participations. Assets managed have been subject to an appraisal that concluded with suitable levels of provisioning.

If the economic and financial crisis was to intensify again, the consequences on the financial statements of CE Participations could be significant albeit with no danger to Groupe BPCE's solvency.

3.2.11 Risks related to the financial crisis

In the half year to June 30, 2009 Groupe BPCE earned 63% of its net banking income from retail banking as a result of its two networks, Caisses d'Epargne and Banques Populaires. Thus, the group is firstly concerned by the deteriorated economic situation that is a consequence of the financial crisis over the last two years. With the poor outlook for economic growth, household consumption has slowed resulting in a fall in the demand for consumer credit and real estate loans. Moreover, this economic slowdown has lead to businesses postponing investment and contributing to the significant growth in business defaults as shown by trends in the cost of risk.

Natixis, the group's financing, asset management and financial services bank is very sensitive to changes in the financial markets and also to the economic environment. During the previous half-year period, the sub-prime crisis caused a sharp rise in borrower defaults that has had repercussions on mortgage backed securities and other structured credit products. This change has resulted in a fall in the market value of these instruments leading to market trading almost totally drying up and the need to make large impairment provisions.

Moreover this financial crisis has weakened several banks with a risk of default that is difficult to measure. The combination of these factors has resulted in a brutal slowdown of credit markets and liquidity scarcity.

This financial crisis has also affected the financial markets that have recorded sharp falls and acute volatility. So revenues from capital markets, asset gathering and the related fee income have declined.

In this environment Natixis recorded significant losses in 2008 and during the first half of 2009.

A fuller explanation of the risks related to the financial crisis is available in the 2008 Registration Document lodged with the French Financial Markets Authority (AMF) on April 7, 2009 under reference No D. 09-0208, but also in the first update of this Registration Document lodged with the AMF on June 26, 2009 under reference No D. 09-2008-A01 and in the second update lodged with the AMF on September 8, 2009 under reference No D. 09-0208-A02.

3.2.12 Risks related to changes in economic and regulatory policies

These two changes referred to above could influence the course of the group through:

- monetary policy, interest rate policy and other policies of central banks and regulatory authorities;
- the overall trend in government or regulatory policies likely to influence investor decisions, particularly in markets where the group is present;
- developments in regulatory requirements, notably in prudential rules in the area of regulatory capital adequacy;
- changes to the competitive environment and prices;
- changes in financial reporting rules.

3.3 Operation by business sector of the Risk Department

The Groupe BPCE Risk Department carries out its work operating by business sector. It ensures, notably, the compliance with the risk policies of the affiliates and subsidiaries with that of Groupe BPCE.

Risk departments set up in the parent companies report to it through a strong operational hierarchical reporting line and have a hierarchical reporting line to the executive body. This strong hierarchical operational link is stronger in the case of subsidiaries subject to the banking supervision regulatory framework. The subsidiaires concerned include Natixis, Crédit Foncier de France (CFF), Banque Palatine, Financière Océor and, Société Marseillaise de Crédit.

Risk departments of subsidiaries not subject to the banking supervision regulatory framework have a functional reporting line to Groupe BPCE Risk Department.

The strong hierarchical operational link that is stronger in the case of subsidiaries subject to the banking supervision regulatory framework is realized notably by:

- prior approval of the appointment or removal of the head of risk of the entity from his role by the Group Head of Risk;
- involvement of the group Head of Risk in the annual performance appraisal;
- the drawing up of common standards to be applied in the entities;
- the obligation of permanent reporting and warning to the group Risk Department;
- the fixing of assignments of the Risk Director of the entity by the group Head of Risk, possibly complemented by the executive management of the bank concerned (that takes the form of an engagement letter signed by the parties).

The BPCE Head of Risk, in collaboration with the entities concerned, approves in advance the risk mappings and their diffusion as a procedural framework in compliance with Group standards, examines beforehand the systems for the delegation of risks with a view to their approval by the group Risk Committee, and consolidates all the sensitive and contentious files.

It participates, if it wishes to, in committees dealing with risk matters in any subsidiary, in particular that of CFF, with the right of appeal to specialist Group Risk Committees and, if necessary, the group Risk Committee.

Entities are responsible for the definition, monitoring and management of their levels of risk, as well as the production of reports and computer reports to be sent to the Central Institution Risk Department by ensuring the quality, reliability and completeness of the data enabling the control and monitoring of risks at the company level and on a consolidated basis.

The strong functional reporting relationship in the case of affiliate parent companies is organized as follows:

- prior approval of the appointment or removal of the head of risk of the entity from his role by the group Head of Risk;
- involvement of the group Head of Risk in the annual performance appraisal;
- the drawing up of common standards to be applied in the entities;
- the obligation of permanent reporting and warning to the group Risk Department;
- the fixing of assignments of the head of risk of the entity by the group Head of Risk, possibly complemented by the executive management of the bank concerned (that takes the form of an engagement letter signed by the parties).

The BPCE Head of Risk, in collaboration with the entities concerned, approves, after the event, the risk mappings and their diffusion as a procedural framework in compliance with Group standards, examines after the event the systems for the delegation of risks with a view to their approval by the group Risk Committee and consolidates all sensitive and contentious files.

Entities are responsible for the definition, monitoring and management of their levels of risk, as well as the production of reports and computer reports to be sent to the Central Institution Risk Department by ensuring the quality, reliability and completeness of the data enabling the control and monitoring of risks at the company level and on a consolidated basis.

The functional link for the subsidiaries not subject to the banking supervision regulatory framework takes notably the form of:

- prior approval of the appointment or removal of the Head of Risk of the entity from its role by the group Head of Risk;
- communication to the group Head of Risk of the annual performance appraisal and promotion carried out by its hierarchical superior;
- the obligation of permanent reporting and warning to the group Risk Department.

The group Risk Department, in collaboration with the entities, has access to operational risk standards and procedures established by the entities, the system of delegated risk authorities of the entities and all sensitive and contentious files of the entities.

This type of organization is duplicated in the subsidiaries and affiliates who themselves are parent companies.

3.3.1 Integration of Natixis into the Risk Management Process

Natixis, as the principal subsidiary, is integrated into the BCPE Group Risk Management Process in accordance with the general principles stated above.

BPCE, as Central Institution and shareholder, can delegate to Natixis the definition of risk standards and evaluation methods common to the Central Institution and Natixis, in accordance with prudential requirements on a consolidated basis with the final decision being up to the Central Institution.

A Group Standards and Methods Committee, chaired by the Central Institution Head of Risk with involvement, if required, from the Natixis Risk Department, is authorized to approve the design of these risk evaluation methods for joint pooling, notably in relation to Basel regulatory capital requirements. It decides on the recalibration of joint models after back testing and approves the models and charts to be applied in the group. More generally, this committee defines the common standards to be applied in the group. In this regard, the risk network processes of the subsidiaries concerned are involved as required.

The group Risk Department is a member of the following Natixis committees: Natixis Group Risk Committee, Natixis Group Market Risk Committee, Natixis Group Operational Risk Committee, New Products and Business Committee and in these committees has the right to refer to specialist Group risk committees and, if necessary, to the Groupe BPCE Risk Committee on decisions taken by Natixis committees.

Natixis participates as and when necessary in the group IT Risk Committee that decides the requirements and resources implemented by Natixis to enable the Central Institution perform its risk monitoring on a consolidated basis.

The BPCE Group Risk Department receives reports and documents from Natixis Group credit committees and committees for counterparties under supervision.

3.4 Compliance

The role of the Groupe BPCE Compliance Department is described in the principles laid down by CBRF Regulation no. 97-02 as amended and the general regulations of the French Financial Markets Authority (AMF). The Department is responsible for overseeing the consistency and effectiveness of controls on the risk of non-compliance with the regulatory framework applicable to its banking and finance activities, professional and ethics standards and practices as well as the orientations of the governing or executive bodies.

The role of the compliance function is to:

- prevent the risk of administrative, disciplinary or criminal sanctions and the associated financial loss arising from infringements of banking and financial regulations and non-compliance with the Monetary and Financial Code;
- safeguard the group's image and reputation with its customers and partners.

In this regard, the Compliance Department will undertake any action of a nature to strengthen compliance in Groupe BPCE banks, its affiliates and subsidiaries. Its methods of operation, notably by business sector, are set out in a charter.

Compliance is a second-tier internal control function that maintains close relationships with all functions contributing to the performance of internal controls of the group: Group Internal Audit and Risk Departments. The Compliance Department is responsible for ensuring the consistency of all compliance control, it being clear that each business operational or control sector retains responsibility for the compliance of its activities and operations.

3.4.1 Scope of action

The action scope of the compliance function covers the risk of non-compliance as defined in Article 4p of Regulation 97-02 above, as the "the risk of legal, administrative or disciplinary sanction, financial loss or an attack on the reputation arising from non-compliance with provisions applicable to the banking or finance activities, whether these are of a legislative or regulatory nature, or they relate to professional standards and ethics or instructions from the executive body taken, notably, pursuant to orientations of the governing body."

It covers all of Groupe BPCE, including the two holding companies dedicated to the subsidiaries and operational activities retained by Groupe Banque Populaire and Groupe Caisse d'Epargne. As these two companies do not have their own employees, the control functions and, in particular, Compliance will be assured by BPCE.

3.4.2 Principal duties

- Ensure legal and regulatory oversight relating to compliance, in collaboration with the legal function.
- Define the standards and methods for the evaluation of non-compliance, control and reporting risks. These standards meet the needs, in particular, to comply with the principles of market integrity, the primacy of customer interests and the prevention of conflicts of interest (including independent management of third-party accounts), know the customer and to combat money laundering and the financing of terrorism.
- Measure the effectiveness of permanent second-tier controls (the controls on compliance with compliance standards and controls on compliance with procedures are performed by institutions of the group).
- Establish a non-compliance risk mapping at the group level.
- Put in place a structure with the group Risk Department that takes into account observations and corrective measures related to operational failings that may entail a non-compliance risk for the bank.
- Issue a written compliance for new activities, products and transactions, as well as for significant changes to existing products with a right of refusal or appeal, in regards to Group procedures for the approval of the new products introduced in BPCE. Products proposed by Natixis for commercialization in the two networks give rise to a written compliance opinion approved by Natixis Central Compliance Department prior to their review under Groupe BPCE approval procedures.
- Participate, in an advisory role, in supporting activities with a view to their securitization and compliance with standards.
- Contribute to the training in compliance of employees and executive bodies in liaison with the Human Resources Department.
- Ensure the project management of information systems dedicated to the monitoring and management of non-compliance risk on a consolidated basis at Groupe BPCE level. This project management is undertaken in collaboration with Groupe BPCE entities and businesses.

- Centralize the failure reports resulting in a situation of non-compliance at the BPCE level itself, of the two holding companies of the two networks, of each affiliate and subsidiary with a view to their group consolidation by BPCE.
- Centralize possible failures within the meaning of Article 11-2 of Regulation 97-02 as amended, at the level of each entity with a view to their consolidation by Groupe BPCE and their reporting to the BCPE Executive Board, and define the conditions for undertaking the right to raise the alarm referred to in this Article whilst respecting the confidentiality of declarants.
- Prepare regular summary reports, notably, for the BPCE Executive Board and the Groupe BPCE Audit and Risk Committee.
- Oversee the consistency and effectiveness of permanent controls on non-compliance risk.
- Prevent, detect and deal with external and internal fraud cases as required with Operations Managers and transfer if necessary to the Legal Department and the Human Resources Department, in relation to follow up given to internal fraud.
- Analyze and manage the results of Permanent Control relating to non-compliance risk, by organizing the circulation of all information relating to the control of operational risks on behalf of the group Risk/Operational head of Risk.

3.4.3 Roles

FINANCIAL MARKET ETHICS

- Define ethics standards and manage the RCSI sector process.
- Project manage compliance issues during the design of joint products for the two networks.
- Ensure the efficient operation of approval processes for new Group products.
- Ensure the definition and application of ethics rules for the New Central Institution.
- Manage compliance aspects of the project to merge securities systems of the two networks.

LEGAL AND REGULATORY COMPLIANCE

- Coordinate the regulatory oversight carried out in all Group entities.
- Prepare and distribute material and documentation on standards.
- Develop the content of training material related to Compliance for the group.

FINANCIAL SECURITY

- Carry out activities to combat money laundering.
- Coordinate the Financial Security Department.
- Carry out activities to combat money laundering
- Manage and operate terrorist and embargo listings.

The principles and frameworks for anti-money laundering and the counter-terrorism financing are drawn up by the Central Institution of Groupe BPCE and are distributed throughout all of its entities. A distinction has however been made between the functions relating to the Central Institution (promotion of the LAB/FT process for the group) and those relating to BPCE as an authorized bank and subject to the provisions of the finance and monetary code.

The BCPE compliance unit has drawn up a series of procedures relating to anti-money laundering and counter-terrorism financing and has a person responsible for anti-money laundering. Procedures for know-your-client, activity monitoring and suspicious transaction reporting to TRACFIN have been developed and account and transaction control systems deployed with a view to identifying suspect transactions. Market activity carried out by BPCE has lead it to putting in place counterparty referencing procedures.

In relation to training, BPCE operating teams are regularly alerted to the problems of money laundering and terrorism financing.

The introduction of new requirements related to ordinance No 2009-104 of January 30 and Decree No 2009-1087 of September 2, 2009 (politically exposed persons, modulation of vigilance obligations, notably) is underway, in consultation with the anti-money laundering and counter terrorism financing group in Groupe BPCE.

MANAGEMENT OF PERMANENT CONTROL

- Develop a common reference base for the management of non-compliance risk.
- Administer the permanent compliance control reporting tool and the standards publication tool.
- Analyze requests of non-compliance incidents.
- Plan and perform management compliance reviews in the networks and subsidiaries, in accordance with a multi-year plan.
- Analyze and manage the results of permanent control relating to the risk of non-compliance.

COORDINATION AND ORGANIZATION OF THE DEPARTMENT

- Manage the mapping of non-compliance risks.
- Prepare Compliance Department reporting.
- Assure the preparation and secretarial functions of committees to ensure the implementation of recommendations.

GROUP SECURITY FUNCTION

The Groupe BPCE Security Function reports to the Compliance Department on and carries out its role independently from operational Departments. This involves:

- managing the safety and security of Group people and assets;
- managing the Employee and Asset Security process within the group;
- overseeing compliance with legal and regulatory provisions in the area of safety and security of people and assets;
- participating in Group internal and external bodies;
- managing information security in the group;
- coordinating crisis management;
- managing BPCE business continuity;
- managing the performance and maintenance in operational condition the group Business Continuity Plan;
- leading the group business continuity process;
- overseeing compliance with regulatory provisions in the area of business continuity;
- participating in Group internal and external bodies.

Groupe Banque Populaire and Groupe Caisse d'Epargne each had a collection of compliance standards that they make available to the banks of each of the groups. A project to merge these standards was begun when BPCE was formed so as to have a common reference base. During the transition period, compliance controls resulting from the application of these standards shall be maintained and shall continue to fall under the responsibility of the Compliance Managers of the institutions of the group.

3.4.4 Governance bodies

A range of committees are involved in the compliance framework:

Two committees are responsible for the "prior and automatic approval of new products or significant changes carried out on existing products" within the meaning of Article 11-1 of Regulation 97-02 (A committee for each distributor network). They are chaired by a member of the BPCE Executive Board and give decisions, notably, on the written advice issued by the head of Compliance, who participates in said Committee. The scope of products dealt with by this Committee includes all Group products sold to customers of each of the networks, whenever the product is commercialized by two or more affiliates and/or subsidiaries.

Each Group institution has its own new product approval committee that as a minimum reviews compliance with the product distribution methods approved by the group. For products for which it only acts as distributor in the group, the review is based on the range of compliance tests. Minutes of these committees are sent to the BPCE compliance department and files are available for its review. The compliance department sends summaries of these minutes to the two BCPE network committees.

The Compliance Manager is assisted by a Group Compliance Committee. Under its presidency, it brings together the Legal Affairs Manager, the Natixis Compliance Manager and two Compliance Managers from each of the networks, appointed in annual rotation.

The Compliance Manager attends the group Risk Committee, the New Market Products Committee, the group Operational Risks Committee and the Control Functions Coordination Committee. The Manager receives the agenda and minutes of the group Standards and Methods Committee. The Manager also participates in Committees that approve commercial processes, approve recommended sales methods for authorized products, whatever channel used (distance selling or direct selling in the branch).

3.4.5 Organization by business process of the Compliance Department

GOVERNING PRINCIPLES

The Groupe BPCE Compliance Department carries out its role under a business process operating framework. In this regard it performs an orientation and motivation role with heads of Compliance in affiliates and subsidiaries. The Compliance Network Structure must ensure compliance with regulations and standards by Groupe BPCE prevails in order to guarantee quality commercial development, the sign of a sustainable relationship with customers.

The Compliance Departments or Services established in the various directly controlled affiliates and subsidiaries subject to the banking and finance regulatory supervision framework, report through a strong functional link of a hierarchical nature.

In the directly-controlled affiliates and subsidiaries, the heads of Compliance report directly to the executive body or, exceptionally, to someone with permanent control responsibility who reports to the executive body, if the size of the entity warrants it.

A strong functional link of a hierarchical nature is expressed by:

- prior approval of reporting lines, appointment or removal of the head of Compliance of the entity by the Groupe BPCE head of Compliance;
- involvement of the Groupe BPCE head of Compliance in the annual performance appraisal and promotion recommendations;
- the publication of standards to be produced in the entities;
- permanent reporting to the Groupe BPCE Head of Compliance;
- the obligation to alert the Groupe BPCE Head of Compliance in the event of a serious incident.

This type of organization is duplicated in the subsidiaries and affiliates who themselves are parent companies.

NATIXIS INTEGRATION

Natixis, as a subsidiary of the Central Institution is integrated into the Groupe BPCE Risk process in accordance with general principles stated above.

3.5 Other permanent control functions

3.5.1 Management of legal risks

The Legal Department has responsibility for the prevention and management of legal risks and Group-level legal risks. It is also involved in the prevention of reputational risks. In this regard it contributes to the legal risk management of activities of the Central Institution and group entities.

To discharge its responsibility, its involvement is through the provision of legal and regulatory oversight, information, assistance and advice for the benefit of all institutions of the group.

Together with the Compliance Department, it is also involved in ensuring the consistency and effectiveness of controls of non-compliance risks relating to laws and regulations specific to its banking and finance activities.

Finally, the Legal Department represents the group with the regulatory authorities, and national and international organizations, in all its fields of expertise.

The operational methods of the Legal Department, notably by business process, are set out in a charter.

The Legal Department exercises its role independently of the Operational Departments.

Furthermore, it performs its role under a business process framework. In this regard it is a source of expertise and coordinates Group legal and litigation policy.

It ensures that different Group affiliates or subsidiaries involved in banking or finance activities have access to a legal function adapted to the recurring needs of their activity.

With the exception of the specific case of Natixis, for which there is a strong functional link of a hierarchical nature, the legal process operates through the principle of a functional link organized mainly through training and coordination initiatives between the Central Institution and different affiliates or subsidiaries.

For Natixis, the strong functional reporting link is achieved, notably, through:

- approval of the appointment to or removal from office of the Natixis Legal Director;
- involvement of the Groupe BPCE Legal Manager in the annual performance appraisal and promotion recommendations;
- the obligation of permanent reporting and alerts to the Central Institution Legal Department.

3.5.2 Accounting and financial information quality control

The objective of the accounting and financial information quality framework is to contribute towards the uniformity and reliability of Groupe BPCE accounting and financial information under the direction of the group Finance Department. It forms one of the components of the permanent control framework.

ACCOUNTING STANDARDS FUNCTION

The group Finance Department performs an accounting standardization operation at the group level for the production of company and consolidated financial statements under French standards and IFRS.

A standards department independent of the accounts department of the Central Institution, although it may report to the same manager, discharges this role.

This department monitors accounting regulations and is active in market bodies in representing Group interests, maintaining Group accounting standards up to date, both under French standards as well as IFRS (accounting doctrine, definitions, charts of account, account diagrams, etc.), defines, on request, the accounting treatment of new operations and financial instruments used in the group, provides accounting assistance to subsidiaries and affiliates, ensures the permanent training of Group employees through training sessions, periodic sessions on topical issues, publishes a review and maintains an intranet site as well as being the point of contact with statutory auditors on accounting issues, defines the accounting communication framework for the group, subsidiaries including Natixis and affiliates, provides compliance opinions on new products distributed by the group, and coordinates the Natixis Accounting Standards Department for standards specific to its businesses (BFI, insurance, factoring, leasing).

ACCOUNTING CONTROL

The group Finance Department coordinates the permanent accounting control framework under an operational process whose rules are specified in a charter.

The framework guarantees an effective separation of the functions of accounts entry from accounting control with uniformity of the control process: methods, tools, process for restitutions and scheduling, and a monitoring framework by the Finance Department of each entity.

To succeed in its role, the framework is based on two tiers of control, managed by a central body within the group Finance Department, independent of the accounting department of the Central Institution, although it may report to the same person.

There is a first-tier level of control in each entity whose work mainly involves performing controls defined by the business process, but in accordance with methods adapted to the risks of each entity. These controls relate to account movements and balances, proof of accounts, operation of the chart of accounts and financial reporting, notably on the application of Group accounting standards.

This first-tier level of control in the group business process occurs at the second-tier control stage in the entities, after first-tier controls performed by management of operational departments.

There is a second-tier control of the business process, managed by the group Finance Department, with the objective of organizing, coordinating and managing accounting control of Group institutions. It defines the roles, responsibilities; scope of involvement of those involved in accounting control in Group institutions and has a standard-setting role for operational departments. It defines, organizes and standardizes relations between local accounting control departments and the Central Institution. This Group accounting control process, through its action and organization, contributes to the reliability and uniformity of the accounting control framework in Group institutions.

The management control is based on a control tool that focuses on movements and account balances, a mapping of controls, a management tool of decentralized accounting records, Group work programs specifically tailored for each entity and uniform control reports in the entities in order to enable consolidation of work performed.

The group Risk, Compliance and Internal Audit Departments receive reports on controls performed.

REGULATORY CONTROL

The group Finance Department organizes and manages the control framework for regulatory reports to be lodged with the Banking Commission and Banque de France.

It carries out third-tier controls on the reports produced by the affiliated networks before sending them to the regulatory bodies, periodically produces an aggregated report of all these components in accordance with the frequency to be defined, ensures qualitative monitoring and timely production of reports by affiliates, is responsible for training and providing assistance to Group employees responsible for production of these reports, maintains tools used for these returns in operational state, attends to the reporting of statistical information or data about regulated transactions and liaises with the ministries concerned.

3.5.3 Information systems security

The information systems security function defines, implements and develops Group policies of its business process. It coordinates the network of IS security managers in the banks and subsidiaries, ensures permanent and consolidated control of IS security as well as assuring technical-regulatory oversight. It initiates and coordinates Group projects for the reduction of risks in its field.

Finally, the IS security function represents the group in banking industry and public authority groups in its field.

Furthermore, the head of IS security of the Central Institution is a member of this team and is responsible for IS security of the federated bank IS network and BPCE.

It has regular contact within the Central Institution with the Risk, Compliance and Audit Departments.

- **Group IT Risk Committee** (Meets monthly)

  This Committee has the authority to approve and decide on budget allocations and priorities of all risk projects with an IT component and oversees their progress, at the group level. It also approves the solutions to be put in place by Natixis and other subsidiaries to enable the Central Institution to carry out its monitoring of consolidated risks. Representation by IT departments ensures that issues relating to the technical architecture of information systems are fully taken into account.

- **Composition**
  - Deputy CEO, BPCE, in charge of operations.
  - CFO and BPCE Executive Board member.
  - CEO that chairs the Banque Populaire IT Risk Committee.
  - Executive Board Chairman of a Caisse d'Epargne member that chairs the Caisses d'Epargne IT Risk Committee.
  - Head of Group Risk.
  - A risk manager for each information system.
  - CIOs' of BPCE, Caisses d'Epargne and Natixis.

3.6 Periodic control by Groupe BPCE Internal Audit

3.6.1 Groupe BPCE Internal Audit assignments

In accordance with the responsibilities of the Central Institution, Groupe BPCE Internal Audit is responsible for the periodic check of the proper operation of Group institutions in relation to organization, management and the quality of the financial position.

Under this it ensures the quality, effectiveness, consistency and proper operation of their permanent control framework and the management of their risks. The scope of Internal Audit covers all risks, entities and activities, including those that are outsourced. It extends, notably, to the holding companies of the two BPCE shareholder networks and their subsidiaries.

Its operating methods, notably by business process, are set out in a charter.

Its main objectives are to evaluate and report to the executive and governing bodies of the group and entities on the:

- quality of the financial position of the entities;
- level of risks effectively incurred;
- quality, effectiveness and proper operation of all types of permanent control frameworks;
- quality and proper operation of risk management systems and their compliance with regulatory requirements (Sections IV and V of Regulation 97-02 and Order dated February 20, 2007 relating to regulatory capital requirements;
- reliability and integrity of accounting and management information (Section III of Regulation 97-02);
- quality and adequacy of procedures put in place to ensure compliance with laws, regulations, market rules and ethics codes, as well as Groupe BPCE policies, rules and guidelines.

In addition, it ensures the follow up of the effective implementation of recommendations from previous audits and Banking Commission inspections and ensures reporting and oversight, within reasonable timeframes, of remedial measures decided under the internal control framework in accordance with Article 9-1.b of Regulation 97.02.

The Head of Group Audit is responsible for the periodic control of the group, within the meaning of Article 7 2nd paragraph of Regulation 97-02, as amended. In this regard, notably, it prepares on a consolidated basis, the annual report on the conditions under which internal control is ensured by Article 42 of this regulation and coordinates a process for periodic control within the group.

3.6.2 Scope of action

To fulfill its role Groupe BPCE Internal Audit establishes and maintains an up to date Group audit scope inventory, that is defined in agreement with internal audit groups of Group entities.

It ensures that all entities, activities and related risks are covered by full audits, performed in accordance with cycles whose frequency is defined according to the overall risk level of each entity which in no case may exceed more than four years for banking activities.

In this regard Groupe BPCE Internal Audit not only takes into account its own audit work but also that performed by regulators and internal audit departments of the entities.

The annual audit program for Groupe BPCE Internal Audit is approved by the Chairman of the Executive Board. It is examined by the Groupe BPCE Audit and Risk Committee. The Groupe BPCE Audit and Risk Committee ensures that this audit program allows for satisfactory coverage of the Groupe BPCE audit scope over a multi-year cycle and can recommend any measures to this effect. It reports on its work to the Groupe BPCE Supervisory Board.

3.6.3 Reporting

Recommendations arising from audits performed by Groupe BPCE Internal Audit are prioritized by order of urgency or importance and are subject to regular follow up, at least every six months.

Conclusions from audits are presented to management of entities audited during a meeting at the end of the audit. Audit reports are sent to the Executive Board or the Executive Management of the entities audited, to the Chairman of their governing body and presented to their Audit Committee or their governing body.

The Head of Group Audit also reports on audit conclusions and the implementation of significant recommendations to the Chairman of the Executive Board of the Central Institution, to the Risk and Audit Committee and to the Supervisory Board of the Central Institution, who receive Internal Audit reports. It may contact the Audit and Risk Committee in the event of a failure to implement corrective measures decided as part of the internal control framework.

3.6.4 Representation in governance bodies and Group Risk Committees

The Groupe BPCE Head of Audit participates, with no voting right, in key committees of the Central Institution relating to risk management so as to effectively perform its role and contribute to the promotion of a control culture.

As indicated above, the Head of Group Audit is a member of the coordination committee of permanent and periodic audit functions and is a standing invitee of the Risk and Audit Committee of the Central Institution, the Natixis Audit Committee and principal subsidiaries (Océor, Crédit Foncier).

3.6.5 Relation with the permanent control departments of the Central Institution

The Head of Group Audit maintains regular dialogue within the Central Institution and exchanges information with unit heads within his audit scope and, more specifically, with Departments responsible for second-tier control.

These departments are responsible for notifying the Head of Group Audit immediately of any failure or major incident of which they become aware. Similarly, the Head of Group Audit should be notified immediately of the start of any inspection or disciplinary proceedings by regulatory authorities or more generally of any external review.

3.6.6 Organization by business process Audit

Groupe BPCE Internal Audit performs its role under the framework of individual business processes. In carrying out its role it follows the standards of the *Institut Français des Auditeurs et contrôleurs internes* (IFACI) and the Institute of Internal Auditors (IIA). Furthermore, an audit charter is currently being prepared to produce specific audit standards for Groupe BPCE.

The objective of such an organization is to ensure coverage of all operational or functional units of the group within the shortest timeframe possible, as well as to achieve effective coordination with internal audit departments of the entities.

Internal audit departments of directly-owned subsidiaries report directly to Groupe BPCE Internal Audit through a strong functional link, with a hierarchical reporting line and a hierarchical reporting line to the executive body.

In BPCE subsidiaries that do not have an internal audit department, internal audit coverage may be provided by Groupe BPCE Internal Audit through delegated authority approved by the Boards of the Central Institution and the entity concerned.

This strong functional link of a hierarchical nature is achieved through the following rules:

- the appointment or removal from function of heads of audit departments in directly-controlled affiliates or subsidiaries is subject to prior approval by the Head of Group Audit, who is also kept informed of the appointment or removal from function of audit heads of indirectly-controlled affiliates and subsidiaries;
- the Head of Group Audit participates in the annual performance appraisal;
- Groupe BPCE Internal Audit approves the audit charter of directly-controlled affiliates and subsidiaries;
- Groupe BPCE Internal Audit ensures that internal audit departments of entities have the resources necessary to perform their role. The budget and employee numbers of these departments are fixed by the executive bodies of the affiliates and subsidiaries in agreement with Groupe BPCE Internal Audit;
- internal audit departments of entities use audit methods defined by Groupe BPCE Internal Audit that are drawn up in consultation with them;
- multi-year and annual programs of internal audit departments of entities are produced in agreement with Groupe BPCE Internal Audit and consolidated by it. Groupe BPCE Internal Audit is kept regularly informed as to the progress of their implementation;
- audit reports of entities are communicated to Groupe BPCE Internal Audit as and when they are issued;
- inspection reports from regulatory authorities relating to entities as well as the related follow up letters and answers to these letters are communicated to Groupe BPCE Internal Audit upon reception or issue when they are sent directly to the entity;
- Groupe BPCE Internal Audit is notified as soon as possible of the start of inspections by the various regulators of the entities, as well as any proceedings against them;
- a copy of annual reports of entities prepared in application of Articles 42 and 43 of CBRF Regulation 97-02 and a copy of the annual report of the Chairman of the governing body on internal control is sent to Groupe BPCE Internal Audit.

This type of organization is duplicated in the subsidiaries and affiliates that themselves are parent companies.

The rules governing the organization of Internal audit business lines between Natixis and the Central Institution are in line with the group audit process:

Given the size and nature of the activities of subsidiaries a Coordination Committee including Groupe BPCE and Natixis Internal Audit meets at least every two months and is responsible for all issues relating to the operation of the Audit function between the Central Institution shareholder and Groupe Natixis.

4

INTERIM FINANCIAL REPORTS

4.1 Groupe Banque Populaire interim financial report as of June 30, 2009

4.1.1 Banque Fédérale des Banques Populaires interim financial report

MANAGEMENT REPORT FOR 1ST HALF 2009

Foreword

On July 31, 2009, the Annual General Meetings of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d’Epargne ratified the formation of BPCE, the new central body of the Banques Populaires and the Caisses d’Epargne, that was born of the combination between the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d’Epargne.

The formation of BPCE is the culmination of the combination project initiated in October 2008 by the Groupe Banque Populaire and the Groupe Caisse d’Epargne (see notes and consolidated appendices – note 1. Key events of the first half of 2009).

As the legal successor of the Banque Fédérale des Banques Populaires, the Board of Directors of Banques Populaires Participations examined and prepared the latest consolidated financial statements for Banque Fédérale des Banques Populaires Group on June 30, 2009, as the creation of Groupe BPCE was not legally effective on June 30, 2009.

The consolidated financial statements of Banque Fédérale des Banques Populaires Group until June 30, 2009 were approved by the Board of Directors of Banques Populaires Participations on August 26, 2009.

Summary of the situation of Banque Fédérale des Banques Populaires Group as of 1st half 2009

Foreword

ACCOUNTING PRINCIPLES USED

The consolidated financial statements as of June 30, 2009, December 31, 2008 and June 30, 2008 are presented in accordance with IFRS and are fully comparable in terms of accounting standards.

SCOPE OF CONSOLIDATION

No significant purchase took place during the first half 2009. However, we note that the scope of Banque Fédérale des Banques Populaires Group changed during the second half 2008 with the acquisition, by Banque Fédérale des Banques Populaires, of 100% of the Société Marseillaise de Crédit, consolidated over the second half 2008.

Given its date of purchase, the results of Société Marseillaise de Crédit had no impact on the comparative data on June 30, 2008. Consequently, so as to present consistent performance data, the reference financial statements for calculating the changes over the period are the *pro forma* statements that include the *pro forma* contribution of Société Marseillaise de Crédit to the first half 2008.

Further more, during the second half 2008, the Banque Fédérale des Banques Populaires purchased 49% of 6 other regional banks: Banque Chaix, Banque de Savoie, Banque Marze, Banque Dupuy de Parseval, Crédit Commercial du Sud-Ouest and Banque Pelletier. Given Banque Fédérale des Banques Populaires' commitment to sell its stake to the Banque Populaire banks to which the Regional Banks are attached (Banque Populaire Provençale et Corse, Banque Populaire des Alpes, Banque Populaire du Sud and Banque Populaire du Sud-Ouest), these Regional Banks were not consolidated in the financial statements of the Banque Fédérale des Banques Populaires Group. The sale of 49% to the Banque Populaire banks to which the Regional Banks are attached took place on June 24, 2009.

Unless otherwise stated, the developments presented hereafter are based on *pro forma* changes.

Banque Fédérale des Banques Populaires Group's consolidated results

The consolidated results of the Banque Fédérale des Banques Populaires Group are broken down around two business lines:

- **"Financial Services and Corporate Banking"** which presents Natixis' contribution to the financial statements of the Banque Fédérale des Banques Populaires Group, after application of the consolidation by proportional integration at a rate of 35.92%;
- **"Federal and other activities"**, which groups the activities covered by the Banque Fédérale des Banques Populaires, together with the activities of its direct subsidiaries exercising retail banking activities in France or internationally (MA BANQUE, Société Marseillaise de Crédit, BICEC in Cameroon, Banque Commerciale Internationale in Congo, VolksBank International in Central and Eastern Europe) and the activities in residential real estate services (FONCIA).

	June 30, 2009			June 30, 2008 pro forma(*)	
in millions of euros	Natixis	Federal activities and other	Total	Total	changes (%)(*)
Net Banking Income	**248**	**515**	**763**	**916**	**-16.8%**
Overhead expenses	(860)	(431)	(1,291)	(1,292)	-0.1%
Gross Operating Income	**(612)**	**84**	**(528)**	**(376)**	**+40.7%**
Cost of risk	(802)	(14)	(816)	(129)	x6.3
Operating income	**(1,414)**	**70**	**(1,344)**	**(505)**	**nm**
Share of income of associates	86	5	91	102	
Income from other assets	7	(9)	(1)	36	
Goodwill	0	(395)	(395)	16	
Tax	341	(15)	326	63	
Net income	**(980)**	**(344)**	**(1,324)**	**(288)**	**nm**
Minority interests	(8)	(2)	(10)	(25)	
Net income attributable to equity holders of the parent	**(988)**	**(346)**	**(1,334)**	**(312)**	**nm**

(*) *Pro forma 2008 restatements for the Société Marseillaise de Crédit.*

NATIXIS CONTRIBUTION TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP

Natixis' contribution reflects proportional consolidation at 35.92%:

NATIXIS' CONTRIBUTION

in millions of euros	H1-09	H1-08	changes *(%)*
Net Banking Income	**248**	**542**	**-54%**
General operating expenses	(860)	(956)	-10%
Gross Operating Income	**(612)**	**(414)**	**+48%**
Cost of risk	(802)	(131)	x6.1
Operating income	**(1,414)**	**(546)**	**+159%**
Share of income of associates	86	90	-5%
Income from other assets	7	41	
Goodwill	0	0	
Pre-tax income	**(1,321)**	**(415)**	**+218%**
Tax	341	85	+301%
Net income	**(980)**	**(330)**	**+197%**
Minority interests	(8)	(18)	
Net income attributable to equity holders of the parent	**(988)**	**(348)**	**+184%**

Comments on the contribution of Natixis to the Groupe Banque Populaire's consolidated results

Natixis' contribution to the results of the Group represents a loss of nearly €1 billion, €0.9 billion of which comes from activities managed on a run-off basis, grouped together within the Workout Portfolio Management Structure (GAPC).

Within a context marked by the continuation of the financial crisis and the general worsening of the economic environment, Natixis' continuing-business lines have provided uneven performance: the Corporate and Investment Banking divisions (division refocused on client operations) and the Asset Management and Services divisions have shown a clear recovery in their activity compared to the previous quarter. The business lines most exposed to the economic cycle (Receivables Management and Private Equity) remain affected by the crisis.

For its part, the GAPC (Workout Portfolio Management Structure) has recorded losses on monolines, CDPCs and ABS's CDOs. Over the first half 2009, the GAPC implemented a certain number of transactions to reduce its portfolios through the transfer or accelerated funding of its positions. This allowed a significant reduction in its weighted exposure compared to December 31, 2008.

Furthemore, the first half 2009 was marked by a large increase in provision for the cost of risk (given the risks related to the GAPC), an increase in hedging, particularly on various LBO and real estate portfolios, and an increase in the cost of corporate risk on the Corporate and Investment Banking activities.

NATIXIS – JUNE 30, 2009 (AFTER APPLICATION OF PROPORTIONAL CONSOLIDATION)

in millions of euros	Continuing Corporate and Investment Banking	Asset management	Investor Services	Receivables management	Private Equity & Private Banking	Excluding core businesses[*]	Natixis continuing activities	Segregated activities	Other[**]	Natixis
NBI	**499**	**220**	**171**	**65**	**(2)**	**(69)**	**884**	**(681)**	**44**	**248**
Expenses	(286)	(163)	(118)	(131)	(29)	(26)	(753)	(29)	(78)	(860)
Gross operating income	**213**	**57**	**52**	**(66)**	**(31)**	**(95)**	**131**	**(709)**	**(34)**	**(612)**
Current net income	**(50)**	**36**	**30**	**(42)**	**(29)**	**7**	**(48)**	**(911)**	**(21)**	**(980)**

(*) Including retail banking in current net income.
(**) Including net restructuring charges and CACEIS partially sold in Q2-09.

NATIXIS – JUNE 30, 2008 (AFTER APPLICATION OF PROPORTIONAL CONSOLIDATION)

in millions of euros	CIB continuing activities	Asset management	Investor Services	Receivables management	Private Equity & Private Banking	Excluding core businesses(*)	Natixis continuing activities	Segregated activities	Other(**)	Natixis
NBI	**509**	**247**	**202**	**170**	**66**	**(72)**	**1,122**	**(660)**	**80**	**542**
Expense	(342)	(181)	(122)	(125)	(31)	13	(788)	(32)	(136)	(956)
Gross operating income	**167**	**66**	**80**	**45**	**35**	**(58)**	**334**	**(692)**	**(56)**	**(414)**
Current net income	**84**	**41**	**54**	**30**	**22**	**33**	**263**	**(602)**	**9**	**(330)**

(*) *Including retail banking in current net income.*
(**) *Including net restructuring charges and CACEIS partially sold in Q2-09.*

Net banking income (NBI)

Natixis' contribution to net banking income for the Banque Fédérale des Banques Populaires Group stood at €248 million as of June 30, 2009, down by 54% compared to June 30, 2008.

The contribution of continuing activities to NBI stood at €884 million in the first half 2009:

- the NBI for the Corporate and Investment Banking division (€499 million) dropped by 2% compared to performance in the first half 2008. With a restatement covering the activities of "Credit Portfolio Management", which were negatively marked to market on hedging instruments for an amount of €162 million during H1 09 (against +€46 million in H1-08), the NBI of the Corporate and Investment bank would be up by 43% (+40% at constant exchange rates). The half-year was particularly marked by the good performance of capital markets, particularly activities in rates, foreign exchange, credit and commodities;
- the NBI of the Asset Management division (€220 million) is down by 11% compared to the first half 2008, bearing in mind the drop in average exposure over the period consecutive to the drop in the markets. Exposure at the end of the period increased by €161 million to €171 million, under the effect of net inflows (+€5 billion) and the market effect (+€5 billion), the foreign exchange effect having little impact;
- the NBI of the Services division (€171 million) is down by 15% compared to June 30, 2008. Although business activity remains sustained, the financial crisis continues to weigh on the financial performance of certain of the division's business lines. Income is down in Insurance, Securities, Financial Guarantees and Financial Leasing. On the other hand, the progression of consumer loans is continuing, while the performance of Payments, Employee Benefits Planning and International Services remains sound;
- NBI from Receivables Management (€65 million) is down by 62% compared to the end of June 2008. Strongly affected by the increase in liabilities, the NBI of credit insurance is down by €18 million, against a profit of €85 million as of June 30, 2008. The loss ratio stood at 116% over the first half-year (against 56% in the first half 2008);
- NBI from private equity and private banking was down by €2 million against a profit of €66 million in the first half 2008: in spite of a significant recovery in the second quarter, Private Equity had negative NBI for the half-year of €18 million (including a loss of €24 million in provisions for impairment), against a profit of €45 million in the first half 2008. Private Banking had NBI of €16 million, down by 24%;
- NBI from "other business" (-€69 million), is down compared to June 2008. This drop is due to losses in the second half 2008 and the first quarter of 2009, which reduced the available tier-one regulatory capital, and the drop in short rates on which income is based.

Operating expenses

Operating expenses were down by €860 million, a drop of 10% compared to June 30, 2008.

In the continuing activities, the drop is explained not only by the reduction in variable remuneration, but also by the impact of the cost-reduction plan, both concerning the drop in staffing levels and the reduction in other operating expenses.

The number of employees is down by 4% to 19,678 Full Time Equivalent. The main departures concern the Corporate and Investment Banking division (-597 FTE, i.e. -11%) and the "non-core business") (-224 FTE, i.e. -9%).

			Change June 2009 – June 2008	
Permanent/fixed-term contracts at end of period in full-time equivalent	**06/30/2008**	**06/30/2009**	**Full Time Equivalent**	**%**
Total Natixis continuing activities	20,413	19,678	(735)	-4%
CIB continuing activities	5,458	4,861	(597)	-11%
Asset management	2,915	2,817	(98)	-3%
Investor services excluding CACEIS	3,411	3,539	128	4%
Receivables management(*)	5,574	5,649	75	1%
Private Equity & Private Banking	686	666	(20)	-3%
Excluding core businesses	2,370	2,146	(224)	-9%

(*) Includes the purchase of TKB in The Netherlands (71 FTE consolidated in June 2009).

In these same activities, fixed remuneration is up by 4% to €332 million. This increase is expressed at 2% at constant dollars and becomes null if a restatement is made for the impact of provisions for employee benefits concerning the parent company (charge of €2.9 million as of June 30, 2009, against a reversal of €3.7 million as of June 30, 2008).

Cost of risk

The cost of risk has been multiplied by more than 6 compared to June 30, 2008 and reached €802 million as of June 30, 2009.

In continuing activities, the cost of risk stood at -€434 million on June 30, 2009. The provision for the second quarter strongly increased at €366 million, after an allocation of €68 million in the first quarter 2009. This increase is explained by a significant increase in the cost of individually-assessed impairment on corporate financing over the second quarter (112 bps for credit RWA in the second quarter, against 101 bps in the first quarter), and by an additional provision for the overall hedging of certain portfolios (namely real estate financing and LBO).

Net income

The share of income of associates stood at €86 million as of June 30, 2009, including €53 million from CCI Caisse d'Epargne and €29 million from CCI Banques Populaires, after eliminating the share of intra-group dividends from Banque Fédérale des Banques Populaires (namely €12 million on June 30, 2009).

Pre-tax income stood at a loss of €1,321 million, against a loss of €415 million on June 30, 2008.

Income tax is very positive, €341 million against €85 million in the first half 2008, given the activation of deferred tax assets on ordinary deficits, secured by the new Natixis strategic plan.

Less minority interests of €8 million, Natixis made a negative contribution to the Banque Fédérale des Banques Populaires Group's consolidated net income of €988 million compared with a negative contribution of €348 million on June 30, 2008.

CONTRIBUTION FROM FEDERAL AND OTHER ACTIVITIES

The business line **"Federal and other activities"** groups a certain number of mixed activities that may be summarized as follows:

CONTRIBUTION FROM FEDERAL ACTIVITIES AND OTHER

in millions of euros	Net Banking Income	General Operating Expenses	Gross Operating Income	Net income
Contributions				
FONCIA	267	(246)	21	12
FONCIA – goodwill funding				(395)
Société Marseillaise de Crédit	100	(66)	34	18
BICEC	27	(17)	10	3
MA BANQUE	12	(10)	2	0
VolksBank International (VBI)				5
Federal activities	109	(92)	17	11
of which contributions to Banques Populaires	*74*			
TOTAL	**515**	**(431)**	**84**	**(346)**

The major exceptional item on this division covers the funding of goodwill for Banque Fédérale des Banques Populaires Group on FONCIA for a loss of €395 million.

- **FONCIA**, a leader in residential real estate services, was acquired by Banque Fédérale des Banques Populaires in 2007. At the end of 2008, the goodwill for FONCIA had not undergone any funding and stood at €1,121 million with, firstly, €810 million for the Group on FONCIA SA (including synergies with the Banques Populaires) and €306 million after assignment concerning redeemable assets and the FONCIA brand and, secondly €311 million of goodwill for FONCIA concerning its subsidiaries.

  The impairment test carried out on June 30, 2008 showed a requirement for funding of €395 million, illustrating the significant worsening of the current economic environment compared to that which was anticipated at the time of the initial acquisition, which was made at the top of the cycle.

  Following this test, the value of goodwill for Banque Fédérale des Banques Populaires concerning FONCIA SA, i.e. €810 million (including the synergies with the Banques Populaires) showed impairment of €395 million and stood at €415 million.
- **MA BANQUE** is the result of a partnership between Banque Fédérale des Banques Populaires Group, MAAF and Mutuelles du Mans, and is 66%-owned by Banque Fédérale des Banques Populaires. Its NBI of €12 million is sharply down compared to June 30, 2008, at -35%.
- **International retail banking essentially includes** BICEC in Cameroon, Banque Commerciale Internationale in Congo and VolksBank International (VBI) in Central and Eastern Europe in partnership with Austria's Volksbank and Germany's DZ Bank.
  - The BICEC (Cameroon bank) is 59% owned by Banque Fédérale des Banques Populaires; in its NBI was stable at €27 million. The resumption of business activity that began in the second half 2008 contributed to the performance of BICEC.
  - The Banque Commerciale Internationale is wholly owned by Banque Fédérale des Banques Populaires and was consolidated for the first time in 2009, with a contribution limited to €2 million to the Group's net result.
  - VolksBank International (VBI), held at 25% by Banque Fédérale des Banques Populaires and accounted for according to the equity method; its contribution to consolidated results stood at €5 million on June 30, 2009, sharply down compared to June 30, 2008 at -54%. Its results were strongly affected by the increased cost of risk covering all countries of Central and Eastern Europe, compensated by good performance in Romania (nearly 90% of VBI's results).
- **The other federal activities** mainly concern the activities of the central body of the Banque Fédérale des Banques Populaires. The impact on Net Banking Income mainly concerns the contributions received by Banques Populaires for its duties as a central body, i.e. €74 million against €71 million as of June 30, 2008.

Regulatory capital and capital adequacy ratio

The regulatory capital of Banque Fédérale des Banques Populaires Group stood at €5.7 billion on June 30, 2009, €4.1 billion of which was Tier One capital.

Weighted risks, calculated according to the clauses of the Basel 2 mechanism, reached €61.3 billion on June 30, 2009, against €64.2 billion on December 31, 2008.

Consequently, the Tier 1 ratio stood at 6.7% and 2.6% for Core Tier 1, against 6.4% and 2.8% respectively at the end of December 2008. The total ratio stood at 9.3% against 8.1% on December 31, 2008.

Outlook

The Banque Fédérale des Banques Populaires, the central body of the Groupe Banque Populaire, carried out a merger on July 31, 2009 with the Caisse Nationale des Caisses d'Epargne, central body of the Groupe Caisse d'Epargne, to create BPCE. BPCE became the central body of the Groupe BPCE.

This group, which results from the merger of two complementary cooperative networks and is a major financial partner for retail customers, companies and the entire economy, is positioned as the number 2 French banking group.

From the beginning of the third quarter 2009, a strategic plan will be drawn up to define the development objectives of the Groupe BPCE.

RISK MANAGEMENT

Credit risk

Exposure to credit risk by category of exposure

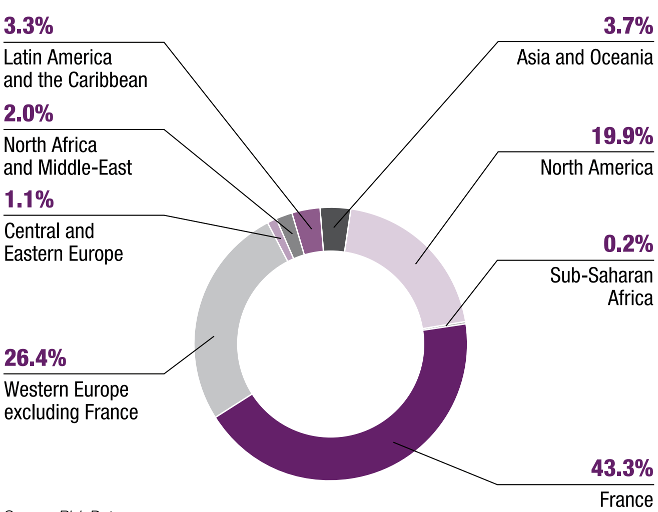
in millions of euros	06/30/2009	06/30/2008	Change
Corporate	64,007	56,249	13.8%
Bank	11,812	14,446	-18.2%
Professionals	2,049	289	608.1%
Individuals	3,822	1,661	130.2%
Sovereign	5,079	1,297	291.6%
Trading portfolio	0	69	-99.7%
Equity	1,985	1,469	35.1%
Securitization	4,158	2,879	44.4%
Other	187	0	nm
TOTAL	**93,098**	**78,359**	**18.8%**

Source: Risk Data.

Overall exposure to credit risk to which the Banque Fédérale des Banques Populaires Group is subject, amounted to €93 billion on June 30, 2009. The 2009 fiscal year integrates the risks from the Société Marseillaise de Crédit, essentially concerning the Individual and Professional clientele.

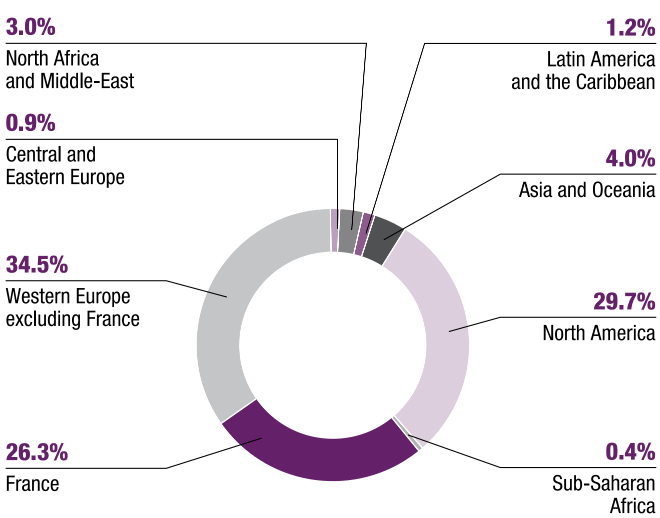
Breakdown of exposure by geographic region

CORPORATE

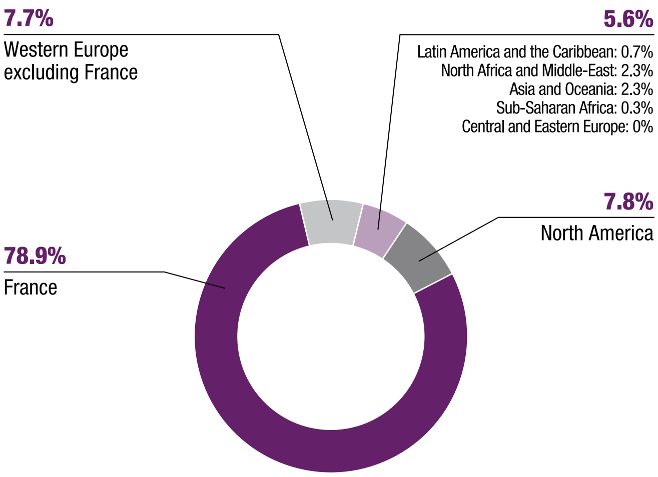


Source: Risk Data.

BANK



SOVEREIGN



Source: Risk Data.

70% of Corporate risks are located in Western Europe, of which 43% correspond to national risks. North American risks reach nearly 20%.

The geographical division of inter-bank risks is balanced between Western Europe, France and North America.

However, sovereign risks are primarily national risks.

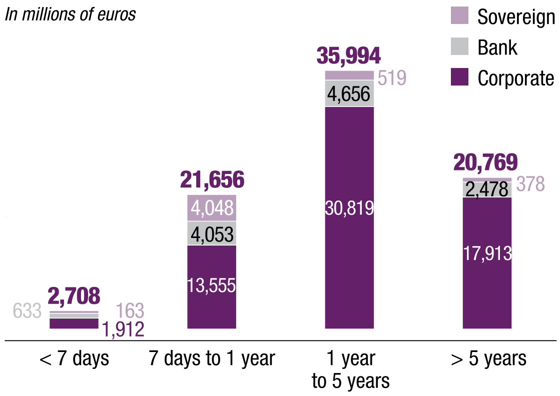
Breakdown of exposure by economic sector

in millions of euros	Corporate	Professionals	Total	Corporate	Professionals	Total
Finance insurance	28,944	147	29,090	36.1%	7.1%	35.4%
Holdings and diversified	12,774	47	12,821	15.9%	2.3%	15.6%
Energy	4,885	5	4,889	6.1%	0.2%	5.9%
Administration	4,618	1	4,619	5.8%	0.0%	5.6%
Investor Services	3,666	161	3,827	4.6%	7.8%	4.7%
Consumer goods	3,625	115	3,740	4.5%	5.6%	4.6%
Transport	3,013	92	3,105	3.8%	4.5%	3.8%
Basic industries	2,983	47	3,030	3.7%	2.3%	3.7%
Real Estate	2,668	122	2,789	3.3%	5.9%	3.4%
Construction	2,312	177	2,489	2.9%	8.6%	3.0%
Property rental	1,713	638	2,351	2.1%	31.0%	2.9%
Communication	1,714	31	1,745	2.1%	1.5%	2.1%
Mechanical and electrical construction	1,548	55	1,603	1.9%	2.7%	2.0%
Utilities	1,392	9	1,402	1.7%	0.5%	1.7%
Food industry	1,126	53	1,179	1.4%	2.6%	1.4%
Other	1,089	89	1,178	1.4%	4.3%	1.4%
Retail trade	969	70	1,039	1.2%	3.4%	1.3%
Tourism-hotels-catering	443	104	547	0.6%	5.0%	0.7%
Pharmacy-health	390	89	479	0.5%	4.3%	0.6%
Technology	251	6	256	0.3%	0.3%	0.3%
TOTAL	**80,123**	**2,056**	**82,179**	**100%**	**100%**	**100%**

Source: Risk Data.

The weight of Natixis in the risks to which Banque Fédérale des Banques Populaires is subject is expressed by the high representation of Finance Insurance business (insurance companies, investments in securitization transactions and the financial clientele) and holdings.

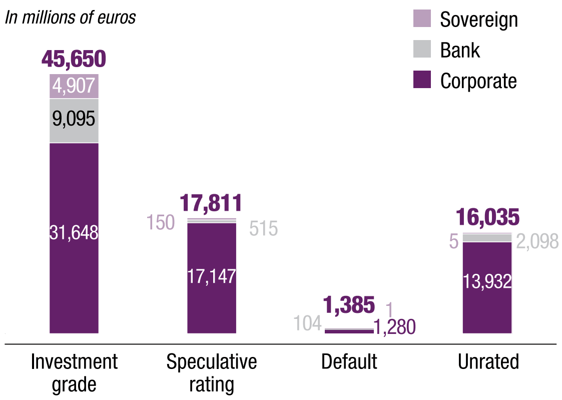
Breakdown of exposure by residual maturity



Source: Risk Data.

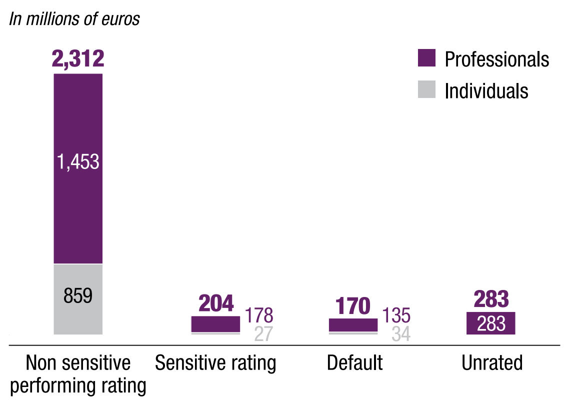
70% of exposure has residual maturity greater than one year. This level is higher for Corporate (76%) than for Interbank (60%) and Sovereign (17%).

Exposure by risk quality



Source: Risk Data.

56% of risks have an investment grade rating, against 22% with a speculative rating and 2% with a default rating. The unrated exposure rate stood at 20% and concerns Corporate and interbank risks.



Source: Risk Data.

The risks concerning the Individual clients of Natixis and the MA BANQUE subsidiary of BFBP are dealt with according to the Basel II Standard method that is not rated internally and is therefore not taken into account in this graph.

Non-sensitive performing rating represents 78% of exposure. The rate of sensitive risk stood at 7% and the default rate stood at 6%.

Concentration risks

	Top 10	Top 20	Top 50	Top 100
Corporate	23.4%	32.0%	44.3%	53.8%
Banks	69.5%	81.7%	95.0%	100.0%
Sovereign	91.9%	95.5%	98.5%	99.0%
Securitization positions	34.0%	40.1%	50.7%	61.1%
Equity	37.6%	46.9%	54.1%	57.5%

Source: Risk Data.

The concentration of risks presents a profile that is increased compared to that of Groupe Banque Populaire over all categories of exposure.

Market risks

The following table shows changes to Groupe Banque Populaire's VaR for first half 2009 calculated over a holding period of 1 day and a confidence interval of 99%. The risk from Natixis is weighted at 35.78% until 12/31/2008, the level of Banques Populaires' holding in the capital of Natixis, then at 35.92%.

	35.78%/35.92% VaR Natixis	VaR BRED	VaR Cash BFBP	VaR GBP
in millions of euros	99% 1 day	99% 1 day	99% 1 day	99% 1 day
12/31/2008	13.2	12.7	0.0	25.9
03/31/2009	11.6	9.9	0.7	22.2
06/30/2009	9.2	10.1	0.8	20.2

Stress scenarios complete the mechanisms for supervising operational indicators (sensitivity, exposure) and global indicators (VaR), providing a different assessment of market risk.

Since early 2009, we have seen a drop in GBP's VaR, firstly because of a decline in Natixis' segregated assets, and secondly because of the drop in volatility in equity markets. The VaR in the BFBP's Central cash unit is low with regard to that of Natixis and the BRED Banque Populaire in first half 2009.

Organization of Natixis' market risk control

The Market Risk Department independently defines the risk assessment methods to be used, advises on limits and ensures the monitoring of all market risks within Natixis. Market risk management is based on a system of delegation overseen by the Group's Risk Management Committee, within which the Market Risk Committee plays a key role.

The purpose of the Market Risk Committee is to determine the bank's market risk policy and ensure that it is applied correctly. The Committee is an operational extension of the executive body and has decision-making powers for matters relating to market risk.

It meets on a bi-monthly basis under the chairmanship of a member of the Governing Board. *Ad hoc* sessions may be organized in an emergency.

During first half 2009, Natixis' policy on risk was focused on the Risk Management Department adapting the market risks supervision mechanism to changes in Front Office business (creation of the GAPC).

Reporting has also been adapted to correspond to this new organization.

The market risk policy determined by the Market Risk Committee comprises the following:

- definition and review of VaR limits, operational limits and loss-alert limits. These limits are examined in the light of budgetary information provided by front office managers;
- defining validation delegations;
- reviewing risk exposure with a possible focus on a particular risk category;
- reviewing any violations and/or non-authorizations of limits and measures taken or to be taken;
- reviewing decisions made under delegation;
- information on the validation of market risk and fair-value adjustment methodologies, and on model validation;
- information on changes in VaR calculation methods;
- information relative to the development of back testing.

Concerning market operations valuation models, Natixis' Risk Department validates the pricing models used within the Group and regularly ensures they are consistent with market developments and best practices.

The Market Risks Department is composed of two divisions: a cross-company division and an operational division.

The organization of the operational division changed in first half 2009, the objective being to improve the monitoring of developments to the Front Office organization.

The operational division is mainly in charge of the control of day-to-day market risks and consists of a division for producing the VaR and three divisions for monitoring activity corresponding to the main front-office business lines:

- Fixed Income (Interest rates, Credit, Foreign Exchange);
- Equities and Commodities;
- Cash/ALM/GAPC and monitoring subsidiaries.

These monitoring divisions are thus responsible for their respective structures:

- the analysis and control of market risks and corresponding reporting;
- regular monitoring of positions and results;
- the definition of appropriate risk-measurement methodologies
- determining provisioning policies and deductions for liquidity risks, risks relating to parameters that cannot be covered by the system, model risks and other items);
- validating pricing models.

The cross-company division makes all consolidated reports used internally and externally. It provides information on a twice monthly basis covering the situation and development of market risks to the member of the Executive Management responsible for the CIB and to the Market Risks Committee.

It is responsible for implementing standards and procedures common to all entities subject to market risks (subsidiaries and branches), for international coordination, for technology monitoring and for the relationship with the various internal and external audits and for following up their recommendations.

It is also responsible for the management and operational monitoring of all projects related to VaR and to stress tests (definition of analysis tools, risk factors, and the calibration of new global and specific stress tests).

Methodology for measuring market risk

Natixis' market risk management system is based on a risk metrics model that measures the risk run by each Group entity.

Market risks are assessed using a variety of methods:

- synthetic VaR calculations determine potential losses from each activity at a given confidence level (example: 99%) and a predetermined period over which positions are held (example: 1 day). The calculation is performed and monitored daily for all of the Group's trading activities.

  For calculation purposes, the joint behavior of market parameters that determine portfolio values is modeled using statistical data covering a period of one year rolling. Over 5,300 risk factors are currently modeled and used.

  Natixis calculates VaR based on digital simulations, using a Monte Carlo methodology which takes into account possible non-linear portfolio returns based on the different risk factors. These calculation methods are harmonized using a single calculation tool, Scénarisk. In order to monitor compliance with VaR limits set by the regulator, Natixis' Risk Department produces the VaR for Natixis' consolidated scope.

  As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers in September 2008, Natixis has carried out a number of studies taking account of the different histories in order to calculate VaR, with the aim of reflecting the change of regime recently observed in the financial markets. These studies resulted in the definition of a new calculation method, which is now based on econometrics for which standard deviations are calculated as the maximum, risk axis by risk axis, of standard deviations calculated over the following periods: 12 months rolling, 3 months rolling, September 1, 2008 to the present date (provided that the present date is before September 1, 2009). This change of method has resulted in all limits being recalibrated. After being presented to the French Banking Commission, the method was put into production in the fourth quarter of 2008;
- operational indicators are used to manage activity on an overall basis and/or by homogenous activity, by focusing on more directly observable criteria (for example: sensitivity to changes in the underlying instrument, sensitivity to changes in volatility or to correlation, diversification indicators). The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR, loss-alert and stress-test limits for certain structures. They are determined consistently with these last. All operational limits are subject to day-to-day monitoring by the Market Risks team.

  All violations of limits (operational, VaR, loss-alert and stress-test limits) are notified. Loss-alert violations may lead to a management decision concerning the position in question (closure, hedging, maintaining, etc.).

  The key standard metrics used are:
  - sensitivity to a +/-1 bp change in interest rates (overall and by zone, currency and/or maturity),
  - a yield-curve exposure indicator,
  - an exchange-rate risk indicator,
  - an equity exposure indicator,
  - indicators on sensitivity to a +/-1% change in implied volatility in the equity, foreign exchange, fixed income, inflation and commodities markets (overall, by maturity and by strike price),
  - an indicator on change in delta of an underlying asset (equities, fixed income, currency or commodities),
  - an indicator on sensitivity to change in government bond/swap spreads,
  - an indicator on sensitivity to change in issuer spreads,
  - an indicator on inter-currency spreads,
  - an indicator on sensitivity to inflation (1 bp change),
  - a measurement of discontinuity risk,
  - indicators on sensitivity to a change in correlations,
  - an indicator on sensitivity to recovery and to jump to default,
  - indicators on monthly and annual loss alerts.

Stress tests are also employed to measure the potential portfolioslosses under extreme market circumstances. Two main categories of stress tests are calculated at Natixis: the global stress tests and those specific to each activity. The global stress tests were the subject of a large project that began in 2008 and continued over the first half 2009 to recalibrate and enhance them. Calculated using Natixis' VaR calculation tool, they can be grouped into three categories:

- historic stress tests consist of reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the extent of P&L changes recorded. Although these stress tests cannot predict the future, they can be used to assess the exposure of the Group's activities to known scenarios. Six historical stress scenarios have been defined;
- hypothetical stress tests consist of simulating changes in market parameters in all activities on the basis of plausible assumptions concerning the reaction of one market in relation to another, depending on the type of initial shock. Shocks are determined as a result of reviews and collaboration with front office staff and economists. These scenarios can be defined according to economic criteria (real estate crisis, economic crisis), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East) or other factors (avian flu). Five theoretical stress test scenarios have been defined;
- adverse stress tests aim to detect the most unfavorable situations for the bank on the basis of the characteristics of its portfolio. Calculations consist of using hypothetical stress tests as a matrix, the adverse stress test scenario being that leading to the maximum loss.

Concerning the specific stress tests, a project carried out jointly by the Risk Management Department and the CIB was launched in 2008; severity standards and shock matrices have been defined for each business line. Several Front Office management teams were informed of the need for assessment and implementation of these scenarios in the management tools (more than 1,000 scenarios have been defined). Since September 2008, the project structure has been organized around a steering committee and working groups. The project will be finalized in 2009 and the beginning of 2010, with the aim of calculating these stress test scenarios using management applications and subject to limits.

Following the approval process carried out in 2008, the French Banking Commission confirmed to Natixis that it may use its internal VaR model for regulatory purposes.

Quantitative data for measuring Natixis' market risk

CHANGES TO VAR WITHIN NATIXIS

99% 1-day VaR for Natixis' trading portfolios averaged €36.8 million over a rolling 12-month period, with a maximum observed level of €66.4 million on December 22, 2008 and a value of €27.5 million as of June 30, 2009.

These figures should be considered in relation to the change of market regime in September 2008 following the collapse of Lehman Brothers.

This major crisis led CIB to reorganize its activities and to segregate some of them into an *ad hoc* portfolio (GAPC). This reorganization was accompanied by changes to reporting methods and the risk monitoring system, with the calibration of new limits.

Furthermore, as described in the above paragraph, it was deemed necessary to adapt the methodology applied to calculating VaR in order to be able to reflect these exceptional market changes. Natixis therefore changed the way in which historical data is taken into account by adjusting the calculation of standard deviations using the following formula:

Standard deviation = maximum (12 months rolling, 3 months rolling, past data beginning September 1, 2008 "capped" at 1 year)

This new method for calculating standard deviations, applied risk factor by risk factor, came into production in the fourth quarter of 2008.

More conservative and more appropriate to the significant increase in market volatility, its consequence was to significantly increase VaR (between 1.5 and 2 times depending on the scope) to equivalent positions from the time it was put into production on December 15, 2008. An global limit was set at €70 million from this same date. Since then, the limit has been reviewed twice to follow the reduction in VaR which is a direct consequence of the drop in exposure: from €55 million on January 28, 2009 to €40 million from June 24, 2009.

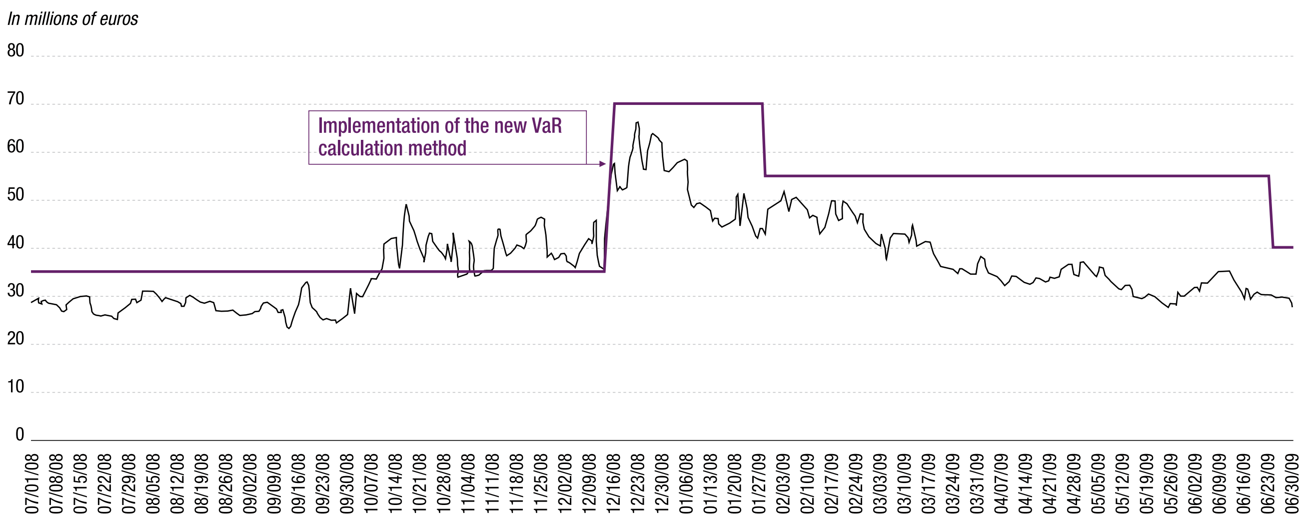
The limit on VaR defined by the CECEI (€35 million) is still monitored on a daily basis. Natixis therefore manages VaR at two levels (old VaR method and new VaR method).

The implementation of the new VaR method for the approved scope had the effect of eliminating the back-testing exceptions observed at the end of 2008. No back-testing exceptions were observed over a rolling year on the regulatory scope as of June 30, 2009.

MONITORING OF GLOBAL TRADING VAR USING THE NEW AND OLD METHODS

	VaR Monte-Carlo 99% 1 day as of 06/30			VaR MC 1Y 99% 1 day as of 06/30			Difference between MC and MC 1Y
in millions of euros	06/30/2009	Limit	Average	06/30/2009	Limit	Average	
NATIXIS Trading	27.5	40	36.8	25.7	35	32.1	1.8
Continuing Activities Trading	16	32	28.2	15.4		22.8	0.6
NATIXIS Europe Asia Trading	15.1		28.8	14.3		25.5	0.8
Debt & Financing Trading	1.2	1.2	3.7	1.1	8	3.6	0.1
Capital Markets Trading	14.9		27	13.9		23.9	0.9
Active risk management and supervision Trading	2.5		3.1	2.3		2.6	0.2
NATIXIS Capital Markets Trading	5.1	6.2	6.1	5.3	6.8	5.8	(0.2)
Segregated Trading	22.5	30	29.3	13.9		23.9	1.3
NATIXIS Europe Asia Segregated Trading	17.6		26.3	16.6		20.7	1
NATIXIS Capital Markets Segregated Trading	12.4		10.7	11.5		9.3	0.9

GLOBAL NATIXIS VAR TRADING PORTFOLIO (99% VAR 1 DAY)



GLOBAL TRADING VAR BY CLASS OF RISK

	VaR Monte-Carlo Trading -99% 1 day			
in millions of euros	06/30/2009	12/31/2008	Change	Average over one rolling year
NATIXIS				
Rate risk	16.0	38.6	(22.6)	23.0
Equity risk	9.1	26.2	(17.1)	16.8
Specific issue risk	1.1	2.2	(1.1)	3.8
Specific rate risk	20.6	22.6	(2.0)	18.4
Currency risk	3.9	6.5	(2.6)	5.8
Total for all risk classes	50.6	96.1	(45.5)	-
Effects of offsetting	(23.1)	(40.3)	17.2	-
Consolidated VAR	**27.5**	**55.8**	**(28.3)**	**36.8**

We note the considerable reduction of general equity risk (-€17.1 million) and general rate risk (-€22.6 million) for the period, evidencing a significant reduction of positions and associated market risks.

Stress test results

The project to overhaul the global stress tests continued in 2009. It resulted in an adjustment to the existing scenarios and the creation of additional stress tests.

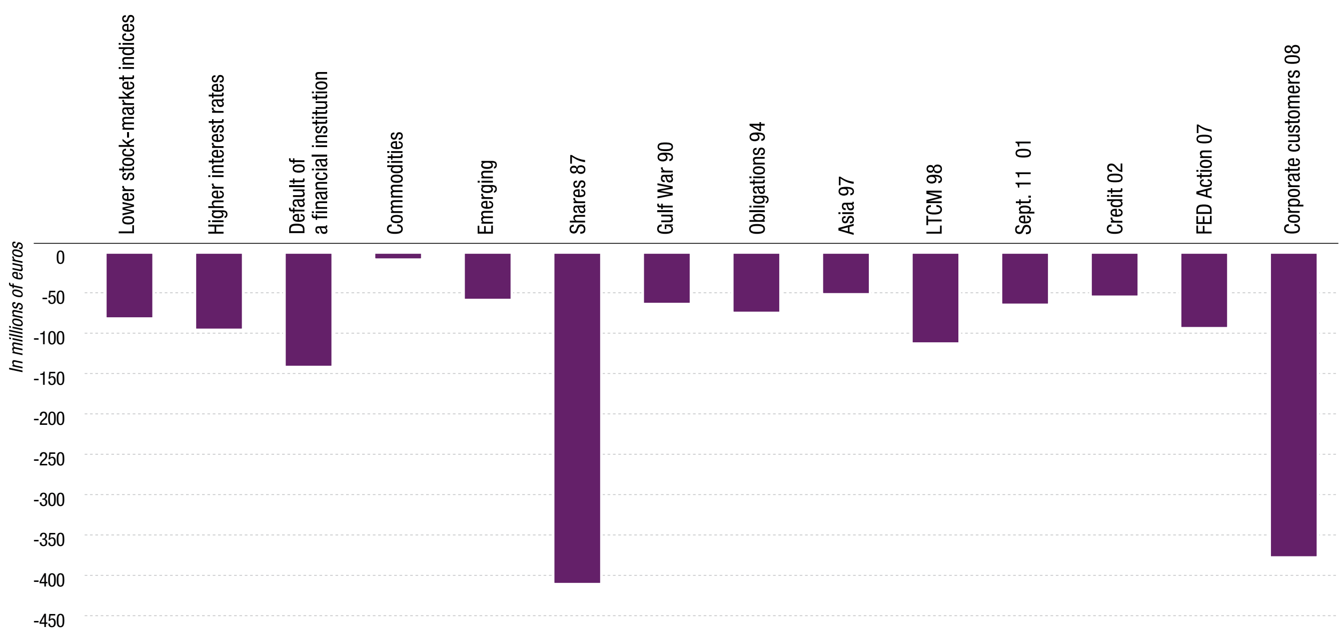
Two global hypothetical stress tests were added:

- Emerging-Crisis: Impact on all markets of a sudden withdrawal of foreign capital invested in emerging countries;
- Commodities Crisis: Scenario concerning an interruption in the supply of commodities caused by a geopolitical crisis.

Three new historical stress tests were also added:

- 1990 Gulf War;
- reaction of the Fed in August 2007 following the sub-prime shock;
- corporate, ABS and MBS Crisis in March 2008.

Natixis has thus 5 global hypothetical stress tests and 9 global historical stress tests.



Financial stability forum recommendations on financial transparency

Natixis

The data are fully taken into account.

CDOs AND EXPOSURE TO MONOLINES AND OTHER PROVIDERS OF CREDIT ENHANCEMENTS

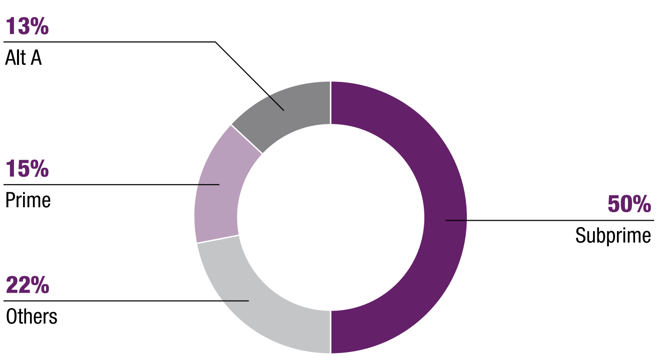
Non-hedged ABS CDOs exposed to the US housing market

in millions of euros	#1	#2	#7	#9	#10	#11	#12	#13	#14	#15	#4	#6
Net exposure as of 03/31/2009	8	9	51	27	12	54	43	8	37	76	306	330
Change in value Q2-09	(1)	0	(18)	(2)	(3)	(3)	(3)	(4)	(3)	(25)	(57)	(98)
Net exposure as of 06/30/2009	**6**	**8**	**24**	**22**	**7**	**46**	**37**	**3**	**31**	**45**	**233**	**215**
% discount	***96%***	***93%***	***84%***	***20%***	***96%***	***18%***	***25%***	***98%***	***36%***	***46%***	***38%***	***47%***
Nominal exposure	139	118	149	27	169	56	49	151	49	84	375	409
(Aggregate) change in value	(130)	(109)	(125)	(5)	(163)	(10)	(12)	(148)	(18)	(38)	(141)	(194)
Tranche	Super Senior	Mezza-nine	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Mezza-nine	Mezza-nine	Super Senior	Super Senior
Underlying instrument	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	High Grade	High grade
Attachment point	28.1%	0%	37.1%/ 97.1%	56.3%	0%	32.1%	34.5%	8.7%/ 99.1%	27.4% 98.5%	26.3%/ 75%	8.1%	37.1%/ 97.1%
Prime	1.9%	12.8%	12.8%	9.5%	10.1%	34.3%	9.7%	7.9%	4.6%	13.6%	3.7%	0.0%
Alt-A	2.4%	9.9%	0.6%	2.4%	2.3%	17.4%	0.7%	0.0%	4.5%	40.3%	0.7%	0.0%
Subprime (2005 and earlier)	9.9%	23.0%	56.0%	62.1%	42.1%	31.0%	44.7%	81.3%	38.5%	32.8%	14.5%	0.0%
Subprime (2006 & 2007)	60.2%	28.5%	7.2%	0.0%	31.5%	0.0%	8.0%	1.1%	13.2%	9.9%	3.0%	0.0%

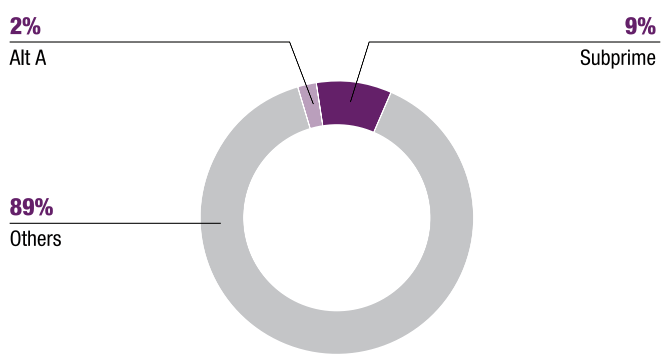
Undiversified Structures
Discount Rate: 77%

Diversified Structures
Discount Rate: 43%

Undiversified Structures
Discount Rate: **77%**



Diversified Structures
Discount Rate: **43%**



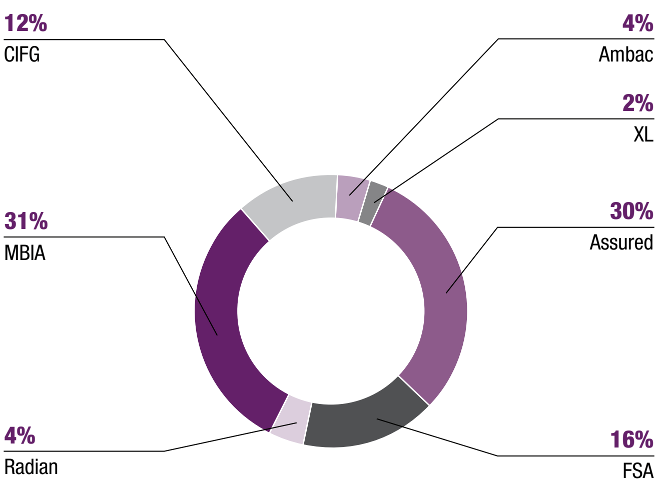
PROTECTION PURCHASED

From Monoline

in millions of euros	Gross notional amount of hedged instruments	Exposures before adjustments Q1-09	Exposures before adjustments Q2-09
Protection for CDOs (US housing market) with subprime underlying instrument	1,229	547	578
Protection for CLOs	5,592	267	284
Protection for RMBSs	880	269	301
Protection for CMBSs	922	1,344	73
Other risks	8,830	1,618	2,570
TOTAL	**17,453**	**4,044**	**3,806**

Value adjustments	(1,664)	(1,721)
Collective provision	(500)	(500)
Residual exposure to counterparty risk	**1,880**	**1,586**
Discount rate	*54%*	*58%*

RESIDUAL EXPOSURE[(1)]



(1) Before the €500 million collective provision.

From CDPCs

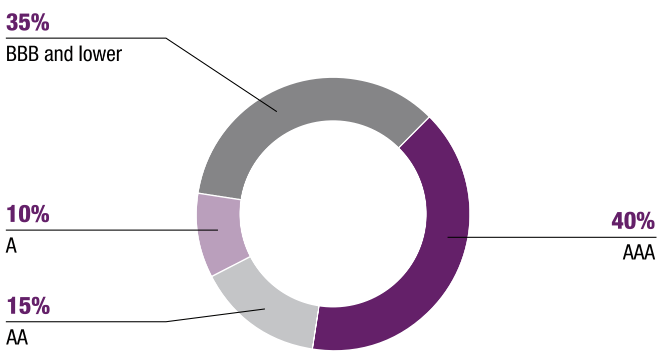
- Exposure prior to value adjustment: €1.45 billion as of 06/30/2009 (gross notional amount was €9.7 billion).
- Value adjustment in the amount of €648 million.

OTHER UNHEDGED CDOS

CDOs not exposed to US housing market

- Value adjustment: -€175 million as of Q2-09.
- Residual exposure: €3,845 million.

RESIDUAL EXPOSURE[(1)]



(1) Base: €3,845m.

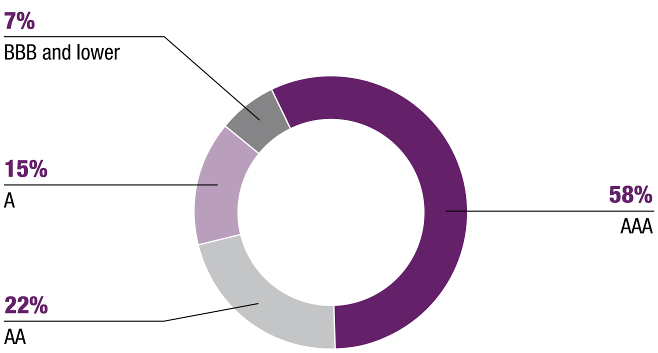
CRE CDOs

in millions of euros	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	120	(5)	(70)	45	79
Fair value option	114	(7)	(1)	106	166
Fair value through equity	2	(1)	0	1	20
Loans and receivables	18	(8)	12	23	30
TOTAL	**255**	**(22)**	**(59)**	**174**	**296**

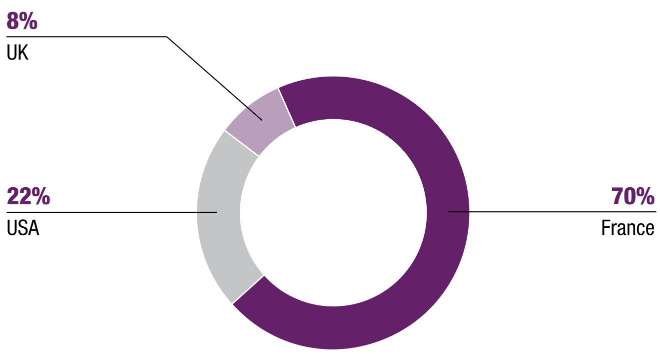
UNHEDGED MORTGAGE BACKED SECURITIES

CMBSs *in millions of euros*	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	485	(27)	(99)	360	573
Fair value through equity	160	(23)	13	150	292
Loans and receivables	138	15	97	250	250
TOTAL	**783**	**(35)**	**11**	**760**	**1,115**

RATING

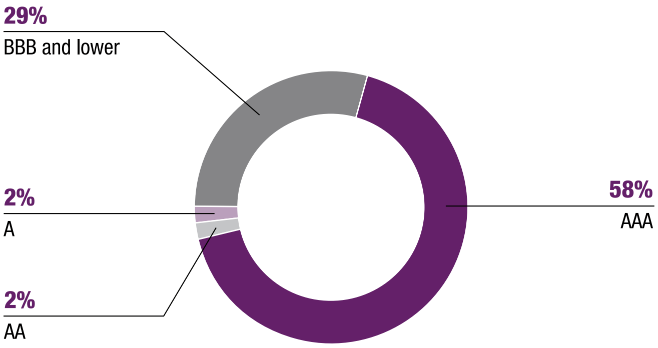


GEOGRAPHIC AREA

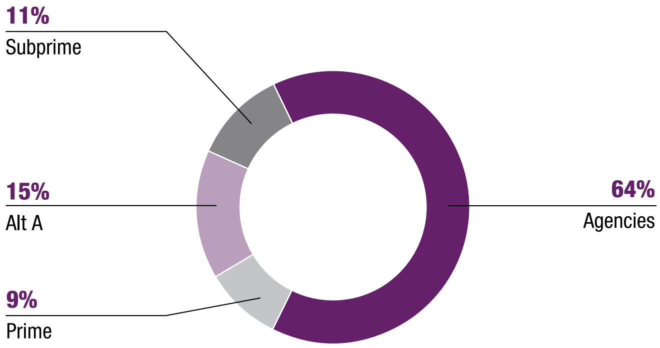


RMB USs *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	107	-	(37)	69	114
Fair value through equity	58	-	(58)	-	-
Agencies	1,421	(109)	127	1,438	1,578
Wrapped RMBSs	584	3	(57)	530	545
Loans and receivables	4,228	(6)	(586)	3,635	3,738
TOTAL	**6,397**	**(112)**	**(612)**	**5,672**	**5,995**

RATING

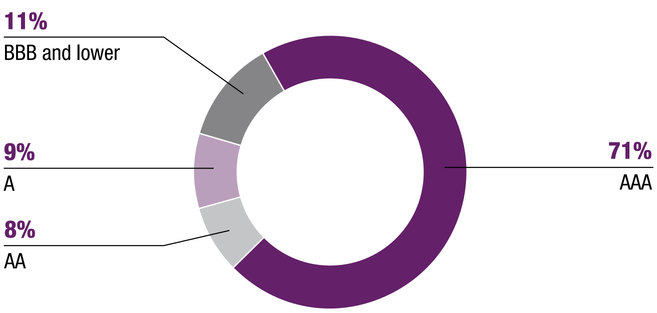


UNDERLYING



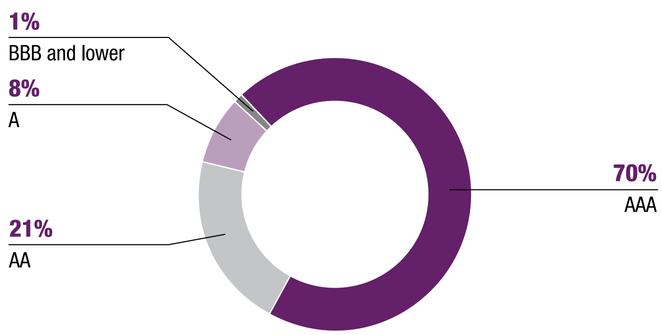
RMBSs UK *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	40	(3)	61	98	132
Fair value through equity	135	(2)	(1)	132	207
Loans and receivables	563	16	(3)	576	612
TOTAL	**738**	**11**	**57**	**806**	**962**

RATING



RMBS Spain *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	19	(2)	19	36	84
Fair value through equity	14	(4)	17	28	53
Loans and receivables	627	0	(19)	608	608
TOTAL	**660**	**(6)**	**17**	**672**	**745**

RATING



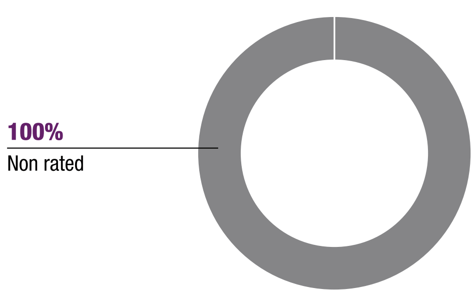
CONDUITS

ELIXIR – CONDUIT SPONSORED BY NATIXIS *(in millions of euros)*

Country where issued	France
Amount of assets financed	**246**
Liquidity lines arranged	**213**
Asset maturities:	
0 – 6 months	84%
6 – 12 months	-
>12 months	16%

Automotive loans	
Trade receivables	100%
Equipment loans	
Consumer loans	
Non-US RMBS	
CDOs	
Other	

RATING

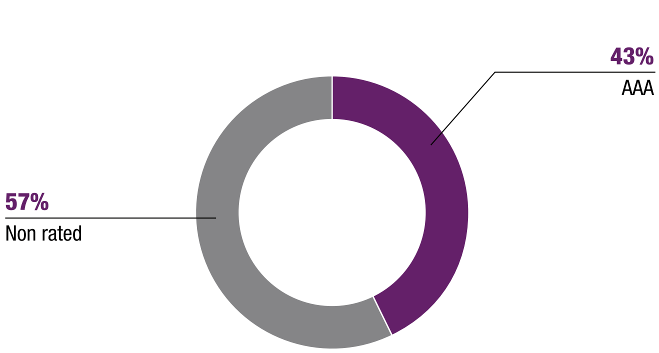


GEOGRAPHIC AREA

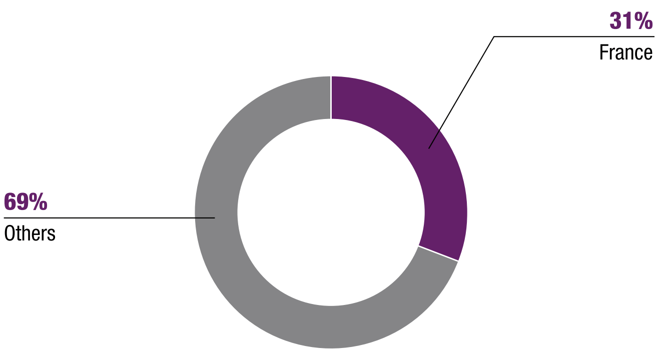
DIRECT FUNDING – CONDUIT SPONSORED BY NATIXIS *(in millions of euros)*

Country where issued	France	Automotive loans	
Amount of assets financed	**809**	Trade receivables	57%
Liquidity lines arranged	**-**	Equipment loans	19%
Asset maturities:		Consumer loans	
0 – 6 months	5%	Non-US RMBS	24%
6 – 12 months	-	CDOs	
>12 months	90%	Other	

RATING



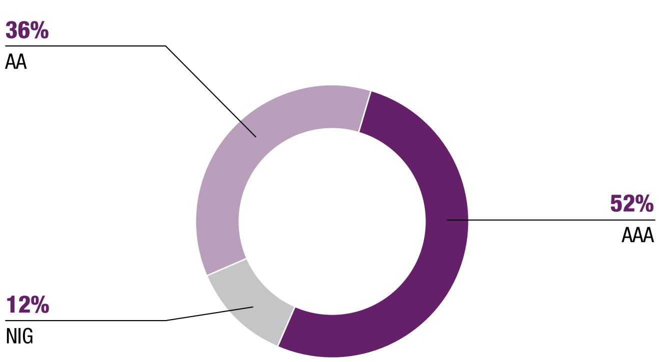
GEOGRAPHIC AREA



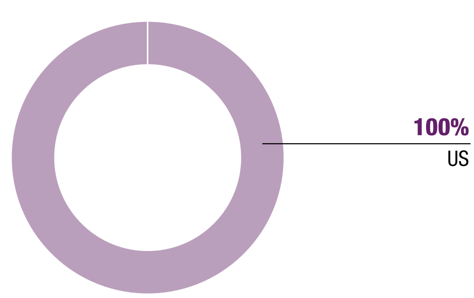
VERSAILLES – CONDUIT SPONSORED BY NATIXIS *(in millions of euros)*

Country where issued	US	Automotive loans	29%
Amount of assets financed	**2,658**	Trade receivables	2 %
Liquidity lines arranged	**2,711**	Equipment loans	10%
Asset maturities:		Consumer loans	21%
0 – 6 months	-	Non-US RMBS	
6 – 12 months	2%	CDOs	21%
>12 months	98%	Other	17%

RATING



GEOGRAPHIC AREA

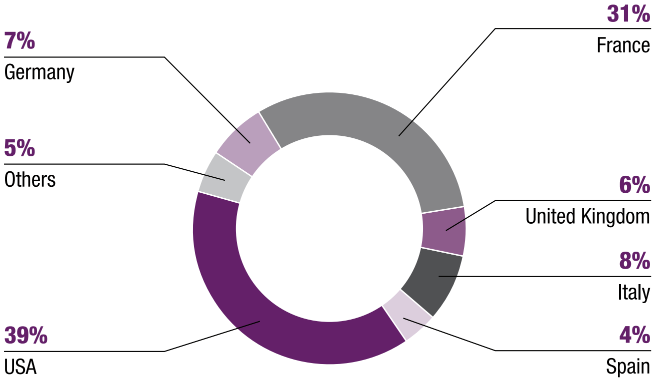


LBOs

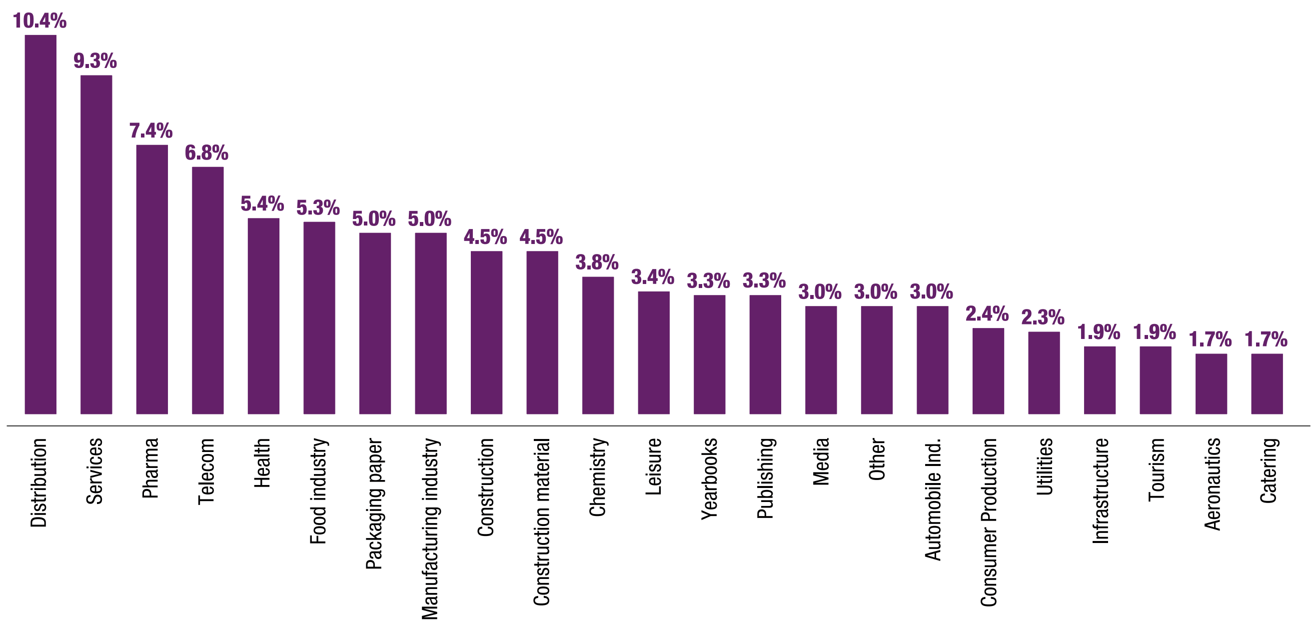
LBO FINANCING

in millions of euros	Q1-09	Q2-09
Final shares (booked)	**5,605**	**5,381**
Number of files	*340*	*333*
Shares for sale (booked)	**346**	**272**
Number of files	*64*	*55*
TOTAL	**5,951**	**5,653**

BREAKDOWN BY REGION



BREAKDOWN BY SECTOR



MAIN RISKS AND UNCERTAINTIES FOR THE NEXT SIX MONTHS

This half-yearly financial report is based on certain assumptions and forecasts that by their nature may not turn out to be accurate. The main risks and uncertainties presented below may have a negative effect on activities, the financial condition, or the results of Banques Populaire Participations, particularly over the remaining six months of the fiscal year.

It should be noted that as of July 31, 2009, Caisse Nationale des Caisses d'Epargne and Prévoyance ("CNCE", now renamed Caisse d'Epargne Participations) and Banque Fédérale des Banques Populaires ("BFBP" now renamed Banque Populaire Participations) contributed to BPCE their assets and liabilities related to their functions as the central institutions of their respective groups (including their cash management and refinancing functions as part of their mission as central institution in order to ensure liquidity) as well as their stakes in the capital of a number of companies (including Natixis and the subsidiaries related to their functions as central institutions).

These partial asset contributions, subject to the legal regime for spinoffs, were approved by the combined General Meetings of CNCE, BFBP and BPCE held on July 31, 2009, and they were realized as of that date.

BPCE is now the new central institution of the network of Caisses d'Epargne and of the Banques Populaires network, as well as of the other entities affiliated with it pursuant to the provisions of the French Monetary and Financial Code, including Natixis.

BFBP, renamed Banque Populaire Participations, therefore no longer functions as the central institution of the Banques Populaires network and it has contributed to BPCE its stakes in the capital of a large number of companies, including Natixis and its former subsidiaries related to its function as a central institution.

As a result, the main risks and uncertainties to which Banque Populaire Participations may be exposed over the remaining six months of fiscal year 2009 are those identified on pages 162 to 169, 185 to 218 and 361 to 409 of Groupe Banque Populaire's 2008 Registration Document filed with the French Financial Markets Authority on April 27, 2009 with respect to the shares not contributed to BPCE.

In addition, the Groupe Banque Populaire, as described in the 2008 Registration Document, is now consolidated with the Groupe BPCE. In this regard, the risk factors directly related to BPCE and to the Groupe BPCE will be described in detail in the Groupe BPCE Registration Document which is currently being drafted.

Certain other risks and uncertainties not yet identified or considered non-material may also have negative effects, particularly during the remaining six months of the fiscal year.

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2009

Consolidated balance sheet

Consolidated balance sheet – Assets

in millions of euros	*Notes*	06/30/2009	12/31/2008
Cash and amounts due from central banks		419	779
Assets at fair value through profit and loss	*5.1.2*	99,786	118,486
Hedging derivatives		1,243	266
Available-for-sale financial assets	*5.2*	13,206	12,683
Loans and advances to banks	*5.4.3*	63,620	60,660
Loans and receivables due from customers	*5.4.4*	43,477	44,932
Revaluation differences on portfolios hedged against interest rate risk		-	-
Held-to-maturity financial assets		2,148	2,249
Current tax assets		83	179
Deferred tax assets		1,130	991
Accrued income and other assets		13,741	12,416
Non-current assets held for sale		153	-
Deferred policyholders' participation		173	331
Investments in affiliates consolidated by the equity method	*5.7*	3,802	3,701
Investment real estate		331	367
Property, plant and equipemnt		512	534
Intangible assets		916	918
Goodwill	*5.8*	3,148	3,714
TOTAL ASSETS		**247,888**	**263,206**

Consolidated balance sheet – Liabilities

in millions of euros	*Notes*	06/30/2009	12/31/2008
Amounts due to central banks		330	298
Financial liabilities at fair value through profit or loss	*5.1.3*	92,802	106,632
Hedging derivatives		354	98
Amounts due to banks		55,489	56,098
Amounts due to customers	*5.5*	21,245	25,382
Debt securities	*5.10*	26,034	26,251
Remeasurement adjustment on interest-rate risk hedged portfolios		80	146
Current tax liabilities		157	166
Deferred tax liabilities		235	414
Accrued expenses and other liabilities		21,233	18,398
Debt on assets held for sale		-	-
Technical reserves of insurance companies		12,421	12,007
Provisions	*5.9.2*	658	608
Subordinated debt	*5.11*	6,993	6,806
Equity attributable to equity holders of the parent		9,552	9,572
- Share capital and additional paid-in capital		*8,428*	*7,264*
- Retained earnings		*2,818*	*3,884*
- Profit and loss booked directly to consolidated equity		*(360)*	*(437)*
- Net income for the period		*(1,334)*	*(1,139)*
Minority interests		305	330
TOTAL LIABILITIES AND EQUITY		**247,888**	**263,206**

Consolidated income statement

in millions of euros	*Notes*	06/30/2009	06/30/2008
Interest and similar income	*6.1*	2,733	3,454
Interest and similar expenses	*6.1*	(2,033)	(3,009)
Commission and fees income	*6.2*	680	729
Commission and fees expense	*6.2*	(389)	(257)
Net gain or loss on financial instruments at fair value through profit or loss	*6.3*	(443)	(580)
Net gain or loss on available-for-sale financial assets	*6.4*	(147)	(1)
Income from other activities	*6.5*	1,405	1,394
Expense on other activities	*6.5*	(1,042)	(814)
Net banking income		**763**	**916**
Operating expenses	*6.6*	(1,227)	(1,245)
Funding, amortization and impairment of property, plant and equipment and intangible assets		(64)	(47)
Gross operating income (loss)		**(528)**	**(376)**
Cost of risk	*6.7*	(816)	(129)
Net operating income		**(1,344)**	**(505)**
Share of results of associates	*6.8*	91	102
Net gain or loss on other assets		(2)	36
Goodwill impairment	*6.9*	(395)	16
Income before tax		**(1,650)**	**(351)**
Income tax	*6.10*	326	63
Net income		**(1,324)**	**(288)**
Net income attributable to equity holders of the parent		(1,334)	(312)
Minority interests		10	24
Earnings per share			
Consolidated net income attributable to equity holders of the parent, by share, calculated using the average number of shares over the fiscal year, excluding own shares		*(12.7)*	*(3.4)*
Diluted earnings per share			
Consolidated net income attributable to equity holders of the parent, by share, calculated using the average number of shares over the fiscal year, excluding own shares and including potential shares resulting from the exercise of stock options		*(12.7)*	*(3.4)*

Statement of net result and profit and loss booked directly to consolidated equity

	06/30/2009	06/30/2008
UNREALIZED OR DEFERRED CAPITAL GAINS OR LOSSES		
Conversion difference	19	(48)
Re-pricing of available-for-sale financial assets	78	(221)
Re-pricing of hedging derivatives	(27)	35
Unrealized or deferred capital gains and losses on associates	(22)	(35)
Income taxes	(11)	41
Other	(3)	(1)
TOTAL UNREALIZED OR DEFERRED CAPITAL GAINS OR LOSSES	**78**	**(229)**
NET INCOME	**(1,324)**	**(288)**
Net result and profit and loss booked directly to consolidated equity	**(1,246)**	**(517)**
Of which attributable to equity holders of the parent	(1,256)	(531)
Of which minority interests	10	(14)

Statement of changes in shareholders' equity from January 1, 2007 to June 30, 2009

	Share capital and related reserves		
in millions of euros	Share capital	Reserves related to share capital	Eliminations of treasury stock
Consolidated equity as of January 1, 2007 – according to IFRS standards	**909**	**3,073**	**0**
Total movements arising from relations with shareholders			
Capital increase(2)	116	870	
Transactions resulting from share-payment plans(1)			
Distribution of dividends and interim dividends(3)			
Unrealized or deferred capital gains and losses for 2007			
Effect of change in fair value of financial instruments			
Effect of movements in exchange rates			
Impact of acquisitions and disposals on minority interests			
Result as of December 31, 2007			
Change of methods and other changes(4)	**278**		
Other	**0**	**(0)**	
Consolidated equity as of December 31, 2007 – IFRS standards	**1,304**	**3,942**	**0**
Appropriation of 2007 net income		(517)	
Consolidated equity as of January 1, 2008 – IFRS standards	**1,304**	**3,425**	**0**
Total movements arising from relations with shareholders			
Capital increase in cash(5)			
Cash	184	1,096	
By conversion of interim dividends to shares	54	164	
By conversion of dividends to shares(*)	20	68	
Distribution of dividends and interim dividends(6)			
Dividends paid during the year			
Interim dividends			
Neutralization of the share returning to CCI Banques Populaires			
Issue of super-subordinated securities with SPPE(7)		950	
Transactions resulting from share-payment plans(1)		1	
Unrealized or deferred capital gains and losses for 2008			
Effect of change in fair value of financial instruments			
Effect of movements in exchange rates			
Impact of acquisitions and disposals on minority interests			
Result as of December 31, 2008			
Other	**(0)**	**(2)**	
Consolidated equity as of December 31, 2008 – IFRS standards	**1,561**	**5,702**	**0**

	Unrealized capital gains and losses							
			Change in fair value of financial instruments net of deferred taxes					
Retained earnings	Related to translation differences	Related to restatement	Available-for-sale financial assets	Hedging derivatives	Net income, group share	Equity attributable to equity holders of parent	Minority interests	Total equity
3,835	**88**	**0**	**427**	**15**	**0**	**8,347**	**322**	**8,670**
						986		986
4						4	0	5
(307)						(307)	(27)	(333)
								0
			(113)	23		(90)	(0)	(90)
	(102)					(102)	(10)	(112)
							(3)	**(3)**
					142	**142**	**52**	**194**
(20)						**259**		**259**
2	**1**		**0**		**0**	**4**	**0**	**4**
3,515	**(13)**	**0**	**315**	**38**	**142**	**9,243**	**335**	**9,578**
659					(142)	0		
4,174	**(13)**	**0**	**315**	**38**	**0**	**9,243**	**335**	**9,578**
						1,280		1,280
						218		218
						88		88
(218)						(218)	(52)	(270)
(88)						(88)		(88)
21						21		21
						950		950
						1	0	2
								0
			(579)	(204)		(783)	(3)	(787)
						0	1	1
							13	**13**
					(1,139)	**(1,139)**	**37**	**(1,102)**
(5)	**(0)**		**6**		**0**	**(2)**	**0**	**(2)**
3,884	**(13)**	**0**	**(258)**	**(166)**	**(1,139)**	**9,571**	**330**	**9,901**

in millions of euros	Share capital and related reserves: Share capital	Reserves related to share capital	Eliminations of treasury stock
Appropriation of 2008 net income		2	
Consolidated equity as of January 1, 2009 – IFRS standards	**1,561**	**5,704**	**0**
Total movements arising from relations with shareholders			
Capital increase in cash			
By conversion of dividends to shares(*)	37	125	
Dividends paid			
Dividends paid during the year(8)			
Neutralization of the share returning to CCI Banques Populaires			
Issue of super-subordinated securities with SPPE (7)		1,000	
Payment of interest to SPPE(7)			
Shareholder's advance(9)			
Transactions resulting from share-payment plans			
Unrealized or deferred capital gains and losses for 2009			
Effect of change in fair value of financial instruments			
Effect of movements in exchange rates			
Impact of acquisitions and disposals on minority interests			
Result as of June 30, 2009			
Other	**0**	**0**	
Consolidated equity as of June 30, 2009 – IFRS standards	**1,598**	**6,830**	**0**

Comments:

(1) Transactions resulting from share-payment plans:
The IFRS 2 standard includes stock-option plans granted to employees at a cost for the company and consequentially requires them to be booked as expenses at the value of the options assigned in return for services rendered. The impact on retained earnings, recognized against income, was €1 million in 2008 and €4 million in 2007.

(2) Capital increase during 2007:
On July 2, 2007, Banque Fédérale des Banques Populaires initiated a capital increase of 7,758,842 new shares at a face value of €15. The issued share capital totaled €116 million and the share premium was €869 million. All of these shares were taken up by Banques Populaires, and increased Banque Fédérale des Banques Populaires' share capital to €1,304 million composed of 86,921,037 shares with a face value of €15.

(3) Distribution of dividends and interim dividends:
In 2007, the Banque Fédérale des Banques Populaires paid €166 million in dividends for the 2006 fiscal year and €164 million in interim dividends on securities for 2007, i.e. a total of €331 million, of which €329 million was paid to the Banques Populaires. As the Banques Populaires are consolidated by the equity method through holdings in Natixis (Cooperative investment certificates), the share of the dividend must be neutralized in the result at the rate of the holdings of Banque Fédérale des Banques Populaires in the Banques Populaires (6.9%), i.e.: -€23 million. After this restatement, the net dividends and interim dividends paid stood at €307 million.

(4) Change of method and other changes:
- on consolidated retained earnings: the adjustment applies to provisioning for commitments related to employee benefits, the plan for Banque Populaire bank chairmen and the Banques Populaires' Executive officers' plan. Bearing in mind contractual and agreed measures covering the two plans, future commitments will be borne by the Banque Fédérale des Banques Populaires. As these are commitments prior to the fiscal year, they are fully provisioned in the financial statements of Banque Fédérale des Banques Populaires by recognition against opening consolidated equity for the sum of minus €31 million, i.e.: -€20 million after deferred tax;
- on capital and retained earnings in the same category: in 2006, following the consolidation of Banques Populaires in the consolidated financial statements of Banque Fédérale des Banques Populaires through the holdings in Natixis (via Cooperative Investment Certificates), the value of the capital and retained earnings related to the Banque Fédérale des Banques Populaires was neutralized at the rate of the share of the securities held by Banque Fédérale des Banques Populaires in Banques Populaires (i.e.: 6.9%). Bearing in mind the method of consolidation used by the Banques Populaires (the equity method), the value of capital and retained earnings related to the Banque Fédérale des Banques Populaires must be maintained in its individual statements. Therefore, the re-statement carried out in 2006, i.e.: €278 million, is neutralized in consolidated equity at the opening of the 2007 fiscal year.

(5) Capital increase during 2008:
The Banque Fédérale increased its capital by 17,165,652 shares with a face value of €15. The issued share capital totaled €257 million and the share premium was €1,326 million. During 2008, there were several capital increases following the conversion of dividends to shares, and one increase in cash:
- an issue following the conversion of dividends to shares during the first half-year, with the creation of 3,605,048 shares for share capital of €54 million and an issue premium which stood at €164 million;

	Unrealized capital gains and losses							
			Change in fair value of financial instruments net of deferred taxes					
Retained earnings	**Related to translation differences**	**Related to restatement**	**Available-for-sale financial assets**	**Hedging derivatives**	**Net income, group share**	**Equity attributable to equity holders of parent**	**Minority interests**	**Total equity**
(1,141)					1,139	0		
2,743	**(13)**	**0**	**(258)**	**(166)**	**0**	**9,571**	**330**	**9,901**
						161		161
(161)						(161)	(33)	(194)
12						12		12
						1,000		1,000
(42)						(42)		(42)
269						269		269
						0	0	0
								0
			89	(29)		60	(1)	59
	17					17	2	19
							(3)	**(3)**
					(1,335)	**(1,335)**	**10**	**(1,325)**
(1)	**(0)**		**0**		**0**	**(1)**	**0**	**(1)**
2,819	**4**	**0**	**(169)**	**(195)**	**(1,335)**	**9,552**	**305**	**9,857**

- a cash issue, which took place on July 1, 2008, with the creation of 12,248,804 shares. The issued share capital totaled €184 million and the share premium was €1,096 million;
- two increases following the conversion of dividends to shares in September (649,041 shares created) for share capital of €9 million and a premium of €34 million, and lastly, in December (662,759 shares created) for share capital of €9 million and a premium of €34 million. These capital increases were fully subscribed by the Banques Populaires.
They bring the capital of Banque Fédérale des Banques Populaires to €1,561 million, composed of 104,086,689 shares.

(6) Distribution of dividends and interim dividends:
The Banque Fédérale des Banques Populaires paid a dividend of €218 million for the 2007 fiscal year, and two interim dividends of €88 million, i.e.: €306 million paid to the Banques Populaires. As the Banques Populaires are consolidated by the equity method through holdings in Natixis (Cooperative investment certificates), the share of the dividend must be neutralized in the result at the rate of the holdings of Banque Fédérale des Banques Populaires in the Banques Populaires (7.15%), i.e.: -€21 million. After this restatement, the net dividends and interim dividends paid stood at €285 million.

(7) Super-subordinated issues:
On December 11, 2008 and June 26, 2009, the Banque Fédérale des Banques Populaires made two issues, respectively for €950 million and €1,000 million in super-subordinated bonds, subscribed by the SPPE (French government investment company). In accordance with the IAS 32 standard and because of the discretionary nature of the interest and the indeterminate period of the issue, this is classified as consolidated equity (share capital and additional paid-in capital) and the interest paid on these securities (€42 million) is recognized in the same category as dividend payments.

(8) Distribution of dividends and interim dividends:
The Banque Fédérale des Banques Populaires distributed a dividend of €161 million for 2008, which was paid to the Banques Populaires. As the Banques Populaires are consolidated by the equity method through holdings in Natixis (Cooperative investment certificates), the share of the dividend must be neutralized in the result at the rate of the holdings of Banque Fédérale des Banques Populaires in the Banques Populaires (7.18%), i.e.: €12 million. After this restatement, the net dividends and interim dividends paid stood at €149 million.

(9) Shareholders' advance:
In June 2009, the Caisse Nationale des Caisses d'Epargne and the Banque Fédérale des Banques Populaires granted Natixis a shareholders' advance of €750 million each. According to the IAS32 standard, this advance resembles an instrument of consolidated equity, therefore the advance granted by the Banque Fédérale des Banques Populaires is naturally neutralized in consolidation. The share of the advance granted by the Caisse Nationale des Caisses d'Epargne returning to the group, i.e.: €269 million after application of proportional consolidation at 35.92%, is maintained in the Group's consolidated equity.

Net cash flow statement

in millions of euros	06/30/2009	06/30/2008
Income before tax	**(1,650)**	**(351)**
+/- Net funding and amortization of property, plant and equipment and intangible assets	57	49
+/- Impairment of goodwill and other non-current assets	692	(179)
+/- Net funding of other provisions (including technical reserves)	(21)	281
+/- Share of result related to companies under the equity method	(91)	(102)
+/- Net loss/(gain) on investing activities	730	128
+/- Net loss/(gain) on financing activities	0	0
+/- Other movements	281	11
= Total non-monetary items included in net income/loss before tax and other adjustments	**1,649**	**188**
+/- Net increase or decrease arising from transactions with banks	(4,714)	(1,282)
+/- Net increase or decrease arising from transactions with customers	(2,667)	(2,222)
+/- Net increase or decrease arising from other transactions involving financial assets and liabilities	3,036	3,608
+/- Net increase or decrease arising from other transactions involving non-financial assets and liabilities	1,499	1,379
- Taxes paid	320	49
= Net decrease/(increase) in assets and liabilities resulting from operating activities	**(2,525)**	**1,532**
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	**(2,526)**	**1,368**
+/- Net increase or decrease related to financial assets and equity investments	(2,000)	(2,201)
+/- Net increase or decrease related to investment property	27	(5)
+/- Net increase or decrease related to property, plant and equipment and intangible assets	(62)	(134)
NET CASH FLOWS ARISING FROM INVESTMENT ACTIVITIES (B)	**(2,035)**	**(2,340)**
+/- Net increase or decrease arising from transactions with shareholders	(63)	(19)
+/- Other increases or decreases in net cash generated by financing activities	3,102	4,233
TOTAL NET CASH FLOW ARISING FROM FINANCING ACTIVITIES (C)	**3,038**	**4,214**
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS (D)	**(48)**	**(40)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B+ C + D)	**(1,571)**	**3,202**
Net cash flows from operating activities (A)	(2,526)	1,368
Net cash flows from investing activities (B)	(2,035)	(2,340)
Net cash flows coming from financing activities (C)	3,038	4,214
Effect of exchange rate change on cash and cash equivalents (D)	(48)	(40)
Cash and cash equivalents at opening	**(1,198)**	**(5,614)**
Cash and balances with central banks and post offices (assets & liabilities)	480	272
Demand deposits and loans	(1,678)	(5,887)
Cash and cash equivalents as of the balance sheet date	**(2,769)**	**(2,412)**
Cash and balances with central banks and post offices (assets & liabilities)	89	2,921
Interbank balances	(2,858)	(5,333)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,571)**	**3,202**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Key events of the half-year

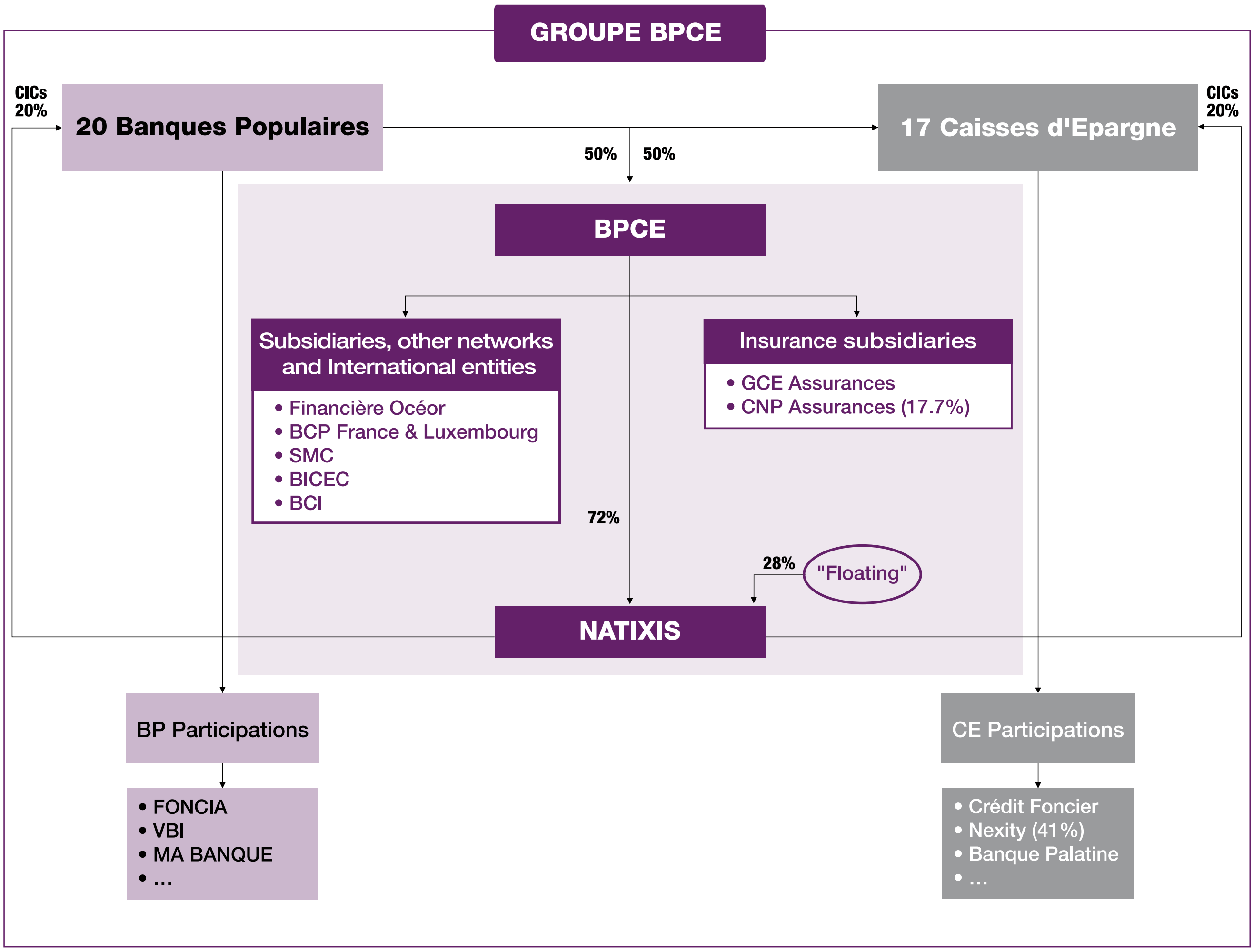
COMBINATION BETWEEN GROUPE CAISSE D'EPARGNE AND GROUPE BANQUE POPULAIRE

On 31 July 2009, the Annual General Meetings of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne ratified the formation of BPCE, the new central body of the Banques Populaires and the Caisses d'Epargne, that was born as a result of the merger between the BFBP and the CNCE.

The establishment of BPCE was the result of the merger project initiated in October 2008 by the Groupe Banque Populaire and the Groupe Caisse d'Epargne. The main stages of the project were as follows:

- approval by BFBP's Board of Directors and the CNCE's Supervisory Board of the merger principles regarding the two central institutions at their meetings held respectively on February 24 and 26, 2009:
  - the new group is supported by two complementary autonomous networks and two distinct brands,
  - retail banking business is the focus of the new group,
  - this merger project is based on the creation of a new entity to serve as the central institution for both the Banques Populaires and Caisses d'Epargne networks, held equally between the two groups,
  - the French government supports the establishment of the new group by proposing an equity contribution under its policy of supporting major French banking groups,
  - the merger facilitates the combining of Natixis' ownership structure, whose governance will be simplified;
- approval by BFBP's Board of Directors and the CNCE's Supervisory Board of the signing of the negotiation agreement at their meeting held March 16, 2009.
- the negotiation agreement, signed in the presence of the French government, also sets forth the conditions of the government's equity contribution to BPCE;
- adoption by the French Assembly and the Senate of Law No. 2009-715 of June 18, 2009. This law confers upon BPCE the status of central institution of the Banques Populaires, Caisses d'Epargne and affiliated entities and defines its missions and powers;
- the Competition Authority's authorization of the transaction on June 22, 2009;
- approval by the CECEI (French Banks and Investment Companies Committee) granted to the new central institution, BPCE, on June 23, 2009;
- validation by BFBP's Board of Directors and the CNCE's Supervisory Board of all the founding principles of BPCE on June 24, 2009.

Since August 3, 2009, BPCE has been held in equal shares by the 20 Banques Populaires and the 17 Caisses d'Epargne after the contribution of the activities of their central institutions and BFBP's and CNCE's main assets.



The new central institution primarily holds the retail banking subsidiaries of the two groups and their production entities (Natixis, Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect stake in CNP Assurances).

The subsidiaries of the property divisions of both Groups (notably Crédit Foncier, Nexity, FONCIA and MeilleurTaux) as well as the other holdings (Banca Carige, Banque Palatine and MA BANQUE) are retained by BFBP (renamed Banque Populaire Participations) and the CNCE (renamed Caisse d'Epargne Participations).

Since July 31, 2009, the French government's contribution to the regulatory capital of the Groupe BPCE has been implemented *via* the subscription by the SPPE (French government investment company):

- to super-subordinated securities issued by the CNCE and the BFBP during the 4th quarter 2008 (€2.05 billion) and at the end of the second quarter 2009 (€2 billion) and contributed to BPCE;
- to preference shares without voting rights issued on July 31, 2009 by BPCE (€3 billion).

This government contribution to regulatory capital gives the new group a robust and durable financial structure:

- BPCE has an option to repurchase the preference shares at any time from the first anniversary of their issue;
- at the end of a period of 5 years, the share purchase warrants issued by BPCE and subscribed by SPPE at the same time as the preference shares will allow the French government, if it wishes and if BPCE has not previously repaid the preference shares, to hold up to 20% of the ordinary shares of BPCE.

Note 2 Accounting standards applied

Banque Fédérale des Banques Populaires Group's consolidated half-yearly financial statements as of June 30, 2009 comprise a set of summary financial statements prepared and presented in conformity with the provisions of IAS 34 "Interim Financial Reporting". These summary statements should be read together with the consolidated financial statements for the fiscal year ended December 31, 2008 and published in the 2008 Registration Document filed with the French Financial Markets Authority (AMF) on April 27, 2009.

They include the balance sheet, income statement, statement of net gains and losses booked directly to equity, statement of changes in shareholders' equity, cash flow statement and a selection of accompanying notes.

The accounting principles and methods applied in preparing the half-yearly consolidated accounting information are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2008 prepared in conformity with IFRS as adopted in the European Union and described in Note 1 "Accounting Standards Applied" to the financial statements for fiscal year 2008 (appearing in chapter 8 "Financial Report" of the 2008 Registration Document), except for the following standards, amendments and interpretations adopted in the European Union and first applicable in 2009:

- IFRS 8, "Operating Segments", adopted by the European Commission on November 21, 2007. It replaces IAS 14 "Segment Reporting" and modifies the presentation of segment information, favoring a managerial approach to defining business segments. The first application of IFRS 8 did not imply any modification to the segment information presented by the Group;
- amended IAS 1 "Presentation of Financial Statements" adopted by the European Commission on December 17, 2008. This standard replaces the current IAS 1 and is intended to make it easier for users to analyze and compare information provided in the financial statements. It applies exclusively to aspects of presentation and content of the financial statements. The application of the amended IAS 1 to Banque Fédérale des Banques Populaires half-yearly financial statements as of June 30, 2009 resulted in the introduction of a new summary statement presented after the income statement: The "statement of net income and gains and losses booked directly to equity". This new statement presents net income (loss) and adds the unrealized gains and losses booked directly to equity as well as the marking to market of assets available for sale and the marking to market of hedging instruments. The presentation used by the Banque Fédérale des Banques Populaires Group is in conformity with CNC (French Accounting Council) recommendation 2009-R-04 on the format of summary statements of financial institutions and investment companies under the IAS dated July 2, 2009;
- amended IAS 23 "Borrowing Costs" adopted by the European Commission on December 10, 2008. The amended version of IAS 23 eliminates the choice of the immediate recognition as an expense of borrowing costs directly relating to the acquisition, construction or production of qualifying assets. This amendment has not had an impact on Banque Fédérale des Banques Populaire's financial statements;
- the amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation" adopted by the European Commission on January 21, 2009. This amendment required issuers to classify as equity certain instruments that despite being puttable have certain features of equity instruments. This amendment has not had an impact on Banque Fédérale des Banques Populaire's financial statements;
- the amendment "Improvement to IFRS" adopted by the European Commission on January 23, 2009. This amendment is part of the annual procedure to improve the IFRS implemented by the IASB in order to amend one set of standards each year when the changes to be made are minor and not urgent. The standards amended under the annual procedure relate to presentation, accounting or assessment and are the following: IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 19 "Employee Benefits", IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", IAS 23 "Borrowing Costs", IAS 27 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries", IAS 28 "Accounting for Investments in Associates", IAS 29 "Financial Reporting in Hyperinflationary Economies", IAS 31 "Financial Reporting for Joint Ventures", IAS 36 "Impairment of Assets", IAS 38 "Intangible Assets", IAS 39 "Financial Instruments: Recognition and Measurement", IAS 40 "Investment Property", IAS 41 "Agriculture" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Except for the amendment to IFRS 5, which is applicable to fiscal years beginning as from July 1, 2009, these amendments apply to fiscal years beginning as from January 1, 2009. These amendments have not had an impact on Banque Fédérale des Banques Populaire's financial statements.

Other standards were amended in order to take into account changes in terminology or wording. These amendments by their nature have no effect on accounting and therefore have no impact on the financial statements of the Banque Fédérale des Banques Populaires Group;

- the amendment to standards IAS 1 and IAS 27 "Cost of an investment in a subsidiary, jointly controlled entity or associate" adopted by the European Commission on January 23, 2009. This amendment concerns entities using IFRS to establish their individual statements and therefore does not affect the consolidated financial statements of Banque Fédérale des Banques Populaires Group;
- the interpretation of IFRIC 11 "Group and Treasury Share Transactions" adopted by the European Union on June 1, 2007 and applicable for fiscal years opening from January 1, 2008. This interpretation covers two points in the application of the IFRS 2 standard. It specifies the accounting method of transactions where payment is based on shares:
  - for which the entity chooses or is required to acquire own shares from a third party independently of the fact that the rights are granted or regulated by the entity itself or by its shareholders,
  - which involve several entities from the same group (parent company or other entity of the same group), in the individual or separate financial statements of each entity of the group which receives the services of the beneficiaries of the plan.

This interpretation had no effect on the financial statements of Banque Fédérale des Banques Populaires Group;

- the interpretation of IFRIC 13 "Customer Loyalty Programmes" adopted by the European Commission on December 16, 2008 relates to gift points used for retaining customer loyalty. It is not applied in the business of Banque Fédérale des Banques Populaires Group;
- the interpretation of IFRIC 14 "Limit on Defined Benefit Asset Minimum Funding Requirements and their Interaction" adopted by the European Commission on December 16, 2008. This interpretation applies to all benefits defined after employment and other long-term benefits specified by IAS 19 "Employee benefits". This interpretation clarifies the concept of the availability of future economic benefits related to the over-financing

of a plan and the concept of the obligation for minimum financing. This interpretation had no impact on the recognition of benefits for the personnel of the Banque Fédérale des Banques Populaires Group;

- the interpretation of IFRIC 15 "Agreements for the Construction of Real Estate" adopted by the European Commission on July 22, 2009. This interpretation is not applied to the business of Banque Fédérale des Banques Populaires Group and thus has no impact on the group's financial statements;

The Banque Fédérale des Banques Populaires Group has not opted for early application:

- of the amended standards IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" adopted by the European Commission on June 3, 2009 and mandatorily and prospectively applicable as from January 1, 2010. These standards replace the current IFRS 3 and IAS 27 standards. They modify the financial statements treatment applicable to transactions for the acquisition and disposal of companies;
- the interpretation of IFRIC 12 "Service Concession Arrangements" adopted by the European Commission on March 25, 2009 and applicable mandatorily from January 1, 2010. This interpretation gives details on the recognition, by concessionaires, of agreements on public/private service concessions. It does not apply to the business of the Banque Fédérale des Banques Populaires Group and therefore has no impact on its financial statements;
- the interpretation of IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", adopted by the European Commission on June 4, 2009 and applicable from July 1, 2009. The interpretation of IFRIC 16 clarifies the way in which the instructions of IAS 21 and IAS 39 must be applied when an entity hedges the exchange-rate risk stemming from its investments in a foreign business. This interpretation should have no significant effect on the financial statements of Banque Fédérale des Banques Populaires Group.

For the establishment of the consolidated data as of June 30, 2009, the Banque Fédérale des Banques Populaires Group has applied the recommendation published on October 15, 2008 by the AMF, the Conseil National de la Comptabilité, the French Banking Commission and the Autorité de Contrôle des Assurances et des Mutuelles, on the valuation of certain financial instruments at their fair value. This introduces the use of judgement in determining the fair value of financial instruments and, for determining the fair value in inactive markets, it recommends:

- the use of internal assumptions developed by the entity in the absence of relevant market data;
- that the following should not be used:
  - quotes from brokers when they are not representative of transactions occurring in the market,
  - the price of transactions resulting from forced sales, if the entity is able to judge the "forced character",
  - to put into perspective, in pricing models, observed transactions which do not necessarily constitute a decisive element;
- to use judgement in determining whether the market is active or not. The assessment of whether the market is active or not may be based on indicators such as: a significant drop in the volume of transactions and levels of activity in the market, the wide range of prices available at the same time and between different market players, or the fact that prices no longer correspond to sufficiently-recent transactions.

This recommendation led Banque Fédérale des Banques Populaires Group not to systematically use models using data observable as of June 30, 2009 in order to take into account the illiquidity of the markets for certain classes of assets.

Note 3 The Banque Fédérale des Banques Populaires Group

3.1 THE ROLE OF THE BANQUE FÉDÉRALE DES BANQUES POPULAIRES

Since its reincorporation as a joint-stock company (*société anonyme*) pursuant to Article 27 of act no. 2001-4200 of May 16, 2001, Banque Fédérale des Banques Populaires has fully and actively exercised the two key roles assigned to it:

Role of central body of the Groupe Banque Populaire

In accordance with the 1947 Act on cooperative groups, and with Article 8 of the May 16, 2001 act, the role of the central body forms the core of the Groupe Banque Populaire's organization. Banque Fédérale des Banques Populaires is responsible for:

- organizing the liquidity and capital adequacy of the network as a whole;
- defining the policy and future strategy of the Groupe Banque Populaire;
- negotiating national and international agreements on behalf of the network;
- and, more generally, exercising administrative, technical and financial control over the organization and management of the Banque Populaire banks and their direct or indirect subsidiaries in order to maintain a cohesive network and ensure its proper functioning and development.

In 2003, the role of central body was extended to Crédit Maritime Mutuel, pursuant to Article 93 of the French Financial Security Act (Act No. 2003-706) of August 1, 2003.

Role of banking holding company and bank

Banque Fédérale des Banques Populaires is the holding company for its directly-owned subsidiaries. As a fully-fledged bank, Banque Fédérale des Banques Populaires centralizes the Banque Populaire banks' cash surpluses and ensures their refinancing. This function is substantially delegated to Natixis under a cash pooling agreement.

Role as core shareholder of Natixis

Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are bound by a shareholders' agreement. The two entities undertake to maintain their ownership interests in Natixis in equal proportions for a period of 10 years, renewable for successive periods of 5 years each. During this stability period, both shareholders will refrain from concluding any agreement relative to Natixis that constitutes concerted action with third parties. The shareholders' agreement sets forth the principle of equal representation by the two shareholders within the Supervisory Board of Natixis and provides for a commitment to work together to further the exercise of the voting rights attached to their shares with respect to certain strategic decisions.

3.2 LIQUIDITY AND CAPITAL ADEQUACY – INTERNAL GUARANTEE MECHANISMS

The system guaranteeing the liquidity and capital adequacy of the Banque Populaire network has been organized under a general decision by Banque Fédérale des Banques Populaires, in its capacity as central body in accordance with Articles L. 511-30, L. 511-31 and L. 512-12 of the French Monetary and Financial Code to which the Articles of association of the Banque Populaire banks make explicit reference (Article 1).

The Banque Populaire network comprises the Banque Populaire banks, the exclusive mutual guarantee companies and Banque Fédérale des Banques Populaires.

The system works by pooling the capital of all banks in the network.

Banque Fédérale des Banques Populaires is able to put the system into effect by calling upon the Banque Populaire banks to contribute capital, within the limits of their own resources. As a last resort, Banque Fédérale des Banques Populaires will make its own capital available to meet the liquidity and capital adequacy requirements of the Banque Populaire banks.

Banque Fédérale des Banques Populaires also benefits from the guarantee system. The Banque Populaire banks are required to provide it with financial support, particularly to enable it, as required, to assume its obligations as central body for banks that are affiliated to Banque Fédérale des Banques Populaires but that do not form part of the Banque Populaire network.

The capital pool is organized in two tiers. The first tier consists of the "federal solidarity fund" set aside by Banque Fédérale des Banques Populaires as a component of its fund for general banking risks. The second tier is the "regional solidarity fund" set aside by each Banque Populaire bank as a component of their funds for general banking risks. Each year, the Banque Populaire banks transfer an amount to this regional fund equal to 10% of their net income before transfers to the fund for general banking risks and tax, after deduction of tax on the amount of the transfer. Withdrawals from these funds by the Banque Populaire banks must be authorized by Banque Fédérale des Banques Populaires.

A collective agreement has also been signed, whereby each Banque Populaire bank guarantees the liquidity and capital adequacy of the mutual guarantee companies whose corporate purpose is limited to guaranteeing the activities of the Banque Populaire banks.

As part of the affiliation of Crédit Maritime Mutuel, for which Banque Fédérale des Banques Populaires is the central body, in accordance with Article L. 512-69 of the French Monetary and Financial Code, the Banque Populaire network's guarantee system also guarantees the liquidity and capital adequacy of Crédit Maritime Mutuel.

The members of the network also contribute, along with all French banks, to the Fonds de Garantie des Dépôts (deposit guarantee fund) set up in application of the Depositors' Protection Act.

In the separate financial statements of each entity, the Federal Solidarity Fund and Regional Solidarity Funds are recognized by Banque Fédérale des Banques Populaires and the Banque Populaire banks respectively as a specific component of the Fund for General Banking Risks). Under standards IAS 30 and IAS 37, these funds do not meet the criteria for recognition as a liability and accordingly they were reclassified as equity in the consolidated financial statements on January 1, 2004. Similarly, transfers in and out of the funds have been eliminated in the income statement.

In 2007, the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne entered into the agreement through which they became affiliated to Natixis. The agreement, which was approved by the CECEI *(Comité des établissements de crédit et des entreprises d'investissement)* during its meeting of March 30, 2007, constitutes an extension to the creation of Natixis on November 17, 2006, in accordance with the commitments made.

This dual affiliation is in accordance with Article L. 511.31 of the French Monetary and Financial Code. It enables Natixis to benefit from the respective guarantee and solidarity systems of the Groupe Banque Populaire and the Groupe Caisse d'Epargne. Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne will, as required by banking law and regulations, fulfill their duty as lead shareholders of Natixis at the request of the French Banking Commission. They have jointly and irrevocably undertaken, including in the event of a disagreement between them, to comply promptly with recommendations or instructions given by the French Banking Commissionto provide, on an equal basis and jointly and severally if necessary, any funds that Natixis might require to comply with the provisions of banking law and regulations and its commitments to the banking authorities.

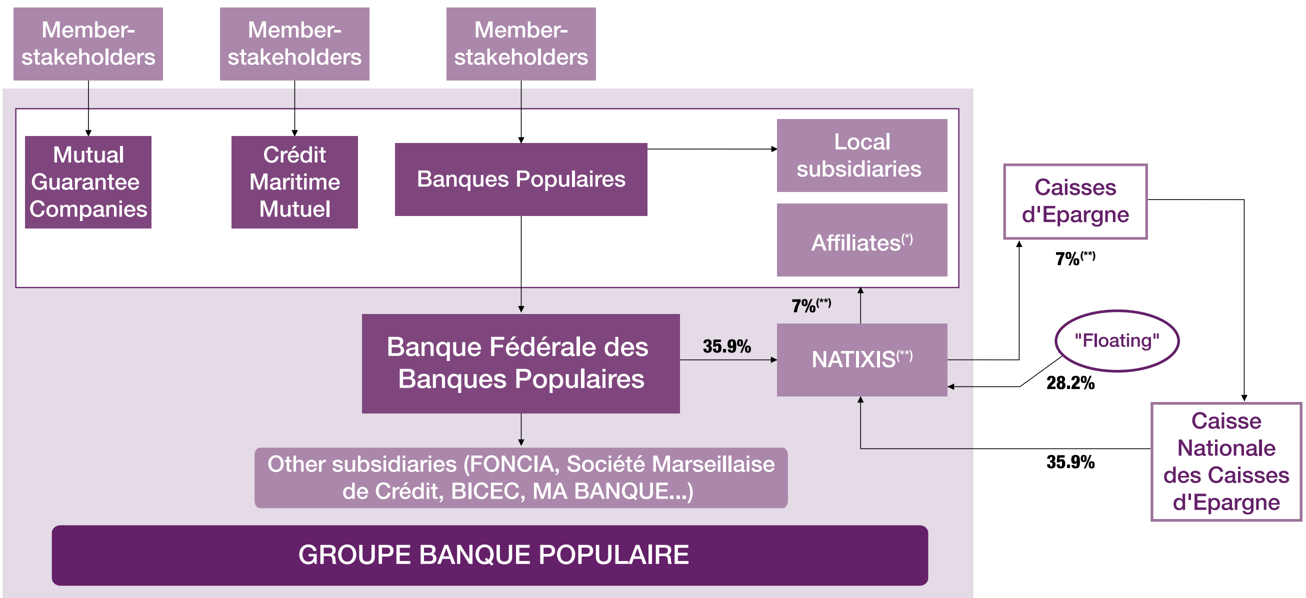
If Banque Fédérale des Banques Populaires and/or Caisse Nationale des Caisses d'Epargne were required to provide Natixis with funds that would put them in the position of requiring financial support themselves, the guarantee and solidarity mechanisms internal to each of the Groupe Banque Populaire and the Groupe Caisse d'Epargne will come into play in accordance with Article L. 511-31 of the French Monetary and Financial Code.

3.3 SIMPLIFIED STRUCTURE OF THE BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP

The Group's consolidating entity is Banque Fédérale des Banques Populaires.

The Banque Fédérale des Banques Populaires Group also includes:

- Natixis, which is consolidated in proportion to the Group's percentage holding of it, and the Banque Populaire and Caisses d'Epargne banks, which are 20% owned by Natixis through cooperative investment certificates and are accounted for using the equity method to the extent of the Group's percentage holding, i.e.: 7%;
- FONCIA, France's leading provider of residential real-estate services;
- Société Marseillaise de Crédit, acquired from HSBC France on July 2, 2008.



(*) Financial institutions "associated" with Crédit Coopératif by means of an association agreement.

(**) The Banque Populaire and Caisse d'Epargne banks, 20% of the capital of which is held by Natixis through holdings in Cooperative investment certificates, are accounted for by the equity method at the Group's proportionate share, i.e. 7%.

Note 4 Changes in the scope of consolidation in first half 2009

The main changes during the first half 2009, in the 2 business lines of the Banque Fédérale des Banques Populaires Group, were the partial sale of CACEIS in "Financial Services and Corporate Banking", which led to its deconsolidation; and the consolidation of a Congolese bank, the Banque Commerciale Internationale, in "Federal activities and other".

Changes over the period are listed by business sector, in line with the segment reporting presentation.

4.1 FINANCIAL SERVICES AND CORPORATE BANKING

4.1.1 Changes in stakes

The Group's stake in Natixis (excluding treasury shares) rose from 35.78% as of December 31, 2008 to 35.92% as of June 30, 2009, i.e.: a 0.14% increase. The increase was due primarily to purchases on the market.

	12/31/2008		Change		Interest rates	
Number of Natixis shares	Number	Stakes	Purchase on the market	Other (exercise of options, purchase of own shares, etc.)	Number	Interest rates(*)
CNCE	1,035,930,730	35.78%	4,290,048		1,040,220,778	35.92%
BFBP	1,035,930,730	35.78%	4,290,048		1,040,220,778	35.92%
Treasury shares	12,713,642			(505,410)	12,208,232	
Other	823,562,591	28.44%	(8,580,096)	505,410	815,487,905	28.16%
TOTAL	**2,908,137,693**			(**)	**2,908,137,693**	
TOTAL EXCLUDING TREASURY SHARES	**2,895,424,051**	**100%**		**505,410**	**2,895,929,461**	**100%**

(*) Stake excluding treasury shares.
(**) Balance = option exercise.

The increase over the period in the percentage of ownership is reflected in an increase in net supplementary reserves attributable to the Group (badwill), which was immediately taken to profit/loss in the line item "Gains or losses on other assets" for the amount of €20 million.

4.1.2 Changes in scope by division

Unless otherwise stated, all impacts (in terms of percentages or amounts) are expressed in this section after taking into account the Group's 35.92% stake in Natixis and its subsidiaries.

4.1.2.1 Receivables Management

- Creation of Coface Austria Bank, whose business is factoring.
- Creation of Natixis Factor Italie, branch of Natixis Factor, whose business is factoring.
- Acquisition of 100% interest in Trust Kredit Beheer (TKB), generating goodwill of €5.21 million.
- Sale of Cerved ex-group, generating a capital gain of €7.54 million.
- Merger of Kompass Espagne (branch of Kompass France) into Coface Servicios Espana.

4.1.2.2 Corporate and Investment Banking

- Creation of an *ad hoc* entity "Gamma", a Common Securitisation Fund whose activity is the securitisation of a portfolio of loans for issuing medium-term notes eligible for collateral for securities at the ECB.
- Creation of an *ad hoc* entity "Sahara Euro", a vehicle for securitising a segregated portfolio of securitisation shares (ABS, CLO, RMBS, etc.,) for issuing senior and junior shares subscribed at 100% by Natixis and mezzanine shares subscribed by an investor external to the group.
- Natixis Real Estate obtained ownership of the Summer Commons property (shopping centre in Memphis) on March 3, 2009, at an auction following the bankruptcy of the debtor and the termination of the foreclosure procedure. An *ad hoc* structure was created (Summer Commons LLC) to manage this commercial property.
- Creation of an *ad hoc* entity within the Natixis Capital Markets sub-consolidation level, "Ixis Municipal Products Inc. Saratoga Series 2004-4 Trust.
- Dilution of 2.56% in EDF Investissement Group following a capital increase fully subscribed ex-group without changing the consolidation method.
- Liquidation of Natixis Panama.
- Liquidation of Natixis Securization Corp.

- Liquidation of the *ad hoc* vehicle LIME CDO Ltd (within the Natixis Corporate Solutions sub-consolidation level).
- Merger of Natixis Capital Market Inc. with Natixis North America Inc.

4.1.2.3 Services

- 2% dilution effect in ABP Croissance Rendement.
- Sale of 12.57% of Caceis group on June 30, 2009, generating a capital loss of €3.88 million.

4.1.2.4 Private Equity and Private Banking

- Takeover of Financière Natexis Singapore by Natexis Private Equity International Singapore during the second quarter 2009.
- Takeover of the Saint Dominique Private Bank by La Compagnie 1818 – Banquiers Privés.
- Takeover of BPSD Gestion by La Compagnie 1818 – Gestion.

4.1.2.5 Asset management

- Creation of three *ad hoc* entities: AEW Global Real Estate Securities Fund, Absolute Asia Dynamic Equities Fund and Gateway Hedge US Equities Fund.
- Creation of AEW Partners VI, AEW Senior Housing Investors Inc., Kennedy Financement Luxembourg and Natixis Securities Investment Consulting Co. Ltd.

Deconsolidation of the following entities after their liquidation:

- Aew Investment Group, Inc.;
- Aew Management and Advisors, LP;
- Loomis Sayles Futures, LLC;
- Natixis Oalmark Golbal Large Cap;
- Seaport Senior Housing, LLC.

4.1.6 Retail banking

The retail banking arm of the Natixis subgroup consists of the Caisse d'Epargne banks, in which Natixis holds a 20% stake *via* its holding of Cooperative investment certificates (CIC). The Banque Populaire and Caisse d'Epargne banks are accounted for by the equity method at the Group's proportionate share, i.e.: 7%.

Regarding CCI Banques Populaires, on June 24, 2009, the Banque Fédérale des Banques Populaires sold, by retrocession, 49% of the CCI that it held on six regional banks to the following Banques Populaires:

- the Banque de Savoie for the Banque Populaire des Alpes;
- the Banque Chaix for the Banque Populaire Provençale et Corse;
- the Banque Marze and the Banque Dupuy de Parseval for the Banque Populaire du Sud;
- the Banque Pelletier and the Crédit Commercial du Sud Ouest for the Banque Populaire du Sud Ouest.

Given the date of the retrocession transaction, the share of the result of the Regional Banks returning to Natixis remains limited to 10.2% (Natixis share, i.e.: 20% of the 51% previously held by the CCI Banques Populaires), which represents 3.7% for the Banque Fédérale des Banques Populaires Group.

However, the goodwill included in the equity stake value of the CCI Banques Populaires increased by €67 million for the Natixis share, i.e.: €24 million for the Banque Fédérale des Banques Populaires Group.

4.2 FEDERAL ACTIVITIES AND OTHER

The only change over the period in this division covers the Banque Commerciale Internationale located in Congo, previously owned by the government of Congo and wholly purchased by the Banque Fédérale des Banques Populaires. Its business mainly involves financing small and medium-sized businesses.

As it exceeded the significance thresholds, with a contribution of €2 million to the results of the Group, this subsidiary was consolidated on January 1, 2009.

Note 5 Notes to the balance sheet

5.1 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Assets and liabilities at fair value break down into classified as trading assets and liabilities and assets and liabilities eligible for this option under IAS 39 standard.

These assets and liabilities are measured at fair value as of the balance sheet date, with changes in value, including interest, recognized in income under "net gains and losses on financial instruments at fair value through profit and loss".

No impairment is recognized on these assets since counterparty risk is reflected in their market value.

Securities held for trading:

Securities held for trading are those acquired by Natixis primarily for the purpose of selling them in the near term and those forming part of a portfolio of financial instruments that are managed as a whole for which there is a recent pattern of short-term profit-taking.

Pursuant to the amendments to IAS 39 and IFRS 7 "Reclassifications of Financial Assets" adopted by the European Union on October 15, 2008, a non-derivative financial asset classified as held for trading to be reclassified after acquisition:

- to "Loans and receivables", if there is a change in the intention of management associated with the ability to hold the asset for the foreseeable future or until maturity and if it satisfies the criteria for this category;
- to "Assets available for sale" or to "Financial assets held to maturity", if there is a change in intention and unusual circumstances, provided they satisfy the criteria for this category.

The asset is reclassified for the amount of its fair value as of the date of the reclassification that comprises its cost of entry into the new category and it is then measured according to the rules for this category.

Instruments recognized at market value through profit or loss – fair value option:

The amendment to IAS 39 standard "Financial Instruments: Recognition and Measurement" – fair value option of June 2005, adopted by the European Union on November 15, 2005 set forth the conditions for using the fair value option for financial assets and liabilities. This amendment allows the recognition of financial assets and liabilities at market value through profit and loss after initial recognition in the following cases:

- when the use of this option makes it possible to eliminate or substantially reduce a mismatch in the measurement and recognition of the assets and liabilities that would otherwise result in their classification in other categories;
- when the group of financial assets and/or liabilities is managed and measured based on their market value pursuant to a duly documented management and investment strategy;
- when the financial instruments comprise one or more embedded derivatives that would otherwise be recognized separately.

5.1.1 General provisions pertaining to fair value

The fair value of a financial asset or liability at fair value through profit and loss is the amount that can be obtained in an arm's length transaction between knowledgeable, willing parties.

Upon their initial recognition, fair value is generally the price paid or received. Upon subsequent measurement, this fair value must be determined. It is the listed price if the instrument is listed on an active market. If the market is not active, it is the value resulting from measurement using observable data from recent transactions, discounted cash flow or option measurement models.

Values based on these models may be adjusted to reflect liquidity or counterparty risk and, for complex model risk products. For complex products sold, measurement based on observable market data permits recognition of the trading profit at the beginning of the transaction for the difference between the transaction price and the model value. If the parameters are not observable on the market, the fair value is the transaction price rather than the model value; the trading profit is then recognized in income over the life of the product.

5.1.1.1 Instruments listed on an active market

These are listed securities and derivatives on organized markets, such as futures and options, which are in liquidity zones that can be demonstrated as such (active market). All transactions in which Natixis is involved on listed markets are included in this category.

A non-liquid market is characterized by:

- total absence of transactions over a minimum period;
- absence of market contributors;
- the existence of isolated, very low volume transactions or transactions at highly dispersed prices;
- sales similar to forced sales;
- a broad range of prices.

A forced sale should also be proven by:

- lower than usual transaction volume;
- absence of transactions over a short period;
- negative judgment about the market, based on the measurement technique.

The absence of liquidity for one financial instrument does not determine the liquidity for other instruments.

5.1.1.2 Over-the-counter instruments valued using recognized models and observable parameters

Standard instruments:

The majority of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and standard options are traded in an active market, i.e. a liquid market with regular trading.

Valuations are determined using generally accepted models (discounted future cash flows, Black and Scholes model, interpolation techniques) and on the basis of directly observable parameters.

For these instruments, the extent to which models are used and the observability of parameters have been documented.

Hybrid instruments:

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model and on the basis of market parameters derived from observable data such as yield curves, implied volatility levels of options and consensus data or data obtained from active over-the-counter markets.

For all of these instruments, the parameter has been demonstrated to be observable. In terms of methodology, the observability of parameters is based on four key criteria:

- the parameter is derived from external sources (*via* a recognized contributor if possible);
- the parameter is updated periodically;
- the parameter is representative of recent transactions;
- the features of the parameter are identical to those of the transaction. If necessary, a proxy may be used, subject to demonstration and documentation of its relevance.

The fair value of instruments obtained using valuation models is adjusted in order to take into account counterparty, model and parameter risks. The margin generated on trading these instruments is immediately recognized as income.

5.1.1.3 Over-the-counter instruments valued using unrecognized models or unobservable parameters

Under IAS 39, gains should be recognized after initial recognition only if they are generated by a change in a factor that would be taken into account by market participants in price setting, i.e.: only if the model and the parameters used to obtain the valuation are observable.

If the valuation model is not recognized by the market or the parameters used are not observable, the trading profit on the trade date cannot be recognized immediately on the income statement. It is recognized in income over the life of the transaction or on the date the parameters become observable. Any trading loss on the trade date is recognized immediately in income.

As of June 30, 2009, the scope of instruments for which the profit on the trade date was deferred essentially comprised:

- multi-underlying structured equity and index products;
- options on funds;
- hybrid interest rate and inflation-indexed products;
- fixed-rate derivatives;
- securitization swaps;

- structured credit products (CDSs, CDOs and FTDs);
- interest rate option products;
- plain vanilla equity and index-based option products;
- carbon-based derivatives.

The margin generated when these instruments are traded is deferred and taken to profit or loss over the life of the transaction or until the date the default parameter becomes observable.

5.1.2 Financial assets at fair value through profit or loss

in millions of euros	06/30/2009	12/31/2008
Securities held for trading	**30,881**	**30,260**
Securities	30,881	30,260
Fixed income	*25,498*	*24,089*
Variable income	*5,383*	*6,171*
Financing against securities received under repurchase agreements	0	0
Loans and receivables related to trading	**862**	**1,122**
Derivative instruments excluding hedging	**47,686**	**66,686**
Dealing transactions	47,686	66,686
Other	0	0
Securities optionally designated as at fair value	**18,511**	**19,838**
Securities	14,249	15,991
Fixed income	*10,746*	*11,954*
Variable income	*3,504*	*4,037*
Financing against securities received under repurchase agreements	4,261	3,847
Loans and receivables optionally at fair value	**1,846**	**580**
From lending institutions	1,154	223
Customer accounts	693	357
TOTAL	**99,786**	**118,486**

5.1.3 Financial liabilities at fair value through profit or loss

As of June 30, 2009, the Group's financial liabilities valued at fair value through profit or loss were mainly made up of derivatives not used as hedging instruments and debts related to uncovered sales of financial assets (securities).

The June 2005 amendment to standard IAS 39 "Financial instruments: recognition and measurement" concerning the "fair-value option", adopted by the European Commission on November 15, 2005 gave the option to book liabilities at fair value through profit and loss. The Group opted to retrospectively apply this amendment from January 1, 2005 and also reclassified certain liabilities as "liabilities at fair value through profit and loss" when they concerned indexed interest-rate products on components of a different type (shares for PEP and structured medium-term notes). These financial liabilities are valued at their fair value as of the balance sheet date and booked to the balance sheet in the section "Financial liabilities at fair value through profit or loss". Changes in fair value (including issuer spreads) are booked to profit/loss for the period in the section "profit or loss on financial instruments at fair value through profit and loss" for Natixis.

in millions of euros	06/30/2009	12/31/2008
Securities at fair value relating to trading transactions	**8,525**	**8,891**
Securities	8,525	8,891
Fixed-income securities	*8,525*	*8,891*
Variable-income securities	*0*	*0*
Securities given under repurchase agreements	0	0
Derivative instruments excluding hedging	**47,112**	**66,122**
Securities optionally designated as at fair value	**30,334**	**29,675**
Fixed-income securities	27,828	27,425
Securities given under repurchase agreements	2,506	2,250
Other debts at fair value through profit and loss	**6,831**	**1,942**
Trading	746	495
Optionally at fair value	6,085	1,447
TOTAL	**92,802**	**106,632**

5.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets (AFS) are a residual category containing assets that do not meet the conditions governing the other categories specified in the IAS 39 standard. For the Group, this category mainly includes securities, both fixed-income and variable-income (equities).

A financial asset booked as AFS may be reclassified subsequent to its acquisition:

- as "Financial assets held to maturity", providing that it complies with the eligibility criteria for this category;
- in "Loans and receivables", if it is no longer negotiable on an active market and there is a change of management intention associated with the ability to hold the instrument for a predictable period or until maturity, and it complies with the eligibility criteria for the category.

The asset is reclassified for the amount of its fair value on the date of reclassification, which constitutes its entry cost into the new category. It is then valued according to the rules of this category. The recyclable reserve is fixed on the date of reclassification and it is gradually recycled to profit/loss over the residual lifetime of the asset using the "effective interest rate" method, or fully if the instrument is depreciated or sold after reclassification.

Securities classified as AFS are booked to the balance sheet on the delivery settlement date.

When they are purchased, securities classified as AFS are valued at fair value. Within the Group, no initial discount is booked, as the purchase cost is considered to be at the market price. Determination of the fair value of these assets is explained in note 5.1.

The balance-sheet entry price is the security purchase price increased by the transaction costs attributable to purchasing the securities (brokerage fees, commissions paid to brokerage firms and exchange taxes) increased by the interest incurred. Given the insignificant impact of transaction fees on securities, these fees are booked as expenses.

During subsequent balance sheet dates, these securities are booked to consolidated equity at fair value, notwithstanding interest and amortisation of discount/premium for fixed-income securities, which are booked to profit and loss.

In the case of variable-income securities, the entire change in fair value is booked to consolidated equity.

For listed securities, the price upon closure is used (bid price). For unlisted securities, the Price Earning Ratio (PER) or Discounted Cash Flow (DCF) valuation method is used.

When there is an objective indication of the funding of such an asset and a reduction in its fair value has already been booked directly to consolidated equity, the aggregate loss is extracted from consolidated equity and booked to profit/loss as the cost of risk in the case of fixed-income securities, and as net banking income for funding relating to variable-income securities.

A multi-criterion analysis requiring expert judgement is needed to determine an objective funding index, particularly for debt instruments.

If the fair value of an instrument classified as available for sale increases during a subsequent fiscal year, and if this increase can be objectively linked to an event occurring after loss related to it was booked to profit/loss, reversals of loss of value:

- of consolidated-equity instruments are not recognised in the income statement but in consolidated equity;
- debt instruments are booked to profit/loss up to the funding previously recognised.

In accordance with the IFRIC 10 interpretation, funding recognised for consolidated-equity instruments on quarterly closure dates (dates of publication of IFRS statements) is fixed in profit/loss and cannot be reversed before the securities are sold.

Consequently, when a consolidated-equity instrument has been depreciated, any additional loss of value is booked to profit/loss. Reversals of impairment are booked to consolidated equity.

Un-realised capital loss on fixed-income securities is booked to an account for provision for funding of securities (line: "cost of risk" in the income statement) because this provision may be reversed in profit/loss (as cost of risk) in case the security subsequently increases in value up to the amount of the funding that was previously recognised.

AFS securities covered by derivative interest-rate hedges are valued at fair value through profit and loss for the hedged risk. The actuarial distribution of the premium or discount, like the recognition of interest for fixed-income securities, is not called into question because it is hedged.

in millions of euros	06/30/2009	12/31/2008
Outstanding loans	**4**	**22**
Loans and receivables	4	22
Accrued interest	0	0
Other	0	0
Securities	**13,745**	**13,488**
Fixed-income securities	10,427	9,495
Variable-income securities	3,065	3,770
Accrued interest	253	223
Total before impairment	**13,749**	**13,511**
Impairment	**(544)**	**(828)**
Loans and receivables	0	0
Fixed-income securities	(47)	(45)
Variable-income securities(1)	(497)	(783)
TOTAL	**13,206**	**12,683**

(1) In 2008, impairment on variable-income securities included €440 million for the funding of CIFG securities (the structure of which was deconsolidated in 2008).

5.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The IAS 39 standard establishes a hierarchy in the procedures for determining fair value:

- the best representation of fair value is the price listed on an active market. A market for an instrument is regarded as active if listed prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory authority, and provided those prices represent actual and rcurring market transactions;
- failing this, fair value must be determined using valuation techniques. These techniques include the use of recent transactions, reference to the fair value of an instrument that is substantially identical, the discounted cash-flow method, equity valuation models and any valuation technique currently used by market players.

The assessment that a market is inactive results from qualitative criteria taken from the CNC's recommendation of October 15, 2008 and the report of the panel of experts dated October 31, 2008, requiring judgement covering the following indicators in particular:

- reduction in the volume of transactions;
- widely varying prices available over and between different market participants;
- lack of recent transactions;
- existence of forced sales.

When a valuation model is applied, it must make maximum use of data from the market. However, valuation models used to price some structured products that often involve tailor-made solutions may use parameters that are non-observable in the market. For these instruments, no profit or loss may be recognised when they are initially booked. In this situation, the margin generated upon opening the position must be deferred. This margin must be spread over the lifetime of the instrument.

Instruments for which fair value is determined according to a valuation technique not backed up by market data are those for which the margin on the first day was deferred, and those for which the margin on the first day was not deferred only because of the absence of impact of a non-observable criterion on the valuation.

The carrying value is considered representative of the market value in the following cases:

- floating-rate assets and liabilities where changes in interest rate do not have a material impact on fair value in so far as rates are frequently adjusted at market rates;
- current financial assets and liabilities (with an initial term of one year or less), where interest-rate risk sensitivity and credit risk sensitivity are immaterial for the period;
- liabilities repayable on demand;
- regulated products, particularly regulated savings products, where prices are set by State authorities.

Fair value determined on the basis of listed prices is the fair value obtained on the measurement date, by direct reference to published prices in an active market to which the entity has access. When fair value is determined using a valuation technique, a distinction must be made according to whether the valuation is based on observable or non-observable data.

A certain number of products, in particular derivatives, are valued using valuation models. The valuations obtained may be considered to be in the same category as market prices when they rely either on observable parameters or on models recognized as market standards (i.e., whose valuation techniques are widely used) for the financial instrument in question. When one of these two conditions is not met, the valuation obtained will be considered as Marked-to-Model rather than Marked-to-Market.

Under the standard, the parameter is defined as "observable" if it is non-proprietary: data must come from a source external to the institution, that is easily accessible: data must be easily accessible, for example, *via* services from data providers or from regularly-available contributions based on consensus or on market transactions (completed or through quotations that are binding on the counterparties). The analysis of the observable nature of parameters relies on each of these sources individually or on any combination thereof.

The valuation of derivatives traded on regulated markets is established from quotations, but over-the-counter derivatives such as swaps and options are valued using valuation techniques based on market data. However, hybrid derivatives are valued using internal models.

The fair value of securities in inactive markets is determined according to internal valuation techniques.

The table below gives the fair value of financial assets and liabilities recognised at fair value on the balance sheet as of June 30, 2009. This information is broken down according to the hierarchy given by the IAS 39 standard for determining the fair value of an instrument.

	06/30/2009			
in millions of euros	Price listed on an active market	Valuation techniques using observable data	Valuation techniques using non-observable data	Carrying value
Assets				
Financial assets held for trading	13,613	64,200	1,616	79,429
Financial assets at fair value through profit and loss	2,148	17,509	700	20,357
Hedging derivatives (assets)	0	1,243	0	1,243
Available-for-sale financial assets	10,539	1,970	697	13,206
Liabilities				
Financial liabilities held for trading	143	55,081	1,159	56,383
Financial liabilities at fair value through profit and loss	0	36,419	0	36,419
Hedging derivatives (liabilities)	0	354	0	354

	12/31/2008			
in millions of euros	Price listed on an active market	Valuation techniques using observable data	Valuation techniques using non-observable data	Carrying value
Assets				
Financial assets held for trading	19,970	77,090	1,007	98,068
Financial assets at fair value through profit and loss	10,020	9,762	636	20,418
Hedging derivatives (assets)	0	266	0	266
Available-for-sale financial assets	10,561	1,322	800	12,683
Liabilities				
Financial liabilities held for trading	9,268	65,524	717	75,509
Financial liabilities at fair value through profit and loss	10	31,113	0	31,123
Hedging derivatives (liabilities)	0	97	0	98

5.4 LOANS AND RECEIVABLES DUE FROM BANKS AND CUSTOMERS

5.4.1 General provisions

"Loans and receivables" are financial assets with fixed payments or payments that can be determined that are not listed on an active market. All loans to customers of the regional banks are classified as "loans and receivables", including portfolios of loans acquired All interbank loans on the asset side are classified as "loans and receivables" category. Most loans granted by Natixis are classified in this category.

The loans are originally booked to the balance sheet at their initial fair value. The fair value of a loan corresponds to its face value, less any discount and transaction income plus transaction costs.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the face value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the face value of the loan. The market rate is the rate practised by the large majority of institutions in the market at a given moment, for instruments and counterparties having similar characteristics. The amounts booked by the Group as discounts are not significant.

Loans and receivables are subsequently valued at amortized cost, which requires the determination of the factors to be incorporated in the effective interest rate.

The external costs consist primarily of commissions paid externally in connection with implementation of the loans. The Groupe Banque Populaire has taken a restrictive position whereby only the variable portion of the salaries of the business managers directly indexed to the implementation of the loans is included in the effective interest rate. No other internal cost is included in the calculation of amortized cost.

The external costs consist essentially of commissions paid externally when implementing the loans. They are essentially constituted of commissions paid for introducing business to key influencers.

The transaction income is the income directly related to the origination of new loans. It includes the origination fees charged to customers, the passing on of costs and loan commitment fees (if it is more likely than not that the loan will be extended). The loan commitment fees received that will not result in any drawdowns are on commissions are apportioned on a straight-line basis over the life of the commitment.

Income and expenses relative to loans of less than one year at the moment of issue (initial period) are divided on a pro rata temporis basis without re-calculating the effective interest rate. For floating or adjustable rate loans, the effective interest rate is recalculated each time the rate is reset. In the case of modification of future disbursement or receipts, the "catch up method" is used, which leads to the maintenance of the original effective interest rate for the contract and means that an immediate profit/loss is recorded for the difference between the carrying value and the discounted cash flow.

The fair value of loans and receivables for banks and clients is determined by discounting future expected cash flows. The discount rate applied is the market rate as of the balance sheet date. As soon as a quotation exists that meets the criteria of the IAS 39 standard, it is the listed price that is used.

The fair value of items with an initial period of less than one year, and of assets at variable rates, is considered as equal to the carrying value.

"Loans and receivables" also includes assets initially booked in the categories "Instruments at fair value through profit and loss" or "Available-for-sale financial assets" which have been reclassified as "Loans and receivables" under the conditions specified by the amendment to standards IAS 39 and IFRS 7 "Reclassification of financial assets" published on October 13, 2008. Instruments reclassified in this category meet the definition of "Loans and receivables" on the date of reclassification. In particular, this means that they are not listed on an active market on the date of reclassification and they cannot be held with the aim of a short-term sale.

These instruments are reclassified at their fair value on the date of reclassification. The difference between this amount and the estimate, on this date, of recoverable cash, is spread over profit/loss (in net banking income) until the expected maturity of the instrument, using an effective interest rate calculated on the date of reclassification. Beyond this date, the assets are valued at amortised cost according to the "effective interest rate" method. Upon each balance sheet date, they are subject to an impairment test, which may lead to funding being booked to profit/loss in the income statement on the "cost of risk" line.

In case future cash flow estimates are revised upwards, the effect of this increase is booked as an adjustment to the effective interest rate on the date that the estimate changes.

The recyclable reserve for the instruments, reclassified from the category "Available-for-sale financial assets" to "Loans and receivables", is set at the date of reclassification. This reserve is gradually recycled to profit/loss over the residual lifetime of the asset using the "effective interest rate" method, or fully if the instrument is depreciated or sold after reclassification.

5.4.2 Impairment of loans and advances

The IAS 39 standard defines the procedures for calculating and booking impairment on loans.

A debt is "impaired" if the following two conditions are met:

- objective indexes exist showing funding individually or collectively: "trigger events" or "loss events" occur, which identify a counterparty risk and which occur after the initial recognition of the loans in question;
- these events generate "incurred losses" on the estimated amount of future cash flow for the loans and the measurement of these losses must be reliable.

The impairment is determined by the difference between the amortised cost and the recoverable amount, meaning the estimated recoverable discounted cash flow, taking into account the effect of interest-rate guarantees effective from the outset. For short-term assets (<1 year), future cash flow is not discounted. The impairment is determined overall without distinction between interest and capital.

Impairment is booked to "cost of risk".

The IAS reference system distinguishes two types of impairment:

- specific impairments;
- collective impairments.

Specific impairments

This is calculated, debt by debt, based on the payment schedule, by assigning future cash flows determined according to the recovery histories observed by categories of debt. Collateral may limit the amount of impairment and when collateral entirely covers the risk of default, the outstanding loan is no longer impaired.

Collective impairments

Collective provisions cover a non-incurred risk at the level of individual debt. In accordance with the IAS 39 standard, the outstanding loans are then grouped in portfolios with consistent risk.

The method of calculation used by the Group is mainly based on the risk-measurement reference system implemented under the Basel II reform applied to a combination of three portfolios (individuals/professionals/corporate) and three types of risk (pre-doubtful/non-doubtful default/sectoral). The breakdown by portfolios follows the segmentation recommended in the Basel II reference system, and performing loans are grouped in portfolios with consistent risk.

Portfolios with consistent assets are constituted according to two criteria:

- *the risk on debt classified in the first two classes of risks, corresponding to high probabilities of default:* these debts, identified in the management systems by a special notation, show objective signs of deterioration, most often the presence of an unpaid instalment. For these debts, which are mostly for small amounts, the provision is calculated from expected rates of loss determined according to the Basel II ratio models;
- *the sectoral and geographical risks determined according to the combination of quantitative and qualitative criteria:* the detection of objective impairment indexes for these risks is the result of in-depth analysis and monitoring of business sectors and countries. An objective impairment index is most often made up of a combination of micro-economic or macro-economic indicators specific to the sector or the country.

As soon as a consistent group must be depreciated, the impairment is determined based on expected losses on the debts making up the group, calculated according to the principles of the Basel II reform.

Expert judgement is used to adapt the results of the calculation to the real risk situation of Groupe Banque Populaire.

The impairment is booked to the asset side, as a correction to the original item for the depreciated asset, presented on the balance-sheet at its net value. Provisions for impairment, and reversals, are booked to the income statement as the cost of risk.

The scope of performing loans under accounting consolidation and prudential consolidation is similar, with the exception of restructuring operations, which by their nature are in default upon inception under prudential consolidation, but may remain sound under accounting consolidation.

5.4.3 Loans and receivables due from banks

in millions of euros	06/30/2009	12/31/2008
Performing loans		
Performing loans	63,606	60,574
Collective impairments	(14)	(16)
Net	**63,591**	**60,558**
Non-performing loans		
Non-performing loans	144	258
Specific impairments	(115)	(155)
Net	**29**	**103**
TOTAL	**63,620**	**60,660**

5.4.4 Loans and receivables due from customers

in millions of euros	06/30/2009	12/31/2008
Performing loans		
Performing loans	43,278	44,979
Collective impairments	(770)	(349)
Specific impairments	(9)	0
Net	**42,499**	**44,630**
Non-performing loans		
Non-performing loans	1,766	979
Specific impairments	(788)	(677)
Net	**978**	**302**
TOTAL	**43,477**	**44,932**

Sound loans and receivables covering the clientele break down as follows:

in millions of euros	06/30/2009	12/31/2008
Financial leasing	2,680	2,668
Other loans and receivables	25,758	26,986
Current accounts with overdrafts	2,426	3,244
Unlisted fixed-income securities	4,782	5,057
Financing against securities received under repurchase agreements	5,517	4,450
Factoring	1,949	2,329
Other	27	28
Accrued interest	138	217
TOTAL	**43,278**	**44,979**

5.5 AMOUNTS DUE TO CUSTOMERS

Amounts due to customers are presented according to their nature, taking into account demand or term features. They are valued in accordance with the IAS 39 standard in "other financial liabilities" according to the "amortised cost" method, using the "effective interest rate" method.

Upon inception, these debts are booked at fair value, which, for the Group, corresponds to market conditions, meaning that no initial discount or premium is booked. Initial recognition occurs with transaction costs included if they are significant and concern liabilities with an initial maturity greater than one year. In the case of valuations subsequent to the balance sheet date, the "amortised cost" method, as in the individual statements, consists of reducing the debt according to the repayments. The accrued or paid interest is booked to the income statement under "interest and similar charges", whether the exposure is hedged or not.

The fair value of amounts due to clients is determined by discounting future expected cash flows. The discount rate used is the market rate on the balance sheet date. As soon as a quotation exists that meets the criteria of the IAS 39 standard, the listed price is used.

The fair value of debts with an initial period of less than one year, and of debts at variable rates, corresponds to the carrying value.

Amounts due to customers stood at €21,245 million as of June 30, 2009, against €25,382 million as of December 31, 2008:

in millions of euros	06/30/2009	12/31/2008
Current accounts in credit	**4,439**	**7,415**
demand	*3,804*	*6,187*
term	*635*	*1,228*
Deposits and loans	**4,209**	**6,777**
demand	*608*	*3,561*
term	*3,601*	*3,216*
Pledged securities	**0**	**0**
demand	*0*	*0*
term	*0*	*0*
Repurchase agreements	**10,014**	**8,648**
demand	*2,261*	*1,556*
term	*7,752*	*7,092*
Regulated savings accounts	**1,497**	**1,335**
Factoring accounts	**645**	**646**
Accrued interest	**77**	**69**
Other	**364**	**490**
TOTAL	**21,245**	**25,382**

5.6 RECLASSIFICATION OF FINANCIAL ASSETS (AMENDMENTS IAS 39 AND IFRS 7 DATED OCTOBER 15, 2008)

During the first half 2009, no securities were reclassified.

On December 31, 2008, 90% of securities reclassifications concerned the Natixis sub-group. The following amounts therefore only concern this sub-group (after application of proportionality ratios).

in millions of euros	Fair value at 06/30/2009	Carrying value as of 06/30/2009	Changes in fair value booked to profit/loss concerning assets previously booked at fair value through profit and loss	Impairments booked to profit/loss concerning assets previously classified as AFS	Changes in fair value booked to consolidated equity, recyclable concerning assets previously booked as AFS
Instruments reclassified in the "Loans and receivables" category	**3,427**	**3,684**	**(128)**	**(41)**	**(89)**
TOTAL	**3,427**	**3,684**	**(128)**	**(41)**	**(89)**

The profits and losses booked to the income statement, concerning reclassified assets and after the date of reclassification, are as follows:

	06/30/2009		12/31/2008	
in millions of euros	NBI	Cost of risk	NBI	Cost of risk
Instruments reclassified in the "Loans and receivables" category	13	(94)	1	(26)
TOTAL	**13**	**(94)**	**1**	**(26)**

5.7 INVESTMENTS IN AFFILIATES CONSOLIDATED BY THE EQUITY METHOD

The investments in affiliates consolidated by the equity method are mainly impacted by the equity stake value of the Caisses d'Epargne, for which 20% of the capital is held by Natixis through holdings in Cooperative Investment Certificates (CICs). After application of the proportional rule, Group's proportionnate share stands at 7%:

in millions of euros	06/30/2009	12/31/2008
Financial companies	**3,776**	**3,675**
- Caisse d'Epargne (Cooperative Investment Certificates)	1,775	1,695
of which goodwill	*107*	*106*
- Banques Populaires (Cooperative Investment Certificates)	1,687	1,644
of which goodwill	*282*	*282*
- Volksbank International AG	294	309
of which goodwill	*20*	*20*
- Other	19	27
Non-financial companies	**26**	**26**
TOTAL	**3,802**	**3,701**

5.8 GOODWILL

5.8.1 Accounting treatment

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Positive goodwill is maintained on the balance sheet at historical cost in the original currency, then converted at the exchange rate as of the balance sheet date. Any adjustment to the acquisition cost is made within 12 months from the date of acquisition.

Negative goodwill is recognized directly in the income statement under "Changes in the value of goodwill".

Positive goodwill is not amortized but is subject to an impairment test in case of the existence of impairment indexes, according to the discounted cash-flow method.

5.8.2 Cash Generating Units (CGU)

As part of of impairment tests, positive goodwill is assigned to cash generating units (CGU). For the Group, it corresponds to the segments used for segment reporting (see note 7):

- the segment "Natixis, Financial Services and Corporate banking"; divided into 6 divisions: "Corporate and investment banking", "Private equity and private banking", "Investor services", "Accounts receivable", "Asset management" and "Investor services and underwriting". These divisions represent 6 CGUs;
- the segment "Federal activities and other" principally corresponds to the activities of the Banque Fédérale and the other subsidiaries of the Banque Fédérale des Banques Populaires held directly, excluding Natixis, meaning principally FONCIA, MA BANQUE and BICEC. As of June 30, 2009, goodwill in this segment only relates to FONCIA, which as such constitutes a CGU, and to the Société Marseillaise de Crédit.

5.8.3 Summary

As of June 30, 2009, the total carrying value of goodwill stood at 3.1 billion for the Banque Fédérale des Banques Populaires Group.

For the "Financial Services and Corporate Banking" segment, the change over the first half 2009 is mainly due to the sale of CACEIS. For the "Federal activities and other" segment, it is due to the revaluation of the partial assignment of residual goodwill for FONCIA in relation to the synergies identified in the activities of this CGU, and the impairment observed on FONCIA goodwill.

	06/30/2009		12/31/2008	
	Value – €M	Weight – %	Value – €M	Weight – %
Financial Services and Corporate banking	1,613	51.2%	1,796	48.4%
Federal activities and other	1,535	48.8%	1,918	51.7%
	3,148	100%	3,714	100%

5.8.4 Changes and impairment tests

Each goodwill item was tested for impairment, based on the going-concern value of the cash-generating units (CGU) to which they are attached.

Impairment of goodwill is the difference between the carrying value of the CGU (value including the share of goodwill) and the recoverable value of this CGU, defined as the higher of the market value and the going-concern value.

When the recoverable value of the CGU is below the carrying value, impairment is booked against consolidated income for the period and charged first against the goodwill assigned to the CGU, then against the assets of the CGU on a pro rata basis by net carrying value. Impairment against goodwill is definitive.

- **Natixis, Financial Services and Corporate banking (Natixis sub-group):**

Impairment tests carried out on the Financial Services and Corporate banking resulted in no impairment being booked as of June 30, 2009. The only notable change in this segment was following the sale of CACEIS by Natixis, causing the return of all goodwill (€192 million).

- **Federal activities and other:**

Residential real estate services:

The new management of FONCIA established a medium and long-term plan covering 2009/2011 that is less optimistic than that used for December 31, 2008. In accordance with the IAS 36 standard, this led the Group to test FONCIA's goodwill as of June 30, 2009.

On December 31, 2008, goodwill on FONCIA stood at €1,121 million including €810 million for the Banque Fédérale des Banques Populaires on FONCIA SA and €311 million from FONCIA on its subsidiaries, after assignment to redeemable assets and the FONCIA brand for €306 million as follows:

Intangible items (net of deferred tax)			**306**
Gross intangible items		466	
Co-owned assets	156		
Assets under rental management	220		
FONCIA brand	90		
Deferred taxes		(160)	

Going-concern values were determined mainly using updates to future cash flow estimates for the CGUs, resulting from the medium-term plan drawn up for the Group's management requirements:

- future cash flows are discounted over a 5-year plan;
- a discount rate of 8.83% was used;
- the perpetual growth rate used was 2.5%.

Following this test, the value of goodwill for Banque Fédérale des Banques Populaires concerning FONCIA SA, i.e.: €810 million (including the synergies with the Banques Populaires) showed impairment of €395 million and stood at €415 million.

What is more, following acquisitions over the period, FONCIA recognised additional goodwill of €15 million for its subsidiaries.

Finally, as of June 30, 2009, goodwill on FONCIA stood at €741 million, including:

- €415 million for the Group on FONCIA SA;
- €326 million for FONCIA on its subsidiaries.

Other:

In the absence of indexes showing impairment over the first half-year, the goodwill generated by Société Marseillaise de Crédit, acquired on July 2, 2008 by the Banque Fédérale des Banques Populaires, was not tested for impairment as of June 30, 2009.

5.8.5 Detailed analysis of goodwill

		06/30/2009					
in millions of euros	**Value at beginning of period**	**Acquisitions within the period**	**Impairment over the fiscal year**	**Allocation of GW**	**Other changes[1]**	**Conversion**	**Value at end of period**
Financial Services and Corporate banking	1,796	0	0	0	(183)	0	1,613
Federal activities and other	1,918	15	(395)	0	(3)	0	1,535
TOTAL	**3,714**	**15**	**(395)**	**0**	**(186)**	**0**	**3,148**

(1) The other changes essentially relate to the sale of CACEIS (services division).

5.9 PROVISIONS RECOGNISED AS LIABILITIES

Provisions recognised as liabilities constitute liabilities for which the due date or the amount are uncertain. Their recognition is subject to the existence of a current obligation resulting from a prior event, for which it is probable or certain that an exit of resources will be caused, and for which the amount can be estimated reliably.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present obligation as of the balance sheet date. This amount is updated as soon as the effect of this update is significant.

The provisions are reviewed as of each balance sheet date and adjusted to reflect the best estimate on this date. No update to expenses is made, as the effect is not significant.

No provision is recorded for future operational losses or for major repairs. No conditional liability or asset is recognised.

A provision for restructuring is booked whenever the general financial statements criteria for provisions explained above have been checked and whenever the following two conditions are satisfied:

- there is a formal and detailed restructuring plan, specifying:
  - the activities concerned,
  - the main sites affected,
  - the duties and approximate number of personnel members who will be compensated in relation to their work contracts,
  - the expenses which will be committed,
  - and the date on which the plan will be implemented;

- the plan and its characteristics have been announced to the persons in question.

Provisions for restructuring include only the expenses directly related to restructuring. The provisions for restructuring in the financial statements of Natixis as of December 31, 2008 are present in relation to:

- the voluntary-redundancy plan offered to employees of Natixis SA during September 2008;
- the plan to restructure Corporate and Investment Banking decided by the Supervisory Board on December 18, 2008.

At the date of implementation, and according to the IAS 37 standard, a provision for risk is recognised on a funding commitment if a risk of loss is apparent concerning the counterparty to this commitment (risk of default over the period of the commitment). The institution thus covers the risk of future default, as the financial commitment is irrevocable.

Subsequent additions to and reversals from provisions are taken to the income statement on the line corresponding to the type of expense for which the provision was booked.

in millions of euros	12/31/2008	Increase	Use	Reversals unused	Scope changes	Conversion and Others	06/30/2009
Counterparty risks	**280**	**96**	**(29)**	**(6)**	**0**	**(18)**	**322**
Contingent liabilities and commitments	76	27	(29)	(3)		(2)	69
Client disputes	24			(1)			23
Other	179	69		(2)		(16)	230
Impairment risk	**21**	**0**	**0**	**0**	**0**	**0**	**21**
Employee benefit obligations	**167**	**12**	**(4)**	**0**	**(5)**	**0**	**170**
Operational risks	**139**	**55**	**(56)**	**(2)**	**2**	**6**	**144**
Restructuring	55	24	(34)	(1)		5	49
Other	84	31	(22)	(1)	2	1	95
TOTAL	**608**	**163**	**(89)**	**(8)**	**(3)**	**(12)**	**658**

5.10 DEBT SECURITIES

Debt securities (cash bonds, interbank market instruments, etc.,) are classified based on the nature of the underlying instrument, with the exception of subordinated notes presented under "Subordinated debt".

These debts are valued at fair value upon inception, i.e.: their issue price reduced by transaction costs, then valued at amortised cost using the effective interest-rate method.

No internal income or expense is included in calculating the effective interest rate. For the Group, the transaction costs to be included are external costs of significant amounts. The issues are made at market conditions without recording the market discount.

The discount/premium related to the difference between the issue value and the redemption value plays an integral part in determining the effective interest rate. The actuarial distribution of the discount is considered as interest (net banking income). Accrued interest on these debts is recognized under related payables, with an offsetting entry in the income statement.

Variable-rate securitized debt has a fair value equal to the carrying value booked to the balance sheet. Cash for loans and fixed-rate securitized debt is discounted according to market rates as of the balance sheet date, for debts of the same residual maturity.

in millions of euros	06/30/2009	12/31/2008
MONEY MARKET INSTRUMENTS	**6,519**	**5,597**
Medium-term notes	681	1,036
CDNs	5,838	4,561
BONDS	**18,736**	**18,204**
OTHER DEBT SECURITIES	**648**	**2,154**
ACCRUED INTEREST	**132**	**296**
TOTAL	**26,034**	**26,251**

5.11 SUBORDINATED DEBT

Subordinated debt is classified separately from issues of other debt and bonds because in the event of default, holders of subordinated debt rank after all senior debt holders, but before the redemption of loans and equity interest and super-subordinated securities. They are valued at the amortised cost method.

Preference shares may be classified as debt or consolidated equity, according to analysis of contracts. All preference shares issued by Groupe Banque Populaire are booked as subordinated debt, while they were booked as minority interest in the consolidated financial statements published under French standards.

5.11.1 Subordinated debt outstandings

Term super-subordinated debt essentially comprises redeemable subordinated notes.

According to the IAS 32 standard, financial instruments issued are classified as either debt or equity according to whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holders. This obligation must arise from specific contractual terms and conditions, not merely economic constraints ("economic compulsion").

Other issues contain a dividend pusher clause that requires the issuer to pay interest if it has paid out dividends on ordinary shares or any other equity instruments, or if it has paid interest on any pari passu-ranked instrument. The payment of interest is therefore subordinated to the obligation to pay interest on another linked debt instrument. As the contractual relationship between the instruments and the contractual obligation to pay interest on the linked instrument creates an obligation to pay interest on these other issues, they have been classified as debt.

The French government, as part of the financial-sector support plan approved by the European Commission, has implemented arrangements for increasing the regulatory capital of banks through the French Government Investment Company (SPPE), which is authorised to purchase subordinated securities that may form part of the basic regulatory capital of the issuing banks.

On December 11, 2008, the Banque Fédérale des Banques Populaires issued perpetual super-subordinated bonds for €950 million paid based on a fixed rate due annually until December 2013 then, from March 2014, at an adjustable rate calculated on Euribor 3 month +5.29%. As the issue incorporates discretionary clauses relative to the payment of interest, the issue is qualified as an equity issue and classified to retained earnings.

On June 26, 2009, the Banque Fédérale des Banques Populaires issued perpetual super-subordinated bonds for €1 billion paid based on a fixed rate due annually until June 26, 2014, then at an adjustable rate calculated on Euribor 3 month +5.37%. As the issue incorporates discretionary clauses relative to the payment of interest, the issue is qualified as an equity issue and classified to retained earnings.

in millions of euros	*Note*	**06/30/2009**	**12/31/2008**
Term subordinated debt	*5.11.2*	4,905	5,098
Super-subordinated securities(1)		1,679	1,330
Perpetual subordinated debt	*5.11.2*	120	122
Preference shares(1)		127	122
Initial margins paid and received		2	3
Accrued interest		160	130
TOTAL		**6,993**	**6,806**

(1) As of June 30, 2009, outstanding hybrid securities, net of intra-group transactions and which have effectively been collected (regulation 90-02 Art. 4 paragraph c) in the last paragraph) and retained in Tier One consolidated equity, stood at €3,675 million and are composed of super-subordinated securities and preference shares.

On June 30, 2009, outstanding super-subordinated securities concerned almost all the Natixis sub-group, which represents €1,602 million after application of the proportionality rule:

				1,602
		100%	x35.9201%	
- Non-innovative super-subordinated securities		2,606	**936**	
December 2004	143			
January 2005	300			
April 2008	214			
December 2008	950			
June 2009	1,000			
- Innovative super-subordinated securities		1,853	**665**	
December 2004	418			
October 2007	750			
November 2007 (Caceis deconsolidated)	0			
March 2008	150			
April 2008 ($750 million)	535			

On June 30, 2009, outstanding preference shares only related to issues from the Natixis sub-group, which, after taking into account the Group's stake (35.92%) and after fully repaying the preference shares at Natixis AMBS Company LLC, represented **€123 million**:

				123
		100%	x35.9201%	
- Innovative preference shares		200	**72**	
Natixis Preferred Capital I LLC	200			
- Non-innovative preference shares		143	**51**	
Natixis Preferred Capital IIII LLC	143			
The Banque Fédérale des Banques Populaires issued super-subordinated securities purchased by the French Government Investment Company (SPPE) under the financial-sector support plan, for €950 million in December 2008 and for €1 billion in June 2009:				1,950
TOTAL OF HYBRID SECURITIES RETAINED IN TIER ONE REGULATORY CAPITAL				**3,675**

5.11.2 Change in other subordinated debt over the fiscal year

in millions of euros	12/31/2008	Issue	Repayments[1]	Conversion	Change in scope[2]	Other[3]	06/30/2009
Other term subordinated debt	**5,098**	**(0)**	**(178)**	**(1)**	**(33)**	**19**	**4,905**
Subordinated securities	4,682	0	(171)	(1)	(34)	3	4,479
Subordinated loans	416	(0)	(7)	(0)	1	15	426
Other perpetual subordinated debt	**122**	**0**	**0**	**(0)**	**(7)**	**5**	**120**
Subordinated securities	122	0	0	(0)	(7)	5	120
Subordinated loans	0	0	0	0	0	0	0
TOTAL	**5,220**	**(0)**	**(178)**	**(1)**	**(40)**	**24**	**5,025**

(1) Repayment:
On maturity:
- repayment of subordinated securities redeemable by the Banque Fédérale des Banques Populaires for tranches of December 1998 (€48 million), February 1999 (€73 million) and April 1999 (€51 million);
- repayment of subordinated loans redeemable by Natixis in February 2009, March 2009 and May 2009 for a total amount of €18.2 million and a Group impact of €7 million.
(2) The changes in scope concern the deconsolidation of Caceis, entailing a reduction in other term subordinated securities by €43 million and in perpetual subordinated securities by €7 million.
(3) The other movements on subordinated debt mainly correspond to changes in elimination concerning reciprocal transactions, when the subordinated securities issued by the Group are purchased by other consolidated entities, and the revaluation of subordinated debt covered by fair-value hedging.

Note 6 Notes to the income statement

6.1 INTEREST MARGIN

The items "interest and similar income" and "interest and similar expenses" record the interest on fixed-income securities booked in the category of "available-for-sale financial assets", and interest on loans or borrowings and receivables/debt for banks and the clientele.

They also record interest on securities held until maturity (a marginal category for the Group, which only concerns the insurance entities).

Financial assets and liabilities valued at amortised cost have their interest calculated based on the effective interest rate.

	06/30/2009			06/30/2008		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Central bank, post office accounts	**6**	**(1)**	**5**	**11**	**(4)**	**8**
Interest on securities	**441**	**(442)**	**(2)**	**451**	**(567)**	**(116)**
Loans and receivables	**1,917**	**(1,181)**	**737**	**2,666**	**(2,232)**	**434**
From lending institutions	1,132	(1,052)	81	1,554	(1,829)	(275)
Customer accounts	716	(123)	593	1,020	(399)	621
Financial leasing	69	(6)	63	92	(4)	88
Subordinated debt		**(250)**	**(250)**		**(143)**	**(143)**
Other	**1**		**1**	**(1)**		**(1)**
Hedging instruments	**364**	**(159)**	**205**	**327**	**(64)**	**263**
Interruption of cash-flow hedging	10	(16)	(6)	81	(52)	29
Interest accrued or paid on derivative instruments	354	(143)	211	245	(11)	234
Interest on impaired debt including restructured debt	**4**		**4**	**1**		**1**
TOTAL	**2,733**	**(2,033)**	**700**	**3,454**	**(3,009)**	**445**

6.2 NET COMMISSIONS

The procedures for recognising commissions received in relation to services or financial instruments depend on the purpose of the services rendered and the means of recognition of the financial instruments to which the service relates: commissions paying for the immediate provision of a service are recognised in profit/loss as soon as the service is completed; those received for the provision of an ongoing service, such as bank card, underwriting or management commissions, are spread on a pro rata basis over the period of the service.

Commissions forming an integral part of the effective yield of an instrument, such as commissions on financing commitments or commissions for granting loans, are booked and amortised as an adjustment in the effective yield of the loan over its estimated lifetime. These commissions are therefore shown as interest income and not on the "commissions" item.

Commissions for trust-management services or similar business are those involving holding or investing assets on behalf of retail clients, retirement plans or other institutions. Trust-management services mainly cover asset-management business and custody services on behalf of third parties.

	06/30/2009			06/30/2008		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Interbank transactions	2	(13)	(11)	2	(4)	(2)
Customer transactions	80	(75)	5	138	(75)	63
Securities transactions	36	(146)	(110)	378	(26)	352
Payment services	53	(18)	35	37	(10)	27
Financial services	142	(96)	46	69	(131)	(62)
Trustee transactions	308	0	308	77	(6)	71
Commissions on financing commitments, underwriting, securities and derivative instruments	55	(40)	15	20	(4)	16
Other	4	(1)	3	8	(1)	7
TOTAL	**680**	**(389)**	**291**	**729**	**(257)**	**472**

6.3 NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item records the gains and losses on assets/liabilities at fair value through profit and loss, whether they are classified as transactions or at fair value through profit and loss, including the interest generated by these instruments.

The "hedging derivatives" line includes changes in the fair value of derivatives classified as fair-value hedges, including interest, and the symmetrical re-valuation of the instruments covered. It also records the "ineffective" part of cash-flow hedges.

in millions of euros	06/30/2009	06/30/2008
Net profit on financial assets and liabilities excluding hedging derivatives(1)	**(428)**	**(574)**
Net profits on financial assets and liabilities held for trading(1)	(767)	(401)
including non-hedging derivatives	*(869)*	*(301)*
Net profit on the other financial assets and liabilities booked optionally at fair value	1	311
Other	338	(484)
Hedging instruments and change in the hedged position	**(15)**	**(6)**
Inefficiency of cash-flow hedge	(21)	(1)
Inefficiency of fair-value hedge	6	(5)
Change in fair-value hedge	*(99)*	*(46)*
Change in the hedged position	*105*	*41*
TOTAL	**(443)**	**(580)**

(1) As of June 30, 2009, the line "Net profits on financial assets and liabilities held for trading" includes the following for Natixis' contribution (after application of proportionality ratio):
- the write-downs applied to the fair value of CDSs concluded with the monolines for an amount of €192.5 million;
- the write-downs applied to credit derivatives with the CDPCs for an amount of €43.1 million;
- the capital losses resulting from the valuation of CDOs belonging to ABS with subprime components, for an amount of €107.8 million.

6.4 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

Net gains or losses on available-for-sale financial assets are mainly composed of profit from the sale of securities and impairment on variable-income securities (permanent impairment).

Impairment for fixed-income securities is booked as the cost of risk.

This item also records dividends on variable-income securities, when the Group's entitlement is established.

in millions of euros	06/30/2009	06/30/2008
Dividends	46	56
Gains or losses on disposals	(30)	(166)
Impairment on variable-income securities(1)	(163)	108
TOTAL	**(147)**	**(1)**

(1) Of which €139.7 million is attributable to Natixis and its subsidiaries; €82.6 million on variable-income securities held as available for sale by ABP Actions; €35.9 million on UCITSs held by Natixis and €21.2 million at ABP Vie (€16.5 million on UCITSs and €4.7 million on bonds).

6.5 INCOME AND EXPENSES ON OTHER ACTIVITIES

"Income and expenses on other activities" mainly covers the income and expenses incidental to financial leasing and the income and expenses on real estate investment.

This item also includes expenses and income related to the insurance business, and notably premiums received from life insurance, exepenses for services rendered and changes to the technical reserves of insurance companies.

	06/30/2009			06/30/2008		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Finance leases	21	(18)	4	13	(32)	(20)
Operating lease transactions	8	(10)	(2)	10	(7)	3
Property, plant and equipment	0	0	0	11	(0)	11
Other non-operating property, plant, and equipment	1	(5)	(4)	0	(0)	(0)
SUB-TOTAL REAL ESTATE BUSINESS	**30**	**(33)**	**(3)**	**34**	**(40)**	**(5)**
Net allocation/reversal of technical provisions on insurance contracts	0	0	0	(0)	(47)	(47)
Other insurance income and expenses	892	(874)	18	906	(650)	256
INSURANCE SUB-TOTAL	**892**	**(874)**	**18**	**906**	**(697)**	**209**
Other related income and expenses	484	(137)	347	454	(77)	377
TOTAL	**1,405**	**(1,043)**	**362**	**1,394**	**(814)**	**581**

6.6 OPERATING EXPENSES

General operating expenses mainly include personnel costs, including wages and salaries net of re-billed expenses, social-security charges and personnel benefits, such as pension costs (part relative to defined-contribution plans) or payments in the form of shares, in accordance with the IFRS 2 standard.

Operating expenses also include the overall amount of administrative expenses and other external services costs.

in millions of euros	06/30/2009	06/30/2008
Personnel costs	**(735)**	**(764)**
Other operating expenses	**(492)**	**(480)**
Taxes other than on income	(36)	(29)
External services	(437)	(454)
Other	(18)	3
TOTAL	**(1,227)**	**(1,245)**

6.7 COST OF RISK

This item mainly records the cost of risk on credit transactions: net allocation of the return of provisions for specific and collective impairment, receivables written off over the fiscal year and recoveries on amortized debt.

The line "Impairment on individual debt" includes impairment of securities classified as "Loans and receivables" and those re-classified under the conditions of the amendment dated October 13, 2008.

		06/30/2009				
in millions of euros		Charges	Net reversals	Losses on non-covered loans	Recoveries of loans and receivables previously written off	Net
Provisions		**(59)**	**33**			**(25)**
Financing commitment		(51)	32			(19)
Other		(7)	1			(6)
Financial assets valued at amortised cost		**(818)**	**78**	**(7)**	**3**	**(744)**
Loans and receivables		(818)	78	(7)	3	(744)
Specific impairment of debts		*(389)*	*78*	*(7)*	*3*	*(315)*
Collective impairment on performing loans		*(429)*	*0*			*(429)*
Available-for-sale financial assets		**(0)**	**0**			**(0)**
Other		**(47)**	**0**			**(47)**
Cost of risk		**(923)**	**111**	**(7)**	**3**	**(816)**
of which	Reversal of impairment that has become non-applicable		111			
	Reversal of impairment used		269			
	sub-total reversals:		**380**			
	Losses covered by impairment		(269)			
	total net reversals:		**111**			

	06/30/2008				
in millions of euros	Charges	Net reversals	Losses on non-covered loans	Recoveries of loans and receivables previously written off	Net
Provisions	**(6)**	**9**			**3**
Financing commitment	(5)	1			(4)
Other	(1)	8			7
Financial assets valued at amortised cost	**(154)**	**45**	**(24)**	**2**	**(132)**
Loans and receivables	(154)	45	(24)	2	(132)
Specific impairment of debts	*(66)*	*13*	*(24)*	*2*	*(76)*
Collective impairment on performing loans	*(88)*	*32*			*(56)*
Available-for-sale financial assets	**(0)**	**0**			**(0)**
Other	**(0)**	**(0)**			**(0)**
Cost of risk	**(161)**	**54**	**(24)**	**2**	**(129)**
of which Reversal of impairment that has become non-applicable		54			
Reversal of impairment used		25			
sub-total reversals:		**79**			
Losses covered by impairment		(25)			
total net reversals:		**54**			

6.8 SHARE IN NET INCOME/(LOSS) OF ASSOCIATES

in millions of euros	06/30/2009	06/30/2008
Financial companies	91	101
Caisses d'Epargne[(1)]	*53*	*52*
Banques Populaires[(1)]	*29*	*32*
Volksbank International AG (VBI)	*5*	*12*
Other	*4*	*5*
Non-financial companies	(0)	1
TOTAL	**91**	**102**

(1) The Caisses d'Epargne and the Banques Populaires are consolidated at 7.18% through Cooperative Investment Certificates held by Natixis. The contribution of the Banques Populaires is understood as being after neutralisation of the share of dividends from Banque Fédérale des Banques Populaires (i.e.: minus €12 million on June 30, 2009 and minus €15 million on June 30, 2008).

6.9 CHANGE IN GOODWILL IMPAIRMENT

This item records impairment to positive goodwill. Impairment is recorded when an index exists indicating loss of value.

As of June 30, 2009, impairment tests carried out on FONCIA's goodwill caused Groupe Banque Populaire to recognise impairment of 395 million (see note 5.8.4).

6.10 INCOME TAX

6.10.1 Calculation of the tax charge

The tax charge for the year includes:

- income taxes payable on the various French companies at the current rate of 34.43%, and at the rates in force locally for foreign branches and companies;

- deferred income tax resulting from time differences existing between the unconsolidated financial statements or due to specific restatements concerning consolidation between the carrying value and the fiscal value of assets and liabilities on the balance sheet, calculated according to the liability method.

Compensation of deferred-tax assets and liabilities is performed within the same tax entity. The tax entity corresponds either to the entity itself, or the tax-integration group, if it exists.

The prudential rule applied by the Group consists of not recognising deferred net tax assets which cannot actually be used in the future to reduce the overall tax charge. Furthermore, the capitalisation reserve, constituted in the individual statements of insurance companies, defers capital gains made following the sale of certain bonds for subsequent compensation of capital losses. The fraction very likely to never be used is reclassified as consolidated equity, with recognition of deferred tax.

However, the IAS 12 standard assimilates this restatement to a time difference, generating a deferred tax liability.

All intervals were accepted, whatever the recovery or the due date. The net deferred tax balance is shown on the asset-side and the liability-side on the line "deferred tax assets/liabilities".

6.10.2 Connection between the total tax charge booked and the theoretical charge

in millions of euros		06/30/2009	06/30/2008
+ Net income attributable to equity holders of the parent		(1,334)	(312)
+ Net income attributable to minority interests		10	26
+ Tax expense for the year		(326)	(63)
+/- Other permanent differences		422	(114)
- Income from associates		(103)	(102)
= Consolidated tax income		**(1,331)**	**(565)**
* Theoretical tax rate		33.33%	33.33%
= Tax		**443**	**188**
+ Tax assets		2	(7)
+ Effect of tax group consolidation		40	(12)
+ Social security charges		8	2
+ Income taxes at reduced rate		0	0
+ Tax reassessments		(2)	(7)
+ Differences in tax rates on foreign subsidiaries		(5)	0
+ Change in deferred tax on non-recognised assets		(196)	(105)
+ Tax on cooperative investment certificates		(13)	(13)
+ Tax on previous fiscal years		59	
+ Other items		(12)	17
= Total tax expenses for the year		**326**	**63**
of which	tax payable	4	(90)
	deferred taxation	322	153

Note 7 Segment reporting

IFRS 8 requires the presentation of segment information by breaking the company down by activity segments, which are subject to different risks and rates of profitability.

For the Banque Fédérale des Banques Populaires Group, the business segment constitutes the primary level. Segment reporting covers financial aggregates taken from the income statement and reconciled with consolidated financial statements.

The Banque Fédérale des Banques Populaires Group is organized into two sectors (or levels):

1ST LEVEL: FINANCIAL SERVICES AND CORPORATE BANKING

This level comprises Natixis' contribution, owned jointly by the Groupe Banque Populaire and the Groupe Caisse d'Epargne. During the fourth quarter of 2008, the Corporate and Investment Banking (CIB) businesses were split into "CIB continuing activities", which house the core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" (GAPC or "compartmentalized activities"). The aim of this separation is to ensure optimal pro-active management of the segregated assets, protecting the core assets to be retained within the group and highlighting the performance of CIB continuing activities.

Thus, as of June 30, 2009, Financial Services and Corporate Banking broke down into six business lines, aside from retail banking, and an "other businesses" unit:

Corporate and Investment Banking – continuing activities *(BFI continuing activities)*

The Corporate and Investment Banking division (continuing activities) includes corporate financing and capital markets activities for major accounts.

Private equity and private wealth management

Private Equity and Private Wealth Management includes private equity (Natixis Private Equity) and wealth management (Banque Privée Saint-Dominique, La Compagnie 1818 – Banquiers Privés and Natixis Private Banking Luxembourg).

Investor services

The Services division groups the following activities: Securities with Retail Custody (Euro Titres), Payments, Insurance and Sureties (Natixis Assurances and Natixis Garanties), Employee-benefits planning (Natixis Interépargne), Specialised Finance with consumer loans (Natixis Financement) and Financial Leasing and International Banking Services (Pramex and Natixis Algérie).

Receivables management

Receivables Management includes credit insurance and the credit-management services provided by Coface, with factoring services from Natixis Factor and from VR Factorem.

Asset management

Asset Management groups the asset-management activities carried out by several subsidiaries including NGAM.

GAPC (Workout Portfolio Management)

The division was set up to handle the run-off of assets worst affected by the crisis and, secondly, those identified as no longer part of the core business based on new strategic choices aimed at focusing on client-related activities. This notably concerns: the proprietary credit and structured credit investment activities, the credit-linked activities, the mortgage-backed securities portfolios of the ABM Corp. subsidiary in New York and the most complex activities in the equity and interest-rate derivatives business lines.

Other activities

The "other activities" are Natixis' activities that are not directly operational, particularly its own holding activity in relation to its direct subsidiaries. The NBI comes from corporate cash management, real-estate income and "institutional business" exercised on behalf of the government. "General expenses" represent structural charges not broken down by division. Certain consolidation entries that could not be assigned by subsidiary are also shown in "other activities".

2ND LEVEL: FEDERAL ACTIVITIES AND OTHER

This level encompasses:

- the activities of Banque Fédérale des Banques Populaires, which guarantees the consistency and financial solidarity of the Group through its function as central body and holding company of Natixis (jointly with Caisse Nationale des Caisses d'Epargne);
- international retail banking activities, performed by subsidiaries owned by Banque Fédérale des Banques Populaires;
- Société Marseillaise de Crédit;
- residential real estate activities performed by FONCIA;
- the joint IT subsidiaries shared by the Banques Populaires banks (i-BP) and Société Centrale du Crédit Maritime Mutuel.

SEGMENT-BASED ANALYSIS OF THE INCOME STATEMENT

in millions of euros	Income (as of 06/30/2009)[1]									
		Financial Services and Corporate banking								
	Federal activities and other	CIB continuing activities	Asset management	Private equity & private banking	Investor Services	Receivables management	Segregated activities (GAPC)	Other businesses	Total	Total BFBP Group
Net banking income	**515**	**499**	**220**	**(2)**	**171**	**65**	**(681)**	**(24)**	**248**	**763**
Year-on-year change H1-09/H1-08	*nm*	*-2%*	*-11%*	*nm*	*-15%*	*-62%*	*3%*	*nm*	*-54%*	*-17%*
General operating expenses	**(431)**	**(286)**	**(163)**	**(29)**	**(118)**	**(131)**	**(29)**	**(104)**	**(860)**	**(1,291)**
Year-on-year change H1-09/H1-08	*nm*	*-16%*	*-10%*	*-7%*	*-3%*	*5%*	*-10%*	*nm*	*-10%*	*0%*
Gross operating income	**84**	**213**	**57**	**(31)**	**52**	**(66)**	**(709)**	**(128)**	**(612)**	**(528)**
Year-on-year change H1-09/H1-08	*nm*	*28%*	*-14%*	*nm*	*-34%*	*nm*	*3%*	*nm*	*48%*	*41%*
Pre-tax income	**(329)**	**(202)**	**56**	**(31)**	**46**	**(64)**	**(1,071)**	**(56)**	**(1,321)**	**(1,650)**
Year-on-year change H1-09/H1-08	*nm*	*nm*	*-19%*	*nm*	*-43%*	*nm*	*42%*	*nm*	*218%*	*370%*

(1) Results for each segment comprise directly attributable operating income and expenses, including transactions with other Group segments.

Note 8 Effects of the financial crisis

The worsening of the market environment for financial instruments related to the commercial and residential real estate sector in the United States continued in the first half 2009.

The main impact of the crisis on the financial statements of the Banque Fédérale des Banques Populaires Group relates to its Financial Services and Corporate banking subsidiary (Natixis group).

8.1 RISK EXPOSURES CARRIED IN THE BALANCE SHEET OF NATIXIS AS OF 06/30/2009

Natixis has both direct and indirect exposure to risks, as described below.

8.1.1 Direct exposure

The portfolio of loans pending securitization is Natixis' only direct exposure to subprime loans. This portfolio is classified under financial assets at fair value through profit or loss.

As of 06/30/2009, this portfolio's exposures were as follows:

	06/30/2009	12/31/2008
Face value	165	197
Carrying value (fair value)	77	120
Fair value as % of face value	47%	61%
Discount	53%	39%

Through Natixis, the Group's exposure was therefore €28 million as of June 30, 2009 (Group share 35.92%).

Prices are determined from transactions observed on the market and take into account the opinion of the experts responsible for valuing the portfolio.

8.1.2 Indirect exposure to subprime and US RMBS risk

The models used for the valuation of these exposures as of June 30, 2009 were all reviewed and validated by Natixis' Risk Management division.

The exposures relate to the following asset portfolios:

Subprime ABS CDO portfolios

These unhedged cash or synthetic portfolios are mainly held by Natixis Capital Market North America and Natixis.

in millions of euros **Financial assets at fair value through profit or loss**	**Natixis**	**Group share**
Gross exposure as of June 30, 2009	1,771	636
Cumulative impairment losses	(1,095)	(393)
Of which change in value during first half 2009	*(282)*	*(101)*
Net exposure as of 06/30/2009	**677**	**243**
Net exposure as of 12/31/2008	1,203	431

ABS's CDO portfolios, held directly and including subprime exposure were valued based on stress tests implemented by Natixis' Risk Management Department. To value this exposure, the accepted loss-rate assumptions were revised compared to those applied on December 31, 2008, which led to the following levels being accepted:

Loss rate assumptions per vintage	**2005**	**2006**	**2007**
As of 12/31/2007	9%	23%	23%
As of 06/30/2008	10%	25%	25%
As of 12/31/2008	11%	25%	30%
As of 06/30/2009	14%	32%	38%

A loss rate of 5.7% is applied for loans originated prior to 2005.

Furthermore, the following assumptions applied during previous balance sheet dates were maintained:

- taking into account the current rating of collateral assets rated less than or equal to CCC+ by assigning a discount of 97% to these underlyings;
- change in non-subprime underlying assets held in the structures based on a discounting grid including type, rating and vintage of the transactions.

In addition, for structures where Natixis holds the underlying assets, a transparency-based procedure was applied consisting of valuing each underlying tranche based on marking it to the market or marking it to the corresponding model.

This model mainly uses non-observable data and is based on level three of the fair value hierarchy.

The impact of the application of this model amounts to €300 million in capital losses over the half-year (group share of €108 million).

A 10% rise in the cumulative loss rates used to determine the fair value of CDOs would result in an immaterial impact for Group. Sensitivity to a 10% decrease in the excess spread assumption would have an immaterial impact on the financial statements of the Group.

Portfolios of US RMBS, including subprime RMBS

These portfolios consist of US RMBS, whether or not they include a subprime component.

As of June 30, 2009, Natixis' exposure stood at €5,995 million gross and €5,672 million net, after recognition of impairment of €126 million during the first half of 2009. The corresponding amounts for the group were €2,153 million, €2,037 million and €45 million respectively.

The valuation model for *non-agency* US RMBS applied as of June 30, 2009 used a level of final loss specific to each RMBS resulting from a formula taking into account aggregate loss at maturity and currently-recognised default. Unrealised losses are determined by projecting final losses based on currently estimated losses, which themselves result from the *delinquency pipeline*, the severity of losses in case of default and losses realised according to assets and *vintages* in pools.

8.1.3 Other exposures

Portfolios not exposed to subprime risk but for which no price could be identified were valued according to valuation techniques consistent with the approach used during previous balance sheet dates.

All of these models correspond to Level 3 of the fair value hierarchy, i.e., models primarily using non-observable parameters.

European RMBSs

For this portfolio, Natixis' net exposure stood at €806 million for the British portfolio and €672 million for the Spanish portfolio, making a total of €1,472 million (i.e.: €531 million for the Group).

A model was developed for the valuation of these instruments which consisted in calculating the fair value of instruments using spreads from historical benchmark data in the "Mark-it" database. The benchmarks are defined depending on the type of securitization, rating and country and are associated with spread curves. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by the Risk Management Department.

Other structures not exposed to the US housing market and for which the Group makes use of a valuation model

Valuation models were used to place a value on the following assets from securitization transactions for which no price could be determined as of 06/30/2009:

- for CDOs of asset-backed securities not exposed to the US housing market, a scoring model for structures assigning a level of risk to each on the basis of selective criteria;
- concerning the securitisation of portfolios relating to commercial real estate (*Commercial Real Estate* – CRE CDO and *Commercial Mortgage Backed Securities* – CMBS), a credit stress-testing approach was implemented using a valuation model based on cash-flow projections according to aggregate rates of loss by structure. Total loss rates per structure are determined based on those relating to underlying loans set at 10%. Monoline insurance for the structures covered is taken into account by including in the valuation the probability of default of monolines and their rate of loss in the event of default. A minimum price of 3% is used along with coupon flow estimates given the current rating of structures;
- for *Trups* (*Trust Preferred Securities*) CDOs, which are shares in securitized subordinated bank debt issued by small or medium-sized American institutions, a stress-testing approach was applied based on a valuation model using projected cash flow and aggregate losses by structure. Cumulative loss rates were determined using the 84 scenarios for the allocation of defaults applied to this class of assets published by S&P in November 2008;
- for CLOs, a model was used based on detailed knowledge of transaction characteristics and credit risk, taking specific parameters into account;
- for the ABS in the portfolio belonging to Natixis Asset Management and Natixis Assurances, acquired from FCP ABS+, a consistent valuation model was used to calculate the prices of ABS from spreads resulting from historical benchmark data from the *Mark it* database. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient was validated by the Risk Management Department.

CMBS

For the CMBS portfolio, Natixis' gross and net exposure stood at €1,115 million and €760 million respectively as of June 30, 2009, against net exposure of €1,087 million as of December 31, 2008, which represents respectively €401 million and €273 million for the Group, against €389 million as of December 31, 2008.

This exposure resulted in the recognition of impairment of €139 million during the 1st half year 2009 (i.e.: €50 million for the Group).

8.2 EXPOSURE TO MONOLINE INSURERS

8.2.1 Monolines

Transactions with *monolines* concluded in the form of CDS were subject to additional write-downs related to the widening of spreads on the assets that they cover. The write-downs were determined by applying a consistent recovery rate of 10% to the unrealised capital loss on the underlying assets and applying default probabilities at a level unchanged from December 31, 2008, with the exception of that for CIFG, which worsened over the first half of 2009. This resulted in the recognition of additional write-downs of €536 million (excluding exchange-rate impact) for first half 2009, bringing the total to €1,720 million on June 30, 2009. In addition, total funding on *monolines* portfolios was increased to €500 million under the effect of an additional allocation of €200 million.

In the Group's financial statements, these amounts were respectively €193 million and €618 million for write-downs and €180 million and €72 million for impairment based on portfolios.

8.2.2 CDPC (Credit Derivatives Product Companies)

Calculation of provisions concerning CDPC transactions has been refined. Henceforth, the default probabilities for each CDPC are assessed by examining the portfolios using a transparency-based procedure. Average historical default probabilities over 5 years on underlying assets are stressed by a factor of 1.3, applying a recovery rate of 20%. The result is the counterparty's default probability, this being deemed to occur when losses exceed the net assets of the CDPC. The write-downs recognised in this regard stood at €192 million on June 30, 2009, in relation to economic exposure of €1.45 billion. Furthermore, impairment based on portfolios in this sector was increased by an additional allocation of €282 million, bringing the total to €456 million.

In the Groupe Caisse d'Epargne's financial statements, these amounts were respectively €69 million for write-downs and €101 million and €164 million for impairment based on portfolios.

8.3 INCREASE IN OVERALL RISK COVERAGE IN CERTAIN BUSINESS SECTORS

During the first half 2009, overall risk coverage was increased by €748 million. This provision related mainly to the LBO and real estate sectors to take into account the worsening of their financial situations.

In the Group's financial statements, the impact of the provision for the half-year was €253 million.

8.4 SPECIFIC PROVISIONS FOR IMPAIRMENT LOSSES ON CERTAIN SIV COMPONENTS

SIVs (structured investment vehicles) are funds that make highly leveraged investments in highly-rated medium- or long-term assets. To refinance themselves, SIVs issue commercial paper or medium or long-term notes. As their issues are rated by credit rating agencies, SIVs must comply with liquidity ratios and certain thresholds concerning portfolio valuation. If these thresholds are reached or exceeded, the fund must liquidate its assets.

As of December 31, 2008, overall impairment for SIV shares stood at €61 million. The deterioration in the liquid values of SIV shares seen over the half-year resulted in additional impairment of €5 million, bringing it to €66 million as of June 30, 2009.

The net amount of SIV shares in the accounts of Natixis was €13 million as of June 30, 2009 (i.e.: €4 million for the Group).

8.5 RECOGNITION OF IMPAIRMENT FOR INTERESTS IN SYNDICATED LOANS HELD FOR SALE

The liquidity crisis has led to delays in syndication and difficulties in reinvesting, on the secondary market, the share of syndicated loans initially subscribed for the purpose of short-term resale. Real estate and LBO financing have been the most affected.

Outstandings for which the theoretical syndication date is exceeded represented €708 million as of June 30, 2009, down by €149 million compared to December 31, 2008. The market discount observed on this exposure was €72 million as of June 30, 2009 (i.e.: €26 million for the Group), against €96 million as of December 31, 2008. A net discount reversal of €24 million was therefore recognised in NBI in the income statement for first half 2009 (i.e.: €9 million for the Group). This decrease is the result of the combined effect of improved market prices for certain instruments and, for others, Natixis' decision to increase its final share.

8.6 EXPOSURE TO LEHMAN BROTHERS

As of June 30, 2009, Natixis' total outstanding to the Lehman Brothers group stood at €464 million (i.e.: €166 million for the Group).

This exposure was subject to impairment and provisions for €294 million as of June 30, 2009, against €299 million as of December 31, 2008 (i.e.: €106 million and €107 million respectively for the Group).

8.7 EXPOSURE TO ICELANDIC COUNTERPARTIES

As of June 30, 2009, Natixis' risk exposure to Icelandic banks was made up of lending and derivatives positions and amounted to a total of €162 million (i.e.: €58 million for the group's share), compared to €174 million as of December 31, 2008.

During the first half 2009, an additional €48 million was allocated to specific impairment, bringing outstanding impairment to €134 million as of June 30, 2009 (i.e.: €17 million and €48 million respectively for the Group).

8.8 EXPOSURE TO THE MADOFF FRAUD

Natixis is indirectly exposed to a total risk of incurring a net loss in connection with its fund-linked notes business, net of hedging, in the amount of €475 million. It does hold units in Madoff feeder funds as a hedge of securities subscribed by its customers.

As of June 30, 2009, with regard to recovery assumptions, a decision was made to provision 100% of the risks inherent in the Madoff case. An additional provision of €100 million was recorded during the first half 2009 (€36 million as the Group's share).

8.9 IMPACT OF VALUATION OF THE ISSUER SPREAD ON NATIXIS' ISSUES AT FAIR VALUE

The valuation of the issuer spread on Natixis' issues optionally designated as financial instruments at fair value through profit or loss, had a positive impact of €56 million on profit/loss for the first half 2009 (€20 million as the Group's share). The fair value recognized as of June 30, 2009 stood at €720 million (€259 million for the Group). To determine this valuation, the following method was used: income from the face value of issues was discounted using the net margin representing, for each issue, the difference between the average contractual spread and the replacement spread for a Natixis issue with the same rating.

8.10 OTHER COMPANIES WITHIN THE GROUP

There is no exposure on the other companies impacted by the effects of the crisis.

Note 9 Events subsequent to year-end as of June 30, 2009

- **Establishment of the BPCE**

The major recent event is the creation, as of August 3, 2009, of the BPCE, the new central institution of the Banques Populaires and the Caisses d'Epargne resulting from the merger of the Banque Fédérale des Banques Populaires and the Caisses Nationale des Caisses d'Epargne.

Summary information relative to the BPCE is presented in the attached notes, *Note 1 – Key events of the first half of 2009*.

- **The exchange offer for Natixis Tier 1 securities against BPCE securities**

As of July 6, 2009, BPCE announced seven exchange offers for Tier One securities issued by the Natixis group.

At the end of the period of the offer, which terminated as of July 31, 2009, BPCE received and accepted a nominal amount of €1,187 million equivalent in existing shares with a view to exchange.

In consideration of this, as of August 6, 2009, BPCE issued four series of new securities for a principle of approximately €794 million equivalent (excluding accrued coupons).

- **Asset guarantee in favour of Natixis**

During the second half 2009, BPCE will implement a mechanism to protect its Natixis subsidiary against loss and volatility in the income generated by its segregated structure.

The aim of this protective mechanism is to strengthen Natixis and promote the conditions for the success of its strategic plan. It will allow Natixis to free a large share of its equity capital allocated to compartmentalized assets and to protect itself against the risk of loss subsequent to June 30, 2009.

- The guarantee that will be granted by BPCE will cover the portfolio of segregated assets whose net exposure as of June 30, 2009 stood at €31 billion.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

Period from January 1, 2009 to June 30, 2009

To the shareholders

BP PARTICIPATIONS
5, rue Leblanc
75511 Paris Cedex 15

Dear shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a review of the accompanying condensed interim consolidated financial statements of groupe Banque Fédérale des Banques Populaires, for the six months ended June 30, 2009;
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors of BP Participations against the backdrop, as described in note 8 of the appendices, of an economic and financial crisis characterized by a very high measure of volatility on those financial markets that remained active, a reduction in the number of transactions on those markets that became inactive, and the lack of visibility over the future that was already prevailing at the close of the 2008 fiscal year. Our role is to express a conclusion on these financial statements based on our review.

1 Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2 Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, August 27, 2009

The statutory auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

4.1.2 Groupe Banque Populaire interim financial report

MANAGEMENT REPORT FOR 1ST HALF 2009

Foreword

On July 31, 2009, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne General Meetings ratified the establishment of BPCE, a new central institution of Banques Populaires and Caisses d'Epargne born from the merger of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

The establishment of BPCE was the result of the merger project initiated in October 2008 by the Groupe Banque Populaire and the Groupe Caisse d'Epargne (see the notes to the consolidated financial statements – note 1. Significant events in first half 2009).

As the legal successor to Banque Fédérale des Banques Populaires, the Board of Directors of Banque Populaire Participations reviewed and established the Groupe Banque Populaire's most recent consolidated financial statements as of June 30, 2009, seeing as the creation of the Groupe BPCE does not take effect on June 30, 2009.

Groupe Banque Populaire's consolidated financial statements as of June 30, 2009 were approved by the Board of Directors of Banques Populaires Participations at their meeting held on August 26, 2009.

Summary for the Group as of 1st half 2009

Foreword

ACCOUNTING PRINCIPLES USED

The consolidated financial statements as of June 30, 2009, and as of June 30, 2008, are all presented in accordance with IFRS and are fully comparable in terms of accounting standards.

SCOPE OF CONSOLIDATION

There were no material acquisitions in first half 2009.

We note, however, that the scope of the Groupe Banque Populaire changed in second half 2008 with the acquisition of 7 regional banks on July 2, 2008: Société Marseillaise de Crédit, Banque Chaix, Banque de Savoie, Banque Marze, Banque Dupuy, de Parseval, Crédit Commercial du Sud-Ouest and Banque Pelletier.

Given their acquisition date, regional banks' results did not affect the comparative data of June 30, 2008. Therefore, in order to present consistent performance data, the reference financial statements used for calculating changes for the period are the pro forma statements comprising the regional banks' pro forma contribution for first half 2008.

Unless otherwise stated, the changes presented below are based on the pro forma changes.

Groupe Banque Populaire's consolidated results

The Groupe Banque Populaire's consolidated results are broken down by its three components:

- **"Banques Populaires aggregated results"**, which component comprises the financial statements of Banques Populaires, its direct subsidiaries (including the regional banks acquired in 2008 except for Société Marseillaise de Crédit, held by Banque Fédérale des Banques Populaires) and their mutual guarantee companies, after application of restatements from consolidation under IFRS and without eliminating transactions executed with Banque Fédérale des Banques Populaires;
- **"Corporate and Financial Services Banking"**, which presents Natixis' contribution to the Groupe Banque Populaire consolidated proportionally at a rate of 35.92%;
- **"Federal and Other Activities"**, which comprises the activities of Banque Fédérale des Banques Populaires and its direct subsidiaries engaging in retail banking activities in France and internationally (MA BANQUE, Société Marseillaise de Crédit, BICEC, Banque Commerciale du Congo, VolksBank International in CEE countries) and residential real estate activities (FONCIA) along with the elimination of dividend received by Banques Populaires from Banque Fédérale des Banques Populaires.

	June 30, 2009				
in millions of euros	Banques Populaires (aggregated results)	Natixis	Federal Activities and Other	Total	Change(*)
NBI	**3,026**	**239**	**279**	**3,544**	**-4.8%**
Overhead expenses	(1,953)	(850)	(364)	(3,167)	-1.8%
Gross operating income	**1,073**	**(612)**	**(84)**	**377**	**-24.3%**
Cost/income ratio	*64.5%*				
Cost of risk	(342)	(802)	(14)	(1,158)	x3.5
Operating income	**731**	**(1,413)**	**(98)**	**(781)**	**nm**
Share of income of associates	4	56	5	66	
Income from other assets	8	7	(7)	43	
Goodwill	0	0	(395)	(430)	
Tax	(198)	341	(15)	128	
Net income	**545**	**(1,009)**	**(510)**	**(974)**	**nm**
Minority interests	(12)	(8)	8	(12)	
Net income attributable to equity holders of the parent	**533**	**(1,017)**	**(502)**	**(986)**	**nm**

(*) Regional banks' 2008 restated pro forma data.

CONTRIBUTION OF AGGREGATED BANQUES POPULAIRES

BANQUES POPULAIRES (AGGREGATED RESULTS)

			Change		
			Gross	Excluding EL(**)	
in millions of euros	H1-09	H1-08	Current	Pro forma(*)	
NBI	**3,026**	**2,936**	**+3.1%**	**-0.7%**	**-0.7%**
Overhead expenses	(1,953)	(1,864)	+4.7%	+0.3%	+0.3%
Gross operating income	**1,073**	**1,072**	**+0.1%**	**-2.3%**	**-2.2%**
Cost/income ratio	*64.5%*	*63.5%*	*+1.0*	*+0.6*	*+0.5*
Cost of risk	(342)	(200)	71.5%	65.1%	+65.1%
Operating income	**731**	**872**	**-16.2%**	**-18.0%**	**-17.3%**
Share of income of associates	4	6			
Income from other assets	8	1			
Goodwill	0	0			
Tax	(198)	(215)			
Net income	**545**	**665**	**-18.0%**	**-19.7%**	**-19.1%**
Minority interests	(12)	(5)			
Net income attributable to equity holders of the parent	**533**	**660**	**-19.2%**	**-19.6%**	**-19.0%**

(*) Regional banks' 2008 restated pro forma data.
(**) Changes excluding provisions on regulated home savings products (EL).

Comments on the contribution of the aggregated Banques Populaires to the Groupe Banque Populaire's consolidated results

Net banking income

Net banking income *(NBI)* of the aggregated Banques Populaires as of June 30, 2009 was €3,026 million, down -0.7%, primarily due to a decline in the dividend received from Banque Fédérale des Banques Populaires (€162 million in H1-09 *versus* €218 million in H1-08). Excluding the effect of the dividend, NBI was up 1.3%.

The provision for home-purchase savings products had virtually no effect on changes for the period, with funding of -€36.2 million as of June 30, 2009 *versus* -€36.4 million over a year ago.

Excluding dividends (net of refinancing of BFBP securities), the interest margin was up 4.5% due to the dual effect of the stabilization of the intermediation margin at 201 basis points (down 8 points over one year) and a once again positive transformation due to the current configuration of the rate curve.

Commission and fee income was down 0.8%, due to the 5.3% decline in financing commissions, while service fees were up 1.1%.

Loans to customers

Loans to customers were up 4.4% (on a like-for-like basis) over June 30, 2008, to €138 billion despite the erosion of production in the 1st quarter. In the second quarter there was a considerable recovery of the production of loans to households and businesses.

LOANS TO CUSTOMERS

	Outstandings End of Period		Change Inc. RB(*) (%)	Change Gross (%)	Change Excluding RB(*) (%)
in millions of euros	Dec. 2008	June 2009	Dec. 2008	June 2008	June 2008
Loans to private individuals	**73,366**	**73,625**	**+0.4%**	**+6.4%**	**+4.6%**
Real Estate	65,543	65,993	+0.7%	+7.1%	+5.3%
Consumer	7,823	7,632	-2.4%	+0.5%	-0.9%
Loans to businesses	**63,108**	**64,191**	**+1.7%**	**+7.8%**	**+4.0%**
TOTAL	**136,474**	**137,816**	**+1.0%**	**+7.0%**	**+4.4%**

(*) RB: regional banks.

Funds attracted from customers

On a like-for-like basis, funds attracted from customers were up +2.6% thanks to regulated savings products that were up 5.9%, while demand deposits were up slightly (1.4%) and were still 34% of total deposits.

FUNDS ATTRACTED FROM CUSTOMERS

	Outstandings End of Period		Change Inc. RB(*) (%)	Change Gross (%)	Change Excluding RB(*) (%)
in millions of euros	Dec. 2008	June 2009	Dec. 2008	June 2008	June 2008
Savings					
Demand deposits	39,147	36,864	-5.8%	+6.5%	+1.4%
Market-rate funds attracted	29,593	26,909	-9.1%	+0.7%	-0.9%
Regulated savings products	41,868	44,413	+6.1%	+9.7%	+5.9%
TOTAL	**110,608**	**108,185**	**-2.2%**	**+6.3%**	**+2.6%**

(*) RB: regional banks.

Customer financial savings

On a like-for-like basis, financial savings increased slightly for the period (+1.6%) despite a decline in Money market mutual fund assets invested in shares. All other areas increased, with considerable increases in money market fund assets (+7.8%) and life insurance (+2.1%).

CUSTOMER FINANCIAL SAVINGS

	Outstandings End of Period		Change Inc. RB(*) (%)	Gross (%)	Excluding RB(*) (%)
in millions of euros	**Dec. 2008**	**June 2009**	**Dec.2008**	**June 2008**	**June 2008**
Financial savings					
Money market mutual fund & unincorporated investment fund shares	7,058	7,932	+12.4%	-11.3%	-14.4%
Money market mutual fund & unincorporated investment fund	21,700	24,700	+13.5%	+10.0%	+7.8%
UCITS SUB-TOTAL	**28,758**	**32,632**	**+13.5%**	**+4.2%**	**+1.4%**
Life insurance	34,375	36,126	+5.1%	+9.2%	+2.1%
Company savings schemes	2,101	2,304	+9.7%	+5.7%	+5.3%
Other (REITS, etc.)	1,378	1,538	+11.6%	-1.5%	-9.6%
TOTAL	**66,612**	**72,600**	**+9.0%**	**+6.5%**	**+1.6%**

(*) *RB: regional banks.*

Operating expenses, cost/income ratio and gross operating income

Operating expenses were flat for the period, up only 0.3% on a like-for-like basis, to reach €1,953 million. They broke down as follows: 56% personnel expense, up 0.4% and 44% other operating expenses, up 0.1%.

Cost of risk and operating income

The cost of risk was €342 million for the period, a controlled increase of nearly 65%, against a backdrop of economic crisis that hit the historic clients (professional and SMEs) of Banques Populaires particularly hard.

The cost of risk for loans was 50 bps of average loans *versus* 37 bps as of December 31, and the non-performing loan coverage ratio was nearly 61% (after accounting for collective provisions).

Operating income was €731 million, declining from June 30, 2008.

Net income

After accounting for income taxes in the amount of €198 million, the contribution of the aggregated Banques Populaires to consolidated net income was down 20%, to €533 million.

NATIXIS' CONTRIBUTION TO THE GROUPE BANQUE POPULAIRE'S CONSOLIDATED FINANCIAL STATEMENTS

Natixis' contribution reflects proportional consolidation of 35.92% and elimination of the equity method income generated by the Banques Populaires CCIs within Natixis, since such income is already included as part of the contribution of the aggregated Banques Populaires in Groupe Banque Populaire's consolidated results.

NATIXIS' CONTRIBUTION

in millions of euros	H1-09	H1-08	Change
NBI	**239**	**543**	**-56%**
Overhead expenses	(850)	(946)	-10%
Gross operating income	**(612)**	**(404)**	**-52%**
Cost of risk	(802)	(131)	x6.1
Operating income	**(1,413)**	**(535)**	**-164%**
Share of income of associates	56	58	-3%
Income from other assets	7	40	-
Goodwill	0	0	-
Income before income taxes	**(1,350)**	**(436)**	**+209%**
Tax	341	85	+301%
Net income	**(1,009)**	**(351)**	**-187%**
Minority interests	(8)	(20)	-
Net income attributable to equity holders of the parent	**(1,017)**	**(371)**	**-174%**

Comments on the contribution of Natixis to the Groupe Banque Populaire's consolidated results

Natixis' contribution to the Group's results was a loss of more than 1 billion, 0.9 billion of that amount deriving from activities managed on a run-off basis grouped together within the Workout Portfolio Management Structure (GAPC).

Against a backdrop, the ongoing financial crisis and the general deterioration of the economic climate, Natixis' continuing activities had mixed performances: Corporate and investment banking (which focuses on customer transactions), asset management and services activity recovered markedly *versus* the prior quarter. The areas most exposed to economic cycles (receivables and private equity) were still affected by the crisis.

GAPC (the Workout Portfolio Management Structure) again recorded changes for monolines, CDPCs and ABS CDOs. In first half 2009, the GAPC implemented a number of transactions to trim its portfolios through the sale or accelerated write-down of its positions, thus permitting a significant reduction of its risk-weighted assets *versus* December 31, 2008.

First half 2009 was also marked by a sharp rise in the funding of the cost of risk given the risks related to the GAPC, an increased coverage of several LBO and real estate portfolios and a higher cost of corporate risk on CIB financing activities.

NATIXIS JUNE 30, 2009 (REFLECTING PROPORTIONAL CONSOLIDATION)

in millions of euros	CIB continuing activities	Asset Management	Investor Services	Receivables Management	CIGP	Excl. core business(*)	Natixis continuing activities	Compartmentalized activities	Other(**)	Natixis
NBI	**499**	**220**	**171**	**65**	**(2)**	**(78)**	**875**	**(681)**	**44**	**239**
Charge	(286)	(163)	(118)	(131)	(29)	(16)	(744)	(29)	(78)	(850)
Gross operating income	**213**	**57**	**52**	**(66)**	**(31)**	**(94)**	**131**	**(709)**	**(34)**	**(612)**
Current net income	**(50)**	**36**	**30**	**(42)**	**(29)**	**(22)**	**(77)**	**(911)**	**(21)**	**(1,009)**

(*) Inc. retail banking in current net income (excluding Banques Populaires CCIs).
(**) Inc. net restructuring charges and CACEIS partially disposed of as of Q2-09.

NATIXIS – JUNE 30, 2008 (REFLECTING PROPORTIONAL CONSOLIDATION)

in millions of euros	CIB continuing activities	Asset Management	Investor Services	Receivables Management	CIGP	Excl. core business(*)	Natixis continuing activities	Compartmentalized activities	Other(**)	Natixis
NBI	**509**	**247**	**202**	**170**	**66**	**(71)**	**1,123**	**(660)**	**80**	**543**
Charge	(342)	(181)	(122)	(125)	(31)	23	(778)	(32)	(136)	(946)
Gross operating income	**167**	**66**	**80**	**45**	**35**	**(48)**	**345**	**(692)**	**(56)**	**(404)**
Current net income	**84**	**41**	**54**	**30**	**22**	**11**	**242**	**(602)**	**9**	**(351)**

(*) Inc. retail banking in current net income (excluding Banques Populaires CCIs).
(**) Inc. net restructuring charges and CACEIS partially disposed of as of Q2-09.

Net banking income (NBI)

Natixis' contribution to Groupe Banque Populaire's net banking income was €239 million as of June 30, 2009, down 56% *versus* June 30, 2008.

Continuous activities contributed €875 million to net banking income in first half 2009:

- **CIB's net banking income** (€499 million) was down 2% *versus* its first half 2008 performance, reflecting a decline for Credit Portfolio Management (CPM) activities, which recorded hedging instrument marked-to-market writedowns of €162 million for H1-09 (*versus* €46 million in gains for H1-08), with CIB net banking income up 43% (+40% at constant exchange rates). The half year saw particularly good performance of the capital markets, especially interest rate, foreign exchange, debt and commodities activities;
- **Asset Management's net banking income** (€220 million) was down 11% *versus* first half 2008 after accounting for the decline in average assets for the period following the decline of the markets. End of period assets were up €161 million to €171 million due to net inflows (+€5 billion) and market gains (+€5 billion); the foreign exchange effect was negligible;
- **Services net banking income** (€171 million) was down 15% *versus* June 30, 2008. While business volumes were robust, the backdrop of financial crisis continued to drag down the financial performance of certain business lines. Income from *Insurance*, *Securities*, *Sureties and Financial Guarantees* and *Leasing* was down. On the other hand, *Consumer Loans* continued to strengthen, while the performance of *Payments*, *Employee Benefits Planning* and *International Services* remained solid;
- **Receivables Management net banking income** (€65 million) was down 62% from June 30, 2008. Strongly affected by increased risk, net banking income from *credit insurance* was -18 million, *versus* €85 million as of June 30, 2008. The loss ratio was 116% for the first half (*versus* 56% for first half 2008);
- **Private Equity and Private Banking net banking income** was -€2 million *versus* €66 million in first half 2008: despite a considerable adjustment in the second quarter, *Private Equity* net banking income was -€18 million (with -€24 million in funding of provisions), *versus* net banking income of €45 million in first half 2008. *Private Banking* net banking income was €16 million, down 24%;
- **Net banking income from other business** (-€78 million), declined 10% *versus* June 2008. This decline was due to second half 2008 and first quarter 2009 losses which diminished tier one capital, and the decline in short-term rates on which such income depends.

Operating expenses

Operating expenses were €850 million, down 10% from June 30, 2008.

For continuous activities this decline was due to the decline in variable compensation and also to the impact of the cost cutting plan, either from headcount reductions or from cutting other operating expenses.

Headcount was down 4%, to 19,678 FTEs. Most of the cuts were in Corporate and Investment Banking (-597 FTEs, i.e., -11%) and non-core businesses (-224 FTS, i.e., -9%).

Cost of risk

The cost of risk grew by a factor of 6, to €802 million as of June 30, 2009.

For continuous activities, the cost of risk was down €434 million as of June 30, 2009, the second quarter allocation was up considerably, to €366 million, following a €68 million allocation in first quarter 2009. This increase was due to a considerable increase in the individually assessed cost of risk on corporate financing in the second quarter (112 bps for credit RWA in the second quarter, *versus* 101 bps in the first quarter), as well as additional funding for global coverage of certain portfolios (primarily real estate and LBO financing).

Net income

Income from associates was €56 million as of June 30, 2009, of which €53 million flowing from the Caisse d'Epargne CCI's.

Current pretax losses were €1.35 billion, *versus* losses of €436 million as of June 2008.

Taxes were mostly positive, €341 million, *versus* €85 million in first half 2008, given the activation of deferred tax assets on ordinary tax losses supported by the new Natixis strategic plan.

In first half 2009, after minority interests of €8 million, Natixis had a negative contribution of €1,017 million to Groupe Banque Populaire's consolidated net income, *versus* a €371 million negative contribution as of June 30, 2008.

CONTRIBUTION OF FEDERAL ACTIVITIES AND BANQUE FÉDÉRALE DES BANQUES POPULAIRES

The federal activities include a number of businesses that can be summarized as follows:

in millions of euros	NBI	Overhead expenses	Gross operating income	Net income
Contributions				
FONCIA	267	(246)	21	12
FONCIA – Impairment of goodwill	-	-	-	(395)
Société Marseillaise de Crédit	100	(66)	34	22
BICEC	27	(17)	10	3
MA BANQUE	12	(10)	2	0
VBI	-	-	0	5
Federal activities	39	(25)	15	17
Consolidation adjustments				
Elimination of BFBP dividends	(166)	-	(166)	(166)
TOTAL	**279**	**(364)**	**(84)**	**(502)**

The most significant non-recurring item in this business is the impairment of goodwill on the acquisition of FONCIA in the amount of -€395 million.

- **FONCIA**, a leading provider of residential real estate services, was acquired by Banque Fédérale des Banques Populaires in 2007. At year end 2008, there was no impairment of goodwill on the acquisition of FONCIA, which was €1,121 million, of which the Group posted €810 million on FONCIA SA (including the synergies with the Banques Populaires) and then charges to amortizable assets and the FONCIA brand in the amount of €306 million and FONCIA posted €311 million on its subsidiaries.

  The impairment test performed on June 30, 2008 evidenced the need to recognize impairment in the amount of €395 million, illustrating the considerable deterioration of the current economic climate compared to the climate prior to the initial acquisition made at the peak of the cycle.

  This test gave rise to recognition of a €395 million impairment of the goodwill on Banque Fédérale des Banques Populaires' acquisition of FONCIA SA, cutting it from €810 million (including the synergies with the Banques Populaires) to €415 million.
- **MA BANQUE** is the result of a partnership between Groupe Banque Populaire, MAAF and Mutuelles du Mans, and is 66%-owned by Banque Fédérale des Banques Populaires. Its net banking income of €12 million was down 35% from June 30, 2008.
- **International retail banking** primarily includes BICEC in Cameroun, Banque Commerciale du Congo and VolksBank International (VBI) in Central and Eastern Europe in partnership with Austria's Volksbank and Germany's DZ Bank.
  - Banque Fédérale des Banques Populaires holds a 59% stake in BICEC; its net banking income was flat at €27 million. Renewed commercial activity launched in second half 2008 contributed to BICEC's performance.
  - Banque Commerciale du Congo is wholly owned by Banque Fédérale des Banques Populaires and was consolidated for the first time in 2009; its contribution to the Group's net operating income was only €2 million.
  - Banque Fédérale des Banques Populaires holds a 25% stake in VolksBank International (VBI), which is consolidated by the equity

method; its contribution to consolidated results was €5 million as of June 30, 2009, down 54% from June 30, 2008. Its results were strongly affected by the higher cost of risk throughout the CEE countries, offset by the good performance in Romania.

- **BFBP (Banque Fédérale des Banques Populaires) Dividends.** Gross dividends received by the Banques Populaires from the Banque Fédérale des Banques Populaires (€162 million) were eliminated in consolidation since they were internal Group transactions.
- **The other federal activities** mainly include Banque Fédérale des Banques Populaires' activities as the Group's central institution.

Regulatory capital and solvency ratio

The Banque Fédérale des Banques Populaires Group's Regulatory capital totaled €17.8 billion at June 30, 2009, including €15.4 billion of Tier 1 capital.

Risk-weighted assets, calculated pursuant to the provisions of Basel II formula were €164.4 billion, *versus* €188.6 billion, primarily due to the amendment of the mandated floor, which was reduced to 80% in 2009. We note that Groupe Banque Populaire is still penalized by the application of a mandated floor for risks as required by the regulation (Article 391 of the order dated February 20, 2007) for institutions applying the internal credit ratings-based approach and are applied to all risks. At December 31, 2008, the capital requirements calculated according to the provisions of the new Basel II standards could not be less than 90% of the requirements calculated according to the Basel I standards. In 2009, the floor was dropped to 80%.

Tier 1 capital was thus 9.5% and Core Tier 1 capital was 7.2%, *versus* 7.7% and 6.4%, respectively as of year end 2008, applying Basel II standards. The total ratio was 10.8%, *versus* 9.4% as of December 31, 2008.

Outlook

Banque Fédérale des Banques Populaires, Groupe Banque Populaire's central institution, merged on July 31, 2009 with Caisse Nationale des Caisses d'Epargne, the central institution of the Groupe Caisse d'Epargne to create BPCE. BPCE is now the central institution of the Groupe BPCE.

This group resulting from the merger of the two networks, a major financial partner for individuals, businesses and the entire economy, is now the 2nd largest bank group in France.

Beginning in fourth quarter 2009, a strategic plan will be drawn up to define the Groupe BPCE's growth targets.

RISK MANAGEMENT

Credit risk

First half 2009 was marked by the continued contraction of worldwide growth. The euro zone and France were strongly affected by this contraction. According to the European Central Bank, economic activity should contract much more slowly for the rest of the year. Despite the stimulus policies implemented by governments, the recovery could be slowed by companies' difficulties, rising unemployment, the effects of protectionist pressure arising out of the global crisis and the need to rebuild public finances impacted by the effects of recovery plans.

Nonetheless, a progressive recovery of activity is expected, with growth rates becoming positive once again as from mid-2010.

Exposure to credit risk by exposure category

in millions of euros	06/30/2009	06/30/2008	Change
Corporate	116,137	103,535	12.2%
Bank	18,884	25,579	-26.2%
Professionals	46,187	43,199	6.9%
Individuals	84,144	78,961	6.6%
Sovereign	17 380	7,026	147.4%
Trading portfolio	0	69	-99.7%
Equity	3,525	3,452	2.1%
Securitization	5,652	4,337	30.3%
Sundry	363	353	2.8%
TOTAL	**292,272**	**266,512**	**9.7%**

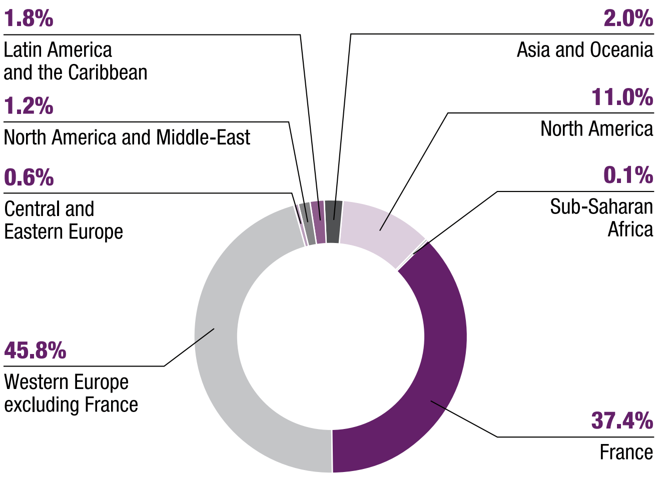
Source: Risk Data.

Groupe Banque Populaire's global exposure to credit risk as of June 30, 2009 was 292 billion. Corporate client risks represent 40% (35% as of 06/30/2008) of total risks, *versus* 29% (27.6% as of 06/30/2008) for Individuals and 16% (15% as of 06/30/2008) for Professionals. This breakdown has been stable over time.

The trend of exposure to risk over the last 12 months was marked by a decline in interbank risks and an increase in sovereign risks, but also by the integration of the regional banks purchased from HSBC into the Group's scope of consolidation.

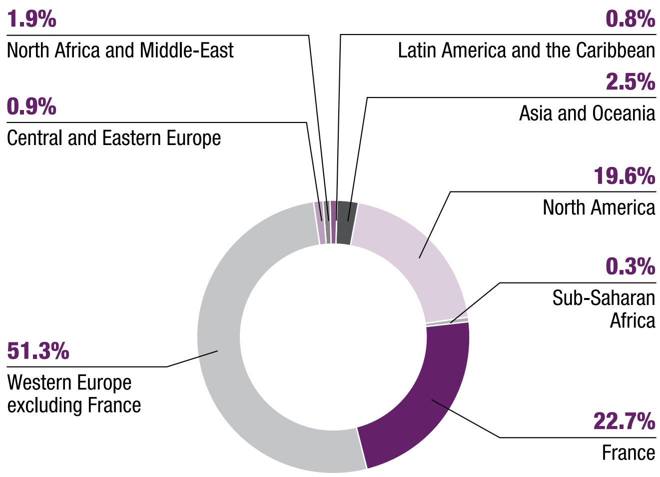
Breakdown of exposure by geographic region

CORPORATE



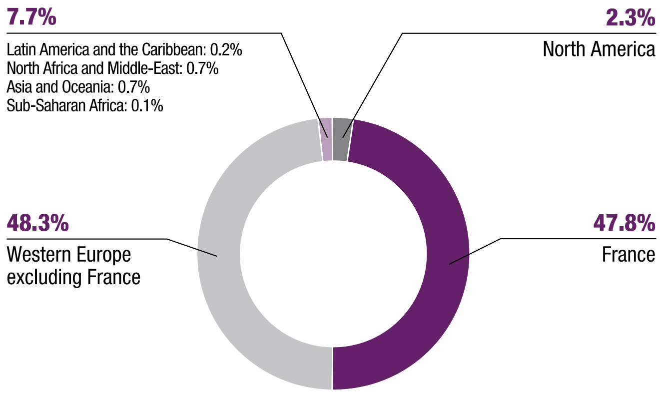
Source: Risk Data.

BANK



Source: Risk Data.

SOVEREIGN



Source: Risk Data.

Corporate exposure is more than 83% concentrated in Western Europe, with nearly 46% concentrated in domestic risk. This concentration is strongest in sovereign risk, breaking down almost evenly among domestic and western European risk and accounting for 96% of corporate exposure.

Interbank exposure involves primarily western European counterparties, breaking down between French and North American exposure.

Exposure by economic sector

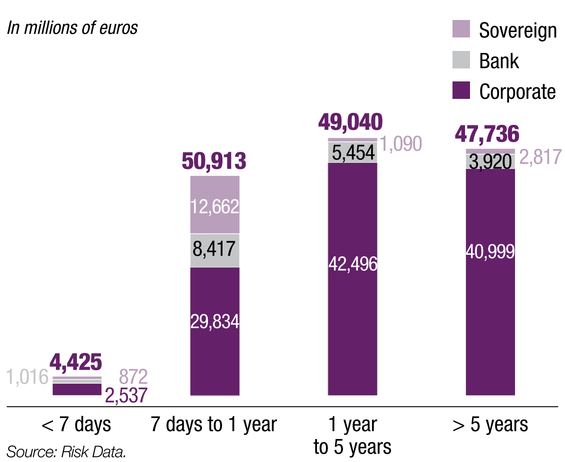
in millions of euros	Corporate	Professionals	Total	Corporate	Professionals	Total
Finance and insurance	34,396	696	35,091	24.7%	1.5%	18.9%
Property rentals	10,375	14,705	25,080	7.4%	31.8%	13.5%
Holding companies and conglomerates	21,256	1,486	22,742	15.2%	3.2%	12.2%
Construction	6,933	4,429	11,362	5.0%	9.6%	6.1%
Investor Services	7,375	3,950	11,326	5.3%	8.5%	6.1%
Real Estate	7,087	1,560	8,647	5.1%	3.4%	4.7%
Consumer goods	5,702	2,813	8,516	4.1%	6.1%	4.6%
Other	5,839	1,289	7,128	4.2%	2.8%	3.8%
Food Industry	3,099	3,821	6,921	2.2%	8.3%	3.7%
Government	6,229	5	6,235	4.5%	0.0%	3.4%
Retail	3,861	1,953	5,814	2.8%	4.2%	3.1%
Transport	4,560	1,091	5,650	3.3%	2.4%	3.0%
Heavy industries	4,679	727	5,405	3.4%	1.6%	2.9%
Energy	5,344	48	5,392	3.8%	0.1%	2.9%
Pharmaceuticals, healthcare	2,219	2,829	5,048	1.6%	6.1%	2.7%
Mechanical and electrical engineering	3,564	1,291	4,855	2.6%	2.8%	2.6%
Tourism, hotels, catering	1,862	2,919	4,781	1.3%	6.3%	2.6%
Media	2,579	415	2,994	1.8%	0.9%	1.6%
Utilities	1,821	108	1,929	1.3%	0.2%	1.0%
Technology	682	131	814	0.5%	0.3%	0.4%
TOTAL	**139,464**	**46,267**	**185,731**	**100.0%**	**100.0%**	**100.0%**

Source: Risk Data.

Finance and insurance is the sector with the highest level of exposure (it includes insurance companies, investments in securitization transactions and financial customers). Its share of total risk increased slightly compared to June 2008 (+5 points), while the share of property rentals and holding companies was stable.

Exposure to other major sectors (construction, investor services and real estate) was stable.

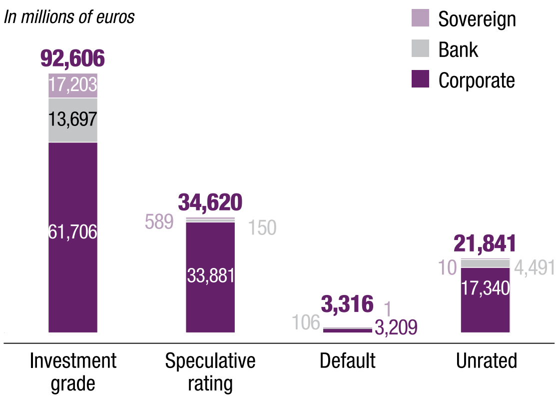
Exposure by residual maturity



Source: Risk Data.

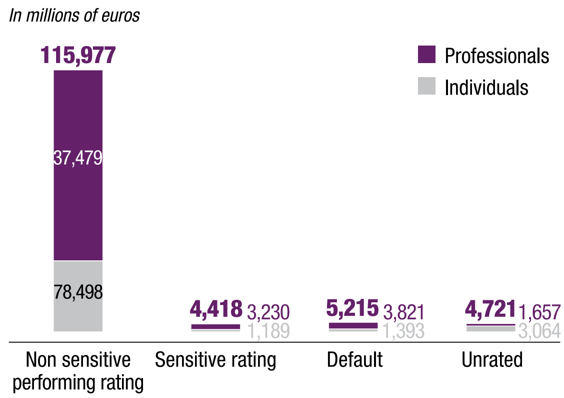
Overall, exposure broke down evenly for periods longer than 7 days. Nearly 75% of corporate client risks had maturities longer than one year. The residual maturity of sovereign risks was primarily shorter than one year, while the residual maturity of interbank risks broke down evenly between maturities longer and shorter than one year.

Exposure by risk quality



Source: Risk Data.

61% of exposure had an investment grade rating, *versus* 23% with a speculative rating and 2% with a default rating. Unrated exposure represented 14% of the portfolio and concerned primarily corporate client risks.



Source: Risk Data.

The retail portfolio was good quality, with 93% of Individuals exposure and 81% of Professionals exposure classified as non-sensitive performing loans. The default rate for Professionals was 8%, *versus* only 2% for Individuals.

Concentration risks

	Top 10	Top 20	Top 50	Top 100
Corporate	13.9%	20.6%	31.5%	38.6%
Banks	56.4%	67.2%	77.6%	82.5%
Sovereign	56.2%	70.9%	92.7%	99.6%
Securitizations	25.2%	31.0%	41.1%	51.1%
Equity	31.1%	47.4%	65.8%	75.4%

Source: Risk Data.

The concentration of risks was low for corporate clients, with the top 100 exposures representing only 38.6% of total corporate clients' risks. It is more marked for bank and sovereign counterparties, due to the greater number of counterparties.

Market risks

Pursuant to Regulation 97-02, Group Risk Management consolidated market risks for Groupe Banque Populaire. The scope of consolidation of market risks, measured by the Value-at-Risk indicator (VaR), for the Groupe Banque Populaire includes Natixis, BRED Banque Populaire and Banque Fédérale des Banques Populaires' central cash management unit, created in September 2008.

This method yields a conservative measurement of the market risk for the consolidated Groupe Banque Populaire (GBP), comprising Natixis, BRED Banque Populaire and the central cash management unit of Banque Fédérale des Banques Populaires' (BFBP).

The following table shows Groupe Banque Populaire's VaR for first half 2009 calculated over a one-day horizon, with a confidence interval of 99%. Natixis' risk is weighted at 35.78% as of 12/31/2008, with Banques Populaires' stake in Natixis being 35.92%.

	35.78%/ 35.92% Natixis VaR	BRED VaR	BFBP cash mgmt unit VaR	GBP VaR
in millions of euros	99% 1 day	99% 1 day	99% 1 day	99% 1 day
12/31/2008	13.2	12.7	0.0	25.9
03/31/2009	11.6	9.9	0.7	22.2
06/30/2009	9.2	10.1	0.8	20.2

The stress scenarios complete the operating indicator (sensitivity, outstandings) and global (VaR) measurement tools, providing another assessment of market risk.

Since early 2009, GBP's VaR has declined, due on the one hand to a decline in Natixis' segregated assets and on the other hand to the decline in the volatility of equity markets. BFBP's central cash management unit's VaR was weak with respect to the VaR of Natixis and BRED Banque Populaire in first half 2009.

Organization of Natixis' market risk control

The Market Risk Department independently defines the risk assessment methods to be used, advises on limits and ensures the monitoring of all market risks within Natixis. The market risk control system is based on a delegated architecture, in which the Group Risk Committee has overall responsibility and the Market Risk Committee plays an essential role.

The Market Risk Committee's task is to define the Bank's market risk policy and ensure it is properly applied. The Committee is an operational extension of the executive body and has decision-making powers for matters relating to market risk.

It meets on a bi-monthly basis under the chairmanship of a member of Executive Management. *Ad hoc* sessions may be organized in an emergency.

In first half 2009, the core of Natixis' risk policy was Natixis' Risk Department's adaptation of the market risk monitoring tool to the change in focus of Front Office activities (creation of GAPC).

The reports were also adapted in order to reflect this new organization.

The Committee's market risk policy focuses on the following elements:

- defining and reviewing VaR limits, operational limits and loss-alert limits. These limits are examined in the light of budgetary information provided by front office managers;
- defining validation delegations;
- reviewing risk exposure with a possible focus on a particular risk category;
- reviewing any violations and/or non-authorizations of limits and measures taken or to be taken;
- reviewing decisions made under delegation;
- information on the validation of market risk and fair-value adjustment methodologies, and on model validation;
- information on changes in VaR calculation methods;
- information on back testing.

Concerning market operations valuation models, Natixis' Risk Department validates the pricing models used within the Group and regularly ensures they are consistent with market developments and best practices.

The Market Risk function comprises two components, a cross-functional unit and an operational unit.

The organization of the operational unit was modified in first half 2009 in order to best reflect the changes in the Front Office organization.

Primarily responsible for the day-to-day control of market risks, the operational unit comprises a VaR production team and three monitoring teams, one for each of the main front office business lines:

- Fixed Income (Rates, Credit, Currency);
- Equities and Commodities;
- Treasury/ALM/GAPC and monitoring the subsidiaries.

These monitoring teams are also responsible for the following tasks within their respective areas:

- the analysis and control of market risks and corresponding reporting;
- regular monitoring of positions and results;
- definition of risk measurement methods adapted;
- determination of provisioning policies and fall in value (for liquidity risks, risks relating to parameters that cannot be hedged, model risks and other items);
- validating pricing models.

The cross-functional unit is responsible for all consolidated internal and external reports. It reports on a bimonthly basis to the member of Executive Management responsible for CIB and to the Market Risk Committee on the situation and changes in market risks.

It is also responsible for the implementation of standards and procedures common to all entities (subsidiaries and branches) with respect to market risk, international coordination, technology watch and relations with the various internal and external auditors, as well as for monitoring their recommendations.

The cross-functional unit is also responsible for the operational monitoring of all projects related to VaR and to stress tests (definition of analysis tools, risk factors, and recalibration of global and specific stress tests).

Methodology for measuring market risk

Natixis' market risk management system is based on a risk metrics model that measures the risk run by each Group entity.

Market risks are assessed using a variety of methods:

a) synthetic VaR calculations determine potential losses from each activity at a given confidence level (for example 99%) and a given holding horizon (for example, one day). The calculation is performed and monitored daily for all of the Group's trading activities.

   For calculation purposes, the combined behavior of market parameters that determine portfolio values is modeled using statistical data covering a period of one rolling year. Over 5,300 risk factors are currently modeled and used.

   Natixis uses a VaR calculated using simulation techniques based on the "Monte Carlo" method that takes into account the portfolio's non-linear characteristics with respect to the various risk axes. These calculation methods are harmonized using a single calculation tool, Scénarisk. In order to monitor compliance with VaR limits set by the regulator, Natixis' Risk Department produces the VaR for Natixis' consolidated scope.

   As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers in September 2008, Natixis has carried out a number of studies considering the various histograms in order to calculate VaR in order to reflect the change of regime recently observed in the financial markets. These studies resulted in the definition of a new calculation method, which is now based on econometrics for which standard deviations are calculated as the maximum, risk axis by risk axis, of standard deviations calculated over the following periods: rolling 12 months, rolling 3 months, and September 1, 2008 to the present date (provided that the present date is before September 1, 2009). This change of method has resulted in all limits being recalibrated. After being presented to the French Banking Commission, this method was put into production in 4th quarter 2008;

b) operational indicators are used to manage activity on an overall basis and/or by homogenous activity, by focusing on more directly observable criteria (for example, sensitivity to fluctuations of the underlying instrument, sensitivity to changes in volatility or correlation and diversification indicators). The limits corresponding to these simultaneously qualitative and quantitative operational indicators thus complement the VaR and loss-alert limits and the stress tests for certain perimeters. They are determined consistently with the VaR and loss-alert limits and the stress tests. All operational limits are subject to day-to-day monitoring by the Market Risk team.

   All limit violations (operational violations, VaR, loss-alert and stress test) are notified. Violations, particularly loss-alert violations, may give rise to a management decision concerning the position in question (closure, hedging, maintenance, etc.).

   The key standard metrics used are:

   - sensitivity to a +/-1 bp change in rates (overall and by zone, currency and/or maturity),
   - yield-curve exposure,
   - currency exposure,
   - equity exposure,
   - sensitivity to a +/-1% change in implied volatility in the equity, foreign exchange, fixed income, inflation and commodities markets (overall, by maturity and by strike price),
   - change in the delta of an underlying asset (equities, fixed income, currency or commodities),
   - change in government paper/swap spreads,
   - sensitivity to change in issuer spreads,
   - inter-currency spreads,
   - sensitivity to inflation (+/-1 bp change),
   - discontinuity risk,
   - sensitivity to a change in correlations,
   - sensitivity to recovery and to jump to default,
   - monthly and annual loss alerts;

c) stress tests are also employed to measure the potential portfolio losses under extreme market circumstances.

   Two major categories of stress tests are calculated at Natixis: global stress tests and specific stress tests for each activity.

   A major project concerning global stress tests was launched in 2008 and pursued in first half 2009 in order to recalibrate and enhance these tests. Calculated using Natixis' VaR calculation tool, they can be grouped into three categories:

   - historic stress tests consist of reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the extent of P&L changes recorded. Although these stress tests cannot predict the future, they can be used to assess the exposure of the Group's activities to known scenarios. Six historical stress scenarios have been defined,
   - hypothetical stress tests consist of simulating changes in market parameters in all activities on the basis of plausible assumptions concerning the reaction of one market in relation to another, depending on the type of initial shock. Shocks are determined as a result of reviews and collaboration with front office staff and economists. These scenarios can be defined according to economic criteria (real estate crisis, economic crisis), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East) or other factors (avian flu). Five theoretical stress test scenarios have been defined,
   - adverse stress tests aim to detect the most unfavorable situations for the bank on the basis of the features of its portfolio. Calculations consist of using hypothetical stress tests as a matrix, the adverse stress test scenario being that leading to the maximum loss.

A project concerning specific stress tests was launched in 2008, undertaken jointly by the Risk Department and CIB; severity standards and shock matrices have been defined for each business line. Several Front Office management teams were informed of the need for assessment and implementation of these scenarios for the management tools (more than 1,000 scenarios were defined). Since September 2008, the project has been structured around a steering committee and work groups. This project will be completed at the end of 2009 beginning of 2010 with the objective of calculating these stress test scenarios using management tools and subject to limits.

Following the approval process carried out in 2008, the French Banking Commission confirmed to Natixis that it may use its internal VaR model for regulatory purposes.

Quantitative data for measuring Natixis' market risk

CHANGES TO VAR WITHIN NATIXIS

99% 1-day VaR for Natixis trading portfolios averaged €36.8 million, with a maximum observed level over one rolling year of €66.4 million as of December 22, 2008 and a value of €27.5 million at as of June 30, 2009.

These figures should be considered in the context of the change of market regime in September 2008 following the collapse of Lehman Brothers.

This major crisis led CIB to reorganize its activities and to segregate a portion of its activities into an *ad hoc* portfolio (GAPC). This reorganization was accompanied by changes to the risk monitoring system, with the calibration of new limits and reporting methods.

Furthermore, as described in the foregoing paragraph, it was deemed necessary to adapt the methodology applied to calculating VaR in order to be able to reflect these exceptional market changes. Natixis therefore changed the way in which historical data is taken into account by adjusting the calculation of standard deviations using the following formula:

Standard deviation = maximum (12 rolling months, 3 rolling months, historical data beginning September 1, 2008 capped at one year).

This new method for calculating standard deviations, applied risk factor by risk factor, went into production in the 4th quarter 2008.

More conservative and better adapted to the sharp increase in market volatility, this methodology significantly increases VaR (between 1.5 and 2 times depending on the scope) in comparison with other methodologies when it was put into production on December 15, 2008. An overall limit was set at €70 million as of December 15, 2008. The limit was then reviewed on two occasions in order to monitor the decline in the level of VaR as a direct result of the decline in exposure: from €55 million as of January 28, 2009 to €40 million as of June 24, 2009.

The VaR limit defined by the CECEI (€35 million) is still monitored daily, with Natixis thus ensuring VaR management at two levels (old method VaR *versus* new method VaR).

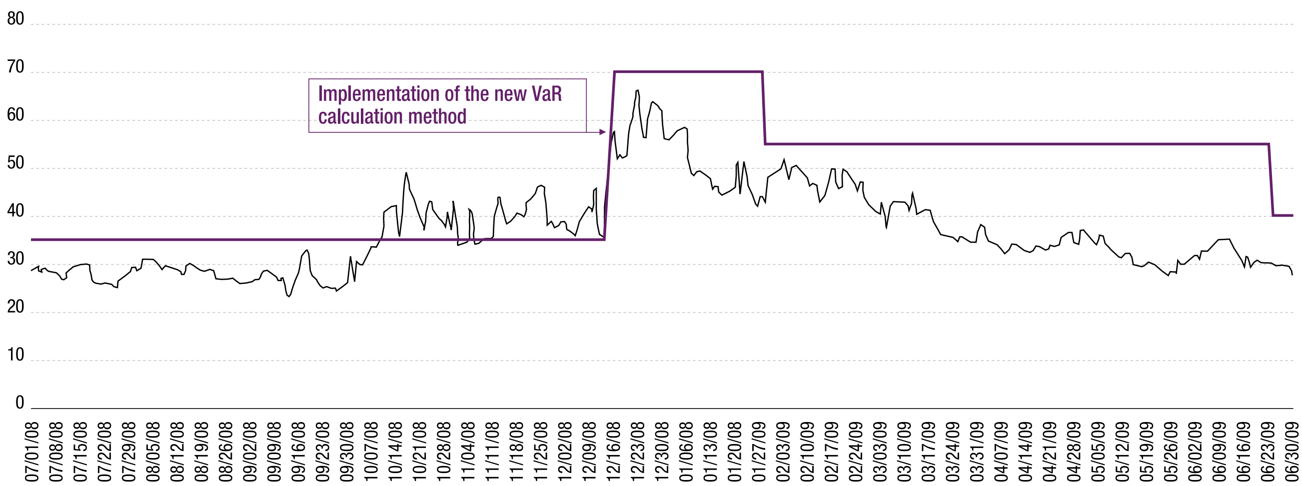
The implementation of the new VaR method for the approved scope eliminated the backtesting exceptions observed end 2008. No backtesting exceptions were observed for a rolling year for the regulatory scope as of June 30, 2009.

MONITORING OF GLOBAL TRADING VAR USING THE NEW AND OLD METHODS

	Monte-Carlo VaR 99% 1 day as of 06/30			Monte-Carlo VaR 1Y 99% 1 day as of 06/30			Difference between MC and MC 1Y
in millions of euros	06/30/2009	Limit	Average	06/30/2009	Limit	Average	
NATIXIS Trading	27.5	40	36.8	25.7	35	32.1	1.8
Continuing Trading	16	32	28.2	15.4		22.8	0.6
NATIXIS Europe Asia Trading	15.1		28.8	14.3		25.5	0.8
Debt & Financing Trading	1.2	1.2	3.7	1.1	8	3.6	0.1
Capital Markets Trading	14.9		27	13.9		23.9	0.9
Active risk management and supervision Trading	2.5		3.1	2.3		2.6	0.2
NATIXIS Capital Markets Trading	5.1	6.2	6.1	5.3	6.8	5.8	-0.2
Segregated Trading	22.5	30	29.3	13.9		23.9	1.3
NATIXIS Europe Asia Segregated Trading	17.6		26.3	16.6		20.7	1
NATIXIS Capital Markets Segregated Trading	12.4		10.7	11.5		9.3	0.9

GLOBAL TRADING VAR BY CLASS OF RISK

GLOBAL NATIXIS VAR TRADING PORTFOLIO (99% VAR 1 DAY)



in millions of euros	Trading Monte Carlo VaR -99% 1 day			
	06/30/2009	12/31/2008	Change	Average over one rolling year
Natixis				
Rate risk	16.0	38.6	(22.6)	23.0
Equity risk	9.1	26.2	(17.1)	16.8
Specific issue risk	1.1	2.2	(1.1)	3.8
Specific rate risk	20.6	22.6	(2.0)	18.4
Currency risk	3.9	6.5	(2.6)	5.8
Total for all risk classes	50.6	96.1	(45.5)	-
Effects of offsetting	(23.1)	(40.3)	17.2	-
Consolidated VaR	**27.5**	**55.8**	**(28.3)**	**36.8**

We note the considerable reduction of general equity risk (-€17.1 million) and general rate risk (-€22.6 million) for the period, evidencing a significant reduction of positions and associated market risks.

Stress test results

The project to overhaul the global stress tests continued in 2009. It resulted in an adjustment to the existing scenarios and the creation of additional stress tests.

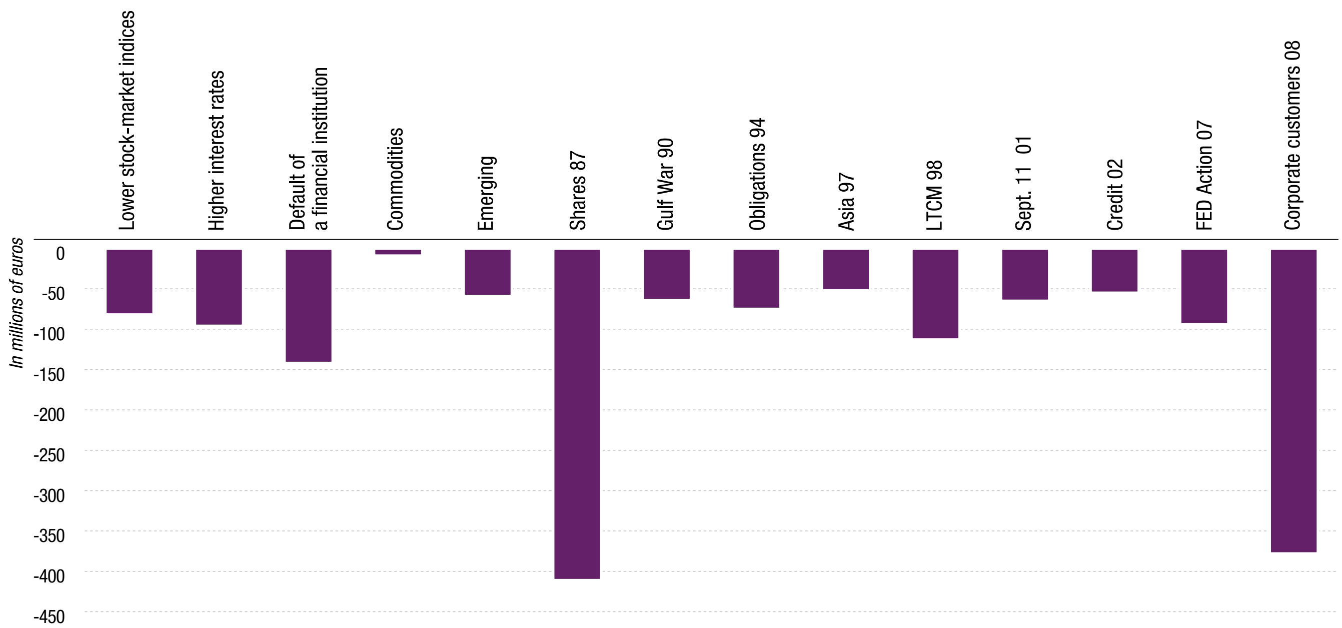
Two global hypothetical stress tests were added:

- Emerging Crisis: Impact on all markets of a sudden decline in foreign capital invested in emerging countries;
- Commodities Crisis: Assumption of a decline in the supply of commodities triggered by a geopolitical crisis.

Three new historical stress tests were also added:

- 1990 Gulf War;
- the Fed's August 2007 reaction to the subprime shock;
- Corporate, ABS and MBS crisis in March 2008.

Natixis has thus 5 global hypothetical stress tests and 9 global historical stress tests.



Financial stability forum recommendations on financial transparency

Natixis

The data are fully taken into account.

CDOs AND EXPOSURE TO MONOLINES AND OTHER PROVIDERS OF CREDIT ENHANCEMENTS

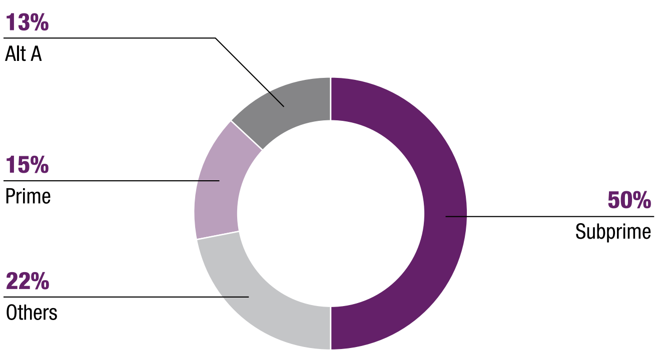
Unhedged ABS CDOs exposed to the US housing market

in millions of euros	#1	#2	#7	#9	#10	#11	#12	#13	#14	#15	#4	#6
Net exposure as of 03/31/2009	8	9	51	27	12	54	43	8	37	76	306	330
Change in value Q2-09	(1)	0	(18)	(2)	(3)	(3)	(3)	(4)	(3)	(25)	(57)	(98)
Net exposure as of 06/30/2009	**6**	**8**	**24**	**22**	**7**	**46**	**37**	**3**	**31**	**45**	**233**	**215**
% discount	***96%***	***93%***	***84%***	***20%***	***96%***	***18%***	***25%***	***98%***	***36%***	***46%***	***38%***	***47%***
Nominal exposure	139	118	149	27	169	56	49	151	49	84	375	409
(Aggregate) change in value	(130)	(109)	(125)	(5)	(163)	(10)	(12)	(148)	(18)	(38)	(141)	(194)
Tranche	Super Senior	Mezzanine	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Mezzanine	Mezzanine	Super Senior	Super Senior
Underlying instrument	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	High Grade	High grade
Attachment point	28.1%	0%	37.1%/ 97.1%	56.3%	0%	32.1%	34.5%	8.7%/ 99.1%	27.4%/ 98.5%	26.3%/ 75%	8.1%	37.1%/ 97.1%
Prime	1.9%	12.8%	12.8%	9.5%	10.1%	34.3%	9.7%	7.9%	4.6%	13.6%	3.7%	0.0%
Alt-A	2.4%	9.9%	0.6%	2.4%	2.3%	17.4%	0.7%	0.0%	4.5%	40.3%	0.7%	0.0%
Subprime (2005 and earlier)	9.9%	23.0%	56.0%	62.1%	42.1%	31.0%	44.7%	81.3%	38.5%	32.8%	14.5%	0.0%
Subprime (2006 & 2007)	60.2%	28.5%	7.2%	0.0%	31.5%	0.0%	8.0%	1.1%	13.2%	9.9%	3.0%	0.0%

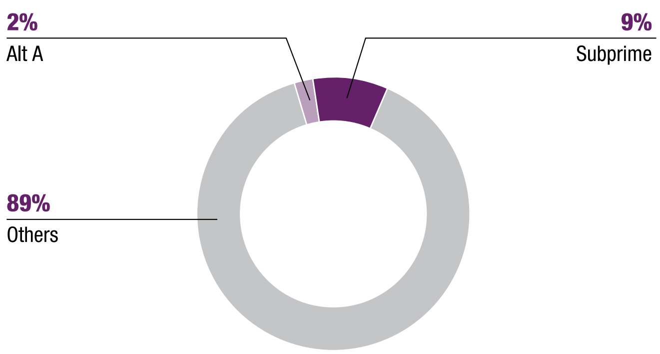
Undiversified Structures
Rate: 77%

Diversified Structures
Discount Rate: 43%

Undiversified Structures
Discount Rate: **77%**



Diversified Structures
Discount Rate: **43%**



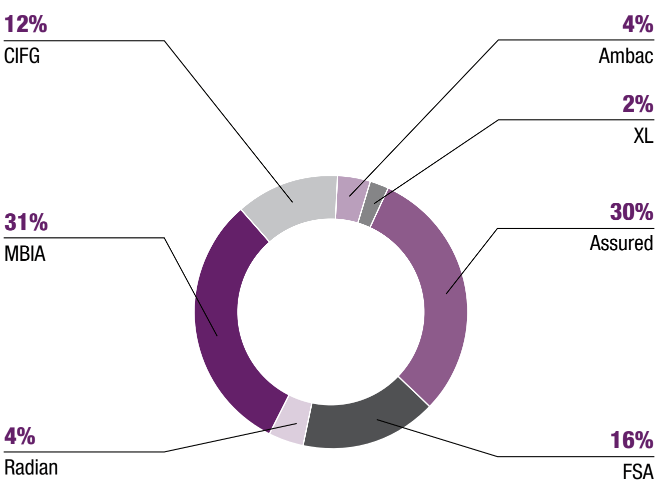
PROTECTION PURCHASED

From monolines

in millions of euros	Gross notional amount of hedged instruments	Exposures before adjustments Q1-09	Exposures before adjustments Q2-09
Protection for CDOs (US housing market) with subprime underlying instrument	1,229	547	578
Protection for CLOs	5,592	267	284
Protection for RMBSs	880	269	301
Protection for CMBSs	922	1,344	73
Other risks	8,830	1,618	2,570
TOTAL	**17,453**	**4,044**	**3,806**

Value adjustments	(1,664)	(1,721)
Collective provision	(500)	(500)
Residual exposure to counterparty risk	**1,880**	**1,586**
Discount rate	*54%*	*58%*

RESIDUAL EXPOSURE[(1)]



(1) Before the €500 million collective provision.

From CDPCs

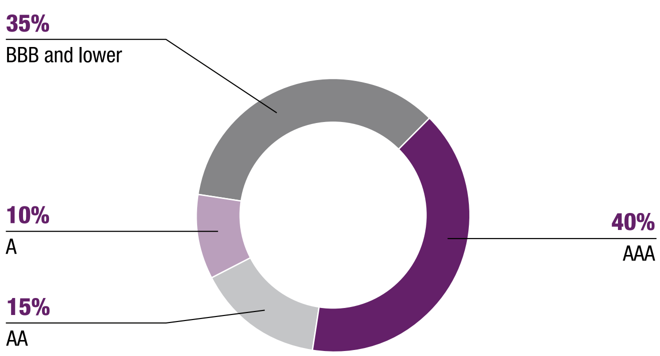
- Exposure prior to value adjustment: €1.45 billion as of 06/30/2009 (gross notional amount was €9.7 billion).
- Value adjustment in the amount of €648 million.

OTHER UNHEDGED CDOS

CDOs not exposed to US housing market

- Value adjustment: -€175 million as of Q2-09.
- Residual exposure: €3,845 million.

RESIDUAL EXPOSURE[(1)]



(1) Base: €3,845m.

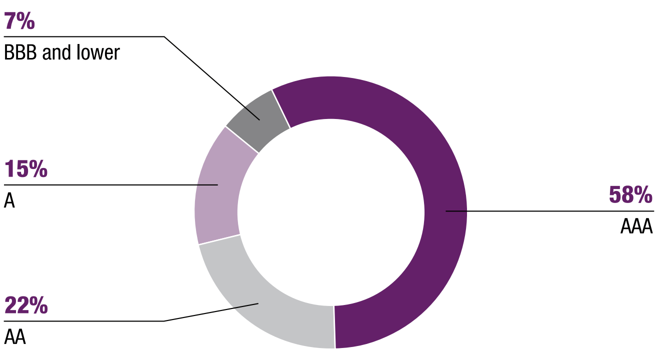
CRE CDOs

in millions of euros	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	120	(5)	(70)	45	79
Fair value option	114	(7)	(1)	106	166
Fair value through equity	2	(1)	0	1	20
Loans and receivables	18	(8)	12	23	30
TOTAL	**255**	**(22)**	**(59)**	**174**	**296**

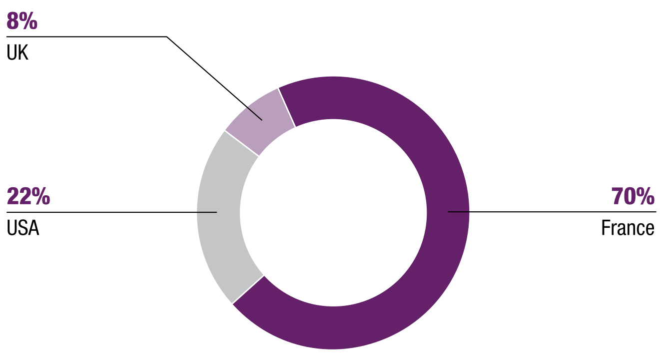
UNHEDGED MORTGAGE BACKED SECURITIES

CMBSs *in millions of euros*	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	485	(27)	(99)	360	573
Fair value through equity	160	(23)	13	150	292
Loans and receivables	138	15	97	250	250
TOTAL	**783**	**(35)**	**11**	**760**	**1,115**

RATING

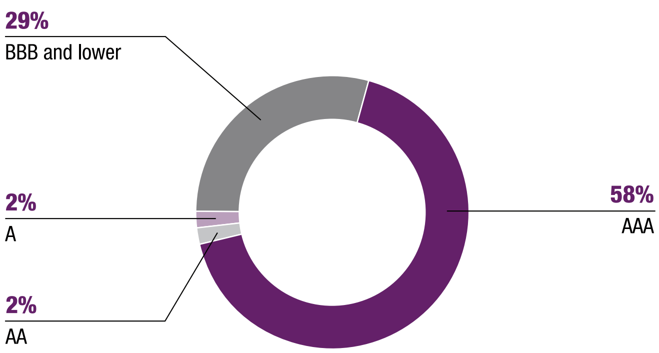


GEOGRAPHIC AREA

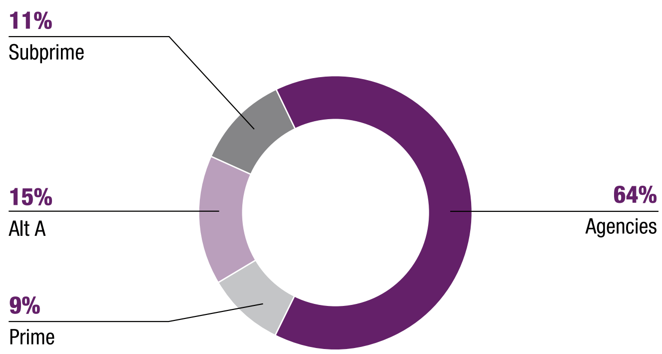


RMB USs *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	107	-	(37)	69	114
Fair value through equity	58	-	(58)	-	-
Agencies	1,421	(109)	127	1,438	1,578
Wrapped RMBSs	584	3	(57)	530	545
Loans and receivables	4,228	(6)	(586)	3,635	3,738
TOTAL	**6,397**	**(112)**	**(612)**	**5,672**	**5,995**

RATING

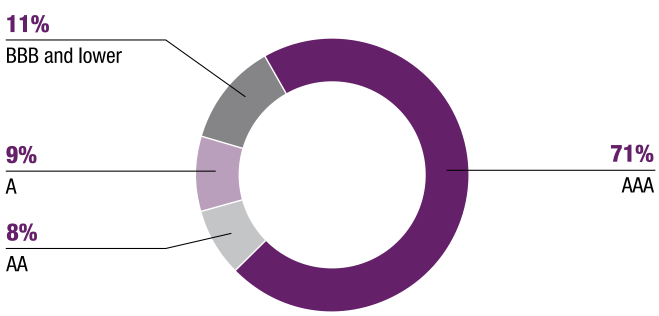


GEOGRAPHIC AREA



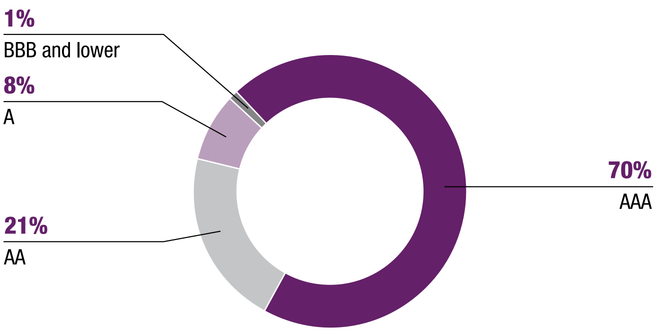
RMBSs UK *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	40	(3)	61	98	132
Fair value through equity	135	(2)	(1)	132	207
Loans and receivables	563	16	(3)	576	612
TOTAL	**738**	**11**	**57**	**806**	**962**

RATING



RMBS Spain *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	19	(2)	19	36	84
Fair value through equity	14	(4)	17	28	53
Loans and receivables	627	0	(19)	608	608
TOTAL	**660**	**(6)**	**(17)**	**672**	**745**

RATING



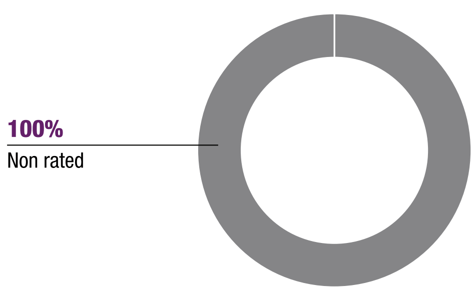
CONDUITS

ELIXIR – CONDUIT SPONSORED BY NATIXIS *(in millions of euros)*

Country where issued	France
Amount of assets financed	**246**
Liquidity lines arranged	**213**
Asset maturities:	
0 – 6 months	84%
6 – 12 months	-
>12 months	16%

Automotive loans	
Trade receivables	100%
Equipment loans	
Consumer loans	
Non-US RMBS	
CDO	
Other	

RATING



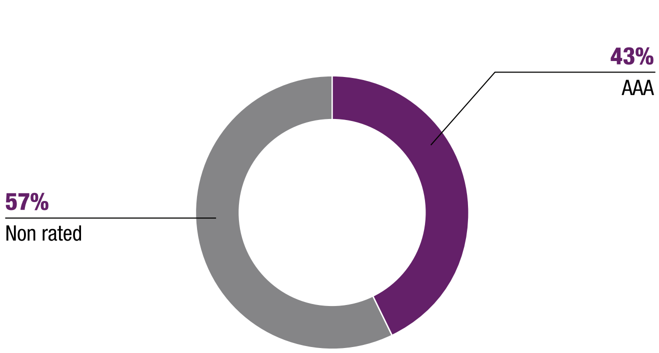
GEOGRAPHIC AREA

DIRECT FUNDING – CONDUIT SPONSORED BY NATIXIS *(in millions of euros)*

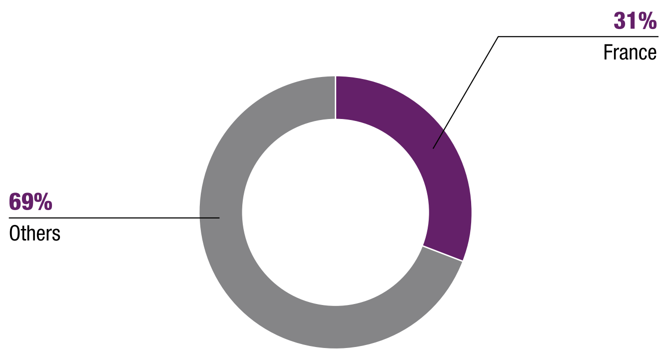
Country where issued	France
Amount of assets financed	**809**
Liquidity lines arranged	**-**
Asset maturities:	
0 – 6 months	5%
6 – 12 months	-
>12 months	90%

Automotive loans	
Trade receivables	57%
Equipment loans	19%
Consumer loans	
Non-US RMBS	24%
CDOs	
Other	

RATING



GEOGRAPHIC AREA

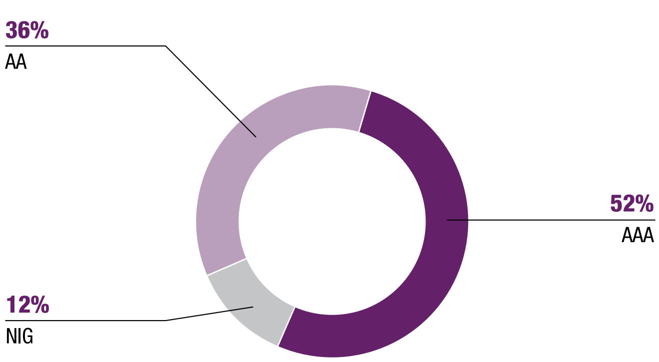


VERSAILLES – CONDUIT SPONSORED BY *NATIXIS (in millions of euros)*

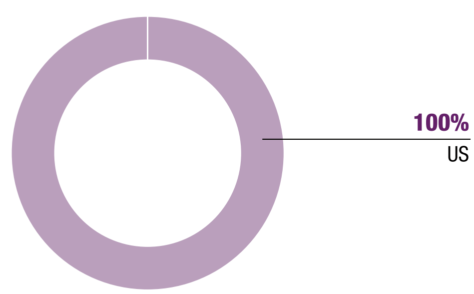
Country where issued	US
Amount of assets financed	**2,658**
Liquidity lines arranged	**2,711**
Asset maturities:	
0 – 6 months	-
6 – 12 months	2%
>12 months	98%

Automotive loans	29%
Trade receivables	2%
Equipment loans	10%
Consumer loans	21%
Non-US RMBS	
CDOs	21%
Other	17%

RATING



GEOGRAPHIC AREA

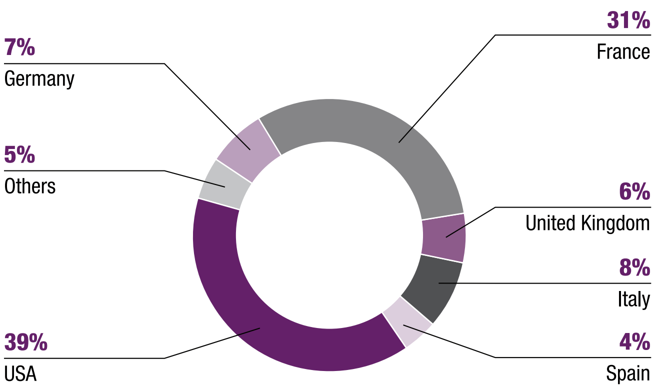


LBOs

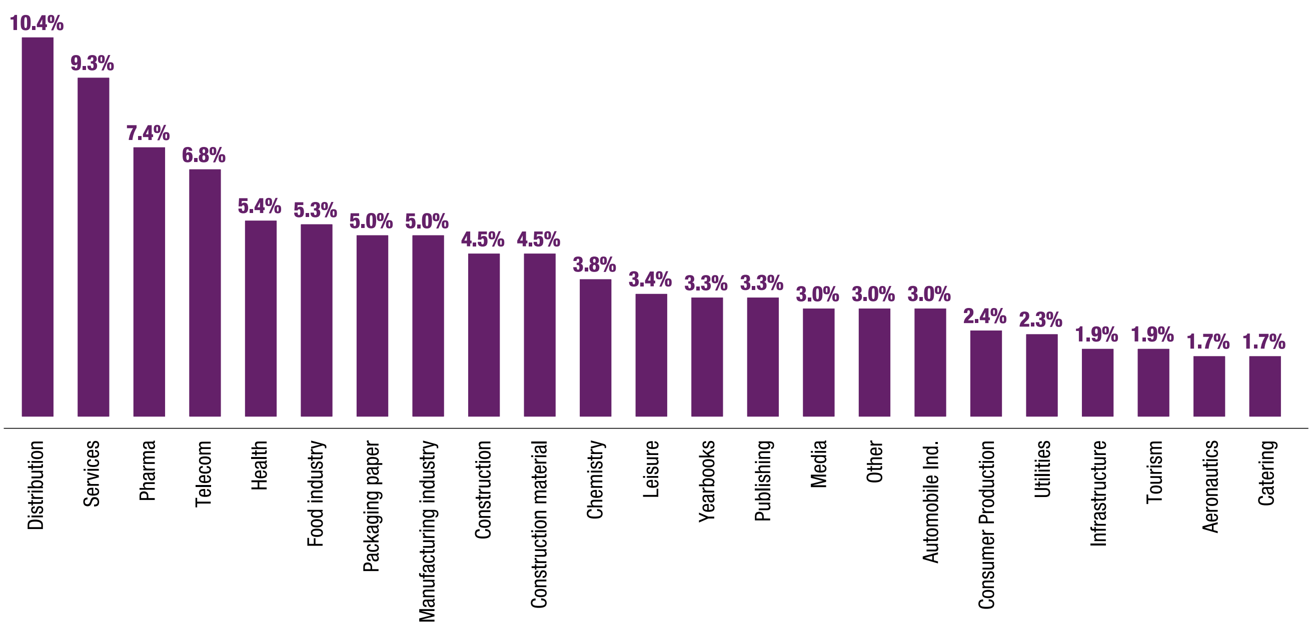
LBO FINANCING

in millions of euros	Q1-09	Q2-09
Final shares (booked)	**5,605**	**5,381**
Number of files	*340*	*333*
Shares for sale (booked)	**346**	**272**
Number of files	*64*	*55*
TOTAL	**5,951**	**5,653**

BREAKDOWN BY REGION



BREAKDOWN BY SECTOR



Excluding Natixis

CDOS

Collateralized Debt Obligations (CDOs) and exposure to monolines and other providers of credit enhancements

Unhedged ABS CDOs exposed to the US housing market: The Banque Populaire banks do not have any exposure to ABS CDOs exposed to the US housing market.

Exposure to other CDOs (not exposed to the US housing market)

Residual exposure: €451 million, breaking down as follows: 59.2% in Corporate Investment Grade and 38.8% in CLOs.

CDO exposures: *in millions of euros*	**Number of positions**	**Gross exposure as of 06/30/2009**	**Net exposure as of 06/30/2009**	**Net exposure as of 06/30/2009**	**Net exposure as of 12/31/2008**
Leveraged loans	31	310.8	175.1	38.80 %	122
HY Corporate Bonds	2	0.4	0.4	0.09 %	16.6
IG Corporate Bonds	56	329.3	267.2	59.20 %	287.5
CDO-squared – Mezzanine tranches – Non-US RMBSs	4	8.6	8.6	1.91 %	11.2
SME Loans	0	0.0	0.0	0.00 %	0
TOTAL BANQUES POPULAIRES	**91**	**649.1**	**451.3**	**100%**	**437.2**

CDO underlying instruments are concentrated in Corporate Investment Grade (59.2%) and leveraged loans (38.8%). Global outstandings were stable (+3%) compared with 12/31/2008.

PROTECTION PURCHASED FROM COUNTERPARTIES TO HEDGE CDO EXPOSURES

RESIDUAL EXPOSURE TO COUNTERPARTY RISK FOR MONOLINE INSURERS

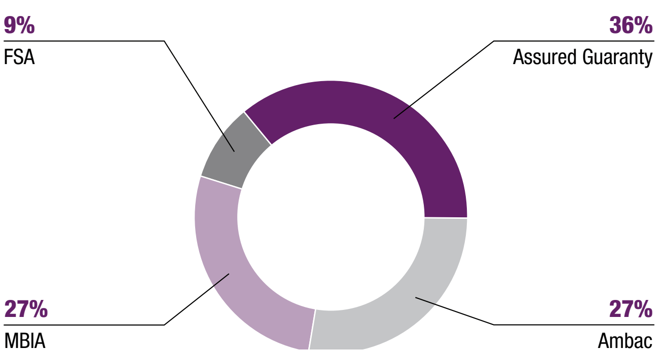
	06/30/2009	**12/31/2008**
in millions of euros	**Gross notional amount of protection purchased**	**Gross notional amount of protection purchased**
Protection for other CDOs		
purchased from monolines	50	50
purchased from CDPCs(1)	-	-
purchased from other counterparties(2)	-	-
TOTAL PROTECTION PURCHASED FOR HEDGED CDOS	**50**	**50**

(1) Credit Derivative Product Companies.
(2) Counterparty risk with respect to two protection providers (European banks) is hedged by the margin calls paid to the CNCE.

The group has only one CDO exposed to counterparty risk for monoline insurers.

Global exposure to counterparty risk for monoline insurers was flat from 12/31/2008 to 06/30/2009.

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY

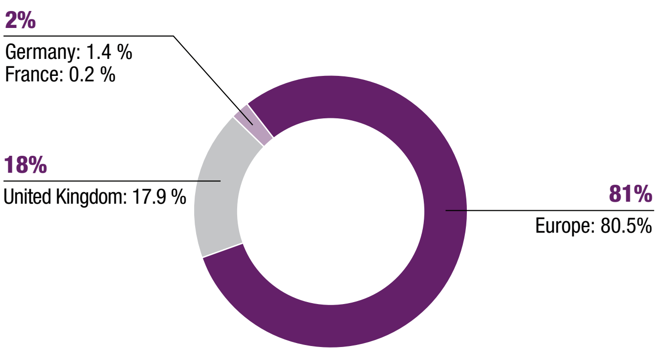


Following the default of Syncora Guarantee (formerly XL Capital) on 05/05/2009, the breakdown of exposure for monolines was modified.

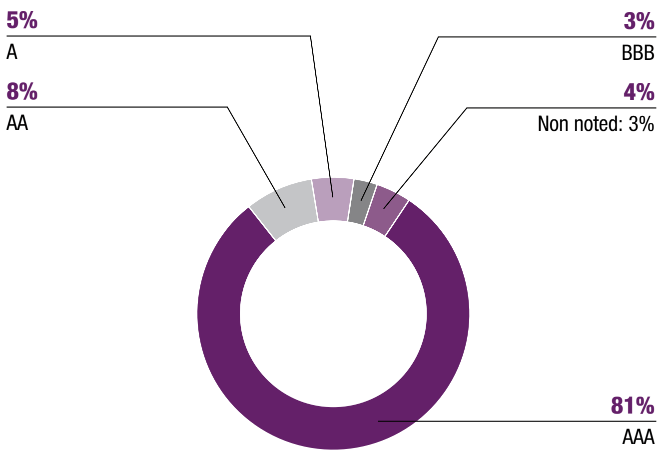
EXPOSURES TO COMMERCIAL MORTGAGE-BACKED SECURITIES (CMBS)

	Unhedged CMBSs			
in millions of euros	Number of positions	Gross exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 12/31/2008
TOTAL	**15**	**123**	**123**	**146**

BREAKDOWN OF NET EXPOSURE BY REGION AS OF 06/30/2009



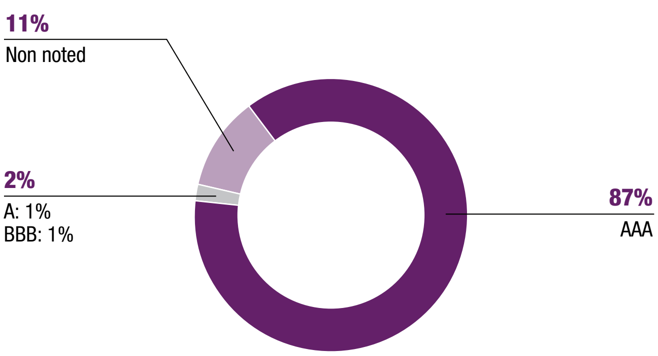
BREAKDOWN OF NET EXPOSURE BY RATING AS OF 06/30/2009



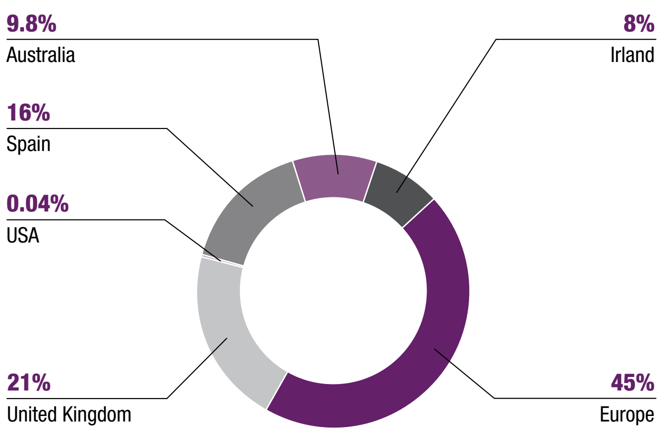
EXPOSURE TO RMBSS *(RESIDENTIAL MORTGAGE-BACKED SECURITIES)*

in millions of euros	Number of positions	Gross exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 12/31/2008
TOTAL	**121**	**1,023**	**1,023**	**1,033**

EXPOSURE TO RMBSS BY RATING AS OF JUNE 30, 2009



BREAKDOWN OF RMBSS BY REGION AS OF JUNE 30, 2009



ABCP CONDUITS

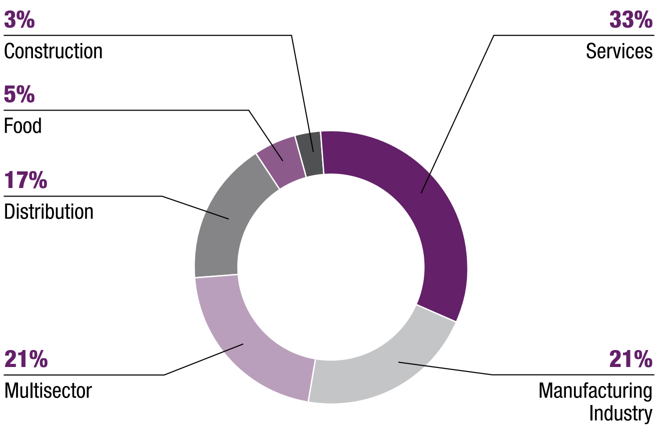
The liquidity lines approved for conduits sponsored by third parties amount to €39.2 million for French conduits (ABCP conduits).

LBOS

in millions of euros	06/30/2009	12/31/2008
Final shares		
Commitments	1,356	1,240
Shares for sale		
Commitments	0	0
TOTAL	**1,356**	**1,240**

The number of files as of 06/30/2009 was 641, that is, an average commitment of €2.1 million.

BREAKDOWN BY SECTOR



MAIN RISKS AND UNCERTAINTIES FOR THE NEXT SIX MONTHS

This half-yearly financial report is based on certain assumptions and forecasts that by their nature may not turn out to be accurate. The main risks and uncertainties presented below may have a negative effect on activities, the financial condition, or the results of Banques Populaire Participations, particularly over the remaining six months of the fiscal year.

It should be noted that as of July 31, 2009, Caisse Nationale des Caisses d'Epargne and Prévoyance ("CNCE", now renamed Caisse d'Epargne Participations) and Banque Fédérale des Banques Populaires ("BFBP" now renamed Banque Populaire Participations) contributed to BPCE their assets and liabilities related to their functions as the central institutions of their respective groups (including their cash management and refinancing functions as part of their mission as central institution in order to ensure liquidity) as well as their stakes in the capital of a number of companies (including Natixis and the subsidiaries related to their functions as central institutions).

These partial asset contributions, subject to the legal regime for spinoffs, were approved by the combined General Meetings of CNCE, BFBP and BPCE held on July 31, 2009, and they were realized as of that date.

BPCE is now the new central institution of the network of Caisses d'Epargne and of the Banques Populaires network, as well as of the other entities affiliated with it pursuant to the provisions of the French Monetary and Financial Code, including Natixis.

BFBP, renamed Banque Populaire Participations, therefore no longer functions as the central institution of the Banques Populaires network and it has contributed to BPCE its stakes in the capital of a large number of companies, including Natixis and its former subsidiaries related to its function as a central institution.

As a result, the main risks and uncertainties to which Banque Populaire Participations may be exposed over the remaining six months of fiscal year 2009 are those identified on pages 162 to 169, 185 to 218 and 361 to 409 of Groupe Banque Populaire's 2008 Registration Document filed with the French Financial Markets Authority on April 27, 2009 with respect to the shares not contributed to BPCE.

In addition, the Groupe Banque Populaire, as described in the 2008 Registration Document, is now consolidated with the Groupe BPCE. In this regard, the risk factors directly related to BPCE and to the Groupe BPCE will be described in detail in the Groupe BPCE Registration Document which is currently being drafted.

Certain other risks and uncertainties not yet identified or considered non-material may also have negative effects, particularly during the remaining six months of the fiscal year.

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2009

Consolidated balance sheet

Consolidated balance sheet – Assets

in millions of euros	*Notes*	06/30/2009	12/31/2008
Cash and amounts due from central banks		3,391	4,716
Assets at fair value through profit and loss	*5.1.2*	107,375	120,227
Hedging derivatives		1,456	809
Available-for-sale financial assets	*5.2*	22,260	21,333
Loans and advances to banks	*5.4.3*	43,219	44,075
Loans and receivables due from customers	*5.4.4*	182,187	182,205
Revaluation differences on portfolios hedged against interest rate risk		49	29
Held-to-maturity financial assets		2,562	2,248
Current tax assets		193	447
Deferred tax assets		1,777	1,543
Accruals, prepayments and sundry assets		16,202	15,320
Non-current assets held for sale		153	-
Deferred policy holders' participation		367	331
Investments in affiliates consolidated by the equity method	*5.7*	2,233	2,188
Investment real estate		528	579
Property, plant and equipment		2,082	2,059
Intangible fixed assets		1,085	1,085
Goodwill	*5.8*	3,823	4,395
TOTAL ASSETS		**390,942**	**403,589**

Consolidated balance sheet – Liabilities

in millions of euros	*Notes*	06/30/2009	12/31/2008
Amounts due to central banks		331	299
Financial liabilities at fair value through profit or loss	*5.1.3*	92,155	106,720
Hedging derivatives		966	848
Amounts due to credit institutions		66,767	66,539
Amounts due to customers	*5.5*	125,757	126,588
Debt securities	*5.10*	41,474	42,808
Revaluation differences on portfolios hedged against interest rate risk		88	153
Current tax liabilities		342	302
Deferred tax liabilities		354	490
Accrued expenses and sundry liabilities		16,142	13,835
Liabilities associated with assets held for sale		-	-
Technical reserves of insurance companies		16,604	15,753
Provisions	*5.9.2*	1,971	1,893
Subordinated debt	*5.11*	7,347	7,182
Equity attributable to equity holders of the parent		20,151	19,657
- Share capital and reserves		15,285	13,232
- Retained earnings		6,366	7,422
- Gains and losses booked directly to equity		(514)	(529)
- Net income		(986)	(468)
Minority interests		493	522
TOTAL LIABILITIES AND EQUITY		**390,942**	**403,589**

Consolidated income statement

in millions of euros	*Notes*	06/30/2009	06/30/2008
Interest and similar income	*6.1*	6,182	7,086
Interest and similar expenses	*6.1*	(3,829)	(5,241)
Commission and fee income	*6.2*	1,977	1,951
Commission and fee expense	*6.2*	(567)	(410)
Net gains or losses on financial instruments at fair value through profit and loss	*6.3*	(357)	(445)
Net gain or loss on available-for-sale financial assets	*6.4*	(175)	73
Income from other activities	*6.5*	1,960	1,876
Expense on other activities	*6.5*	(1,646)	(1,335)
Net banking income		**3,544**	**3,555**
Operating expenses	*6.6*	(2,970)	(2,908)
Depreciation, amortization and impairment of property, plant & equipment and intangible assets		(197)	(170)
Gross operating income (loss)		**377**	**477**
Cost of risk	*6.7*	(1,158)	(329)
Net operating income		**(781)**	**148**
Share of income from affiliates consolidated by the equity method	*6.8*	66	76
Net gain or loss on other assets		8	36
Goodwill impairment	*6.9*	(395)	19
Income (loss) before taxes		**(1,102)**	**279**
Income tax	*6.10*	128	(153)
Net income		**(974)**	**126**
Net income attributable to equity holders of the parent		(986)	94
Minority interests		12	32

Statement of net income and gains and losses booked directly to equity

	06/30/2009	06/30/2008
UNREALIZED AND DEFERRED GAINS AND LOSSES AND NET INCOME (LOSS)		
Translation differences	21	(49)
Marking to market available-for-sale financial assets	165	(386)
Marking to market hedging derivatives	(196)	74
Unrealized and deferred gains and losses of entities accounted for by the equity method	(6)	(37)
Taxes	18	86
Other	(2)	(3)
TOTAL UNREALIZED AND DEFERRED GAINS AND LOSSES AND NET INCOME (LOSS)	**16**	**(314)**
NET INCOME (LOSS)	**(974)**	**126**
Net income (loss) and gains and losses booked directly to equity	**(958)**	**(188)**
Attributable to equity holders of the parent	*(970)*	*(181)*
Attributable to minority interests	*12*	*(7)*

Statement of changes in shareholders' equity from January 1, 2007 to June 30, 2009

	Share capital and related reserves		
in millions of euros	Share capital	Reserves related to share capital	Eliminations of treasury stock
Consolidated equity as of January 1, 2007 – IFRS standards	**4,205**	**7,771**	**0**
Total movements arising from relations with shareholders			
Capital increase	109	(20)	
Transactions resulting from share-based payment plans(1)			
Dividends paid			
Unrealized gains and losses for the period			
Impact of the change in fair value of the financial instruments			
Impact of the change in currency parities			
Impact of acquisitions and disposals on minority interests			
Other changes in scope(2)			
Income (loss) as of December 31, 2007			
Other changes			
Consolidated equity as of December 31, 2007 – IFRS standards	**4,314**	**7,751**	**0**
Appropriation of 2007 net income		117	
Consolidated equity as of January 1, 2008 – IFRS standards	**4,314**	**7,868**	**0**
Total movements arising from relations with shareholders			
Capital increase	123	(28)	
Issuance of super-subordinated notes in favor of the SPPE(3)		950	
Transactions resulting from share-based payment plans(1)		5	
Dividends paid			
Unrealized gains and losses for the period			
Impact of the change in fair value of the financial instruments			
Impact of the change in currency parities			
Impact of acquisitions and disposals on minority interests			
Other changes in scope(4)			
Income (loss) as of December 31, 2008			
Other changes			
Other			
Consolidated equity as of December 31, 2008 – IFRS standards	**4,436**	**8,796**	**0**
Appropriation of 2008 net income		637	
Consolidated equity as of January 1, 2009 – IFRS standards	**4,436**	**9,433**	**0**
Total movements arising from relations with shareholders			

	Unrealized capital gains and losses							
			Change in fair value of financial instruments net of deferred taxes					
Retained earnings	Related to translation differences	Related to restatement	Available-for-sale financial assets	Hedging derivatives	Net income, group share	Equity attributable to equity holders of parent	Minority interests	Total equity
6,782	**96**	**0**	**670**	**84**	**0**	**19,610**	**467**	**20,077**
						89		89
8						8		8
(113)						(113)	(34)	(146)
			(156)	(9)		(166)	(2)	(167)
	(109)					(109)	(10)	(119)
						0	11	11
					1,055	**1,055**	**64**	**1,119**
						0		**0**
6,678	**(13)**		**514**	**74**	**1,055**	**20,374**	**497**	**20,870**
938					(1,055)	0		
7,616	**(13)**	**0**	**514**	**74**	**0**	**20,374**	**497**	**20,870**
						95		95
						950		950
						5		5
(176)						(176)	(60)	(236)
			(818)	(302)		(1,120)	(3)	(1,123)
	(2)					(2)	1	(1)
						0	47	47
					(468)	**(468)**	**41**	**(427)**
						0		**0**
(18)			18			0		0
7,422	**(15)**		**(286)**	**(227)**	**(468)**	**19,658**	**522**	**20,180**
(1,105)					468	0		
6,317	**(15)**	**0**	**(286)**	**(227)**	**0**	**19,658**	**522**	**20,180**

in millions of euros	Share capital and related reserves: Share capital	Reserves related to share capital	Eliminations of treasury stock
Capital increase	412	2	
Issuance of super-subordinated notes in favor of the SPPE(3)		1,000	
Interest paid to the SPPE(3)			
Transactions resulting from share-based payment plans			
Dividends paid			
Shareholder advance(5)			
Unrealized gains and losses for the period			
Impact of the change in fair value of the financial instruments			
Impact of the change in currency parities			
Impact of acquisitions and disposals on minority interests			
Other changes in scope			
Income (loss) as of June 30, 2009			
Other changes			
Other			
Consolidated equity as of June 30, 2009 – IFRS standards	**4,849**	**10,436**	**0**

(1) Transactions resulting from share-based payment plans.
IFRS 2 treats employee stock option as a compensation cost and therefore requires recognition of the value of the options attributed in consideration for services rendered under expenses. The impact on reserves, to offset losses was €5 million in 2008 (€4 million of that attributable to the Group), €8 million in 2007 (€5 million attributable to the Group) and €5 million in 2006 (€3 million attributable to the Group).

(2) Impact of acquisitions and disposals on minority interests in fiscal year 2007:
The increase in minority interests (€11 million) is explained primarily by the minority interests in BCI Mer Rouge (+ €8.5 million), a BRED subsidiary acquired in July 2007. The other changes are immaterial.

(3) Issuance of super-subordinated notes:
On December 11, 2008 and June 26, 2009, Banque Fédérale des Banques Populaires issued €950 million and €1,000 million, respectively, worth of super-subordinated notes subscribed by the SPPE (the French government's equity investment company). Pursuant to IAS 32 and due to the discretionary nature of the compensation and the perpetuity of the issue it was classified as equity (reserves related to share capital) and these interest paid on these notes (€42 million) were treated like dividend distributions.

(4) Impact of acquisitions and disposals on minority interests in fiscal year 2008:
The increase in minority interests (€47 million) primarily involves BP Développement (+€45 million).

(5) Shareholder advance:
In June 2009, Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques each granted to Natixis a shareholder advance in the amount of €750 million. Pursuant to IAS 32, this advance is treated as an equity instrument, since the advance granted by Banque Fédérale des Banques Populaires was eliminated in consolidation, the share of the advance paid by Caisse Nationale des Caisses d'Epargne attributable to the Group, €269 million, reflects proportional consolidation of 35.92% and is retained on the books as Group equity.

	Unrealized capital gains and losses							
			Change in fair value of financial instruments net of deferred taxes					
Retained earnings	**Related to translation differences**	**Related to restatement**	**Available-for-sale financial assets**	**Hedging derivatives**	**Net income, group share**	**Equity attributable to equity holders of parent**	**Minority interests**	**Total equity**
						414		414
(42)						(42)		(42)
						0		0
(174)						(174)	(36)	(210)
269						269		269
						0		**0**
			137	(140)		(3)	(1)	(4)
	19					19	2	21
						0	(7)	(7)
					(986)	**(986)**	**12**	**(974)**
						0		**0**
(3)						(3)	1	(2)
6,366	**4**		**(149)**	**(367)**	**(986)**	**20,151**	**493**	**20,643**

Net cash-flow statement

in millions of euros	06/30/2009	06/30/2008
Income before taxes	(1,102)	279
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	189	172
+/- Impairment of goodwill and other non-current assets	720	(176)
+/- Net funding of other provisions (including technical reserves)	494	389
+/- Share of income of associates	(66)	(76)
+/- Net loss/(gain) on investing activities	726	70
+/- Net loss/(gain) on financing activities	0	0
+/- Other movements	153	(386)
= Total non-monetary items included in net income/loss before tax and other adjustments	**2,216**	**(7)**
+/- Net increase or decrease arising from transactions with banks	(1,271)	1,802
+/- Net increase or decrease arising from transactions with customers	(997)	(8,732)
+/- Net increase or decrease arising from other transactions involving financial assets and liabilities	(4,585)	4,980
+/- Net increase or decrease arising from other transactions involving non-financial assets and liabilities	1,591	2,075
- Taxes paid	155	(125)
= Net decrease/(increase) in assets and liabilities resulting from operating activities	**(5,106)**	**0**
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	**(3,992)**	**272**
+/- Net increase or decrease related to financial assets and equity investments	(3,302)	(2,544)
+/- Net increase or decrease related to investment property	31	(2)
+/- Net increase or decrease related to property, plant and equipment and intangible assets	(243)	(313)
NET CASH FLOWS ARISING FROM INVESTMENT ACTIVITIES (B)	**(3,514)**	**(2,858)**
+/- Net increase or decrease arising from transactions with shareholders	162	(151)
+/- Other increases or decreases in net cash generated by financing activities	2,916	4,010
NET CASH FLOWS COMING FROM FINANCING ACTIVITIES (C)	**3,078**	**3,859**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**(49)**	**(52)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B+ C + D)	**(4,477)**	**1,221**
Net cash provided by (used in) operating activities (A)	(3,992)	272
Net cash provided by (used in) investing activities (B)	(3,514)	(2,858)
Net cash provided by (used in) financing activities (C)	3,078	3,859
Effect of exchange rate changes on cash and cash equivalents (D)	(49)	(52)
Cash and cash equivalents at opening	**9,146**	**1,377**
Cash and balances with central banks and post offices (assets & liabilities)	4,416	3,358
Interbank balances	4,730	(1,980)
Cash and cash equivalents as of the balance sheet date	**4,669**	**2,598**
Cash and balances with central banks and post offices (assets & liabilities)	3,060	6,525
Interbank balances	1,609	(3,927)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,477)**	**1,221**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Key events of the half-year

COMBINATION BETWEEN GROUPE CAISSE D'EPARGNE AND GROUPE BANQUE POPULAIRE

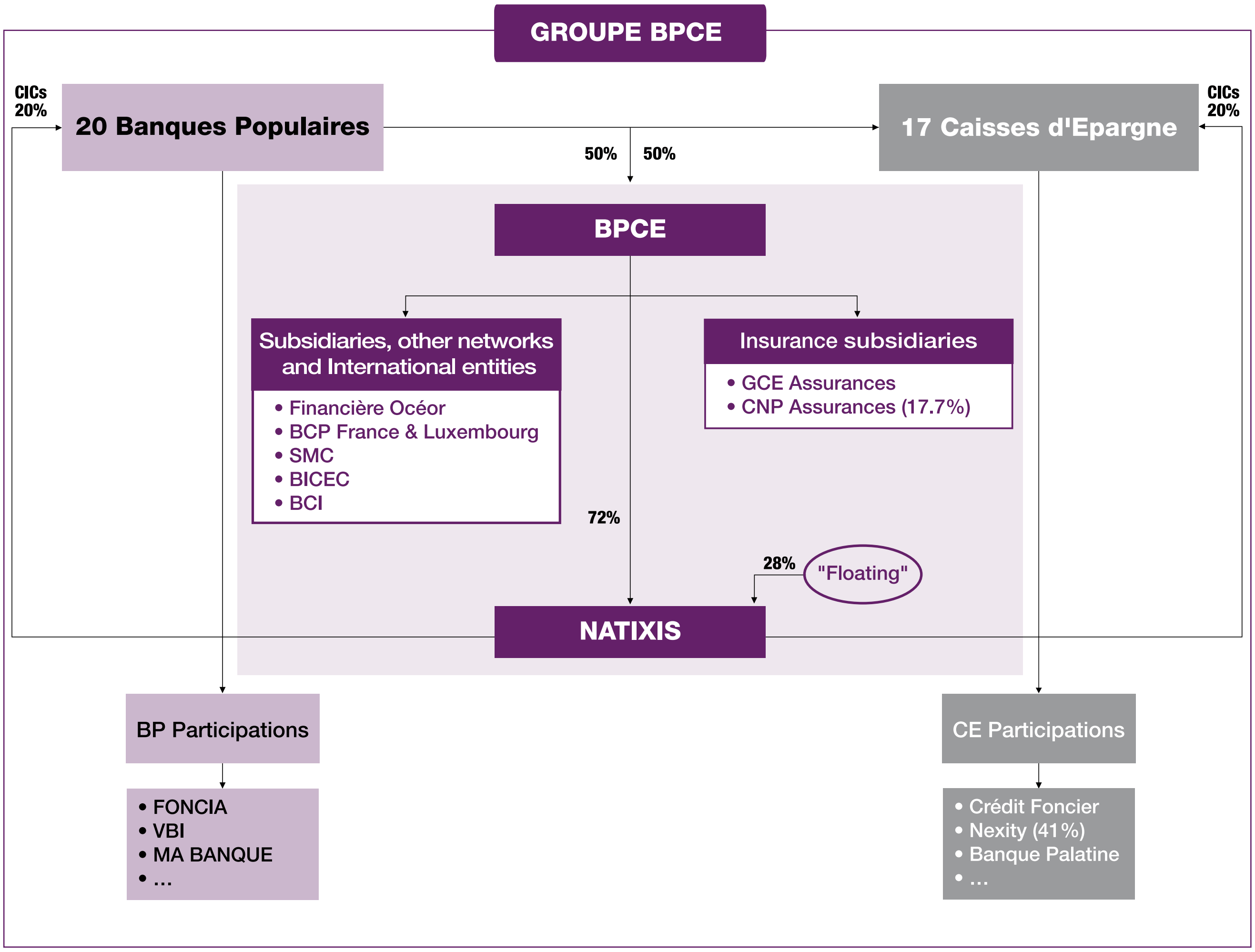
On 31 July 2009, the Annual General Meetings of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne ratified the formation of BPCE, the new central body of the Banques Populaires and the Caisses d'Epargne, that was born as a result of the merger between the BFBP and the CNCE.

The establishment of BPCE was the result of the merger project initiated in October 2008 by the Groupe Banque Populaire and the Groupe Caisse d'Epargne. The main stages of the project were as follows:

- approval by BFBP's Board of Directors and the CNCE's Supervisory Board of the merger principles regarding the two central institutions at their meetings held respectively on February 24 and 26, 2009:
  - the new group is supported by two complementary autonomous networks and two distinct brands,
  - retail banking business is the focus of the new group,
  - this merger project is based on the creation of a new entity to serve as the central institution for both the Banques Populaires and Caisses d'Epargne networks, held equally between the two groups,
  - the French government supports the establishment of the new group by proposing an equity contribution under its policy of supporting major French banking groups,
  - the merger facilitates the combining of Natixis' ownership structure, whose governance will be simplified;
- approval by BFBP's Board of Directors and the CNCE's Supervisory Board of the signing of the negotiation agreement at their meeting held March 16, 2009.

  The negotiation agreement, signed in the presence of the French government, also sets forth the conditions of the government's equity contribution to BPCE;
- adoption by the French Assembly and the Senate of Law No. 2009-715 of June 18, 2009. This law confers upon BPCE the status of central institution of the Banques Populaires, Caisses d'Epargne and affiliated entities and defines its missions and powers;
- the Competition Authority's authorization of the transaction on June 22, 2009;
- approval by the CECEI (French Credit Institutions and Investment Companies Committee) granted to the new central institution, BPCE, on June 23, 2009;
- validation by BFBP's Board of Directors and the CNCE's Supervisory Board of all the founding principles of BPCE on June 24, 2009.

Since August 3, 2009, BPCE has been held in equal shares by the 20 Banques Populaires and the 17 Caisses d'Epargne after the contribution of the activities of their central institutions and BFBP's and CNCE's main assets.



The new central institution primarily holds the retail banking subsidiaries of the two groups and their production entities (Natixis, Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect stake in CNP Assurances).

The real estate subsidiaries of the two Groups (Crédit Foncier, Nexity, FONCIA, MeilleurTaux) as well as the other affiliates (Banca Carige, Banque Palatine, MA BANQUE) were retained by BFBP (renamed Banques Populaires Participations) and CNCE (renamed Caisses d'Epargne Participations).

Beginning on July 31, 2009, the French government's equity contribution to BPCE was implemented by the SPPE (the French government's equity investment company) subscribing super-subordinated notes issued by CNCE and BFBP in 4th quarter 2008 (€2.05 billion) and the end of 2nd quarter 2009 (€2 billion) and the contribution to BPCE of preference shares with no voting rights issued by BPCE on July 31, 2009 (€3 billion).

This contribution by the government enables the new group to benefit from a robust and durable capital structure.

- BPCE has an option to buy back the preference shares at any time after the first anniversary of their issuance.
- After a period of five years, the equity warrants issued by BPCE and subscribed by the SPPE at the same time as the preference shares will enable the French government to hold up to 20% of BPCE's common stock if it so wishes and if BPCE has not redeemed the preference shares prior to that time.

Note 2 Accounting standards applied

Groupe Banque Populaire's consolidated half-yearly financial statements as of June 30, 2009 comprise a set of summary financial statements prepared and presented in conformity with the provisions of IAS 34 "Interim Financial Reporting". These summary statements should be read together with the consolidated financial statements for the fiscal year ended December 31, 2008 and published in the 2008 Registration Document filed with the French Financial Markets Authority (AMF) on April 27, 2009.

They include the balance sheet, income statement, statement of net gains and losses booked directly to equity, statement of changes in shareholders' equity, cash flow statement and a selection of accompanying notes.

The accounting principles and methods applied in preparing the half-yearly consolidated accounting information are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2008 prepared in conformity with IFRS as adopted in the European Union and described in note 1 "Accounting Standards Applied" to the financial statements for fiscal year 2008 (appearing in Chapter 8 "Financial Report" of the 2008 Registration Document), except for the following standards, amendments and interpretations adopted in the European Union and first applicable in 2009:

- IFRS 8, "Operating Segments", adopted by the European Commission on November 21, 2007. It replaces IAS 14 "Segment Reporting" and modifies the presentation of segment information, favoring a managerial approach to defining business segments. The first application of IFRS 8 did not imply any modification to the segment information presented by the Group;
- revised IAS 1 "Presentation of Financial Statements" adopted by the European Commission on December 17, 2008. This standard replaces the current IAS 1 and is intended to make it easier for users to analyze and compare information provided in the financial statements. It applies exclusively to aspects of presentation and content of the financial statements. The application of the revised IAS 1 to Groupe Banque Populaire's half-yearly financial statements as of June 30, 2009 resulted in the introduction of a new summary statement presented after the income statement: The "statement of net income and gains and losses booked directly to equity". This new statement presents net income (loss) and adds the unrealized gains and losses booked directly to equity as well as the marking to market of assets available for sale and the marking to market of hedging instruments. The presentation used by the Groupe Banque Populaire is in conformity with CNC (French Accounting Council) recommendation 2009-R-04 on the format of summary statements of financial institutions and investment companies under the IAS dated July 2, 2009;
- revised IAS 23 "Borrowing Costs" adopted by the European Commission on December 10, 2008. The revised version of IAS 23 eliminates the choice of the immediate recognition as an expense of borrowing costs directly relating to the acquisition, construction or production of qualifying assets. This amendment has not had an impact on Groupe Banque Populaire's financial statements;
- the amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation" adopted by the European Commission on January 21, 2009. This amendment required issuers to classify as equity certain instruments that despite being puttable have certain features of equity instruments. This amendment has not had an impact on Groupe Banque Populaire's financial statements;
- the amendment "Improvement to IFRS" adopted by the European Commission on January 23, 2009. This amendment is part of the annual procedure to improve the IFRS implemented by the IASB in order to amend one set of standards each year when the changes to be made are minor and not urgent. The standards amended under the annual procedure relate to presentation, accounting or assessment and are the following: IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 19 "Employee Benefits", IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", IAS 23 "Borrowing Costs", IAS 27 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries", IAS 28 "Accounting for Investments in Associates", IAS 29 "Financial Reporting in Hyperinflationary Economies", IAS 31 "Financial Reporting for Joint Ventures", IAS 36 "Impairment of Assets", IAS 38 "Intangible Assets", IAS 39 "Financial Instruments: Recognition and Measurement", IAS 40 "Investment Property", IAS 41 "Agriculture" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". +Except for the amendment to IFRS 5, which is applicable to fiscal years beginning as from July 1, 2009, these amendments apply to fiscal years beginning as from January 1, 2009. These amendments have not had an impact on Groupe Banque Populaire's financial statements.

Other standards were amended in order to take into account changes in terminology or wording. These amendments by their nature have no effect on accounting and therefore have no impact on Groupe Banque Populaire's financial statements.

- The amendment to IFRS 1 and IAS 27 entitled "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" adopted by the European Commission on January 23, 2009. This amendment pertains to entities using IFRS to prepare their individual financial statements and therefore has no impact on Groupe Banque Populaire's consolidated financial statements.
- IFRIC 11 "Group and Treasury Share Transactions" adopted by the European Union on June 1, 2007 and applicable for fiscal years beginning as from January 1, 2008. This interpretation focuses on two points regarding the application of IFRS 2. It clarifies the accounting treatment of equity-settled transactions:
  - for which the entity chooses or is required to buy its own treasury shares from another party to in order to satisfy obligations arising from awards or payments by the entity itself or by its shareholders;
  - which concern several entities within a given group (parent company or other entity within the same group) in the individual or separate financial statements for each entity of the group that receives the services from beneficiaries of the plan.

This interpretation has not had an impact on Groupe Banque Populaire's financial statements.

- IFRIC 13 "Customer Loyalty Programs" adopted by the European Commission on December 16, 2008 focuses customer loyalty award credits. It is not applicable to Group activities and therefore has not had an impact on Groupe Banque Populaire's financial statements.
- IFRIC 14 "Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction" adopted by the European Commission on December 16, 2008. This interpretation applies to all post-employment defined benefits and other long-term employee defined benefits as set forth in IAS 19 "Employee Benefits". This interpretation clarifies the notion of availability of future economic benefits related to the overfunding of

a plan as well as minimum funding requirements. This interpretation has had no impact on the accounting for Groupe Banque Populaire employee benefits.

- IFRIC 15 "Agreements for the Construction of Real Estate" adopted by the European Commission on July 22, 2009. This interpretation is not applicable to Groupe Banque Populaire activities and therefore has not had an impact on the Group's financial statements.

Groupe Banque Populaire has not opted for early application:

- of the amended standards IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" adopted by the European Commission on June 3, 2009, with compulsory, prospective application beginning on January 1, 2010. These standards replace the current standards IFRS 3 and IAS 27. They modify the accounting treatment applicable to acquisitions and sales of businesses;
- of the interpretation of IFRIC 12 "Services Concession Arrangements" adopted by the European Commission on March 25, 2009, with compulsory application beginning on January 1, 2010. This interpretation clarifies how the operator is to account for public-private service concession arrangements. It does not apply to the Group's activities and therefore has had no impact on its financial statements;
- of the interpretation of IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", adopted by the European Commission on June 4, 2009 and applicable as from July 1, 2009. IFRIC 16 clarifies how the provisions of IAS 21 and IAS 39 are to be applied when an entity hedges the currency risk arising from its investments in overseas operations. This interpretation should not have a material impact on Groupe Banque Populaire's financial statements.

In order to establish the consolidated data as of June 30, 2009, Groupe Banque Populaire took into account the recommendation published by the AMF, the French Accounting Council, the French Banking Commission and the French Insurance Oversight Authority, on October 15, 2008 on the recognition of certain financial instruments at fair value. It introduced the use of judgment in determining the fair value of the financial instruments and recommended the following for the determination of fair value in inactive markets:

- using internal assumptions developed by the entity in the absence of pertinent market data;
- not taking into account:
  - broker quotes when they are not representative of transactions executed on the market,
  - transaction prices resulting from forced sales when the entity is in a position to determine the "forced nature",
  - evaluating the relevance of price models for transactions observed that do not necessarily constitute a determining component;
- using judgment to determine whether or not the market is active. The assessment of whether or not the market is active may be based on indicators including the following: A significant decline in trading volume and the level of activity on the market, considerable variation of available prices over time and among the various market participants and the fact that prices do not pertain to sufficiently recent transactions.

This recommendation led Groupe Banque Populaire not to systematically use models using data observable as of June 30, 2009 in order to take into account the illiquidity of the markets for certain classes of assets.

Note 3 Definition of the Groupe Banque Populaire

The Groupe Banque Populaire has a mutual group structure: the Banques Populaires, wholly owned by their member-stakeholders, control the capital of Banque Fédérale des Banques Populaires, which in turn is the central institution of the group and organizes the system guaranteeing the liquidity and capital adequacy of the Banque Populaire network.

Groupe Banque Populaire owns Natixis jointly with the Groupe Caisse d'Epargne. Natixis is the listed vehicle of the two Groups engaging in corporate, and investment banking and project financing activities.

The translation on consolidation of the Groupe Banque Populaire's capital origins is based on the determination of a consolidating entity that translates all the member-stakeholders linked by financial links of solidarity and common governance.

The analysis of control of the consolidating entity is in conformity with IAS27, which enables the Group to establish consolidated financial statements according to IFRS standards.

3.1 THE ROLE OF BANQUE FÉDÉRALE DES BANQUES POPULAIRES

Since its reincorporation as a joint stock company (*société anonyme*) pursuant to Article 27 of Law No. 2001-4200 of May 16, 2001, Banque Fédérale des Banques Populaires has fully and actively exercised the two key roles assigned to it:

Role of central institution of the Groupe Banque Populaire

In accordance with the 1947 Law on cooperative groups, and with Article 8 of the May 16, 2001 Law, the role of central institution is at the core of the Groupe Banque Populaire's organization. Banque Fédérale des Banques Populaires is responsible for:

- organizing the liquidity and capital adequacy of the network as a whole;
- defining the policy and future strategy of the Groupe Banque Populaire;

- negotiating national and international agreements on behalf of the network;
- and, more generally, exercising administrative, technical and financial control over the organization and management of the Banque Populaire banks and their direct or indirect subsidiaries in order to maintain a cohesive network and ensure its proper functioning and development.

In 2003, the role of central institution was extended to Crédit Maritime Mutuel pursuant to Article 93 of the Financial Security Law (Law No. 2003-706) of August 1, 2003.

Role of banking holding company and bank

Banque Fédérale des Banques Populaires is the holding company for its directly-owned subsidiaries. As a fully-fledged bank, Banque Fédérale des Banques Populaires centralizes the Banque Populaire banks' cash surpluses and ensures their refinancing. This function is substantially delegated to Natixis under a management agreement.

Role as core shareholder of Natixis

Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are bound by a shareholders' agreement. The two entities undertake to maintain their ownership interests in Natixis in equal proportions for a period of 10 years, renewable for successive periods of 5 years each. During this period, the two groups undertake not to enter into any concert arrangement regarding Natixis shares with third parties. The shareholders' agreement sets forth the principle of equal representation of the two shareholders on the Natixis' Supervisory Board and provides for a commitment to work together to further the exercise of the voting rights attached to their shares with respect to certain strategic decisions.

3.2 LIQUIDITY AND CAPITAL ADEQUACY – INTERNAL GUARANTEE MECHANISMS

The system ensuring the liquidity and capital adequacy of the Banque Populaire network has been organized under a general decision by Banque Fédérale des Banques Populaires taken in its capacity as central institution in accordance with Articles L. 511-30, L. 511-31 and L. 512-12 of the French Monetary and Financial Code to which the Bylaws of the Banque Populaire banks make explicit reference (Article 1).

The Banque Populaire network comprises the Banque Populaire banks, the exclusive mutual guarantee companies and Banque Fédérale des Banques Populaires.

The system works by pooling the capital of all banks in the network.

Banque Fédérale des Banques Populaires is able to put the system into effect by calling upon the Banque Populaire banks to contribute capital within the limits of their equity. As a last resort, Banque Fédérale des Banques Populaires will make its own capital available to meet the liquidity and capital adequacy requirements of the Banque Populaire banks.

Banque Fédérale des Banques Populaires also benefits from the guarantee system. The Banque Populaire banks are required to provide it with financial support, particularly to enable it, as required, to perform its obligations as the central institution for the banks that are affiliated to Banque Fédérale des Banques Populaires but that do not form part of the Banque Populaire network.

The capital pool is organized in two tiers. The first tier consists of the "federal solidarity fund" set aside by Banque Fédérale des Banques Populaires as a component of its fund for general banking risks. The second tier is the "regional solidarity fund" set aside by each Banque Populaire bank as a component of their funds for general banking risks. Each year, the Banque Populaire banks transfer to this regional fund an amount equal to 10% of their net income before transfers to the fund for general banking risks and tax, after deduction of tax on the amount of the transfer. Withdrawals from these funds by the Banque Populaire banks must be authorized by Banque Fédérale des Banques Populaires.

A collective agreement has also been signed, whereby each Banque Populaire bank guarantees the liquidity and capital adequacy of the mutual guarantee companies whose corporate purpose is limited to guaranteeing the activities of the Banque Populaire banks.

In the context of the affiliation of Crédit Maritime Mutuel, for which Banque Fédérale des Banques Populaires is the central institution, in accordance with Article L. 512-69 of the French Monetary and Financial Code, the Banque Populaire network's guarantee system also guarantees the liquidity and capital adequacy of Crédit Maritime Mutuel.

The members of the network also contribute, along with all French approved credit institutions, to the Fonds de Garantie des Dépôts (Deposit Guarantee Fund) set up in application of the Depositor Protection Law.

In the separate financial statements of each entity, the Federal Solidarity Fund and Regional Solidarity Funds are recognized by Banque Fédérale des Banques Populaires and the Banque Populaire banks respectively as a specific component of the Fund for General Banking Risks. Under IAS 30 and IAS 37, these funds do not meet the criteria for recognition as a liability and accordingly they were reclassified as equity on the consolidated financial statements as of January 1, 2004. Similarly, transfers in and out of the funds have been eliminated on the income statement.

In 2007, Caisse Nationale des Caisses d'Épargne and Banque Fédérale des Banques Populaires signed the agreement whereby Natixis was affiliated. The agreement, which was approved by the CECEI (French Credit Institutions and Investment Companies Committee) at its meeting of March 30, 2007, constitutes an extension to the creation of Natixis on November 17, 2006, in accordance with the commitments undertaken.

This dual affiliation is in accordance with Article L. 511.31 of the French Monetary and Financial Code. It enables Natixis to benefit from the respective guarantee and solidarity systems of the Groupe Banque Populaire and the Groupe Caisse d'Epargne. Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne will, as required by banking law and regulations, perform their roles as major shareholders of Natixis at the request of the French Banking Commission. They have jointly and irrevocably undertaken, even in the event of disagreement between them, to comply promptly with recommendations and instructions imparted by the Banking Commission to provide, on an equal basis, or jointly and severally if necessary, any funds that Natixis might require to comply with the provisions of banking law and regulations and its commitments to the banking authorities.

In the event that Banque Fédérale des Banques Populaires and/or Caisse Nationale des Caisses d'Epargne were required to provide Natixis with funds that would put them in the position of requiring financial support themselves, the guarantee and solidarity mechanisms internal to each of the Groupe Banque Populaire and the Groupe Caisse d'Epargne would be triggered pursuant to the provisions of Article L. 511-31 of the French Monetary and Financial Code.

3.3 DEFINITION OF THE CONSOLIDATING ENTITY

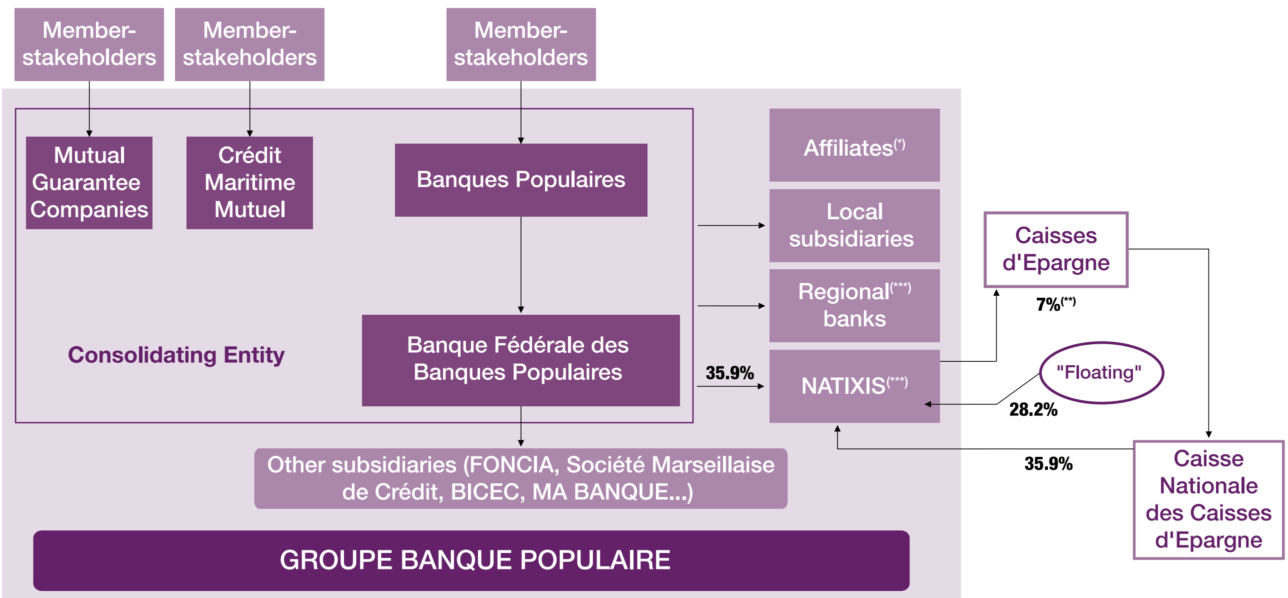
As a result of the original structure of the Group, the consolidating entity comprises all the banks directly or indirectly affiliated with the central institution. The Groupe Banque Populaire's consolidating entity comprises:

- the **Banques Populaires**, that is, 18 Banque Populaire regional banks, Casden Banque Populaire and Crédit Coopératif;
- the **Caisses du Crédit Maritime Mutuel**, affiliated with Banque Fédérale des Banques Populaires pursuant to the Financial Security Law (Law No. 2003-706) of August 1, 2003 and consolidated with the consolidating entity beginning in second half 2005;
- the **Sociétés de Caution Mutuelle (SCM)** collectively affiliated with the Banques Populaires to which they are linked;
- The **Central Institution of the Group**: the Banque Fédérale des Banques Populaires, the central institution of the Groupe Banque Populaire under French banking law.

Groupe Banque Populaire also comprises:

- the local subsidiaries held by the Banques Populaires, including the regional banks acquired on July 2, 2008 from HSBC France;
- the subsidiaries held by the central institution, the main ones being:
  - Natixis, which is consolidated in proportion to the Group's stake in it,
  - FONCIA, France's leading provider of residential real estate services,
  - Société Marseillaise de Crédit, acquired from HSBC France on July 2, 2008.

Finally, since first half 2004, Groupe Banque Populaire also includes the banks that entered into an association agreement with Crédit Coopératif; their results and share in equity are recognized under minority interests.



(*) Banks "associated" with Crédit Coopératif under an association agreement.

(**) Including the regional banks acquired on July 2, 2008 and linked to the Banques Populaires: Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy de Parseval, Banque Pelletier and Crédit Commercial du Sud-Ouest.

(***) The Caisses d'Epargne banks, in which Natixis holds a 20% stake through cooperative investment certificates, are consolidated according to the equity method to the extent of the Group's percentage holding, i.e. 7%.

Note 4 Changes in the scope of consolidation in first half 2009

The main changes in first half 2009 in the Group's three business segments were the following:

- in "Aggregated Banques Populaires", the reconveyance of the 49% stake held by BFBP in the regional banks to the Banques Populaires: Banque de Savoie, Banque Chaix, Banque Marze, Banque Pelletier, Crédit Commercial du Sud-Ouest, and Banque Dupuy de Parseval. This reconveyance had no impact on the Group's financial statements;
- in "Financial Services and Corporate Banking", a partial disposal of CACEIS, leading to its deconsolidation;
- in "Federal Activities and Other" the consolidation of a Congolese, Banque Commerciale Internationale.

Changes for the period are listed below by business sector, in line with the segment reporting presentation.

4.1 AGGREGATED BANQUES POPULAIRES

4.1.1 Reconveyance of the regional banks to the Banques Populaires

On June 24, 2009, Banque Fédérale des Banques Populaires reconveyed the 49% stake it held in six regional banks to the Banques Populaires to which they are linked:

- Banque de Savoie to Banque Populaire des Alpes;
- Banque Chaix to Banque Populaire Provençale et Corse;
- Banque Marze and Banque Dupuy de Parseval to Banque Populaire du Sud;
- Banque Pelletier and Crédit Commercial du Sud-Ouest to Banque Populaire du Sud-Ouest.

The regional banks were already wholly owned by the Groupe Banque Populaire so this transaction had no impact on the Group's consolidated financial statements.

4.1.2 Exit from the scope of consolidation and modification of the consolidation method

- PORTZAMPARC, a subsidiary of Banque Populaire Atlantique, change in the consolidation method, from fully consolidated to the equity method following the sale of shares.
- FCC CRISTALYS, a subsidiary of BRED, deconsolidation due to the securitization.

4.1.3 Restructurings

- Takeover of SCM BRED Habitat, a subsidiary of BRED, by merger of assets and liabilities, by BRED Banque Populaire.
- Takeover of IPAB, by merger of assets and liabilities, by Vialink, both subsidiaries of BRED Banque Populaire.
- Takeover of ACEF Occitane and SOCAMI Haute Garonne Habitat Fusion, by merger of assets and liabilities, by par the newly formed SOCAMI OCCITANE, all subsidiaries of Banque Populaire Occitane.

4.2 FINANCIAL SERVICES AND CORPORATE BANKING

4.2.1 Changes in stakes

The Group's stake in Natixis (excluding treasury shares) rose from 35.78% as of December 31, 2008 to 35.92% as of June 30, 2009, i.e.: a 0.14% increase. The increase was due primarily to purchases on the market.

	12/31/2008		Change		06/30/2009	
Number of Natixis shares	**Number**	**Stake**	**Purchase on the market**	**Other (exercise of options, purchase of treasury shares, etc.)**	**Number**	**Stake**
CNCE	1,035,930,730	35.78%	4,290,048		1,040,220,778	35.92%
BFBP	1,035,930,730	35.78%	4,290,048		1,040,220,778	35.92%
Treasury shares	*12,713,642*			*(505,410)*	*12,208,232*	
Other	823,562,591	28.44%	(8,580,096)	505,410	815,487,905	28.16%
TOTAL	**2,908,137,693**			(*)	**2,908,137,693**	
TOTAL EXCLUDING TREASURY SHARES	**2,895,424,051**	**100%**		**505,410**	**2,895,929,461**	**100%**

(*) Balance= exercise of options.

The increase in the stake over the period is reflected in an increase in net supplementary reserves attributable to the Group (badwill), which was immediately recognized in income on the line "Gains and losses on other assets" in the amount of €19 million.

4.2.2 Changes in scope by division

Unless otherwise stated, all impacts (in terms of stakes or amounts) are expressed in this section after taking into account the Group's 35.92% stake in Natixis and its subsidiaries.

4.2.2.1 Receivables management

- Creation of Coface Austria Bank, which is in the business of factoring.
- Creation of Natixis Factor Italie, a branch of Natixis Factor, which is in the business of factoring.
- Acquisition of Trust Kredit Beheer (TKB), wholly owned, generating goodwill in the amount of €5.21 million.
- Sale of Cerved outside the group, generating a capital gain in the amount of €7.54 million.
- Merger by absorption of Kompass Espagne (a branch of Kompass France) into Coface Servicios Espana.

4.2.2.2 Corporate and investment banking

- Creation of a special purpose vehicle, "Gamma", Fonds Commun de Titrisation (FCT), which is engaged in the securitization of a loan portfolio to issue BMTNs qualified for pledging to the ECB.
- Creation of a special purpose vehicle, "Sahara Euro", engaged in the securitization of a segregated portfolio of securitized instruments (ABSs, CLOs, RMBSs, etc) to issue senior and junior shares 100% subscribed by Natixis and the mezzanine shares subscribed by an outside investor.
- Natixis Real Estate obtained the ownership of the real property Summer Commons (a shopping center in Memphis) on March 3, 2009. This award followed the default by the borrower and was the result of a seizure procedure. A special purpose vehicle was created (Summer Commons LLC) to hold this real property.
- Creation of a special purpose vehicle subject to sub-consolidation under Natixis Capital Markets, "Ixis Municipal Products Inc. Saratoga Series 2004-4 Trust".
- 2.56% dilution of EDF Investissement Group following a capital increase fully subscribed outside the Group with no change in the consolidation method.
- Liquidation of Natixis Panama.
- Liquidation of Natixis Securization Corp.
- Liquidation of the special purpose vehicle LIME CDO Ltd (under the sub-consolidation Natixis Corporate Solutions).
- Merger of Natixis Capital Market Inc. into Natixis North America Inc.

4.2.2.3 Services

- Effect of 2% dilution of ABP Croissance Rendement.
- Sale of 12.57% of the Caceis group as of June 30, 2009.

4.2.2.4 Private equity and private banking

- Merger by absorption of Financière Natixis Singapour by Natixis Private Equity International Singapour in second quarter 2009.
- Merger by absorption of Banque Privée Saint Dominique by La Compagnie 1818 – Banquiers Privés.
- Merger by Fusion absorption of BPSD Gestion by La Compagnie 1818 – Gestion.

4.2.2.5 Asset management

- Creation of three special purpose vehicles: AEW Global Real Estate Securities Fund, Absolute Asia Dynamic Equities Fund, and Gateway Hedge US Equities Fund.
- Creation of AEW Partners VI, AEW Sénior Housing Investors Inc., Kennedy Financement Luxembourg, and Natixis Securities Investment Consulting Co.Ltd.

Deconsolidation of the following entities following their liquidation:

- Aew Investment Group, Inc.;
- Aew Management And Advisors LP;
- Loomis Sayles Alpha LLC;
- Natixis Oalmark Global Large Cap;
- Seaport Senior Housing, LLC.

4.2.2.6 Retail banking

The retail banking division of the Natixis subgroup comprises the Caisse d'Epargne banks, in which Natixis holds a 20% stake *via* its holding of Cooperative Investment Certificates. The Caisse d'Epargne banks are consolidated for by the equity method at the Group's proportionate share, i.e.: 7%:

4.3 FEDERAL ACTIVITIES AND OTHER

The only change in this business over the period involves Banque Commerciale Internationale, located in Congo, previously held by the Congo government, and 100% purchased by Banque Fédérale des Banques Populaires; its primarily engages in SME financing.

Exceeding the thresholds of materiality, with a contribution of €2 million to the Group's income, this subsidiary was consolidated as of January 1, 2009.

Note 5 Notes to the balance sheet

5.1 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Assets and liabilities at fair value break down into classified as trading assets and liabilities and assets and liabilities eligible for this option under IAS 39 standard.

These assets and liabilities are measured at fair value as of the balance sheet date, with changes in value, including interest, recognized in income under "net gains and losses on financial instruments at fair value through profit and loss".

No impairment is recognized on these assets since counterparty risk is reflected in their market value.

Securities held for trading:

Securities held for trading are those acquired by Natixis primarily for the purpose of selling them in the near term and those forming part of a portfolio of financial instruments that are managed as a whole for which there is a recent pattern of short-term profit-taking.

Pursuant to the amendments to IAS 39 and IFRS 7 "Reclassifications of Financial Assets" adopted by the European Union on October 15, 2008, a non-derivative financial asset classified as held for trading to be reclassified after acquisition:

- to "Loans and receivables", if there is a change in the intention of management associated with the ability to hold the asset for the foreseeable future or until maturity and if it satisfies the criteria for this category;
- to "Assets available for sale" or to "Financial assets held to maturity", if there is a change in intention and unusual circumstances, provided they satisfy the criteria for this category.

The asset is reclassified for the amount of its fair value as of the date of the reclassification that comprises its cost of entry into the new category and it is then measured according to the rules for this category.

Instruments recognized at market value through profit or loss – fair value option:

The amendment to IAS 39 standard "Financial Instruments: Recognition and Measurement" – fair value option of June 2005, adopted by the European Union on November 15, 2005 set forth the conditions for using the fair value option for financial assets and liabilities. This amendment allows the recognition of financial assets and liabilities at market value through profit and loss after initial recognition in the following cases:

- when the use of this option makes it possible to eliminate or substantially reduce a mismatch in the measurement and recognition of the assets and liabilities that would otherwise result in their classification in other categories;
- when the group of financial assets and/or liabilities is managed and measured based on their market value pursuant to a duly documented management and investment strategy;
- when the financial instruments comprise one or more embedded derivatives that would otherwise be recognized separately.

5.1.1- General provisions pertaining to fair value

The fair value of a financial asset or liability at fair value through profit and loss is the amount that can be obtained in an arm's length transaction between knowledgeable, willing parties.

Upon their initial recognition, fair value is generally the price paid or received. Upon subsequent measurement, this fair value must be determined. It is the quoted price if the instrument is listed on an active market. If the market is not active, it is the value resulting from measurement using observable data from recent transactions, discounted cash flow or option measurement models.

Values based on these models may be adjusted to reflect liquidity or counterparty risk and, for complex model risk products. For complex products sold, measurement based on observable market data permits recognition of the trading profit at the beginning of the transaction for the difference between the transaction price and the model value. If the parameters are not observable on the market, the fair value is the transaction price rather than the model value; the trading profit is then recognized in income over the life of the product.

5.1.1.1 Instruments quoted on an active market

These are listed securities and derivatives on organized markets, such as futures and options, which are in liquidity zones that can be demonstrated as such (active market). All transactions in which Natixis is involved on listed markets are included in this category.

A non-liquid market is characterized by:

- total absence of transactions over a minimum period;
- absence of market contributors;
- the existence of isolated, very low volume transactions or transactions at highly dispersed prices;
- sales similar to forced sales;
- a broad range of prices.

A forced sale should also be proven by:

- lower than usual transaction volume;
- absence of transactions over a short period;
- negative judgment about the market, based on the measurement technique.

The absence of liquidity for one financial instrument does not determine the liquidity for other instruments.

5.1.1.2 Over-the-counter instruments valued using recognized models and observable parameters

Standard instruments:

The majority of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and standard options are traded in an active market, i.e. a liquid market with regular trading.

Valuations are determined using generally accepted models (discounted future cash flows, Black and Scholes model, interpolation techniques) and on the basis of directly observable parameters.

For these instruments, the extent to which models are used and the observability of parameters have been documented.

Hybrid instruments:

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model and on the basis of market parameters derived from observable data such as yield curves, implied volatility levels of options and consensus data or data obtained from active over-the-counter markets.

For all of these instruments, the parameter has been demonstrated to be observable. In terms of methodology, the observability of parameters is based on four key criteria:

- the parameter is derived from external sources (*via* a recognized contributor if possible);
- the parameter is updated periodically;
- the parameter is representative of recent transactions;
- the features of the parameter are identical to those of the transaction. If necessary, a proxy may be used, subject to demonstration and documentation of its relevance.

The fair value of instruments obtained using valuation models is adjusted in order to take into account counterparty, model and parameter risks. The margin generated on trading these instruments is immediately recognized as income.

5.1.1.3 Over-the-counter instruments valued using unrecognized models or unobservable parameters

Under IAS 39, gains should be recognized after initial recognition only if they are generated by a change in a factor that would be taken into account by market participants in price setting, i.e.: only if the model and the parameters used to obtain the valuation are observable.

If the valuation model is not recognized by the market or the parameters used are not observable, the trading profit on the trade date cannot be recognized immediately on the income statement. It is recognized in income over the life of the transaction or on the date the parameters become observable. Any trading loss on the trade date is recognized immediately in income.

As of June 30, 2009, the scope of instruments for which the profit on the trade date was deferred essentially comprised:

- multi-underlying structured equity and index products;
- options on funds;
- hybrid interest rate and inflation-indexed products;
- fixed-rate derivatives;
- securitization swaps;
- structured credit products (CDSs, CDOs and FTDs);
- interest rate option products;
- plain vanilla equity and index-based option products;
- carbon-based derivatives.

The margin generated when these instruments are traded is deferred and taken to profit or loss over the life of the transaction or until the date the default parameter becomes observable.

5.1.2 Financial assets at fair value through profit or loss

in millions of euros	06/30/2009	12/31/2008
Securities held for trading	**38,802**	**34,221**
Securities	38,802	34,221
Fixed income	*33,333*	*28,023*
Variable income	*5,469*	*6,198*
Reverse repos	0	0
Loans and receivables related to trading activities	**862**	**1,122**
Non-hedge derivatives	**47,847**	**66,912**
Held for trading	47,847	66,912
Other	0	0
Securities designated at fair value	**18,220**	**17,514**
Securities	13,940	13,667
Fixed income	*9,787*	*9,088*
Variable income	*4,153*	*4,578*
Reverse repos	4,280	3,847
Loans and receivables designated at fair value	**1,645**	**459**
Banks	821	38
Customers	824	421
TOTAL	**107,375**	**120,227**

5.1.3 Financial liabilities at fair value through profit or loss

As of June 30, 2009, the Group's financial liabilities valued at fair value through profit or loss primarily comprised non-hedge derivatives and liabilities related to short sales of financial assets (securities).

The amendment to IAS 39 "Financial Instruments: Recognition and Measurement" – fair value option of June 2005, adopted by the European Union on November 15, 2005 set forth the option of recognizing liabilities at fair value through profit or loss. The Group opted for the application of this amendment beginning on January 1, 2005 retroactively and also to reclassify certain liabilities from "liabilities at fair value through profit or loss" when they were rate products indexed based on components of a different nature (shares for PEPs and structured BMTNs). These financial liabilities at fair value through profit and loss are identified separately on the balance sheet and measured at fair value on the reporting date. Changes in fair value (including issuer spread) are recognized in income for the period on the line "gains or losses on financial instruments at fair value through profit and loss" for Natixis.

in millions of euros	06/30/2009	12/31/2008
Securities at fair value held for trading	**9,737**	**11,003**
Securities	9,737	11,003
Fixed-income securities	*9,669*	*10,987*
Variable-income securities	*68*	*16*
Repos	0	0
Non-hedge derivatives	**47,419**	**66,324**
Securities designated as at fair value through profit and loss	**27,945**	**27,471**
Fixed-income securities	25,204	25,188
Repos	2,741	2,283
Other liabilities at fair value through profit or loss	**7,054**	**1,921**
Trading	747	496
Designated at fair value	6,307	1,424
TOTAL	**92 155**	**106 720**

5.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Financial assets available for sale (AFS) are a residual category comprising assets that do not satisfy the conditions for the other categories set forth in IAS 39. For the Group, this category primarily comprises either fixed-income or equity securities.

A financial asset classified as available for sale may be reclassified after acquisition:

- to "Financial assets held to maturity" provided it satisfies the criteria for this category;
- to "Loans and receivables", if it is no longer tradable on an active market and there is a change in the intention of management associated with the ability to hold the asset for the foreseeable future or until maturity and it satisfies the criteria for this category;

The asset is reclassified for the amount of its fair value as of the date of the reclassification that comprises its cost of entry into the new category and it is then measured according to the rules for this category. The recyclable reserve is recorded as of the date of reclassification and it is recycled to income over the residual life of the asset using the effective interest rate method or in its entirety in the event of impairment or sale of the instrument subsequent to reclassification.

Securities classified as available for sale are recognized on the balance sheet on the settlement/delivery date.

Securities classified as available for sale are recognized at fair value upon acquisition. No initial discount is initially recognized by the Group; the acquisition cost is deemed to be the market price. The determination of fair value for these assets is described in note 5.1.

The entry onto the balance sheet price corresponds to the acquisition price plus the transaction costs imputable to the acquisition of the securities (brokerage fees, commissions paid to brokerages, market taxes) plus interest accrued. Based on the immaterial impact of securities transaction, these expenses are recognized in expenses.

On subsequent balance sheet dates, they are measured at fair value through equity notwithstanding the recognition of interest and amortization of discounts/premiums for fixed-income securities recognized in income.

If equities, the entire change in fair value is recognized in equity.

For listed securities, the closing (bid) price is used. For unlisted securities, the price earnings ratio (PER) valuation or discounted cash flow (DCF) method is used.

When there is objective evidence that the asset is impaired and a decline in the fair value of a financial asset available for sale has already been recognized directly in equity, the cumulative loss that had been recognized directly in equity is removed from equity and recognized in income as a cost of risk under in the case of fixed-income instruments and in net banking income in the case of equities.

The detection of an objective indication of impairment results from a multi-criteria analysis which in the case of debt instruments in particular includes the opinion of an expert assessor.

Where the fair value of a financial asset available for sale increases during a subsequent period and this increase can be objectively linked to an event occurring after the impairment loss was charged to income:

- reversals of impairment losses on equity instruments are recognized in equity rather than on the income statement;
- reversals of impairment losses on debt instruments are recognized in income for up to the amount of the previously recorded impairment loss.

In accordance with IFRIC 10, impairment losses recorded against equity instruments with quarterly reporting dates (IFRS financial statement publication dates) are recognized in income and cannot be reversed until the securities are sold.

When an equity instrument is impaired, any additional loss is recognized in income. Reversals of impairment losses are recognized in equity.

Any unrealized capital loss on fixed-income securities is recognized in an account to fund provisions for impairment of securities (on the income statement line cost of risk) since this funding may be reversed in income (under cost of risk) in the event of subsequent appreciation of the security for up to the amount of the previously recorded impairment loss.

Securities available for sale interest-rate hedged by derivatives are valued at fair value through profit and loss for the risk hedged. There is no actuarial staggering of the premium or discount or recognition of interest on fixed-income securities because of the hedging.

in millions of euros	06/30/2009	12/31/2008
Loans outstanding	**4**	**22**
Loans and receivables	4	22
Accrued interest	0	0
Other	0	0
Securities	**23,004**	**22,234**
Fixed-income securities	16,492	15,609
Variable-income securities	6,167	6,278
Accrued interest	345	348
Total before impairment	**23,008**	**22,257**
Impairment	**(748)**	**(924)**
Loans and receivables	0	0
Fixed-income securities	(96)	(95)
Variable-income securities(1)	(652)	(828)
TOTAL	**22,260**	**21,333**

(1) In 2008, the impairment of equities included €440 million for impairment of CIFG securities (whose structure was deconsolidated in 2008).

5.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IAS 39 establishes an hierarchy for determining fair value:

- the best representation of fair value is the price quoted on an active market. A market is considered active if the prices are easily and regularly available from a stock market, broker, trader, appraisal service or a regulatory agency and these prices represent actual transactions regularly occurring in the market;
- failing this, fair value must be determined using measurement techniques. These techniques include the use of recent transactions, reference to the fair value of a substantially identical instrument, the updated cash flows method, share valuation models or any measurement technique commonly used by market participants.

The determination of the inactive of the market is a result of qualitative criteria based on the CNC recommendation of October 15, 2008 and the expert panel report dated October 31, 2008 calling for a judgment taking into account the following indicators:

- decline in the volume of transactions;
- widely varying prices available over time and among market participants;
- absence of recent transactions;
- existence of forced sales.

When a valuation model is applied, it must make maximum use of market data. In the case of certain structured products, which are often customized, the valuation model is sometimes updated based on parameters that are not observable in the market. For these instruments, profit or loss can only be established upon initial recognition. In this situation, any margin upon initial recognition must be deferred. This margin must be recognized over the life of the instrument.

The instruments for which the fair value is determined according to a measurement technique that is not supported by market data are those for which the initial margin has been deferred and those for which the initial margin has not been deferred only because of the absence of any impact of the non-observable criteria on the valuation.

The carrying value is deemed to be representative of the market value in the following cases:

- floating-rate assets and liabilities for which changes in interest rate do not have a material impact on fair value to the extent that rates are frequently marked to market;
- current financial assets and liabilities (with an initial duration of one year or less), for which interest rate risk sensitivity and credit risk sensitivity are immaterial for the period;
- liabilities repayable on demand;
- organized market transactions, particularly regulated savings products, whose prices are set by government authorities.

Fair value determined on the basis of quoted prices is the fair value obtained on the measurement date by direct reference to prices published on an active market to which the entity has access. When the fair value is determined using a measurement technique, it must be indicated whether the valuation is based on observable or non-observable data.

A certain number of products, in particular derivatives, are valued using valuation models. The valuations obtained may be deemed equivalent to market prices when they are based on observable parameters and on models recognized as market standards (i.e., the valuation techniques are widely used) for the financial instrument in question. When one of these two conditions is not met, the valuation obtained will be considered non-observable.

Pursuant to the standard, a parameter is defined as observable if it is non-proprietary: the data must originate from an easily accessible source external to the entity, for example, it is provided by data supply services or regularly available contributions based either on a consensus or market transactions (either observed or by way of listed prices constituting a commitment by the counterparty to trade). The analysis of the observable nature of parameters relies on each of these sources individually or on any combination thereof.

The measurement of derivatives traded on organized markets is established based on quotes, but over-the-counter derivatives such as swaps and options are measured using measurement techniques based on market data. Hybrid derivatives are measured based on internal models.

The fair value of securities traded on an inactive market is determined based on internal measurement techniques.

The table below presents the fair value of financial assets and liabilities recognized at fair value on the balance sheet as of June 30, 2009. This information is presented following the hierarchy set forth in IAS 39 for determining the fair value of an instrument.

	06/30/2009			
in millions of euros	Price listed on an active market	Measurement techniques using observable data	Measurement techniques using non-observable data	Carrying value
Assets				
Financial assets held for trading	20,472	65,428	1,611	87,511
Financial assets at fair value through profit and loss	2,364	16,792	709	19,864
Hedging derivatives (assets)	24	1,431	1	1,456
Available-for-sale financial assets	11,300	9,392	1,568	22,260
Liabilities				
Financial liabilities held for trading	871	55,879	1,156	57,906
Financial liabilities at fair value through profit and loss	0	34,248	1	34,249
Hedging derivatives (liabilities)	52	910	3	966

	12/31/2008			
in millions of euros	Price listed on an active market	Measurement techniques using observable data	Measurement techniques using non-observable data	Carrying value
Assets				
Financial assets held for trading	22,986	78,266	1,003	102,255
Financial assets at fair value through profit and loss	10,142	7,121	710	17,972
Hedging instruments (assets)	4	791	13	809
Available-for-sale financial assets	11,628	7,067	2,638	21,333
Liabilities				
Financial liabilities held for trading	11,028	66,081	716	77,824
Financial liabilities at fair value through profit and loss	10	28,880	5	28,896
Hedging derivatives (liabilities)	0	827	21	848

5.4 LOANS AND RECEIVABLES DUE FROM BANKS AND CUSTOMERS

5.4.1 General provisions

"Loans and receivables" are financial assets with fixed payments or payments that can be determined that are not listed on an active market.

All loans to customers of the regional banks are classified as "loans and receivables", including portfolios of loans acquired. All interbank loans carried in assets are classified as "loans and receivables". Most loans extended by Natixis are classified in this category.

Loans are recognized on the balance sheet when extended for a sum equal to their initial fair value. The fair value of a loan corresponds to its face value, less any discount and transaction income plus transaction costs.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the face value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the face value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar features. These discounts are not material for the Group.

Loans and receivables are subsequently measured at amortized cost, which requires the determination of the components to be included in the effective interest rate.

The internal costs included in the calculation of the effective interest rate are the variable costs directly related to the implementation of the loans. The Groupe Banque Populaire has taken a restrictive position whereby only the variable portion of the salaries of the business managers directly indexed to the implementation of the loans is included in the effective interest rate. No other internal cost is included in the calculation of amortized cost.

The external costs consist primarily of commissions paid externally in connection with implementation of the loans. They essentially comprise commissions paid for the contributions of key influencers.

The transaction income is the income directly related to the origination of new loans. It includes the origination fees charged to customers, the passing on of costs and loan commitment fees (if it is more likely than not that the loan will be extended). The loan commitment fees received that will not result in any drawdowns are on commissions are apportioned on a straight-line basis over the life of the commitment.

Income and expenses related to loans for a term of less than one year at the time of extension (initial term) are apportioned on a prorata temporis basis with no effective interest rate adjustment. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate refixing date. The "catch up method" is used for modifications of future payments or receipts. It results in maintaining the original effective interest rate for the agreement and therefore the recording of immediate income for the difference between the carrying value and the discounted flows.

The fair value of loans and receivables from banks and customers is determined by discounted expected future flows. The discount rate applied is the market rate as of the balance sheet date. If there is a listed price that satisfies the IAS 39 criteria, the listed price is used.

The fair value of items with an initial term of les than one year and floating rate assets is considered equal to the carrying value.

"Loans and receivables" also include assets initially classified as "Instruments at fair value through profit or loss" or "Assets available for sale" and were reclassified to "Loans and receivables" under the conditions set forth in the amendment to IAS 39 and IFRS 7 "Reclassifications of assets" published on October 13, 2008. Instruments reclassified to this category fit the definition of "Loans and receivables" as of the date of the reclassification. This implies that they are not listed on an active market as of the reclassification date and they cannot be held for sale in the short term.

The reclassification of these instruments is performed for the amount of fair value as of the reclassification date. The difference between this amount and the estimate as of the reclassification date of the flows recoverable is recognized in income (on the line net banking income), for the expected maturity of the instrument, through the effective interest rate calculated as of the reclassification date. After reclassification date, these assets are measured at amortized cost using the effective interest rate method and tested for impairment on each reporting date. When necessary, an impairment charge is recorded in on the income statement on the line cost of risk.

If the estimates of receipts of future flows are revised upward, the effect of this increase is recorded along with an adjustment to the effective interest rate as of the date of the change in the estimate.

The recyclable reserve for the instruments, reclassified from the category "Financial assets available for sale" to "Loans and receivables", is recorded as of the reclassification date. This reserve is recycled to income over the residual life of the asset using the effective interest rate method or in its entirety in the event of impairment or sale of the instrument subsequent to reclassification.

5.4.2 Impairment of loans and receivables

IAS 39 defines the methods for calculating and recording impairment of loans.

A receivable is written down if the following two conditions are satisfied:

- there is objective evidence of impairment on an individual or collective basis: there are triggering events or loss events entailing counterparty risk occurring after the initial recording of the loans in question;
- these events generate losses incurred on estimated future cash flows for loans and the measurement of these should be reliable.

Impairment is determined as the difference between the amortized cost and the recoverable amount, i.e., the present value of estimated future cash flows recoverable taking into account the impact of any collateral on the original effective interest rate. For short-term assets (<1 year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal.

Impairment activity is recognized as cost of risk.

IAS 39 distinguishes between two types of impairment:

- specific impairment;
- collective impairment.

Specific impairment

Specific impairment is calculated for each receivable on the basis of the maturity schedule impacting future cash flows, determined based on historic recoveries for each category of receivable. Collateral limits the amount of impairment; when collateral fully covers the risk of default, the receivable is not impaired.

Collective impairment

Collective provisions cover risk not incurred at the individual receivable level. In conformity with IAS 39, loans are grouped in portfolios of homogenous risks.

The calculation method used by the Group is based to a great extent on the standard for measuring risks implemented under the Basel II reform applied to a group of three portfolios (individuals/professionals/corporate) and three types of risks (pre-nonperforming/default not classified as nonperforming/sector). The breakdown by portfolio follows the segmentation authorized under the Basel II standard and the performing loans are grouped in portfolios of homogenous risks.

The portfolios of homogeneous assets were thus constructed based on two key features:

- *Loan risks classified in the first two risk classes with a high probability of default:* These loans, identified in the management systems by a special notation, evidence objective signs of impairment, most often the presence of an unpaid maturity. The provision for these receivables, which are mostly for small amounts, is calculated based on the expected loss rate, determined according to the Basel II ratio models;
- *Sector and geographic risks determined based on the combination of quantitative and qualitative criteria:* sectors of activity and countries are analyzed and monitored in detail in order to identify objective evidence of impairment. Objective evidence of impairment usually comprises a combination of microeconomic or macroeconomic indicators specific to the sector or country concerned.

When a group of homogeneous financial assets is found to be impaired, the impairment loss is calculated based on expected losses on the loans comprising the group in accordance with the provisions of Basel II.

The opinion of an expert is sought in order to adjust the results of this calculation to Groupe Banque Populaire's actual risks.

The impairment charge is recognized in assets as a correction to the balance sheet line on which the impaired asset was originally presented to show the asset at its net value. The funding and reversal of impairment provisions are recognized on the income statement under cost of risk.

The scope of performing loans under accounting and prudential standards is similar, except for restructurings, which by their nature may begin to be in prudential default but may still be performing on the books.

5.4.3 Loans and receivables due from banks

in millions of euros	06/30/2009	12/31/2008
Performing loans		
Performing loans	43,199	43,983
Collective impairment	(14)	(16)
Net	**43,185**	**43,967**
Non-performing loans		
Non-performing loans	161	275
Specific impairment	(127)	(166)
Net	**34**	**109**
TOTAL	**43,219**	**44,075**

5.4.4 Loans and receivables due from customers

in millions of euros	06/30/2009	12/31/2008
Performing loans		
Performing loans(1)	179,506	180,134
Collective impairment	(1,149)	(725)
Specific impairment	(59)	(29)
Net	**178,298**	**179,380**
Non-performing loans		
Non-performing loans	8,272	6,916
Specific impairment	(4,382)	(4,090)
Net	**3,890**	**2,825**
TOTAL	**182,187**	**182,205**

(1) Performing loans and receivables due from customers break down as follows:

in millions of euros	06/30/2009	12/31/2008
Lease financing	7,326	7,282
Other loans and receivables	149,562	150,108
Current accounts	8,136	8,589
Unlisted fixed-income securities	5,467	5,758
Reverse repos	5,926	4,733
Factoring	1,948	2,329
Other	348	425
Accrued interest	792	910
TOTAL	**179,506**	**180,134**

5.5 AMOUNTS DUE TO CUSTOMERS

Amounts due to customers are presented by nature, taking into account whether they are demand or time deposits. They are valued in conformity with IAS 39 and recognized in other financial liabilities according to the amortized cost method using the effective interest rate method.

At origination, these amounts are recognized at fair value, which for the Group corresponds to market conditions, and therefore no initial discount or premium is recognized. The initial recognition includes transaction costs if they are material and pertain to liabilities with an initial maturity longer than one year. The amortized cost method is used for assessment subsequent to the balance sheet date; as for the individual accounts, it consists of decreasing the payable based on repayments. Interest accrued or due is recognized on the income statement line "interest and similar expenses" whether or not the outstandings are secured.

The fair value of amounts due to clients is determined by discounting future flows to be paid out. The discount rate applied is the market rate as of the balance sheet date. If there is a listed price that satisfies the IAS 39 criteria, the listed price is used.

The fair value of payables with an initial term of less than one year is deemed to correspond to their carrying amount.

Amounts due to clients were €125,757 million as of June 30, 2009, *versus* €126,588 million as of December 31, 2008:

in millions of euros	06/30/2009	12/31/2008
Current accounts	**55,741**	**63,291**
demand	*40,351*	*45,061*
time	*15,390*	*18,231*
Accounts and deposits	**7,677**	**7,365**
demand	*608*	*3,561*
time	*7,068*	*3,804*
Repos	**0**	**52**
demand	*0*	*52*
time	*0*	*0*
Securities sold under repurchase agreements	**14,641**	**10,829**
demand	*2,261*	*1,556*
time	*12,380*	*9,274*
Regulated savings accounts	**45,347**	**42,397**
Livret A	*3,022*	*0*
Livret Jeune	*446*	*412*
PEL	*11,890*	*12,177*
CEL	*2,001*	*2,005*
PEP	*3,629*	*3,626*
LEP	*2,570*	*2,603*
Codevi	*6,011*	*5,928*
Other passbook accounts	*15,778*	*15,645*
Factoring liabilities	**645**	**646**
Accrued interest	**994**	**1,193**
Other	**711**	**814**
TOTAL	**125,757**	**126,588**

5.6 RECLASSIFICATIONS OF FINANCIAL ASSETS (AMENDMENT TO IAS 39 AND IFRS 7 OF OCTOBER 15, 2008)

No securities were reclassified in first half 2009.

As of December 31, 2008, 90% of securities reclassifications involved the sub-group Natixis. The following amounts therefore involve only sub-group Natixis (reflecting proportional consolidation).

in millions of euros	Fair value as of 06/30/2009	Carrying value as of 06/30/2009	Changes in fair value that would have been recognized in income on assets previously classified at fair value through profit and loss	Impairment that would have been recognized in income on assets previously classified as available for sale	Changes in fair value that would have been recognized in recyclable equity on assets previously classified as available for sale
Instruments reclassified to loans and receivables	3,427	3,684	(128)	(41)	(89)
TOTAL	**3,427**	**3,684**	**(128)**	**(41)**	**(89)**

Gains and losses recognized in income on reclassified assets after the reclassification date were as follows:

	06/30/2009		12/31/2008	
in millions of euros	NBI	Cost of risk	NBI	Cost of risk
Instruments reclassified to the category Loans and receivables	13	(94)	1	(26)
TOTAL	**13**	**(94)**	**1**	**(26)**

5.7 INVESTMENTS IN AFFILIATES CONSOLIDATED BY THE EQUITY METHOD

Investments in affiliates consolidated by the equity method are primarily impacted by the equity value of the Caisses d'Epargne, in which Natixis holds a 20% stake through its holding of Cooperative Investment Certificates. Reflecting proportional consolidation, the Group's proportionate share was 7%:

in millions of euros	06/30/2009	12/31/2008
Financial institutions	**2,219**	**2,175**
- Caisse d'Epargne (Cooperative Investment Certificates)	1,775	1,695
Goodwill	*107*	*106*
- Volksbank International AG	294	309
Goodwill	*20*	*20*
- Other	150	170
Other companies	**14**	**13**
TOTAL	**2,233**	**2,188**

5.8 GOODWILL

5.8.1 Accounting treatment

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Goodwill is retained on the balance sheet at historic cost in the currency of origin then converted at the exchange rate prevailing as of the balance sheet date. Any adjustment to the acquisition cost is made within 12 months from the acquisition date.

Negative goodwill is recognized directly immediately on the income statement on the income line "Changes in value of goodwill".

Goodwill is not amortized, but it is subject to an impairment test if there is evidence of impairment, according to the discounted cash flow method.

5.8.2 Cash generating units (CGUs)

Based on impairment tests, goodwill is allocated to the cash generating units (CGUs). For the Group, they correspond to the sectors discussed in the segment reporting (see note 7):

- the "Aggregated Banques Populaires" sector primarily comprises the 20 Banques Populaires, Crédit Maritime Mutuel, and, since December 31, 2008, it also included the regional banks acquired by the Banques Populaires. It comprises a unique CGU;
- the "Natixis, Financial Services and Corporate Banking" sector, divided into 6 businesses: "Corporate and Investment Banking", "Private Equity and Private Banking", "Services", "Receivables Management", "Asset Management" and "Services and Guarantees". These businesses represent 6 CGUs;
- the "Federal and Other Activities" sector primarily pertains to the activities of Banque Fédérale and the other directly held subsidiaries of Banque Fédérale des Banques Populaires excluding Natixis, primarily FONCIA, Société Marseillaise de Crédit, MA BANQUE and BICEC. As of June 30, 2009, the goodwill for this sector pertained only to FONCIA, which comprises a CGU, and Société Marseillaise de Crédit.

5.8.3 Summary

As of June 30, 2009, the total carrying value of goodwill was €3.8 billion for the Groupe Banque Populaire:

	06/30/2009		12/31/2008	
	Value – m€	**%**	**Value – m€**	**%**
Aggregated Banques Populaires	748	19.6%	754	17.2%
Financial Services and Corporate Banking	1,540	40.3%	1,722	39.2%
Federal Activities and Other	1,534	40.1%	1,918	43.6%
	3,823	100%	4,395	100%

5.8.4 Change in impairment tests for the period

All goodwill is tested for impairment based on the value in use of the cash-generating units (CGUs) to which it is allocated.

Impairment of goodwill is the difference between the carrying value of the CGU (a component of goodwill) and the recoverable value of that CGU, defined as the higher of market value and value in use.

If the recoverable value of the CGU is lower than its carrying value, impairment is recognized in consolidated income for the period and charged first against the goodwill allocated to the CGU and then to the other assets of the CGU in proportion to their net carrying value. Impairment losses charged against goodwill are definitive.

- **Aggregated Banques Populaires:**

In the absence of evidence of impairment in the first half of the year of goodwill recognized for the regional banks acquired by the Banques Populaires on July 2, 2008 no impairment tests were performed as of June 30, 2009.

- **Financial Services and Corporate Banking (Natixis sub-group):**

The impairment tests performed for Financial Services and Corporate Banking did not result in the recognition of any impairment as of June 30, 2009. The only noteworthy change in this sector was followed the disposal of CACEIS by Natixis, which resulted in the reversal of all the goodwill (€192 million).

- **Federal Activities and Other:**

Local banking activities:

In the absence of evidence of impairment in the first half of the year of goodwill recognized for Société Marseillaise de Crédit acquired by Banque Fédérale des Banques Populaires on July 2, 2008, no impairment tests were performed as of June 30, 2009.

Residential real estate services activities:

The establishment by the new management of FONCIA of a medium- to long-term 2009/2011 plan *versus* that used for December 31, 2008, led the Group to test FONCIA's goodwill as of June 30, 2009 in conformity with IAS 36.

As of December 31, 2008, the goodwill on FONCIA was €1,121 million, of which €810 million pertained to Banque Fédérale des Banques Populaires on FONCIA SA and €311 million to FONCIA on its subsidiaries, after charges to amortizable assets and the FONCIA brand in the amount of €306 million as follows:

Intangible components (net of deferred taxes)			**306**
Gross intangible components		466	
Property management assets	156		
Rental intangible assets	220		
FONCIA brand	90		
Deferred taxes		(160)	

Value in use is determined principally by discounting the expected future cash flows of the CGU on the basis of the medium-term business plan established by the Group for strategic planning purposes:

- future cash flows are discounted over a 5-year plan;
- the discount rate applied is 8.83%;
- the growth rate to infinity is equal to 2.5%.

This test gave rise to recognition of an €395 million impairment of the goodwill on Banque Fédérale des Banques Populaires' acquisition of FONCIA SA, cutting it from €810 million (including the synergies with the Banques Populaires) to €415 million.

In addition, following the acquisitions for the period, FONCIA recognized supplementary goodwill in the amount of €15 million.

In the end, as of June 30, 2009, goodwill on FONCIA was €741 million, including:

- €415 million for the Group on FONCIA SA;
- €326 million for FONCIA on its subsidiaries.

Other:

In the absence of evidence of impairment in the first half of the year of goodwill recognized for Société Marseillaise de Crédit acquired by Banque Fédérale des Banques Populaires on July 2, 2008, no impairment tests were performed as of June 30, 2009.

5.8.5 In-depth analysis impairment of goodwill

		06/30/2009					
in millions of euros	Value at the beginning of the period	Acquisitions for the period	Impairment for the period	Allocation of GW	Other changes(1)	Conversion	Value at the end of the period
Aggregated Banques Populaires	754	0	0	0	(6)	0	748
Financial Services and Corporate Banking	1,722	0	0	0	(182)	0	1,540
Federal activities and other	1,918	15	(395)	0	(3)	0	1,534
TOTAL	**4,395**	**15**	**(395)**	**0**	**(192)**	**0**	**3,823**

(1) Other changes primarily involve:
- the Regional banks, an adjustment to initial goodwill (-€6 million);
- the "Services" business, on the disposal of CACEIS.
(2) Including synergies with the Banques Populaires and goodwill on Société Marseillaise de Crédit, classified in 2008 on the "Aggregated Banques Populaires" business.

5.9 PROVISIONS RECOGNIZED AS LIABILITIES

A provision for a liability is a liability of uncertain maturity or amount. A liability is a present obligation arising from past events, the settlement of which is expected to result in an outflow of funds embodying economic benefits that can be reliably measured.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present obligation as of the balance sheet date. This amount is discounted where the effect is material.

The provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate as of that date, no restatement of expenses is performed because the effect is insignificant.

No provisions are recognized for future operating losses or major repairs. No contingent assets or liabilities have been recognized.

A provision for restructuring is recognized when the general accounting criteria for provisions discussed above and the following two conditions are satisfied:

- there is a formal, detailed restructuring plan specifying:
  - the activities involved,
  - the mail sites affected,
  - the function and approximate number of staff that will receive compensation under the labor contract,
  - the expenses that will be incurred,
  - and the date as of which the plan will be implemented;
- the plan and its features were announced to the staff involved.

The provisions for restructuring include only expenses directly related to the restructuring. The provisions for restructuring funded on the Natixis financial statements as of December 31, 2008 are for:

- the job accommodation plan open to Natixis SA employs as of September 2008;
- the Corporate & Investment Banking restructuring plan the Supervisory Board resolved upon on December 18, 2008.

As of the implementation date for IAS 37, a provision for risks is recognized on a financing commitment if a risk of loss arises with respect to the counterparty for this commitment (risk of non-payment over the commitment period). The provision then covers future risk of default since the financing commitment is irrevocable.

Subsequent funding and reversals of provisions are recognized on the income statement on the line corresponding to the type of future expense for which the provision was funded.

in millions of euros	12/31/2008	Increase	Use	Reversals unused	Changes in scope of consolidation	Conversion and Other	06/30/2009
Counterparty risk	**545**	**138**	**(75)**	**(6)**	**0**	**(21)**	**581**
Finance and guarantee commitments	172	59	(60)	(3)		(3)	165
Customer disputes	174	10	(13)	(1)		(3)	167
Other provisions	199	69	(2)	(2)		(15)	249
Impairment risks	**39**	**19**	**(17)**	**0**	**0**	**(4)**	**37**
Long-term investments	2	2					4
Real estate development	0						0
Other provisions	37	17	(17)			(4)	33
Employee benefit obligations	**931**	**23**	**(12)**	**0**	**(6)**	**1**	**937**
Active personnel	387	19	(4)		(6)		396
Retired personnel	544	4	(8)			1	541
Operating risks	**239**	**72**	**(73)**	**(2)**	**1**	**4**	**241**
Restructurings	59	24	(34)	(1)		4	52
Other provisions	181	48	(39)	(1)	1		190
Homebuyers' savings schemes	**138**	**37**	**(1)**	**0**	**0**	**0**	**174**
Homebuyers' savings plan	138	37	(1)				174
Homebuyers' savings account							
TOTAL	**1,893**	**289**	**(178)**	**(8)**	**(5)**	**(20)**	**1,971**

5.10 DEBT SECURITIES

Debt securities (interest-bearing notes, interbank market instruments, etc.), are broken down by nature, excluding subordinated debt, which is recognized on a separate line, "subordinated debt".

These debt securities are initially recognized at fair value, which is the issue price less transaction costs, and then stated at amortized cost using the effective interest rate method.

No internal income or expense is included in the calculation of the effective interest rate. For the Group, the transaction costs to be included are insignificant external costs. Issues are done under market conditions and no market discount is recognized.

Any premiums or discounts related to the difference between the issue price and the redemption value are integral to determining the effective interest rate. The actuarial staggering of the discount is interest (net banking income). Accrued interest on these instruments is recorded under related payables, with an offsetting entry on the income statement.

Floating rate securities have a fair value equal to their net carrying amount on the balance sheet. Fixed-rate borrowings and debt securities are discounted on the basis of the value of market fixed rates at the balance sheet date for a debt with the same residual maturity.

in millions of euros	06/30/2009	12/31/2008
Interbank market instruments	**1,801**	**765**
Money market instruments	**20,851**	**21,880**
BMTNs	5,070	5,201
CDNs	15,781	16,679
Bonds	**17,695**	**17,339**
Other debt securities	**858**	**2,382**
Accrued interest	**269**	**442**
TOTAL	**41,474**	**42,808**

5.11 SUBORDINATED DEBT

Subordinated debt differs from issues of other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and super-subordinated notes. It is valued at amortized cost.

After analysis, preferred shares may be classified either as debt or equity. All preferred shares issued by the Groupe Banque Populaire are recognized in subordinated debt, while they were recognized in minority interests on the consolidated financial statements prepared according to French standards.

5.11.1 Outstandings

Fixed maturity super-subordinated debt essentially comprises redeemable subordinated notes.

Under IAS 32, financial instruments issued are classified as either debt or equity according to whether or not the issuer has a contractual obligation to deliver cash to the holders. This obligation must arise from specific contractual terms and conditions, not purely economic compulsion.

Other issues contain a dividend pusher clause that requires the issuer to pay interest if it has paid out dividends to shareholders or on any equity instruments, or if it has paid interest on any pari passu-ranked instrument. The payment of interest is therefore subordinated to the obligation to pay interest on another linked debt instrument. As the contractual relationship between the instruments and the contractual obligation to pay interest on the linked instrument issued create an obligation to pay interest on these other issues, they have been classified as debt.

Under the financial sector support plan approved by the European Commission, the French government has implemented a mechanism to strengthen banks' equity through *Société de prise de participation de l'Etat* (the French government's equity investment company) (SPPE), which is authorized to subscribe subordinated notes that can be included in the tier one capital of the issuing banks.

On December 11, 2008, Banque Fédérale des Banques Populaires issued perpetual super-subordinated bonds in the amount of €950 million at a fixed rate payable annually through December 2013, then, beginning in March 2014, at an adjustable rate calculated at 3-month Euribor +5.29%. The issue carries discretionary clauses pertaining to the payment of interest; it is classified as equity instruments and reclassified to consolidated reserves.

On June 26, 2009, Banque Fédérale des Banques Populaires issued perpetual super-subordinated bonds in the amount of €1 billion at a fixed rate payable annually through then, beginning on June 26, 2014, at an adjustable rate calculated at 3-month Euribor +5.37%. The issue carries discretionary clauses pertaining to the payment of interest; it is classified as equity instruments and reclassified to consolidated reserves.

in millions of euros	*Notes*	06/30/2009	12/31/2008
Term subordinated debt	*5.11.2*	5,242	5,446
Super-subordinated notes(1)		1,679	1,330
Perpetual subordinated debt	*5.11.2*	93	99
Preferred shares(1)		127	122
Mutual guarantee deposits		42	44
Accrued interest		164	141
TOTAL		**7,347**	**7,182**

(1) As of June 30, 2009, hybrid instrument outstandings, net of intragroup transactions and actually collected (Regulation 90-02 Art. 4, paragraph c), last paragraph) included in Tier One equity was €3,675 million and comprised super-subordinated bonds and preferred shares:

As of June 30, 2009, almost all the outstanding super-subordinated notes concerned the subgroup Natixis, which represent €1,602 million reflecting proportional consolidation:

				1,602
		100%	x 35,9201%	
- Non-innovative super-subordinated notes		**2,606**	**936**	
December 2004	143			
January 2005	300			
April 2008	214			
December 2008	950			
June 2009	1,000			
- Innovative super-subordinated notes		**1,853**	**665**	
December 2004	418			
October 2007	750			
November 2007 (Caceis deconsolidated)	0			
March 2008	150			
April 2008 ($750 million)	535			

As of June 30, 2009, preferred share outstandings involve only sub-group Natixis issues, reflecting proportional consolidation (35.92%) and after the redemption of all Natixis AMBS Compagny LLC preferred shares, **€123 million:**

				123
		100%	x 35,9201%	
- Innovative preferred shares		**200**	**72**	
Natixis Preferred Capital I LLC	200			
- Non-innovative preferred shares		**143**	**51**	
Natixis Preferred Capital IIII LLC	143			
Banque Fédérale des Banques Populaires issued super-subordinated notes subscribed by *Société de prise de participation de l'Etat* under the financial sector support plan in the amount of €950 million in December 2008 and €1 billion in June 2009:				1,950
TOTAL HYBRID SECURITIES INCLUDED IN TIER ONE EQUITY				**3,675**

5.11.2 Changes in other subordinated debt over the period

in millions of euros	12/31/2008	Issuance	Redemption(1)	Conversion	Change in scope(2)	Other(3)	06/30/2009
Other fixed-maturity subordinated debt	**5,446**	**0**	**(178)**	**(1)**	**(33)**	**7**	**5,242**
Subordinated notes	4,844	0	(171)	(1)	(34)	5	4,642
Subordinated loans	603	0	(7)	(0)	1	2	600
Other perpetual subordinated debt	**99**	**0**	**0**	**(0)**	**(7)**	**1**	**93**
Subordinated notes	89	0	0	(0)	(7)	1	83
Subordinated loans	10	0	0	0	0	0	10
TOTAL	**5,545**	**0**	**(178)**	**(1)**	**(40)**	**8**	**5,335**

(1) Redemptions:
Upon maturity:
- redemption of redeemable subordinated notes by Banque Fédérale des Banques Populaires for December 1998 tranches (€48 million), for February 1999 (€73 million) and April 1999 (€51 million);
- redemption of redeemable subordinated loans by Natixis in February 2009, March 2009 and May 2009 for a total sum of €18.2 million and an impact on the Group of €7 million.
(2) The changes in scope pertain to the deconsolidation of Cacéis, implying a decrease in other fixed-maturity subordinated notes in the amount of €43 million and perpetual fixed-maturity subordinated notes in the amount of €7 million.

Other movements on other subordinated debt pertain primarily to the change in eliminations of intercompany transactions when the subordinated paper issued by the Group is subscribed by other consolidated entities and the revaluation of subordinated debt hedged in Fair Value Hedge.

Note 6 Notes to the income statement

6.1 INTEREST MARGIN

"Interest and similar income" and "interest and similar expenses" comprise interest on fixed-income securities recognized as available for sale financial assets, and interest on securities lending/borrowing transactions and on loans and advances and receivables/payables to/from banks and clients.

These lines also include interest on securities held to maturity (marginal category for the Group that does involve only the insurance companies).

Financial assets and liabilities valued at amortized cost give rise to the recognition of interest calculated using the effective interest rate method.

in millions of euros	06/30/2009 Income	06/30/2009 Expenses	06/30/2009 Net	06/30/2008 Income	06/30/2008 Expenses	06/30/2008 Net
Central banks and post offices	**18**	**(1)**	**17**	**41**	**(4)**	**37**
Interest on securities	**698**	**(680)**	**18**	**928**	**(1,263)**	**(336)**
Loans and receivables	**4,803**	**(2,384)**	**2,420**	**5,565**	**(3,552)**	**2,013**
Banks	861	(1,304)	(443)	1,396	(2,122)	(726)
Customers	3,745	(1,074)	2,672	3,966	(1,425)	2,541
Lease financing	197	(6)	191	204	(6)	198
Subordinated debt		**(253)**	**(253)**		**(152)**	**(152)**
Other	**3**		**3**	**1**		**1**
Hedging instruments	**638**	**(511)**	**127**	**535**	**(270)**	**265**
Termination of hedging relationship (CFH)	12	(18)	(5)	86	(57)	29
Interest accrued or due on derivatives	625	(494)	132	449	(213)	236
Interest on impaired receivables, including restructured receivables	**22**		**22**	**16**		**16**
TOTAL	**6,182**	**(3,829)**	**2,353**	**7,086**	**(5,241)**	**1,845**

6.2 NET FEE AND COMMISSION INCOME

The method of accounting for fees and commissions received for services and financial instruments depends on the ultimate purpose of the services rendered and the method of accounting for the financial instruments to which the service relates. Fees and commissions for one-off services are recognized in income immediately when the service is provided. Fees and commissions for ongoing services such as bank cards, guarantee and management fees are staggered over the period during which the service is provided.

Fees and commissions that are an integral part of the effective yield on an instrument such as loan commitment or origination fees are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the loan. These fees and commission are therefore recognized as interest income rather than fees and commissions.

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. In particular, trust transactions cover asset management and custody activities performed on behalf of third parties.

in millions of euros	06/30/2009 Income	06/30/2009 Expenses	06/30/2009 Net	06/30/2008 Income	06/30/2008 Expenses	06/30/2008 Net
Interbank transactions	6	(22)	(16)	6	(7)	(1)
Customer transactions	739	(58)	680	749	(42)	707
Securities transactions	78	(147)	(68)	421	(27)	394
Payment services	425	(214)	211	379	(181)	198
Financial services	236	(82)	154	140	(131)	10
Trust operations	380	1	381	179	(14)	165
Financing, guarantee, securities, derivatives fees	103	(44)	59	62	(8)	54
Other	11	(1)	10	14	(1)	13
TOTAL	**1,977**	**(567)**	**1,411**	**1,951**	**(410)**	**1,541**

6.3 NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This line includes gains and losses on financial assets and liabilities at fair value through profit and loss, whether held for trading or designated as at fair value, including interest.

Hedging instruments include changes in the fair value of fair value hedges, including interest, plus the symmetrical revaluation of items hedged. It also includes the ineffective portion of cash flow hedges.

in millions of euros	06/30/2009	06/30/2008
Net gains on financial assets and liabilities excluding hedging instruments[1]	**(334)**	**(431)**
Net gains on financial assets and liabilities held for trading[1]	(639)	(329)
Non-hedging instruments	*(822)*	*(264)*
Net gains on other financial assets and liabilities designated as at fair value	125	346
Other	180	(448)
Hedging instruments and revaluation of hedged items	**(24)**	**(15)**
Inefficiency of the cash flow hedge (CFH)	(29)	1
Inefficiency of the fair value hedge (FVH)	5	(15)
Change in fair value hedge	*(177)*	*(122)*
Revaluation of the hedged items	*181*	*107*
TOTAL	**(357)**	**(445)**

(1) As of June 30, 2009, the line "Net gains on financial assets and liabilities held for trading" including for the Natixis contribution (after taking into account the proportionate share of ownership):
- adjustments to the fair value of CDSs executed with monolines for a sum of €192.5 million;
- adjustments applied to credit derivatives with CDPCs for a sum of €43.1 million;
- capital losses resulting from the valuation of subprime component of ABS CDOs for a sum of €107.8 million.

6.4 NET GAIN OR LOSS ON FINANCIAL ASSETS AVAILABLE FOR SALE

Net gains or losses on financial assets available for sale primarily comprise gains or losses on sale and impairment losses on equities (permanent impairment).

Impairment on fixed income securities is recognized under cost of risk.

This line item also includes dividends received on equities when the Group's right is fixed.

in millions of euros	06/30/2009	06/30/2008
Dividends	75	81
Gains or losses on disposals	(32)	(109)
Impairment losses on equities[1]	(218)	101
TOTAL	**(175)**	**73**

(1) Including €139.7 million imputable to Natixis and its subsidiaries: €82.6 million on equities held for sale by ABP Actions; €35.9 million on UCITs held by Natixis and €21.2 million with ABP Vie (€16.5 million on UCITs and €4.7 million on bonds).

6.5 INCOME AND EXPENSES FROM OTHER ACTIVITIES

Income and expenses from other activities comprises mainly income and expenses relating to lease financing and investment property.

This item also includes income and expenses relating to insurance activities, in particular life insurance premium income, benefits paid and funding and reversals of insurance companies' technical reserves.

in millions of euros	06/30/2009			06/30/2008		
	Income	Expenses	Net	Income	Expenses	Net
Finance leases	148	(167)	(18)	147	(172)	(25)
Operating leases	19	(18)	1	19	(12)	7
Investment real estate	39	0	39	98	(0)	98
Other non-operating assets	1	(6)	(5)	0	(1)	(1)
SUB-TOTAL REAL ESTATE ACTIVITIES	**206**	**(190)**	**16**	**265**	**(186)**	**79**
Net funding/reversal of insurance companies' technical reserves	0	(126)	(126)	(0)	(114)	(114)
Other insurance income and expense	1,297	(1,143)	154	1,170	(903)	267
SUB-TOTAL INSURANCE	**1,297**	**(1,270)**	**27**	**1,170**	**(1,017)**	**153**
Other related income and expenses	456	(187)	269	442	(132)	310
TOTAL	**1,960**	**(1,647)**	**313**	**1,876**	**(1,335)**	**542**

6.6 OPERATING EXPENSES

Operating expenses comprise mainly payroll costs, including wages and salaries net of rebilled expenses, social security charges and employee benefits such as pensions (defined benefit plans) and share-based payments in conformity with IFRS 2.

This line also includes all administrative expenses and external services.

in millions of euros	06/30/2009	06/30/2008
Personnel costs	**(1,886)**	**(1,861)**
Other operating expenses	**(1,084)**	**(1,047)**
Income and other taxes	(96)	(84)
External services	(925)	(920)
Other	(62)	(43)
TOTAL	**(2,970)**	**(2,908)**

6.7 COST OF RISK

This line mainly comprises the cost of risk relating to lending transactions: net funding and reversals of specific and collective provisions, receivables written off during the period and recoveries on bad debts written off.

The line "Impairment of individual receivables" comprises impairment of securities classified as "Loans and receivables" as well as securities reclassified pursuant to the amendment of October 13, 2008.

	06/30/2009				
in millions of euros	Additions	Net reversals	Receivables write-offs not covered by provisions	Recoveries of receivables previously written off	Net
Provisions	**(101)**	**79**			**(22)**
Financing commitments	(83)	63			(20)
Other	(18)	16			(2)
Financial assets at amortized cost	**(1,646)**	**579**	**(25)**	**11**	**(1,081)**
Loans and receivables	(1,646)	579	(25)	11	(1,081)
Specific impairment of receivables	*(1,190)*	*564*	*(25)*	*11*	*(640)*
Collective impairment of performing loans	*(456)*	*15*			*(441)*
Financial assets available for sale	**(5)**	**0**			**(5)**
Other	**(50)**	**0**			**(50)**
Cost of risk	**(1,802)**	**658**	**(25)**	**11**	**(1,158)**
Including: Reversals of surplus impairment		658			
Reversals used		386			
Sub-total reversals:		**1,044**			
Losses covered by impairment		(386)			
Total net reversals		**658**			

			06/30/2008		
in millions of euros	Additions	Net reversals	Receivables write-offs not covered by provisions	Recoveries of receivables previously written off	Net
Provisions	**(53)**	**55**			**2**
Financing commitments	(39)	30			(9)
Other	(14)	26			11
Financial assets at amortized cost	**(860)**	**567**	**(48)**	**12**	**(329)**
Loans and receivables	(860)	567	(48)	12	(329)
Specific impairment of receivables	*(695)*	*450*	*(48)*	*12*	*(281)*
Collective impairment of performing loans	*(165)*	*117*			*(48)*
Financial assets available for sale	**(4)**	**3**			**(1)**
Other	**(2)**	**0**			**(2)**
Cost of risk	**(919)**	**625**	**(48)**	**12**	**(329)**
Including: Reversals of surplus impairment		625			
Reversals used		131			
Sub-total reversals:		**757**			
Losses covered by impairment		(131)			
Total net reversals		**625**			

6.8 SHARE IN NET INCOME/(LOSS) OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

in millions of euros	06/30/2009	06/30/2008
Financial sector companies	65	74
Caisses d'Epargne(1)	56	52
Volksbank International AG (VBI)	5	12
Other	4	11
Other companies	1	2
TOTAL	**66**	**76**

(1) The Caisses d'Epargne are consolidated at 7.18% through Cooperative Certificates of Investment held by Natixis.

6.9 GOODWILL IMPAIRMENT

This line shows impairment of goodwill. Impairment is recognized when there is evidence of impairment.

As of June 30, 2009, the impairment tests performed on the goodwill on FONCIA gave rise to Groupe Banque Populaire recognizing impairment in the amount of 395 million (see note 5.8.4).

6.10 INCOME TAX

6.10.1 Calculation of tax charge

The tax charge for the year comprises:

- tax payable by the various French companies at the prevailing rate of 34.43%, applicable locally to foreign companies and branches;
- deferred taxes arising from timing differences for the financial statements and specific consolidation restatements differences between the carrying value and tax value of balance sheet assets and liabilities calculated using the liability method.

Deferred income tax assets and liabilities are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group.

The prudential principal applied by the Group consists of not recognizing net deferred tax assets unless it is reasonably certain that they will be used to offset a future tax charge. The capitalization reserve recognized on the individual financial statements of the insurance companies is intended to defer capital gains arising on the disposal of certain bonds to offset subsequent capital losses. The portion presumed unlikely to be used is reclassified in equity and deferred tax is recognized.

Under IAS 12, it is treated as a temporary difference that gives rise to a deferred tax liability.

All timing differences have been recognized, irrespective of the recovery or payment date. The net deferred income tax balance is recognized on the balance sheet under "deferred income tax liabilities".

6.10.2 Reconciliation of the tax charge on the financial statements and the notional tax charge

in millions of euros		06/30/2009	06/30/2008
+ Net income attributable to equity holders of the parent		(957)	94
+ Net income attributable to minority interests		12	32
+ Income tax charge		(128)	153
+/- Other permanent timing differences		487	(93)
- Income of companies accounted for by the equity method		(107)	(76)
= Consolidated taxable income		**(693)**	**110**
x Notional tax rate		33.33%	33.33%
= Notional tax charge			**(37)**
+ Tax credits		3	(7)
+ Impact of tax consolidation		44	(12)
Employer contributions and social security tax		2	(3)
+ Income tax at reduced rate		0	6
+ Tax reassessments		(5)	(4)
+ Differences in foreign tax rates		(5)	(1)
+ Change in unrecognized deferred tax assets		(196)	(105)
+ Tax on cooperative certificates of investment		(13)	(13)
+ Tax on prior year		63	
+ Other items		5	22
= Tax charge for the period		**128**	**(153)**
Including:	tax due	(216)	(295)
	deferred	344	142

Note 7 Segment reporting

IFRS 8 requires the disclosure of information broken down by business, each of which is subject to different risks and returns.

For Groupe Banque Populaire, the business sector constitutes the primary segment reporting level. Segment reporting is based on financial aggregates taken from income statement and reconciled to the consolidated financial statements.

The Groupe Banque Populaire is organized into three sectors (or levels):

1ST LEVEL: AGGREGATED BANQUES POPULAIRES

This aggregation includes all the retail banking structures in France: the Banques Populaires (including the dividends received from BFBP), the regional banks acquired in 2008 by the Banques Populaires, the Caisses du Crédit Maritime linked to the Banques Populaires, the SCMs, the SAS holding companies and their holding entities, the other subsidiaries of BP held directly and/or involved in joint transactions: SBE and FCC Amaren II.

2ND LEVEL: FINANCIAL SERVICES AND CORPORATE BANKING

This level represents Natixis's contribution owned jointly by the Groupe Banque Populaire and the Groupe Caisse d'Epargne. During the fourth quarter of 2008, the Corporate and Investment Banking (CIB) businesses were split into "CIB continuing activities", which house the core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" activities (GAPC or Segregated Activities). The aim of this separation is to ensure optimal proactive management of the segregated assets, protecting the core assets to be retained within the group and highlighting the performance of CIB continuing activities.

As of June 30, 2009, financial services and corporate banking broke down into six business lines, aside from retail banking, and an "other businesses" unit:

Corporate and Investment Banking – continuing activities (CIB continuing activities)

Corporate and Investment Banking (continuing activities) houses the financing and capital markets activities serving large customers.

Private Equity and Wealth Management

Private Equity and Wealth Management comprises private equity (Natixis Private Equity) and wealth management (Banque Privée Saint Dominique, La Compagnie 1818 – Banquiers Privés and Natexis Private Banking Luxembourg).

Investor Services

The Services business includes the following activities: Retail Securities Custody (Euro Titres), Payments, Insurance and Guarantees (Natixis Assurances and Natixis Garanties), Employee Benefits Planning (Natixis Interépargne) and Specialist Financing including Consumer Loans (Natixis Financement) and Crédit Leasing and International Banking Services (Pramex and Natixis Algérie).

Receivables Management

Receivables Management encompasses the credit insurance and credit management services provided by Coface plus the factoring businesses of Natixis Factor and VR Factorem.

Asset Management

Asset Management is responsible for the asset management activities performed by various subsidiaries, including NGAM.

GAPC (Workout Portfolio Management Structure) or "Segregated Activities"

The GAPC was created to manage the run-off of assets worst affected by the crisis and also those identified as no longer fitting with the core business based on Natixis' new strategic choices aimed at focusing on client-related activities. This primarily concerns: proprietary credit and structured credit investment activities, credit-linked activities, mortgage-backed securities portfolios of the ABM Corp. subsidiary in New York and the most complex activities of the equity and interest-rate derivatives business lines.

Other businesses

Other businesses is a category housing Natixis activities that are not directly operational, notably its own holding company activities serving its direct subsidiaries. Net banking income derives from the management of its corporate treasury, real estate income and institutional activities performed on behalf of the French State. General operating expenses reflect overhead not allocated to the individual business lines. Other Businesses also includes certain consolidation adjustments that cannot be assigned to business segments.

3RD LEVEL: FEDERAL ACTIVITIES AND OTHER

This level encompasses:

- the activities of Banque Fédérale des Banques Populaires, which guarantees the consistency and financial solidarity of the Group through its function as central institution and holding company of Natixis (jointly with Caisse Nationale des Caisses d'Epargne);
- international retail banking activities performed by subsidiaries held by Banque Fédérale des Banques Populaires;
- Société Marseillaise de Crédit;
- residential real estate activities provided by FONCIA;
- the joint IT subsidiaries shared by the Banques Populaires (i-BP), Société Centrale du Crédit Maritime Mutuel, and certain consolidation entries whose dividends received by the Banques Populaires from Banque Fédérale des Banques Populaires are for the most part eliminated.

SEGMENTAL ANALYSIS OF THE INCOME STATEMENT

	Net income (year ended 06/30/2009)[1]										
		Financial Services and Corporate Banking (Natixis)									
in millions of euros	Aggregated Banques Populaires[2]	CIB continuing activities	Asset Management	Private Equity and Private Banking	Investor Services	Receivables management	Segregated Activities (GAPC)	Other businesses	Total	Federal activities and other[2]	Group total[2]
Net banking income	**3,026**	**499**	**220**	**(2)**	**171**	**65**	**(681)**	**(34)**	**239**	**279**	**3,544**
change H1-09/ H1-08[2]	*-1%*	*-2%*	*-11%*	*nm*	*-15%*	*-62%*	*3%*	*nm*	*-56%*	*nm*	*-5%*
Operating expenses	**(1,953)**	**(286)**	**(163)**	**(29)**	**(118)**	**(131)**	**(29)**	**(94)**	**(850)**	**(364)**	**(3,167)**
change H1-09/ H1-08[2]	*0%*	*-16%*	*-10%*	*-7%*	*-3%*	*5%*	*-10%*	*nm*	*-10%*	*nm*	*-2%*
Gross operating income	**1,073**	**213**	**57**	**(31)**	**52**	**(66)**	**(709)**	**(128)**	**(612)**	**(84)**	**377**
change H1-09/ H1-08[2]	*-2%*	*28%*	*-14%*	*nm*	*-34%*	*nm*	*3%*	*nm*	*52%*	*nm*	*-24%*
Income before income taxes	**743**	**(202)**	**56**	**(31)**	**46**	**(64)**	**(1,071)**	**(85)**	**(1,350)**	**(496)**	**(1,102)**
change H1-09/ H1-08[2]	*-17%*	*nm*	*-19%*	*nm*	*-43%*	*nm*	*42%*	*nm*	*209%*	*nm*	*nm*

(1) Results for each segment comprise directly attributable operating income and expenses, including transactions with other Group segments.
(2) Changes based on the pro forma financial statements comprising the pro forma contribution of the regional banks for first half 2008 and restated non-recurring capital gains realized by the regional banks in first half 2008 (including Société Marseillaise de Crédit in the "Federal Activities and Other" business).

Note 8 Effects of the financial crisis

The deterioration of the environment in the market for financial instruments linked to the residential and commercial real estate sector in the United States continued throughout first half 2009.

The main impact of the crisis on Groupe Banque Populaire's financial statements was borne by Natixis.

8.1 RISK EXPOSURES CARRIED ON NATIXIS'S BALANCE SHEET AS OF JUNE 30, 2009

Natixis has both direct and indirect exposure to risks, as described below.

8.1.1 Direct exposure

The portfolio of loans pending securitization is Natixis's only direct exposure to subprime loans. This portfolio is classified under financial assets at fair value through profit or loss.

As of June 30, 2009, this portfolio's exposures were as follows:

	06/30/2009	12/31/2008
Face value	165	197
Carrying value	77	120
Fair value as % of face value	47%	61%
Discount	53%	39%

Through Natixis, the Group's exposure therefore was €28 million as of June 30, 2009 (Group share of 35.92%).

Prices are determined based on transactions observed on the market and take into account the opinion of the experts responsible for valuing the portfolio.

8.1.2 Indirect exposures to subprime risk and US RMBSs

The models used for the valuation of these exposures as of June 30, 2009 were all reviewed and validated by Natixis's Risk Management division.

The exposures relate to the following asset portfolios

Subprime ABS CDO portfolios:

These unhedged subprime cash or synthetic portfolios are mainly held by Natixis Capital Market North America and Natixis.

Financial assets at fair value through profit or loss *in millions of euros*	**Natixis**	**Group share**
Gross exposure as of June 30, 2009	1,771	636
Cumulative impairment losses	(1,095)	(393)
Including change in value over first half 2009	*(282)*	*(101)*
Net exposure as of June 30, 2009	**677**	**243**
Net exposure as of December 31, 2008	1,203	431

Directly held ABS CDO portfolios with subprime exposure were valued using stress tests performed by the Natixis Risk Management Department.

The loss rate assumptions applied for the valuation of these exposures as of December 31, 2008 were revised for the latest valuation as follows:

Loss rate assumptions per vintage	**2005**	**2006**	**2007**
As of December 31, 2007	9%	23%	23%
As of June 30, 2008	10%	25%	25%
As of December 31, 2008	11%	25%	30%
As of June 30, 2009	14%	32%	38%

A loss rate of 5.7% is applied for loans originated prior to 2007.

The following assumptions applied as of prior balance sheet dates were maintained:

- taking into account the current rating of collateral assets rated lower than or equal to CCC+ by assigning a discount of 97% to these underlying assets;
- valuation of non-subprime underlying assets held in the structures based on a discounting grid including type, rating and vintage of the transactions.

In addition, for the structures for which Natixis holds the underlying assets, it applied a discount for transparency consisting of valuing each underlying tranche by marking it to market or to the appropriate model.

This model mainly uses non-observable data and is based on level three of the fair value hierarchy.

The impact of the application of this model amounts to €300 million in capital losses since the beginning of the year (group share of €108 million).

A 10% increase in the cumulative loss rates used to determine the fair value of CDOs would result in an immaterial impact for the Group. Sensitivity to a 10% decrease in the excess spread assumption would have an immaterial impact on the Group's financial statements.

Portfolios of US RMBSs, including subprime RMBSs

These portfolios consist of US RMBSs, whether or not they include a subprime component.

As of June 30, 2009, Natixis's gross exposure was €5,995 million and its net exposure was €5,672 million after recognition of impairment in the amount of €126 million in 1st half 2009. These amounts were €2,153, €2,037 and €45 million, respectively, for the Group.

The valuation model applied for non-Agency US RMBSs applied as of June 30, 2009 considers a final loss level for each RMBS resulting from a formula taking into account the cumulative losses at maturity and the defaults currently recognized. Unrealized capital gains are determined by projecting the final losses based on estimated losses as of this date, which in turn result from the delinquency pipeline, the severity of the losses in the event of default and realized losses based on the vintage assets of the pools.

8.1.3 Other exposures

Portfolios not exposed to subprime risk but for which no prices were able to be identified were valued using valuation pricing techniques, consistent with the approach taken in prior periods.

All of these models correspond to Level 3 of the fair value hierarchy, i.e., models primarily using non-observable data.

European RMBSs

For this portfolio, Natixis' net exposures were €806 million for the UK portfolio and €672 million for the Spanish portfolio, representing a total of €1,478 millions (i.e. €531 million for the Group).

A model was developed for the valuation of these instruments which consisted of calculating the fair value of instruments using spreads resulting from historical benchmark data in the "Mark-it" database. Benchmarks are defined depending on the type of securitization, rating and country and are thus associated with spread curves. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by the Risk Management Department.

Other structures not exposed to the US housing market for which the group uses a valuation model

Valuation models were used to place a value on the following assets deriving from securitization transactions for which no price could be determined as of June 30, 2009:

- for ABS CDOs not exposed to the US housing market, a scoring model for structures assigning a level of risk to each on the basis of selective criteria;
- for securitizations of commercial real estate portfolio (*Commercial Real Estate* – CRE CDOs and Commercial Mortgage Backed Securities – CMBSs), a credit stress test was performed based on a valuation model based on projected future cash flows as a function of loss rates per structure. Cumulative loss rates per structure are determined based on the loss rates relating to the underlying loans set at 10%. Monoline insurance for the structures covered is taken into account by including in the valuation the probability of default for monolines and their loss rate in the event of default. A minimum price of 3% is used along with coupon flow estimates taking into account the current rating of structures;
- for Trups CDOs (Trust Preferred Securities), which shares in securitizations of subordinated bank debt issue by U.S. SMEs, a stress test was performed based on a valuation model based on projected future cash flows and cumulative loss rates per structure. Cumulative loss rates were determined using the 84 scenarios for the allocation of defaults applied to this class of assets published by S&P in November 2008;
- for CLOs, a model was used based on detailed knowledge of transaction features and credit risk, taking stress parameters into account;
- for the ABSs in the Natixis Asset Management and Natixis Assurances portfolio purchased from the ABS+ unincorporated investment fund, a valuation model was used, which consisted of computing the prices of the ABSs based on the spreads resulting from historical benchmark data in the "Mark-it" database. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by Natixis's Risk Management Department.

CMBSs

For the CMBS portfolio, as of June 30, 2009, Natixis' gross and net exposure, respectively, was €1,115 and €760 million *versus* a net exposure of €1,087 million as of December 31, 2008, that is, respectively, €401 and €273 million for the Group, *versus* €389 million as of December 31, 2008.

This exposure resulted in the recognition of impairment losses in the amount of €139 million in first half 2009 (€50 million for the Group).

8.2 EXPOSURE TO MONOLINE INSURERS

8.2.1 Monolines

Transactions with monoline insurers entered into in the form of CDSs were subject to the funding of additional writedowns related to the widening of spreads on the assets backing them. These writedowns were determined by applying a uniform recovery rate of 10% and a probability of default at the same level as was assumed as of December 31, 2008, except for the probability of default for CIFG, which was downgraded for first half 2009. This resulted in the recognition of additional writedowns in the amount of €536 million (excluding currency impact) for first half 2009, bringing the total to €,720 million as of June 30, 2009. In addition, total impairment based on the monolines portfolio was brought to €500 million given the effect of additional funding in the amount of €200 million.

On the Group's financial statements, these amounts, respectively, were €193 and €618 million for writedowns and €180 and €72 million for impairment based on portfolios.

8.2.2 CDPCs (Credit Derivatives Product Companies)

The calculation of provisions for transactions with CDPCs was refined. The probability of default for each CDPC is now assessed by examining the portfolios for transparency. The historic average probability of default over 5 years for underlying assets is stressed by a factor of 1.3, taking into account a recovery rate of 20%. This yields a probability of counterparty default, which is deemed likely to occur if losses exceed the net assets of the CDPC. Writedowns recognized for DCPCs were €192 million as of June 30, 2009 on economic exposure of €1.45 billion. In addition, impairment based on CDPC portfolios was subject to additional funding in the amount of €282 million, bringing the total to €456 million.

On the Group's financial statements, these amounts, respectively, were €69 million for writedowns and €101 million and €164 million for impairment based on portfolios.

8.3 INCREASE OF GLOBAL HEDGING OF RISKS ON CERTAIN BUSINESS SECTORS

In first half 2009, global hedging of risks was increased by a sum of €748 million. This funding pertained primarily to the LBO and real estate sectors in order to take into account the deterioration of their financial condition.

On the Group's financial statements, the impact of the funding for the half year was €253 million.

8.4 SPECIFIC PROVISIONS FOR IMPAIRMENT LOSSES ON CERTAIN SIV COMPONENTS

SIVs (structured investment vehicles) are funds that make highly leveraged investments in highly-rated medium- and long-term assets. To fund themselves, SIVs issue commercial paper and medium- and long-term notes. As their issues are rated by credit rating agencies, SIVs must comply with liquidity ratios and certain thresholds concerning portfolio valuation. If these thresholds are reached or exceeded, the fund must liquidate its assets.

As of December 31, 2008, the global amount of impairment of SIV units was €61 million. The deterioration of the net asset values of SIV shares observed during the half year led to an impairment charge in the amount of 5 million, bringing the total to €66 million as of June 30, 2009.

The net amount of SIV units was €13 million as of June 30, 2009 (€4 million for the Group).

8.5 RECOGNITION OF IMPAIRMENT ON INTERESTS IN SYNDICATED LOANS HELD FOR SALE

The liquidity crisis has led to delays in syndication and difficulties in placing on the secondary market the share of syndicated loans initially subscribed with the intention of short-term resale. Real estate and LBO financing have been the most affected.

Loans whose notional syndication date had passed as of June 30, 2009 totaled €708 million, down from €149 million as of December 31, 2008. The market discounts observed on these loans were €72 million as of June 30, 2009 (€26 million for the Group) *versus* €96 million as of December 31, 2008. A net reversal of the discount in the amount of €24 million was then recognized in net banking income on the income statement for the first half of 2009 (€9 million for the Group). This decrease resulted from the combined effect of an improvement in the market price for certain loans and Natixis's decision to increase its final share.

8.6 EXPOSURE TO LEHMAN BROTHERS

As of June 30, 2009, Natixis's total outstandings with respect to Lehman Brothers was €464 million (€166 million for the Group).

This exposure gave rise to the recognition of impairment charges and provisions in the amount of €294 million as of June 30, 2009 *versus* €299 million as of December 31, 2008 (respectively, €106 and €107 million for the Group).

8.7 EXPOSURE TO ICELANDIC COUNTERPARTIES

As of June 30, 2009, Natixis's risk exposure to Icelandic banks comprised lending and hedging positions totaling €162 million (€58 million for the Group share) *versus* €174 million as of December 31, 2008.

In first half 2009, specific impairment gave rise to the funding of additional provisions in the amount of €48 million, bringing the total for loan impairment to €134 million as of June 30, 2009 (respectively, €17 and €48 million for the Group).

8.8 EXPOSURE TO THE MADOFF FRAUD

Natixis is indirectly exposed to a total net loss risk in connection with its fund-linked notes business, net of hedging, in the amount of €475 million. It holds units in Madoff feeder funds to hedge securities subscribed by its customers.

As of June 30, 2009, with respect to recovery assumptions, it decided to fund provisions for 100% of the risks inherent in the Madoff portfolio. Additional funding in the amount of €100 million was therefore recognized in first half 2009 (€36 million for the Group share).

8.9 IMPACT OF VALUATION OF ISSUER SPREAD ON NATIXIS' ISSUES AT FAIR VALUE

The valuation of the issuer spread on Natixis' issues designated as financial instruments at fair value through profit or loss had a €56 million positive impact on the income statement for first half 2009 (€20 million for the Group share). Total fair value recognized was €720 million as of June 30, 2009 (€259 million for the Group). To determine this valuation, the following methodology was applied: income from the face value of issues was discounted using the net margin representing, for each issue, the difference between the average contractual spread and the replacement spread for a Natixis issue with the same rating.

8.10 OTHER GROUP COMPANIES

Exposure for other companies impacted by the effects of the crisis is still immaterial and as of June 30, 2009 concerns primarily the following exposures:

8.10.1 Exposure to Collaterized Debt Obligations (CDOs)

There is no exposure to ABS CDOs exposed to the US housing market. Exposure to other CDOs (with no exposure to the US housing market) was as follows:

CDOs exposure *in millions of euros*	Number of positions	Gross exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 12/31/2008
Leveraged loans	31	310.8	175.1	38.80%	122
HY Corporate Bonds	2	0.4	0.4	0.09%	16.6
IG Corporate Bonds	56	329.3	267.2	59.20%	287.5
CDO-squared – Mezzanine tranches – Non-US RMBSs	4	8.6	8.6	1.91%	11.2
SME Loans	0	0.0	0.0	0.00%	0
TOTAL BANQUES POPULAIRES	**91**	**649.1**	**451.3**	**100%**	**437.2**

Residual exposure to counterparty risk for monoline insurers:

in millions of euros	06/30/2009 Gross notional amount of protection purchased	12/31/2008 Gross notional amount of protection purchased
Protection for other CDOs		
purchased from monolines	50	50
purchased from CDPC[(1)]	-	-
purchased from other counterparties[(2)]	-	-
TOTAL PROTECTION PURCHASED FOR HEDGED CDOS	**50**	**50**

(1) Credit Derivative Product Companies.
(2) Counterparty risk with respect to two protection providers (European banks) is hedged by the margin calls paid to the CNCE.

The group has no CDOs exposed to counterparty risk on monoline insurers. Global exposure to counterparty risk for monoline insurers was flat from 12/31/2008 to 06/30/2009.

8.10.2 Exposures to commercial mortgage-backed securities (CMBSs)

(Unhedged CMBSs)

in millions of euros	Number of positions	Gross exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 12/31/2008
TOTAL	**15**	**123**	**123**	**146**

8.10.3 Exposures to residential mortgage-backed securities (RMBSs)

in millions of euros	Number of positions	Gross exposure 06/30/2009	Net exposure 06/30/2009	Net exposure 12/31/2008
TOTAL	**121**	**1,023**	**1,023**	**1,033**

8.10.4 Exposures to asset-backed commercial paper (ABCPs) conduits

The liquidity lines approved for conduits sponsored by third parties were €39.2 million for French conduits (ABCP conduits).

LBOs:

in millions of euros	06/30/2009	12/31/2008
Final shares		
Commitments	1,356	1,240
Shares for sale		
Commitments	0	0
TOTAL	**1,356**	**1,240**

The number of files as of June 30, 2009 was 641, that is, an average commitment of €2.1 million.

Note 9 Events subsequent to the June 30, 2009 close

- Establishment of BPCE

The most significant recent event was the creation on August 3, 2009 of BPCE, the new central institution of Banques Populaires and Caisses d'Epargne resulting from the merger of Banque Fédérale des Banques Populaires and Caisses Nationale des Caisses d'Epargne.

Summary information on BPCE is presented in the accompany notes, note 1 – Significant events in first half 2009.

- Offer to swap Tier 1 Natixis securities for BPCE securities

On July 6, 2009, BPCE announced the launch of seven swap offers with respect to Tier One securities issued by the Natixis group.

For the offer period ended on July 31, 2009, BPCE received and accepted for swap existing securities with a par value equivalent to €1,187 million.

On August 6, 2009, BPCE issued four series of new securities in exchange, for a principal amount approximately equivalent to €794 million (excluding interest accrued).

- Asset guarantee for Natixis

In second half 2009, BPCE will put in place a mechanism to protect its subsidiary Natixis against losses and volatility of the results generated by its workout portfolio structure.

This protection mechanism is intended to strengthen Natixis and enhance the conditions for the success of its strategic plan. It will enable Natixis to free up a significant portion of its equity allocated to the segregated assets and to protect itself against the risk of losses after June 30, 2009.

The guarantee that will be furnished by BPCE will secure the workout portfolio, which had a net exposure of €31 billion as of June 30, 2009.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

Period from January 1, 2009 to June 30, 2009

To the shareholders

BP PARTICIPATIONS
5, rue Leblanc
75511 Paris Cedex 15

Dear shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a review of the accompanying condensed interim consolidated financial statements of Groupe Banque Populaire, for the six months ended June 30, 2009;
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors of BP Participations against the backdrop, as described in note 8 of the appendices, of an economic and financial crisis characterized by a very high measure of volatility on those financial markets that remained active, a reduction in the number of transactions on those markets that became inactive, and the lack of visibility over the future that was already prevailing at the close of the 2008 fiscal year. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, August 27, 2009

The statutory auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

4.1.3 Person responsible for the interim financial report

Mr François Pérol, Chief Executive Officer of BP Participations, Chairman of BPCE's Management Board.

Statement by the person responsible for the Registration document

To the best of my knowledge, I certify that the consolidated financial statements of Banque Fédérale des Banques Populaires and of the Groupe Banque Populaire for the half year ended June 30, 2009, have been prepared in conformity with applicable accounting standards and provide a true and fair view of their respective assets, financial position and profit or loss, as well as those of all the companies included in their scope of consolidation, and the half yearly report on the activities of Banque Fédérale des Banques Populaires (pages 3 to 9) and that of Groupe Banque Populaire (pages 81 to 89), presenting a true and fair view of the material events over the first six months of the fiscal year and their impact on the half yearly financial statements as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

François Pérol

Chief Executive Officer of BP Participations

Chairman of BPCE's Management Board

The pages indicated in this statement correspond to Groupe Banque Populaire's 2009 half yearly report filed on BPCE's website www.bpce.fr on August 28, 2009 in the "Financial Communication" section under "Regulated information". Banque Fédérale des Banques Populaire's half yearly report and Groupe Banque Populaire's half yearly report may be found in Groupe BPCE's registration document on pages 92 to 98 and pages 160 to 167 respectively.

4.2 Groupe Caisse d'Epargne interim financial report as of June 30, 2009

4.2.1 Risk Management Report

GENERAL RISK-MONITORING ORGANIZATION

General Risks of Groupe Caisse d'Epargne

Groupe Caisse d'Epargne's business involves the following main risks:

- credit or counterparty risks;
- ALM risks (liquidity, rate, and currency);
- market risks;
- intermediation and settlement risks;
- operational risks;
- legal risks;
- compliance risks;
- IT risks.

Groupe Caisse d'Epargne has implemented risk management processes adapted to its decentralized organization and the diversified businesses of its entities. These processes are designed to manage the risks inherent in all of the Group's activities and operations, and to ensure compliance with regulations, professional practice and Group standards.

The majority of these duties are the responsibility of the CNCE's Group Risk Management and Group Compliance and Security units.

Roles and responsibilities of the Risk Management and Compliance functions

The Risk Management and Compliance/permanent control functions include the Group Risk Management unit, the CNCE's Group Compliance and Security unit, and the Risk Management and Compliance/permanent control units of the Group's entities (Caisses d'Epargne and subsidiaries).

Group Risk Management Department

The duties of the Group Risk Management Department are focused on two areas:

- defining and implementing control, monitoring, and risk-control mechanisms within the Risk Management function within the meaning of CRBF Regulation 97-02, as amended;
- developing and integrating new requirements stemming from the Basel II agreement and transposed in the European directive and French regulations into the monitoring and risk-control mechanism.

The Risk Management Department monitors and controls risks by means of several committees, which it manages:

- the Group Risk Committee, which determines the entire framework of risk-management issues, risk-management mechanisms, and their development (monthly);
- the Group Credit committees; Major Counterparties and Group SME Credit, which analyze commitments beyond delegations of entities, and decide on their maximum amounts (at least twice monthly);

- Watch-List, Non-Performing Loans and Provisions committees (quarterly), whose duties are to monitor sensitive commitments involving major counterparties on a quarterly basis that can give rise to the recognition of provisions/impairments;
- the Market Risk Management and Group Investment Risk Management Committees (monthly);
- the Group Operational Risk Management Committee (quarterly);
- the New Products and New Financial Activities Committee (monthly).

Group Security and Compliance unit (GSC)

The duties of the GSC complement those of the Group Risk Management Department within the scope of permanent controls. Specifically, they involve non-compliance risks within the meaning of CRBF Regulation 97-02 as amended.

As a general committee, the Internal Control Monitoring Committee ensures that Groupe Caisse d'Epargne's risk management and oversight policies and procedures are consistent, comprehensive and well organized.

The GCS unit oversees the approval procedure for new products developed by Groupe Caisse d'Epargne *via* the Commercial Products Approval Committee. This committee approves new products and services from a legal, economic and financial perspective, and their distribution from a compliance standpoint.

Entity Risk Management Departments

The Risk Management Departments at the entity level cover risks other than those related to compliance issues, and provide ex-ante analysis as part of the delegation system, as well as ex-post risk analysis and control.

They are responsible for conveying to their entity the national procedures and projects initiated by the Group Risk Management Department and, as such, for ensuring deployment within the entities of the Basel II standards and their proper application.

Entity Compliance/Permanent Non-Compliance Risk Control units

The Entity Compliance/Permanent Risk Control units follow the guiding principles and the organization defined by the GSC unit. They present and apply the operating standards set out by the GSC unit. Their brief is the same as the GCS unit at the entity level.

Organization of Natixis' Supervision

Natixis is affiliated with two central institutions, the Caisse Nationale des Caisses d'Epargne (CNCE) and the Banque Fédérale des Banques Populaires (BFBP), who have joint control over their jointly owned subsidiary.

Natixis Risk Management is incorporated into the corresponding subsidiaries of each of the two shareholding groups – likewise for Natixis Compliance.

Risk management coordination among the three groups, Natixis, Caisse d'Epargne, and Banque Populaire, is provided by four permanent committees:

- a Standards & Procedures Committee, whose primary duty is the issuing – or the approval in case of delegation – of common standards;
- a Risk Information Systems Committee, which is authorized to handle all issues relating to risk information systems common to Natixis and the two shareholder groups, and required for oversight on a consolidated basis;
- a Global Risks Committee, which:
  - approves global risk exposure limits proposed by Natixis, by risk type,
  - deliberates on commitments that exceed the unit limit of major risks set in agreement with both shareholder groups,
  - reviews risk strategies, exposure limits, and ratings for each major counterparty risk,
  - periodically reviews the major risk areas for Natixis,
  - arbitrates on all issues of common interest concerning the organization and monitoring of consolidated risk and Risk Management delegations;
- a Global Compliance Committee, including the CNCE, the BFBP, and their joint subsidiary, Natixis, whose primary duty is the issuing and approval of joint standards for the general organization of Natixis' Compliance function. The committee also sets out procedures for coordinating the issuance of a joint compliance opinion prior to the launch by Natixis of new products intended for distribution through both networks.

Significant events in the first half of 2009

Basel II Certification

Groupe Caisse d'Epargne was audited by the French Banking Commission with regard to Basel II certification on the retail banking asset class. The findings of this audit were issued early in the year. They identify the obvious progress made by the Group since 2007 resulting from the positive effects of a determined policy driven by the central institution and now widely spread throughout the network.

The accomplishment of several of the project's facets has made it possible to raise critical points on a number of recommendations from the previous audit.

Conversely, the migration of certain Caisses d'Epargne to the target Mysys IT platform has revealed certain anomalies in the input of variables used in calculating scores. These weaknesses in the Basel IT system have been corrected, but the resulting tests have caused project delays.

While in-depth measures to improve IT system reliability are still on the agenda, the combination with the already-certified Groupe Banque Populaire brings a new perspective to the new partnership. A project has been launched to evaluate the new Group's option to rely on the Basel IT system of the Groupe Banque Populaire, so as to provide certification of methods and extend certification of the Banque Populaire system to the Caisse d'Epargne system.

Creating the new BPCE central institution

Preparation for the combination between the central institutions of both groups means a series of regulatory obligations for the Group Risk Management unit. First of all, it must be prepared to meet the regulatory obligation of consolidating both groups' risks and their monitoring, in terms of credit risks as well as financial and operational risks.

To this end, a series of projects was launched in April to prepare a system that is effective as of the combination date. These projects have also defined the operating procedures for the future central institution in the transition phase and the target phase.

As for credit risks, the major task concerns consolidating commitments by counterparty group, which requires the establishment of a single third-party reference database. This mechanism must enable reliable production of regulatory reporting (specifically, statement of major risks) and monitoring of the Group's new limits.

The establishment of a centralized IT system will make it possible to prepare solvency ratio reporting status updates of the new group in COREP format as early as the first quarterly closing.

Finally, risk reporting, limit monitoring, counterparties under surveillance, and subsidiary standards are pending harmonization.

Beyond the work of harmonizing financial risk-monitoring standards in the new group, the Group Risk Management Departments of both central institutions contributed to strengthening and adapting the BPCE's financial risk monitoring. This new entity performs the duty of a central treasury for the establishments of both networks. Therefore, monitoring treasury risks, like the latter's ALM risks, is an important issue.

Finally, the operating risks portion of the COREP was also a topic of discussion, with a view to standardizing mechanisms.

Risk governance of the new group was presented to the CECEI (Committee of banks and investment companies).

Economic environment

Following the worsening of the economic crisis since the failure of Lehman Brothers, we have seen some signs of recovery since the end of the first quarter 2009, which reflect the impact of stimulus policies adopted in the United States and Europe, as well as the marked drop in consumer prices resulting specifically from falling oil prices early in 2009.

Stock-market indices have entered a very distinct rebound phase since bottoming out in March. The stocks that have benefited most from this rebound are financials and cyclicals, which were the hardest hit by the 2008 market correction.

In the first quarter, the primary market was fueled by recapitalizations in the banking sector.

Also in the first quarter of 2009, the central banks' lead rates hit bottom. The ECB continued to lower its rates, which ended the month of May at 1%.

In the US, there was a strong rebound in long-term interest rates due to the US government's borrowing requirements resulting from the stimulus package.

Conversely, the increase was more moderate in the eurozone. In France, ten-year interest rates on government bonds increased by 55 bp between the low point of December 2008 and mid-June 2009, settling at 3.85%.

In the corporate market, the global default rate on high-yield bonds decreased significantly, doubling its level between end 2008 and end May 2009. Downgradings by rating agencies were frequent.

The real estate crisis continued, but should level off gradually: there are already signs of improvement in the US and the UK.

In France, risk aversion has heightened investment flows toward bank deposits since 2008. Conversely, investment outflows on UCITS have increased, except for money-market UCITS.

CAPITAL MANAGEMENT AND REGULATORY CAPITAL REQUIREMENTS

Capital management

Groupe Caisse d'Epargne has a Group Capital Management Department. It also quantifies internal capital requirements ("economic capital"), tracks regulatory ratios for the Group and its entities on a forward-looking basis, and takes capital management measures. Moreover, as a result of regulatory developments in 2008 prompted by the transition to Basel II, the way in which capital is allocated across the Group changed significantly during this period.

It must be noted that the work undertaken by Capital Management has continued in the new BPCE environment.

Capital Management Department

The duties of Group Capital Management are as follows:

- implementing the capital allocation strategy and optimizing Groupe Caisse d'Epargne's return on capital;
- defining and implementing measures to optimize the capital requirement for the Group and its entities, as well as the cost of raising capital;
- defining and implementing indicators for measuring profitability from an economic perspective, in a bid to improve pricing tools;
- incorporating capital consumption projections within strategic planning for each level of analysis (regulatory/economic) together with expected profitability at both the entity and business level;
- measuring internal capital requirements in compliance with the second pillar of Basel II (economic capital);
- ensuring that the Capital Management approach is transversal across the CNCE and providing a point of contact for the roll-out of the department within the Group's entities.

Projections of regulatory ratios

Groupe Caisse d'Epargne makes forecasts of regulatory ratios within its business and earnings forecasts. Projected Tier-1 and total capital ratios are also calculated for each entity affiliated to the Group.

Measures concerning the capital of CNCE entities are based on their own specific needs and regulatory requirements.

Obstacles to the transfer of capital or the reimbursement of liabilities by the parent company

Groupe Caisse d'Epargne does not have any material or legal obstacle to the transfer of its capital or the reimbursement of liabilities between CNCE, the regional Caisses d'Epargne and subsidiaries.

Optimization and management of capital

In the first half of 2009, the Capital Management Department implemented the following measures:

- to allow Natixis to cope in the depressed economic environment the banking sector is experiencing, and to give it the necessary resources to carry out its risk-reduction plan, the CNCE and the BFBP each established a shareholders current account advance agreement for Natixis totaling €1.5 billion (€750 million for the CNCE);

- as part of the French government plan to support the economy, under which Groupe Caisse d'Epargne has pledged to increase loan volumes in the French economy, the Government wanted the CNCE to benefit from the equity contribution included in the second tranche of strengthening the equity capital of the six leading French banking groups.

  Accordingly, on June 26, 2009, the CNCE issued deeply subordinated notes, or DSNs (securities included in Tier-1 capital), for a total of €1 billion, subscribed to by *Société de prise de participation de l'Etat*. At the same time, the CNCE provided Natixis with the same amount, by itself subscribing to DSNs issued by Natixis.

It should be noted that, against the background of the creation of BPCE:

- all of the subordinated notes issued by the CNCE on the market were transferred to BPCE, the new group's central institution;
- on July 6, 2009, BPCE launched seven exchange offers for Tier-1 notes issued by Natixis. The notes contributed as part of these offers could be exchanged for new Tier-1 notes issued by BPCE. Thus, the central institution of the new BPCE group positioned itself as a major bond issuer on the international markets. The exchange added about 0.2 point to Natixis' Core Tier-1 ratio.

Economic capital management project

In accordance with the second pillar of the Basel II framework, this project seeks to:

- define the methodologies for determining economic capital and the overall concepts and parameters to be used in the approach;
- estimate the various impacts of diversification (business lines/entities/risks);
- analyze the portfolio concentration risk of the Caisses d'Epargne;
- measure economic capital consumption at the Group level.

Since its inception, the project has been carried out in conjunction with the Groupe Banque Populaire and Natixis, which benefits from the dual affiliation provided by its two central institutions. The aim of the project was to ensure that the methods used to assess whether capital is properly aligned with each risk profile were consistent for risks within the same category. The project also draws on the work carried out under the first pillar of the Basel II framework.

The Group has since tested and calibrated the methodologies chosen for each risk typology (credit, market, operational, ALM, business) in order to assess the internal breakdown of economic capital by nature and level of risk and to reconcile the results with regulatory requirements.

This approach is tested, and is expected in time to enhance the profitability indicators used by each business.

Regulatory ratios

The method for calculating the Basel II capital-adequacy ratio is that defined by the Order of February 20, 2007 issued by the French Ministry of the Economy, Finance and Industry, namely the relationship between total prudential capital and the sum of:

- regulatory capital requirements for credit risk using the standardized approach or internal ratings-based approach according to the Group entity concerned;
- regulatory capital requirements for prudential supervision of market and operational risks.

The Tier-1 ratio is obtained by multiplying the Tier-1 capital and regulatory capital requirements ratio by 8%. Tier-1 equity (or base equity) is equal to the sum of the equity capital, minority interests, and issues of DSNs or similar, and from which regulatory deductions are taken (specifically goodwill).

As of June 30, 2009, Groupe Caisse d'Epargne's estimated Tier-1 ratio equaled 8.7% under Basel II, compared to 8.3% as of June 30, 2008.

In the first half-year 2009, the Tier-1 ratio benefited from a strengthening of equity capital: €1 billion in June, in the form of hybrid securities, under the second tranche of the French economic stimulus package.

For the issuer, the Caisse Nationale des Caisses d'Epargne's estimated Tier-1 ratio stood at 6.7% as of June 30, 2009 under Basel II (8.5% as of June 30, 2008).

CREDIT AND COUNTERPARTY RISK MANAGEMENT

Details on the procedures for consolidating Natixis' risks

Natixis' credit risks in the exposures of Groupe Caisse d'Epargne are consolidated based on a 35.92% share as of June 30, 2009 (35.78% as of December 31, 2008). Under the new BPCE group, Natixis' risks will be fully consolidated, in line with the degree of Natixis' consolidation in BCPE's consolidated financial statements.

The positions of the investment bank in charge of market risks are tracked independently of the financial transaction positions of the Banque Commerciale's entities (CNCE, Caisses d'Epargne, and subsidiaries excluding Natixis). These two scopes do not pursue the same management objectives and do not manage the same type of risks. Each scope has its own individual limit.

Update on procedures and methods

In terms of credit risk policies, the fundamental, overall principles, regardless of the type of clients/counterparties are as follows:

Ultimate risk-taking responsibility

Operating business lines are liable for the risks they generate. They are responsible for tracking and controlling first-tier risks *via* the permanent control system.

Risk-taking responsibility is delegated according to the Group Risk Management Department's recommendations. It incorporates the criteria of rating, amount, type, and complexity of the transaction, of which the last level is based on an appropriate system of committee meetings, which can only be held when properly called and in the presence of the Risk Management function.

Internal ratings

Each client or new transaction must be rated according to an internal rating method suited to the asset class to which the client belongs. The same method is used throughout the Group:

- methods on a scoring basis for retail banking (individuals, business) customers and regional public sector clients;
- methods combining statistical and qualitative techniques for SMEs or REPs (real estate professionals);

- methods ratified by an external expert for major clients/counterparties and investment bank-type asset classes.

Assignment of credit limits

The Group uses three main types of credit risk exposure limits, reviewed annually: exposure by country, exposure by business sector (for large corporations, SMEs and self-employed professionals), and exposure by customer or counterparty. Moreover, credit limits are assigned to entities for their financial transactions ("Proprietary" and "Medium-to-Long-Term" portfolios).

They are decided on by the Group Risk Management Committee, based on the Group Risk Management Department's analyses and proposals, factoring in primarily the following criteria: the needs expressed by the Group's entities, the internal rating of the counterparties, their size, and their financial fundamentals.

Risk exposure as of June 30, 2009

The tables below are from the Group's exposure consolidation system. Changes between December 2008 and June 2009 reveal the stability of the structure of funds managed over the half-year period. There was further work to improve data quality, making it possible to more accurately identify certain portfolios or more finely consolidate the outstandings of certain subsidiaries.

Breakdown of exposure by geographic area and Basel type

BREAKDOWN OF EXPOSURE BY GEOGRAPHIC AREA

The table below shows the breakdown of exposure by geographic area and by Basel exposure category, not including guarantees received and other credit risk mitigation factors.

in millions of euros	Central governments and central banks		Institutions		Corporate		Retail		Equity		Securitization		Total exposure	
Geographic aera	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**
France	125,926	96%	122,599	76%	90,841	67%	160,450	100%	4,591	71%	4,426	12%	508,833	81%
Europe (excl. France)	4,025	3%	29,896	19%	26,024	19%	-	0%	1,247	19%	23,639	65%	84,831	13%
America	343	0%	5,266	3%	14,096	10%	-	0%	417	6%	7,786	21%	27,908	4%
ROW	1,443	1%	3,117	2%	4,412	3%	-	0%	194	3%	518	1%	9,683	2%
TOTAL	**131,737**	**100%**	**160,879**	**100%**	**135,372**	**100%**	**160,450**	**100%**	**6,449**	**100%**	**36,369**	**100%**	**631,255**	**100%**

Retail Banking and Regional Development Banking make up 47% of the Group's exposure, essentially because of the activities of the Caisses d'Epargne and Crédit Foncier group.

Major counterparties make up 46% of the Group's exposure, resulting from transactions with "Institutions" and "Sovereign".

France represents 96% of Sovereign exposure, 76% of Institutional exposure, and 67% of Corporate exposure. These numbers reflect stability.

Exposure in Europe (outside France) is stable compared to the closing of December 31, 2008.

As of June 30, 2009, the Group's overall credit risk exposure was €631 billion, including €87.2 billion under the centralization of regulated savings account balances with the *Caisse des Dépôts et Consignations* (down €7 billion from December 31, 2008) and €120 billion with the consolidation of Natixis.

The Retail portion is stable, and the Corporate portion is up slightly. Securitizations are down 9% (-€3.7 billion) due mainly to the amortization of the corresponding outstandings.

BREAKDOWN OF EXPOSURE BY BASEL TYPE

Not including Retail and Corporates, the Group's exposure was €335 billion compared to €344 billion as of December 31, 2008, i.e. 53% of total exposure.

The following table summarizes this exposure:

in millions of euros	Central governments and central banks		Institutions		Equity		Securitizations		Total exposure	
Basel type	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**
Banks	93,988	71%	99,589	62%	3,905	61%	12	0%	197,494	59%
Regional public sectors weighted as banks	-	0%	61,290	38%	-	0%	-	0%	61,290	18%
Regional public sectors weighted as sovereigns	26,552	20%	0	0%	-	0%	-	0%	26,552	8%
Ad hoc entities	-	0%	-	0%	22	0%	35,775	98%	35,797	11%
Sovereigns	10,754	8%	-	0%	-	0%	-	0%	10,754	3%
Other Basel types	442	0%	-	0%	2,522	39%	581	2%	3,546	1%
TOTAL	**131,737**	**100%**	**160,879**	**100%**	**6,449**	**100%**	**36,369**	**100%**	**335,433**	**100%**

Breakdown of Corporate exposure category by business segment

The table below shows the breakdown of Corporate exposure by business segment.

Sectors are based on the KMV counterparty classification.

Business segment	**Exposure** *in millions of euros*	**%**
Real estate	30,578	22.6%
Producer goods and business services	11,627	8.6%
Consumer goods and services	7,801	5.8%
Financial institutions and services	7,726	5.7%
Retailing	5,718	4.2%
Holding companies	5,683	4.2%
Utilities	5,706	4.2%
Insurance	4,264	3.1%
Other business segments	56,268	41.6%
TOTAL	**135,372**	**100.0%**

The weight of Natixis in the €135 billion in Corporate exposure is €62 billion, based on 35.92% consolidation.

Items shown in the table above do not include exposure relating to Nexity.

Breakdown of exposure by credit rating

Credit ratings are assigned based on external ratings using the algorithm described in the Order of February 20, 2007, and are used to determine the weighting to be applied to exposures, according to the corresponding regulatory schedules.

The table below shows the breakdown of commitments (not including Natixis) by credit rating (not including Retail customers for whom there is no external rating).

in millions of euros	Central governments and central banks		Institutions		Corporate		Equity		Securitizations		Total exposure	
Credit rating	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**	**Exposure**	**%**
1	118,595	94%	58,402	47%	5,533	8%	3,358	65%	7,704	33%	193,592	55%
2	1,073	1%	9,439	8%	9,573	13%	972	19%	113	0%	21,169	6%
3	80	0%	251	0%	12,338	17%	72	1%	126	1%	12,868	4%
4	84	0%	154	0%	11,648	16%	104	2%	9	0%	11,999	3%
5	80	0%	8	0%	3,886	5%	9	0%	8	0%	3,991	1%
6	-	0%	39	0%	404	1%	-	0%	3	0%	446	0%
Not rated	6,503	5%	57,126	46%	29,848	41%	629	12%	15,638	66%	109,745	31%
TOTAL	**126,415**	**100%**	**125,419**	**100%**	**73,229**	**100%**	**5,144**	**100%**	**23,601**	**100%**	**353,808**	**100%**

For information, the distribution of internal ratings on the Retail exposure category is as follows:

- 93.6% of ratings corresponding to performing loans, of which 86.5% are favorable or acceptable quality;
- 1.4% of ratings corresponding to non-performing loans;
- 5% of ratings correspond to clients with less than 6 months' seniority in terms of when the relationship began, and clients awaiting ratings.

Concentration of exposure by category

As of 06/30/2009	**Top 10**	**Top 20**	**Top 50**	**Top 100**
Central governments and central banks	75%	81%	87%	91%
Institutions	13%	20%	32%	44%
Corporate	7%	11%	19%	27%
Equity	42%	56%	74%	87%
Securitizations	26%	39%	61%	78%

As of 12/31/2008	**Top 10**	**Top 20**	**Top 50**	**Top 100**
Central governments and central banks	73%	79%	85%	90%
Institutions	14%	20%	32%	43%
Corporate	6%	9%	16%	22%
Equity	42%	55%	72%	85%
Securitizations	26%	39%	60%	77%

There is a slight increase in concentration on Corporate, in line with the increase in the scope concerned: the increase is +0.75% of outstandings on the ten biggest counterparties, and +5% on the 100 biggest counterparties.

However, this concentration remains at a satisfactory level, with the 100 biggest counterparties of the Corporate class remaining at 27% of total Corporate exposure.

The exposure concentration and its development over the other asset classes do not warrant any comment.

Breakdown of exposure by maturity

in millions of euros	<7 days	%	7 days – 1 yr	%	1 yr – 5 yrs	%	>5 yrs	%	Perpetual	%	Total exposure
Central governments and central banks	1,186	1%	8,312	6%	98,628	75%	23,517	18%	93	0%	131,737
Institutions	6,034	4%	57,364	36%	26,224	16%	69,398	43%	1,859	1%	160,879
Corporate	4,413	3%	23,697	18%	48,065	36%	54,831	41%	4,366	3%	135,372
Equity	-	0%	-	0%	-	0%	-	0%	6,449	100%	6,449
Securitizations	-	0%	68	0%	2,436	7%	21,336	59%	12,528	34%	36,369
TOTAL (EXCLUDING RETAIL CUSTOMERS)	**11,633**	**2%**	**89,441**	**19%**	**175,354**	**37%**	**169,082**	**36%**	**25,295**	**5%**	**470,805**

The development of this indicator on categories other than Retail since December 31, 2008 is the result of a very marginal extension of exposure maturity.

Exposures with greater than one year's maturity still have the biggest volume (73% of non-retail exposures).

Those with a term of more than five years are stable at 36% of total exposures (not including Natixis).

FSF REPORTING (G7)

In its April 7, 2008 report, the Financial Stability Forum (FSF) issued a series of recommendations in response to the credit crisis, dealing primarily with transparency, asset valuation, risk management and credit rating agencies.

Acting on the conclusions of the Senior Supervisors Group's report, the FSF urged improvements to be made in the following five areas of financial reporting:

- Collateralized Debt Obligations (CDOs) and exposure to monolines and other providers of credit enhancement;
- exposures to commercial mortgage-backed securities (CMBS);
- other subprime and Alt-A exposures (RMBS, loans, etc.);
- special-purpose entities;
- leveraged finance/LBOs.

These topics were taken up by a working group bringing together the FBF, the SGCB and the AMF, commissioned to implement the FSF recommendations in France. Financial information checklists were drawn up on the five aforementioned areas (see below).

For purposes of clarity, Natixis and Crédit Foncier exposures are presented separately from exposures relating to other Groupe Caisse d'Epargne entities.

Exposures of Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier)

Collateralized Debt Obligations (CDOs) and exposure to monolines and other providers of credit enhancement

UNHEDGED CDO EXPOSURES

Characteristics of CDO exposures exposed to the US real estate market

Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier) holds 21 positions on various unhedged CDO tranches exposed to the US real estate market.

U.S. ABS CDOs constitute net exposure (excluding Natixis) of €10 million as of June 30, 2009 (versus €13 million as of December 31, 2008).

Given the volume of depreciations already recorded by the Group on this type of asset, the residual risk is now not material.

Portfolio types *in millions of euros*	06/30/2009	12/31/2008
Number of securities	21	22
Gross exposure (net value on balance sheet before impairment/write-downs)	**160**	**167**
Total impairment and write-downs recorded since inception	(150)	(154)
o/w recorded in 2008	*(46)*	*(46)*
o/w recorded in 2009	*0*	*0*
Net exposure (net value of impairment)	**10**	**13**
% total of CDO discounts	94%	93%

Characteristics of exposure to other CDOs not exposed to the US housing market

Until now, the Group had disclosed its so-called "sensitive" exposures, i.e. its exposures that were the subject of an individual impairment decision or that, due to the unit amount of the investment, represented a material risk. In order to make disclosure within BPCE uniform, all CDO positions held are the subject of a disclosure. Thus, all of the Group's 204 CDO positions are resumed below.

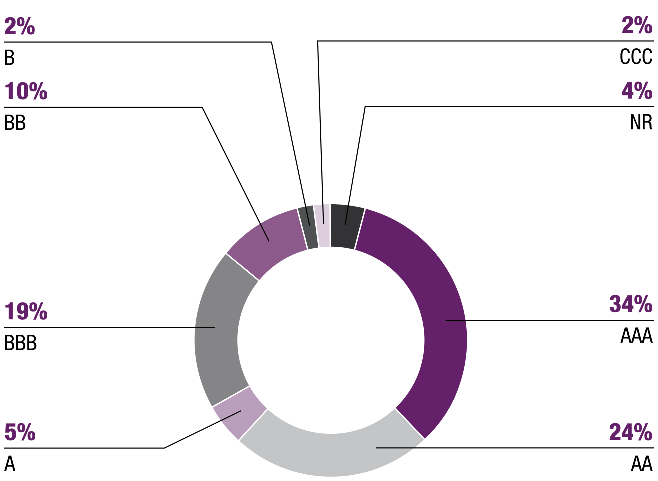
The Group's investments are concentrated on the following asset classes:

- CLO (the collateral of this income is generally made up of loans granted in the context of LBO transactions);
- CDO ABS Europe (the collateral of this income is generally made up of mezzanine tranches of every type of securitization transaction: RMBS, CMBS, CLO, etc.). The primary transaction (€209 million) is rated AAA/BBB- by S&P and Fitch, respectively, as of June 30, 2009;
- CDO Trups (the collateral of this income is composed of Trust preferred securities, securities issued by a trust that has itself subscribed to a subordinated issue of a bank, an insurance company, or a real estate fund);
- Guaranteed-capital products (PPN, etc.).

In light of sales achieved in the first half-year 2009, specifically by the CNCE on its CLO portfolio, net exposures were down by more than €300 million compared to December 2008.

Exposure *in millions of euros*	**Number of positions**	**Gross exposure as of 06/30/2009**	**Net exposure as of 06/30/2009**	**% Net exposure as of 06/30/2009**	**Net exposure as of 12/31/2008**	**Change**	**o/w value adjustments over the first half-year 2009**
CLO	62	844	764	51.00%	1,028	(264)	10
ABS CDOs (Europe)	14	318	287	19.20%	297	(10)	(10)
CDO TRUPS	25	197	148	9.90%	163	(15)	(15)
CSOs and other corporate CDOs	39	310	54	3.60%	61	(7)	(0)
Other CDOs	64	447	246	16.30%	260	(14)	5
GROUP TOTAL (EXCLUDING NATIXIS AND CRÉDIT FONCIER)	**204**	**2,116**	**1,499**	**100%**	**1,809**	**(310)**	**(10)**

As of June 30, 2009, breakdown of net exposures on CDOs by ratings class was as follows:



Investments break down as follows:

- CNCE: 85.5% (issued from proprietary transactions managed on a run-off basis);
- Caisses d'Epargne 14.5%.

PROTECTION PURCHASED FROM COUNTERPARTIES TO HEDGE CDO EXPOSURES

These exposures fit into the Negative Basis Trades strategies rolled out by the CNCE with three major European banks on three separate transactions:

- two senior tranches of European U.S. CLOs, rated AAA by two rating agencies as of June 30, 2009;
- one senior tranche of one CDO of European ABS, rated AA/BBBB by S&P and Fitch, respectively, as of June 30, 2009 (tranche 74% hedged by a cash deposit for the counterparty to CDS).

in millions of euros	As of June 30, 2009					
	Gross notional amount of protection purchased	Gross notional amount of hedged CDOs	Impairment of hedged CDOs	Of which impairment on the first half 2009	Fair value of the protection before value adjustments and hedging	Value adjustments booked on protection
Protection for other CDOs (with significant impact on financial statements)						
purchased from monolines						
purchased from CDPC(1)						
purchased from other counterparties(2)	*506*	*506*	*(184)*	*(47)*	*184*	*0*
TOTAL PROTECTION PURCHASED FOR HEDGED CDOS	**506**	**506**	**(184)**	**(47)**	**184**	**0**

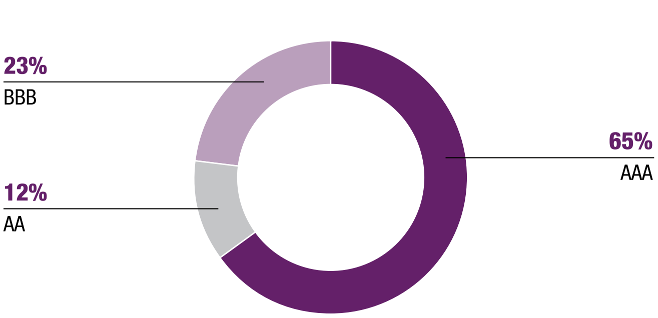
(1) Credit Derivative Product Companies.
(2) Counterparty risk with respect to two providers of protection (European banks) is hedged by the margin calls paid to the CNCE.

CMBS Exposure (Collateralized Mortgage Backed Securities)

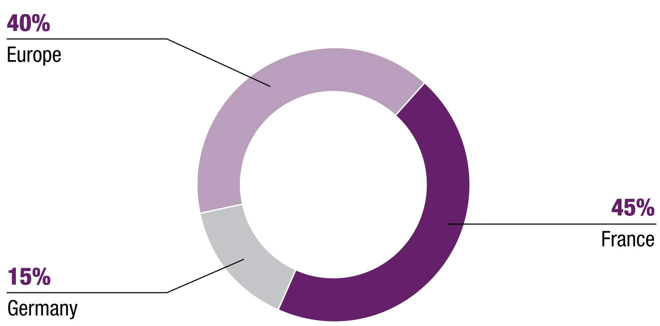
in millions of euros	Number of positions	Gross exposure as of 06/30/2009	Net exposure as of 06/30/2009	Net exposure as of 12/31/2008	Change	o/w value adjustment as of first half 2009
GROUP TOTAL (EXCLUDING NATIXIS AND CRÉDIT FONCIER)	**13**	**40**	**29**	**35**	**(6)**	**(6)**

All of the Group's exposures (excluding Natixis and Crédit Foncier) in this asset class are located in Europe and all have investment grade external ratings.

BREAKDOWN OF CMBS AS OF 06/30/09 BY RATING



BREAKDOWN OF CMBS AS OF 06/30/09 BY GEOGRAPHIC AREA



Other at-risk exposures (RMBS, US loans, etc.)

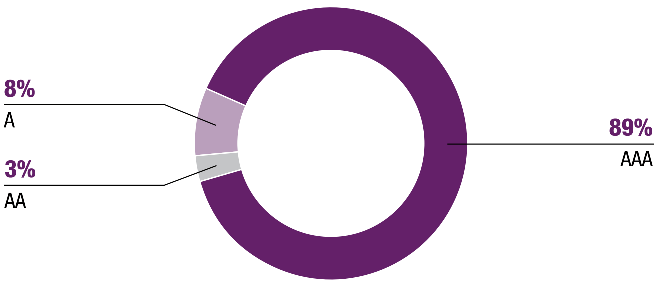
Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier) does not hold any direct exposure on US loans.

The majority of RMBS outstandings of Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier) are composed of exposures on loans made in Continental Europe. Furthermore, 85% of RMBS outstandings correspond to transactions initiated before 2005.

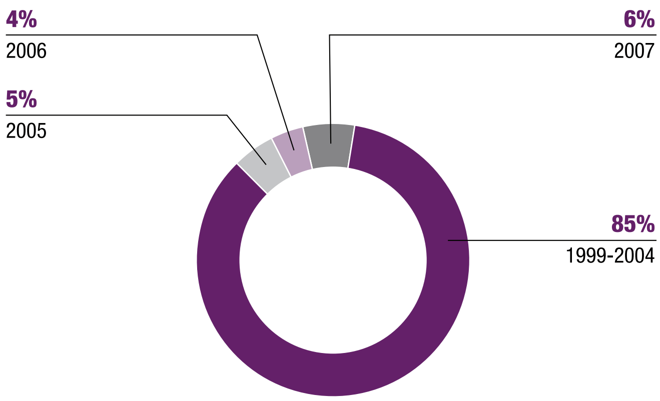
Note that net exposures have fallen nearly €100 million, especially due to the impact of proprietary trading sales of RMBS made by the CNCE in the first half.

in millions of euros	Number of positions	Gross exposure as of 6/30/2009	Net exposure as of 6/30/2009	Net exposure as of 12/31/2008	Change	o/w value adjustment as of first half 2009
GROUP TOTAL (EXCLUDING NATIXIS AND CRÉDIT FONCIER)	**57**	**180**	**161**	**258**	**(97)**	**(13)**

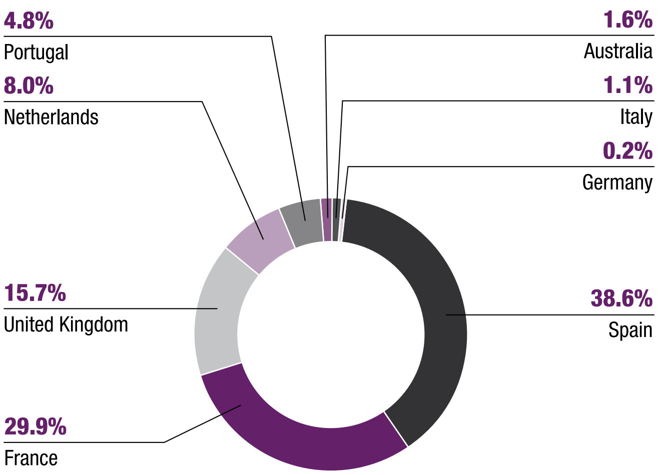
BREAKDOWN OF RMBS BY RATING AS OF JUNE 30, 2009



BREAKDOWN OF RMBS BY VINTAGE AS OF JUNE 30, 2009



BREAKDOWN OF RMBS BY GEOGRAPHIC AREA AS OF JUNE 30, 2009



Investments break down as follows:

- CNCE: 13.4% (issued from proprietary transactions managed on a run-off basis);
- Caisses d'Epargne 86.6%.

Special-purpose entities

Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier) does not hold any significant exposures to special-purpose entities as of June 30, 2009.

Leveraged buyouts (LBOs)

DEFINITION OF LBO USED BY THE GROUP

An LBO is a buyout or takeover of a target business by a special-purpose holding company that carries the debt related to financing the transaction. Reimbursements of the acquisition debt are made essentially by the rise in dividends paid by the target (child) to the holding company (parent). An LBO is a subcategory of specialized financing.

MONITORING LBO RISKS

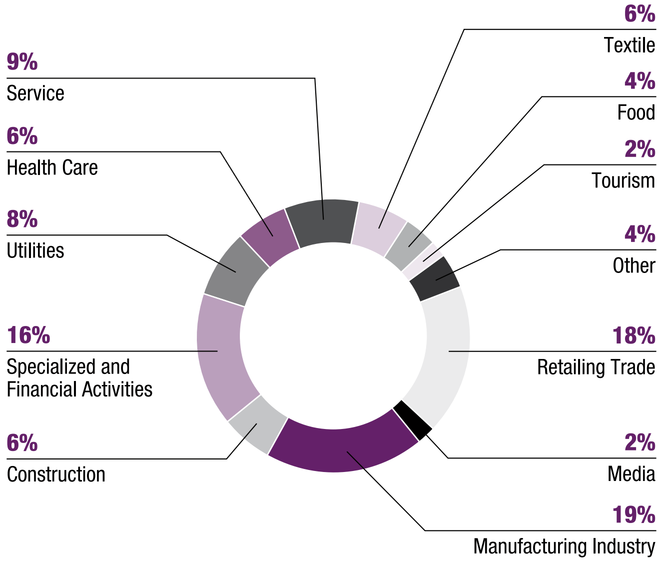
Given the deterioration in the leveraged buyout market since 2007, a special system has been in place since 2008, involving a counter-analysis by the Group Risk Management Department of risks of over €3 million where senior debt is higher than €10 million.

LEVERAGED FINANCE/LBOS

As of June 30, 2009, the gross exposure of Groupe Caisse d'Epargne (excluding Natixis and Crédit Foncier) to leveraged transactions amounted to €1,219 million as of June 30, 2009 (868 transactions), versus €1,194 million as of December 31, 2008 (849 records). Net exposure as of June 30, 2009 was €1,182 million, after €6 million in impairment recognized in the first half 2009.

Exposures were identified in Caisses d'Epargne (50%), groupe Palatine (48%), and groupe Financière Océor (2%).

SEGMENT-BASED BREAKDOWN



The target companies are located in France.

LEVERAGED TRANSACTIONS HELD *VIA* PRIVATE EQUITY FUNDS

The funds concerned are those whose underlying exposures are LBO transactions, whether they are capital or mezzanine debt transactions.

in millions of euros	12/31/2008		06/30/2009	
Type	Assets under management	Risk exposure (including commitments not yet called up)	Assets under management	Risk exposure (including commitments not yet called up)
FCPR with LBO underlying	**128**	**211**	**136**	**216**
FCPR with LBO & Development[(1)] underlying	151	282	172	281
FCPR with Mezzanine debts underlying	57	92	61	98
Infrastructure funds and PPP[(2)]	42	139	60	139
Funds of funds[(3)]	36	91	37	91
TOTAL	**414**	**815**	**466**	**825**

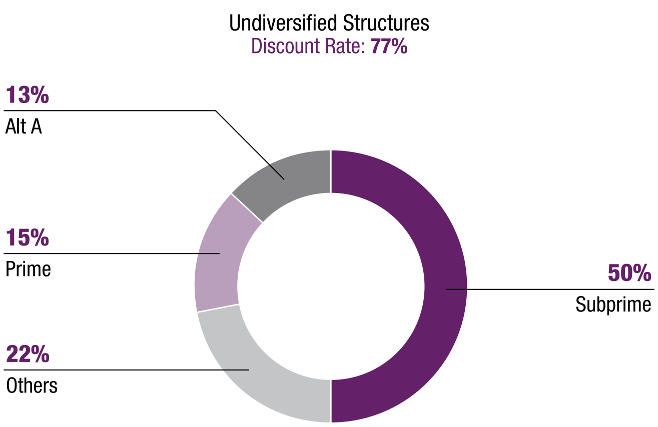
(1) *These are FCPRs performing LBO and development capital transactions (without creating a holding company or business), without distinction.*
(2) *These are Funds of which a portion of the transactions are debt-financed.*
(3) *These are Funds of funds whose assets are LBO Funds.*

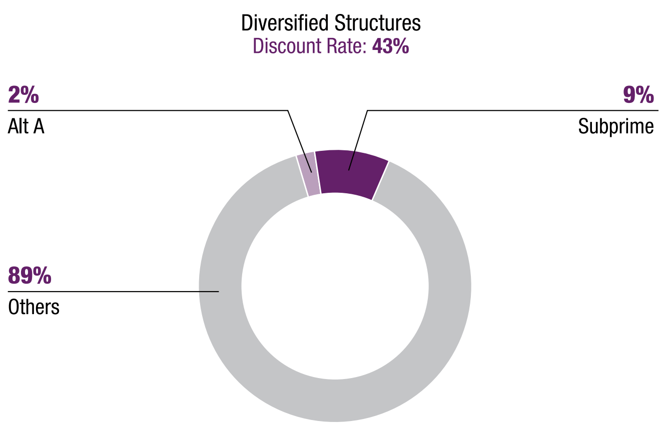
Natixis' exposures

Collateralized Debt Obligations (CDOs) and exposure to monolines and other providers of credit enhancement

EXPOSURES ON UNHEDGED CDOS EXPOSED TO THE US HOUSING MARKET

in millions of euros	#1	#2	#7	#9	#10	#11	#12	#13	#14	#15	#4	#6
Net exposure as of 03/31/2009	8	9	51	27	12	54	43	8	37	76	306	330
Change in value Q2-09	(1)	0	(18)	(2)	(3)	(3)	(3)	(4)	(3)	(25)	(57)	(98)
Net exposure as of 06/30/2009	**6**	**8**	**24**	**22**	**7**	**46**	**37**	**3**	**31**	**45**	**233**	**215**
% discount	***96%***	***93%***	***84%***	***20%***	***96%***	***18%***	***25%***	***98%***	***36%***	***46%***	***38%***	***47%***
Nominal exposure	139	118	149	27	169	56	49	151	49	84	375	409
(Aggregate) change in value	(130)	(109)	(125)	(5)	(163)	(10)	(12)	(148)	(18)	(38)	(141)	(194)
Tranche	Super Senior	Mezzanine	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Mezzanine	Mezzanine	Super Senior	Super Senior
Underlying instrument	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine	High Grade	High grade
Attachment point	28.1%	0%	37.1%/ 97.1%	56.3%	0%	32.1%	34.5%	8.7%/ 99.1%	27.4%/ 98.5%	26.3%/ 75%	8.1%	37.1%/ 97.1%
Prime	1.9%	12.8%	12.8%	9.5%	10.1%	34.3%	9.7%	7.9%	4.6%	13.6%	3.7%	0.0%
Alt-A	2.4%	9.9%	0.6%	2.4%	2.3%	17.4%	0.7%	0.0%	4.5%	40.3%	0.7%	0.0%
Subprime (2005 and earlier)	9.9%	23.0%	56.0%	62.1%	42.1%	31.0%	44.7%	81.3%	38.5%	32.8%	14.5%	0.0%
Subprime (2006 & 2007)	60.2%	28.5%	7.2%	0.0%	31.5%	0.0%	8.0%	1.1%	13.2%	9.9%	3.0%	0.0%
	Undiversified Structures Discount Rate: 77%										**Diversified Structures** Discount Rate: 43%	





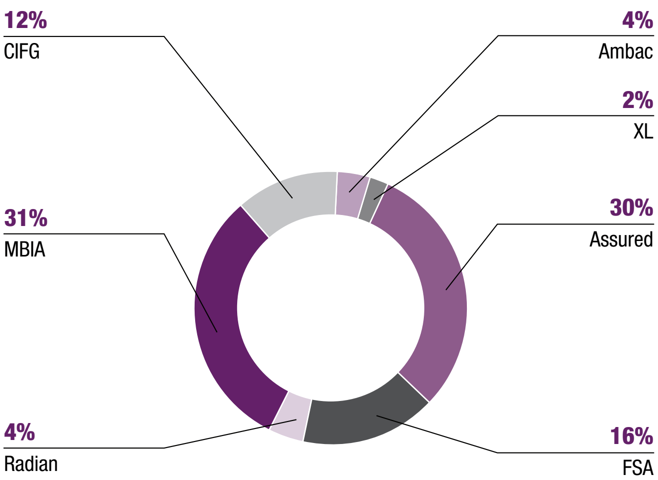
PROTECTION PURCHASED

From Monolines

in millions of euros	Gross notional amount of hedged instruments	Exposures before adjustments Q1-09	Exposures before adjustments Q2-09
Protection for CDOs (US housing market) with subprime underlying instrument	1,229	547	578
Protection for CLOs	5,592	267	284
Protection for RMBSs	880	269	301
Protection for CMBSs	922	1,344	73
Other risks	8,830	1,618	2,570
TOTAL	**17,453**	**4,044**	**3,806**

Value adjustments	(1,664)	(1,721)
Collective provisions	(500)	(500)
Residual exposure to counterparty risk	**1,880**	**1,586**
Discount rate	*54%*	*58%*

RESIDUAL EXPOSURE[(1)]



(1) Before the €500 million collective provision.

To CDPCs

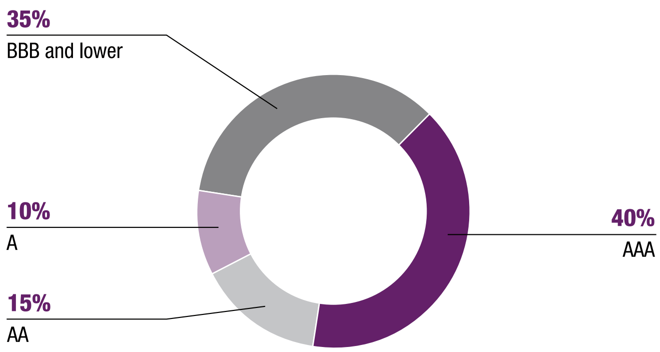
- Exposure prior to value adjustment: €1.45 billion as of 06/30/2009 (gross notional amount was €9.7 billion).
- Value adjustment in the amount of €648 million.

OTHER UNHEDGED CDOS

CDOs not exposed to US housing risk

- Value adjustment: -€175 million as of Q2-09.
- Residual exposure: €3,845 million.

RESIDUAL EXPOSURE[(1)]



(1) Base: €3,845m.

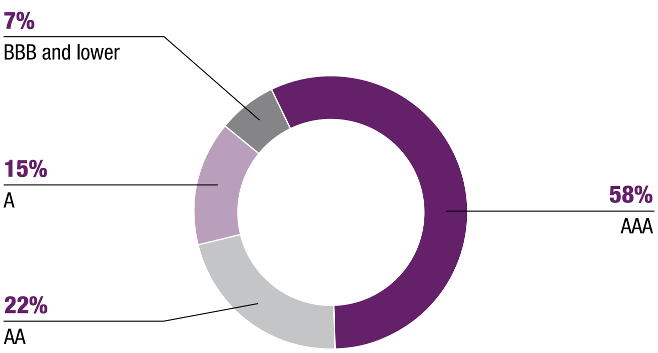
o/w CRE CDO

in millions of euros	Net Exposure 03/31/2009	Loss of value Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
FV by income	120	(5)	(70)	45	79
FV Option	114	(7)	(1)	106	166
FV by equity capital	2	(1)	0	1	20
Loans and receivables	18	(8)	12	23	30
TOTAL	**255**	**(22)**	**(59)**	**174**	**296**

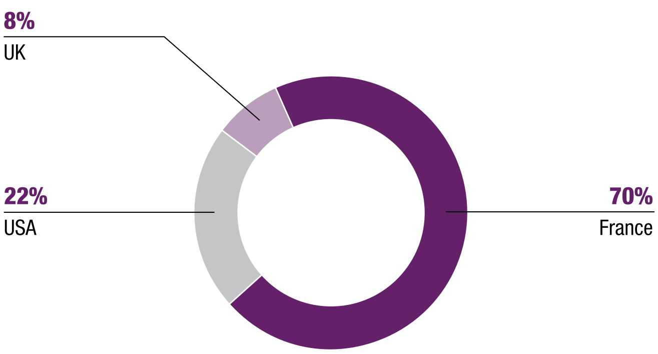
UNHEDGED MORTGAGE BACKED SECURITIES

CMBSs *in millions of euros*	Net Exposure 03/31/2009	Loss of value Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
FV by income	485	(27)	(99)	360	573
FV by equity capital	160	(23)	13	150	292
Loans and receivables	138	15	97	250	250
TOTAL	**783**	**(35)**	**11**	**760**	**1,115**

RATING

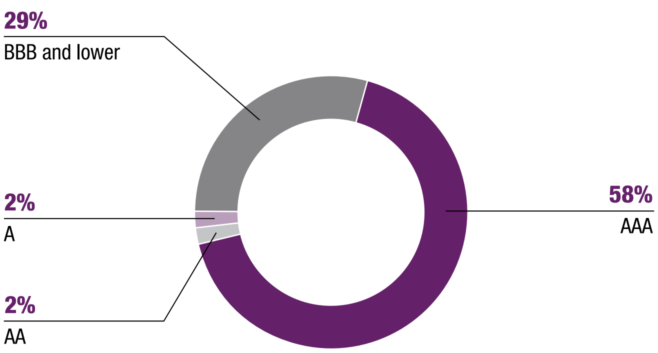


GEOGRAPHIC AREA

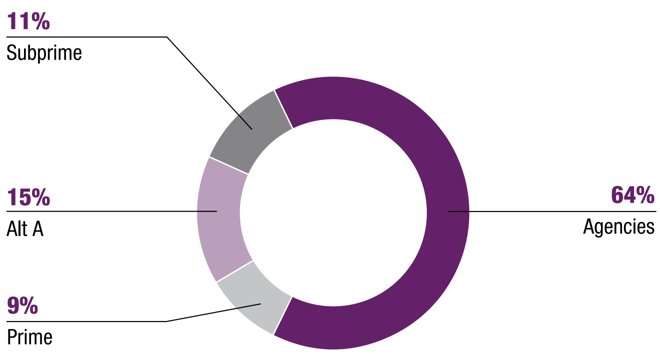


RMB USs *in millions of euros*	**Net Exposure 03/31/2009**	**Loss of value Q2-09**	**Other Changes Q2-09**	**Net exposure 06/30/2009**	**Gross exposure 06/30/2009**
FV by income	107	-	(37)	69	114
FV by equity capital	58	-	(58)	-	-
Agencies	1,421	(109)	127	1,438	1,578
RMBSs wrapped	584	3	(57)	530	545
Loans and receivables	4,228	(6)	(586)	3,635	3,738
TOTAL	**6,397**	**(112)**	**(612)**	**5,672**	**5,995**

RATING

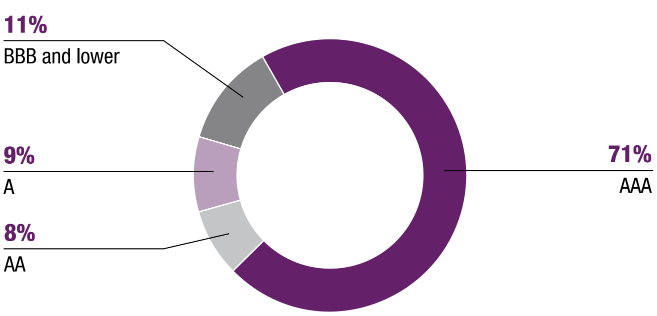


UNDERLYING



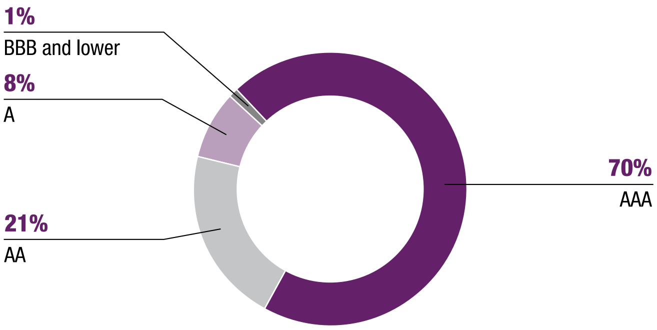
RMBSs UK *in millions of euros*	**Net Exposure 03/31/2009**	**Loss of value Q2-09**	**Other Changes Q2-09**	**Net exposure 06/30/2009**	**Gross exposure 06/30/2009**
FV by income	40	(3)	61	98	132
FV by equity capital	135	(2)	(1)	132	207
Loans and receivables	563	16	(3)	576	612
TOTAL	**738**	**11**	**57**	**806**	**962**

RATING



RMBS Spain *in millions of euros*	Net Exposure 03/31/2009	Loss of value Q2-09	Other Changes Q2-09	Net exposure 06/30/2009	Gross exposure 06/30/2009
FV by income	19	(2)	19	36	84
FV by equity capital	14	(4)	17	28	53
Loans and receivables	627	0	(19)	608	608
TOTAL	**660**	**(6)**	**(17)**	**672**	**745**

RATING



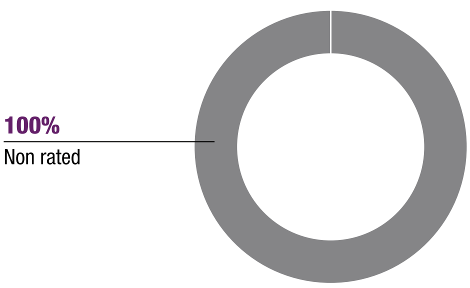
Conduits

ELIXIR – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

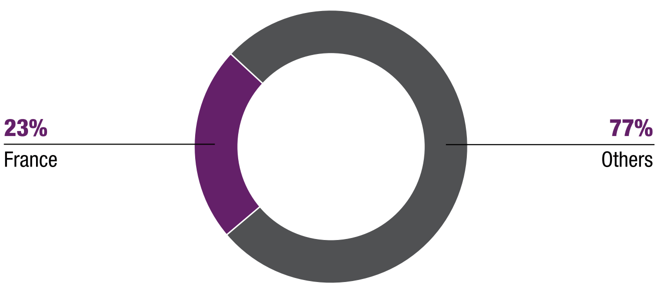
Country where issued	France
Amount of assets financed	**246**
Liquidity lines arranged	**213**
Asset maturities:	
0 – 6 months	84%
6 – 12 months	-
>12 months	16%

Automotive loans	
Trade receivables	100%
Equipment loans	
Consumer loans	
Non-US RMBS	
CDOs	
Other	

RATING



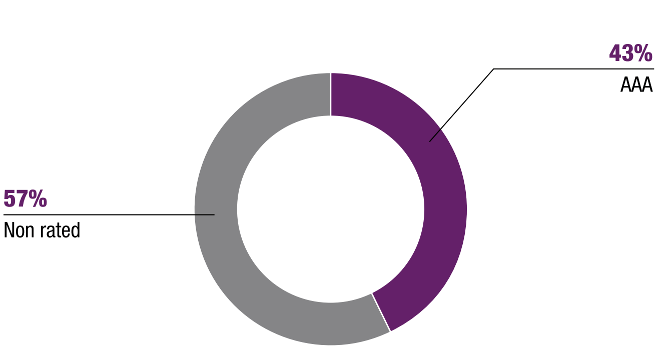
GEOGRAPHIC AREA



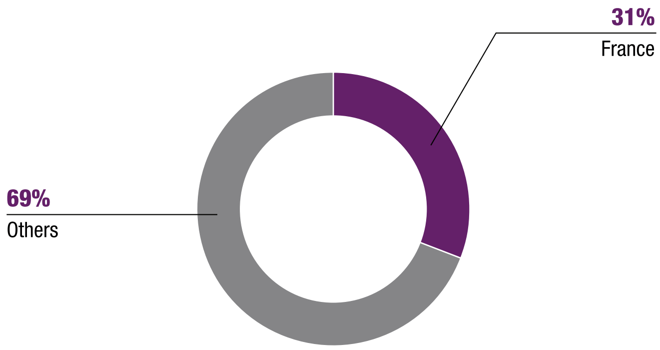
DIRECT FUNDING – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

Country where issued	France	Automotive loans	
Amount of assets financed	**809**	Trade receivables	57%
Liquidity lines arranged	**-**	Equipment loans	24%
Asset maturities:		Consumer loans	
0 – 6 months	5%	Non-US RMBS	19%
6 – 12 months	-	CDOs	
>12 months	90%	Other	

RATING



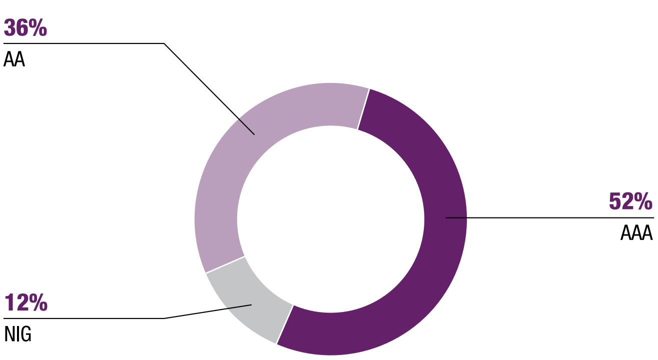
GEOGRAPHIC AREA



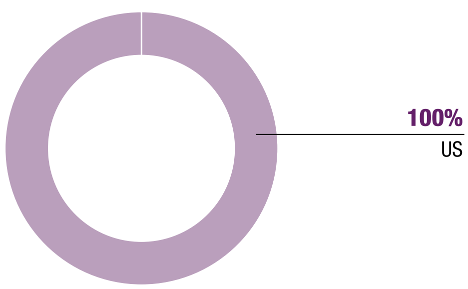
VERSAILLES – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

Country where issued	US	Automotive loans	29%
Amount of assets financed	**2,658**	Trade receivables	2%
Liquidity lines arranged	**2,711**	Equipment loans	10%
Asset maturities:		Consumer loans	21%
0 – 6 months	-	Non-US RMBS	
6 – 12 months	2%	CDOs	21%
>12 months	98%	Other	17%

RATING



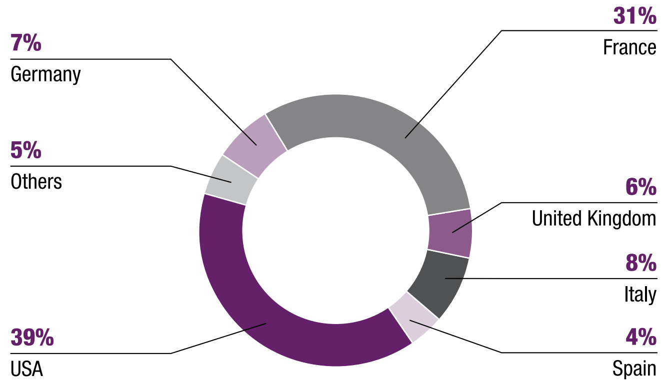
GEOGRAPHIC AREA



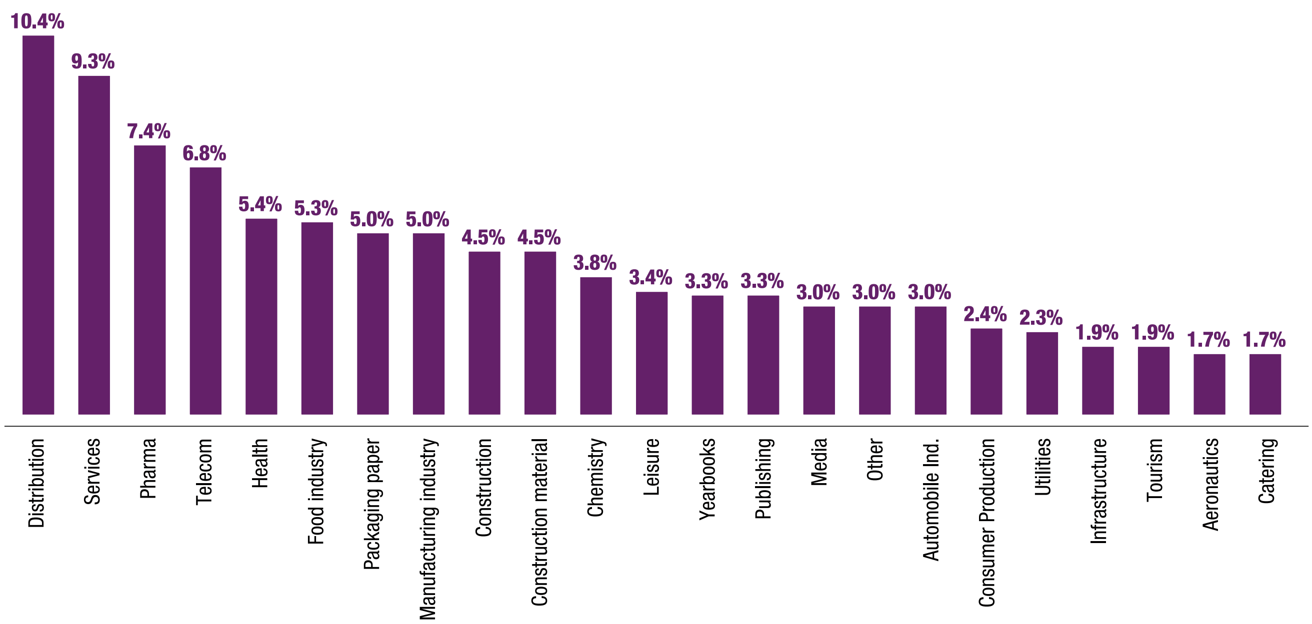
LBO Financing

in millions of euros	Q1-09	Q2-09
Final shares (booked)	**5,605**	**5,381**
Number of files	*340*	*333*
Shares for sale (booked)	**346**	**272**
Number of files	*64*	*55*
TOTAL	**5,951**	**5,653**

GEOGRAPHIC BREAKDOWN



SEGMENT-BASED BREAKDOWN



Crédit Foncier's exposures

Collateralized Debt Obligations (CDOs) and exposure to monolines and other providers of credit enhancement

Crédit Foncier group has no exposure to CDOs.

All of the credit enhancements involve underlying public-sector assets (loans or securities), either directly to a sovereign, or to a local authority or public institution.

These credit enhancement commitments take the form of financial guarantees (not CDSs) and represent an additional guarantee for the enhanced asset. These guarantees are neither valuated nor recognized in Crédit Foncier's balance sheet (only the enhancement premium is recognized as an expense when the enhancement is concluded outside of the security or the loan).

Underlyings are broken down by rating as of June 30, 2009, below.

Enhancer *in millions of euros*	Monoline rating	Intrinsic rating (before enhancement) AA+ to AA-	A+ to A-	BBB+ to BBB-	Unavailable	Total	%
AMBAC	BB-	16	229	430	0	675	12.2%
CIFG	CC	1,114	1,324	126	66	2,630	47.7%
FGIC	Unavailable	0	0	0	103	103	1.9%
FSA	AA+	779	1,005	0	50	1,834	33.2%
MBIA	BBB+	95	0	0	179	275	5.0%
	TOTAL	**2,005**	**2,558**	**556**	**398**	**5,517**	**100%**
	%	36.3%	46.4%	10.1%	7.2%	100.0%	

The enhancer's rating is the lesser of the two best agency ratings among S&P Moody's and Fitch as of June 30, 2009. The intrinsic rating of the underlying asset is its Basel II rating before enhancement on the same date.

Credit enhanced assets are of an intrinsically high quality: excluding enhancements, 36.3% of this portfolio is step 1-rated (>=AA-) and 82.7% is step 2-rated (>=A-). The rating applied for MBIA is that of the National Public Finance Guarantee Corporation, the entity that now guarantees North American local authorities.

BBB category exposures representing Hungarian sovereign commitments, two securitization positions in Italy (one CMBS security and one security backed by health care receivables), and one transaction in the French public sector.

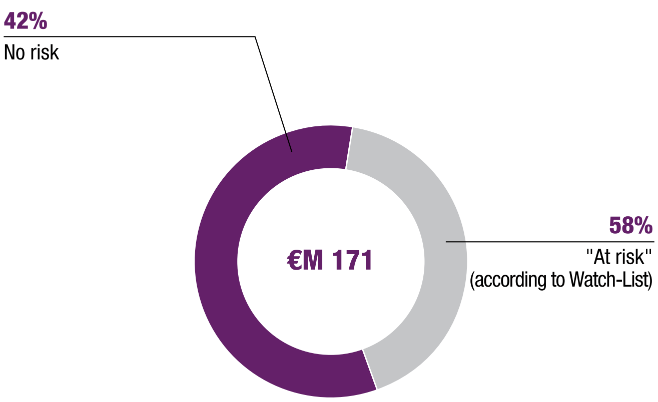
The 7.2% "unavailable" portion is not publicly rated but considered to be Investment Grade or >=BBB- by Crédit Foncier.

CMBS exposure

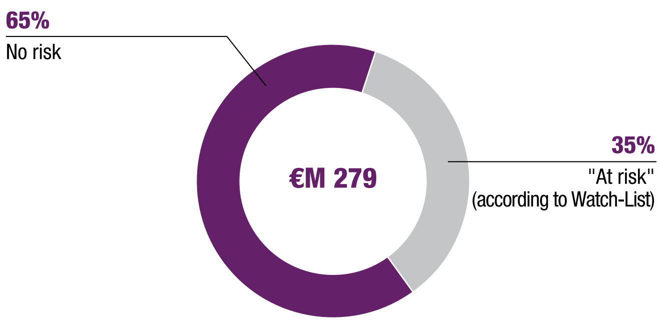
Gross exposure as of 06/30/2009 in millions of euros	Net exposure as of 06/30/2009 (after impairment)
98	**98**
o/w US	*-*
o/w other at-risk markets	*98*

BREAKDOWN OF CMBS BY SECTOR

DECEMBER 31, 2008

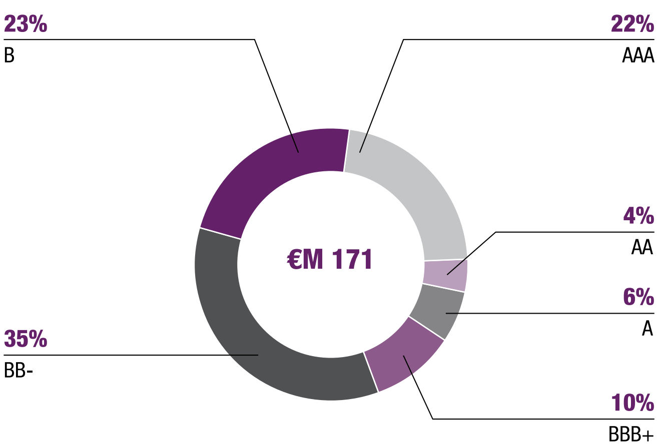


JUNE 30, 2009

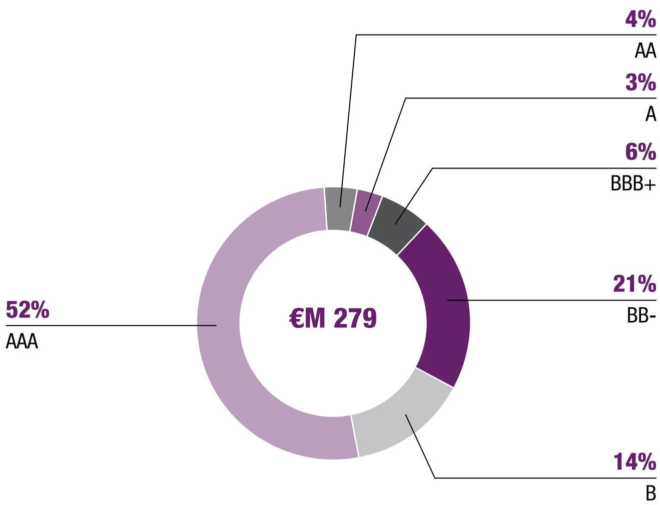


BREAKDOWN OF CMBS BY RATING

DECEMBER 31, 2008



JUNE 30, 2009



100% of the portfolio is rated by one or more rating agencies.

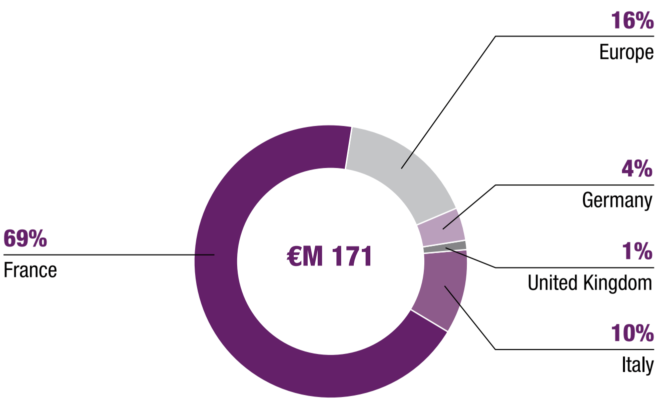
More than half the portfolio is AAA-rated as of June 30, 2009. The average credit quality of this portfolio tends to improve thanks to new transactions (senior and AAA-rated).

Tranches rated in the speculative category are two mezzanine tranches from the same transaction.

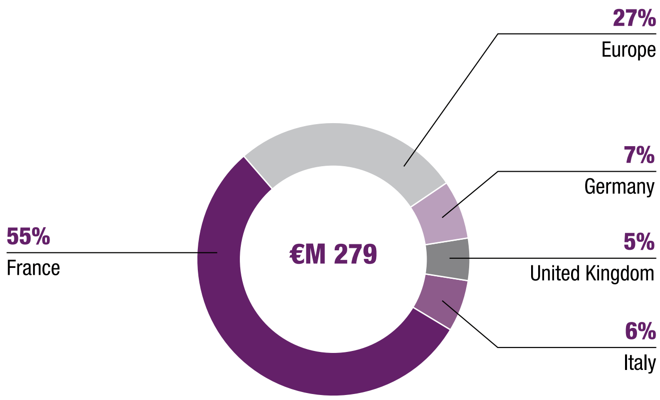
The tranches are rated publicly by Fitch and S&P at BB/B and BB-, respectively, as a result of the downgrading that occurred in the second half of 2008. The cumulative amount of these tranches as of June 30, 2009 was €98 million. The borrower filed for bankruptcy in November 2008. Bearers were to adopt a salvage plan in the summer of 2009. The underlying is a CMBS focused on an office building. Based on the March 2009 valuation, the LTV ratio of the tranches held by Crédit Foncier stood at 117.9% and 122.7%, respectively. This transaction has been on the Crédit Foncier Watch-List since June 30, 2009, and is eligible for write-downs on a portfolio basis. At present, no default in interest payment has occurred on the tranches held by Crédit Foncier.

BREAKDOWN OF CMBS BY REGION

DECEMBER 31, 2008



JUNE 30, 2009



A little more than half of this CMBS portfolio is located in France. The rest is spread throughout several European countries. No CMBS exposure has been recorded in the United States or Asia. The Europe category corresponds to pan-European CMBS (of which the underlying assets are spread over several European countries – largely the EU15).

Other subprime and Alt-A exposures (RMBS, loans, etc.)

Crédit Foncier group has no subprime or Alt-A exposure, directly or indirectly. More generally, Crédit Foncier has no exposure to the American mortgage market.

Outside of the "at-risk" assets recorded in the section about CMBS, Crédit Foncier group has no other securitization exposure on the Watch-List.

Mortgage exposures (RMBS or loans) are located only in the European Economic Area and in non-US countries rated step one.

Within the total securitization portfolio (which represented €21,600 million as of June 30, 2009), €2,352 million in outstandings are being closely monitored and used as a calculation basis for write-downs on a portfolio basis. These monitored outstandings are not on the Watch-List or classified as "at-risk" as of June 30, 2009. They are composed of three German RMBS, four Spanish RMBS, one Dutch RMBS, and one pan-European CMBS. Moreover, more than 80% of these monitored outstandings are still rated step one (≥AA-) (only two transactions are rated A and BBB+, respectively).

Special-purpose entities

As of June 30, 2009, Crédit Foncier had no exposure to special-purpose entities (ABCP or other), other than the exposure mentioned below, under the sponsored SIRP conduit that has been included in Crédit Foncier's scope of consolidation since the second half of 2008.

SIRP

Since September 25, 2008, Crédit Foncier has held 100% of the €457 million in treasury bills issued by the SIRP conduit, publicly rated A-1 (S&P)/P-1 (Moody's).

The SIRP asset portfolio consists of one undated subordinated note issued by a wholly-owned Crédit Foncier subsidiary and one zero-coupon AIG. Because the undated subordinated note was amortized and the zero coupon AIG capitalized, the listed exposure is at program maturity in 2012, and does represent a final risk exposure on AIG. Furthermore, agency SIRP ratings of the SIRP are in line with those of the AIG.

The public Moody's and S&P ratings of the SIRP conduit were both placed on negative credit watch, in September and October 2008, respectively. They were then confirmed and taken off credit watch in early March 2009, because of specific support from the US government.

The concept of sponsoring covers institutions subject to the control of the French Banking Commission, other than originators, which create and manage an asset-backed commercial paper program or any other securitization arrangement in the context of which they purchase third-party exposures.

Leveraged Buyouts

DEFINITION OF LBO USED BY CRÉDIT FONCIER

- structured credit transaction with leveraging (i.e. bank debt) established for the buyer of a target company;
- with or without the participation of the target's management;
- giving rise to the creation of a takeover holding company whose capital is partly or wholly owned by one or more financial sponsors.

The presence of a financial sponsor and a holding company is applied here as a discriminating feature, qualifying the transaction as a leveraged transaction/LBO.

EXPOSURE RELATIVE TO LEVERAGED TRANSACTIONS

As of June 30, 2009, Crédit Foncier had 14 leveraged transactions totaling €233 million. The LBO portfolio has been frozen since 2008.

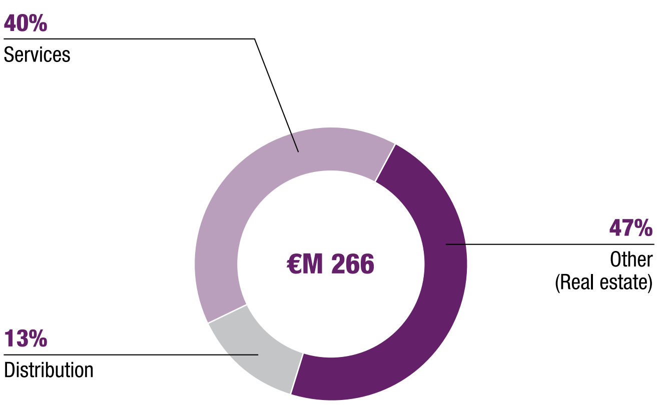
The first half of 2009 was marked by the exit from an LBO for €25.2 million on a social housing company in Germany, and the drawdown of an LBO granted in 2008 (before the decision to freeze origination) for €4 million (borrower located in Luxembourg, where the purchased company was French).

The drop in Crédit Foncier's total LBO outstandings is also the result of contractual amortization and, within the framework of a transaction, of a decrease in Crédit Foncier's outstandings as a result of entering the pool of a new lender. This decrease is partially offset by drawdowns made on the other existing lines.

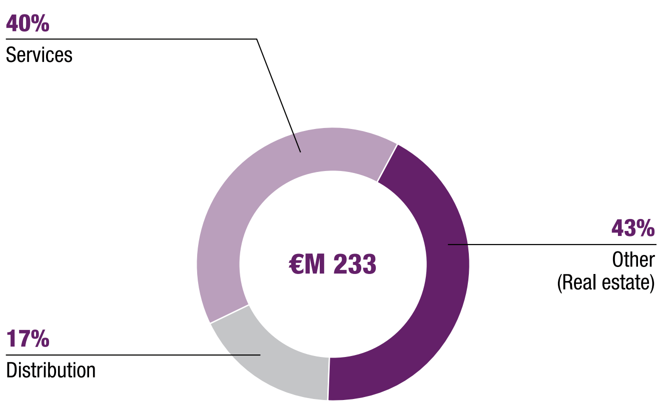
It should be noted that €21.7 million in exposure show a high default risk on the LBO of a real estate developer in France. This risk is 67% provisioned.

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS BY SECTOR

DECEMBER 31, 2008



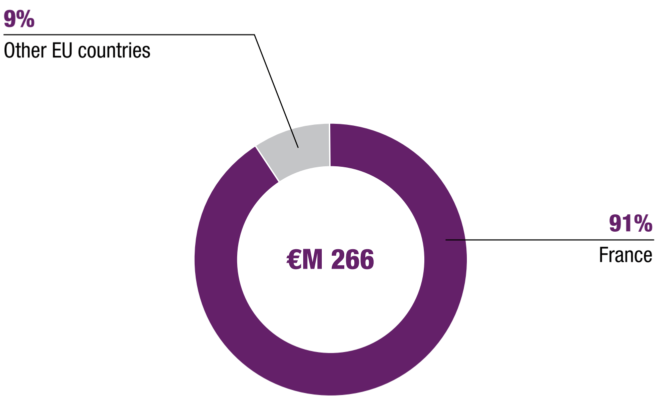
JUNE 30, 2009



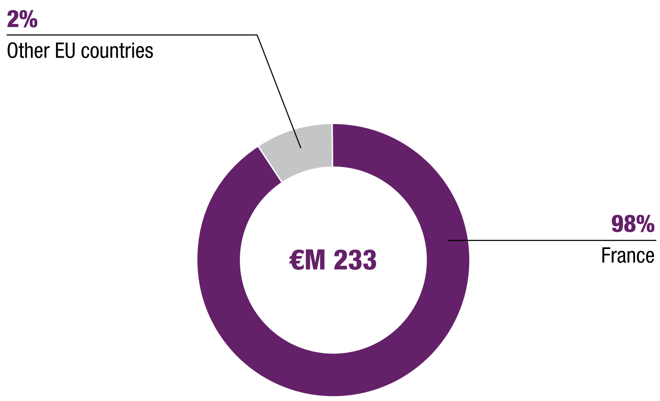
Breakdown of target companies by sector

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS BY GEOGRAPHIC AREA

DECEMBER 31, 2008



JUNE 30, 2009



Geographic location of target companies.

MARKET AND FINANCIAL RISKS

System for measuring market risk limits (Groupe Caisse d'Epargne excluding Natixis)

The aim of measuring market risks is to quantify all risks that could result in a financial loss due to movements of market variables (risks related to interest rates, currency, equity, associated implied volatility, spreads between instruments or issuers, and, more generally, any market parameter that affects portfolio valuation).

A process has been developed to analyze consolidated and entity-level exposures based on a single set of indicators, using the same methods throughout the Group, including correlation mechanisms between the various portfolio variables.

Market risks are assessed using various types of synthetic measurements including Value at Risk (VaR), indicating the potential losses that each activity may generate, with a 99% confidence level and a one-day horizon.

Daily VaR calculations (based on a 99% confidence level and a one-day horizon) are performed for proprietary trading operations carried out by the Commercial Banking division (CNCE, Caisses d'Epargne and subsidiaries) and the Investment Banking business. Group-wide, the process of calculating VaR is based on the Scénarisk tool developed by Natixis and validated as an internal model for their portfolio (this model has been applied to Natixis). The methods used are parametric and Monte-Carlo on the transactions of Commercial Banking entities, and Monte-Carlo for Investment Banking. VaR estimates are also computed on a daily basis on medium- to long-term portfolio transactions carried out by the Group's Commercial Banking entities.

Structure of the limits system of Groupe Caisse d'Epargne (excluding Natixis)

The limits system distinctly applies to transactions that fall within the scope of Groupe Caisse d'Epargne: CNCE, Caisses d'Epargne and subsidiaries.

The limits for the Commercial Banking division reflect the segmentation of the division's financial operations between proprietary trading on the one hand and ALM and the management of medium- to long-term positions on the other. In addition, CNCE's own financial charter was approved by the Management Board on January 27, 2009. The financial guidelines dealing with risk management approved at the end of 2005 have been updated on several occasions. The most recent update was in August 2008. The purpose of this charter is to present changes in accounting standards and capital adequacy requirements in a standard format for the entire Group.

The limits system is based on the combined use of ALM and VaR indicators to take account of the Group's two main types of market risk exposures:

- the potential variability of cash flows and net interest margins;
- the sensitivity of the market value of the securities portfolio, the related hedges and isolated open positions.

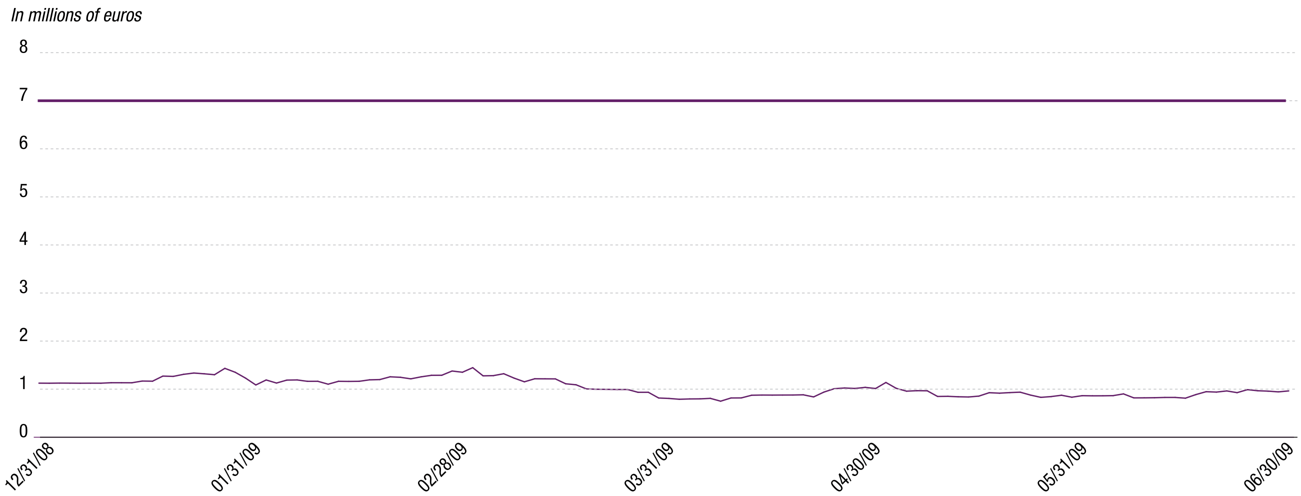
The risk supervision system is based on:

- an overall VaR limit for all proprietary trading activities;
- volume and volatility limits for medium- and long-term trading positions;
- ALM limits bearing on gross operating income sensitivity and the net asset value sensitivity of the balance sheet (Basel II indicator);
- liquidity limits, making it possible to ensure that the Group has sufficient liquidity reserves to face liquidity crises.

These limits are determined at national level and then allocated among the Group entities.

Based on the definition of proprietary trading, consolidated 1-day VaR based on a 99% confidence level was set at €7 million for the Caisses d'Epargne as a whole. This exposure limit was rolled down to the various entities based on capital and earnings criteria.

VAR CONSOLIDATED CAISSES D'EPARGNE



Spot VaR limit of €7 million

PROPRIETARY TRADING CONSOLIDATED VAR CAISSES D'EPARGNE SCOPE

	First half-2009			
in euros	**Average**	**Minimum**	**Maximum**	**06/30/2009**
Equity	703,863	451,096	1,129,839	648,313
Alternatives	378,794	286,390	521,077	289,324
Rates and spread	261,544	199,424	435,430	283,985
TOTAL VAR	**1,044,920**	**755,409**	**1,457,255**	**970,475**

	Fiscal year 2008			
in euros	**Average**	**Minimum**	**Maximum**	**12/31/2008**
Equity	2,097,310	571,273	3,605,995	779,305
Alternatives	1,902,162	465, 597	2,661,513	465,631
Rates and spread	1,202,589	206,549	1,703,307	207,523
TOTAL VAR	**4,106,045**	**1,104,261**	**6,425,996**	**1,134,870**

Caisses d'Epargne proprietary positions were reduced to an all-time low, specifically because of a very sharp drop in exposure to funds (UCITS).

Moreover, a 99% 1-day VaR limit was set at €0.5 million within the scope of proprietary trading activities conducted by the Group's specialized subsidiaries.

All the CNCE's proprietary transactions were sold at end 2008. The CNCE's activities are currently broken down as follows:

- investment management;
- the phasing out of medium- to-long-term financial transactions: target asset-sale volumes for 2009 had already been nearly achieved at end June 2009;
- long-term issues;
- Central treasury management, making it possible to refinance the group's entities under the best conditions: this activity is conducted within the framework of a sensitivity limits system, VaR limits on short-term optimization transactions, as well as stop alerts and stop-loss mechanisms. Total VaR calculation is also pending receipt, as is the rollout of stress scenarios in this area.

The reinforcement of processes undertaken in the fall of 2008 continued in the first half of 2009.

Procedures for handling breaches of limits

The procedure for handling breaches of limits is specific to each category of limit.

The entity must respect its individual VaR limit. If a limit is breached, the entity's Risk Management Department must inform Group Risk Management of the type of breach less than a day after it has been detected.

Each entity is responsible for defining any information thresholds of its governing bodies, as well as the internal response process in the event of a breach of the entity's individual limits.

Stress scenarios

VaR calculations are supplemented by the operational rollout of historic and hypothetical stress scenarios to evaluate the impact of extreme events on change in market positions.

The panel of stress scenarios that make it possible to measure the instantaneous change in the value of proprietary portfolios has been revised: the parameters initiated by Natixis as part of its econometrics work were applied to the Commercial Banking entities to ensure consistent methods within the group. Each scenario is defined around a main theme (stock-market crash, collapse in the fixed-income market, or a credit or hedge fund crisis), a method of calibrating the shocks (historic or hypothetical), and is presented over a set of risk factors representing portfolio positions. These elements are illustrated in the table shown below:

Crisis	Equity	Equity vol	Rate	IBOR/ Govies	IBOR/OIS	Basis Swaps	Rate vol	Credit	Forex	Exchange rate vol	Commo	Commo vol
HISTORIC STRESS TESTS												
1987 stock market crash	Overall extreme	High	Overall extreme	Overall extreme					Low		Low	
08/90 Gulf War	High	High	High	Extreme					Low		Extreme	Extreme
1994 bond market crash	Low	Low	Extreme	Extreme					Low		Low	
1997 Asian crisis	High	High	Average	Low		Low	Low		Low		Low	
LTCM	High	High	Average	Low		High	High		High		High	
Sep. 11/01	High	Extreme	High	Low	Extreme	Low	High		Average	High	Average	Low
2002 credit crash	average	Average	Average	Low	Low	Low	Average	High	Average	High	Low	Average
Subprime Fed action 08/07	High	Average	High	High	Extreme	Low	Average	High	Average	Extreme	Average	Extreme
Corporate/ ABS/MBS 03/08	High	Average	Average	High	High	Extreme	Average	Extreme	Average	High	Average	Average
HISTORIC STRESS TESTS												
NSTG1	**Overall extreme**	**Extreme**	**Extreme**	**Low**				**High**				
NSTG2	**Low**		**Extreme**	**Average**			**Extreme**					
NSTG3	**High**	**Average**	**Extreme**	**Extreme**				**Overall extreme**				
Commo GST	**High**	**High**	**High**	**Average**			**High**	**High**	**Extreme**	**High**	**Extreme**	**Extreme**
Emerging Markets GST	**Low**	**Extreme**	**Low**	**Low**					**Extreme**			

Methods for measuring Natixis' risks

Natixis' market risk management system is based on a risk metrics model that measures the risk run by each group entity.

Market risks are assessed using a variety of methods:

- synthetic VaR calculations synthetic VaR calculations determine potential losses from each activity at a given confidence level (e.g. 99%) and a given time horizon (e.g. one day). The calculation is performed and monitored daily for the entire Group's trading activities.

  For calculation purposes, the combined behavior of market parameters that determine portfolio values is modeled using statistical data covering a rolling period of one year. Over 5,300 risk factors are currently modeled and used.

  Natixis calculates VaR based on digital simulations, using a Monte-Carlo methodology, which takes into account possible non-linear portfolio returns based on the different risk factors. These calculation methods are harmonized using a single calculation tool, Scénarisk. In order to monitor compliance with VaR limits set by the regulator, Natixis' Risk Management Department produces the VaR for Natixis' scope of consolidation.

  As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers in September 2008, Natixis has carried out a number of studies going to different historical depths in order to calculate VaR, with the aim of reflecting the change seen recently in the capital markets. These studies resulted in the definition of a new calculation method, which is now based on econometrics for which standard deviations are calculated as the maximum, risk axis by risk axis, of standard deviations calculated over the following periods: rolling 12 months, rolling 3 months, September 1, 2008 to the present date (provided that the present date is before September 1, 2009). This change of method has resulted in all limits being recalibrated. After being presented to the French Banking Commission, the method was applied as of the fourth quarter of 2008;

- operational indicators are used to manage activity on an overall basis and/or by similar activity, by focusing on more directly observable criteria (for example: sensitivity to variations in the underlying instrument, sensitivity to variation in volatility or to correlation, diversification indicators). The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR, loss-alert, and stress-test limits for certain scopes. They are determined consistently with these factors. All operational limits are subject to day-to-day monitoring by the Market Risk team.

  All violations of limits (operational, VaR, loss-alert, and stress-test limits) are notified. Loss-alert violations may lead to a management decision concerning the position in question (closure, hedging, maintaining, etc.).

  The key standard metrics used are:

  - sensitivity to a +/-1bp change in interest rates (overall and by zone, currency and/or maturity),
  - yield-curve exposure,
  - currency exposure,
  - equity market exposure,
  - sensitivity to a +/-1% change in implied volatilities in the equity, currency, fixed income, inflation and commodities markets (overall, by maturity and by strike price),
  - sensitivity to a change in delta of an underlying asset (equities, fixed income, currency or commodities),
  - sensitivity to change in swap spreads,
  - sensitivity to change in issuer spreads,
  - inter-currency spreads,
  - sensitivity to inflation (1bp change),
  - discontinuity risk,
  - sensitivity to a change in correlations,
  - sensitivity to recovery and to jump-to-default,
  - monthly and annual loss alerts;

- stress tests are also employed to measure the losses potentially sustained by portfolios in extreme market circumstances.

  Two major categories of stress tests are calculated at Natixis: global stress tests and specific stress tests for each activity.

  Global stress tests were the subject of an extensive project to recalibrate and complete them, begun in 2008 and continued through the first half 2009. Calculated using Natixis' VaR calculation tool, they can be grouped into three categories:

  - historic stress tests involve reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the extent of changes to the income statement. Although these stress tests cannot predict the future, they can be used to assess the exposure of the Group's activities to known scenarios. Six stress scenarios have been defined,
  - hypothetical stress tests involve simulating changes in market parameters in all activities on the basis of plausible assumptions concerning the reaction of one market in relation to another, depending on the type of initial shock. Shocks are determined as a result of reviews and collaboration with front office staff and economists. These scenarios can be defined according to economic criteria (real estate crisis, economic crisis), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East) or other factors (avian flu). Five theoretical stress test scenarios have been defined,
  - adverse stress tests aim to detect the most unfavorable situations for the bank on the basis of the characteristics of its portfolio. Calculations consist of using hypothetical stress tests as a matrix, the adverse stress test scenario being that leading to the maximum loss;

A project concerning specific stress tests, led jointly by Risk Management and the CIB, was launched in 2008; severity standards and shock matrices have been defined for each business line. Statements of requirements were sent to the various Front Office supervision units for costing and rollout of these scenarios in the management tools (more than 1000 scenarios were defined in this way). The project structuring has been organized around a steering and work groups committee. The project will be finalized in late 2009 or early 2010, with the aim of calculating these stress test scenarios using management tools and subject to limits.

Following the approval process carried out in 2008, The French Banking Commission confirmed to Natixis that it was authorized to use its internal VaR model for regulatory purposes.

Quantitative data for measuring Natixis' market risk

CHANGES TO VAR WITHIN NATIXIS

99% 1-day VaR for Natixis' trading portfolios averaged €36.8 million, with a maximum observed level of €66.4 million on December 22, 2008 and a value of €27.5 million at June 30, 2009.

These figures should be considered in relation to the change of market conditions in September 2008 following the collapse of Lehman Brothers.

This major crisis led CIB to reorganize its activities in the fourth quarter of the year and to hive some of them off into a segregated portfolio (GAPC). This reorganization was accompanied by changes to the risk monitoring system with the calibration of new limits and reporting methods.

Furthermore, as described in the above paragraph, it was deemed necessary to adapt the methodology applied to calculating VaR in order to be able to reflect these exceptional market changes. Natixis therefore changed the way in which historical data are taken into account by adjusting the calculation of standard deviations using the following formula:

Standard deviation = maximum (rolling 12 months, rolling 3 months, past data beginning September 1, 2008 capped at 1 year).

This new method for calculating standard deviations, applied risk factor by risk factor, came into production in the fourth quarter of 2008.

As it is more conservative and better suited to the sharp increase in market volatility, this methodology significantly increased VaR (between 1.5 and 2 times depending on the scope) in equivalent positions when it was brought into production on December 15, 2008. A global limit for this method was set at €70 million from this date. Since then, the limit has been revised twice to follow the decrease in VaR, a direct consequence of the decline in exposure: from €55 million on January 28, 2009 to €40 million as of June 24, 2009.

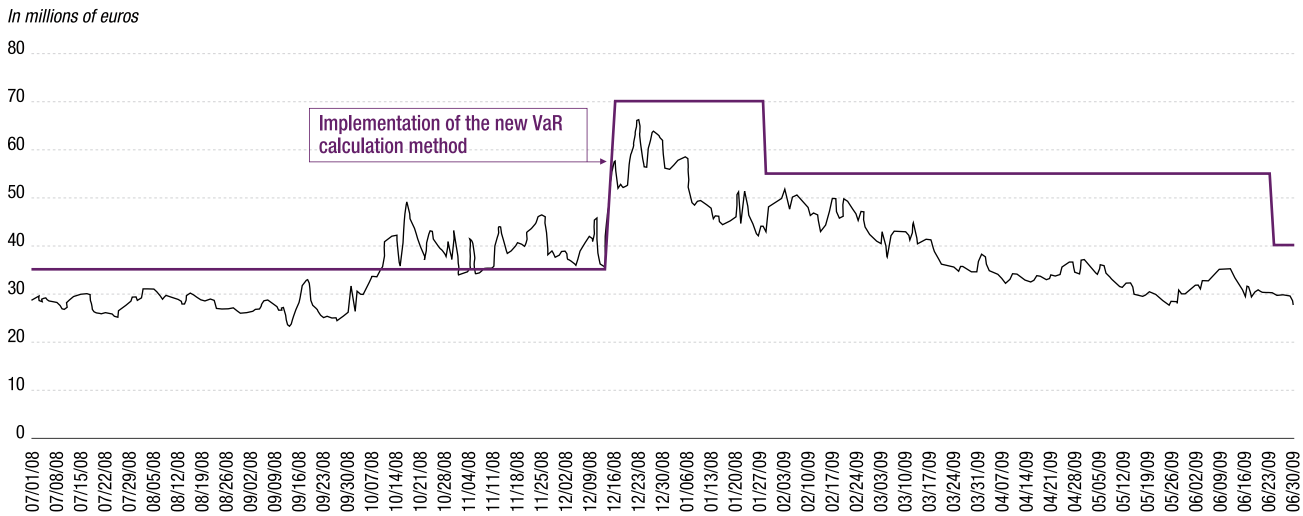
The VaR limit defined by the CECEI (€35 million) continues to be monitored on a daily basis. Natixis thereby provides bi-level VaR steering (old method VaR and new method VaR).

The impact of implementing the new VaR method for the approved scope is to delete the back-testing exceptions observed at end 2008. No back-testing exception was observed over a rolling one-year period for the approved scope.

Monitoring of global trading VaR using the new method and old method:

in millions of euros	Monte-Carlo 99% 1 day VaR as of 30/06			MC 1Y 99% 1 day VaR as of 30/06			Gap btw MC and MC 1Y
	06/30/2009	Limit	Average	06/30/2009	Limit	Average	
NATIXIS – Trading	27.5	40	36.8	25.7	35	32.1	1.8
Pérenne – Trading	16	32	28.2	15.4		22.8	0.6
NATIXIS Europe Asia – Trading	15.1		28.8	14.3		25.5	0.8
Debt & Financing – Trading	1.2	1.2	3.7	1.1	8	3.6	0.1
Capital markets – Trading	14.9		27	13.9		23.9	0.9
Active risk management and supervision – Trading	2.5		3.1	2.3		2.6	0.2
NATIXIS Capital Markets – Trading	5.1	6.2	6.1	5.3	6.8	5.8	(0.2)
Contained – Trading	22.5	30	29.3	21.2		23.3	1.3
NATIXIS Europe Asia – Contained – Trading	17.6		26.3	16.6		20.7	1
NATIXIS Capital Markets – Contained – Trading	12.4		10.7	11.5		9.3	0.9

GLOBAL NATIXIS VAR TRADING PORTFOLIO (99% VAR 1)



GLOBAL TRADING VAR BY RISK CLASS

	Monte-Carlo Trading VaR – 99% 1 day			
in millions of euros	06/30/2009	12/31/2008	Change	Average over one year rolling
NATIXIS				
Interest rate risk	16.0	38.6	(22.6)	23.0
Equity risk	9.1	26.2	(17.1)	16.8
Specific equity risk	1.1	2.2	(1.1)	3.8
Specific interest rate risk	20.6	22.6	(2.0)	18.4
Exchange rate risk	3.9	6.5	(2.6)	5.8
Total risk classes	50.6	96.1	(45.5)	-
Impact of compensations	(23.1)	(40.3)	17.2	-
Consolidated VaR	**27.5**	**55.8**	**(28.3)**	**36.8**

The significant reduction in overall Equity Risk (-€17.1 million) and the overall Interest Rate Risk (-€22.6 million) over the period is noteworthy. It points to a significant reduction in the associated market positions and risks.

Stress testing results

The overhaul of global stress testing continued in 2009. It resulted in an adjustment in existing scenarios and the extension of the stress testing.

Two global hypothetical stress tests were added:

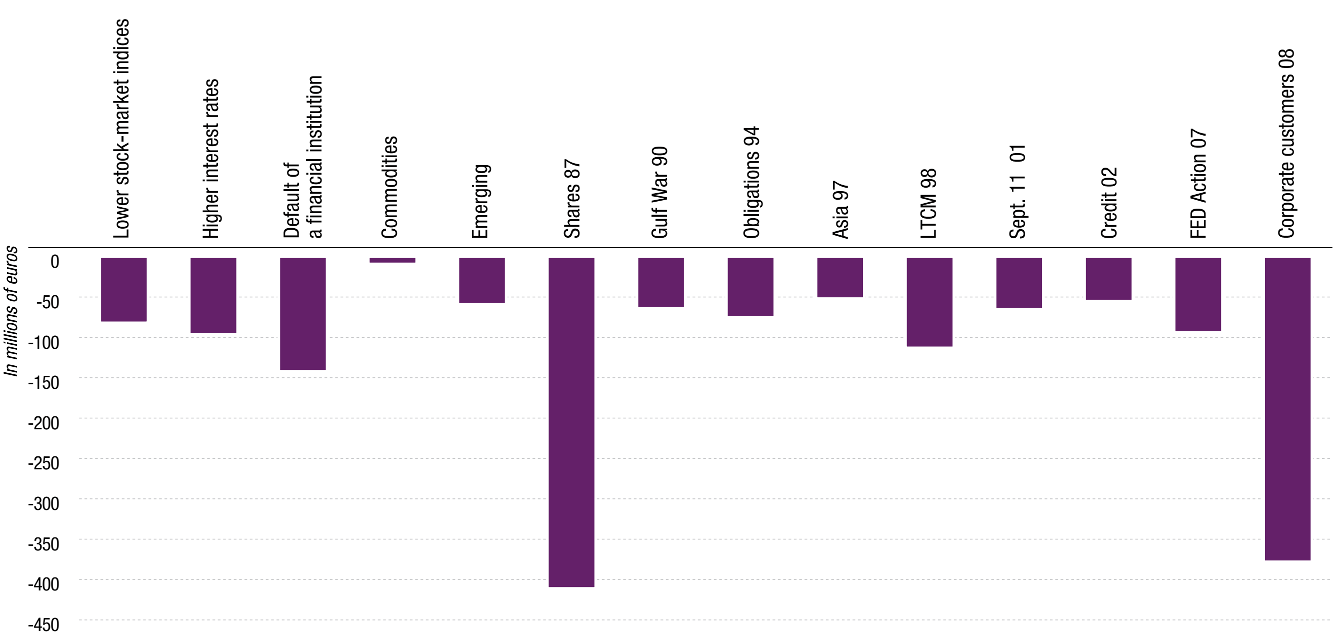
- Emerging Crisis: impacts on all markets of a sudden withdrawal of foreign capital invested in emerging countries;
- Commodities Crisis: assumption of a break in sourcing commodities due to a geopolitical crisis.

The system also received three new stress tests:

- 1990 Gulf War;
- the Fed's reaction in August 2007 to the subprime crisis;
- ABS and MBS corporate crisis in March 2008.

Natixis has five global hypothetical stress tests and nine global historic stress tests.

THEORETICAL AND HISTORIC STRESS TESTS OF JUNE 30, 2009



Investment Procedures

Approval process for new products

The financial positions taken in Commercial Bank are limited to a list of authorized financial products and an approval process for new financial products. The aim of both procedures is to ensure that the use of financial products is covered by appropriate operational safeguards, in compliance with the applicable regulations and Group risk management standards.

The list of authorized products and the operating principles of the New Products and Financial Activities Committee were confirmed along with the fund purchase authorization criteria.

Accelerated investment requests are processed under the New Products Committee.

A procedure describing the procedures for handling limit breaches also came into effect.

At the same time, the Group Market Risk Management and Group Investment Risk Management Committees meet monthly to oversee financial activities and validate exposure limits prior to their submission to the Group Risk Management Committee.

Specific systems have been established by the Group concerning:

- deciding whether or not to invest in funds, private equity supports, securitization products, structured products, real estate funds, and infrastructure funds;
- monitoring portfolios for these products (other than VaR);
- warnings in the event of market incidents likely to impact the investment value of the portfolio.

The Group's specific system for these products uses an intranet site for managing investment requests from Group entities, with several features, specifically:

- investment request management, with monitoring of pending requests and automatic e-mails to participants;
- access to GRM scores and analysis of funds and management companies approved by the Group;
- the option for Group entities to do their own fund scoring;
- management of investment statements for authorized accelerated funds and other products;
- management of the approval process for funds structured specifically for the medium-to-long-term portfolios of the Group's entities;
- access to dedicated reporting to the Group's entities: breakdown by asset class, inventory of the fund portfolio, fund VaR, and back testing;
- access to fund statistics Group-wide (e.g. average weighted liquidity of the portfolio, number of days needed to liquidate positions);
- access to liquidity ratios per fund;
- access to itemized Basel II capital adequacy requirements (standard and IRB methods);
- access to Group Risk Management analyses of management companies as well as GRM and GFM analyses of funds that are awaiting approval.

A method for analyzing funds by scoring is applied whenever an investment request is issued by the Group's entities.

Fund risk monitoring measurement system

Investments in regulated and unregulated funds are an important part of the financial activities of Groupe Caisse d'Epargne.

These specific investments are therefore part of the market risk limit system, but also receive special treatment in many respects:

- existence of an online tool for monitoring, validating and managing fund investment requests, used by all Group entity-level Financial Management and Risk Management teams to manage these investment processes;
- an analysis of funds in which Group entities invest, with an annual score assigned by the Group Risk Management Department's teams;
- as part of the management of approvals given by the CNCE to management companies external to the Group, on-site visits to these companies to get more information, specifically about the risk control system, to prepare the annual review of their approval. Externally-managed funds are subject to limits defined and validated by the Investment Risks Committee;
- Basel II risk weighting of the funds using data supplied by the fund management companies.

ASSET/LIABILITY MANAGEMENT RISKS

ALM Risk-Monitoring Organization

Principles

In its role as the central institution, the CNCE is responsible for asset-liability management (ALM) at consolidated level. This task is allocated to the ALM, Refinancing and Financial Reporting department (*via* the Group ALM unit), part of the Group's Finance Department. ALM risks comprise liquidity, interest rate and currency risks. Liquidity risk is tracked for all balance-sheet and off-balance-sheet headings. Interest rate and currency risks are tracked for all balance-sheet and off-balance-sheet headings with the exception of the portfolios containing transactions carried out for the purpose of realizing a short-term gain from price fluctuations [(1)], which is monitored, reported and assigned specific VaR limits by Group Risk Management.

The scope of consolidation includes the Commercial Banking division excluding the Crédit Foncier group (the individual Caisses d'Epargne, Financière Océor and Banque Palatine, which use a common ALM management application), the Crédit Foncier group, the CNCE (on an individual basis), Nexity, Eurosic and Natixis group.

Under the national supervision system, a Group ALM Committee, a Commercial Banking ALM Committee (covering the Caisses d'Epargne, Financière Océor and Banque Palatine) and a Groupe Caisse d'Epargne Risk Committee were set up. The GCE ALM Committee reports to the Group Risk Committee and requests rulings on the ratification of amortizing profiles and Groupe Caisse d'Epargne ALM limits as validated. Each of the Groupe Caisse d'Epargne's banks also has an ALM Committee and is responsible for its own ALM risk management in line with Group standards and exposure limits. The Natixis risk exposures are monitored by its two central institutions, the CNCE and BFBP, *via* the Global Risks Committee set up as part of the dual management structure.

The main principles defined at the Group level are laid down in the Group ALM Charter and adapted accordingly in the Group Financial Charter applicable to Commercial Banking credit institutions, which include the individual Caisses d'Epargne, Financière Océor, Banque Palatine, Crédit

(1) For the CNCE, these transactions belong to the trading portfolio and, for Commercial Banking entities, the proprietary trading segment.

Foncier group and the CNCE (subject to specific rules). This charter defines the duties, organization and procedures for the supervision and control of ALM and all types of financial activities. It also breaks down locally in each entity, taking into account its specific environment.

Group ALM Committee and Commercial Banking ALM Committee

The Group ALM Committee meets quarterly and is chaired by the CNCE Management Board Member responsible for the Group Finance division. It is made up of corporate officers of the Caisses d'Epargne, the CFOs of the CNCE's principal subsidiaries, a representative from the Natixis group and several directors from the CNCE, including the Executive Director of the Group Finance division.

The Commercial Banking ALM Committee also meets quarterly. It is chaired alternately by the Management Board Member in charge of Finance and the Management Board Member in charge of Development. It is made up of corporate officers of the Caisses d'Epargne, finance and risk directors of the Commercial Banking division's principal subsidiaries and several directors from the CNCE, including the Executive Director of the Group Finance division.

The Group ALM Committee has the following duties:

- ALM organization within Groupe Caisse d'Epargne;
- definition of amortizing profiles and the ALM standards and limits that apply to the Group and all of its consolidated entities. The proposals validated by the Group ALM Committee are then subject to ratification by the Group Risk Committee based on the opinion issued by the Group Risk Management Department;
- control of limits and prudential ratios in coordination with the Group Risk Management department and requests for information on corrective measures from institutions that have overstepped limits;
- validation and monitoring of the CNCE and Crédit Foncier group refinancing programs that each is proposing for the coming year;
- review of the sensitivity of net present value of open positions and the hedging policy of Groupe Caisse d'Epargne as well as the main scopes of responsibility.

Group ALM Department

The Group ALM Department ensures consolidated, second-tier monitoring of the ALM risks of Group entities, while operational management is ensured within each of these entities. In its quarterly reporting, it also ensures compliance with gap and sensitivity limits set at the Group level and the main consolidated entity. To monitor consolidated risks in compliance with applicable regulations, the GCE ALM unit uses ALM simulation and consolidation software to process data generated by the various entities.

Principal actions in the first half of 2009

The first half was marked by the following main actions:

- switchover of the sub-consolidation level of Commercial Banking activities, excluding Crédit Foncier, to the same software used for the consolidation of Groupe Caisse d'Epargne, and inclusion of this sub-consolidation level into the Group consolidation system;
- increase in the scope covered by the Group consolidation system with the inclusion of Natixis;
- accounting reconciliation put into production by the Group consolidation system;
- recognition of risk generated by explicit options (on Caps and Floors) and implied options (on home savings accounts) when calculating sensitivity indicators in Commercial Banking entities.

Liquidity risk management

Liquidity risk is the risk that the bank will be unable to meet its payment obligations as they fall due and replace funds when they are withdrawn. Mismatches occur when no liquid assets are available to settle liabilities falling due in a given period and the bank is unable to raise funds elsewhere on the market under acceptable financial terms. They may arise from internal factors within the bank itself or from a general deterioration in liquidity across the market.

Organization of refinancing within Groupe Caisse d'Epargne

REFINANCING CHANNELS AND DIVERSIFICATION OF THE GROUP REFINANCING SOURCES

As the Group's Central Cash Management unit, the CNCE is responsible for providing entities with the additional funds they may require to finance their activities and guarantee liquidity in the last instance. For Natixis, this is done along with BFBP within the scope of the two-tier management structure (Article L. 511-31 of the French Monetary and Financial Code (*Code monétaire et financier*).

The liquidity of the individual Caisses d'Epargne, Financière Océor and Banque Palatine is guaranteed first and foremost by customer deposits. Crédit Foncier group obtains liquidity on the market mainly through Compagnie de Financement Foncier, a special purpose real estate credit institution, subject to the provisions of Articles L. 515-13 *et seq.* of the French Monetary and Financial Code. Compagnie de Financement Foncier is also authorized to finance certain operations carried out by the individual Caisses d'Epargne, such as regional public sector lending. The CNCE raises funds on the market through various debt issue programs (CD, BMTN, ECP, USCP, EMTN). It also regularly issues bonds underwritten by the individual Caisses d'Epargne, which sell the bonds on to private customers, usually as part of a public offer. The CNCE also enters into interbank loans and, where appropriate, carries out stand-alone bond issues based on specific legal documentation.

In the first half of 2008, Groupe Caisse d'Epargne set up GCE Covered Bonds to diversify its refinancing sources. Rated AAA/Aaa by Standard & Poor's and Moody's, the new structure helps finance the home lending activities of Groupe Caisse d'Epargne's subsidiaries by issuing covered bonds. These issues, designed for institutional and/or qualified investors, are guaranteed by an oversized set of home loans granted by the Caisses d'Epargne and Crédit Foncier in accordance with predefined eligibility criteria. The funds raised by GCE Covered Bonds will be lent to the CNCE, which will in turn lend them to the individual Caisses d'Epargne and Crédit Foncier in proportion to their collateral contribution.

ACTIVATION OF THE GROUPE CAISSE D'EPARGNE BUSINESS CONTINUITY PLAN IN THE EVENT OF A LIQUIDITY CRISIS

A business continuity plan in the event of a liquidity crisis was drafted in the first half of 2008 in preparation for a potential financial crisis that could make it difficult for the Group to obtain liquidity on the financial markets, either due to a downgrade of its rating or a systemic crisis resulting from market events. The purpose of this plan is to enable the Group to honor its obligations should a liquidity crisis of this sort occur. More specifically, it is based on building cash reserves made up of assets that can be sold quickly or used as collateral for European Central Bank financing. This reserve must cover static liquidity gaps and meet financing needs for new issuances for a period of three months, without compromising the business, and assumptions of ALM mismatches due to the crisis. Gap liquidity limits were therefore calibrated by adjusting for this cash reserve.

With the worsening financial crisis following the failure of Lehman Brothers, the plan was activated in mid-September 2008, both at the level of CNCE's entities under its refinancing program (including the CNCE parent company and Commercial Banking excluding Crédit Foncier group) and in each Group entity where it existed. The securities and debt instruments under the CNCE refinancing program eligible for European Central Bank financing were centralized and managed by CNCE's Central Cash Management Unit. ECB funding for Commercial Banking entities excluding Crédit Foncier group is based on their contribution to the cash reserve. As such, GCE Covered Bonds issues were used to create a cash reserve. Crédit Foncier group also booked a cash reserve comprised of securities and debt instruments eligible for European Central Bank financing. A similar configuration was put in place by Natixis.

In the first half of 2009, the business continuity plan remained active against a backdrop of persistently difficult market conditions. Groupe Caisse d'Epargne participated in several European Central Bank tenders, although to a lesser extent than the second half of 2008, given the gradual easing in the three-month interbank market. The Group also benefited from its share from Société de Financement de l'Economie Française issues thanks to its high volumes of eligible collateral, identified in addition to its ECB-eligible collateral. Moreover, the Group implemented a customer-focused campaign that aimed to manage the issuance of new loans and boost the capacity to collect balance sheet resources from customers. Lastly, the Group qualified for financing from the EIB thanks to its customer base in the public and corporate sectors. Overall, the Group enjoys sufficient resources to do business safely in terms of volume, bearing in mind that the cost price of resources used has increased considerably due to trends in the global market.

Rollout of refinancing within Groupe Caisse d'Epargne

MARKET CONDITIONS IN THE FIRST HALF OF 2009

In the short term, we are seeing a return of liquidity (<3 months). Such liquidity is scarcer beyond that maturity. Moreover, the ECB extended the maturity of its tenders up to 12 months in June (non-contractual measure).

In the medium to long term, transactions were performed, but still in high price conditions with widening spreads observed until end April 2009, followed by an easing phase. In the primary market, there is improvement in the covered bond segment (buyback of covered bond issues), strengthened by the ECB's announcement of a €60 billion purchasing program for this type of paper (non-contractual measure). Moreover, SFEF issues continued for a total of 32 billion in euro currency and 31.5 billion in dollar currency in the first half.

MEASURES TAKEN BY GROUPE CAISSE D'EPARGNE IN THE FIRST HALF OF 2009

The CNCE was able to meet its liquidity requirements while maintaining its one-month liquidity ratio, and to satisfy needs as they arose. The CNCE contributed to Natixis' financing needs in its role as guarantor of its subsidiary's liquidity. Volumes of loans and security purchases stood at €24.3 billion as of June 30, 2009.

Refinancing transactions were the following:

- short-term:
  - the CNCE has few outstandings on the interbank market, favoring the use of its short-term refinancing program to the tune of €29 billion as of June 30, 2009, for a half-yearly average of €29.2 billion and in addition to ECB financing (€14 billion as of June 30, 2009),
  - Crédit Foncier de France used €9.9 billion in certificates of deposit as of June 30, 2009, for a half-yearly average of €9.8 billion (amounts net of subscriptions within Crédit Foncier group). In addition, it also uses the ECB's invitations to tender (€11.9 billion outstanding as of June 30, 2009);
- medium to long term:
  - CNCE's medium- to long-term refinancing program had raised €5.8 billion as of June 30, 2009,
  - for Crédit Foncier group, the medium to-long-term refinancing program had raised a total of €8 billion as of June 30, 2009 (on the Crédit Foncier de France and Compagnie de Financement Foncier);
- cash reserve: in addition to the various refinancing sources described above, the Group has a cash reserve for each refinancing scope that is eligible as collateral for central banks. As of June 30, 2009, this reserve stood at €35.7 billion after haircut for the CNCE refinancing scope, €63.8 billion for Crédit Foncier group, and €16 billion for Natixis.

It should be borne in mind that the Caisses d'Epargne are not highly exposed to fluctuations on the financial markets: as of March 31, 2009, 93% of customer loans granted by the individual Caisses d'Epargne were covered by customer deposits.

Monitoring liquidity risk for the Groupe Caisse d'Epargne's main entities

LIQUIDITY RISK MANAGEMENT

The main liquidity risk management principles are set out in the Groupe Caisse d'Epargne ALM Charter. The overall liquidity position of the Group and the liquidity positions of each individual entity are monitored on a quarterly basis by the Group ALM Committee, which approves the annual financing plans for the CNCE and Crédit Foncier group. These plans cover the entities' short-, medium-, and long-term financing requirements *via* the different financial market instruments and programs. The Group ALM Committee submits proposals to the Group Risk Committee concerning Group-wide and entity-level liquidity risk exposure limits.

The Group Risk Committee is responsible for ratifying these limits. Each Commercial Banking entity excluding Crédit Foncier group has a one-year drawdown entitlement with the CNCE Central Cash Management unit, capped with a short-term resource limit in line with the cash reserve of the CNCE refinancing scope that can be verified over the entire forecast period (Y+3). Drawdowns are monitored by Commercial Banking ALM Committee. These entities report their projected liquidity requirements to the CNCE each month, as was previously the case.

Commercial Banking entities excluding Crédit Foncier group as well as Crédit Foncier group are also subject to static liquidity gap limits in the first three months of the gap. These limits are determined based on the cash reserve of each of the corresponding refinancing scopes.

Each entity's loan-to-deposit ratio must be at least 60% for each time period over a 10-year horizon (beginning on the closing date of June 30, 2009, the decision was made in favor of a ratio that declines with respect to maturity, according to three sub-levels: 80%, 60%, and 40%, instead of a uniform 60% ratio). This ratio is reassessed at each quarterly reporting date.

Liquidity gap analysis for the CNCE Central Cash Management unit is tracked over five months and 10 years using daily and weekly intervals, respectively. It is subject to a specific limit to be in line with the cash reserve of the CNCE refinancing scope. It is monitored on a monthly basis by the CNCE ALM Committee and the CNCE's Finance and Risks Committee.

Natixis has its own system of liquidity exposure limits. A system of liquidity transformation limits has been set up for treasury management portfolio operations, corresponding to minimum ratios required for each maturity band (10 days, 1 month, 2 months-12 months, 2 years-10 years). The static liquidity gap and liquidity transformation indicator are monitored by Natixis' internal committees, the Group ALM Committee and the Global Risks Committee.

ONE-MONTH LIQUIDITY RATIO

This is calculated for each entity and must be 100% or above. This limit was consistently complied with during the first half 2009. For the CNCE, the one-month liquidity ratio was 302% on average during the first half-year 2009.

LIQUIDITY GAPS

Liquidity risk exposure for Groupe Caisse d'Epargne's main entities and consolidated exposure (including Natixis in accordance with the risk convergence plan [1]) on a quarterly basis by the Group ALM Committee using static gap analysis. This indicator represents the amortization over 10 years of the difference between assets and liabilities on a given date, which is used to quantify balance sheet items that do not have the same maturity under assets and under liabilities. This is the basis for determining the bank's liquidity risk or exposure to liquidity risk.

The static liquidity gap takes all inventory balance sheet and off-balance sheet positions into account without any renewal assumptions. The static liquidity gap is determined by projecting assets and liabilities positions for all transactions at a given date (month-end outstanding) and, for transactions scheduled for a future date under contract, at the closing date. Contractual transactions are amortized according to their provisional schedules, which may be affected by a static prepayment rate. For balance sheet transactions without a defined contractual maturity date, the Group amortizing profiles are applied, with any exceptions validated by the Group ALM Committee since they represent local requirements.

Each Commercial Banking entity, excluding Crédit Foncier group and Crédit Foncier group also produce a financing plan over the forecast period, i.e. Y+3.

Global interest rate risk management

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net asset value. This risk is assessed using the indicators described below.

Interest rate gap analysis

The interest-rate risk exposure for the Group's main entities and consolidated interest rate exposure (including Natixis in accordance with the risk convergence plan [2]) on a quarterly basis by the Group ALM Committee. Interest rate gaps are calculated in the same way as liquidity gaps. The gap calculated corresponds to a fixed-rate gap that covers fixed-rate transactions until their maturity and transactions at variable rates or revisable rates set beforehand until the next rate revision. Moreover, a portion of the outstanding inflation-indexed securities is integrated into the fixed rate gap, in line with Group rules.

Sensitivity of the net present value of open positions

The sensitivity of the net present value (NPV) of open positions is calculated at the level of the main Group entities and Groupe Caisse d'Epargne itself (excluding Natixis). This sensitivity is monitored on a quarterly basis by the Group ALM Committee. Natixis' overall exposure to interest rate risk stems mostly from its cash management activities and is tracked on a day-to-day basis by Natixis' Market Risks unit using net present value duration analysis by maturity band and currency, and VaR. These two standard metrics are each subject to exposure limits. All related quarterly reporting is sent to the Group ALM Committee.

The sensitivity of net present value of open positions is calculated using the method described in the document on the principles for the management and supervision of interest rate risk (Basel Committee July 2004 Appendix 4). The standard calculation method used to determine the Basel II indicator was adjusted in 2008 for a more accurate calculation of interest rate risk. This new method consists in taking the static fixed rate gap calculated on a monthly basis over 20 years and discounting each monthly segment by the zero coupon rate of the closing date, which gives a more accurate breakdown into time buckets and discounting coefficients that represent the period in question. The interest rate scenario applied to the gap has a +/-200 bp impact across the curve, which is currently the most conservative choice. In order to calculate the Basel II indicator, the sensitivity of net present value of open positions is set against capital requirements (Tier-1+Tier-2).

The maximum sensitivity of the economic value of equity capital is set at 20% of capital requirements. The Group ALM Committee must be notified if a threshold of 15% is exceeded and presented with corrective measures used to anticipate the hedging strategies required to manage this limit. This principle has been implemented in all Group consolidated entities and adapted accordingly.

This NPV sensitivity of the Group's open position is 10.85% of capital requirements as of March 31, 2009.

Sensitivity of net interest margin

The sensitivity of net interest margin as the primary component of earnings (gross operating income) is measured for each Commercial Banking entity excluding the Crédit Foncier group and for the Crédit Foncier group. It is assessed by reference to different interest rate scenarios (changes in short- and long-term rates and inflation) at annual intervals over the forecast period (Y+3). Four different scenarios have been developed:

- sensitivity to a 100 bp rise in short and long interest rates and a 50 bp rise in the inflation rate;
- sensitivity to a 100 bp fall in short and long interest rates and a 50 bp fall in the inflation rate;
- sensitivity to a 50 bp fall in short-term rates, a 50 bp rise in long-term rates and a 25 bp fall in the inflation rate;
- sensitivity to a 50 bp rise in short-term rates, a 50 bp fall in long-term rates and a 25 bp rise in the inflation rate.

The entities must have the ability to handle, without a significant impact on their earnings based on gross operating income (determined in line with IFRS), a change in rates that does not challenge the initial business forecasts. The sensitivity of net interest margin in the worst-case scenario over the

(1) *Inclusion of Natixis in the consolidated liquidity gap as of closing date of December 31, 2008.*
(2) *Inclusion of Natixis in the consolidated interest-rate gap as of June 30, 2009.*

forecast period must remain within a limit expressed as a percentage of budgeted earnings capacity. This limit is monitored on a quarterly basis.

The limits set on the sensitivity of net interest margin are managed through the application of a notification threshold of 75% of the limits. The ALM Committee (respectively Commercial Banking division and Crédit Foncier group) must be notified if this threshold is exceeded and rules on the strategy applied in order to remain below the limit. If the limit is exceeded, defined measures are implemented and monitored in order to return below the limit.

For information purposes, Natixis also computes the sensitivity of its interest margin to a rise or fall of 100 bp in interest rates without assigning any limit.

Foreign exchange risk management

Forex risk is the risk of losses resulting from currencies in exchange rates.

Forex risk management for Groupe Caisse d'Epargne entities (excluding Natixis) is monitored using regulatory indicators (corresponding capital adequacy requirements by entity). The residual foreign currency positions held by the Group (excluding Natixis) are not material because substantially all foreign currency assets and liabilities are match funded in the same currency. As regards the financing of international transactions, risk-taking must be limited to counterparties in countries with freely convertible currencies on the condition that conversions can be technically carried out by the entities' information systems.

Natixis' structural foreign currency positions on net investments in foreign operations refinanced by buying currency forwards are tracked on a quarterly basis by its ALM Committee in terms of both notional position and Tier-1 sensitivity. The resulting risk indicators are submitted to the Group ALM Committee on a quarterly basis.

OPERATIONAL RISK

Operational Risk is defined as the risk of direct or indirect losses resulting from inadequate or failed internal processes, people and systems or from external events. It therefore includes accounting, legal, regulatory and tax risks as well as risks related to the security of persons, goods and information systems.

Operational Risk is inherent in all of the activities of all of the Group's banks and other entities. It is analyzed, managed and assessed using a Group-wide risk identification and measurement process (together with accompanying action plans), proactive incident management and the monitoring of predictive risk indicators.

The Group's Operational Risk Management system is governed by a series of guidelines and governance rules validated by the Operational Risk Management Committee on October 4, 2005. The system is structured around an Operational Risk Management unit, which comprises designated Operational Risk Managers each in charge of a network of risk officers in their own businesses. The system is supervised at the Group level by the Group Operational Risk Committee, which meets every quarter to ensure that the operational risk management procedures applied within the Group are effective, and to analyze the main incurred and potential risks in each institution.

The Group's banking institutions and other entities now use the Group's Operational Risk System (ORiS), in order to apply the methodologies recommended by Group Risk Management and to gather the information required to manage Operational Risks effectively.

In the first half 2009, the Operational Risk Management system was adapted to changes in the Group's scope of consolidation (mergers between individual Caisses d'Epargne, creation of economic interest groups and subsidiaries, grouping of activities such as GCE Payments, etc.). In this context, 74,278 incidents were identified over the period for an aggregate total of €80.81 million.

Finally, in calculating capital requirements, Groupe Caisse d'Epargne is applying the standard Basel II method for the time being. As such, the regulatory COREP reporting produced as of December 31, 2008 set the capital required to €1,306 billion to be allocated under Operational Risk.

4.2.2 Management report

SIGNIFICANT EVENTS OVER THE HALF YEAR

Combination between Groupe Caisse d'Epargne and Groupe Banque Populaire

The first half of 2009 saw work continue on the combination initiated in October 2008 by the Caisse d'Epargne and Banque Populaire Groups. François Pérol was appointed Chief Executive Officer of the Banque Fédérale des Banques Populaires (BFBP) and Executive Chairman of the Caisse Nationale des Caisses d'Epargne (CNCE). He led the process, bringing it to fruition in accordance with an ambitious timetable.

The various steps necessary to give birth to France's second-biggest banking group were taken, leading up to the approval by extraordinary shareholders' meetings of the BFBP, the CNCE and BPCE on July 31, 2009, and the creation of the BPCE Group.

Since August 3, 2009, BPCE has been jointly owned by the 20 Banques Populaires and the 17 Caisses d'Epargne, following the contribution of the activities of their central institutions and the main assets of the BFBP and the CNCE. The new group also received capital from the French state:

- €4.05 billion in deeply subordinated notes issued by the CNCE and the BFBP between the fourth quarter of 2008 and the second quarter of 2009 and contributed to BCPE;
- €3 billion in non-voting preference shares issued by BPCE on July 31, 2009.

Deregulation of the distribution of the *Livret A* savings account

Since January 1, 2009, all banks have been allowed to sell *Livret A* savings accounts. During a transitional period due to run until 2011, the Caisses d'Epargne are required to centralize a bigger share of the liquidities gathered, and benefit from an additional remuneration of between 0.1% and 0.3%.

The annual interest rate paid on the *Livret A* was revised down twice in the first half of 2009 (February 1 and May 1), in line with inflation, bringing it to 1.75% (as opposed to 4% at the start of the year).

Reclassification of deeply subordinated notes issued by the CNCE as equity instruments

As of December 31, 2008, the deeply subordinated notes (DSN) issued by the CNCE represented debt under IFRS, due to a clause making the payment of coupon mandatory whenever the issuing entity recorded a profit.

Following the renegotiation of the contract in the first half of 2009, the contractual obligation pay coupon on these notes was cancelled.

The DSNs were accordingly reclassified as equity at their fair value as of June 30, 2009. The gap between the value at which the notes were recorded as debt and their fair value was recognized as net income, for a total of €1.5 billion.

This capital gain is a reflection of the favorable financing conditions enjoyed by the Group with respect to its deeply subordinated financing in the prevailing market conditions: the average coupon paid by the CNCE on the DSNs stands at 5.5%, a good deal less than coupons on similar issues today.

THE GROUP'S RESULTS

The interim results of Groupe Caisse d'Epargne (GCE) need to be seen in the light of the very depressed environment. The first quarter saw further agitation in the markets, and the economic environment remained challenging throughout the first half (decline in capital spending, deterioration in the job market).

	Published data			Restated data[1]	
in millions of euros	**H1-09**	**H1-08**	**% chg.**	**H1-09**	**% chg.**
Net banking income	5,956	4,522	32%	4,471	-1%
Operating expenses	(4,195)	(4,262)	-2%	(4,195)	-2%
GROSS OPERATING INCOME	**1,761**	**260**		**276**	**6%**
Cost/income ratio	*70,4%*	*94,3%*		*93.8%*	*-0.5 pt*
Cost of risk	(1,197)	(310)		(1,197)	
Share in net income/(loss) of associates	135	161		135	
Net gain or loss on other assets	52	102		52	
Change in the value of goodwill	(601)	1		0	
INCOME BEFORE TAX	**150**	**214**		**(734)**	
Income tax	178	(123)		178	
Minority interests	10	(70)		10	
NET INCOME ATTRIBUTABLE TO THE GROUP	**338**	**21**		**(546)**	

(1) Restated for the reclasification of the DSNs in H109, and change in the value of goodwill over the two half-years.

The net income attributable to the Group was €338 million, including non-recurring items amounting to a significant €0.9 billion over the half-year:

- in NBI, +€1.5 billion relative to the reclassification of the CNCE's DSNs (refer to the "Significant events in the first half of 2009" paragraph above);
- in changes in the value of goodwill, impairment totaling -€0.6 billion, focused chiefly on the Real Estate division in the wake of recent acquisitions made at the cycle peak.

Restated for these elements, net income was a loss of -€546 million.

The restated gross operating income nevertheless advanced by 6% resulting from the combination of virtually flat net banking income and a 2% reduction in operating expenses.

The cost of risk was very high, reflecting the deterioration in the economic environment and an appropriately judged provisioning policy.

Financial structure

Groupe Caisse d'Epargne's consolidated assets totaled nearly €626 billion as of June 30, 2009, down 4% over the half-year. Shareholders' equity (attributable to equity holders of the parent) totaled €21.7 billion, up 31% compared with December 31, 2008. This change includes an increase in gains and losses recognized directly to equity for a total of €0.3 billion. Excluding this item, the €4.8 billion change in shareholders' equity resulted primarily from:

- net income in the first half (+€338 million);
- capital increases (+€751 million);
- the BFBP's share of the shareholders advance given to Natixis by the BFBP and the CNCE (€269 million);
- the impact of the undated deeply subordinated notes (+€3,735 million);
- the payment of dividends (-€248 million).

ACTIVITY AND RESULTS BY OPERATING LINE

The operating lines

- Groupe Caisse d'Epargne was structured around four divisions in the first half of 2009:
- **Commercial Banking,** comprising lending, savings and other banking services carried out by the individual Caisses d'Epargne, the Crédit Foncier group and the other subsidiaries within the Group network (mainly the Banque Palatine and Financière Océor groups), as well as the retail businesses affiliated to the CNCE;
- **Insurance,** which includes the Group's life and non-life insurance subsidiaries (mainly CNP Assurances and GCE Assurances);
- **Real Estate Services,** comprising Nexity, the market leader in corporate and real estate development, and the Group's other real estate subsidiaries (notably Maisons France Confort, Meilleurtaux, GCE SEM and GCE Habitat);
- **Wholesale Banking and Financial Services** (WBFS), representing the contribution of Natixis, which is held in equal proportions by the Caisse d'Epargne and Banque Populaire Groups.

The Group also has a cross-functional **Other Activities** division housing activities that have no direct bearing on operations, namely:

- holding structures that manage the central financing operations conducted by the CNCE on behalf of the Group's divisions, CNCE support functions and investment management services;
- the Caisses d'Epargne's financial portfolios;
- non-recurring income and expense not directly related to the activities of the various divisions (restructuring charges/gains, changes in value of goodwill, amortization of valuation differences etc.).

	Commercial Banking		Insurance		Real Estate Services		Wholesale Banking and Financial Services		Other Activities		Groupe Caisse d'Epargne	
in millions of euros	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08
Net banking income	3,687	3,650	47	54	387	509	242	545	1,593	(236)	5,956	4,522
Operating expenses	(2,730)	(2,622)	(40)	(36)	(336)	(392)	(807)	(877)	(282)	(335)	(4,195)	(4,262)
GROSS OPERATING INCOME	**957**	**1,028**	**7**	**18**	**51**	**117**	**(565)**	**(332)**	**1,311**	**(571)**	**1,761**	**260**
Cost/income ratio	*74.0%*	*71.8%*	*84.3%*	*67.2%*	*86.8%*	*77.0%*	*>100%*	*>100%*	*17.7%*	*>100%*	*70.4%*	*94.3%*
Cost of risk	(295)	(146)	0	0	0	0	(795)	(131)	(107)	(33)	(1,197)	(310)
INCOME BEFORE TAX	**669**	**887**	**83**	**104**	**52**	**121**	**(1,308)**	**(394)**	**654**	**(504)**	**150**	**214**
NET INCOME ATTRIBUTABLE TO THE GROUP	**428**	**540**	**82**	**97**	**4**	**32**	**(1,001)**	**(334)**	**825**	**(314)**	**338**	**21**

Commercial Banking

Commercial Banking enjoyed robust business, offering products suited to the market and building new partnerships.

Deregulation of the Livret A savings account

In response to heightened competition following the deregulation of the *Livret A* savings account, GCE rolled out innovative commercial offerings including the *Livret Assurance Vie,* the *Livret GrAnd Format,* the *Livret GrAnd Prix* and a current account paying 3% interest.

Sustainable development

On February 26, 2009, the French government launched the interest-free *éco-prêt* (green loan), of which the Caisses d'Epargne are big distributors. This loan is aimed at financing work to increase the energy efficiency of private homes.

Commercial development

Since January 2, 2009, banks belonging to the Océor network have been distributing a new contract, designed and managed by GCE Assurances, relative to savings insurance. It allows a lump sum to be passed on in the event of the holder's accidental death, with no tax or death duties.

On January 9, 2009, Banque Palatine and Le Petit Poucet, a private equity fund for student entrepreneurs, signed a sponsoring agreement offering financial support for the organization, design and financing of action taken by Le Petit Poucet to assist companies set up by graduates of prestigious higher education institutions.

In May 2009, the Caisses d'Epargne launched *"forfait Auto-entrepreneur"*, a banking package designed to allow customers to start a business as cheaply as possible. The package includes all the services necessary to start a business and forge a relationship with a bank simply and cheaply.

Public-Private Partnerships

Significant moves came to fruition in the field of public-private partnerships. Financière Océor is thus providing the bulk of the funding for the new grain terminal at Port Reunion on Reunion Island; the CNCE and Groupement des *autorités responsables des transports* (GART) have entered into a privileged partnership agreement; and the Group has renewed its partnership commitment with the *fédération des entreprises publiques locales* (FDEPL) as the leading private shareholder of French companies financed by a blend of state and private capital.

Divisional contribution to Groupe Caisse d'Epargne

The three Commercial Banking sub-divisions recorded net income of €428 million in the first half of 2009.

	Caisses d'Epargne		Crédit Foncier		Other networks		Commercial Banking		Change	
in millions of euros	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	in €M	as a %
Net banking income	2,809	2,698	472	557	406	395	3,687	3,650	37	1%
Operating expenses	(2,093)	(1,994)	(283)	(293)	(354)	(335)	(2,730)	(2,622)	(108)	4%
GROSS OPERATING INCOME	**716**	**704**	**189**	**264**	**52**	**60**	**957**	**1,028**	**(71)**	**-7%**
Cost/income ratio	*74.5%*	*73.9%*	*60.0%*	*52.6%*	*87.2%*	*84.8%*	*74.0%*	*71.8%*	-	*2.2 pt*
Cost of risk	(126)	(82)	(39)	(48)	(130)	(16)	(295)	(146)	(149)	ns
INCOME BEFORE TAX	**590**	**622**	**150**	**215**	**(71)**	**50**	**669**	**887**	**(218)**	**-25%**
Income tax	(198)	(227)	(46)	(71)	4	(21)	(240)	(319)	79	-25%
Minority interests	0	0	(2)	(24)	1	(4)	(1)	(28)	27	-96%
NET INCOME ATTRIBUTABLE TO THE GROUP	**392**	**395**	**102**	**120**	**(66)**	**25**	**428**	**540**	**(112)**	**-21%**

SAVINGS NOW GOING CHIEFLY INTO SECURE MEDIUM- AND LONG-TERM PRODUCTS

Commercial Banking recorded net outflows of €0.9 billion. Excluding the impact of the *Livret A* savings account, it posted net inflows totaling €2.2 billion.

Retail banking recorded net outflows of €2 billion in the first half of 2009, compared with net inflows of €5.6 billion in the same period in 2008. The main reasons behind this change are as follows:

- after a stellar performance in 2008 on the back of a steep increase in its regulated interest rate, the *Livret A* savings account has labored under a less attractive interest rate and heightened competition in 2009;
- other savings accounts and term deposits (-€2.4 billion) were also less attractive owing to the decline in short-term interest rates;
- UCITs saw net outflows of -€1.5 billion, underscoring households' risk aversion.

By contrast, secure medium- and long-term products recorded strong performances:

- gradual recovery in life insurance (+€0.6 billion);
- big increase in loans (+€0.8 billion) and members' shares (+€1.1 billion),
- positive change in home savings (+€2.4 billion).

Regional Development Banking slowed the decline in its volumes (-€0.9 billion compared with June 30, 2008), with the Caisses d'Epargne notching up very impressive performances in the social economy and social housing markets.

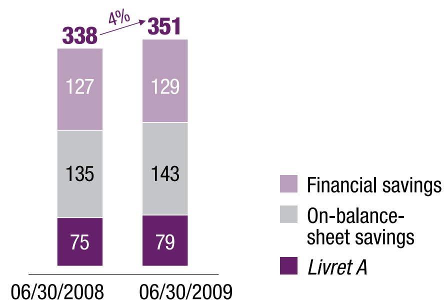
Customer savings (including demand deposits) held by the Commercial Banking division advanced by 4% compared with June 30, 2008, reaching €351 billion as of June 30, 2009:

- on-balance-sheet savings (€143 billion) were up 5%. Funds deposited in savings accounts and other demand deposits totaled €81 billion (+14%). Money held in *Livret d'épargne populaire* (LEP) and *Livret de développement durable* (LDD) accounts were flat over the period, while home purchase savings continued to decline (-7%);
- volumes in *Livret A* savings accounts increased by 5% to €79 billion;
- investment savings volumes (€129 billion) increased by 2% on the back of firmer life insurance volumes; UCITs volumes were down compared with the same period in 2008.

In addition, the individual Caisses d'Epargne also continued to sell members' shares to their local customers: cooperative shareholders purchased shares for a total of €5.9 billion (+31%) in the first half of 2009.

TOTAL SAVINGS INCLUDING DEMANDS DEPOSITS

In billions of euros



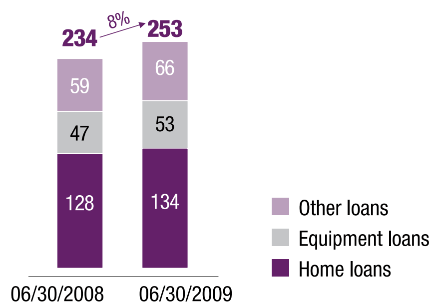
OUTSTANDING LOANS: STRONG BUSINESS IN A DEPRESSED ENVIRONMENT

The combination of a luckluster property market since the second half of 2008 and the deterioration in economic conditions, accompanied by higher unemployment, did not make for a bright outlook in the lending market. However, the Commercial Banking division enjoyed very buoyant business over the half-year.

The Commercial Banking division's outstanding loans were up 8% compared with end-June 2008, reaching €253 billion. All the Group's markets contributed to the increase in volumes: housing loans, equipment loans and other lending recorded increases of 4%, 12% and 13% respectively.

OUTSTANDING LOANS

In billions of euros



NET BANKING INCOME EDGED UP

The Commercial Banking division recorded net banking income of nearly €3.7 billion, up 1%.

			Change	
in millions of euros	**H1-09**	**H1-08**	**in €m**	**as a %**
Interest margin and other income	2,049	1,966	83	4%
Fees and commissions	1,638	1,684	(46)	-3%
NET BANKING INCOME	**3,687**	**3,650**	**37**	**1%**

- Interest margin and other income

This item amounted to €2.0 billion, up 4%, with contrasting performances in the various sub-divisions.

Caisses d'Epargne recorded a 13% increase, thanks to the lower cost of refinancing its commercial activity, partially neutralized by a lower level of provision reversals on home purchase savings accounts. The Crédit Foncier group posted a €79 million decline, on a 2008 comparison base that included significant capital gains on divestments, and despite the increase in margins noted in the first half of 2009.

The interest margin and other income item for other networks were relatively stable.

- Net commission and fee income [(1)]

			Change	
in millions of euros	**H1-09**	**H1-08**	**in €m**	**as a %**
Fees and commissions from centralised savings products	376	403	(27)	-7%
Fees and commissions from investment savings products	333	405	(72)	-18%
Fees and commissions from loans	255	264	(9)	-3%
Fees and commissions from banking services	674	612	62	10%
FEES AND COMMISSIONS	**1,638**	**1,684**	**(46)**	**-3%**

Net commission and fee income totaled €1.6 billion, edging down by 3% due to:

- fees and commissions from financial savings products, which were down 18% at €333 million, owing to a fall in commissions on life insurance products (-13%) and lower fees and commissions on UCITs (-29%) attributable to the decline in volumes (arbitrage in favor of money-market funds);
- fees and commissions from centralized savings products were down 7%. The decline reflects not only the decline in the rate of commission on the *Livret A* savings account (0.9% as of January 1, 2009, i.e. -0.1 point), but also the reduction in the rate of centralization of the LEP from 85% to 70% and the end of the centralization of LDD volumes;
- Fees and commissions from banking and other services were nevertheless up 10% at €674 million, reflecting increased sales of service packages within the Caisses d'Epargne.

(1) *Income generated by the distribution of Livret A savings accounts is included in fee and commission income for the purposes of the management report.*

OPERATING EXPENSES UNDER CONTROL

Operating expenses were up a moderate 4% at -€2.7 billion in the first half of 2009. Gross operating income came to nearly €1 billion (-7%). The cost/income ratio accordingly worked out at 74.0% (+2.2 points).

HIGHER COST OF RISK, REFLECTING A PRUDENT PROVISIONING POLICY

The cost of risk amounted to -€295 million, a significant €149 million increase compared with the first half of 2008. This increase can be ascribed mainly to the Caisses d'Epargne, as well as Océor and Banque Palatine. It reflects an increase in individually assessed impairment, particularly in the retail, business and self-employed markets, in a challenging economic environment. The ratio of customer risks to gross loans nevertheless remained fairly low at 23.1 basis points.

NET INCOME

Income before tax totaled €0.7 billion, down 25% compared with the first half of 2008. After taking into account an income tax charge of -€0.2 billion and a €27 million reduction in minority interests in the wake of the sale of Crédit Foncier shares owned by Nexity to the CNCE in January 2009, the Commercial Banking division's net income contribution came to €428 million.

Insurance

A good measure of resilience in commercial activity

The two main components of the Insurance division, GCE Assurances and CNP Assurances, posted mixed commercial performances over the half-year:

- GCE Assurances, France's third-largest bancassurer in non-life insurance on the basis of its market share of new production, posted mixed commercial performances over the half-year. The portfolio of active non-life contracts (excluding health insurance) was up 5.3% compared with the first half of 2008, benefiting in particular from the end-April launch of a new car insurance product, while premium income was stable at €185 million, penalized by an 8% drop in gross sales;
- CNP Assurances enjoyed brisk business. Its premium income advanced by 24.8% to €17.6 billion over the half-year, driven mainly by the savings and retirement sectors, where growth amounted to 29.7% and 30.7% respectively.

By contrast, sales of unit-linked policies were down sharply (-57%), with particularly deep dives in France (-76%) and Italy (-82%) attributable to the financial crisis and customers' aversion to risk.

More specifically, the Caisses d'Epargne distribution network recorded a 16% increase in its revenues to €5.8 billion at end-June. This performance was driven by the successful launch of the "*Livret Assurance Vie*" savings product.

In a challenging economic environment, the division's results were down over the half-year:

	Insurance		Change	
in millions of euros	**H1-09**	**H1-08**	**in €M**	**as a %**
Net banking income	47	54	(7)	-12%
Operating expenses	(40)	(36)	(4)	10%
GROSS OPERATING INCOME	**7**	**18**	**(11)**	**-58%**
Cost/income ratio	*84.3%*	*67.2%*	-	*17.1 pts*
Share in net income/(loss) of associates	76	86	(10)	-12%
INCOME BEFORE TAX	**83**	**104**	**(21)**	**-20%**
Income tax	0	(4)	4	-91%
Minority interests	(1)	(3)	2	-81%
NET INCOME ATTRIBUTABLE TO THE GROUP	**82**	**97**	**(15)**	**-14%**

The Insurance division's net banking income totaled €47 million in the first half of 2009, down 12% compared with the same period in 2008. The decline can be chiefly ascribed to a decline in NBI recorded by GCE Assurances on the back of an increase in claims sparked by a large number of weather events (Klaus and Quinten windstorms) and the decline in financial income (-€4.4 million compared with the first half of 2008).

Operating expenses amounted to -€40 million, up 10% compared with the first half of 2008, due mainly to the finalization of GCE Assurances' reorganization.

Gross operating income totaled €7 million, and the cost/income ratio amounted to 84.3%.

The decline in the earnings of companies accounted for under the equity method was attributable to CNP Assurances' reduced contribution to the Group's accounts. Despite CNP's strong performance, especially in France (+18% in the first half of 2009, as opposed to +6% in the market for capitalization contracts in life insurance [1]), its results were down due to the absence of exceptional items recognized in the first half of 2008 (notably a €222 million mathematical reserve for work disability at 100%) and a reduction in proprietary trading income (-27%).

The division's net income accordingly totaled €82 million, down 14% compared with the first half of 2008.

Real Estate Services

The Real Estate sector came up against significant headwind due to the uncertain economic climate, marked by a steep rise in unemployment.

The results of Meilleurtaux were therefore severely affected by the big drop in home loans; Otérom Holding, the majority shareholder, accordingly decided to delist Meilleurtaux. This transaction was finalized on July 27, 2009.

In the first half of 2009, Eurosic pressed ahead with the commercialization of the "Quai 33" project in Puteaux, the "Jazz" development in Boulogne and "52 Hoche" in Paris. In addition, leases representing 25% of aggregate portfolio value were renegotiated, allowing Eurosic to extend the maturity of its portfolios by more than six months (i.e. 6.7 years). However, the resilience of the underlying business (4% growth in organic rental income) went hand-in-hand with a prudent approach to the office market, resulting in the impairment of Eurosic's real-estate assets.

The Nexity group remained the biggest contributor to the performances of the Real Estate Services division. Off-plan sales of new residential programs were up 21% compared with the first half of 2008, particularly thanks to the impact of lower mortgage interest rates and government measures in support of the property market (the so-called Scellier tax break on investment property, doubling of interest-free loans). The backlog stood at €2.9 billion as of June 30, 2009, the equivalent of 16 months' sales.

The Real Estate Services division also continued its expansion, with GCE Habitat's acquisition of SCEPIA, a software publisher specializing in software for the social housing sector, in the first quarter of 2009. This acquisition allowed GCE Habitat to round out its IT offering to clients in the social housing sector, namely public housing authorities (HLM) and companies financed by a blend of state and private capital.

	Real Estate Services		Change	
in millions of euros	**H1-09**	**H1-08**	**in €m**	**as a %**
Net banking income	387	509	(122)	-24%
Operating expenses	(336)	(392)	56	-14%
GROSS OPERATING INCOME	**51**	**117**	**(66)**	**-56%**
Cost/income ratio	*86.8%*	*77.0%*	*-*	*9.8 pts*
INCOME BEFORE TAX	**52**	**121**	**(69)**	**-57%**
Income tax	(30)	(44)	14	-32%
Minority interests	(18)	(45)	27	-60%
NET INCOME ATTRIBUTABLE TO THE GROUP	**4**	**32**	**(28)**	**-88%**

Despite resilient business and strong sales, NBI was down 24%, due mainly to Nexity's weaker performances in the housing market, stemming from the decline in off-plan sales in 2008.

Operating expenses were down 14%, highlighting the tight rein kept on costs at Nexity (-15%).

The division's gross operating income accordingly totaled €51 million. Net income attributable to the Group totaled €4 million, after taking into account corporate income tax and minority interests for the Nexity and Eurosic groups.

Wholesale Banking and Financial Services (WBSF)

In an extremely depressed environment, Natixis continued the strategic refocus it began in mid-2008. The half-year was marked by:

- the finalization of the sale of 35% of CACEIS to Crédit Agricole SA, leaving Natixis with a residual economic interest of 15%;
- further work on the transformation of the Corporate and Investment Banking (CIB) division, with assets earmarked for management on a run-off basis now all housed in a single structure.

(1) *Source: FFSA*

The division's contribution to the Group's earnings

The Wholesale Banking and Financial Services division's contribution is calculated on the basis of the Group's 35.92% share and the neutralization of equity-accounted income generated by the Caisses d'Epargne's cooperative investment certificates (CICs), which is already consolidated *via* the contribution of the Commercial Banking division to GCE's consolidated earnings (see reconciliation table in the appendices).

	CIB		Asset Management and PEPB		Retail Banking and Services		Receivables Management		Corporate Center		Wholesale Banking and Financial Services		Change
in millions of euros	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	as a %
Net banking income	(181)	(148)	218	306	208	277	65	166	(68)	(56)	242	545	-56%
Operating expenses	(315)	(368)	(192)	(206)	(142)	(172)	(131)	(122)	(27)	(9)	(807)	(877)	-8%
Gross operating income	**(496)**	**(516)**	**26**	**100**	**66**	**105**	**(66)**	**44**	**(95)**	**(65)**	**(565)**	**(332)**	
Cost of risk	(782)	(102)	(1)		(7)	(2)	(6)	(3)	1	(24)	(795)	(131)	
Income before tax	**(1,273)**	**(618)**	**27**	**103**	**97**	**166**	**(64)**	**43**	**(95)**	**(88)**	**(1,308)**	**(394)**	
Net income attributable to the group	**(962)**	**(507)**	**9**	**62**	**58**	**125**	**(42)**	**30**	**(64)**	**(44)**	**(1,001)**	**(334)**	
Cost/income ratio			88.1%	67.3%	68.3%	62.1%	>100%	73.5%			>100%	>100%	

The Wholesale Banking and Financial Services division's performance was severely affected by the results of the activities in run-off management, grouped together under the acronym GAPC (*Gestion active des portefeuilles cantonnés*, or Workout Portfolio Management). In the first half of 2009, the division's contribution to GCE's net income was a loss of €1 billion, of which a negative €0.9 billion attributable to the GAPC.

Performances of the Wholesale Banking & Financial Services business lines

Contributions to the Wholesale Banking and Financial Services are made by four sub-divisions:

- Corporate and Investment Banking;
- Asset Management, Private Equity and Private Banking;
- Services and Retail Banking;
- Receivables Management.

The division's other activities are Natixis's non-operational activities, grouped together in the Corporate Center.

CORPORATE AND INVESTMENT BANKING

The activities of the **CIB** break down into two parts:

- The Continuing CIB

NBI was stable compared with the first half of 2008, at €499 million. The Debt and Finance, and Capital Markets business lines recorded good operating performances, despite the negative impact from the Credit Portfolio Management business. CPM was hit by negative fair value adjustments on hedging instruments (accounting treatment of hedges versus spread of interest income) sparked by the tightening of spreads on investment grade counterparties. Its NBI accordingly stood at -€162 million over the half-year.

The division's expenses were down sharply, thanks to a reduction in performance-based variable compensation and cuts in the workforce (597 fewer FTEs than in the first half of 2008). The cost of risk was high: it included a prudent additional provision of €269 million reinforcing the overall coverage of certain business sectors (real estate and LBOs). The Continuing CIB's net income stood at -€51 million compared with a profit of €84 million in the first half 2008.

- The segregated assets (GAPC)

The half-year was marked by the continuation of action aimed at reducing the size of the bank's portfolios (accelerated amortization of fund-linked structured transactions, divestments and accelerated amortization of assets, etc.). NBI amounted to -€681 million due to the turmoil in the debt markets (writedowns on monoline insurers, CDPC, RMBS and ABS CDOs). The cost of risk amounted to -€361 million, its increase stemming from an increase in provisions on monoline insurers and CDPCs (-€173 million), and the recognition of a provision (-€108 million) covering portfolios reclassified as loans and receivables in accordance with IAS39 as amended. Accordingly, the GAPC's net income reached -€0.9 billion in the first half of 2009.

ASSET MANAGEMENT, PRIVATE EQUITY & PRIVATE BANKING

The **Asset Management business** maintained strong commercial activity and benefited from an improvement in market conditions towards the end of the half-year. Assets under management, after several successive quarters of decline, were up 6.5% compared with end-2008, reaching €476 billion in the first half of 2009 [(1)]. Aside from positive net inflows totaling €14 billion, this change stemmed from a positive market effect of €15 billion and a slight foreign exchange impact over the half-year (+€0.2 billion).

Divisional NBI was down 9% at €220 million. The decline can be ascribed primarily to the decline of more than 20% in average asset volumes at constant currency, which took a heavy toll on management fees. The reduction in variable compensation had a positive impact on the division's expenses, which were down 7%. Net income totaled €37 million.

The performance of the **Private Equity and Private Banking business** was affected by the challenging economic environment. Private Equity NBI was a negative -€18 million, compared with a positive €44 million in the first

(1) On a 100% basis.

half 2008. Private Banking NBI totaled €16 million, pushed down by the wait-and-see attitude of private investors. The merger of Banque Privée Saint Dominique and La Compagnie 1818 became effective, giving birth to Banque Privée 1818.

The Private Equity and Private Banking division's gross operating income was a -€31 million and net income was a loss of -€28 million, both numbers representing a significant deterioration.

RETAIL BANKING AND SERVICES

In the first half, the **Services business** saw the finalization of the reorganization of the Securities Services business line, with the sale of 35% of the share capital of CACEIS, and the sale of its Natixis Algérie subsidiary as part of the constitution of BPCE's international division. It should however be borne in mind that the results of both these entities are consolidated as part of the Services division's results over the two halves.

The division's NBI was down 25% at €208 million in the first half of 2009. The change was attributable primarily to the impact of the economic crisis, which took a heavy toll on the Insurance (-30%), and Sureties and Financial Guarantees (-50%) business lines. By contrast, the Consumer Finance Services business line continued to post very satisfactory trends (NBI up 29%), gaining traction from projects initiated in 2008, particularly the successful launch of the Créodis revolving credit card in the Banques Populaires network.

The division's expenses were down by a significant 17%, thanks mainly to lower IT, communications and marketing expenses. Gross operating income and net income accordingly totaled €66 million and €35 million respectively in the first half of 2009.

Contributions accounted for under the equity method reflect the earnings of the **Retail Banking business,** and, more specifically, those of the Banques Populaires network. They amounted to €42 million in the first half of 2009, down compared with the same period in 2008, due to a big increase in the cost of risk.

RECEIVABLES MANAGEMENT

The Receivables Management NBI totaled €65 million, down sharply compared with the first half of 2008. This counter-performance can be put down in part to a big increase in the claims ratio to 116% (vs 56% in the first half 2008), which affected Coface, and to a decline in factoring revenues. Expenses amounted to -€131 million, an increase attributable to consolidations made in the second half of 2008 (Midt factoring, Polish entities). The gross operating income (-€66 million) and net income attributable to the Group (-€42 million) were accordingly very much in the red over the half-year.

Other Activities

	Other activities		Change
in millions of euros	**H1-09**	**H1-08**	**€m**
Net banking income	1,593	(236)	1,829
of which revaluation of CNCE DSNs	*1,485*		*1,485*
Operating expenses	(282)	(335)	53
GROSS OPERATING INCOME	**1,311**	**(571)**	**1,882**
Cost of risk	(107)	(33)	(74)
Net gains or losses on other assets	45	98	(53)
Change in the value of goodwill	(601)	1	(602)
INCOME BEFORE TAX	**654**	**(504)**	**1,158**
Income tax	132	164	(32)
Minority interests	39	26	13
NET INCOME ATTRIBUTABLE TO THE GROUP	**825**	**(314)**	**1,139**

The "Other Activities" division recorded a substantial €1.9 billion increase in its gross operating income over the half-year. This was the combined effect of:

- a big increase in NBI (+€1.8 billion) thanks to the revaluation of the CNCE's DSNs at their fair value (capital gain of nearly €1.5 billion). Revenues on Caisses d'Epargne's financial portfolios also contributed to the change (+€74 million in the first half of 2009 vs -€157 million in the first half of 2008);
- a reduction in expenses on the back of lower restructuring expenses, particularly on the Caisses d'Epargne (effects of the *IT Performance* project and merger costs) and Natixis (Job Adaptation Plan).

Income before tax includes:

- an increase in the cost of risk, attributable mainly to the CNCE's investment portfolio;
- lower capital gains recorded on other assets;
- change in the value of goodwill amounting to -€601 million (of which -€432 million relating to the real estate subsidiaries and -€169 million to the subsidiaries of the GCE network).

The net income attributable to the Group, after taking into account tax and minority interests totaled €825 million.

Groupe CNCE results

The consolidation differences between the groupe CNCE and GCE are primarily attributable to the Caisses d'Epargne, which only contribute to the results of the CNCE Group through the "share in net income/(loss) of associates" line by means of the CICs, which represent 20% of Caisses d'Epargne capital, owned by Natixis since the end of 2006 (i.e. a direct economic interest of 7% for the CNCE Group).

Accordingly, the transformation of GCE's consolidated earnings into those of the groupe CNCE is reflected primarily in the consolidation of the CICs held by Natixis instead of the contribution of the Caisses d'Epargne. Some subsidiaries and economic interest groupings held directly by the Caisses d'Epargne are also excluded from the CNCE's scope of consolidation (see reconciliation table in the appendices).

	Published data			Restated data(1)	
in millions of euros	**H1-09**	**H1-08**	**% chg.**	**H1-09**	**% chg.**
Net banking income	3,029	1,954	55%	1,544	-21%
Operating expenses	(1,949)	(2,073)	-6%	(1,949)	-6%
GROSS OPERATING INCOME	**1,080**	**(119)**		**(405)**	
Cost/income ratio	*64.3%*	*106.1%*		*ns*	
Cost of risk	(1,035)	(213)		(1,035)	
Share in net income/(loss) of associates	190	208		190	
Net gain or loss on other assets	53	101		53	
Change in the value of goodwill	(601)	1			
INCOME BEFORE TAX	**(313)**	**(22)**		**(1,197)**	
Income tax	351	0		351	
Minority interests	11	(70)		11	
NET INCOME ATTRIBUTABLE TO THE GROUP	**49**	**(92)**		**(835)**	

(1) Restated for the reclasification of the DSNs in H1-09, and for change in the value of goodwill over the two half-years.

The results of the groupe CNCE were up compared with the first half of 2008. However, the increase should be seen in the light of the significant amount of exceptional items recorded in the first half of 2009 (+€1.5 billion in NBI for the revaluation of the CNCE's DSNs and -€0.6 billion in writedowns of goodwill). Restated for these impacts, the groupe CNCE recorded a loss of -€835 million, attributable chiefly to the results of Natixis's segregated assets (net loss of -€911 million), as well as the big increase in the cost of risk on the Continuing CIB and, to an extent, on the network's subsidiaries (Océor Group and Banque Palatine in particular).

FINANCIAL STRUCTURE OF THE GROUPE CNCE

The groupe CNCE's total assets amounted to €462 billion as of June 30, 2009, down 3% over the half-year. Shareholders' equity (attributable to equity holders of the parent) totaled €14.7 billion, up 48% compared with December 31, 2008. This includes a reduction in gains and losses recognized directly to equity, for a total of €0.1 billion. Excluding this item, the €4.6 billion change in shareholders' equity stemmed mainly from:

- net income in the first half of 2009 (€49 million);
- BFBP's share of the shareholders' advance given to Natixis by the BFBP and the CNCE (€269 million);
- the impact of the reclassification of undated deeply subordinated notes (€4.5 billion);
- the payment of dividends (-€170 million).

SUBSEQUENT EVENTS AND OUTLOOK FOR THE SECOND HALF OF 2009

Subsequent events

Exchange offer for Tier-1 securities issued by Natixis for BPCE securities

On July 6, 2009, BPCE announced the launch of seven exchange offers for Tier-1 securities issued by the Natixis Group.

At the close of the tender period on July 31, 2009, BPCE had received and accepted existing securities worth a nominal amount of €1,187 million equivalents, with a view to their exchange.

On August 6, 2009, BPCE issued, in return, four series of new securities for a principal amount of approximately €794 million equivalents (excluding accrued interest).

Financial penalty imposed by the French Banking Commission

In a decision handed down on July 15, 2009, the French Banking Commission imposed a reprimand and financial penalty on the CNCE following an investigation into the trading loss incurred in October 2008.

As the Commission underlined in its decision, the necessary corrective measures have been implemented: disciplinary action has been taken within the Group, all the transactions in question have been discontinued, and the assets still held in the Group's portfolio are subject to strict procedures and managed on a run-off basis.

In order to protect its corporate interests, the CNCE decided to appeal this decision. As of June 30, 2009, a provision of €20 million had been taken in Groupe Caisse d'Epargne's accounts to cover the financial penalty.

Guarantee of Natixis assets

BPCE plans to protect its Natixis subsidiary against losses and earnings volatility caused by its segregated assets structure (GAPC) in the second half of 2009.

Its aim is to reinforce Natixis and foster the conditions necessary for the success of its strategic plan. The protective mechanism will allow Natixis to free up a sizeable portion of the capital allocated to the segregated assets. It will also shelter its earnings from the risk of losses after June 30, 2009, reduce the volatility of its earnings and lower its need for regulatory capital. It will allow Natixis to keep the potential upside on the value of the portfolio.

The guarantee will be provided by BPCE on the portfolio of segregated assets, the net exposure of which totaled €31 billion as of June 30, 2009.

Outlook

On July 31, 2009, shareholders of the BFBP and the CNCE approved the creation of BPCE, the new central institution of the Banques Populaires and the Caisses d'Epargne, born of the combination between the BFBP and the CNCE.

The Group that emerged from the combination of these two complementary cooperative networks is a leading financial partner for individuals, businesses and the entire economy, and is France's second-biggest banking group.

At the start of the fourth quarter of 2009, a strategic plan will be drawn up, setting out BPCE Group's strategic goals.

APPENDICES

Reconciliation of Natixis's income (sub-consolidation group) with its contribution to the Wholesale Banking & Financial Services division

	H1-09
Natixis group net income	**(2,722)**
Elimination of the contribution of CEP's CICs	(147)
Correction of BP's CICs	16
Valuation adjustment	(7)
Natixis group restated net income	**(2,860)**
35.92% share	(1,027)
Negative goodwill on Natixis accretion	18
Adjustment for the disposal of CACEIS	24
Natixis's contribution to GCE (35.92% share)	**(985)**
Management restatements (items transferred to the Other Activities division)	**(16)**
- Restructuring charges	36
- Negative goodwill on accretion	(18)
- Adjustment for the disposal of CACEIS	(24)
- Other items	(10)
Contribution to the Wholesale Banking and Financial Services division	**(1,001)**

Reconciliation of Groupe Caisse d'Epargne's earnings with those of the CNCE group

		Restatements				
in millions of euros	H1-09 Groupe Caisse d'Epargne	Cancellation of the Caisses d'Epargne contribution(1)	Consolidation of CICs(2)	Other	H1-09 CNCE	H1-08 CNCE
Net banking income	5,956	(2,940)		13	3,029	1,954
Operating expenses	(4,195)	2,259		(13)	(1,949)	(2,073)
GROSS OPERATING INCOME	**1,761**	**(681)**		**0**	**1,080**	**(119)**
Cost/income ratio	*70.4%*				*64.3%*	*106.1%*
Cost of risk	(1,197)	161		1	(1,035)	(213)
Share in net income/(loss) of associates	135		53	2	190	208
Net gain or loss on other assets	52	1			53	101
Change in the value of goodwill	(601)				(601)	1
INCOME BEFORE TAX	**150**	**(519)**	**53**	**3**	**(313)**	**(22)**
Income tax	178	174		(1)	351	1
Minority interests	10	1			11	(70)
NET INCOME ATTRIBUTABLE TO THE GROUP	**338**	**(344)**	**53**	**2**	**49**	**(92)**

(1) Including the Caisses d'Epargne and local subsidiaries.
(2) Including a €28 million accretion gain.

4.2.3 Condensed consolidated financial statements in IFRS for Groupe Caisse d'Epargne as of June 30, 2009

CONSOLIDATED BALANCE SHEET

Assets

in millions of euros	*Notes*	06/30/2009	12/31/2008
Cash and amounts due from central banks		6,622	13,951
Financial assets at fair value through profit or loss	*4.1.1*	88,290	110,723
Hedging derivatives		7,824	7,357
Available-for-sale financial assets	*4.2*	38,849	36,701
Loans and receivables due from banks	*4.4.1*	143,511	134,382
Loans and receivables due from customers	*4.4.2*	295,737	297,539
Remeasurement adjustment on interest-rate risk hedged portfolios		2,067	1,917
Held-to-maturity financial assets		5,075	5,178
Current tax assets		427	819
Deferred tax assets		2,937	3,031
Accrued income and other assets		23,348	26,227
Non-current assets held for sale		153	0
Deferred profit sharing		173	331
Investments in associates	*4.11*	3,344	3,293
Investment property		1,803	1,807
Property, plant and equipment		2,938	2,916
Intangible assets		699	737
Goodwill	*4.7*	2,120	2,847
TOTAL ASSETS		**625,917**	**649,756**

Liabilities and equity

in millions of euros	*Notes*	06/30/2009	12/31/2008
Amounts due to central banks		333	308
Financial liabilities at fair value through profit or loss	*4.1.2*	84,477	101,522
Hedging derivatives		7,457	7,431
Amounts due to banks		82,142	81,308
Amounts due to customers	*4.5*	226,377	227,736
Debt securities	*4.9*	152,363	158,182
Remeasurement adjustment on interest-rate risk hedged portfolios		850	908
Current tax liabilities		45	89
Deferred tax liabilities		691	863
Accrued expenses and other liabilities		21,739	24,084
Debts relating to non-current assets held for sale		128	0
Technical reserves of insurance companies		12,995	12,542
Provisions	*4.8*	2,738	2,683
Subordinated debt	*4.10*	10,215	13,696
Consolidated equity		**23,367**	**18,404**
Equity attributable to equity holders of the parent		***21,661***	***16,564***
Share capital and additional paid-in capital		10,314	9,567
Retained earnings		12,160	10,415
Gains and losses recognized directly to equity		(1,151)	(1,403)
Net income for the period		338	(2,015)
Minority interests		***1,706***	***1,840***
TOTAL LIABILITIES		**625,917**	**649,756**

CONSOLIDATED INCOME STATEMENT

in millions of euros	*Notes*	H1-09	H1-08
Interest and similar income	*5.1*	14,526	15,875
Interest and similar expense	*5.1*	(10,292)	(13,446)
Fee and commission income	*5.2*	2,038	2,183
Fee and commission expense	*5.2*	(508)	(395)
Net gain or loss on financial instruments at fair value through profit or loss	*5.3*	(47)	(753)
Net gain or loss on available-for-sale financial assets	*5.4*	(173)	214
Income from other activities	*5.5*	2,870	2,952
Expenses on other activities	*5.5*	(2,458)	(2,108)
Net banking income		**5,956**	**4,522**
Operating expenses	*5.6*	(3,930)	(4,032)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(265)	(230)
Gross operating income		**1,761**	**260**
Cost of risk	*5.7*	(1,197)	(310)
Operating income		**564**	**(50)**
Share of net income/(loss) of associates	*5.8*	135	161
Net gain or loss on other assets		52	102
Changes in the value of goodwill	*5.9*	(601)	1
Income before tax		**150**	**214**
Income tax	*5.10*	178	(123)
Net income		**328**	**91**
Net income attributable to equity holders of the parent		338	21
Minority interests		(10)	70

NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	H1-09	H1-08
Net income	**328**	**91**
Translation adjustments	20	(62)
Change in the value of available-for-sale financial assets	498	(1,125)
Change in value over the period affecting shareholders' equity	*484*	*(1,288)*
Change in value over the period affeting net income	*14*	*163*
Change in the value of hedging derivatives	(103)	130
Share of gains and losses recognized directly in equity of associates	5	(176)
Income taxes	(141)	149
Gains and losses recognized directly as equity (after tax)	**279**	**(1,084)**
Net income, and gains and losses recognized directly in equity	**607**	**(993)**
Attributable to the equity holders of the parent	590	(1,050)
Minority interests	17	57

STATEMENT OF CHANGES IN EQUITY

	Share capital and additional paid-in capital			
in millions of euros	**Capital**	**Additional paid-in capital**	**Undated deeply subordinated notes**	**Shareholder advances**
EQUITY AS OF JANUARY 1, 2008	**3,841**	**3,993**		
Capital increase	283			
Reclassification	(3)	(13)		
Divident payments				
Impact of mergers		1,042		
Impact of acquisitions and divestments on minority interests				
Movements arising from relations with shareholders	***280***	***1,029***		
Gains and losses recognized directly in equity				
Net income				
Other changes				
Other changes	***0***	***0***		
EQUITY AS OF JUNE 30, 2008	**4,121**	**5,022**		
EQUITY AS OF JANUARY 1, 2009	**4,580**	**4,987**		
Capital increase and share issues	751			269
Reclassification		(4)	3,735	
Dividend payments				
Impact of acquisitions and divestments on minority interests				
Total movements arising from relations with shareholders	***751***	***(4)***	***3,735***	***269***
Gains and losses recognized directly in equity				
Net income				
Other changes				
Other changes	***0***	***0***	***0***	***0***
EQUITY AS OF JUNE 30, 2009	**5,331**	**4,983**	**3,735**	**269**

The reclassification as equity of the €3.7 billion in undated deeply subordinated notes is dealt with in note 1.3.3.

Natixis received a €1.5 billion shareholder advance from the BFBP and the CNCE, recognized as equity. The BFBP's share (€269 million) was accordingly recorded in the Group's equity.

	Gains and losses recognized directly in equity						
		Unrealised or deferred capital gains and losses					
Retained earnings	Translation adjustments	Available-for-sale financial assets	Hedging derivatives	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total consolidated equity
11,792	**(101)**	**983**	**65**		**20,573**	**1,847**	**22,420**
					283		283
16					0		0
(218)					(218)	(113)	(331)
(1,069)					(27)		(27)
					0	97	97
(1,271)					***38***	***(16)***	***22***
	(59)	***(1,095)***	***83***		***(1,071)***	***(13)***	***(1,084)***
				21	21	70	91
(24)					(24)	9	(15)
(24)	***0***	***0***	***0***	***21***	***(3)***	***79***	***76***
10,497	**(160)**	**(112)**	**148**	**21**	**19,537**	**1,897**	**21,434**
8,400	**(106)**	**(987)**	**(310)**	**0**	**16,564**	**1,840**	**18,404**
					1,020		1,020
4					3,735		3,735
(248)					(248)	(98)	(346)
					0	(51)	(51)
(244)					***4,507***	***(149)***	***4,358***
	35	***290***	***(73)***		***252***	***27***	***279***
				338	338	(10)	328
					0	(2)	(2)
0	***0***	***0***	***0***	***338***	***338***	***(12)***	***326***
8,156	**(71)**	**(697)**	**(383)**	**338**	**21,661**	**1,706**	**23,367**

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros	H1-09	H1-08
Income before tax	**150**	**214**
Net depreciation and amortization of property, plant and equipment, and intangible assets	302	262
Impairment of goodwill	601	0
Net additions to/reversals of provisions for impairment	1,037	412
Share in net income/(loss) of associates	(116)	(60)
Net loss/gain from investing activities	(148)	(507)
Income/expense from financing activities	361	232
Other movements	(929)	4,563
Total non-monetary items included in net income/(loss) before tax	**1,108**	**4,902**
Net increase or decrease arising from transactions with banks	1,996	(1,956)
Net increase or decrease arising from transactions with customers	3,769	(1,384)
Net increase or decrease arising from transactions involving financial assets and liabilities	(6,700)	8,829
Net increase or decrease arising from transactions involving non-financial assets and liabilities	(2,276)	(3,838)
Taxes paid	338	(136)
Net increase (decrease) in assets and liabilities resulting from operating activities	**(2,873)**	**1,515**
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	**(1,615)**	**6,631**
Net increase or decrease related to financial assets and equity investments	480	(1,510)
Net increase or decrease related to investment property	(59)	52
Net increase or decrease related to property, plant and equipment, and intangible assets	(231)	(244)
NET CASH FLOWS ARISING FROM INVESTING ACTIVITIES (B)	**190**	**(1,702)**
Net increase (decrease) arising from transactions with shareholders	702	(5)
Other increases or decreases generated by financing activities	1,731	370
NET CASH FLOWS ARISING FROM FINANCING ACTIVITIES (C)	**2,433**	**365**
EFFECT OF FLUCTUATIONS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**38**	**32**
TOTAL NET CASH FLOWS (A+B+C+D)	**1,046**	**5,326**
Cash and net balance of accounts with central banks	13,643	8,014
Net balance of demand transactions with banks	(6,333)	(9,432)
Opening cash and cash equivalents	**7,310**	**(1,418)**
Cash and net balance of accounts with central banks	6,288	4,732
Net balance of demand transactions with banks	2,068	(824)
Closing cash and cash equivalents	**8,356**	**3,908**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,046**	**5,326**

NOTES TO GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Legal and financial framework – Significant events in the half-year and subsequent events

The legal and financial framework described below was applicable as of June 30, 2009, but has undergone significant change since the creation of the new BPCE central institution at the end of July 2009 (see paragraph 1.3.1 below).

1.1 LEGAL FRAMEWORK

The Caisses d'Epargne together from a financial network organized around a central institution, the Caisse Nationale des Caisses d'Epargne (CNCE). Groupe Caisse d'Epargne operates through a diversified group of subsidiaries contributing to the management and the enhancement of the sales performances of the network of the individual Caisses d'Epargne. A Fédération Nationale des Caisses d'Epargne, was set up pursuant to the Law of July 1, 1901 governing not-for-profit associations. Its terms of reference are outlined in Article L. 512-99 of the French Monetary and Financial Code (*Code monétaire et financier*).

Caisses d'Epargne

The Caisses d'Epargne are approved cooperative banks governed by ordinary law whose capital is held by local savings companies. The Caisses d'Epargne are joint-stock companies (*sociétés anonymes*) full service banks. Their capital is divided into members' shares and cooperative investment certificates (CIC).

Local savings companies

The regionally based local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. They are tasked with coordinating the cooperative shareholder base in connection with the broad objectives of the individual Caisses d'Epargne with which they are affiliated. They are not authorized to carry out banking activities.

Caisse Nationale des Caisses d'Epargne (CNCE)

Central institution of Groupe Caisse d'Epargne

The CNCE is a central institution as defined by French banking law, and has the status of a credit institution authorized to operate as a bank. It is a joint-stock company (*société anonyme*) with a two-tier management structure (Management Board and Supervisory Board) whose entire capital has been held by the individual Caisses d'Epargne since January 29, 2007.

Specifically, the CNCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves senior management appointments and oversees the smooth running of the Group's banks.

Holding company for the subsidiaries of Groupe Caisse d'Epargne

As a holding company, the CNCE operates as the Group's head company. It owns and manages interests in the Group's subsidiaries and lays down its strategy and expansion policies.

In respect of the Group's financial functions, the CNCE is responsible, in particular, for the centralized management of any surplus funds held by the individual Caisses d'Epargne, for carrying out any financial transactions required to develop and refinance the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. The CNCE also provides banking services to the other Group entities.

Core shareholder of Natixis

Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires are bound by a shareholders' agreement. The two entities undertake to maintain their ownership interests in Natixis in equal proportions for a period of 10 years, renewable for successive periods of 5 years each. During this period of stable ownership, the two shareholders agree not to enter into any agreement relating to Natixis that would constitute an action in concert with a third party. The shareholders' agreement sets forth the principle of equal representation by the two shareholders within the Supervisory Board of Natixis and provides for a commitment to work together to further the exercise of the voting rights attached to their shares with respect to certain strategic decisions.

Subsidiaries

The subsidiaries and investments are split into four main divisions, as follows:

- Commercial Banking, comprising retail banking (including Banque Palatine and Crédit Foncier), regional development banking, banking in France's overseas territories and internationally (including Financière Océor);
- Real Estate Services, comprising transaction services such as property sales, development and valuations, and real estate advisory and management services;
- Insurance and personal care services;
- Natixis, controlled jointly by Groupe Banque Populaire and Groupe Caisse d'Epargne, which carries out the activities of the Wholesale Banking & Financial Services division:
  - corporate and investment banking;
  - asset management (Natixis Global Asset Management);
  - private equity and private banking;
  - investor services, including custody, payments, insurance, guarantees, employee benefits planning and consumer financial services;
  - receivables management (including Coface), comprising credit insurance, factoring, business information and credit management.

Specialized IT subsidiaries

Customer transaction processing is carried out by banking information systems built around two national economic interest groupings set up to develop and roll out IT application platforms.

1.2 GUARANTEE SYSTEM

Pursuant to the provisions of Article L. 511-31 of the French Monetary and Financial Code, together with those of Article L. 512-96 of the same code, the CNCE, acting as the central institution, has organized a guarantee and solidarity mechanism within Groupe Caisse d'Epargne to ensure the liquidity and solvency of each entity. The scope of this guarantee system includes not only the entities belonging to the Caisses d'Epargne network as provided for by Article L. 512-95 of the French Monetary and Financial Code, but also all the banks subject to French law and affiliated with the CNCE further to the CNCE's decision, in accordance with Articles R. 512-57 and R. 512-58 of the French Monetary and Financial Code. More generally, the guarantee system covers all Group entities by virtue of the principle of responsibility founded upon shareholders' relations.

The terms of the relationship with Natixis – a bank under the joint control of Banque Fédérale des Banques Populaires (BFBP, the central institution of the Banques Populaires banking network) and the CNCE – is governed by a provision introduced by Article 42 of law 2006-1770 of December 30, 2006, which supplements Article L. 511-31 of the French Monetary and Financial Code. This provision allows banks under direct or indirect joint control to be affiliated with more than one central institution.

Under this provision, the central institutions may together draw up an agreement setting out the conditions for exercising their respective control over the affiliated entity, and for discharging their obligations towards it, in particular as regards liquidity and solvency. Further to the approval of the *Comité des établissements de crédit et des entreprises d'investissement* (CECEI, the French financial services authority) on March 30, 2007, the agreement providing for the affiliation of Natixis with both the CNCE and BFBP was signed on April 2, 2007 in the presence of Natixis. This affiliation took effect as of this same date.

In any event, BFBP and the CNCE have undertaken to fulfill, as required by applicable legislation and banking regulations, their respective duties as major shareholders of Natixis, pursuant to any request to do so from the *Commission bancaire* (the French Banking Commission). Consequently, BFBP and the CNCE have entered into an irrevocable joint agreement under which, even in the event of a dispute, they agree to act promptly in accordance with the recommendations or injunctions of the French Banking Commission, and to provide the necessary funds in equal proportions, and if required jointly and severally, to ensure that Natixis complies with the applicable legislation and banking regulations, and honors any commitments made to the banking authorities.

In the event that BFBP and/or the CNCE needed financial support as a result of assisting Natixis, their internal network mutual guarantee and solidarity mechanisms would come into play in accordance with Article L. 511-31 of the French Monetary and Financial Code.

The individual Caisses d'Epargne participate in the guarantee system through a *fonds de garantie et de solidarité du réseau* (FGSR, network mutual guarantee and solidarity fund), set up pursuant to Article L. 512-96 of the French Monetary and Financial Code, and carried in the books of the CNCE. As of June 30, 2009, the FGSR had 288 million worth of funds that can be used immediately the need arises. This amount is invested in a dedicated unincorporated investment fund. Should this prove insufficient to prevent the default of a member, the Management Board of the CNCE can obtain the necessary additional resources via a fast-track decision-making process ensuring timely action.

1.3 SIGNIFICANT EVENTS OVER THE HALF-YEAR

1.3.1 Combination between Groupe Caisse d'Epargne and Groupe Banque Populaire

On July 31, 2009, shareholders of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne approved the creation of BPCE, the new central institution of the Banques Populaires and the Caisses d'Epargne, born of the combination between the BFBP and the CNCE.

The creation of BPCE was the final act in a combination process initiated in October 2008 by Groupe Banque Populaire and Groupe Caisse d'Epargne, the main stages of which were:

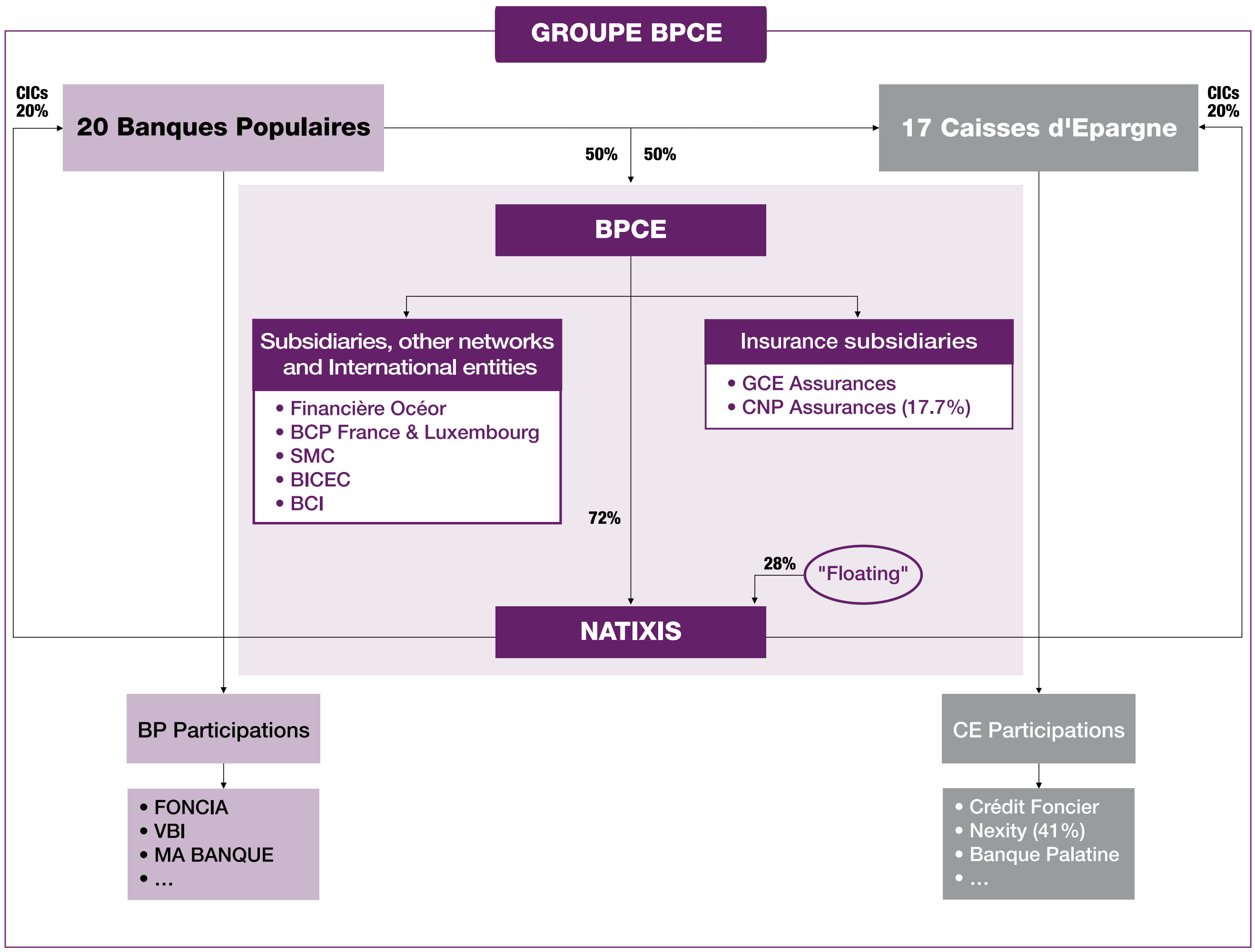
- approval of the negotiation principles for the proposed combination between the two central institutions by the Board of Directors of the BFBP and Supervisory Board of the CNCE, held on February 24 and 25, 2009 respectively:
  - the new Group is built around two autonomous and complementary networks and brands,
  - the new Group is focused on retail banking activities,
  - the planned combination is based on the creation of a new central institution shared by the Banques Populaires and Caisses d'Epargne networks, and owned in equal parts,
  - the French state supports the creation of the new Group by proposing to contribute capital, in line with its policy of offering its backing to France's leading banking groups,

- the combination will unify the ownership structure of Natixis, whose governance will be simplified;

- approval of the negotiation agreement by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, held on March 16, 2009.

  The negotiation agreement, signed in the presence of a representative of the French state, sets out the conditions of the state's capital contribution to BPCE;
- approval by the French Parliament of law n° 2009-715 dated June 18, 2009 making BPCE the central institution of the networks of the Banques Populaires, the Caisses d'Epargne and affiliated banks, and setting out its duties and prerogatives;
- authorization to operate by the French competition authority *(Autorité de la concurrence)* on June 22, 2009;
- approval by the French banking supervisor (*Comité des établissements de crédit et des entreprises d'investissement*, CECEI) for the new BPCE central institution on June 23, 2009;
- endorsement of BPCE's founding principles by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, held on June 24, 2009;
- approval of all transactions by the shareholders of the BFBP, the CNCE and BPCE, at meetings on July 31, 2009.

Since August 3, 2009, BPCE has been held in equal parts by the 20 Banques Populaires and the 17 Caisses d'Epargne, after the contribution of the activities of their central institutions and the main assets of the BFBP and the CNCE.



The new central institution owns the subsidiaries of the two Groups in the fields of retail banking and their production structures (specifically Natixis, Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect interest in CNP Assurances).

The two Groups' real estate subsidiaries (Crédit Foncier, Nexity, FONCIA and Meilleurtaux), as well as the other interests (Banca Carige, Banque Palatine and MA BANQUE) are still held by the BFBP (renamed Banques Populaires Participations) and the CNCE (renamed Caisses d'Epargne Participations).

The French state's capital contribution to the BPCE Group as of July 31, 2009 was made via the intermediary of the *Société de prises de participation de l'Etat* (SPPE):

- €2.05 billion in deeply subordinated notes issued by the CNCE and the BFBP in the fourth quarter of 2008 and a further €2 billion at the end of the second quarter of 2009, and contributed to BCPE;
- €3 billion non-voting preference shares issued by BPCE on July 31, 2009.

The state's capital contribution gave the new Group a robust and sustainable financial structure:

- BPCE has a call option on preference shares at any time as of the first anniversary of their issue;
- after a period of five years, equity warrants issued by BPCE and subscribed to by the SPPE concurrently to the preference shares will allow the French state to own, should it so desire, and if BPCE has not by then redeemed the preference shares, up to 20% BPCE's ordinary share capital.

1.3.2 Deregulation of the distribution of *Livret A* savings accounts

Since January 1, 2009, all banking institutions have the right to sell *Livret A* savings accounts. During a transitional period due to run until 2011, the Caisses d'Epargne are required to centralize a bigger share of the liquidities gathered and benefit from an additional remuneration of between 0.1% and 0.3%.

1.3.3 Reclassification of deeply subordinated notes issued by the CNCE as equity instruments

Financial instruments issued are classified as either debt or equity according to whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holders. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

As of December 31, 2008, the deeply subordinated notes (DSN) issued by the CNCE were classified as debt under IFRS criteria, due to a clause of an issue making the payment of a coupon mandatory whenever the issuing entity recorded a profit.

Following the renegotiation of the contract in the first half of 2009, the contractual obligation to pay a coupon on these notes was cancelled.

The DSNs were accordingly reclassified as equity at their fair value as of June 30, 2009. The difference between the value at which the notes were recorded as debt and their fair value was recognized as net income, for a total of €1.5 billion.

This capital gain is a reflection of the favorable financing conditions enjoyed by the Group with respect to its deeply subordinated financing in the prevailing market conditions: the average coupon paid by the CNCE on the DSNs stands at 5.5%, a lot less than coupons on similar issues today.

1.4 SUBSEQUENT EVENTS

1.4.1 Exchange offer for Tier-1 securities issued by Natixis for BPCE securities

On July 6, 2009, BPCE announced the launch of seven exchange offers for Tier-1 securities issued by the Natixis Group.

At the close of the tender period on July 31, 2009, BPCE had received and accepted existing securities worth a nominal amount of €1,187 million equivalents, with a view to their exchange.

On August 6, 2009, BPCE issued in return, four series of new securities for a principal amount of approximately €794 million equivalents (excluding accrued coupons).

1.4.2 Financial penalty imposed by the French Banking Commission

In a decision handed down on July 15, 2009, the French Banking Commission imposed a reprimand and financial penalty on the CNCE following an investigation into the trading loss incurred in October 2008.

As the Commission said in its decision, the necessary corrective measures have been implemented: disciplinary action has been taken within the Group, all the transactions in question have been discontinued, and the assets still held in the Group's portfolio are subject to strict procedures and managed on a run-off basis.

In order to protect its corporate interests, the CNCE decided to appeal this decision. As of June 30, 2009, a provision of €20 million had been taken in Groupe Caisse d'Epargne's accounts to cover the financial penalty.

1.4.3 Guarantee of Natixis assets

BPCE plans to protect its Natixis subsidiary against losses and earnings volatility caused by its segregated assets structure in the second half of 2009.

The protective mechanism aims to reinforce Natixis and foster the conditions necessary for the success of its strategic plan. It will allow Natixis to free up a sizeable portion of the capital allocated to the segregated assets.

The guarantee will be provided by BPCE on the portfolio of segregated assets, the net exposure of which totaled €31 billion as of June 30, 2009.

1.5 IMPACT OF THE FINANCIAL CRISIS

The deterioration of the environment in the market for financial instruments linked to the residential and commercial real estate markets in the United States continued in the first half of 2009.

The main impacts of the crisis on Groupe Caisse d'Epargne's financial statements are set out below.

1.5.1 Natixis

1 Risk exposures carried in the balance sheet of Natixis as of 06/30/2009

Natixis has both direct and indirect exposure to risks, as described below.

DIRECT EXPOSURE

The portfolio of loans pending securitization is Natixis's only direct exposure to subprime loans. This portfolio is classified under financial assets at fair value through profit or loss.

As of 06/30/2009, this portfolio's exposures were as follows:

	06/30/2009	12/31/2008
Par value *(in millions of euros)*	165	197
Carrying value *(in millions of euros)*	77	120
Fair value as a % of par value	47%	61%
Discount	53%	39%

Via Natixis, Groupe Caisse d'Epargne's exposure accordingly amounted to €28 million as of June 30, 2009 (35.92% share).

Prices are determined from transactions observed on the market and take into account the opinion of the experts responsible for valuing the portfolio.

INDIRECT EXPOSURE TO SUBPRIME RISK AND US RMBS

The models used for the valuation of these exposures as of 06/30/2009 were all reviewed and validated by Natixis' Risk Management division.

The exposures relate to the following asset portfolios:

Portfolios of ABS CDOs with subprime underlyings:

These unhedged cash or synthetic portfolios with subprime underlyings are carried chiefly by Natixis Capital Market North America and Natixis.

in millions of euros **Financial assets at fair value through profit or loss**	**Natixis**	**Groupe Caisse d'Epargne share**
Gross exposure as of June 30, 2009	1,771	636
Cumulative impairment losses	(1,095)	(393)
o/w changes in value over the first half of 2009	*(282)*	*(101)*
Net exposure as of June 30, 2009	**677**	**243**
Net exposure as of December 31, 2008	1,203	431

The directly held portfolios of ABS CDOs with subprime exposure were valued on the basis of stress tests carried out by Natixis's Risk Management Department. For the valuation of these exposures, the assumed loss rates were revised compared with those applied as of December 31, 2008, leading to the following results:

Loss rate assumptions by vintage	**2005**	**2006**	**2007**
As of December 31, 2007	9%	23%	23%
As of June 30, 2008	10%	25%	25%
As of December 31, 2008	11%	25%	30%
As of June 30, 2009	14%	32%	38%

A loss rate of 5.7% is applied for loans originated prior to 2005.

Moreover, the following assumptions used in previous models were maintained:

- valuation of the current rating of collateral assets rated lower than CCC+ by applying a discount of 97% to the underlyings;
- valuation of non-subprime underlying assets held in the relevant structures using a discounting schedule including the type, rating and vintage of the transactions.

In addition, for structures of which Natixis holds the underlying assets a transparent approach was applied, and each underlying tranche was valued on the appropriate mark-to-market or mark-to-model basis.

This model mainly uses non-observable data and is based on level three of the fair value hierarchy.

The impact from the application of this model was a capital loss of €300 million over the half-year (Groupe Caisse d'Epargne share of €108 million).

A 10% increase in the cumulative loss rates used to determine the fair value of CDOs would not have a material impact on Groupe Caisse d'Epargne. Sensitivity to a 10% decrease in the excess spread assumption would not have a material impact on the financial statements of Groupe Caisse d'Epargne.

Portfolios of US RMBSs, including subprime RMBSs

These portfolios consist of US RMBSs, whether or not they include a subprime component.

As of June 30, 2009, Natixis's gross and net exposures amounted to €5,995 million and €5,672 million respectively, after the recognition of an impairment loss of €126 million in the first half of 2009. The corresponding amounts for Groupe Caisse d'Epargne are €2,153 million, €2,037 million and €45 million respectively.

The valuation model used for non-Agency US RMBSs applied as of June 30, 2009 is based on the level of final losses for each RMBS, based on a formula taking into account cumulative losses at maturity and defaults to date. Unrealized capital losses are estimated by making a projection of final losses on the basis of estimated losses to date, which are in turn based on the delinquency pipeline, the severity of losses in the event of default and losses made depending on the assets and vintages of the various pools.

OTHER EXPOSURES

Portfolios not exposed to subprime risk but for which no identifiable prices were available were valued using valuation pricing techniques, consistent with approaches used for previous valuations.

All these models correspond to Level 3 in the fair value hierarchy, i.e. models primarily using non-observable parameters.

European RMBSs

For this portfolio, Natixis's net exposures amount to €806 million for the UK portfolio and €672 million for the Spanish portfolio, or a total of €1,478 million (Groupe Caisse d'Epargne share of €531 million).

A model was developed for the valuation of these instruments, which consisted in calculating the fair value of instruments using spreads from historical benchmark data in the "Mark-it" database. These benchmarks are defined according to the type of securitization, the rating and the country, and are accordingly associated with spread curves. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by Natixis's Risk Management Department.

Other structures not exposed to the US housing market, and for which the group uses a valuation model

Valuation models were used to place a value on the following assets from securitization transactions for which no price could be determined as of 06/30/2009:

- for CDOs of asset-backed securities not exposed to the US housing market, a scoring model for structures assigning a level of risk to each on the basis of selective criteria;
- for securitizations of commercial real estate (Commercial Real Estate, CRE CDOs, and Commercial Mortgage Backed Securities, CMBS), a stress-testing approach was implemented using a valuation model based on forecast future cash flows as a function of cumulative loss rates per structure. The cumulative loss rates per structure are determined based on those relating to underlying loans set at 10%. Monoline insurance for the structures covered is taken into account by including in the valuation the probability of default of monolines and their rate of loss given default. A minimum price of 3% is used along with coupon flow estimates given the current rating of structures;
- for Trups CDOs (Trust Preferred Securities), which are shares in securitizations of subordinated bank debt issued by small or medium-sized American banks, a stress-testing approach was implemented using a valuation model based on forecast future cash flows as a function of cumulative loss rates per structure. Cumulative loss rates were determined using the 84 scenarios for the allocation of defaults applied to this class of assets published by S&P in November 2008;
- for CLOs, a model was used based on detailed knowledge of transaction characteristics and credit risk, taking stress parameters into account;
- for the ABS in the portfolios of Natixis Asset Management and Natixis Assurances, acquired through the ABS+ mutual fund, a valuation model was used which consisted in calculating the price of ABS using spreads from historical benchmark data in the "Mark-it" database. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by the Natixis's Risk Management Department.

CMBSs

For the CMBS portfolio, Natixis's gross and net exposure amounted to €1,115 million and €760 million respectively as of June 30, 2009, compared with net exposure of €1,087 million as of December 31, 2008, or €401 million and €273 million respectively for Groupe Caisse d'Epargne, compared with €389 million as of December 31, 2008.

This exposure resulted in the recognition of impairment losses amounting to €139 million in the first half of 2009 (i.e. €50 million pour Groupe Caisse d'Epargne).

2 *Exposure to monoline insurers*

MONOLINES

Transactions with monoline insurers entered into in the form of CDS were further marked down due to the widening of spreads on the underlying assets. These writedowns were determined by applying to the unrealized capital losses a uniform rate of recovery of 10% and the same probability of default as at December 31, 2008, except for CIFG, for which a deterioration was noted in the first half of 2009. This resulted in the recognition of additional writedowns of €536 million (excluding currency impact) in the first half of 2009, bringing the total to €1,720 million as of June 30, 2009. In addition, the total portfolio-related impairment for monoline insurers was increased to €500 million, after the recognition of an additional charge of €200 million.

In the financial statements of Groupe Caisse d'Epargne, writedowns accordingly stand at €193 million and €618 million respectively, and the portfolio-related impairment at €180 million and €72 million respectively.

CDPC (CREDIT DERIVATIVES PRODUCT COMPANIES)

The method used to calculate provisions covering CDPCs was fine-tuned. The probability of default of individual CDPCs is now assessed by examining portfolios in a transparent manner. Five-year historic probabilities of default on the various underlyings are stressed by a factor of 1.3, on the basis of a rate of recovery of 20%. This gives the counterparty a probability of default, i.e. default anticipated when losses exceed the CDPC's net assets. Writedowns recognized on this basis totaled €192 million as of June 30, 2009, compared with an economic exposure of €1.45 billion. In addition, the total portfolio-related impairment charge for CDPCs was increased by €282 million, bringing the total to 456 million.

In the financial statements of Groupe Caisse d'Epargne, writedowns accordingly stand at €69 million, and the industry-related impairment charge at €101 million and €164 million respectively.

3 Cost of risk

The cost of risk amounted to €2.2 billion over the period, under the combined effect of a reinforcement of coverage of specific business sectors (particularly LBO financing and the real estate sector), an increase in defaults on financial institutions and structured finance, writedowns of a number of major loans and portfolios reclassified as loans and receivables (in accordance with the October 13, 2008 amendment to IAS 39 concerning reclassifications).

In the consolidated financial statements of Groupe Caisse d'Epargne, this impact amounts to €0.8 billion.

4 Specific impairment losses on certain SIV components

SIVs (structured investment vehicles) are funds that make highly leveraged investments in highly-rated medium- or long-term assets. To refinance themselves, SIVs issue commercial paper or medium- or long-term notes. As their issues are rated by credit rating agencies, SIVs must comply with liquidity ratios and certain thresholds concerning portfolio valuation. If these thresholds are reached or exceeded, the fund must liquidate its assets.

As of December 31, 2008, the overall impairment of SIV units totaled €61 million. The deterioration in the liquidation value of SIV units seen over the half-year led to an additional €5 million impairment charge being recorded against these units, bringing the total to €66 million as of June 30, 2009.

The net amount of SIV units held by the Group stood at €13 million as of June 30, 2009 (€4 million for Groupe Caisse d'Epargne).

5 Recognition of impairment on interests in syndicated loans held for sale

The liquidity crisis has led to delays in syndication and difficulties in reinvesting on the secondary market the share of syndicated loans initially subscribed for the purpose of short-term resale. Real estate and LBO financing have been the most affected.

Loans whose theoretical syndication dates had lapsed as of June 30, 2009 amounted to €708 million, down €149 million compared with December 31, 2008. Market discounts noted on these loans amounted to €72 million as of June 30, 2009 (€26 million for Groupe Caisse d'Epargne), down from €96 million as of December 31, 2008. A net discount reversal of €25 million was accordingly recognized under NBI in the income statement for the first half of 2009 (€9 million for Groupe Caisse d'Epargne). This reduction stemmed from the combined effect of improved market prices for some loans and Natixis's decision to increase its final share of others.

6 Exposure to Lehman Brothers

As of June 30, 2009, Natixis's total investments with the Lehman Brothers Group totaled €464 million (€166 million for Groupe Caisse d'Epargne).

These exposures were subject to writedowns and provisions totaling €294 million as of June 30, 2009, compared with €299 million as of December 31, 2008 (€106 million and €107 million respectively for Groupe Caisse d'Epargne).

7 Exposure to Icelandic counterparties

As of June 30, 2009, Natixis's total risk exposure to Icelandic banks was made up of loans and derivative positions amounting to €162 million (€58 million for Groupe Caisse d'Epargne) compared with €174 million as of December 31, 2008.

In the first half of 2009, individual provisions were topped up by €48 million, bringing their total to €134 million as of June 30, 2009 (€17 million and €48 million respectively for Groupe Caisse d'Epargne).

8 Exposure to the Madoff fraud

Natixis is indirectly exposed to a total risk of incurring a net loss in connection with its fund-linked notes business, net of hedging, of €475 million. It does hold units in Madoff feeder funds as a hedge of securities subscribed by its customers.

As of June 30, 2009, in the light of recovery assumptions, it was decided to record provisions against 100% of the risks inherent with the Madoff fraud. An additional provision of €100 million was accordingly recognized in the first half of 2009 (€36 million for Groupe Caisse d'Epargne).

9 Impact of valuation of the issuer spread on Natixis's issues at fair value

The valuation of the issuer spread on Natixis's issues classified as financial instruments designated at fair value through profit or loss had a positive impact of €56 million on the income statement for the half-year ended 30 June 2008 (€20 million for Groupe Caisse d'Epargne). The fair value recognized in relation to this was €720 million as of June 30, 2009 (€259 million for Groupe Caisse d'Epargne). To determine this valuation, the following methodology was used: income from the nominal value of issues was discounted using the net margin representing, for each issue, the difference between the average contractual spread and the replacement spread for a Natixis issue with the same rating.

1.5.2 CNCE

Since the second half of 2008, proprietary trading activities, and more specifically the medium- and long-term portfolios, have been managed on a run-off basis.

These assets include CDOs of US asset-backed securities, representing a total exposure of €132 million as of June 30, 2009. In view of discounts and impairment losses recorded, the net residual exposure amounted to €8 million as of June 30, 2009.

The portfolio also includes €1.3 billion in notes issued by securitization vehicles:

- a portfolio bringing together Collateralized Loan Obligations (CLO), representing net exposure of €675 million. As of June 30, 2009, cumulative impairment losses amounting to €55 million had been recorded against this portfolio and classified as "loans and receivables";
- net exposure of €280 million to European ABS CDOs. These assets, classified primarily as "loans and receivables", represented a gross sum of €305 million, written down to €25 million;
- a portfolio classified as "financial assets at fair value through profit or loss", bringing together corporate synthetic CDOs (CSOs). The net exposure of this portfolio as of June 30, 2009 totaled €6 million after additional losses of €11 million over the half-year, bringing the total loss of value to €167 million as of June 30, 2009;
- net exposure of €137 million to Trups CDOs, classified as "loans and receivables", after taking into account cumulative impairment charges

of €47 million as of June 30, 2009, of which €15 million in the first half of 2009;

- other notes issued by securitization vehicles (mainly LSSs, CPDOs and CDOs CRE) representing a residual net exposure of €184 million as of June 30, 2009. Gross exposure amounted to €375 million and total losses in value on this portfolio to €190 million as of June 30, 2009.

Lastly, the CNCE holds a portfolio consisting of €506 million in notes issued by securitization vehicles hedged by entering into CDS. Most counterparty risk, which relates to leading European banks, is hedged by margin calls paid to the CNCE.

Since the second half of 2008, most of the illiquid assets held in the portfolio have been valued on the basis of data generated by valuation models used by Natixis. They are classified as Level 3 in the fair value hierarchy.

1.5.3 Caisses d'Epargne

The individual Caisses d'Epargne have no material direct or indirect subprime exposure. Accordingly, net exposure to CDOs of US asset-backed securities stood at approximately €2 million as of June 30, 2009 (€28 million in gross exposure written down by €26 million).

The individual Caisses d'Epargne also have net exposure of approximately €217 million relating to other securitization assets:

- €89 million in net exposure to CLOs, the collateral of which generally comprises loans made within the framework of LBOs. This portfolio, chiefly classified as "available-for-sale financial assets" and "loans and receivables" represented gross exposure of €113 million as of June 30, 2009;
- Immaterial net exposure to European ABS CDOs, classified as "financial assets designated at fair value through profit or loss". After taking into account cumulative impairment charges of €6 million as of June 30, 2009, net exposure amounted to €7 million;
- €14 million on corporate synthetic CDOs (CSO): gross exposure of €63 million (down €35 million following disposals in the first half of 2009);
- €11 million on Trups CDOs, classified as "loans and receivables" and written down by €2 million as of June 30, 2009;
- €97 million on other securities (chiefly Constant Proportion Portfolio Insurance, CPPI): gross exposure of €147 million written down to €50 million.

1.5.4 Crédit Foncier

As part of its secured lending activity, mostly carried out by Compagnie de Financement Foncier, Crédit Foncier holds a securitization portfolio totaling €21.6 billion. This portfolio comprises assets falling within the scope of the 1999 law creating *sociétés de crédit foncier* (SCF, mortgage lenders regulated as banks) that are intended to be held to maturity.

This diversified, gilt-edged portfolio does not comprise risky instruments as per the criteria contained in the recommendations of the Financial Stability Forum. Within the portfolio, assets totaling approximately €2,352 million are nevertheless kept under close surveillance and are used to calculate writedowns on a portfolio basis. Assets under surveillance include three German RMBSs, four Spanish RMBSs, one Dutch RMBSs and a pan-European CMBSs, and more than 80% of them nevertheless benefit from a step-one rating (≥AA-).

Crédit Foncier's securitized loans considered "at risk" totaled roughly €100 million as of June 30, 2009 and are included in the calculation of writedowns on a portfolio basis. These amounts were unchanged compared with December 31, 2008.

The change in the issuer spread on Compagnie de Financement Foncier's issues designated as financial instruments at fair value through profit or loss had a positive impact of €37 million on the income statement in the first half of 2009.

Note 2 Principles and methods used to draw up the interim consolidated financial statements

2.1 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND BALANCE-SHEET DATE

Consolidating entity

The consolidating entity includes the individual Caisses d'Epargne and the central institution, the Caisse Nationale des Caisses d'Epargne.

Presentation of the interim consolidated financial statements

As no specific format is required under IFRS, the presentation used by the Group for summarized statements adheres to Recommendation no 2009 R 04 of the *Conseil national de la comptabilité* (CNC, the French national accounting board) on July 2, 2009.

Interim balance sheet date

These consolidated financial statements are prepared on the basis of the accounts of the companies included in the scope of consolidation of Groupe Caisse d'Epargne as of June 30, 2009. The Group's consolidated financial statements were approved on August 26, 2009 by the Management Board of Caisses d'Epargne Participations (the new name of the Caisse Nationale des Caisses d'Epargne following the reorganization carried out on July 31, 2009).

2.2 INFORMATION ON ACCOUNTING POLICIES

In accordance with EC Regulation No 1606/2002 dated July 19, 2002 on the application of international accounting standards, Groupe Caisse d'Epargne prepared its consolidated financial statements for the first half of 2009 under IFRS (International Financial Reporting Standards), as endorsed by the European Union and applicable as of that date, excluding certain provisions of IAS 39 relative to hedge accounting[1].

The condensed financial statements for the half-year ended June 30, 2009 were prepared in accordance with IAS 34, "Interim financial reporting". Accordingly, the notes included bear on the most material items over the half-year and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2008.

Standards and interpretations used and described in the annual financial statements for the year ended December 31, 2008 now also include the standards, amendments and interpretations that became mandatory for periods opened as of January 1, 2009, and more specifically IAS 1 as amended "Presentation of financial statements" (see paragraph 2.1) and IFRS 8 "Operating segments" (see note 3).

The other standards, amendments and interpretations endorsed by the European Union that became mandatory in 2009 did not have a material impact on the Group's financial statements.

Lastly, the Group does not anticipate the application of standards, amendments and interpretations endorsed by the European Union when such application is optional, except when otherwise stated.

2.3 USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements requires management to make estimates and assumptions bearing on future events.

These estimates are based on the information available as of the balance-sheet date, and call on the judgment of the individuals preparing the financial statements.

Actual future results may differ from these estimates.

Specifically, with respect to the financial statements for the half-year ended on June 30, 2009, accounting estimates involving assumptions were used mainly in the following areas:

- goodwill impairment testing;
- credit-risk assessments, including estimates of impairment on an individual basis and on a portfolio basis;
- the valuation of financial instruments using models;
- provisions on regulated home savings products;
- calculations relating to the cost of pensions and future employee benefits.

(1) *Standards and interpretations are available on the European Commission's website at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.*

Note 3 Segment information

RESULTS BY DIVISION FOR GROUPE CAISSE D'EPARGNE

in millions of euros	Commercial banking		Insurance		Real Estate services		Market activities and Financial services[1]		Other activities		Groupe Caisse d'Epargne	
	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08
Net banking income	3,687	3,650	47	54	387	509	242	545	1,593	(236)	5,956	4,522
Management fees	(2,730)	(2,622)	(40)	(36)	(336)	(392)	(807)	(877)	(282)	(335)	(4,195)	(4,262)
GROSS OPERATING INCOME	**957**	**1,028**	**7**	**18**	**51**	**117**	**(565)**	**(332)**	**1,311**	**(571)**	**1,761**	**260**
Cost of risk	(295)	(146)	0	0	0	0	(795)	(131)	(107)	(33)	(1,197)	(310)
INCOME BEFORE TAXES	**669**	**887**	**83**	**104**	**52**	**121**	**(1,308)**	**(394)**	**654**	**(504)**	**150**	**214**
NET INCOME ATTRIBUTABLE TO THE GROUP	**428**	**540**	**82**	**97**	**4**	**32**	**(1,001)**	**(334)**	**825**	**(314)**	**338**	**21**

(*) Natixis QP at 35.13% as of HY1-08 and 35.92% as of HY1-09.

RESULTS OF THE SUB-DIVISIONS OF THE COMMERCIAL BANKING DIVISION

in millions of euros	Caisses d'Epargne		Crédit Foncier		Other network subsidiaries		Commercial banking	
	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08	HY1-09	HY1-08
Net banking income	2,809	2,698	472	557	406	395	3,687	3,650
Management fees	(2,093)	(1,994)	(283)	(293)	(354)	(335)	(2,730)	(2,622)
GROSS OPERATING INCOME	**716**	**704**	**189**	**264**	**52**	**60**	**957**	**1,028**
Cost of risk	(126)	(82)	(39)	(48)	(130)	(16)	(295)	(146)
INCOME BEFORE TAXES	**590**	**622**	**150**	**215**	**(71)**	**50**	**669**	**887**
NET INCOME ATTRIBUTABLE TO THE GROUP	**392**	**395**	**102**	**120**	**(66)**	**25**	**428**	**540**

RESULTS OF THE SUB-DIVISIONS OF THE CAPITAL MARKETS AND FINANCIAL SERVICES DIVISION

in millions of euros	BFI[1]		Asset management and CIGP[2]		BDD[3] and Services		Receivables management		Non category[4]		Market activities and Financial services	
	HY-09	HY-08	HY-09	HY-08	HY-09	HY-08	HY-09	HY-08	HY-09	HY-08	HY-09	HY-08
Net banking income	(181)	(148)	218	306	208	277	65	166	(68)	(56)	242	545
Management fees	(315)	(368)	(192)	(206)	(142)	(172)	(131)	(122)	(27)	(9)	(807)	(877)
GROSS OPERATING INCOME	**(496)**	**(516)**	**26**	**100**	**66**	**105**	**(66)**	**44**	**(95)**	**(65)**	**(565)**	**(332)**
Cost of risk	(782)	(102)	(1)		(7)	(2)	(6)	(3)	1	(24)	(795)	(131)
INCOME BEFORE TAX	**(1,273)**	**(618)**	**27**	**103**	**97**	**166**	**(64)**	**43**	**(95)**	**(88)**	**(1,308)**	**(394)**
NET INCOME ATTRIBUTABLE TO THE GROUP	**(962)**	**(507)**	**9**	**62**	**58**	**125**	**(42)**	**30**	**(64)**	**(44)**	**(1,001)**	**(334)**

(1) Corporate and Investment banking
(2) CIGP = PEPB
(3) BDD = Retail banking
(4) Non category = Corporate center

Note 4 Notes to the consolidated balance sheet

4.1 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

4.1.1 Financial assets at fair value through profit or loss

	06/30/2009			12/31/2008		
in millions of euros	Trading book	Fair value option	Total	Trading book	Fair value option	Total
Treasury bills and similar securities	8,856	271	9,127	6,740	258	6,998
Bonds and other fixed-income securities	7,342	2,153	9,495	8,215	5,388	13,603
Fixed-income securities	**16,198**	**2,424**	**18,622**	**14,955**	**5,646**	**20,601**
Equities and other variable-income securities	**5,666**	**3,995**	**9,661**	**6,497**	**4,503**	**11,000**
Loans to banks	378	59	437	397	132	529
Loans to customers	483	8,372	8,855	725	8,164	8,889
Loans	**861**	**8,431**	**9,292**	**1,122**	**8,296**	**9,418**
Repurchase agreements	**0**	**4,261**	**4,261**	**0**	**3,847**	**3,847**
Trading derivatives	**46,454**		**46,454**	**65,857**		**65,857**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**69,179**	**19,111**	**88,290**	**88,431**	**22,292**	**110,723**

Loans to customers valued using the fair-value option are primarily structured loans to local authorities.

4.1.2 Financial liabilities at fair value through profit or loss

in millions of euros	06/30/2009	12/31/2008
Repurchase agreements	8,125	8,551
Other financial liabilities	1,132	780
Financial liabilities held for trading	**9,257**	**9,331**
Trading derivatives	**46,377**	**65,400**
Interbank term accounts and loans	283	408
Customer term accounts and loans	936	1,220
Debt securities	25,095	22,888
Subordinated debt	20	24
Repurchase agreements	2,497	2,242
Other financial liabilities	12	9
Financial liabilities at fair value through profit or loss(1)	**28,843**	**26,791**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**84,477**	**101,522**

(1) Designated at fair value through profit or loss.

The valuation of the issuer spread relates to Natixis and Crédit Foncier, and had a positive impact of €57 million on the Group's net banking income in the first half of 2009.

4.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

in millions of euros	06/30/2009	12/31/2008
Treasury bills and similar securities	281	214
Bonds and other fixed-income securities	30,985	29,270
Fixed-income securities	**31,266**	**29,484**
Equities and other variable-income securities	**8,211**	**7,835**
Loans	**102**	**43**
Non-performing loans and receivables	**406**	**398**
AVAILABLE-FOR-SALE FINANCIAL ASSETS, GROSS	**39,985**	**37,760**
Impairment of non-performing receivables	(268)	(291)
Permanent impairment of equities and other variable-income securities	(868)	(768)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**38,849**	**36,701**

Gains and losses on available-for-sale financial assets (before tax) recognized directly in equity amounted to -€692 million as of June 30, 2009 (-€1,359 million as of December 31, 2008).

4.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The breakdown of financial instruments by the nature of their market price or valuation models is given in the table below:

in millions of euros	Quoted price in an active market	Valuation technique using observable parameters	Valuation technique using non-observable parameters	Fair value 06/30/2009
Assets				
Financial assets at fair value through profit or loss – trading	13,912	53,358	1,909	69,179
Financial assets at fair value through profit or loss – fair value option	2,303	7,848	8,960	19,111
Available-for-sale financial assets	27,205	7,070	4,574	38,849
Liabilities				
Financial liabilities at fair value through profit or loss – trading	155	53,885	1,594	55,634
Financial liabilities at fair value through profit or loss – fair value option	0	28,534	309	28,843

Fair value determined on the basis of quoted prices is the fair value obtained on the valuation date, in direct reference to prices quoted on an active market to which the entity has access.

When fair value is determined on the basis of a valuation technique, its amount is determined using non-observable data.

Observability measures relate to the valuation models used by the Group and the parameters used in such models.

As of June 30, 2009, financial assets designated at fair value through profit or loss and valued on the basis of a technique using non-observable data included €7,681 million in structured loans to local authorities.

As of December 31, 2008, the breakdown was as follows:

in millions of euros	Quoted price in an active market	Valuation technique using observable parameters	Valuation technique using non-observable parameters	Fair value 12/31/2008
Assets				
Financial assets at fair value through profit or loss – trading	20,261	66,983	1,187	88,431
Financial assets at fair value through profit or loss – fair value option	10,345	2,831	9,116	22,292
Available-for-sale financial assets	24,294	8,936	3,471	36,701
Liabilities				
Financial liabilities at fair value through profit or loss – trading	9,283	64,353	1,095	74,731
Financial liabilities at fair value through profit or loss – fair value option	11	26,447	333	26,791

4.4 LOANS AND RECEIVABLES

4.4.1 Loans and receivables due from banks

in millions of euros	06/30/2009	12/31/2008
Performing loans	143,515	134,331
Portfolio-assessed impairment	(16)	(18)
Net performing loans	**143,499**	**134,313**
Non-performing loans	227	261
Individually-assessed impairment	(215)	(192)
Net non-performing loans	**12**	**69**
TOTAL LOANS AND RECEIVABLES FROM BANKS	**143,511**	**134,382**

Funds deposited in *Livret A* and *Livret de développement durable* savings accounts centralized by the *Caisse des Dépôts* and presented on the "performing loans and receivables" line amounted to €73,450 million as of June 30, 2009 (€80,132 million as of December 31, 2008).

4.4.2 Loans and receivables due from customers

in millions of euros	06/30/2009	12/31/2008
Performing loans	293,378	296,169
Portfolio-assessed impairment	(1,514)	(1,088)
Net performing loans	**291,864**	**295,081**
Non-performing loans	6,621	4,958
Individually-assessed impairment	(2,748)	(2,500)
Net non-performing loans	**3,873**	**2,458**
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**295,737**	**297,539**

Performing loans and receivables due from customers break down as follows:

in millions of euros	06/30/2009	12/31/2008
Overdrawn current accounts	**4,620**	**5,443**
Loans to financial institutions	1,810	2,540
Short-term credit facilities	30,201	33,061
Equipment loans	56,005	54,348
Home loans	134,046	132,696
Export credit	902	789
Other	13,387	13,285
Repurchase agreements	5,525	4,466
Subordinated loans	476	475
Other customer loans	**242,352**	**241,660**
Securities classified as loans and receivables	37,099	39,530
Other customer loans and receivables	9,307	9,536
TOTAL PERFORMING LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**293,378**	**296,169**

4.5 AMOUNTS DUE TO CUSTOMERS

in millions of euros	06/30/2009	12/31/2008
Current accounts in credit	**32,497**	**34,785**
Demand accounts	1,422	4,600
Term accounts	21,622	17,634
Accrued interest	420	346
Other demand and term deposits	**23,464**	**22,580**
Livret A	77,681	80,669
Livret Jeune	1,755	1,862
Livret B	14,449	13,516
PEL	30,007	30,334
CEL	4,485	4,548
Livret de développement durable	8,788	9,103
PEP	2,171	2,217
Other	17,739	18,285
Accrued interest	2,162	210
Regulated savings accounts	**159,237**	**160,744**
Demand accounts	2,262	1,556
Term accounts	8,095	7,228
Accrued interest	22	30
Repurchase agreements	**10,379**	**8,814**
Other amounts due to customers	**800**	**813**
TOTAL PEFORMING LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**226,377**	**227,736**

4.6 RECLASSIFICATION OF FINANCIAL ASSETS

In the second half of 2008, the Group reclassified non-derivative financial assets from the "financial assets held for trading" and "available-for-sale financial assets" categories, in application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets".

Intended portfolio *in millions of euros*	Fair value		Net book value	
	06/30/2009	**12/31/2008**	**06/30/2009**	**12/31/2008**
Available-for-sale financial assets	337	410	337	410
Loans and receivables	15,969	17,927	17,093	18,932
TOTAL	**16,306**	**18,337**	**17,429**	**19,342**

In the first half of 2009, Groupe Caisse d'Epargne recognized a cost of risk charge of €130 million on the reclassified assets. The table below provides the gains and losses that would have been recognized had these financial assets not been reclassified:

in millions of euros	**H1-09**
Change in fair value that would have been recognised in net income if the assets had not been reclassified	(57)
Change in fair value that would have been recorded as gains and losses recognised directly in equity had the assets not been reclassified	(246)

4.7 CHANGES IN THE VALUE OF GOODWILL

in millions of euros	**12/31/2008**	**Sale**	**Conversion**	**Loss of value**	**Other change**	**06/30/2009**
Commercial Banking	418			(169)	5	254
Real Estate Services	1,300			(432)	1	869
Wholesale Banking and Financial Services	1,129	(144)	3		9	997
TOTAL	**2,847**	**(144)**	**3**	**(601)**	**15**	**2,120**

The main changes in goodwill relate to the sale of CACEIS by Natixis (-€144 million) and impairment (-€601 million). Impairment was determined on the basis of an analysis of the situation and outlook for the Commercial Banking (-€169 million) and Real Estate Services (-€432 million) divisions.

4.8 PROVISIONS

Provisions chiefly concern employee benefit obligations and risks on regulated home savings products.

in millions of euros	12/31/2008	Additions	Reversals	Utilisations	Other movements(1)	06/30/2009
Employee benefit obligations	**762**	**56**		**(30)**	**(3)**	**785**
Provisions on regulated home savings products	525	11		(27)	4	513
Provisions for off-balance-sheet commitments	378	131	(54)	(3)	(19)	433
Provisions for contingencies on property development projects	110	4	(8)	0	(46)	60
Provisions for restructuring costs	141	2	(6)	(6)	4	135
Provisions for claims and litigation	284	94	(44)	(11)	44	367
Other	483	124	(116)	(45)	(1)	445
Other provisions	**1,921**	**366**	**(228)**	**(92)**	**(14)**	**1,953**
TOTAL PROVISIONS	**2,683**	**422**	**(228)**	**(122)**	**(17)**	**2,738**

(1) *Including changes in the scope of consolidation and exchange rates.*

4.9 DEBT SECURITIES

in millions of euros	06/30/2009	12/31/2008
Interbank and money market securities and certificates of deposit	44,629	39,430
Bonds	105,507	115,579
Other debt securities	372	483
Accrued interest	1,855	2,690
TOTAL DEBT SECURITIES	**152,363**	158,182

4.10 SUBORDINATED DEBT

in millions of euros	06/30/2009	12/31/2008
Dated subordinated debt	8,166	7,640
Undated subordinated debt	57	56
Undated deeply subordinated debt	1,465	5,326
Preference shares	161	161
TOTAL SUBORDINATED DEBT	**9,849**	**13,183**
Accrued interest	253	244
Revaluation of the hedged portion	113	269
TOTAL SUBORDINATED DEBT	**10,215**	**13,696**

Change in subordinated debt over the period:

in millions of euros	12/31/2008	Issuance	Reclassification[(1)]	Other movements	06/30/2009
Dated subordinated debt	7,640	551		(25)	8,166
Undated subordinated debt	56			1	57
Undated deeply subordinated debt	5,326	1,359	(5,221)	1	1,465
Preference shares	161				161
TOTAL SUBORDINATED DEBT	**13,183**	**1,910**	**(5,221)**	**(23)**	**9,849**

(1) The reclassification of €5.2 billion is discussed in note 1.3.3.

4.11 INVESTMENTS IN ASSOCIATES

in millions of euros	06/30/2009	12/31/2008
Banques Populaires	1,742	1,722
CNP Assurances (group)	1,204	1,154
Crédit Immobilier Hôtelier	166	167
Investments in the Nexity group	20	20
Investments in the Natixis group	25	45
Maisons France Confort PI	95	94
Other	92	91
TOTAL INVESTMENTS IN ASSOCIATES	**3,344**	**3,293**

Note 5 Notes to the consolidated income statement

5.1 INTEREST AND SIMILAR INCOME AND EXPENSE

in millions of euros	H1-09			H1-08		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	6,019	(2,673)	3,346	6,399	(3,285)	3,114
- Demand and term accounts, loans and borrowings (excluding regulated savings products)	*5,992*	*(473)*	*5,519*	*6,334*	*(716)*	*5,618*
- Regulated savings products	*27*	*(2,200)*	*(2,173)*	*65*	*(2,569)*	*(2,504)*
Interbank transactions	2,514	(1,234)	1,280	3,553	(1,843)	1,710
Finance leases	192		192	217		217
Debt securities and subordinated debt		(2,959)	(2,959)		(3,733)	(3,733)
Hedging derivatives	3,578	(3,415)	163	4,591	(4,529)	62
Available-for-sale financial assets	630		630	1,027		1,027
Held-to-maturity financial assets	93		93	79		79
Impaired financial assets	8		8	2		2
Other interest income and expense	1,492	(11)	1,481	7	(56)	(49)
OTHER INTEREST INCOME AND SIMILAR EXPENSE	**14,526**	**(10,292)**	**4,234**	**15,875**	**(13,446)**	**2,429**

The impact of the fair-value adjustment to the undated deeply subordinated notes issued by the CNCE amounted to €1,485 million and is recognized on the "other interest income" line.

5.2 FEES AND COMMISSIONS

in millions of euros	H1-09			H1-08		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	20	(12)	8	18	(9)	9
Customer transactions	525	(13)	512	564	(8)	556
Financial services	116	(99)	17	136	(80)	56
Sales of life insurance products	413	0	413	455	0	455
Payment processing services	337	(143)	194	332	(127)	205
Securities transactions	95	(149)	(54)	154	(34)	120
Trust management services	357	(20)	337	406	0	406
Financial instruments and off-balance-sheet trading	67	(9)	58	54	(12)	42
Other commissions	108	(63)	45	64	(125)	(61)
TOTAL COMMISSIONS AND FEES	**2,038**	**(508)**	**1,530**	**2,183**	**(395)**	**1,788**

To ensure that data are comparable, the presentation of items recorded in the first half of 2008 has been changed.

5.3 NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFITS OR LOSSES

in millions of euros	H1-09	H1-08
Financial instruments held for trading	(396)	(1,090)
Financial instruments at fair value through profit or loss[(1)]	(31)	559
Hedging transactions	45	16
Foreign exchange transactions	335	(238)
TOTAL NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFITS AND LOSSES	**(47)**	**(753)**

(1) Designated at fair value through profit or loss.

5.4 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

in millions of euros	H1-09	H1-08
Gains or losses on disposals	(55)	166
Dividends received	121	133
Permanent impairment losses on variable-income securities	(239)	(85)
NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(173)**	**214**

5.5 INCOME AND EXPENSE ON OTHER ACTIVITIES

	H1-09			H1-08		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Income and expense on insurance business	1,150	(1,147)	3	1,166	(932)	234
Income and expense on property transactions	1,326	(996)	330	1,335	(893)	442
Income and expense on investment property	46	(24)	22	88	(22)	66
Income and expense on leasing transactions	47	(53)	(6)	45	(27)	18
Income and expense on banking operations	301	(238)	63	318	(234)	84
TOTAL INCOME AND EXPENSE ON OTHER BUSINESSES	**2,870**	**(2,458)**	**412**	**2,952**	**(2,108)**	**844**

Income and expense on insurance activities is made up solely of insurance technical items. It does not include other financial elements recorded as net banking income.

5.6 OPERATING EXPENSES

in millions of euros	H1-09	H1-08
Personnel costs	**(2,485)**	**(2,529)**
Taxes other than on income	(143)	(135)
External services	(1,302)	(1,368)
Other administrative costs	**(1,445)**	**(1,503)**
TOTAL OPERATING EXPENSES	**(3,930)**	**(4,032)**

5.7 CREDIT RISK

5.7.1 Cost of risk

in millions of euros	Net additions	Losses on irrecoverable loans and receivables	Recoveries of loans and receivables previously written off	H1-09	H1-08
Interbank transactions	(24)	(2)		(26)	(2)
Customer transactions	(736)	(341)	17	(1,060)	(262)
Other financial assets	21	(58)		(37)	(56)
Off-balance-sheet commitments	(74)			(74)	10
COST OF RISK	**(813)**	**(401)**	**17**	**(1,197)**	**(310)**

5.7.2 Impairment and provisions for credit risk

in millions of euros	12/31/2008	Additions	Reversals	Other movements	06/30/2009
Interbank items	**210**	**62**	**(38)**	**(3)**	**231**
Customer items	**3,588**	**1,487**	**(751)**	**(62)**	**4,262**
- individual impairment	2,500	898	(589)	(61)	2,748
- portfolio impairment	1,088	589	(162)	(1)	1,514
Available-for-sale financial assets	**291**	**38**	**(62)**	**1**	**268**
Other assets	**40**	**5**	**(2)**	**0**	**43**
IMPAIRMENT OF FINANCIAL ASSETS	**4,129**	**1,592**	**(853)**	**(64)**	**4,804**
Provisions on off-balance-sheet commitments	**378**	**131**	**(57)**	**(19)**	**433**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**4,507**	**1,723**	**(910)**	**(83)**	**5,237**

5.8 SHARE IN NET INCOME OF ASSOCIATES

in millions of euros	H1-09	H1-08
Banques Populaires	47	59
CNP Assurances (group)	76	86
Crédit Immobilier Hôtelier	6	6
Other	6	10
TOTAL SHARE IN NET INCOME OF ASSOCIATES	**135**	**161**

5.9 CHANGES IN THE VALUE OF GOODWILL

The main changes in goodwill resulted from an analysis of the situation and outlook for the Commercial Banking (-€169 million) and Real Estate Services (-€432 million) divisions.

5.10 INCOME TAX

in millions of euros	H1-09	H1-08
Net income attributable to the Group	338	21
Impairment of goodwill	(601)	1
Minority interests	(10)	70
Share in net income/(loss) of associates	135	161
Taxes	178	(123)
Net income before tax and impairment of goodwill (A)	**616**	**52**
Standard income tax rate in France (B)	**34.43%**	**34.43%**
Theoretical tax expense/(credit) at the applicable income tax rate in France (A*B)	**212**	**18**
Impact of the change in unrecognised deferred taxes(1)	246	114
Impact from the restructuring of deeply subordinated notes issued by the CNCE	(511)	
Impact of permanent differences	(21)	3
Impact of items not taxed or taxed at reduced tax rates	(20)	(16)
Impact of tax rates applicable to foreign entities	3	0
Taxes on prior periods, tax credits and other taxes	(70)	4
Other items	(17)	
Income tax	**(178)**	**123**
Effective tax rate (recognised income tax divided by taxable income)	**not meaningful**	**not meaningful**

(1) This item includes the recognition of deferred tax assets, in particular those related to Natixis, totalling €216 million as of June 30, 2009.

Note 6 Scope of consolidation

The main changes to the scope of consolidation were the CNCE's acquisition from Nexity of its stake in Crédit Foncier and Natixis's sale of CACEIS to Crédit Agricole SA.

In January 2009, the CNCE purchased Nexity's 23% stake in Crédit Foncier for €540 million. This transaction led to the Group holding 100% of Crédit Foncier's share capital, compared with 86% as of December 31, 2008. As this was a reclassification of securities between entities included in the scope of consolidation, the transaction did not have a material impact on the Group's consolidated financial statements.

In the second half of 2009, Natixis sold a 35% equity interest in CACEIS to Crédit Agricole SA for €595 million.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

Period from January 1, 2009 to June 30, 2009

To the shareholders

CE Participations
5, rue Masseran
75007 Paris

Dear shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a review of the accompanying condensed interim consolidated financial statements of Groupe Caisse d'Epargne, for the six months ended June 30, 2009;
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors of BP Participations against the backdrop, as described in note 1.5 of the appendices, of an economic and financial crisis characterized by a very high measure of volatility on those financial markets that remained active, a reduction in the number of transactions on those markets that became inactive, and the lack of visibility over the future that was already prevailing at the close of the 2008 fiscal year. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and La Défense, August 27, 2009

The statutory auditors

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4.2.4 Condensed consolidated financial statements in IFRS for the Caisse Nationale des Caisses d'Epargne for the year ended June 30, 2009

CONSOLIDATED BALANCE SHEET

Assets

in millions of euros	*Notes*	06/30/2009	12/31/2008
Cash and amounts due from central banks		5,630	12,721
Financial assets at fair value through profit or loss	*4.1.1*	83,897	105,910
Hedging derivatives		7,520	7,018
Available-for-sale financial assets	*4.2*	22,783	23,608
Loans and receivables due from banks	*4.4.1*	141,144	120,104
Loans and receivables due from customers	*4.4.2*	163,074	166,588
Remeasurement adjustment on interest-rate risk hedged portfolios		1,898	1,767
Held-to-maturity financial assets		3,183	3,081
Current tax assets		380	493
Deferred tax assets		2,130	2,124
Accrued income and other assets		19,684	21,173
Non-current assets held for sale		153	0
Deferred profit sharing		173	331
Investments in associates	*4.11*	5,138	4,997
Investment property		1,438	1,462
Property, plant and equipment		1,205	1,249
Intangible assets		567	604
Goodwill	*4.7*	2,101	2,829
TOTAL ASSETS		**462,098**	**476,059**

Liabilities and equity

in millions of euros	*Notes*	06/30/2009	12/31/2008
Amounts due to central banks		331	298
Financial liabilities at fair value through profit or loss	*4.1.2*	87,996	105,386
Hedging derivatives		6,509	6,812
Amounts due to banks		127,086	113,579
Amounts due to customers	*4.5*	27,352	31,302
Debt securities	*4.9*	152,502	158,214
Remeasurement adjustment on interest-rate risk hedged portfolios		630	721
Current tax liabilities		39	66
Deferred tax liabilities		641	821
Accrued expenses and other liabilities		17,403	18,900
Debts relating to non-current assets held for sale		128	0
Technical reserves of insurance companies		12,971	12,518
Provisions	*4.8*	1,300	1,219
Subordinated debt	*4.10*	10,819	14,442
Consolidated equity		**16,391**	**11,781**
Equity attributable to equity holders of the parent		***14,698***	***9,954***
Share capital and additional paid-in capital		10,523	10,703
Consolidated reserves		5,061	2,294
Gains and losses recognized directly to equity		(935)	(1,050)
Net income for the period		49	(1,993)
Minority interests		***1,693***	***1,827***
TOTAL LIABILITIES		**462,098**	**476,059**

CONSOLIDATED INCOME STATEMENT

in millions of euros	*Notes*	First half-year 2009	First half-year 2008
Interest and similar income	*5.1*	10,597	12,011
Interest and similar expense	*5.1*	(8,150)	(11,023)
Fee and commission income	*5.2*	894	988
Fee and commission expense	*5.2*	(383)	(268)
Net gain or loss on financial instruments at fair value through profit or loss	*5.3*	(96)	(783)
Net gain or loss on available-for-sale financial assets	*5.4*	(187)	170
Income from other activities	*5.5*	2,727	2,865
Expenses on other activities	*5.5*	(2,373)	(2,006)
Net banking income		**3,029**	**1,954**
Operating expenses	*5.6*	(1,825)	(1,972)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(124)	(101)
Gross operating income		**1,080**	**(119)**
Cost of risk	*5.7*	(1,035)	(213)
Operating income		**45**	**(332)**
Share of net income/(loss) of associates	*5.8*	190	208
Profit (loss) on other assets		53	101
Changes in the value of goodwill	*5.9*	(601)	1
Income before tax		**(313)**	**(22)**
Income tax	*5.10*	351	0
Net income		**38**	**(22)**
Net income attributable to equity holders of the parent		49	(92)
Minority interests		(11)	70

NET INCOME AND GAINS OR LOSSES RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	First half-year 2009	First half-year 2008
Net income	**38**	**(22)**
Translation adjustments	20	(62)
Changes in the value of available-for-sale financial assets	227	(847)
Change in value over the period affecting shareholders' equity	*229*	*(995)*
Change in value over the period affeting net income	*(2)*	*148*
Change in the value of hedging derivatives	(45)	66
Share of profits and losses recognized directly in equity of associates	5	(176)
Income taxes	(61)	78
Gains and losses recognised directly in equity (after tax)	**146**	**(941)**
Net income and gains or losses recognized directly in equity	**184**	**(963)**
Attributable to the equity holders of the parent	164	(1,018)
Minority interests	20	55

STATEMENT OF CHANGES IN EQUITY

	Share capital and additional paid-in capital		
in millions of euros	Capital	Additional paid-in capital	Undated deeply subordinated notes
EQUITY AS OF JANUARY 1, 2008	**6,470**	**233**	
Capital increase	1,519	2,033	
Reclassification			
Dividend payments			
Impact of acquisitions and divestments on minority interests			
Movements arising from relations with shareholders	***1,519***	***2,033***	
Gains and losses recognized directly in equity			
Net income			
Other changes			
Other changes	***0***	***0***	
EQUITY AS OF JUNE 30, 2008	**7,989**	**2,266**	
EQUITY AS OF JANUARY 1, 2009	**8,287**	**2,416**	
Capital increase and share issues			
Reclassification			4,463
Dividend payments		(170)	
Impact of acquisitions and divestments on minority interests			
Total movements arising from relations with shareholders	***0***	***(170)***	***4,463***
Gains and losses recognized directly in equity			
Net income			
Other changes	1	(11)	
Other changes	***1***	***(11)***	***0***
EQUITY AS OF JUNE 30, 2009	**8,288**	**2,235**	**4,463**

The reclassification as equity of the €4.5 billion in undated deeply subordinated loans is dealt with in note 1.3.3.

Natixis received a €1.5 billion shareholder advance from the BFBP and the CNCE, recognized as equity. The BFBP's share (€269 million) was accordingly recorded in the Group's equity.

		Gains and losses recognized directly in equity						
			Unrealised or deferred capital gains and losses					
Shareholder advances	Retained earnings	Translation adjustments	Available-for-sale financial assets	Hedging derivatives	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total consolidated equity
	3,096	**(102)**	**788**	**34**		**10,519**	**1,828**	**12,347**
						3,552		3,552
						0		0
	(332)					(332)	(113)	(445)
						0	94	94
	(332)					*3,220*	*(19)*	*3,201*
		(58)	*(909)*	*41*		*(926)*	*(15)*	*(941)*
					(92)	(92)	70	(22)
	5					5	7	12
	5	*0*	*0*	*0*	*(92)*	*(87)*	*77*	*(10)*
	2,769	**(160)**	**(121)**	**75**	**(92)**	**12,726**	**1,871**	**14,597**
	301	**(107)**	**(744)**	**(199)**		**9,954**	**1,827**	**11,781**
269						269		269
						4,463		4,463
						(170)	(95)	(265)
						0	(56)	(56)
269	*0*					*4,562*	*(151)*	*4,411*
		36	*114*	*(35)*		*115*	*31*	*146*
					49	49	(11)	38
	28					18	(3)	15
0	*28*	*0*	*0*	*0*	*49*	*67*	*(14)*	*53*
269	**329**	**(71)**	**(630)**	**(234)**	**49**	**14,698**	**1,693**	**16,391**

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros	First half-year 2009	First half-year 2008
Income before tax	**(313)**	**(22)**
Net depreciation and amortization of property, plant and equipment, and intangible assets	148	121
Impairment of goodwill	601	
Net additions to/reversals of provisions for impairment	974	472
Share in net income/(loss) of associates	(132)	(83)
Net loss/gain from investing activities	(100)	(421)
Income/expense from financing activities	374	261
Other movements	(329)	1,985
Total non-monetary items included in net income/(loss) before tax	**1,536**	**2,335**
Net increase or decrease arising from transactions with banks	2,034	(727)
Net increase or decrease arising from transactions with customers	2,556	(1,198)
Net increase or decrease arising from transactions involving financial assets and liabilities	(5,056)	3,864
Net increase or decrease arising from transactions involving non-financial assets and liabilities	(2,167)	(1,766)
Taxes paid	221	(263)
Net increase (decrease) in assets and liabilities resulting from operating activities	**(2,412)**	**(90)**
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	**(1,189)**	**2,223**
Net increase or decrease related to financial assets and equity investments	331	(1,658)
Net increase or decrease related to investment property	(46)	61
Net increase or decrease related to property, plant and equipment, and intangible assets	(99)	(99)
NET CASH FLOWS ARISING FROM INVESTING ACTIVITIES (B)	**186**	**(1,696)**
Net increase (decrease) arising from transactions with shareholders	18	3,149
Other increases or decreases generated by financing activities	2,303	348
NET CASH FLOWS ARISING FROM FINANCING ACTIVITIES (C)	**2,321**	**3,497**
EFFECT OF FLUCTUATIONS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**38**	**32**
TOTAL NET CASH FLOWS (A+B+C+D)	**1,356**	**4,056**
Cash and net balance of accounts with central banks	12,423	6,939
Net balance of demand transactions with banks	(5,572)	(6,535)
Opening cash and cash equivalents	**6,851**	**404**
Cash and net balance of accounts with central banks	5,299	3,800
Net balance of demand transactions with banks	2,908	660
Closing cash and cash equivalents	**8,207**	**4,460**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,356**	**4,056**

NOTES TO THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Legal and financial framework – Significant events in the half-year and subsequent events

The legal and financial framework described below was applicable as of June 30, 2009, but has undergone significant change since the creation of the new BPCE central institution at the end of July 2009 (see paragraph 1.3.1 below).

1.1 DUTIES OF THE CAISSE NATIONALE DES CAISSES D'EPARGNE (CNCE)

Central institution of Groupe Caisse d'Epargne

The CNCE is the central institution of Groupe Caisse d'Epargne as defined by French banking law, and has the status of a bank authorized to operate as a bank. It is a joint-stock company (*société anonyme*) with a two-tier management structure (Management Board and Supervisory Board) whose entire capital has been held by the individual Caisses d'Epargne since January 29, 2007.

Specifically, the CNCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves senior management appointments and oversees the smooth functioning of the Group's institutions.

Holding company for the subsidiaries of Groupe Caisse d'Epargne

As a holding company, the CNCE operates as the Group's head company. It holds and manages interests in the subsidiaries. It also lays down the Group's strategy and expansion policies.

In respect of the Group's financial functions, the CNCE is responsible, in particular, for the centralized management of any surplus funds held by the individual Caisses d'Epargne, for carrying out any financial transactions required to develop and refinance the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. The CNCE also provides banking services to the other Group entities.

Core shareholder of Natixis

Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires are bound by a shareholders' agreement. The two entities undertake to maintain their ownership interests in Natixis in equal proportions for a period of 10 years, renewable for successive periods of 5 years each. During this period of stable ownership, the two shareholders agree not to conclude any agreement relating to Natixis that would constitute an action in concert with a third party. The shareholders' agreement sets forth the principle of equal representation by the two shareholders within the Supervisory Board of Natixis and provides for a commitment to work together to further the exercise of the voting rights attached to their shares with respect to certain strategic decisions.

Subsidiaries

The subsidiaries and investments are split into four main divisions, as follows:

- Commercial Banking, comprising retail banking (including Banque Palatine and Crédit Foncier), regional development banking and banking overseas territories, and international banking (including Financière Océor);
- Real Estate Services, comprising transaction services such as property sales, development and valuations, and real estate advisory and management services;
- Insurance and personal care services;
- Natixis, controlled jointly by Groupe Banque Populaire and Groupe Caisse d'Epargne, which carries out the activities of the Wholesale Banking and Financial Services division:
  - corporate and investment banking,
  - asset management (Natixis Global Asset Management),
  - private equity and private banking,
  - investor services, comprising custody, payments, insurance, sureties and financial guarantees, employee benefits planning, and consumer finance services,
  - receivables management (including Coface), comprising credit insurance, factoring, business information and credit management.

1.2 GUARANTEE SYSTEM

Pursuant to Article L. 511-31 of the French Monetary and Financial Code, together with those of Article L. 512-96 of the same code, the CNCE, acting as the central institution, has organized a guarantee and solidarity mechanism within Groupe Caisse d'Epargne to ensure the liquidity and solvency of each entity. The scope of this guarantee system includes not only the entities belonging to the Caisses d'Epargne network as provided for by Article L. 512-95 of the French Monetary and Financial Code, but also all the banks subject to French law and affiliated with the CNCE further to the CNCE's decision, in accordance with Articles R. 512-57 and R. 512-58 of the French Monetary and Financial Code. More generally, the guarantee system covers all Group entities by virtue of the principle of responsibility founded upon shareholders' relations.

The terms of the relationship with Natixis – a bank under the joint control of Banque Fédérale des Banques Populaires (BFBP, the central institution of the Banques Populaires banking network) and the CNCE – is governed by a provision introduced by Article 42 of law 2006-1770 of December 30, 2006, which supplements Article L. 511-31 of the French Monetary and Financial Code. This provision allows banks under direct or indirect joint control to be affiliated with more than one central institution.

Under this provision, the central institutions may together draw up an agreement setting out the conditions for exercising their respective control over the affiliated entity, and for discharging their obligations towards it, in particular as regards liquidity and solvency. Further to the approval of the *Comité des établissements de crédit et des entreprises d'investissement* (CECEI, the French financial services authority) on March 30, 2007, the agreement providing for the affiliation of Natixis with both the CNCE and BFBP was signed on April 2, 2007 in the presence of Natixis. This affiliation took effect as of this same date.

In any event, BFBP and the CNCE have undertaken to fulfill, as required by applicable legislation and banking regulations, their respective duties as major shareholders of Natixis, pursuant to any request to do so from the *Commission bancaire* (the French Banking Commission). Consequently, BFBP and the CNCE have entered into an irrevocable joint agreement under which, even in the event of a dispute, they agree to act promptly in accordance with the recommendations or injunctions of the French Banking Commission, and to provide the necessary funds in equal proportions, and if required jointly and severally, to ensure that Natixis complies with the applicable legislation and banking regulations, and honors any commitments made to the banking authorities.

In the event that BFBP and/or the CNCE needed financial support as a result of assisting Natixis, their internal network mutual guarantee and solidarity mechanisms would be implemented in accordance with Article L. 511-31 of the French Monetary and Financial Code.

The individual Caisses d'Epargne participate in the guarantee system through a FGSR, (network mutual guarantee and solidarity fund), set up pursuant to Article L. 512-96 of the French Monetary and Financial Code, and carried in the books of the CNCE. As of June 30, 2009, the FGSR had 288 million worth of funds that can be used immediately if the need arises. These funds are managed through an unincorporated investment fund. Should this prove insufficient to prevent the default of a member, the Management Board of the CNCE can obtain the necessary additional resources via a rapid decision-making process ensuring timely action.

1.3 SIGNIFICANT EVENTS IN THE HALF-YEAR

1.3.1 Combination between Groupe Caisse d'Epargne and Groupe Banque Populaire

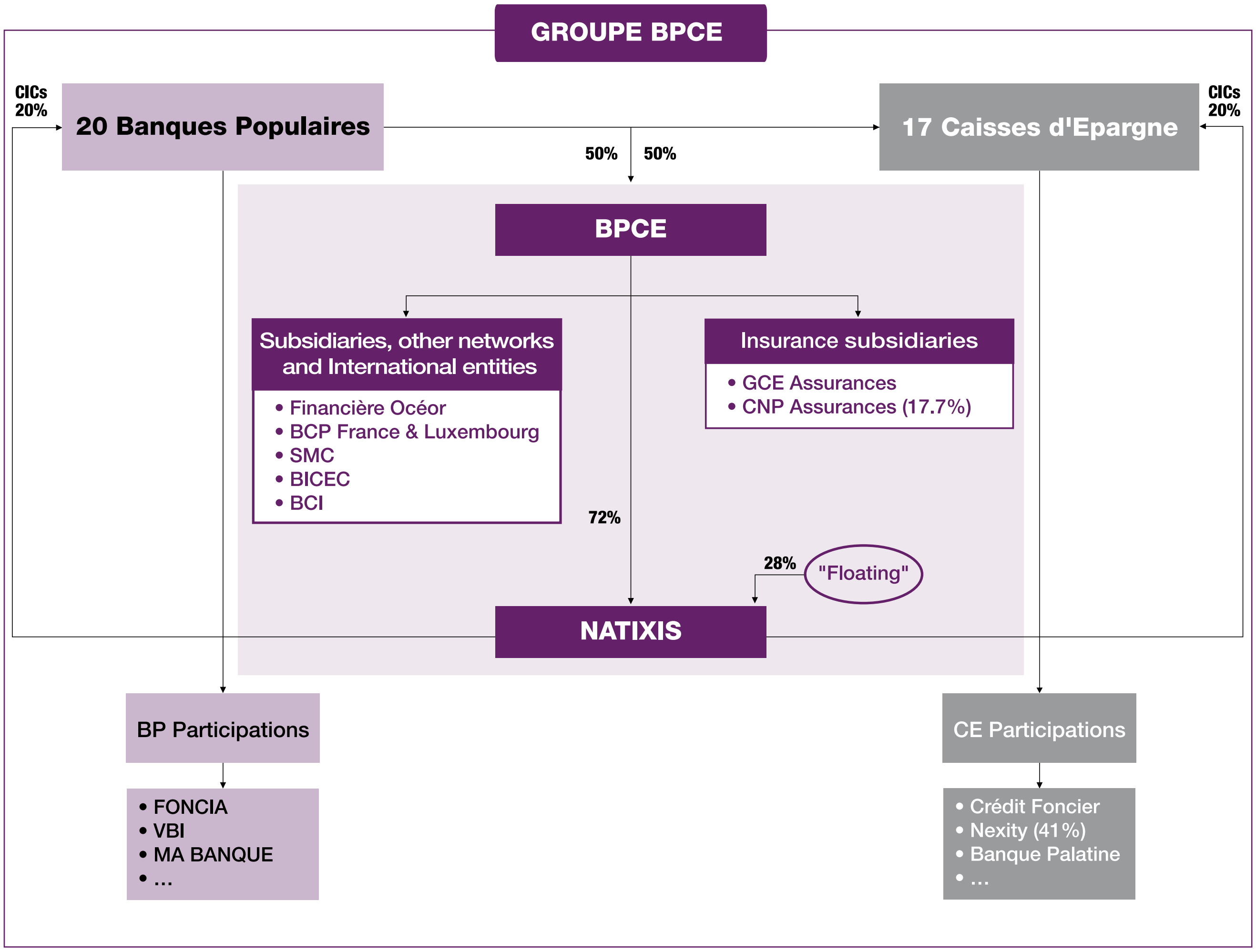
On July 31, 2009, shareholders of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne approved the creation of BPCE, the new central institution of the Banques Populaires and the Caisses d'Epargne, born of the combination between the BFBP and the CNCE.

The creation of the BPCE was the final act in a combination process initiated in October 2008 by Groupe Banque Populaire and Groupe Caisse d'Epargne, the main stages of which were:

- approval of the negotiation principles for the proposed combination between the two central institutions by the Board of Directors of the BFBP and Supervisory Board of the CNCE, at meetings on February 24 and 26, 2009 respectively:
  - the new group is built around two autonomous and complementary networks and brands,
  - the new Group is focused on retail banking activities,
  - the planned combination is based on the creation of a new central institution shared by the Banques Populaires and Caisses d'Epargne networks, and owned in equal parts,
  - the French State supports the establishment of the new group by proposing to contribute capital, in line with its policy of offering its backing to France's leading banking groups,
  - the combination will unify the ownership structure of Natixis, whose governance will be simplified;
- approval of the negotiation agreement by the BFBP's Board of Directors and the CNCE's Supervisory Board, which met on March 16, 2009.

  The negotiation agreement, signed in the presence of a representative of the French state, sets out the conditions of the state's capital contribution to BPCE;
- approval by the French Parliament of law n° 2009-715 dated June 18, 2009 making BPCE the central institution of the networks of the Banques Populaires, the Caisses d'Epargne and affiliated banks, and setting out its duties and prerogatives;
- authorization to operate by the French competition authority *(Autorité de la concurrence)* on June 22, 2009;
- approval by the French banking supervisor (*Comité des établissements de crédit et des entreprises d'investissement,* CECEI) for the new BPCE central institution on June 23, 2009;
- endorsement of BPCE's founding principles by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, on June 24, 2009;
- approval of all transactions by the shareholders of the BFBP, the CNCE and BPCE, at meetings on July 31, 2009.

Since August 3, 2009, BPCE has been held in equal parts by the 20 Banques Populaires and the 17 Caisses d'Epargne after the contribution of the activities of their central institutions and the main assets of the BFBP and the CNCE.



The new central institution owns the subsidiaries of the two Groups in the fields of retail banking and their production structures (specifically Natixis, la Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect interest in CNP Assurances).

The two Groups' real estate subsidiaries (Crédit Foncier, Nexity, FONCIA, and Meilleurtaux), as well as the other interests (Banca Carige, Banque Palatine, and MA BANQUE) are still held by the BFBP (renamed Banques Populaires Participations) and the CNCE (renamed Caisses d'Epargne Participations).

The French state's capital contribution to the BPCE Group as of July 31, 2009 was made via the intermediary of the *Société de prises de participation de l'Etat* (SPPE):

- €2.05 billion in deeply subordinated notes issued by the CNCE and the BFBP in the fourth quarter of 2008 and a further €2 billion at the end of the second quarter of 2009, and contributed to BCPE;
- 3 billion non-voting preference shares issued by BPCE on July 31, 2009.

This state's capital contribution enables the new group to benefit from a robust and sustainable financial structure:

- BPCE has a call option on preference shares at any time as of the first anniversary of their issue;
- after a period of five years, equity warrants issued by BPCE and subscribed to by SPPE concurrently to the preference shares will enable the French state to own, should it so desire, and if BPCE has not by then redeemed the preference shares, up to 20% of BPCE's ordinary share capital.

1.3.2 Reclassification of deeply subordinated notes issued by the CNCE as equity instruments

Financial instruments issued are classified as either debt or equity according to whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holders. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

As of December 2008, the deeply subordinated notes (DSN) issued by the CNCE represented debt under IFRS, due to a clause making the payment of interest mandatory whenever the issuing entity recorded a profit.

Following the renegotiation of the contract in the first half of 2009, the contractual obligation to pay interest on these notes was cancelled.

The DSNs were accordingly reclassified as equity at their fair value as of June 30, 2009. The gap between the value at which the notes were recorded as debt and their fair value was recognized as net income, for a total of €1.5 billion.

This capital gain is a reflection of the favorable financing conditions enjoyed by the Group with respect to its deeply subordinated financing in the prevailing market conditions: the average coupon paid by the CNCE on the DSNs stands at 5.5%, a good deal less than coupons on similar issues today.

1.4 SUBSEQUENT EVENTS

1.4.1 Exchange offer for Tier-1 securities issued by Natixis for BPCE securities

On July 6, 2009, BPCE announced the launch of seven exchange offers for Tier-1 securities issued by the Natixis Group.

At the close of the tender period on July 31, 2009, BPCE had received and accepted existing securities worth a nominal amount of €1,187 million equivalents, with a view to their exchange.

On August 6, 2009, BPCE issued, as an exchange, four series of new securities for a principal amount of roughly €794 million equivalents (excluding accrued coupons).

1.4.2 Financial sanction by the French Banking Commission

In a decision handed down on July 15, 2009, the French Banking Commission imposed a reprimand and financial penalty on the CNCE following an investigation into the trading loss incurred in October 2008.

As the Commission said in its decision, the necessary corrective measures have been implemented: disciplinary action has been taken within the Group, all the transactions in question have been discontinued, and the assets still held in the Group's portfolio are subject to strict procedures and managed on a run-off basis.

In order to protect its corporate interests, the CNCE decided to appeal this decision. As of June 30, 2009, a provision of €20 million had been taken in the Caisse Nationale des Caisses d'Epargne's accounts to cover the financial penalty.

1.4.3 Guarantee of Natixis assets

BPCE plans to protect its Natixis subsidiary against losses and earnings volatility caused by its segregated assets structure in the second half of 2009.

Its aim is to reinforce Natixis and foster the conditions necessary for the success of its strategic plan. The protective mechanism will allow Natixis to free up a sizeable portion of the capital allocated to the segregated assets. It will also shelter its earnings from the risk of losses after June 30, 2009.

The guarantee will be provided by BPCE on the portfolio of segregated assets, the net exposure of which totaled €31 billion as of June 30, 2009.

1.5 IMPACT OF THE FINANCIAL CRISIS

The deterioration of the environment in the market for financial instruments linked to the residential and commercial real estate markets in the United States continued in the first half of 2009.

The main impacts of the crisis on the Caisse Nationale des Caisses d'Epargne's financial statements are set out below.

1.5.1 Natixis

1 Risk exposures carried in the balance sheet of Natixis as of June 30, 2009

Natixis has both direct and indirect exposure to risks, as described below.

DIRECT EXPOSURE

The portfolio of loans pending securitization is Natixis' only direct exposure to subprime loans. This portfolio is classified under financial assets at fair value through profit or loss.

As of June 30, 2009, this portfolio's exposures were as follows:

	06/30/2009	12/31/2008
Nominal value *(in millions of euros)*	165	197
Book value *(in millions of euros)*	77	120
Fair value as a % of par value	47%	61%
Discount	53%	39%

Through Natixis, the Caisse Nationale des Caisses d'Epargne's exposure therefore amounted to €28 million as of Tuesday, June 30, 2009 (Group share of 35.92%).

Prices are determined from transactions observed on the market and take into account the opinion of the experts responsible for valuing the portfolio.

INDIRECT EXPOSURE TO SUBPRIME AND US RMBS

The models used for the valuation of these exposures as of June 30, 2009 were all reviewed and validated by Natixis' Risk Management division.

The exposures relate to the following asset portfolios:

Portfolios of ABS CDO with subprime underlyings:

These unhedged cash or synthetic portfolios with subprime underlyings are carried chiefly by Natixis Capital Market North America and Natixis.

in millions of euros **Financial assets at fair value through profit or loss**	**Natixis**	**Caisse d'Epargne Group share**
Gross exposure as of June 30, 2009	1,771	636
Cumulative impairment losses	(1,095)	(393)
o/w changes in value over the first half of 2009	*(282)*	*(101)*
Net exposure as of June 30, 2009	**677**	**243**
Net exposure as of December 31, 2008	1,203	431

The directly held portfolios of ABS CDOs with subprime exposure were valued on the basis of stress tests carried out by Natixis' Risk Management Department. For the valuation of these exposures, loss rate assumptions were revised compared with those applied as of December 31, 2008, leading to the following results:

Loss rate assumptions by vintage	**2005**	**2006**	**2007**
As of December 31, 2007	9%	23%	23%
As of June 30, 2008	10%	25%	25%
As of December 31, 2008	11%	25%	30%
As of June 30, 2009	14%	32%	38%

A loss rate of 5.7% is applied for loans originated prior to 2005.

Moreover, the following assumptions applied at the previous closings were maintained:

- valuation of the current rating of collateral assets rated CCC+ or lower by assigning a discount of 97% to these underlyings;
- valuation of non-subprime underlying assets held in the structures based on a discounting schedule including type, rating and vintage of the transactions.

In addition, for structures of which Natixis holds the underlying assets, a transparent approach was applied and each underlying tranche was valued on the appropriate mark-to-market or mark-to-model basis.

This model mainly uses non-observable data and is based on level three of the fair value hierarchy.

The impact from the application of this model was a capital loss of €300 million over the half-year (Group share of €108 million).

A 10% increase in the cumulative loss rates used to determine the fair value of CDOs would not have a material impact on the Caisse Nationale des Caisses d'Epargne. Sensitivity to a 10% decrease in the excess spread assumption would not have a material impact on the financial statements of the Caisse Nationale des Caisses d'Epargne.

Portfolios of US RMBS, including subprime RMBS

These portfolios consist of US RMBS, whether or not they include a subprime component.

As of June 30, 2009, Natixis' gross and net exposures amounted to €5,995 million and €5,672 million respectively, after the recognition of an impairment loss of €126 million in the first half of 2009. The corresponding amounts for the Caisse Nationale des Caisses d'Epargne are €2,153 million, €2,037 million, and €45 million, respectively.

The valuation model used for non-Agency US RMBSs applied as of June 30, 2009 is based on the level of final losses for each RMBS, based on a formula taking into account cumulative losses at maturity and defaults to date. Unrealised capital losses are estimated by making a projection of final losses on the basis of estimated losses to date, which are in turn based on the delinquency pipeline, the severity of losses in the event of default and losses made depending on the assets and vintages of the various pools.

OTHER EXPOSURES

Portfolios not exposed to subprime risk but for which no prices were able were valued using valuation pricing techniques, consistent with approaches used for previous valuations.

All of these models correspond to Level 3 of the fair value hierarchy, i.e. models primarily using non-observable parameters.

European RMBSs

For this portfolio, Natixis' net exposures amount to €806 million for the UK portfolio and €672 million for the Spanish portfolio, representing a total of €1,478 million (or €531 million for the Caisse Nationale des Caisses d'Epargne).

A model was developed for the valuation of these instruments which consisted in calculating the fair value of instruments using spreads from historical benchmark data in the "Mark-it" database. Benchmarks are defined depending on the type of securitization, the rating and the country, and are associated with spread curves. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by the Risk Management department.

Other structures not exposed to the US housing market, and for which the group makes use of a valuation model

The valuations of the following types of assets, resulting from securitization transactions for which no price could be identified as of Tuesday, June 30, 2009, were performed on the basis of the specific valuation models described below:

- for CDOs of asset-backed securities not exposed to the US housing market, a scoring model for structures assigning a level of risk to each on the basis of selective criteria;
- for securitizations of commercial real estate (Commercial Real Estate, CRE CDOs, and Commercial Mortgage-Backed Securities, CMBS), a stress-testing approach was implemented using a valuation model based on forecast future cash flows as a function of cumulative loss rates per structure. The cumulative loss rates per structure are determined based on those relating to underlying CRE loans set at 10%. Monoline insurance for the structures covered is taken into account by including in the valuation the probability of default of monolines and their rate of loss given default. A minimum price of 3% is used along with coupon flow estimates given the current rating of structures;
- for Trups (Trust Preferred Securities) CDOs, which are shares in securitizations of subordinated debt issued by small or medium-sized American banks, stress-testing was applied using a valuation model based on projected cash flows and total loss rates per structure. Cumulative loss rates were determined using the 84 scenarios for the allocation of defaults applied to this class of assets published by S&P in November 2008;
- for CLOs, a model was used based on detailed knowledge of transaction characteristics and credit risk, taking stress parameters into account;
- for the ABS in the Natixis Asset Management and Natixis Assurances portfolio acquired through the ABS+ investment fund, a valuation model was used, which consisted in computing the prices of the ABS based on the spreads resulting from historical benchmark data in the "Mark-it" database. A trend coefficient was then applied to adjust for liquidity risk. The calibration of this coefficient is validated by Natixis' risk management department.

CMBS

For the CMBS portfolio, Natixis's gross and net exposure amounted to €1,115 million and €760 million respectively as of June 30, 2009, compared with net exposure of €1,087 million as of December 31, 2008, or €401 million and €273 million respectively for the Caisse Nationale des Caisses d'Epargne, compared with €389 million as of December 31, 2008).

This exposure resulted in the recognition of impairment losses amounting to €139 million in the first half of 2009 (i.e. €50 million for the Caisse Nationale des Caisses d'Epargne).

2 *Exposure to monoline insurers*

MONOLINES

Transactions with monoline insurers entered into in the form of CDS were further due to the widening of spreads on the assets they guarantee. These write-downs were determined by applying a uniform 10% rate of recovery to the unrealized capital losses of hedged underlying assets, and the same probability of default as of December 31, 2008, except for CIFG, for which a deterioration was noted in the first half of 2009. This resulted in the recognition of additional write-downs of €536 million (excluding currency impact) for the first half of 2009, bringing the total to €1,720 million as of June 30, 2009. In addition, the total portfolio-related impairment for monoline insurers was increased to €500 million, after the recognition of an additional charge of €200 million.

In the financial statements of the Caisse Nationale des Caisses d'Epargne, these amounts stand at €193 million and €618 million respectively for write-downs, and the portfolio-related impairment at €180 million and €72 million respectively.

CDPC (CREDIT DERIVATIVES PRODUCT COMPANIES)

The method used to calculate provisions covering CDPCs was fine-tuned. The probability of default of individual CDPCs is now assessed by examining portfolios in a transparent manner. Five-year historic probabilities of default on the various underlyings are stressed by a factor of 1.3, on the basis of a rate of recovery of 20%. This gives the counterparty's probability of default, i.e. default anticipated when losses exceed the CDPC's net assets. Writedowns recognized on this basis totaled €192 million as of June 30, 2009, compared with an economic exposure of €1.45 billion. In addition, the total portfolio-related impairment charge for CDPCs was increased by €282 million, bringing the total to €456 million.

In the financial statements of the Caisse Nationale des Caisses d'Epargne, these amounts stand at €69 million for write-downs, and the portfolio-related impairment at €101 million and €164 million respectively.

3 Cost of risk

Cost of risk over the period was €2.2 billion under the combined effect of the increase in global coverage of certain business segments (specifically LBOs and real estate), the increase in defaults on financial institutions and structured financing, the impairment of some significant loans, and the impairment of securities reclassified as of October 1, 2008 as "loans and receivables" (in accordance with the October 13, 2008 amendment to IAS 39 concerning reclassifications).

In the financial statements of the groupe Caisse Nationale des Caisses d'Epargne, this impact was €0.8 billion.

4 Specific impairment losses on certain SIV components

SIVs (structured investment vehicles) are funds that make highly leveraged investments in highly-rated medium- or long-term assets. To refinance themselves, SIVs issue commercial paper or medium- or long-term notes. As their issues are rated by credit rating agencies, SIVs must comply with liquidity ratios and certain thresholds concerning portfolio valuation. If these thresholds are reached or exceeded, the fund must liquidate its assets.

As of December 31, 2008, the overall impairment of SIV units totaled €61 million. The deterioration in the liquidation value of SIV units seen over the half-year led to an additional €5 million impairment charge being recorded against these units, bringing the total to €66 million as of June 30, 2009.

The net amount of SIV units in the group's financial statements is €13 million as of June 30, 2009 (€4 million for the Caisse Nationale des Caisses d'Epargne).

5 Recognition of impairment on interests in syndicated loans held for sale

The liquidity crisis has led to delays in syndication and difficulties in reinvesting on the secondary market the share of syndicated loans initially subscribed for the purpose of short-term resale. Real estate and LBO financing have been the most affected.

Loans whose theoretical syndication dates had lapsed as of June 30, 2009 amounted to €708 million, down €149 million compared with December 31, 2008. Market discounts noted on these loans amounted to €72 million as of June 30, 2009 (€26 million for the Caisse Nationale des Caisses d'Epargne). A net reversal of €25 million was accordingly recognized under NBI in the income statement for the first half-year 2009 (€9 million for the Caisse Nationale des Caisses d'Epargne). This reduction is a result of the combined effect of improved market pricing for some loans and Natixis' decision to increase its final share of others.

6 Exposure to Lehman Brothers

As of June 30, 2009, Natixis' total risk exposure to the Lehman Brothers Group amounted to €464 million (€166 million for the Caisse Nationale des Caisses d'Epargne).

These exposures were subject to write-downs and provisions totaling €294 million as of June 30, 2009, compared to €299 million as of December 31, 2008 (€106 and €107 million for the Caisse Nationale des Caisses d'Epargne).

7 Exposure to Icelandic counterparties

As of June 30, 2009, Natixis' risk exposure to Icelandic banks was made up of loans and derivative positions amounting to €162 million (€58 million for the Caisse Nationale des Caisses d'Epargne), compared with €174 million as of December 31, 2008.

In the first half-year 2009, individual provisions were topped up by €48 million, bringing total impairment to €134 million as of June 30, 2009 (€17 and €48 million respectively for the Caisse Nationale des Caisses d'Epargne).

8 Exposure to the Madoff fraud

Natixis is indirectly exposed to a total risk of incurring a net loss in connection with its fund-linked notes business, net of hedging, in the amount of €475 million. It does hold units in Madoff feeder funds as a hedge of securities subscribed by its customers.

As of June 30, 2009, in regard to recovery assumptions, the decision was made to provision 100% of Madoff-related risk. An additional provision of €100 million was recorded in the first half-year 2009 (with Caisse Nationale des Caisses d'Epargne group share amounting to €36 million).

9 Impact of valuation of the issuer spread on Natixis' issues at fair value

The valuation of the issuer spread on Natixis' issues classified as financial instruments designated at fair value through profit or loss had a €56 million positive impact on the income statement for the half-year ended June 30, 2009 (€20 million for Caisse Nationale des Caisses d'Epargne group). The fair value recognized in relation to this was €720 million as of June 30, 2009 (€259 million for the Caisse Nationale des Caisses d'Epargne). To determine this valuation, the following methodology was used: income from the nominal value of issues was discounted using the net margin representing, for each issue, the difference between the average contractual spread and the replacement spread for a Natixis issue with the same rating.

1.5.2 CNCE

Since the second half-year 2008, proprietary trading activities, specifically medium-long-term portfolios, have been managed on a run-off basis.

These assets include CDOs of US asset-backed securities representing a total exposure of €132 million as of June 30, 2009. In view of cumulative discounts and impairment losses recorded, the net residual exposure of amounted to €8 million as of June 30, 2009.

This portfolio also includes €1.3 billion in notes issued by securitization vehicles:

- a portfolio including Collateralized Loan Obligations (CLO), representing net exposure of €675 million. As of June 30, 2009, cumulative impairment losses amounting to €55 million had been recorded against this portfolio and classified as "loans and receivables";
- net exposure of €280 million on European ABS CDOs. These assets, primarily classified as "loans and receivables", represent a gross sum of €305 million, written down to €25 million;

- a portfolio classified as "financial assets at fair value through profit or loss" bringing together synthetic Corporate CDOs (CSOs). The net exposure of this portfolio as of June 30, 2009 was €6 million after additional losses of €11 million over the half-year, bringing total loss of value to €167 million as of June 30, 2009;
- net exposure of €137 million on the Trups CDOs, classified as "loans and receivables", after accounting for €47 million in total impairment as of June 30, 2009, of which €15 million in the first half of 2009;
- other notes issued by securitization vehicles (primarily LSS, CPDO, and CDO CRE) representing a residual net exposure of €184 million as of June 30, 2009. Gross exposure amounted to €375 million, and total impairment on this portfolio was €190 million as of June 30, 2009.

Lastly, the CNCE holds a portfolio consisting of €506 million in notes issued by securitization vehicles hedged by entering into CDS. Most counterparty risk, which relates to leading European banks, is hedged by margin calls paid to the CNCE.

Since the second half of 2008, most non-liquid assets in the portfolio have been valued on the basis of data generated by valuation models used by Natixis. They are classified as Level 3 in the fair value hierarchy.

1.5.3 Crédit Foncier

As part of its secured lending activity, mostly carried out by Compagnie de Financement Foncier, Crédit Foncier holds a securitization portfolio totaling €21.6 billion. This portfolio comprises assets falling within the scope of the 1999 law creating *sociétés de crédit foncier* (SCF, mortgage lenders regulated as banks) that are intended to be held to maturity.

This diversified, gilt-edged portfolio does not comprise risky instruments as per the criteria contained in the recommendations of the Financial Stability Forum. Within the portfolio, assets totaling approximately €2,352 million are nevertheless kept under close surveillance and are used to calculate write-downs on a portfolio basis. Assets under surveillance include three German RMBS, four Spanish RMBS, one Dutch RMBS, and one pan-European CMBS, and more than 80% of them nevertheless benefit from a step-one rating (≥AA-).

Crédit Foncier's securitized loans considered "at risk" totaled roughly €100 million as of June 30, 2009 and are included in the calculation of writedowns on a portfolio basis. These amounts were unchanged compared with December 31, 2008.

The change in the issuer spread on Compagnie de Financement Foncier's issues designated as financial liabilities at fair value through profit or loss had a €37 million positive impact on the income statement in the first half of 2009.

Note 2 Principles and methods used to draw up the interim consolidated financial statements

2.1 PRESENTATION OF THE FINANCIAL STATEMENTS AND BALANCE SHEET DATE

Interim consolidated financial statements

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation n° 2009 R 04 issued by the *Conseil national de la comptabilité* (CNC, the French national accounting board) on July 2, 2009.

Interim balance sheet date

The consolidated financial statements are based on the separate financial statements of the companies included in the scope of consolidation of the Caisse Nationale des Caisses d'Epargne as of Tuesday, June 30, 2009. The Group's consolidated financial statements were approved on August 26, 2009 by the Board of Directors of Caisse d'Epargne Participations (the new company name of the Caisse Nationale des Caisses d'Epargne following the transactions of July 31, 2009).

2.2 INFORMATION ON ACCOUNTING POLICIES

In accordance with EC Regulation n° 1606/2002 of July 19, 2002 on the application of international accounting standards, the Caisse Nationale des Caisses d'Epargne group prepared its 2008 consolidated financial statements for the first half of 2009 under International Financial Reporting Standards (IFRS) as adopted for use by the European Union and applicable as of that date, thereby excluding certain provisions of IAS 39 relating to hedge accounting[1].

The condensed financial statements for the half-year ended June 30, 2009 was prepared in accordance with IAS 34, "Interim financial reporting". Accordingly, the notes included bear on the most material items over the half-year and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2008.

Standards and interpretations used and described in the annual financial statements for the year ended December 31, 2008 now also include the standards, amendments and interpretations that became mandatory for periods opened as of January 1, 2009, and more specifically IAS 1 as amended "Presentation of financial statements" (see paragraph 2.1) and IFRS 8 "Operating segments" (see note 3).

The other standards, amendments, and interpretations endorsed by the European Union that became mandatory in 2009 did not have a material impact on the Group's financial statements.

Lastly, the Group does not anticipate the application of standards, amendments, and interpretations endorsed by the European Union if it is optional, except when otherwise stated.

2.3 USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements requires management to make estimates and assumptions bearing on future events.

These estimates are based on the information available as of the balance-sheet date, and call on the judgment of the individuals preparing the financial statements.

Actual future results may differ from these estimates.

Specifically, with respect to the financial statements for the year ended June 30, 2009, the accounting estimates involving assumptions were used mainly in the following areas:

- goodwill impairment testing;
- credit risk valuations, including in particular the determination of impairment on an individual basis and of impairment calculated on a portfolio basis;
- the valuation of financial instruments on the basis of models;
- provisions on regulated home savings products;
- calculations related to the cost of pensions and future employee benefits.

(1) *These standards can be consulted on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.*

Note 3 Segment information

RESULTS BY DIVISION

in millions of euros	Commercial Banking		Insurance		Real Estate Services		Wholesale Banking and Financial Services[1]		Other Activities		CNCE	
	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08
Net banking income	827	931	49	51	388	505	242	545	1,523	(78)	3,029	1,954
Operating expenses	(596)	(627)	(39)	(35)	(336)	(390)	(807)	(877)	(171)	(144)	(1,949)	(2,073)
GROSS OPERATING INCOME	**231**	**304**	**10**	**16**	**52**	**115**	**(565)**	**(332)**	**1,352**	**(222)**	**1,080**	**(119)**
Cost of risk	(167)	(64)				0	(795)	(131)	(73)	(18)	(1,035)	(213)
INCOME BEFORE TAX	**126**	**292**	**86**	**102**	**53**	**119**	**(1,308)**	**(394)**	**730**	**(140)**	**(313)**	**(22)**
NET INCOME ATTRIBUTABLE TO THE GROUP	**87**	**179**	**83**	**94**	**5**	**32**	**(1,1001)**	**(334)**	**875**	**(62)**	**49**	**(92)**

(1) *Share of Natixis: 35.13% in H1-08 and 35.92% in H1-09.*

RESULTS OF THE SUB-DIVISIONS OF THE COMMERCIAL BANKING DIVISION

in millions of euros	Caisses d'Epargne		CFF[1]		Other networks		Commercial Banking	
	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08
Net banking income			472	557	355	374	827	931
Operating expenses			(283)	(293)	(313)	(334)	(596)	(627)
GROSS OPERATING INCOME			**189**	**264**	**42**	**40**	**231**	**304**
Cost of risk			(39)	(48)	(128)	(16)	(167)	(64)
INCOME BEFORE TAX	**53**	**44**	**150**	**215**	**(77)**	**33**	**126**	**292**
NET INCOME ATTRIBUTABLE TO THE GROUP	**53**	**44**	**102**	**120**	**(68)**	**15**	**87**	**179**

(1) *CFF = Crédit Foncier*

RESULTS OF THE SUB-DIVISIONS OF THE CAPITAL MARKETS AND FINANCIAL SERVICES DIVISION

in millions of euros	CIB		Asset Management and PEPB		Retail Banking and Services		Receivables Management		Corporate Centre		Wholesale Banking and Financial Services	
	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08	H1-09	H1-08
Net banking income	(181)	(148)	218	306	208	277	65	166	(68)	(56)	242	545
Operating expenses	(315)	(368)	(192)	(206)	(142)	(172)	(131)	(122)	(27)	(9)	(807)	(877)
GROSS OPERATING INCOME	**(496)**	**(516)**	**26**	**100**	**66**	**105**	**(66)**	**44**	**(95)**	**(65)**	**(565)**	**(332)**
Cost of risk	(782)	(102)	(1)		(7)	(2)	(6)	(3)	1	(24)	(795)	(131)
INCOME BEFORE TAX	**(1,273)**	**(618)**	**27**	**103**	**97**	**166**	**(64)**	**43**	**(95)**	**(88)**	**(1,308)**	**(394)**
NET INCOME ATTRIBUTABLE TO THE GROUP	**(962)**	**(507)**	**9**	**62**	**58**	**125**	**(42)**	**30**	**(64)**	**(44)**	**(1,001)**	**(334)**

Note 4 Notes to the consolidated balance sheet

4.1 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

4.1.1 Financial assets at fair value through profit or loss

	06/30/2009			12/31/2008		
in millions of euros	Transaction	Option	Total	Transaction	Option	Total
Treasury bills and similar securities	8,856	271	9,127	6,740	258	6,998
Bonds and other fixed-income securities	7,342	1,790	9,132	8,215	4,908	13,123
Fixed-income securities	**16,198**	**2,061**	**18,259**	**14,955**	**5,166**	**20,121**
Equity and other variable-income securities	**5,655**	**3,829**	**9,484**	**6,494**	**4,346**	**10,840**
Loans to banks	378	755	1,133	397	819	1,216
Loans to customers	483	3,134	3,617	725	2,886	3,611
Loans	**861**	**3,889**	**4,750**	**1,122**	**3,705**	**4,827**
Repurchase agreements	**0**	**4,261**	**4,261**	**0**	**3,847**	**3,847**
Trading derivatives	**47,143**		**47,143**	**66,275**		**66,275**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**69,857**	**14,040**	**83,897**	**88,846**	**17,064**	**105,910**

Loans to customers valued using the fair-value option are primarily structured loans to local authorities.

4.1.2 Financial liabilities at fair value through profit or loss

in millions of euros	06/30/2009	12/31/2008
Repurchase agreements	8,125	8,551
Other financial liabilities	1,132	780
Total financial liabilities held for trading	**9,257**	**9,331**
Trading derivatives	**46,197**	**65,200**
Term accounts and interbank borrowing	3,809	4,375
Term accounts and customer borrowing	846	1,082
Debt securities	25,359	23,123
Subordinated debt	20	24
Repurchase agreements	2,497	2,242
Other financial liabilities	11	9
Financial liabilities at fair value through profit or loss[1]	**32,542**	**30,855**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**87,996**	**105,386**

(1) Designated at fair value through profit or loss.

The valuation of the issuer spread relates to Natixis and Crédit Foncier, and had a positive impact of €57 million on the Group's net banking income in the first half of 2009.

4.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

in millions of euros	06/30/2009	12/31/2008
Treasury bills and similar securities	247	180
Bonds and other fixed-income securities	18,108	19,140
Fixed-income securities	**18,355**	**19,320**
Equity and other variable-income securities	**4,987**	**4,676**
Loans	**92**	**111**
Non-performing loans and receivables	**192**	**158**
AVAILABLE-FOR-SALE FINANCIAL ASSETS, GROSS	**23,626**	**24,265**
Impairment of non-performing receivables	(123)	(125)
Permanent impairment of equities and other variable-income securities	(720)	(532)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**22,783**	**23,608**

Gains and losses on available-for-sale financial assets (before tax) recognized directly as equity came to -€567 million as of June 30, 2009 (-€938 million as of December 31, 2008).

4.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The breakdown of financial instruments by the nature of their market price or valuation models is given in the table below:

in millions of euros	Listing on an active market	Valuation technique using observable data	Valuation technique using non-observable data	Fair value 06/30/2009
Assets				
Financial assets at fair value through profit or loss – trading	13,902	54,070	1,885	69,857
Financial assets at fair value through profit or loss – fair value option	2,169	7,698	4,173	14,040
Available-for-sale financial assets	13,967	6,752	2,064	22,783
Liabilities				
Financial liabilities at fair value through profit or loss – trading	154	54,010	1,290	55,454
Financial liabilities at fair value through profit or loss – fair value option	0	28,928	3,614	32,542

Fair value determined on the basis of quoted prices is the fair value obtained on the valuation date, in direct reference to prices quoted on an active market to which the entity has access.

When fair value is determined on the basis of a valuation technique, its amount is determined using non-observable parameters.

Observability measures relate to the valuation models used by the Group and the parameters used in such models.

As of December 31, 2008, this breakdown was as follows:

in millions of euros	Listing on an active market	Valuation technique using observable data	Valuation technique using non-observable data	Fair value 12/31/2008
Assets				
Financial assets at fair value through profit or loss – trading	20,258	67,442	1,146	88,846
Financial assets at fair value through profit or loss – fair value option	10,256	2,659	4,149	17,064
Available-for-sale financial assets	13,800	8,688	1,120	23,608
Liabilities				
Financial liabilities at fair value through profit or loss – trading	9,286	64,484	761	74,531
Financial liabilities at fair value through profit or loss – fair value option	11	26,660	4,184	30,855

4.4 LOANS AND RECEIVABLES

4.4.1 Loans and receivables due from banks

in millions of euros	06/30/2009	12/31/2008
Performing loans	141,129	120,035
Portfolio-assessed impairment	(14)	(16)
Net performing loans	**141,115**	**120,019**
Non-performing loans	223	255
Individually-assessed impairment	(194)	(170)
Net non-performing loans	**29**	**85**
TOTAL LOANS AND RECEIVABLES FROM BANKS	**141,144**	**120,104**

4.4.2 Loans and receivables due from customers

in millions of euros	06/30/2009	12/31/2008
Performing loans	161,455	165,765
Portfolio-assessed impairment	(1,081)	(655)
Net performing loans	**160,374**	**165,110**
Non-performing loans	4,208	2,816
Individually-assessed impairment	(1,508)	(1,338)
Net non-performing loans	**2,700**	**1,478**
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**163,074**	**166,588**

Performing loans and receivables due from customers break down as follows:

in millions of euros	06/30/2009	12/31/2008
Overdrawn current accounts	**3,036**	**3,992**
Loans to financial institutions	1,719	2,446
Short-term credit facilities	16,556	19,498
Equipment loans	21,425	20,877
Home loans	56,599	55,180
Export credit	900	787
Other	10,377	10,530
Repurchase agreements	5,525	4,466
Subordinated loans	40	38
Other customer loans	**113,141**	**113,822**
Securities classified as loans and receivables	36,981	39,378
Other customer loans and receivables	8,297	8,573
TOTAL PERFORMING LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**161,455**	**165,765**

4.5 AMOUNTS DUE TO CUSTOMERS

in millions of euros	06/30/2009	12/31/2008
Overdrawn current accounts	**6,015**	**9,070**
Demand deposits	1,189	4,365
Term deposits	6,741	6,317
Accrued interest	57	41
Other demand and term accounts	**7,987**	**10,723**
Special term savings accounts	**2,185**	**1,907**
Demand deposits	2,261	1,556
Term deposits	8,095	7,228
Related debts	22	30
Repurchase agreements	**10,378**	**8,814**
Other amounts due to customers	**787**	**788**
TOTAL AMOUNTS DUE TO CUSTOMERS	**27,352**	**31,302**

4.6 RECLASSIFICATIONS OF FINANCIAL ASSETS

In the second half of 2008, the Group reclassified non-derivative financial assets from the "financial assets held for trading" and "available-for-sale financial assets" categories, in application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets".

Intended portfolio *in millions of euros*	Fair value		Net book value	
	06/30/2009	12/31/2008	06/30/2009	12/31/2008
Available-for-sale financial assets	337	410	337	410
Loans and receivables	15,913	17,864	16,989	18,826
TOTAL	**16,249**	**18,274**	**17,326**	**19,236**

In the first half of 2009, the Caisse Nationale des Caisses d'Epargne recognized a cost of risk charge of €125 million on the reclassified assets. The table below provides the gains or losses that would have been recognized had these financial assets not been reclassified:

in millions of euros	First half-year 2009
Change in fair value that would have been recognised in net income if the assets had not been reclassified	(57)
Change in fair value that would have been recorded as gains and losses recognised directly in equity had the assets not been reclassified	(238)

4.7 CHANGES IN THE VALUE OF GOODWILL

in millions of euros	12/31/2008	Disposal	Conversion	Loss in value	Other variations	06/30/2009
Commercial Banking	400			(169)	5	236
Real Estate Services	1,300			(432)	1	869
Wholesale Banking and Financial Services	1,129	(144)	3		8	996
TOTAL	**2,829**	**(144)**	**3**	**(601)**	**14**	**2,101**

The main changes in goodwill relate to the sale of CACEIS by Natixis (-€144 million) and impairment (-€601 million). Impairment was determined on the basis of an analysis of the situation and outlook for the Commercial Banking (-€169 million) and Real Estate Services (-€432 million) divisions.

4.8 PROVISIONS

Provisions were primarily for signature commitments and litigation.

in millions of euros	12/31/2008	Provisions	Reversals	Drawdowns	Other movements(1)	06/30/2009
Corporate commitments	**194**	**12**		**(3)**	**(4)**	**199**
Home savings	10	0		(1)	0	9
Off-balance sheet commitments	321	120	(41)	(1)	(16)	383
Real estate valuation	110	4	(8)	0	(46)	60
Restructuring	122	1	(5)	(5)	4	117
Litigation	188	79	(39)	(5)	46	269
Other	274	106	(105)	(12)	0	263
Other provisions	**1,025**	**310**	**(198)**	**(24)**	**(12)**	**1,101**
TOTAL PROVISIONS	**1,219**	**322**	**(198)**	**(27)**	**(16)**	**1,300**

(1) Including changes in the scope of consolidation and exchange rates.

4.9 DEBT SECURITIES

in millions of euros	06/30/2009	12/31/2008
Interbank and money market securities and certificates of deposit	43,809	38,651
Bonds	106,808	116,767
Other debt securities	54	135
Accrued interest	1,831	2,661
TOTAL DEBT SECURITIES	**152,502**	**158,214**

4.10 SUBORDINATED DEBT

in millions of euros	06/30/2009	12/31/2008
Dated subordinated debt	8,785	7,678
Undated subordinated debt	46	45
Undated deeply subordinated debt	1,464	6,052
Preference shares	161	161
TOTAL	**10,456**	**13,936**
Accrued interest	250	237
Revaluation of the hedged portion	113	269
TOTAL SUBORDINATED DEBT	**10,819**	**14,442**

Change in subordinated debt over the period:

in millions of euros	12/31/2008	Issue	Reclassification[1]	Other movements	06/30/2009
Dated subordinated debt	7,678	1,136		(29)	8,785
Undated subordinated debt	45			1	46
Undated deeply subordinated debt	6,052	1,359	(5,948)	1	1,464
Preference shares	161				161
TOTAL SUBORDINATED DEBT	**13,936**	**2,495**	**(5,948)**	**(27)**	**10,456**

(1) The reclassification of €5.9 billion is discussed in note 1.3.2.

4.11 INVESTMENTS IN ASSOCIATES

in millions of euros	06/30/2009	12/31/2008
Banques Populaires	1,742	1,722
Caisses d'Epargne	1,633	1,540
CNP Assurances (group)	1,327	1,276
Crédit Immobilier Hotelier	166	167
Maisons France Confort PI	95	94
SOGIMA	25	26
GCE Maroc Immobilier	22	21
Investments in the Nexity group	20	20
Other	108	131
TOTAL INVESTMENTS IN ASSOCIATES	**5,138**	**4,997**

Note 5 Notes to the consolidated income statement

5.1 INTEREST AND SIMILAR INCOME AND EXPENSE

	H1-09			H1-08		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Customer transactions	3,052	(166)	2,886	3,409	(482)	2,927
Interbank transactions	2,084	(1,899)	185	3,250	(2,444)	806
Finance leases	159		159	188		188
Debt securities and subordinated debt		(2,957)	(2,957)		(3,728)	(3,728)
Hedging derivatives	3,359	(3,117)	242	4,371	(4,313)	58
Available-for-sale financial assets	378		378	759		759
Held-to-maturity financial assets	65		65	25		25
Impaired financial assets	8		8	2		2
Other interest income and expense	1,492	(11)	1,481	7	(56)	(49)
OTHER INTEREST INCOME AND SIMILAR EXPENSE	**10,597**	**(8,150)**	**2,447**	**12,011**	**(11,023)**	**988**

The impact of fair value adjustment to the undated deeply subordinated notes issued by the CNCE totaled 1,485 million and is recognized on the "other interest income" line.

5.2 FEES AND COMMISSIONS

	H1-09			H1-08		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Interbank transactions	8	(11)	(3)	7	(9)	(2)
Customer transactions	159	(12)	147	206	(8)	198
Financial services	110	(97)	13	103	(46)	57
Sales of life insurance products	54	0	54	57	0	57
Payment processing services	65	(30)	35	80	(22)	58
Securities transactions	47	(148)	(101)	73	(32)	41
Trust management services	330	0	330	397	0	397
Financial instruments and off-balance-sheet trading	39	(21)	18	31	(14)	17
Other commissions	82	(64)	18	34	(137)	(103)
TOTAL COMMISSIONS AND FEES	**894**	**(383)**	**511**	**988**	**(268)**	**720**

To ensure that data are comparable, the presentation of items recorded in the first half of 2008 has been changed.

5.3 NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

in millions of euros	H1-09	H1-08
Financial instruments held for trading	(369)	(1,022)
Financial instruments at fair value through profit or loss(1)	(109)	467
Hedging transactions	49	12
Foreign exchange transactions	333	(240)
TOTAL NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**(96)**	**(783)**

(1) Designated at fair value through profit or loss.

5.4 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

in millions of euros	H1-09	H1-08
Gains or losses on disposals	(73)	147
Dividends received	95	102
Permanent impairment losses on variable-income securities	(209)	(79)
NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(187)**	**170**

5.5 INCOME AND EXPENSE ON OTHER ACTIVITIES

	H1-09			H1-08		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Income and expense on insurance business	1,125	(1,147)	(22)	1,146	(915)	231
Income and expense on property transactions	1,326	(995)	331	1,335	(892)	443
Income and expense on investment property	13	(14)	(1)	61	(13)	48
Income and expense on leasing transactions	41	(45)	(4)	40	(23)	17
Income and expense on banking operations	222	(172)	50	283	(163)	120
TOTAL INCOME AND EXPENSE ON OTHER BUSINESSES	**2,727**	**(2,373)**	**354**	**2,865**	**(2,006)**	**859**

The line item "Income and expense on insurance business" includes only technical insurance items. It does not include the financial items entered in the other headings for net banking income.

5.6 OPERATING EXPENSES

in millions of euros	H109	H108
Personnel costs	**(1,124)**	**(1,199)**
Taxes other than on income	(77)	(76)
External services	(624)	(697)
Other administrative costs	**(701)**	**(773)**
TOTAL OPERATING EXPENSES	**(1,825)**	**(1,972)**

5.7 CREDIT RISK

5.7.1 Cost of risk

in millions of euros	Net additions	Losses on irrecoverable loans and receivables	Recoveries of loans and receivables previously written off	H1-09	H1-08
Interbank transactions	(25)			(25)	(2)
Customer transactions	(652)	(275)	5	(922)	(190)
Other financial assets	3	(13)		(10)	(27)
Off-balance sheet commitments	(78)			(78)	6
Cost of risk	**(752)**	**(288)**	**5**	**(1,035)**	**(213)**

5.7.2 Impairment and provisions for credit risk

in millions of euros	12/31/2008	Additions	Reversals	Other movements	06/30/2009
Interbank items	**186**	**60**	**(35)**	**(3)**	**208**
Customer items	**1,993**	**1,189**	**(537)**	**(56)**	**2,589**
- individual impairment	1,338	622	(398)	(54)	1,508
- portfolio impairment	655	567	(139)	(2)	1,081
Available-for-sale financial assets	**125**	**7**	**(11)**	**2**	**123**
Other assets	**27**	**2**	**(1)**	**0**	**28**
IMPAIRMENT OF FINANCIAL ASSETS	**2,331**	**1,258**	**(584)**	**(57)**	**2,948**
Provisions on off-balance-sheet commitments	**321**	**120**	**(42)**	**(16)**	**383**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**2,652**	**1,378**	**(626)**	**(73)**	**3,331**

5.8 SHARE IN NET INCOME/(LOSS) OF ASSOCIATES

in millions of euros	First half-year 2009	First half-year 2008
Banques Populaires	47	59
Caisses d'Epargne	53	44
CNP Assurances (group)	76	86
Crédit Immobilier Hôtelier	6	6
Other	8	13
TOTAL SHARE OF THE NET INCOME OF ASSOCIATES	**190**	**208**

5.9 CHANGES IN THE VALUE OF GOODWILL

The main changes in goodwill stemmed from analysis of the situation and outlook for the Commercial Banking (-€169 million) and Real Estate Services (-€432 million) divisions.

5.10 INCOME TAX

in millions of euros	First half-year 2009	First half-year 2008
Net income attributable to the Group	49	(92)
Impairment of goodwill	(601)	1
Minority interests	(11)	70
Share in net income/(loss) of associates	190	208
Taxes	351	0
Net income before tax and impairment of goodwill (A)	**98**	**(230)**
Standard income tax rate in France (B)	**34.43%**	**34.43%**
Theoretical tax expense/(credit) at the applicable income tax rate in France (AxB)	**34**	**(79)**
Impact of the change in unrecognised deferred taxes(1)	241	114
Impact from the restructuring of deeply subordinated notes issued by the CNCE	(511)	
Impact of permanent differences	(13)	4
Impact of items not taxed or taxed at reduced tax rates	(23)	(26)
Impact of tax rates applicable to foreign entities	3	0
Taxes on prior periods, tax credits and other taxes	(68)	(13)
Other items	(14)	
Income tax	**(351)**	**0**
Effective tax rate (recognised income tax divided by taxable income)	**not meaningful**	**0%**

(1) This item includes the recognition of deferred tax assets, in particular those related to Natixis, totalling €216 million as of June 30, 2009.

Note 6 Scope of consolidation

The main changes to the scope of consolidation were the CNCE's acquisition from Nexity of its stake in Crédit Foncier and Natixis's sale of CACEIS to Crédit Agricole SA.

In January 2009, the CNCE purchased Nexity's 23% stake in Crédit Foncier for €540 million. This transaction left the Group holding 100% of Crédit Foncier's share capital, compared with 86% as of December 31, 2008. As this was a reclassification of securities between entities included in the scope of consolidation, the transaction did not have a material impact on the Group's consolidated financial statements.

In the second half of 2009, Natixis sold a 35% equity interest in CACEIS to Crédit Agricole SA for €595 million.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

Period from January 1, 2009 to June 30, 2009

To the shareholders

CE Participations
5, rue Masseran
75007 Paris

Dear shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a review of the accompanying condensed interim consolidated financial statements of groupe Caisse Nationale des Caisses d'Epargne, for the six months ended June 30, 2009;
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors of CE Participations against the backdrop, as described in note 1.5 of the appendices, of an economic and financial crisis characterized by a very high measure of volatility on those financial markets that remained active, a reduction in the number of transactions on those markets that became inactive, and the lack of visibility over the future that was already prevailing at the close of the 2008 fiscal year. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and La Défense, August 27, 2009

The statutory auditors

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine
Anik Chaumartin   Jean-Baptiste Deschryver

Mazars
61, rue Henri Regnault
92075 La Défense Cedex
Michel Barbet-Massin   Charles de Boisriou

4.2.5 Person responsible for the interim financial report

To the best of my knowledge, I certify that the consolidated financial statements of Groupe Caisse d'Epargne and the condensed consolidated statements of groupe Caisse Nationale des Caisses d'Epargne for the half year ended June 30, 2009, have been prepared in conformity with applicable accounting standards and provide a true and fair view of their respective assets, financial position and profit or loss, as well as those of all the companies included in their scope of consolidation, and the interim report on the activities of the material events over the first six months of the fiscal year and their impact on the interim financial statements as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 28, 2009

François Pérol

Chief Executive Officer of CE Participations

Chairman of BPCE's Management Board

4.3 Pro forma data of the Groupe BPCE

4.3.1 Management report for the first half of 2009

At its meeting on August 25, 2009, BPCE's Supervisory Board reviewed the results of Groupe BPCE for the first half of 2009. These results are set out on a pro forma basis giving the situation as of June 30, 2008 and June 30, 2009, as if Groupe Banque Populaire and Groupe Caisse d'Epargne had already been combined at the beginning of the period under review.

Groupe BPCE was officially established on July 31, 2009.

The 2009 interim financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne are available on the BPCE website, *www.bpce.fr,* in the Regulated Information sub-section on the Investor Relations page. The two reports are included in this registration document, from page 92 to 234 for Groupe Banque Populaire and from page 235 to 342 for Groupe Caisse d'Epargne.

ESTABLISHMENT OF GROUPE BPCE AROUND THREE MAIN BUSINESSES: RETAIL BANKING; CORPORATE BANKING, ASSET MANAGEMENT AND FINANCIAL SERVICES; AND REAL ESTATE

The new group is built around three businesses:

Retail banking, with two cooperative networks, the Banques Populaires and the Caisses d'Epargne, as well as a range of complementary brands including Crédit Maritime Mutuel, Société Marseillaise de Crédit, the Océor network and Banque Palatine.

Strategic partnerships in insurance, in particular with CNP Assurances, round out BPCE's retail banking offering.

Its networks and its long-standing local presence have made Groupe BPCE a front-ranking banking group among retail customers, self-employed professionals, SMEs and local authorities.

Against the backdrop of an economic and financial crisis, the two networks have demonstrated a strong commitment to funding the economy, thereby respecting their pledge to the French government in October 2008. Groupe BPCE recorded a 5% increase in its loan book in the half-year ended June 30, 2009, 1 point above the average growth of 4% for the banks that signed the agreement with the government in October 2008.

Aggregate deposits in *Livret A* savings accounts across all networks remained stable, the decline in volumes for the Caisses d'Epargne being offset by inflows into accounts opened with the Banques Populaires and other retail banks belonging to Groupe BPCE.

The Banque Populaire network

The Banque Populaire network includes 20 Banques Populaires, Crédit Maritime Mutuel and the Mutual Guarantee Companies.

Despite a challenging economic environment and heightened competition between banks, net banking income showed a good measure of resilience in the first half of 2009, on the back of strong sales trends. Pro forma net banking income increased by 5.4%, from €2.72 billion to €2.86 billion. In organic terms, growth worked out at 1%.

This performance is attributable to the 1% increase in service fees stemming from the recovery in loan origination in the second quarter. By contrast, financial commissions fell by 5%, pushed down by a 12% drop in commissions on securities and UCITS.

Operating expenses were up 4.7% on a pro forma basis due to the consolidation of the seven regional banks acquired from HSBC France in July 2008. On an organic basis, expenses were kept on a tight rein, increasing by just 0.3%.

The organic cost/income[1] ratio worked out at 64.5% in the first half of 2009, compared with 63.5% for the same period in 2008.

Given the size of the Banques Populaires' market share among SMEs and self-employed professionals, the crisis took the cost of risk up to 49 basis points in the first half of 2009, compared with 34 basis points at end-2008. Net income was €381 million, down 16% compared with the same period in 2008.

Customer savings

Customer savings advanced by 9% to €173 billion. In organic terms, the increase worked out at 5%.

A total of 800,000 *Livret A* savings accounts have been opened in the Banques Populaires network since January 1, 2009, when their distribution was deregulated, with deposits topping €2.8 billion. However, cuts to regulated interest rates on February 1, 2009 prompted savers to turn to safe products offering a higher return, but with a longer investment horizon. Inflows into life insurance products were accordingly up 7% in the first half. Demand deposits were also up year-on-year, with an increase of 6.5%.

Loan outstandings

Loan outstandings increased by 7% to €138 billion over the period. In organic terms, overall outstandings were up 4%. This performance shows that the Banques Populaires network delivered on its October 2008 pledge to the French government regarding the funding of the economy.

In the real estate market, loan volumes increased by 7% (5% on an organic basis), driven by a recovery in loan requests in the second quarter of 2009.

While the economic and financial crisis continued in the first half of 2009, the Banques Populaires network remained faithful to its mission of assisting entrepreneurs, SMEs and self-employed professionals. Volumes of loans to self-employed professionals and businesses rose by 4% on an organic basis to €64.2 billion.

A key partner of the main networks assisting entrepreneurs and the leading distributor of business start-up loans, with market share of 28%, the Banque Populaire network continued its support for micro-loans to self-employed professionals. Crédit Coopératif opened €2.5 million in lines of credit to ADIE (*Association pour le droit à l'initiative économique*, a leading provider of micro-loans in France) to finance the numerous new businesses it assists.

(1) Aggregated data.

This amount is set to rise to €3.5 million in the second half of 2009 due to the expansion of this business and growth in personal micro-loans.

The Caisse d'Epargne network

The Caisses d'Epargne network covers 17 individual Caisses d'Epargne.

In an environment characterized by the economic crisis and the deregulation of the distribution of *Livret A* savings accounts, the Caisses d'Epargne showed impressive resilience. Driven by strong sales and a significant reduction in refinancing costs, NBI was up 14% at €2.88 billion. The Caisses d'Epargne network also benefited from a significant reduction in the weight of the financial portfolios that hurt NBI in the first half 2008.

The improvement in net banking income reflects an increase in interest margins in a more favorable interest-rate environment and stable fee and commission income.

Operating expenses were kept under control, increasing by only 1% to €2.21 billion.

The cost/income ratio narrowed to 71.7% in the first half of 2009, compared with 74.4% in the same period in 2008.

The crisis took the cost of risk up to 22 basis points in the first half of 2009, compared with 14 basis points at end-2008.

Net income doubled, reaching €341 million.

Customer savings

The cut in interest rates on regulated savings (the rate paid on the *Livret A* was cut to 2.5% on February 1, 2009, then to 1.75% on May 1, 2009) and the deregulation of the distribution of the *Livret A* savings account had a negative impact on the network's inflows, which was offset by dynamic marketing policies. In the first half of 2009, customer savings across the network increased by 4% compared with the same period in 2008, coming to €325 billion.

Outflows on *Livret A* savings accounts totaled roughly €3 billion, a drop of 4% compared with January 1. This relatively muted decline was partially offset by inflows totaling €3.08 billion on non-*Livret A* products on the back of a strong performance in life insurance and cooperative shares (€1.4 billion).

Sales of new interest-bearing service packages (164,000 packages) confirmed the increasing value of services sold to customers. The "Forfait Intégral" package accounted for 40% of sales over the half-year, up from just 25% in the same period in 2008.

Loan outstandings

With a 5% year-on-year increase in outstanding loans to €130 billion, the Caisses d'Epargne network fulfilled its commitment to the French government to fund the economy.

Despite a big slide in the consumer finance market, the Caisses d'Epargne continued to win market share, with commitments advancing by 3% to nearly €3 billion. The Caisses d'Epargne network now ranks as France's second-biggest distributor of consumer loans (excluding specialized institutions), with market share of 7.3%.

After a lackluster first quarter, home lending origination picked up in the second quarter. Volumes edged up to €77 billion.

The conquest continued in the business market, with more than 1,000 new accounts opened, a 23% increase compared with the first half of 2008. Despite a challenging business environment, new investment loans held steady compared with the same period in 2008, at €555 million.

Thanks to nationwide allowances set up in November 2008, the origination of medium- and long-term loans to local authorities remained stable at €2.7 billion in the first half of 2009, putting the Caisses d'Epargne's market share above 35%. Note that 96% of new loan commitments to local authorities were classic as opposed to structured loans.

The Caisses d'Epargne are the biggest privately owned bank in the social housing market, and Crédit Foncier obtained €2.2 billion in auctions of subsidized loans (PLS/PSLA), using the first €125 million tranche of the European Investment Bank's France Social Housing initiative. These amounts helped increase the financing of social housing programs in the first half of 2009.

Corporate Banking, Asset Management and Specialized Financial Services, with Natixis and its subsidiaries. Following a request from its reference shareholders in May, Natixis conducted a strategic business review.

This review has prompted a refocus on Natixis' three core businesses:

- Corporate and Investment Banking;
- Savings, including asset management, private banking and life insurance;
- Specialized Financial Services.

Natixis' strategic repositioning will give it the means to continue its expansion by building on its know-how and capitalizing on the growth potential offered by the Banque Populaire and Caisse d'Epargne networks. It will facilitate cross-selling, with the merging of skill platforms and the streamlining of a number of support functions, including risk management.

Corporate Banking, Asset Management and Financial Services contributed €2.6 billion and €280 million to Groupe BPCE's net banking income (NBI) and gross operating income respectively.

NBI, which was down 23%, continued to bear the marks of the crisis, despite the strong performance turned in by the continuing operations.

Natixis recorded a significant reduction in its operating expenses, stemming in large part from cuts to the CIB workforce, lower variable compensation and reduced restructuring charges.

The cost of risk was up sharply, due to a substantial increase in provisioning, out of caution, in the real estate and LBO financing businesses.

Natixis has posted its 2009 interim financial statements on the *www. natixis. com* website in the Annual Reports sub-section on the Shareholders and Investors page.

Real estate, with three key brands, all leaders in their respective fields: Crédit Foncier, FONCIA and Nexity; as well as other businesses including GCE Habitat, Maisons France Confort and Meilleurtaux. BPCE has positioned itself as the leading banking group in real estate, with presence in all related businesses: financing, development, building and services.

The constitution of a Real Estate division within the group will highlight BPCE's commitment to the sector and make it more cohesive. It will also facilitate the development and extraction of synergies with the banking businesses.

The Real Estate division's NBI totaled €1.12 billion in the first half of 2009. In a challenging environment marked by slow demand, the fact that this represents a decline of only 15% provides an illustration of the robustness of the division's various models.

Operating expenses were satisfactorily contained, falling by 4% to €880 million.

Gross operating income totaled €246 million, down 38% compared with the same period in 2008.

Net income was down 20% at €132 million.

Crédit Foncier

In a contracting market, Crédit Foncier's NBI was down 15% at €472 million. Operating expenses were contained, falling by 3% to €284 million. Gross operating income was €188 million, compared with €262 million for the same period in 2008. Despite a €10 million improvement in the cost of risk (-€39 million), net income fell by 27% to €102 million.

Crédit Foncier's overall loan origination amounted to €6 billion in the first half of 2009, down 35% compared with the same period in 2008. With new loans of €3.6 billion, business remained very brisk in the retail market, despite a fall in sales of existing and new homes. Crédit Foncier continued to win market share in subsidized first-home ownership.

Crédit Foncier's new loans in the business market were down, against the backdrop of a continuing crisis in the capital markets. At €2.3 billion, they accounted for nearly 40% of total business in the first half.

Real estate services: FONCIA and Nexity

FONCIA

France's leader in residential real estate transactions and management services saw its revenues advance by 3% to €268 million. This performance reflects the robustness of FONCIA's business model, which is based chiefly on recurrent rental management and residential building management services.

The rental management portfolio grew by 11% over the period, with 241,000 units under rental management. The number of residential buildings managed was up 7% year-on-year at 1 million.

By contrast, the unfavorable environment affected the number of transactions, with pre-sale contracts down 10%.

Gross operating income was up 20% at €28 million.

Thanks to reduced financing costs, net income was up 32% at €14 million.

Nexity

In a particularly troubled environment for private property developers in the second half of 2008, Nexity, leader in the French property development market, managed to hold its revenues steady at €1.3 billion in the first half of 2009.

Over the period, Nexity benefited, as early as February, from the positive impact of lower interest rates on home loans and stimulus provided by the French government (doubling of interest-free loans to first-home buyers and the new Scellier-Carrez tax break for investments in rental property). Moreover, a total of 5,794 off-plan sales of new homes were made in the first half of 2009, up 31% compared with the same period in 2008.

Due to the impact of the crisis, the operating income was down 35% at 94 million. Net income was €20 million.

BUSINESSES IN RUN-OFF MANAGEMENT AND THE CORPORATE CENTER

Businesses in run-off management are the contribution of Natixis' GAPC (Workout Portfolio Management Structure) and Caisses d'Epargne Participations' proprietary trading activities.

Net banking income was a negative €1.82 billion[1].

The cost of risk was €1.07 billion.

REVIEW OF THE GROUP'S STRUCTURED CREDIT PORTFOLIOS

In conjunction with the constitution of Groupe BPCE and Natixis' strategic refocus, a full review of the new group's structured credit portfolios was carried out by external assessors acknowledged for their expertise, including BlackRock.

For Natixis, the analysis covered the GAPC assets, LBO financing, real estate financing and structured transactions.

The analysis was conducted line by line on the basis of macroeconomic assumptions built on two stress scenarios. At the close of the first half of 2009, after an additional provision of €865 million, these portfolios were provisioned above the level of potential losses on termination calculated on the basis of similar stress scenarios to those used by US authorities. In addition, the anticipated loss of value under the "extreme stress" scenario would not pose a threat to Groupe BPCE's solvency.

For Caisses d'Epargne Participations, the analysis covered the proprietary trading activities of the former Caisse Nationale des Caisses d'Epargne. Provisions covering these activities were deemed sufficient.

European residential mortgage-backed securities (RMBS) assets held by Compagnie de Financement Foncier, a Crédit Foncier subsidiary, were also subjected to detailed analysis, leading to the conclusion that adequate provisions had been taken given the quality of the underlying assets.

BPCE GUARANTEE TO NATIXIS

Immediately following its establishment, BPCE took all the necessary steps to restore Natixis to better health and to give it the means to grow, to implement its new strategic plan and to start creating shareholder value again.

Accordingly, in conjunction with the strategic review of Natixis' business lines, BPCE, Natixis' central institution, and Natixis agreed to set up a mechanism protecting Natixis against the risk of future losses and earnings volatility relating to the GAPC portfolio. This mechanism aims to allow Natixis to project itself into the future and bring about a return to profit.

With the exception of a few specific items which do not warrant specific protection (mainly assets guaranteed by the US authorities), all the GAPC portfolios (loans and receivables on the one hand, financial instruments measured at fair value through profit and loss – trading portfolio on the other hand), are covered by the new protective mechanism bearing on a total notional value of €38 billion and a net book value of €31 billion as of June 30, 2009.

(1) Before the impact of the reclassification of the DSN.

BPCE has guaranteed, in exchange for an appropriate remuneration, 85% of the assets included in this scope, while Natixis has kept 15% of its exposure, thereby ensuring that the interests of Natixis match those of BPCE with respect to the future management of the guaranteed assets.

The guarantee mechanism involves setting up a flow exchange contract combined with call options on all financial assets measured at fair value through profit and loss, as well as a potential premium of roughly €480 million and a financial guarantee covering the notional amount of assets recognized as loans and receivables, thereby protecting Natixis against losses over and above the provisions already set aside against this portfolio.

The mechanism protects Natixis against additional losses in relation to the net book value of these assets in the first half of 2009, while at the same time allowing it to conserve the upside potential of the lion's share of the portfolio. It will considerably reinforce Natixis, by reducing its present and future regulatory capital requirements relating to the GAPC portfolio; it will significantly reduce earnings volatility and help the market see the business and earnings outlook of the core divisions more clearly. Moreover, it constitutes an intra-group transaction, free of any impact on Groupe BPCE's prudential ratios.

This mechanism will be submitted for approval to Natixis and BPCE shareholders within the framework of regulated agreements.

CONSOLIDATED RESULTS OF THE GROUPE BPCE

Groupe BPCE's pro forma net banking income (NBI) was €9.7 billion in the first half of 2009. This includes €1.5 billion relating to the reclassification of deeply subordinated notes as equity at their fair value in accordance with IFRS.

Groupe BPCE's recurrent NBI, namely revenues derived from its three core businesses, was €10 billion, down 4% over the period.

- **Retail Banking** contributed €6.3 billion, or 63% of the NBI derived from the three core business in first half of 2009. The division's organic NBI advanced by 9%, reflecting strong sales performances by the Banque Populaire and Caisse d'Epargne networks and the other brands. It made a vital contribution to the group's profitability, with net income of €755 million.
- **Corporate Banking, Asset Management and Financial Services,** with NBI of €2.6 billion, accounted for 26% of NBI from Groupe BPCE's core businesses. Natixis' core businesses, corporate and investment banking, savings and financial services, recorded net income of €280 million before the cost of risk.
- The **Real Estate** businesses accounted for 11% of recurrent NBI, with €1.1 billion. While this represents a fall of 15%, the performance reflects the robustness of these businesses in the context of a market downturn.

Groupe BPCE's efforts to rein in costs have already started paying off in all three businesses. Operating expenses were down 2% at €7.8 billion.

The group's cost of risk rose sharply in the first half of 2009, reaching a total of €2.99 billion, of which €1 billion for activities under run-off management, reflecting both the depressed economic environment and the extremely prudent policy adopted by Groupe BPCE. Risk charges for the three core divisions amounted to €1.92 billion.

In total, the group recorded a loss before tax of €2.2 billion, compared with a loss of €49 million in the first half of 2008. This includes goodwill impairment totaling €996 million, relating chiefly to real estate subsidiaries acquired at the cycle peak.

Net income attributable to the group was a loss of €757 million. Net income attributable to the group from the three core divisions was a profit of €567 million.

FINANCIAL STRUCTURE

In the first half of 2009, Tier-One capital totaled €36 billion. This includes €3 billion in non-voting preference shares, subscribed by the French state, as well as €4 billion in deeply subordinated notes also subscribed by the state, as part of the government plan to stimulate the economy.

Risk-weighted assets totaled €414 billion in the first half of 2009. They were focused on the Retail Banking division, which accounted for 50% of the total.

Groupe BPCE's estimated Tier-One ratio worked out at 8.6% as of June 30, 2009, virtually unchanged compared with March 31, 2009 (8.7%).

4.3.2 Risk management

METHODOLOGY

The tables bearing on the BPCE scope of consolidation were prepared using the sources and tables used to prepare the 2009 interim financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, with full consolidation of Natixis.

Given that references have not yet been fully harmonized within BPCE, the analysis may differ slightly from the presentation made in the two documents mentioned above. This is the case for business sectors and geographic regions, where risks have been grouped together in the most highly aggregated way possible.

For this initial report, risks relating to self-employed professionals and individual customers have been grouped together under the heading "Retail".

Risks for which residual maturity has not been calculated have been treated as risks with residual maturity equal to or less than seven days.

As Groupe BPCE's third-party references are currently in the development process, the concentration of risks is limited to Corporate and Interbank counterparties, both stemming from the combination of the major risks (in the regulatory sense) of Groupe Banque Populaire and Groupe Caisse d'Epargne in the first half of 2009.

Differences may appear in the totals given in the various tables. They stem from the use of different sources, the contents of which are not exactly identical in terms of commitments (aggregate or broken down data). However, any differences are only minor, and they do not undermine the quality of the information provided.

The breakdown of risk by business sector relates exclusively to corporate clients, and includes a number of equity risks.

The level 7 category corresponds to unrated counterparties.

BREAKDOWN OF RISKS

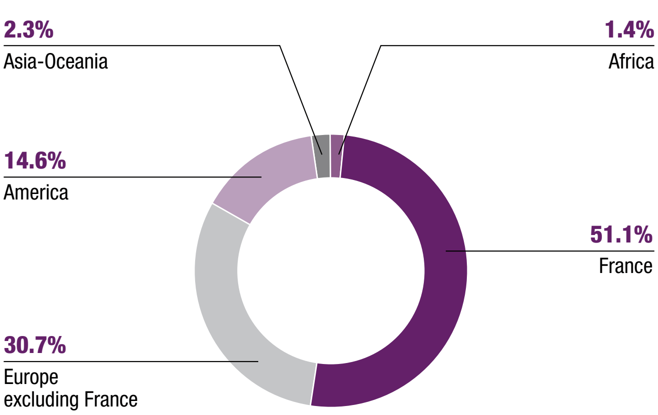
Breakdown by category of exposure

in millions of euros	Total	Weighting
Corporate	302,343	31.4%
Banks	165,296	17.2%
Retail	293,129	30.4%
Sovereigns	152,764	15.9%
Equity	12,209	1.3%
Securitization	36,671	3.8%
Awaiting segmentation	420	0.0%
TOTAL	**962,831**	**100.0%**

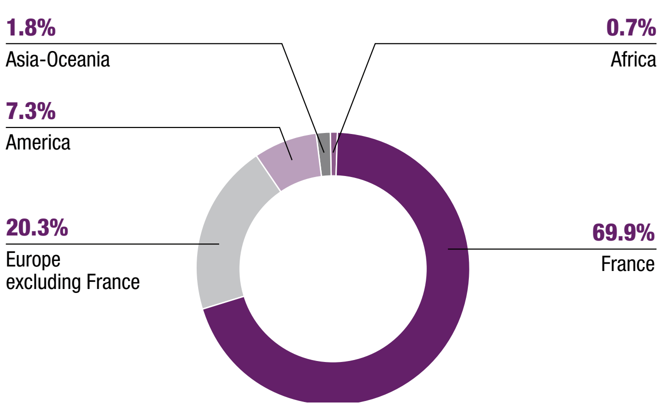
Risks are evenly broken down between corporate and retail on the one hand, and Banks and Sovereigns on the other hand.

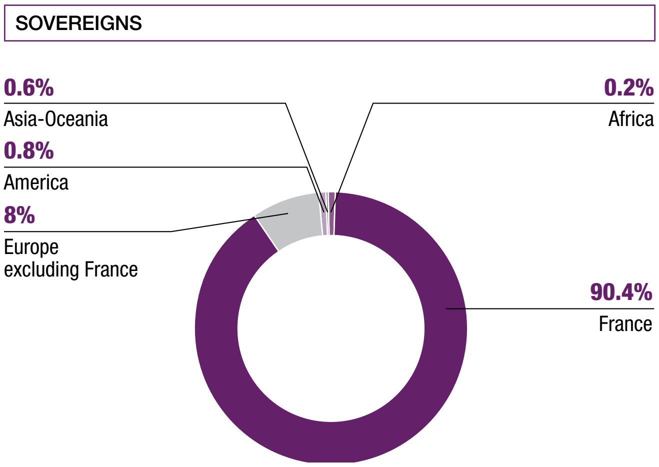
Breakdown by geographic region

CORPORATE



BANKS





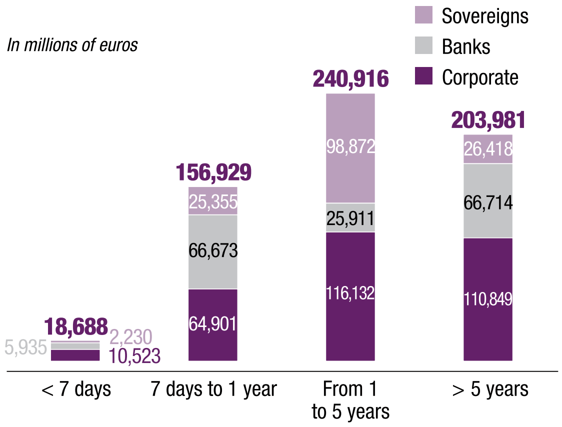
Risks in the three main exposure categories are focused on France and other European countries. Risks outside France relate predominantly to commitments undertaken by Natixis.

Breakdown of corporate risks by business sector

Business sector	Gross commitment *in millions of euros*	Weighting
Finance & Insurance	93,674	26.4%
Real estate	50,494	14.2%
Holding companies & diversified	46,564	13.1%
Government	16,297	4.6%
Consumer goods	16,044	4.5%
Energy	14,686	4.1%
Services	13,858	3.9%
Construction & public works	13,410	3.8%
Mechanical and electrical engineering	12,996	3.7%
Transport	11,200	3.2%
Basic industries	11,133	3.1%
Retailing	7,837	2.2%
Communication	7,174	2.0%
Utilities	6,790	1.9%
Food	6,555	1.8%
Tourism, hotels & restaurants	3,969	1.1%
Pharmaceuticals & healthcare	2,884	0.8%
Technology	1,343	0.4%
N.D.	17,483	4.9%
TOTAL	**354,392**	**100.0%**

The three biggest sectors account for nearly 54% of risks. While commitments relating to the Finance & Insurance and Holding Companies sectors are carried chiefly by Natixis, Real Estate risks (real estate professionals and property rentals) relate to the Banques Populaires and Caisses d'Epargne networks.

Breakdown by residual maturity



Twenty-five percent of corporate risks have a residual maturity of less than one year, 39% have between one and five years, and 37% more than five years. These proportions stand at 45%, 15% and 40% respectively for interbank risks, and 18%, 65% and 17% respectively for Sovereign risks.

Breakdown by credit rating

Credit rating level	Corporate *in €M*	Weighting	Banks *in €M*	Weighting	Sovereigns *in €M*	Weighting
1	25,217	8.3%	70,528	42.7%	144,224	94.4%
2	43,571	14.4%	22,718	13.7%	1,084	0.7%
3	76,213	25.2%	4,696	2.8%	305	0.2%
4	64,573	21.4%	1,251	0.8%	167	0.1%
5	13,635	4.5%	385	0.2%	320	0.2%
6	7,163	2.4%	364	0.2%	142	0.1%
7	71,969	23.8%	65,354	39.5%	6,522	4.3%
TOTAL	**302,342**	**100.0%**	**165,296**	**100.0%**	**152,764**	**100.0%**

Forty-eight percent of corporate risks and 59% of Interbank risks benefit from investment-grade ratings, as opposed to 28% and 1% respectively with high-yield status. The proportion of unrated exposure is high.

RISK CONCENTRATION

On the basis of the list of Corporate and Interbank counterparties eligible for the regulatory declaration to Groupe BPCE's Major Risks Committee, risk concentration appears to be greatest among banks, but on a smaller number of counterparties than in the Corporate sector.

	Biggest commitment	Top 5	Top 10	Top 20	Top 50	Top 100
Corporates	0.8%	3.8%	6.7%	11.2%	19.5%	27.1%
Banks	2.2%	9.2%	15.0%	22.6%	-	-

RECOMMENDATIONS OF THE FINANCIAL STABILITY FORUM (FSF) ON FINANCIAL TRANSPARENCY

Natixis

The data are fully taken into account.

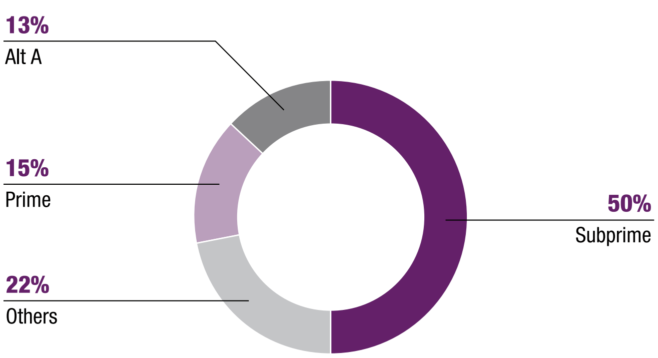
Non-hedged ABS CDOs exposed to the US housing market

in millions of euros	#1	#2	#7	#9	#10	#11	#12	#13	#14	#15	#4	#6
Net exposure as of 03/31/2009	8	9	51	27	12	54	43	8	37	76	306	330
Change in value Q2-09	(1)	0	(18)	(2)	(3)	(3)	(3)	(4)	(3)	(25)	(57)	(98)
Net exposure as of 06/30/2009	**6**	**8**	**24**	**22**	**7**	**46**	**37**	**3**	**31**	**45**	**233**	**215**
% discount	***96%***	***93%***	***84%***	***20%***	***96%***	***18%***	***25%***	***98%***	***36%***	***46%***	***38%***	***47%***
Nominal exposure	139	118	149	27	169	56	49	151	49	84	375	409
(Aggregate) change in value	(130)	(109)	(125)	(5)	(163)	(10)	(12)	(148)	(18)	(38)	(141)	(194)
Tranche	Super Senior	Mezza-nine	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Super Senior	Mezza-nine	Mezza-nine	Super Senior	Super Senior
Underlying instrument	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	Mezza-nine	High Grade	High grade
Attachment point	28.1%	0%	37.1%/ 97.1%	56.3%	0%	32.1%	34.5%	8.7%/ 99.1%	27.4%/ 98.5%	26.3%/ 75%	8.1%	37.1%/ 97.1%
Prime	1.9%	12.8%	12.8%	9.5%	10.1%	34.3%	9.7%	7.9%	4.6%	13.6%	3.7%	0.0%
Alt-A	2.4%	9.9%	0.6%	2.4%	2.3%	17.4%	0.7%	0.0%	4.5%	40.3%	0.7%	0.0%
Subprime (2005 and earlier)	9.9%	23.0%	56.0%	62.1%	42.1%	31.0%	44.7%	81.3%	38.5%	32.8%	14.5%	0.0%
Subprime (2006 & 2007)	60.2%	28.5%	7.2%	0.0%	31.5%	0.0%	8.0%	1.1%	13.2%	9.9%	3.0%	0.0%

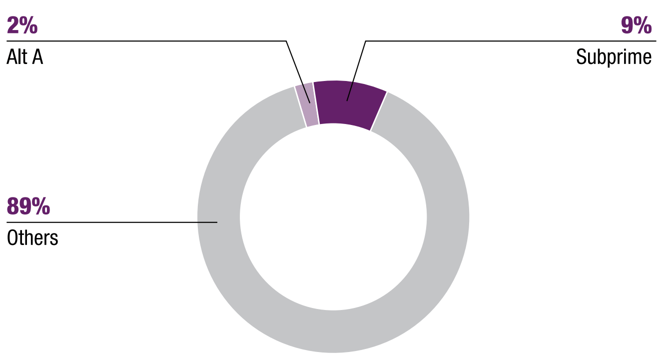
Undiversified Structures
Discount Rate: 77%

Diversified Structures
Discount Rate: 43%

Undiversified Structures
Discount Rate: **77%**



Diversified Structures
Discount Rate: **43%**



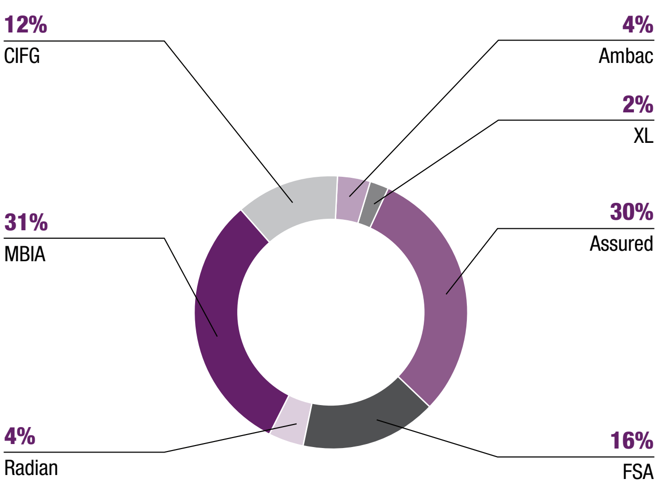
Protection purchased

FROM MONOLINE

in millions of euros	Gross notional amount of hedged instruments	Exposures before adjustments Q1-09	Exposures before adjustments Q2-09
Protection for CDOs (US housing market) with subprime underlying instrument	1,229	547	578
Protection for CLOs	5,592	267	284
Protection for RMBSs	880	269	301
Protection for CMBSs	922	1,344	73
Other risks	8,830	1,618	2,570
TOTAL	**17,453**	**4,044**	**3,806**

Value adjustments		(1,664)	(1,721)
Portfolio-assessed provisions		(500)	(500)
Residual exposure to counterparty risk		**1,880**	**1,586**
Discount rate		*54%*	*58%*

RESIDUAL EXPOSURE[1]



(1) Before the €500 million collective provision.

From CDPCs

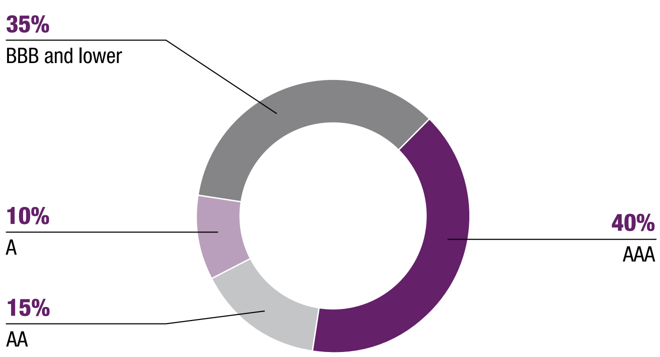
- Exposure prior to value adjustment: €1.45 billion as of 06/30/2009 (gross notional amount was €9.7 billion).
- Value adjustment in the amount of €648 million.

OTHER UNHEDGED CDOS

CDOs not exposed to US housing market

- Value adjustment: -€175 million as of Q2-09.
- Residual exposure: €3,845 million.

RESIDUAL EXPOSURE[1]



(1) Base: €3,845m.

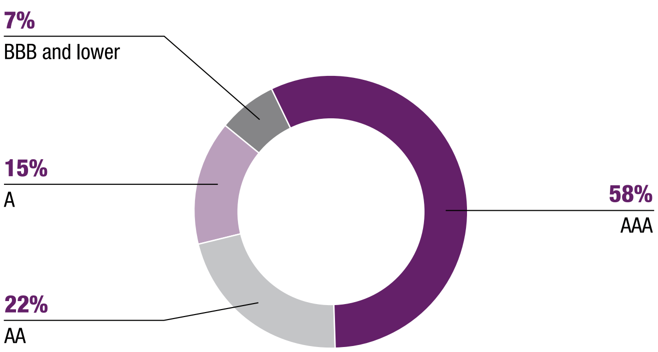
CRE CDOs

in millions of euros	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	120	(5)	(70)	45	79
Fair value option	114	(7)	(1)	106	166
Fair value through equity	2	(1)	0	1	20
Loans and receivables	18	(8)	12	23	30
TOTAL	**255**	**(22)**	**(59)**	**174**	**296**

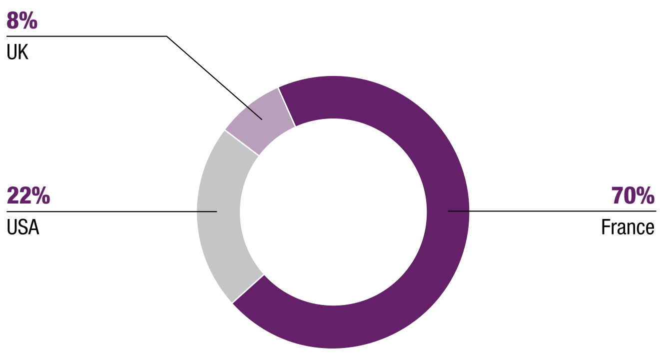
UNHEDGED MORTGAGE BACKED SECURITIES

CMBSs *in millions of euros*	Net Exposure 03/31/2009	Impairment Q2-09	Other Changes Q2-09	Net Exposure 06/30/2009	Gross Exposure 06/30/2009
Fair value through profit and loss	485	(27)	(99)	360	573
Fair value through equity	160	(23)	13	150	292
Loans and receivables	138	15	97	250	250
TOTAL	**783**	**(35)**	**11**	**760**	**1,115**

RATING

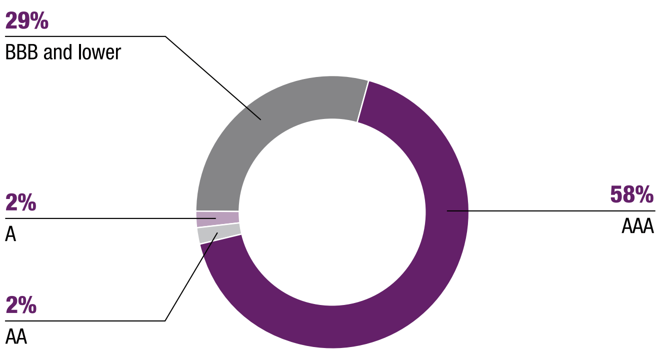


GEOGRAPHIC AREA

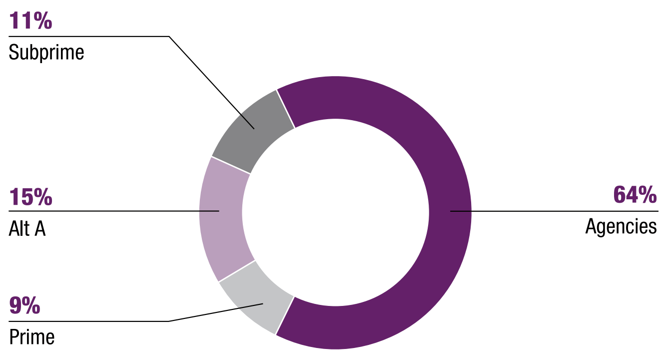


RMB USs *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	107	-	(37)	69	114
Fair value through equity	58	-	(58)	-	-
Agencies	1,421	(109)	127	1,438	1,578
Wrapped RMBSs	584	3	(57)	530	545
Loans and receivables	4,228	(6)	(586)	3,635	3,738
TOTAL	**6,397**	**(112)**	**(612)**	**5,672**	**5,995**

RATING

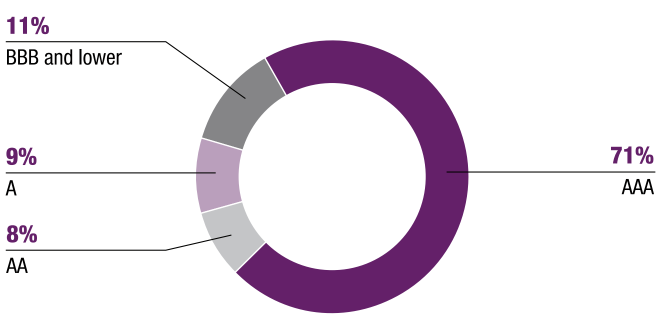


UNDERLYING



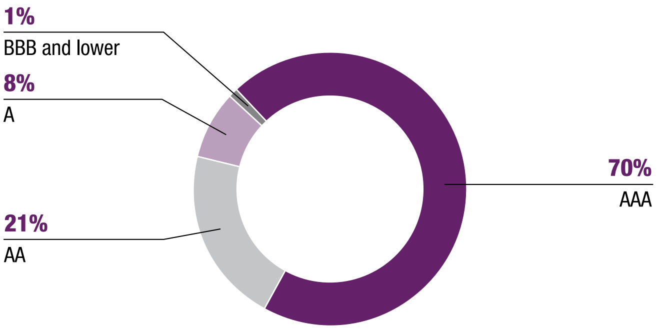
RMBSs UK *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	40	(3)	61	98	132
Fair value through equity	135	(2)	(1)	132	207
Loans and receivables	563	16	(3)	576	612
TOTAL	**738**	**11**	**57**	**806**	**962**

RATING



RMBS Spain *in millions of euros*	**Net Exposure 03/31/2009**	**Impairment Q2-09**	**Other Changes Q2-09**	**Net Exposure 06/30/2009**	**Gross Exposure 06/30/2009**
Fair value through profit and loss	19	(2)	19	36	84
Fair value through equity	14	(4)	17	28	53
Loans and receivables	627	0	(19)	608	608
TOTAL	**660**	**(6)**	**(17)**	**672**	**745**

RATING



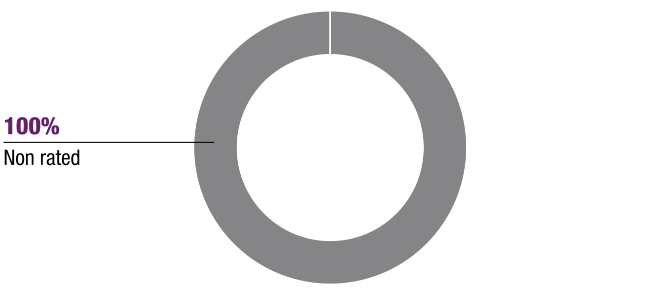
Conduits

ELIXIR – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

Country where issued	France
Amount of assets financed	**246**
Liquidity lines arranged	**213**
Asset maturities:	
0 – 6 months	84%
6 – 12 months	-
>12 months	16%

Automotive loans	
Trade receivables	100%
Equipment loans	
Consumer loans	
Non-US RMBS	
CDOs	
Other	

RATING



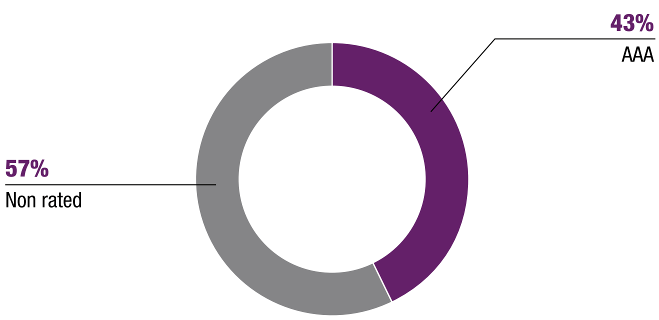
GEOGRAPHIC AREA

DIRECT FUNDING – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

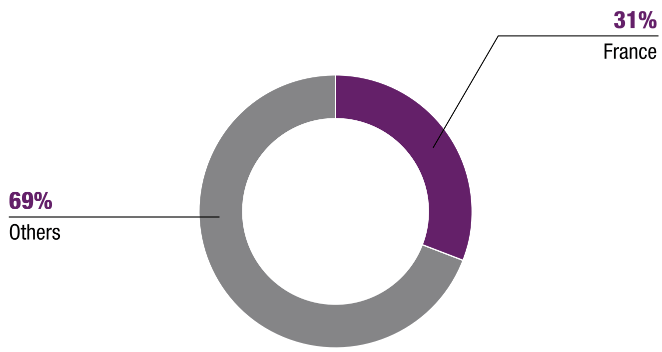
Country where issued	France
Amount of assets financed	**809**
Liquidity lines arranged	**-**
Asset maturities:	
0 – 6 months	5%
6 – 12 months	-
>12 months	90%

Automotive loans	
Trade receivables	57%
Equipment loans	24%
Consumer loans	
Non-US RMBS	19%
CDOs	
Other	

RATING



GEOGRAPHIC AREA

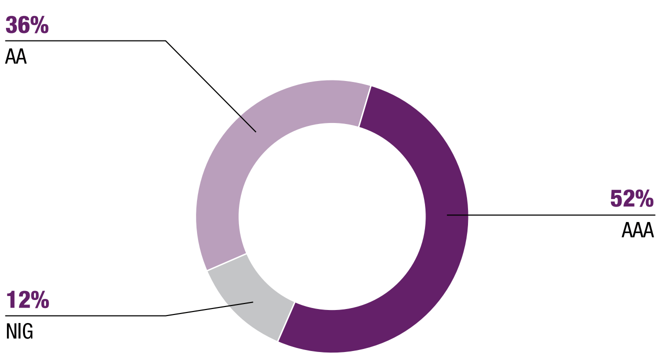


VERSAILLES – CONDUIT SPONSORED BY NATIXIS *(In millions of euros)*

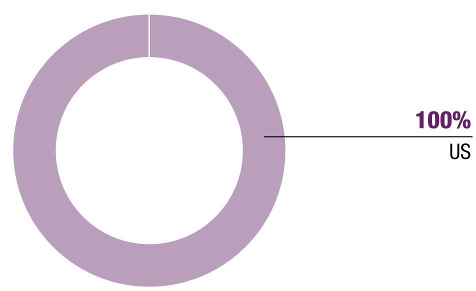
Country where issued	US
Amount of assets financed	**2,658**
Liquidity lines arranged	**2,711**
Asset maturities:	
0 – 6 months	-
6 – 12 months	2%
>12 months	98%

Automotive loans	29%
Trade receivables	2%
Equipment loans	10%
Consumer loans	21%
Non-US RMBS	
CDOs	21%
Other	17%

RATING



GEOGRAPHIC AREA

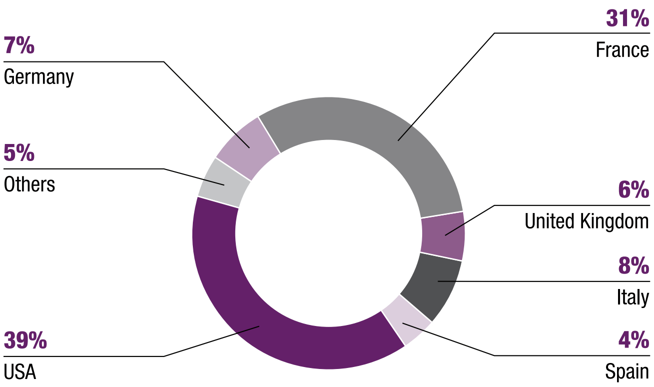


LBOs

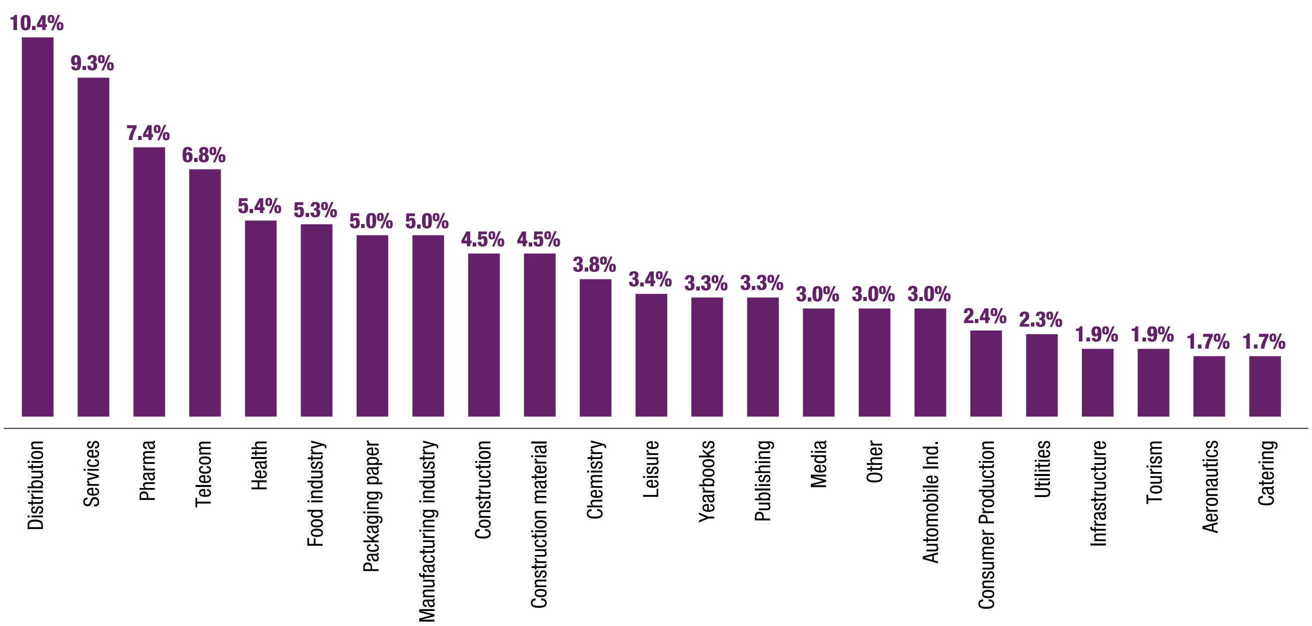
LBO FINANCING

in millions of euros	Q1-09	Q2-09
Final shares (booked)	5,605	5,381
Number of files	*340*	*333*
Shares for sale (booked)	346	272
Number of files	*64*	*55*
TOTAL	**5,951**	**5,653**

BREAKDOWN BY REGION



BREAKDOWN BY SECTOR



Excluding Natixis

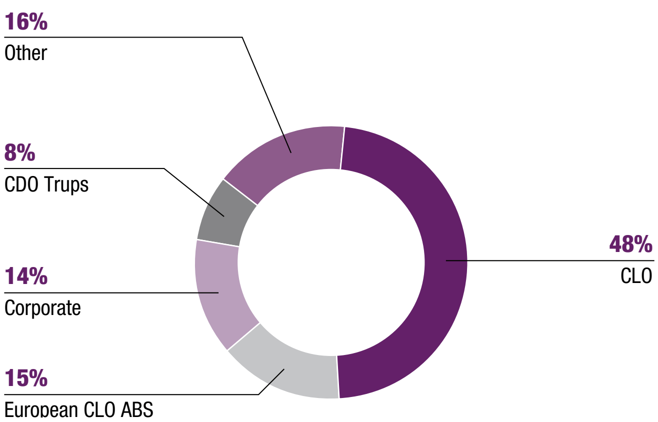
ABS CDOs exposed to the US residential property market (unhedged)

Net residual exposure in the first half of 2009: €10 million vs. €13 million as of December 31, 2008.

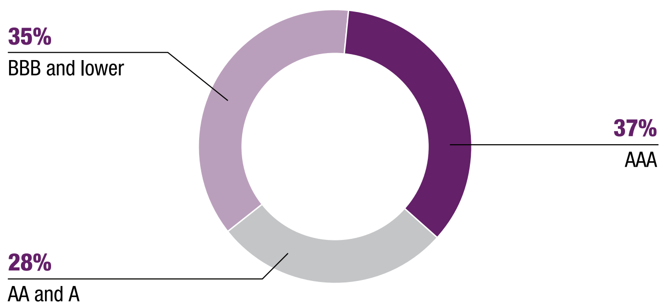
Other CDOs (unhedged)

Net residual exposure in the first half of 2009: €1,950 million.

BREAKDOWN OF RESIDUAL EXPOSURE BY PRODUCT TYPE



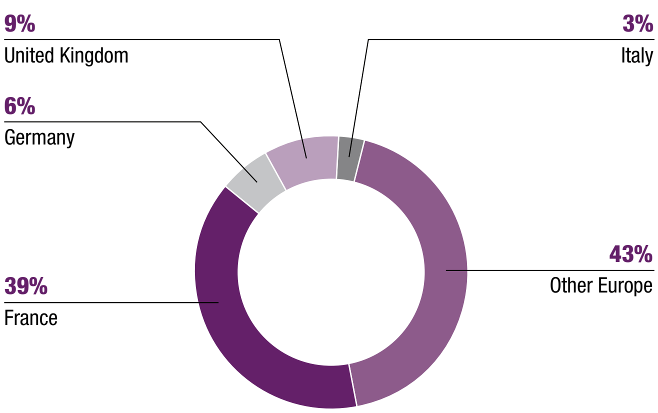
BREAKDOWN OF RESIDUAL EXPOSURE BY RATING



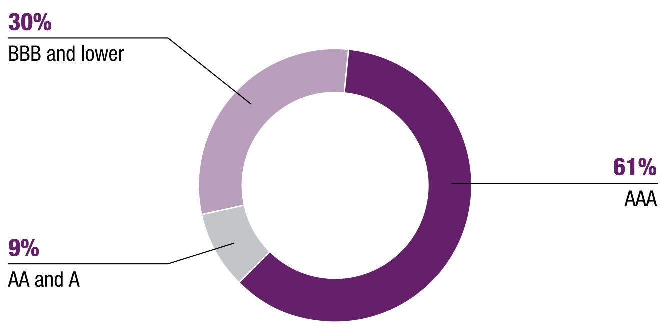
CMBSs

Net residual exposure in the first half of 2009: €431 million.

BREAKDOWN OF RESIDUAL EXPOSURE BY GEOGRAPHIC REGION



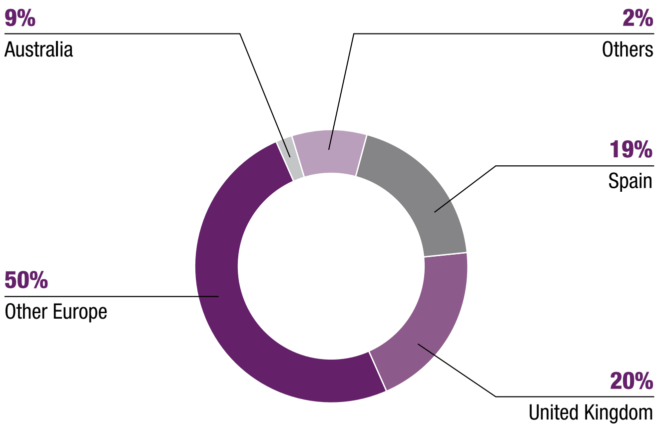
BREAKDOWN OF RESIDUAL EXPOSURE BY RATING



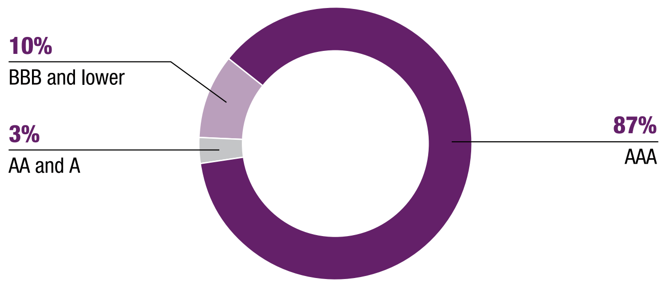
RMBSs(*)

Net residual exposure in the first half of 2009: €1,184 million.

BREAKDOWN OF RESIDUAL EXPOSURE BY GEOGRAPHIC REGION



BREAKDOWN OF RESIDUAL EXPOSURE BY RATING

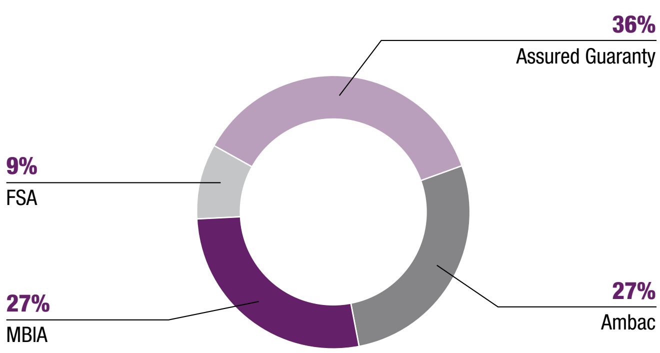


Monoline insurers

Net residual exposure in the first half of 2009: €50 million.

Protection purchased from monoline insurers by Crédit Foncier de France was not included in the valuation of hedged instruments (zero valuation). As such, it does not constitute exposure to monoline insurers.

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY



(*) *Excluding Crédit Foncier's exposure to European RMBSs, which are not deemed to constitute at-risk exposure given their intrinsic characteristics.*

Protection purchased from other counterparties

in millions of euros	Gross notional amount of hedged instruments	Impairment of hedged CDOs	Fair value of the protection
Protection for CDOs (US residential market)	-	-	-
Protection for other CDOs	**506**	**(184)**	**184**
TOTAL		**(184)**	**184**

Negative basis trade strategies included three transactions:

- two senior tranches of US or European CLOs rated AAA by two rating agencies;
- one senior tranche of European ABS CDOs rated AA/BBB by two rating agencies.

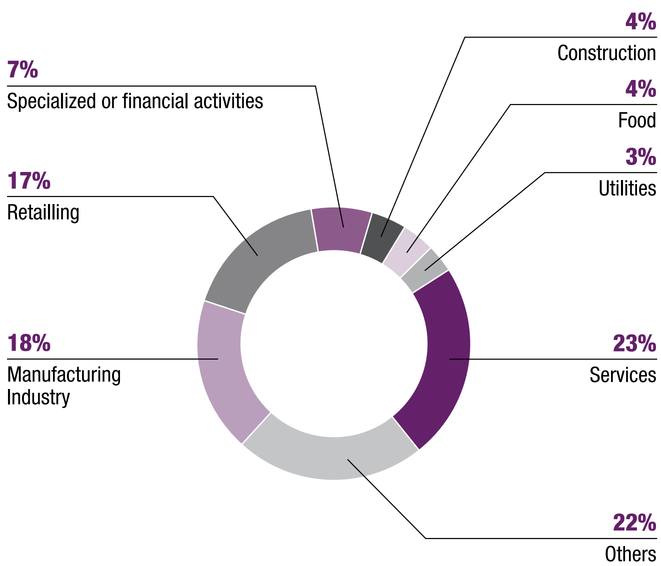
Counterparty risk on the vendors of protection (European banks) covered by margin calls.

LBO financing

Net residual exposure in the first half of 2009: €2,771 million, with:

- exposure exclusively comprising shares not intended to be sold;
- an average commitment of €1.8 million per transaction.

SECTOR BREAKDOWN



Conduits

Amount of liquidity lines granted by conduits sponsored by third parties: 39 million in the first half of 2009 (ABCP conduits).

4.3.3 Pro forma financial information for Groupe BPCE

INTRODUCTION

The pro forma financial information presented below is purely indicative. Its aim is to facilitate an understanding of the consequences of the various transactions stemming from the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne. It describes a hypothetical situation, and consequently is not representative of the financial situation or the results of the new Groupe BPCE.

The pro forma financial information presented below has not been audited by Groupe BPCE's statutory auditors.

PRINCIPLES AND METHODS USED TO DRAW UP THE (UNAUDITED) PRO FORMA FINANCIAL INFORMATION

The pro forma financial information was prepared on the basis of the consolidated financial statements of Groupe Banque Populaire for the periods ended June 30, 2009, December 31, 2008 and June 30, 2008, and the consolidated financial statements of Groupe Caisse d'Epargne for the periods ended June 30, 2009, December 31, 2008 and June 30, 2008.

This information was then updated to take into account the effects of the merger of the two groups. The pro forma financial information presented below does not include the impact of transactions carried out in 2009 and 2008, other than those relating directly to the establishment of BPCE.

The establishment of BPCE was the result of the project initiated in October 2008 by Groupe Banque Populaire and Groupe Caisse d'Epargne. The main stages of the project were as follows:

- approval of the negotiation principles for the proposed merger of the two central institutions by the Board of Directors of the Banque Fédérale des Banques Populaires (BFBP) and the Supervisory Board of the Caisse Nationale des Caisses d'Epargne (CNCE), at meetings on February 24 and 26, 2009 respectively:
  - the new Group is built around two autonomous and complementary networks and brands,
  - the new Group is focused on retail banking activities,
  - the planned merger is based on the creation of a new central institution shared by the Banques Populaires and Caisses d'Epargne networks, and owned in equal parts,
  - the French state supports the creation of the new Group by proposing to contribute capital, in line with its policy of offering its backing to France's leading banking groups,
  - the merger will unify the ownership structure of Natixis, whose governance will be simplified;
- approval of the negotiation agreement by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, at meetings on March 16, 2009;
- the negotiation agreement, signed in the presence of a representative of the French state, sets out the conditions of the state's capital contribution to BPCE;
- approval by the French Parliament of law no. 2009-715 dated June 18, 2009 making BPCE the central institution of the networks of the Banques Populaires, the Caisses d'Epargne and affiliated banks, and setting out its tasks and prerogatives;
- authorization to operate by the French competition authority (*Autorité de la concurrence*) on June 22, 2009;
- approval by the French banking supervisor (*Comité des établissements de crédit et des entreprises d'investissement*, CECEI) for the new BPCE central institution on June 23, 2009;
- endorsement of BPCE's founding principles by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, at meetings on June 24, 2009.

On July 31, 2009, shareholders of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne approved the creation of BPCE, the new central institution of the Banques Populaires and the Caisses d'Epargne, born of the merger of the BFBP and the CNCE.

The new central institution primarily holds the retail banking subsidiaries of the two groups and their production entities (Natixis, Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect stake in CNP Assurances).

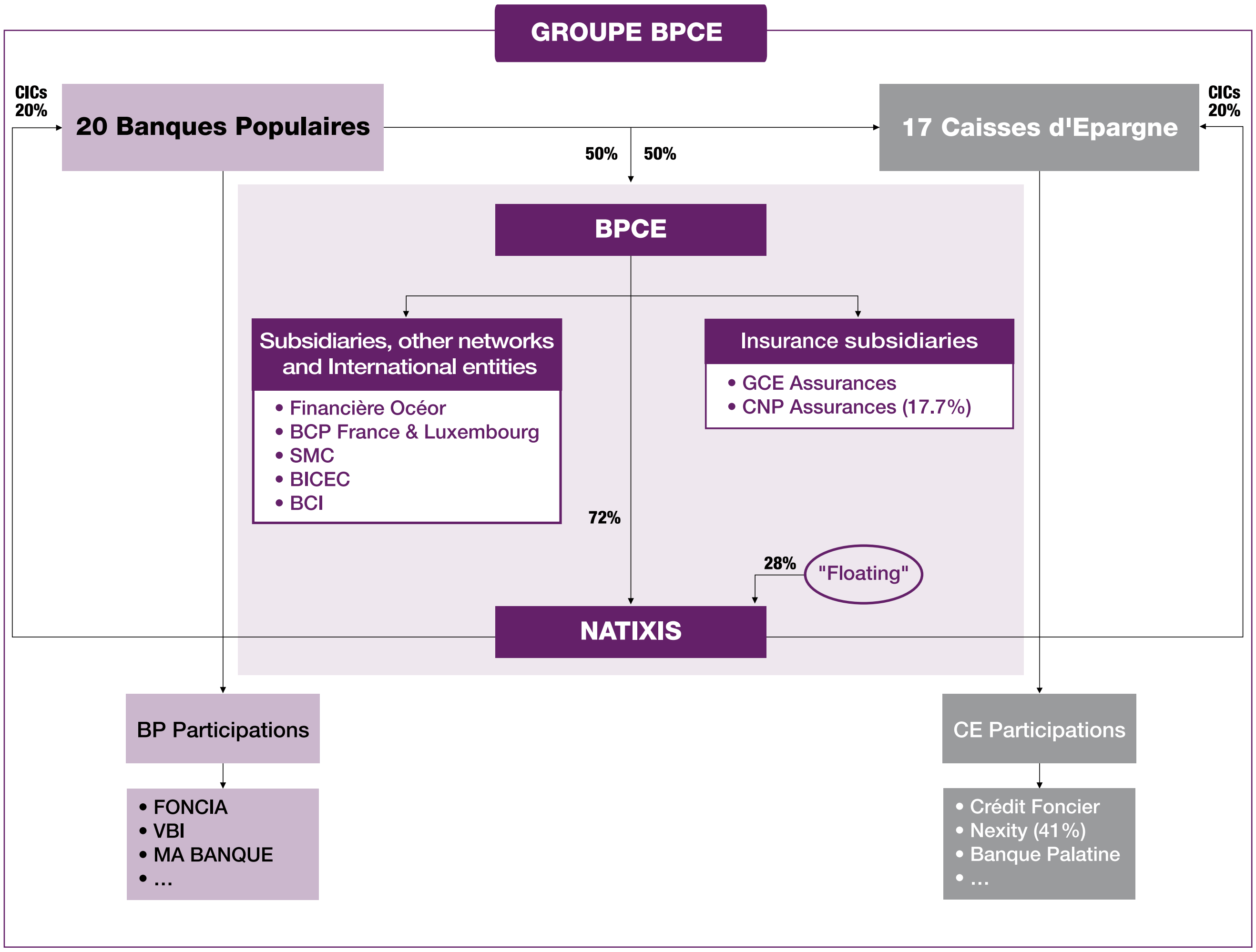
The subsidiaries of the two Groups in the Real Estate sector (Crédit Foncier, Nexity, FONCIA, Meilleurtaux) and a number of other interests (Banca Carige, Banque Palatine, MA BANQUE) are still owned by the BFBP (renamed Banques Populaires Participations) and the CNCE (renamed Caisses d'Epargne Participations).

As of July 31, 2009, the French state's capital contribution to the BPCE Group was made via the intermediary of the *Société de prises de participation de l'Etat* (SPPE), a state-sponsored vehicle for reinforcing bank capital:

- €2.05 billion in deeply subordinated notes issued by the CNCE and the BFBP in the fourth quarter of 2008 and a further €2 billion at the end of the second quarter of 2009, and contributed to BCPE;
- €3 billion in non-voting preference shares issued by BPCE on July 31, 2009.

BPCE has a call option on preference shares at any time as of the first anniversary of their issue. After a period of five years, equity warrants issued by BPCE and subscribed by the SPPE concurrently to the preference shares will also allow the French state to own, should it so desire, and if BPCE has not by then redeemed the preference shares, up to 20% of BPCE's ordinary share capital.

Following these transactions, the group's organization was as follows:



ACCOUNTING RULES AND PRINCIPLES

Groupe Banque Populaire and Groupe Caisse d'Epargne prepare their consolidated financial statements under IFRS, as endorsed by the European Union.

The review of accounting rules and principles conducted by the two groups did not bring to light any material differences in the way these rules and principles are applied, except for the calculation of portfolio-based provisions and those on regulated home savings products. It was not possible to calculate precisely the adjustments that may arise from the harmonization of the two methods.

ACCOUNTING RULES AND PRINCIPLES OF CONSOLIDATION

The process was seen as a merger of mutual entities, which are excluded from the scope of IFRS 3.

In accordance with IAS 8, the Group has accordingly adopted the accounting method that best suits the substance of the merger transactions, namely merger accounting, the use of which is described in FRS 6 "Acquisitions and mergers" (UK GAAP).

This method offers the following advantages:

- it is consistent with the principles of equity and balance that were central to the merger;
- it ensures that the methods used to value the new company's assets and liabilities are consistent, and guarantees neutral accounting treatment, not taking into account the origins of the businesses;
- it requires the elimination of the impact of prior transactions made by Groupe Banque Populaire and Groupe Caisse d'Epargne. In particular, valuation differences and goodwill arising from the establishment of Natixis have been restated.

SCOPE OF CONSOLIDATION

After the finalization of the various contributions, the consolidating entity comprises:

- the Banques Populaires, i.e. the 18 regional Banques Populaires, the CASDEN Banque Populaire and Crédit Coopératif;
- the Caisses d'Epargne, i.e. the 17 regional Caisses d'Epargne;
- the Caisses de Crédit Maritime Mutuel;
- the Mutual Guarantee Companies *(sociétés de caution mutuelle)*, approved in conjunction with the Banques Populaires, to which they are affiliated;
- and the newly created central institution, BPCE.

The asset contributions left BPCE owning 100% of the two groups' stakes in Natixis, giving it excusive control over that entity. Consequently, Natixis has been fully consolidated in the pro forma financial information, with a 72% equity interest as of June 30, 2009 (previously, the two groups both used the proportional method to consolidate Natixis).

In addition, in November 2007, the BFBP and the CNCE decided to acquire 100% of the capital of CIFG, Natixis' wholly owned credit enhancement subsidiary. Early in 2008, any notion of further support from the BFBP and the CNCE was laid to rest, and a commutation process with creditors was initiated. Under the terms of the commutation agreement reached in early 2009, the BFBP and the CNCE were left holding only about 10% of CIFG.

In the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, these events are reflected in the proportional consolidation of CIFG as of December 31, 2007, followed by its deconsolidation at the start of 2008. The events relating to the commutation agreement at the end of 2008 did not give rise to any restatements to the pro forma financial information presented below.

OTHER RESTATEMENTS

In the light of the legal terms of the transaction, the subscription by the French state of €3 billion in preference shares was included in the pro forma data, as of June 30, 2009.

The move from a situation of joint control to a situation of exclusive control over Natixis prompted a review of the accounting treatment of the put option given by the CNCE to CNP Assurances on shares in Natixis Global Asset Management. In accordance with IAS 32, the following restatements have been made:

- the potential debt has been recognized on the new group's balance sheet;
- minority interests relating to CNP Assurances' ownership of an 11% equity interest in Natixis Global Asset Management were cancelled;
- additional goodwill was recognized (€413 million in the first half of 2009);
- the fair value of the derivative previously recognized in Groupe Caisse d'Epargne's financial statements was cancelled.

The review of the classification of the deeply subordinated notes issued by the BFBP and the CNCE did not prompt any restatement, in the light of the legal provisions included in these contracts.

In June 2009, the BFBP and the CNCE made a shareholders' advance of €1.5 billion to Natixis, which was designated as equity in Natixis' consolidated financial statements. In preparing Groupe BPCE's pro forma data, the share attributable to equity holders of the parent (€539 million) and the minority interests' share (€422 million) were reclassified as subordinated debt before elimination as a reciprocal investment.

In preparing the pro forma data, the difference in the fiscal situation of the two groups was examined to take into account the impact of the merger. This review did not prompt a restatement of deferred tax assets or liabilities in the consolidated financial statements of Groupe Banque Populaire or Groupe Caisse d'Epargne for the periods ended June 30, 2009 or December 31, 2008.

PRO FORMA INCOME STATEMENT

in millions of euros	H1-09	H1-08
NET BANKING INCOME	**9,699**	**8,536**
Operating expenses	(8,047)	(8,162)
GROSS OPERATING INCOME	**1,652**	**374**
Cost of risk	(2,990)	(748)
OPERATING INCOME	**(1,338)**	**(374)**
Share of results of associates	104	131
Gains or losses on other assets	69	174
Change in the value of goodwill	(996)	20
Income taxes	572	(207)
NET INCOME	**(1,589)**	**(256)**
Minority interests	832	247
NET INCOME ATTRIBUTABLE TO THE GROUP	**(757)**	**(9)**

PREPARATION OF THE PRO FORMA INCOME STATEMENTS

Pro forma income statement for the first half of 2009

On the basis of reported data, the pro forma income statement is as follows:

in millions of euros – H1-09	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Groupe BPCE
NET BANKING INCOME	**3,544**	**5,956**	**199**	**9,699**
Operating expenses	(3,167)	(4,195)	(685)	(8,047)
GROSS OPERATING INCOME	**377**	**1,761**	**(486)**	**1,652**
Cost of risk	(1,158)	(1,197)	(635)	(2,990)
OPERATING INCOME	**(781)**	**564**	**(1,121)**	**(1,338)**
Share of results of associates	66	134	(96)	104
Gains or losses on other assets	8	52	9	69
Change in the value of goodwill	(395)	(601)	0	(996)
Income taxes	128	178	266	572
NET INCOME	**(974)**	**327**	**(942)**	**(1,589)**
Minority interests	(12)	11	833	832
NET INCOME ATTRIBUTABLE TO THE GROUP	**(986)**	**338**	**(109)**	**(757)**

The main restatements are as follows:

in millions of euros – H1-09	Natixis consolidation method	Contribution of CICs	Other restatements	Restatements
NET BANKING INCOME	**198**		**1**	**199**
Operating expenses	(675)		(10)	(685)
GROSS OPERATING INCOME	**(477)**		**(9)**	**(486)**
Cost of risk	(632)		(3)	(635)
OPERATING INCOME	**(1,109)**		**(12)**	**(1,121)**
Share of results of associates	76	(173)	1	(96)
Gains or losses on other assets	6		3	9
Change in the value of goodwill	0		0	0
Income taxes	267		(1)	266
NET INCOME	**(760)**	**(173)**	**(9)**	**(942)**
Minority interests	760	73	0	833
NET INCOME ATTRIBUTABLE TO THE GROUP	**0**	**(100)**	**(9)**	**(109)**

The column under the heading "Natixis consolidation method" shows each income statement item taking into account the full contribution of Natixis. This change in presentation does not have an impact on the net income attributable to equity holders of the parent, as 28% of Natixis' net income goes to minority interests.

The column under the heading "Contribution of CICs" (cooperative investment certificates) corresponds to the cancellation of the contribution of the Banques Populaires and the Caisses d'Epargne pursuant to the consolidation of Natixis.

Pro forma income statement for the first half of 2008

On the basis of historical data, the pro forma income statement is as follows:

in millions of euros – H1-08	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Pro forma Groupe BPCE
NET BANKING INCOME	**3,555**	**4,522**	**459**	**8,536**
Operating expenses	(3,078)	(4,262)	(822)	(8,162)
GROSS OPERATING INCOME	**477**	**260**	**(363)**	**374**
Cost of risk	(329)	(310)	(109)	(748)
OPERATING INCOME	**148**	**(50)**	**(472)**	**(374)**
Share of results of associates	76	161	(106)	131
Gains or losses on other assets	36	103	35	174
Change in the value of goodwill	19	1	0	20
Income taxes	(153)	(123)	69	(207)
NET INCOME	**126**	**92**	**(474)**	**(256)**
Minority interests	(32)	(71)	350	247
NET INCOME ATTRIBUTABLE TO THE GROUP	**94**	**21**	**(124)**	**(9)**

The main restatements are as follows:

in millions of euros – H1-08	Natixis consolidation method	Contribution of CICs	Other restatements	Restatements
NET BANKING INCOME	**461**		**(2)**	**459**
Operating expenses	(811)		(11)	(822)
GROSS OPERATING INCOME	**(350)**		**(13)**	**(363)**
Cost of risk	(111)		2	(109)
OPERATING INCOME	**(461)**		**(11)**	**(472)**
Share of results of associates	89	(195)	(1)	(106)
Gains or losses on other assets	34		1	35
Change in the value of goodwill	0		0	0
Income taxes	72		(3)	69
NET INCOME	**(265)**	**(195)**	**(14)**	**(474)**
Minority interests	265	84	1	350
NET INCOME ATTRIBUTABLE TO THE GROUP	**0**	**(111)**	**(14)**	**(124)**

The column under the heading "Natixis consolidation method" shows each income statement item taking into account the full contribution of Natixis. This change in presentation does not have an impact on the net income attributable to equity holders of the parent, as 28% of Natixis' net income goes to minority interests.

The column under the heading "Contribution of CICs" (cooperative investment certificates) corresponds to the cancellation of the contribution of the Banques Populaires and the Caisses d'Epargne pursuant to the consolidation of Natixis.

PRO FORMA BALANCE SHEET

in millions of euros	June 30, 2009	December 31, 2008
Cash and amounts due from central banks	18,622	19,168
Financial assets at fair value through profit or loss	246,425	304,793
Hedging derivatives	6,970	5,449
Available-for-sale financial assets	61,990	58,944
Loans and receivables due from banks	149,498	155,194
Loans and receivables due from customers	508,896	512,070
Remeasurement adjustment on interest-rate risk hedged portfolios	2,116	1,946
Held-to-maturity financial assets	9,287	9,167
Current tax assets	662	1,389
Deferred tax assets	5,446	5,200
Accrued income and other assets	45,759	50,976
Non-current assets held for sale	0	0
Investments in associates	2,082	2,103
Investment property	2,501	2,587
Property, plant and equipment	5,142	5,118
Intangible assets	1,976	2,027
Goodwill	5,994	7,378
TOTAL ASSETS	**1,073,366**	**1,143,509**

in millions of euros	June 30, 2009	December 31, 2008
Amounts due to central banks	922	844
Financial liabilities at fair value through profit or loss	223,966	273,549
Hedging derivatives	5,383	6,132
Amounts due to banks	129,295	136,250
Amounts due to customers	364,125	370,734
Debt securities	199,837	208,082
Remeasurement adjustment on interest-rate risk hedged portfolios	1,000	1,176
Current tax liabilities	339	580
Deferred tax liabilities	1,055	1,501
Accrued expenses and other liabilities	42,790	44,756
Liabilities associated with non-current assets held for sale	0	0
Technical reserves of insurance companies	39,374	37,877
Provisions	5,209	4,818
Subordinated debt	17,742	21,847
Consolidated equity	39,640	31,695
Minority interests	2,689	3,668
TOTAL LIABILITIES	**1,073,366**	**1,143,509**

PREPARATION OF THE PRO FORMA BALANCE SHEETS

Pro forma balance sheet for the first half of 2009

On the basis of reported data, the pro forma balance sheet is as follows:

in millions of euros – June 30, 2009	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Pro forma Groupe BPCE
Cash and amounts due from central banks	3,391	6,622	8,609	18,622
Financial assets at fair value through profit or loss	107,375	88,290	50,760	246,425
Hedging derivatives	1,456	7,824	(2,310)	6,970
Available-for-sale financial assets	22,260	38,849	881	61,990
Loans and receivables due from banks	43,219	143,511	(37,232)	149,498
Loans and receivables due from customers	182,187	295,737	30,972	508,896
Remeasurement adjustment on interest-rate risk hedged portfolios	49	2,067	0	2,116
Held-to-maturity financial assets	2,562	5,075	1,650	9,287
Current tax assets	193	427	42	662
Deferred tax assets	1,777	2,937	732	5,446
Accrued income and other assets	16,569	23,521	5,669	45,759
Assets relating to non-current assets held for sale	153	153	(306)	0
Investments in associates	2,233	3,343	(3,494)	2,082
Investment property	528	1,803	170	2,501
Property, plant and equipment	2,082	2,938	122	5,142
Intangible assets	1,085	699	192	1,976
Goodwill	3,823	2,120	51	5,994
TOTAL ASSETS	**390,942**	**625,916**	**56,508**	**1,073,366**

in millions of euros – June 30, 2009	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Pro forma Groupe BPCE
Amounts due to central banks	331	333	258	922
Financial liabilities at fair value through profit or loss	92,155	84,477	47,334	223,966
Hedging derivatives	966	7,457	(3,040)	5,383
Amounts due to banks	66,767	82,141	(19,613)	129,295
Amounts due to customers	125,757	226,377	11,991	364,125
Debt securities	41,474	152,363	6,000	199,837
Remeasurement adjustment on interest-rate risk hedged portfolios	88	850	62	1,000
Current tax liabilities	342	45	(48)	339
Deferred tax liabilities	354	691	10	1,055
Accrued expenses and other liabilities	16,143	21,740	4,907	42,790
Debts relating to non-current assets held for sale	0	128	(128)	0
Technical reserves of insurance companies	16,604	12,994	9,776	39,374
Provisions	1,971	2,738	500	5,209
Subordinated debt	7,347	10,215	180	17,742
Consolidated equity	20,151	21,661	(2,172)	39,640
Minority interests	492	1,706	491	2,689
TOTAL LIABILITIES	**390,942**	**625,916**	**56,508**	**1,073,366**

in millions of euros – June 30, 2009	Natixis consolidation method	State – Preference shares	Goodwill from Natixis	Shareholder advance	Equity accounting of CICs	CICs held in treasury	Put option on NGAM shares	Restatement	Reciprocal transactions	Other restate-ments	Restate-ments
Cash and amounts due from central banks	108							8,500		1	8,609
Financial assets at fair value through profit or loss	63,076								(12,036)	(280)	50,760
Hedging derivatives	895								(3,205)	0	(2,310)
Available-for-sale financial assets	8,841								(7,683)	(277)	881
Loans and receivables due from banks	19,809	3,000						(8,500)	(51,541)	0	(37,232)
Loans and receivables due from customers	31,240							(180)	(445)	(3)	30,972
Remeasurement adjustment on interest-rate risk hedged portfolios	0								0	0	0
Held-to-maturity financial assets	1,710								(61)	1	1,650
Current tax assets	49							(7)	0	0	42
Deferred tax assets	732								0	0	732
Accrued income and other assets	8,697								(3,357)	75	5,669
Assets relating to non-current assets held for sale	120									1	(306)
Investments in associates	2,672				(3,514)	(2,652)				0	(3,494)
Investment property	257									(87)	170
Property, plant and equipment	161									(39)	122
Intangible assets	191									1	192
Goodwill	670		(964)				477			(132)	51
TOTAL ASSETS	**139,228**	**3,000**	**(964)**	**0**	**(3,514)**	**(2,652)**	**477**	**0**	**(78,328)**	**(739)**	**56,508**

in millions of euros – June 30, 2009	Natixis consolidation method	State – Preference shares	Goodwill from Natixis	Reclassification and shareholder advance	Equity accounting of CICs	CICs held in treasury	Put option on NGAM shares	Restatement	Reciprocal transactions	Other restate-ments	Restate-ments
Amounts due to central banks	259									(1)	258
Financial liabilities at fair value through profit or loss	63,029								(15,592)	(103)	47,334
Hedging derivatives	267								(3,307)	0	(3,040)
Amounts due to banks	29,696								(49,335)	26	(19,613)
Amounts due to customers	12,073							118	(200)	0	11,991
Debt securities	8,558								(2,558)	0	6,000
Remeasure-ment ad-justment on interest-rate risk hedged portfolios	63									(1)	62
Current tax liabilities	22				13			(83)		0	(48)
Deferred tax liabilities	53								0	(43)	10
Accrued expenses and other liabilities	6,320			229			666	111	(2,193)	3	5,136
Debts relating to non-current assets held for sale	101			(229)				229		0	(357)
Technical reserves of insurance companies	9,738							37		1	9,776
Provisions	454							46		0	500
Subordinated debt	4,360			961					(5,144)	3	180
Consolidated equity		3,000	(964)	(539)	(3,527)		26		0	(169)	(2,172)
Minority interests	4,235			(422)		(2,652)	(215)			(455)	491
TOTAL LIABILITIES	**139,228**	**3,000**	**(964)**	**0**	**(3,514)**	**(2,652)**	**477**	**0**	**(78,328)**	**(739)**	**56,508**

The change in consolidation method for Natixis led to the inclusion of the share of the balance sheet relating to Natixis' minority shareholders (28%), for a total of €139 billion.

The subscription of preference shares by the French state increased shareholders' equity by €3 billion.

In accordance with the historical value method, unimpaired goodwill previously recognized by the BFBP and the CNCE when Natixis was established was eliminated.

The shareholders' advance by the BFBP and the CNCE to Natixis was reclassified as debt and eliminated as a reciprocal investment.

The definition of the consolidating entity of the Caisse d'Epargne-Banque Populaire group had the following consequences:

- the cancellation of the equity accounting of the cooperative investment certificates (CIC) issued by the Caisses d'Epargne and included in Groupe Banque Populaire's consolidated financial statements via Natixis; and
- the cancellation of the equity accounting of the cooperative investment certificates (CIC) issued by the Banques Populaires and included in Groupe Caisse d'Epargne's consolidated financial statements via Natixis.

The change in consolidation method for Natixis led automatically to the recognition of an additional 28% share, attributable to minority interests, of the equity-accounting value of the cooperative investment certificates issued by the Banques Populaires and the Caisses d'Epargne. Following the definition of the consolidating entity, this portion, representing treasury shares, was eliminated in exchange for the minority interests.

The column under the heading "Put option on NGAM shares" relates to the review of the accounting treatment of the put option on 11% of the share capital of NGAM, given to CNP Assurances by the CNCE (see above).

Following the change in consolidation method for Natixis, reciprocal transactions previously eliminated at a rate of 36% in the financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne were fully eliminated, thereby reducing the balance-sheet total by nearly €78 billion.

Pro forma balance sheet to December 31, 2008

On the basis of historical data, the pro forma balance sheet is as follows:

in millions of euros – December 31, 2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Pro forma Groupe BPCE
Cash and amounts due from central banks	4,716	13,951	501	19,168
Financial assets at fair value through profit or loss	120,227	110,723	73,843	304,793
Hedging derivatives	809	7,357	(2,717)	5,449
Available-for-sale financial assets	21,333	36,701	910	58,944
Loans and receivables due from banks	44,075	134,382	(23,263)	155,194
Loans and receivables due from customers	182,205	297,539	32,326	512,070
Remeasurement adjustment on interest-rate risk hedged portfolios	29	1,917	0	1,946
Held-to-maturity financial assets	2,248	5,178	1,741	9,167
Current tax assets	447	819	123	1,389
Deferred tax assets	1,543	3,031	626	5,200
Accrued income and other assets	15,651	26,558	8,767	50,976
Investments in associates	2,188	3,293	(3,378)	2,103
Investment property	579	1,807	201	2,587
Property, plant and equipment	2,059	2,916	143	5,118
Intangible assets	1,085	737	205	2,027
Goodwill	4,395	2,847	136	7,378
TOTAL ASSETS	**403,589**	**649,756**	**90,164**	**1,143,509**

in millions of euros – December 31, 2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Pro forma Groupe BPCE
Amounts due to central banks	299	308	237	844
Financial liabilities at fair value through profit or loss	106,720	101,522	65,307	273,549
Hedging derivatives	848	7,431	(2,147)	6,132
Amounts due to banks	66,539	81,308	(11,597)	136,250
Amounts due to customers	126,588	227,736	16,410	370,734
Debt securities	42,808	158,182	7,092	208,082
Remeasurement adjustment on interest-rate risk hedged portfolios	153	908	115	1,176
Current tax liabilities	302	89	189	580
Deferred tax liabilities	490	863	148	1,501
Accrued expenses and other liabilities	13,835	24,084	6,837	44,756
Technical reserves of insurance companies	15,753	12,542	9,582	37,877
Provisions	1,893	2,683	242	4,818
Subordinated debt	7,182	13,696	969	21,847
Consolidated equity	19,657	16,564	(4,526)	31,695
Minority interests	522	1,840	1,306	3,668
TOTAL LIABILITIES	**403,589**	**649,756**	**90,164**	**1,143,509**

The main restatements are as follows:

in millions of euros – December 31, 2008	Natixis consolidation method	Goodwill from Natixis	Equity accounting of CICs	CICs held in treasury	Put option on NGAM shares	Reciprocal transactions	Other restatements	Restatements
Cash and amounts due from central banks	500						1	501
Financial assets at fair value through profit or loss	81,205					(7,100)	(262)	73,843
Hedging derivatives	143					(2,859)	(1)	(2,717)
Available-for-sale financial assets	8,792					(7,605)	(277)	910
Loans and receivables due from banks	18,651					(41,915)	1	(23,263)
Loans and receivables due from customers	32,882					(425)	(131)	32,326
Remeasurement adjustment on interest-rate risk hedged portfolios	0					0	0	0
Held-to-maturity financial assets	1,824					(82)	(1)	1,741
Current tax assets	113					0	10	123
Deferred tax assets	626					0	0	626
Accrued income and other assets	9,212					(745)	300	8,767
Investments in associates	2,651		(3,417)	(2,615)			3	(3,378)
Investment property	289						(88)	201
Property, plant and equipment	184						(41)	143
Intangible assets	204						1	205
Goodwill	803	(970)			435		(132)	136
TOTAL ASSETS	**158,079**	**(970)**	**(3,417)**	**(2,615)**	**435**	**(60,731)**	**(617)**	**90,164**

in millions of euros – December 31, 2008	Natixis consolidation method	Goodwill from Natixis	Equity accounting of CICs	CICs held in treasury	Put option on NGAM shares	Reciprocal transactions	Other restatements	Restatements
Amounts due to central banks	236						1	237
Financial liabilities at fair value through profit or loss	78,328					(12,791)	(230)	65,307
Hedging derivatives	74					(2,289)	68	(2,147)
Amounts due to banks	27,476					(39,117)	44	(11,597)
Amounts due to customers	16,719					(227)	(82)	16,410
Debt securities	9,843					(2,757)	6	7,092
Remeasurement adjustment on interest-rate risk hedged portfolios	116						(1)	115
Current tax liabilities	96		13				80	189
Deferred tax liabilities	193					0	(45)	148
Accrued expenses and other liabilities	6,583				653	(657)	258	6,837
Technical reserves of insurance companies	9,545						37	9,582
Provisions	358						(116)	242
Subordinated debt	3,877					(2,893)	(15)	969
Consolidated equity		(970)	(3,430)		39	0	(165)	(4,526)
Minority interests	4,635			(2,615)	(257)		(457)	1,306
TOTAL LIABILITIES	**158,079**	**(970)**	**(3,417)**	**(2,615)**	**435**	**(60,731)**	**(617)**	**90,164**

The change in consolidation method for Natixis led to the inclusion of the share of the balance sheet relating to Natixis' minority shareholders (28%), for a total of €158 billion.

In accordance with the historical value method, unimpaired goodwill previously recognized by the BFBP and the CNCE when Natixis was established was eliminated.

The definition of the consolidating entity of the Caisse d'Epargne-Banque Populaire group had the following consequences:

- the cancellation of the equity accounting of the cooperative investment certificates (CIC) issued by the Caisses d'Epargne and included in Groupe Banque Populaire's consolidated financial statements via Natixis, and
- the cancellation of the equity accounting of the cooperative investment certificates (CIC) issued by the Banques Populaires and included in Groupe Caisse d'Epargne's consolidated financial statements via Natixis.

The change in consolidation method for Natixis led automatically to the recognition of an additional 28% share, attributable to minority interests, of the equity-accounting value of the cooperative investment certificates issued by the Banques Populaires and the Caisses d'Epargne. Following the definition of the consolidating entity, this portion, representing treasury shares, was eliminated in exchange for the minority interests.

The column under the heading "Put option on NGAM shares" relates to the review of the accounting treatment of the put option on 11% of the share capital of NGAM, given to CNP Assurances by the CNCE (see above).

Following the change in consolidation method for Natixis, reciprocal transactions previously eliminated at a rate of 36% in the financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne were fully eliminated, thereby reducing the balance-sheet total by nearly €61 billion.

STATEMENT BY THE STATUTORY AUDITORS

Statutory auditors' report on the pro forma financial information

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

To the Chairman of the Management Board of BPCE,

In our capacity as Statutory Auditors and in application of regulation (EC) N°809/2004, we have prepared the following report on Groupe BPCE's unaudited pro forma financial information dated June 30, 2009 and December 31, 2008 with respect to the balance sheet, and for the half-years ended June 30, 2009 and June 30, 2008 with respect to the income statement, included in part 4.3.3 "Pro forma financial information for Groupe BPCE" of the registration document dated September 28, 2009.

This pro forma financial information has been prepared, for illustrative purposes only, to provide information about how the combination transactions between Groupe Banque Populaire and Groupe Caisse d'Epargne might have affected:

- the consolidated balance sheet of Groupe BPCE as at June 30, 2009 and December 31, 2008, had the combination taken effect on December 31, 2008;
- the consolidated income statement of Groupe BPCE for the half-years ended June 30, 2009 and June 30, 2008, had the combination taken effect on January 1, 2009 and January 1, 2008 respectively.

Because of its nature, it addresses a hypothetical situation and does not necessarily represent the financial position or performance, had these transactions taken place earlier than they actually did.

This pro forma financial information was prepared under your responsibility in conformity with Commission Regulation (EC) n°809/2004 and the CESR's recommendations on pro forma financial information.

Our role is to express, in conformity with Annex II, item 7 of Commission Regulation (EC) n°809/2004, our conclusions on the appropriateness of the preparation of this pro forma financial information.

We have carried our work in accordance with French professional standards. Our work, which does not include an independent examination of the financial information underlying the pro forma financial information, consisted mainly in ensuring that the basis used to prepare the proforma financial information is consistent with that described in note 4.3.3 "Proforma financial information for Groupe BPCE" of the registration document, considering evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Management of Groupe BPCE in order to collect information and explanations we deemed necessary.

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated in section 4.3.3 "Proforma financial information for Groupe BPCE" of the registration document;
- this basis was established in conformity with the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, prepared in accordance with IFRS as adopted by the European Union.

We draw your attention to the paragraph "Accounting rules and principles" of part 4.3.3 "Proforma financial information for Groupe BPCE" of the registration document, which specifies that the comparison of the accounting policies applied by the two groups did not lead to the identification of significant differences in the implementation of IFRS, except for the methods used for the calculation of the impairment on a portfolio basis and the provisions on home purchase saving accounts and plans ("Epargne Logement") and which points out that the adjustments that could result from the harmonization of these calculation methods have not yet been quantified.

This report has been issued for the sole purpose of filing the registration document with the AMF, and may not be used in any other context.

Paris La Défense, September 28, 2009	Neuilly-sur-Seine, September 28, 2009	Paris La Défense, September 28, 2009
KPMG Audit **Département de KPMG SA**	**PricewaterhouseCoopers Audit**	**Mazars**
Fabrice Odent Marie-Christine Jolys	Agnès Hussherr Anik Chaumartin	Michel Barbet-Massin Charles de Boisriou

4.3.4 Pro forma financial information for BPCE SA

INTRODUCTION

The pro forma financial information presented below is purely indicative. Its aim is to facilitate an understanding of the consequences of the various transactions stemming from the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne. It describes a hypothetical situation, and consequently is not representative of the financial situation or the results of BPCE SA.

The pro forma financial information presented below has not been audited by BPCE SA's statutory auditors.

PRINCIPLES AND METHODS USED TO DRAW UP THE (UNAUDITED) PRO FORMA FINANCIAL INFORMATION

The pro forma financial information was prepared on the basis of the consolidated financial statements of Groupe Banque Populaire for the periods ended June 30, 2009, December 31, 2008 and June 30, 2008, and the consolidated financial statements of Groupe Caisse d'Epargne for the periods ended June 30, 2009, December 31, 2008 and June 30, 2008.

This information was then updated to take into account the effects of the merger of the two groups. The pro forma financial information presented below does not include the impact of transactions carried out in 2009 and 2008, other than those relating directly to the establishment of BPCE.

The establishment of BPCE was the result of the project initiated in October 2008 by the Banque Populaire Group and the Caisse d'Epargne Group. The main stages of the project were as follows:

- approval of the negotiation principles for the proposed merger of the two central institutions by the Board of Directors of the Banque Fédérale des Banques Populaires (BFBP) and the Supervisory Board of the Caisse Nationale des Caisses d'Epargne (CNCE), at meetings on February 24 and 26, 2009 respectively:
  - the new Group is built around two autonomous and complementary networks and brands,
  - the new Group is focused on retail banking activities,
  - the planned merger is based on the creation of a new central institution shared by the Banques Populaires and Caisses d'Epargne networks, and owned in equal parts,
  - the French state supports the creation of the new Group by proposing to contribute capital, in line with its policy of offering its backing to France's leading banking groups,
  - the merger will unify the ownership structure of Natixis, whose governance will be simplified;
- approval of the negotiation agreement by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, at meetings on March 16, 2009. The negotiation agreement, signed in the presence of a representative of the French state, sets out the conditions of the state's capital contribution to BPCE;
- approval by the French Parliament of law no. 2009-715 dated June 18, 2009 making BPCE the central institution of the networks of the Banques Populaires, the Caisses d'Epargne and affiliated banks, and setting out its tasks and prerogatives;
- authorization to operate by the French competition authority (*Autorité de la concurrence*) on June 22, 2009;
- approval by the French banking supervisor (*Comité des établissements de crédit et des entreprises d'investissement*, CECEI) for the new BPCE central institution on June 23, 2009;
- endorsement of BPCE's founding principles by the Board of Directors of the BFBP and the Supervisory Board of the CNCE, at meetings on June 24, 2009.

On July 31, 2009, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne General Meetings ratified the establishment of BPCE, the new central institution of Banques Populaires and Caisses d'Epargne born of the merger of BFBP and CNCE.

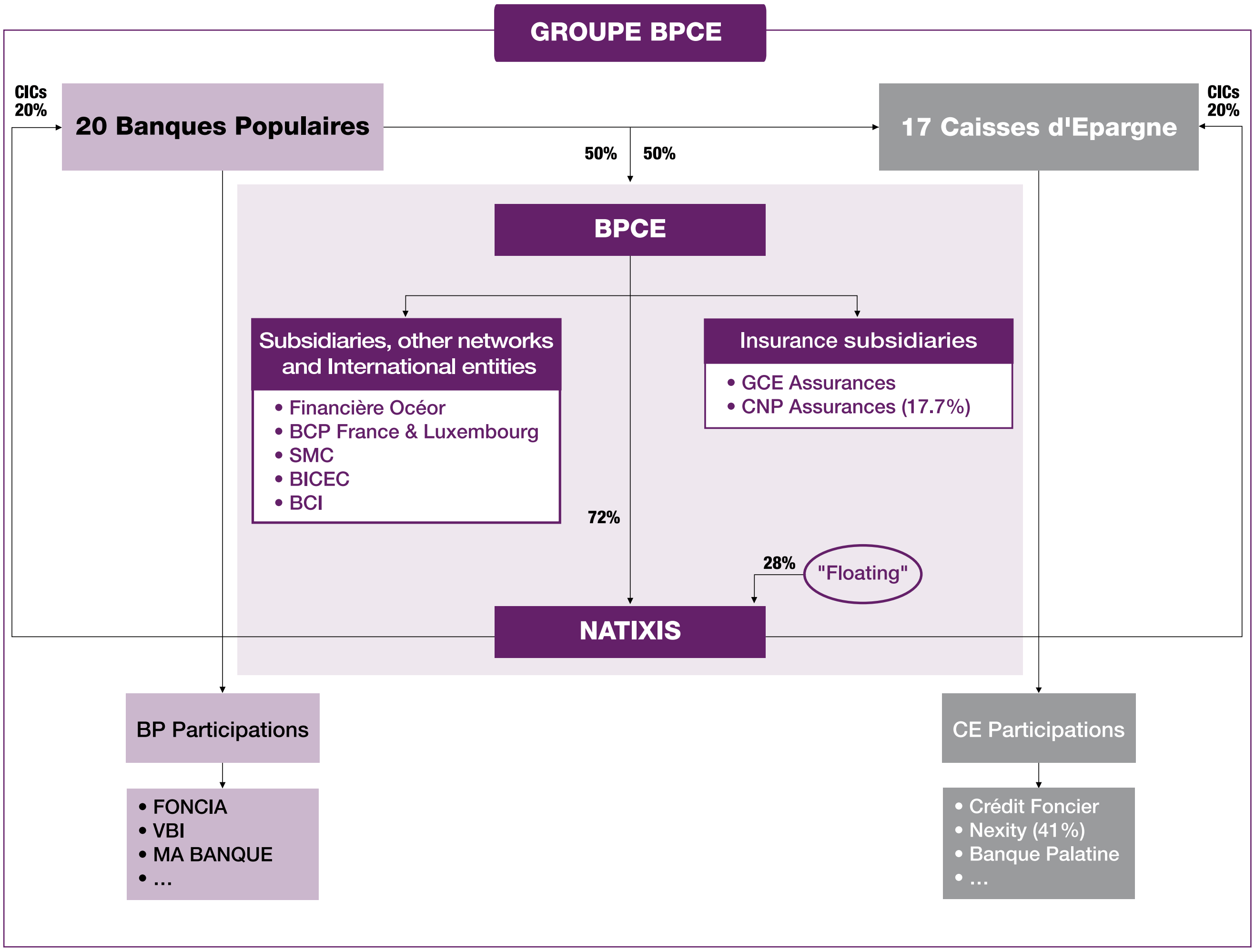
The new central institution primarily holds the retail banking subsidiaries of the two groups and their production entities (Natixis, Société Marseillaise de Crédit, Financière Océor, GCE Assurances and an indirect stake in CNP Assurances).

The subsidiaries of the two Groups in the Real Estate sector (Crédit Foncier, Nexity, FONCIA, MeilleurTaux) and a number of other interests (Banca Carige, Banque Palatine, MA BANQUE) are still owned by the BFBP (renamed Banques Populaires Participations) and the CNCE (renamed Caisses d'Epargne Participations).

As of July 31, 2009, the French state's capital contribution to the BPCE Group was made via the intermediary of the *Société de prises de participation de l'Etat* (SPPE), a state-sponsored vehicle for reinforcing bank capital:

- €2.05 billion in deeply subordinated notes issued by the CNCE and the BFBP in the fourth quarter of 2008 and a further €2 billion at the end of the second quarter of 2009, and contributed to BCPE;
- €3 billion in non-voting preference shares issued by BPCE on July 31, 2009.

BPCE has a call option on preference shares at any time as of the first anniversary of their issue. After a period of five years, equity warrants issued by BPCE and subscribed by the SPPE concurrently to the preference shares will also allow the French state to own, should it so desire, and if BPCE has not by then redeemed the preference shares, up to 20% of BPCE's ordinary share capital.



ACCOUNTING RULES AND PRINCIPLES

Groupe Banque Populaire and Groupe Caisse d'Epargne prepare their consolidated financial statements under IFRS, as endorsed by the European Union.

The review of accounting rules and principles conducted by the two groups did not bring to light any material differences in the way these rules and principles are applied, except for the calculation of portfolio-based provisions and those on regulated home savings products. It was not possible to calculate precisely the adjustments that may arise from the harmonization of the two methods.

ACCOUNTING RULES AND PRINCIPLES OF CONSOLIDATION

The process was seen as a merger of mutual entities, which are excluded from the scope of IFRS 3. In accordance with IAS 8, the Group has accordingly adopted the accounting method that best suits the substance of the merger transactions, namely merger accounting, the use of which is described in IFRS 6 "Acquisitions and mergers" (UK GAAP).

This method offers the following advantages:

- it is consistent with the principles of equity and balance that were central to the merger;
- it ensures that the methods used to value the new company's assets and liabilities are consistent, and guarantees neutral accounting treatment, not taking into account the origins of the businesses;

- it requires the elimination of the impact of prior transactions made by Groupe Banque Populaire and Groupe Caisse d'Epargne. In particular, valuation differences and goodwill arising from the establishment of Natixis have been restated.

SCOPE OF CONSOLIDATION

The asset contributions left BPCE owning 100% of the two groups' stakes in Natixis, giving it excusive control over that entity. Consequently, Natixis has been fully consolidated in the pro forma financial information, with a 72% equity interest as of June 30, 2009 (previously, the two groups both used the proportional method to consolidate Natixis).

After the finalization of the various contributions and following BPCE's acquisition of the CNCE's equity interest in CNP Assurances, and with the exclusion of Natixis, BPCE's main interests are as follows:

Entity	Consolidation method	Interest in the first half of 2009
Société Marseillaise de Crédit	Full	100%
Océor group	Full	100%
GCE Assurances	Full	46%
Groupe CNP Assurances	Equity	15.76%(1)

(1) *The interest in CNP Assurances is 17.7%. On the basis of agreements between BPCE and La Poste, the size of the interest used for consolidation purposes is 15.76%.*

In addition, in November 2007, the BFBP and the CNCE decided to acquire 100% of the capital of CIFG, Natixis' wholly owned credit enhancement subsidiary. Early in 2008, any notion of further support from the BFBP and the CNCE was laid to rest, and a commutation process with creditors was initiated. Under the terms of the commutation agreement reached in early 2009, the BFBP and the CNCE were left holding only about 10% of CIFG.

In the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, these events are reflected in the proportional consolidation of CIFG as of December 31, 2007, followed by its deconsolidation at the start of 2008. The events relating to the commutation agreement at the end of 2008 did not give rise to any restatements to the pro forma financial information presented below.

OTHER RESTATEMENTS

In the light of the legal terms of the transaction, the subscription by the French state of 3 billion in preference shares was included in the pro forma data, as of June 30, 2009.

The review of the classification of the deeply subordinated notes issued by the BFBP and the CNCE did not prompt any restatement, in the light of the legal provisions included in these contracts. The shareholders' advance of €1.5 billion given to Natixis in the first half of 2009 was reclassified as debt, before being eliminated as a reciprocal transaction.

In preparing the pro forma data, the difference in the fiscal situation of the two groups was examined in the light of the impact of the merger. This review did not prompt a restatement of deferred tax assets or liabilities in the consolidated financial statements of Groupe Banque Populaire or Groupe Caisse d'Epargne for the periods ended June 30, 2009 or December 31, 2008.

Possible impacts from the guarantee provided by the CNCE to BPCE covering the valuation of some of Océor's assets are not included in the elements presented below.

PRO FORMA INCOME STATEMENT

in millions of euros – Groupe BPCE SA	H109	H108
NET BANKING INCOME	**2,764**	**1,833**
Operating expenses	(2,900)	(2,981)
GROSS OPERATING INCOME	**(136)**	**(1,148)**
Cost of risk	(2,358)	(371)
OPERATING INCOME	**(2,494)**	**(1,519)**
Share of results of associates	287	273
Gains or losses on other assets	55	135
Change in the value of goodwill	(87)	17
Income taxes	965	222
NET INCOME	**(1,274)**	**(872)**
Minority interests	762	251
NET INCOME ATTRIBUTABLE TO THE GROUP	**(512)**	**(621)**

PREPARATION OF THE PRO FORMA INCOME STATEMENTS

Pro forma income statement for the first half of 2009

On the basis of historical data, the pro forma income statement is as follows:

in millions of euros – H1-09	Contributions BFBP (excl. Natixis)	Contributions CNCE (excl. Natixis)	Groupe Natixis	Restatements	Pro forma Groupe BPCE SA
NET BANKING INCOME	**299**	**1,759**	**702**	**4**	**2,764**
Operating expenses	(173)	(327)	(2,398)	(2)	(2,900)
GROSS OPERATING INCOME	**126**	**1,432**	**(1,696)**	**2**	**(136)**
Cost of risk	(11)	(104)	(2,243)	0	(2,358)
OPERATING INCOME	**115**	**1,328**	**(3,939)**	**2**	**(2,494)**
Share of results of associates	0	84	271	(68)	287
Gains or losses on other assets	1	(3)	20	37	55
Change in the value of goodwill	0	(87)	0	0	(87)
Income taxes	(13)	30	949	(1)	965
NET INCOME	**103**	**1,352**	**(2,699)**	**(30)**	**(1,274)**
Minority interests	(2)	1	(23)	786	762
NET INCOME ATTRIBUTABLE TO THE GROUP	**101**	**1,353**	**(2,722)**	**756**	**(512)**

The main restatements are as follows:

in millions of euros – H1-09	Dividends received from central institutions	Natixis accretion	Minority interests	Other restatements	Restatements
NET BANKING INCOME				**4**	**4**
Operating expenses				(2)	(2)
GROSS OPERATING INCOME	**0**	**0**	**0**	**2**	**2**
Cost of risk				0	0
OPERATING INCOME	**0**	**0**	**0**	**2**	**2**
Share of results of associates	(69)			1	(68)
Gains or losses on other assets		37		0	37
Change in the value of goodwill				0	0
Income taxes				(1)	(1)
NET INCOME	**(69)**	**37**	**0**	**2**	**(30)**
Minority interests			786	0	786
NET INCOME ATTRIBUTABLE TO THE GROUP	**(69)**	**37**	**786**	**2**	**756**

Dividends received by Banques Populaires and Caisses d'Epargne from their central institutions have been totally eliminated from the income statement.

In the first half of 2009, the increase in the interest in Natixis led to the recognition of an accretion gain of €37 million.

On the basis of the size of the interest in Natixis, the contribution (after the elimination of dividends received by Banques Populaires and Caisses d'Epargne from their central institutions) led to the recognition of minority interests in the net income attributable to equity holders of the parent for a total of €786 million.

Pro forma income statement for the first half of 2008

in millions of euros – H1-08	Contributions BFBP (excl. Natixis)	Contributions CNCE (excl. Natixis)	Groupe Natixis	Restatements	Pro forma Groupe BPCE SA
NET BANKING INCOME	**114**	**167**	**1,552**	**0**	**1,833**
Operating expenses	(83)	(170)	(2,728)	0	(2,981)
GROSS OPERATING INCOME	**31**	**(3)**	**(1,176)**	**0**	**(1,148)**
Cost of risk	3	0	(374)	0	(371)
OPERATING INCOME	**34**	**(3)**	**(1,550)**	**0**	**(1,519)**
Share of results of associates	0	88	300	(115)	273
Gains or losses on other assets	(5)	25	115	0	135
Change in the value of goodwill	16	0	1	0	17
Income taxes	(16)	(4)	242	0	222
NET INCOME	**29**	**106**	**(892)**	**(115)**	**(872)**
Minority interests	(5)	(4)	(56)	316	251
NET INCOME ATTRIBUTABLE TO THE GROUP	**24**	**102**	**(948)**	**201**	**(621)**

On the basis of historical data, the pro forma income statement is as follows:

The main restatements are as follows:

in millions of euros – H1-08	Dividends received from central institutions	Minority interests	Other restatements	Restatements
NET BANKING INCOME			**0**	**0**
Operating expenses			0	0
GROSS OPERATING INCOME	**0**	**0**	**0**	**0**
Cost of risk			0	0
OPERATING INCOME	**0**	**0**	**0**	**0**
Share of results of associates	(115)		0	(115)
Gains or losses on other assets			0	0
Change in the value of goodwill			0	0
Income taxes			0	0
NET INCOME	**(115)**	**0**	**0**	**(115)**
Minority interests		316	0	316
NET INCOME ATTRIBUTABLE TO THE GROUP	**(115)**	**316**	**0**	**201**

Dividends received by Banques Populaires and Caisses d'Epargne from their central institutions have been totally eliminated from the income statement.

On the basis of the size of the interest in Natixis, the contribution (after the elimination of dividends received by Banques Populaires and Caisses d'Epargne from their central institutions) led to the recognition of minority interests in the net income attributable to equity holders of the parent for a total of €316 million.

BALANCE SHEET

in millions of euros – Groupe BPCE SA	June 30, 2009	December 31, 2008
Cash and amounts due from central banks	14,468	13,852
Financial assets at fair value through profit or loss	232,841	298,594
Hedging derivatives	3,417	778
Available-for-sale financial assets	39,122	37,723
Loans and receivables due from banks	162,018	154,041
Loans and receivables due from customers	122,548	127,487
Held-to-maturity financial assets	6,074	6,411
Current tax assets	194	408
Deferred tax assets	3,204	2,766
Accrued income and other assets	24,515	30,609
Deferred profit sharing	483	925
Investments in associates	10,065	9,842
Investment property	945	1,056
Property, plant and equipment	862	933
Intangible assets	772	803
Goodwill	3,253	3,787
TOTAL ASSETS	**624,781**	**690,015**

in millions of euros – Groupe BPCE SA	June 30, 2009	December 31, 2008
Amounts due to central banks	919	832
Financial liabilities at fair value through profit or loss	224,570	275,190
Hedging derivatives	1,078	713
Amounts due to banks	140,439	138,543
Amounts due to customers	56,473	68,349
Debt securities	93,620	96,562
Remeasurement adjustment on interest-rate risk hedged portfolios	480	697
Current tax liabilities	92	152
Deferred tax liabilities	218	706
Accrued expenses and other liabilities	26,272	31,664
Technical reserves of insurance companies	35,130	34,070
Provisions	1,832	1,676
Subordinated debt	17,836	21,750
Consolidated equity	21,588	14,015
Minority interests	4,234	5,096
TOTAL LIABILITIES	**624,781**	**690,015**

PREPARATION OF THE PRO FORMA BALANCE SHEETS

Pro forma balance sheet for the first half of 2009

On the basis of reported data, the pro forma balance sheet is as follows:

in millions of euros – June 30, 2009	Contributions excl. BFBP	Contributions excl. CNCE	Natixis	Restatements	Pro forma Groupe BPCE SA
Cash and amounts due from central banks	269	5,314	385	8,500	14,468
Financial assets at fair value through profit or loss	23,541	1,326	223,992	(16,018)	232,841
Hedging derivatives	139	2,901	3,178	(2,801)	3,417
Available-for-sale financial assets	7,096	43,837	31,396	(43,207)	39,122
Loans and receivables due from banks	51,170	155,271	70,345	(114,768)	162,018
Loans and receivables due from customers	3,035	8,640	110,939	(66)	122,548
Held-to-maturity financial assets	0	0	6,074	0	6,074
Current tax assets	12	6	175	1	194
Deferred tax assets	161	443	2,600	0	3,204
Accrued income and other assets	1,855	2,980	30,402	(10,722)	24,515
Deferred profit sharing	0	0	483	0	483
Non-current assets held for sale	0	0	427	(427)	0
Investments in associates	20	1,533	9,487	(975)	10,065
Investment property	0	33	912	0	945
Property, plant and equipment	146	145	571	0	862
Intangible assets	11	80	680	1	772
Goodwill	794	79	2,380	0	3,253
TOTAL ASSETS	**88,249**	**222,588**	**494,426**	**(180,482)**	**624,781**

in millions of euros – June 30, 2009	Contributions excl. BFBP	Contributions excl. CNCE	Natixis	Restatements	Pro forma Groupe BPCE SA
Amounts due to central banks	0	1	918	0	919
Financial liabilities at fair value through profit or loss	17,032	4,106	223,825	(20,393)	224,570
Hedging derivatives	13	1,818	948	(1,701)	1,078
Amounts due to banks	27,181	110,875	105,457	(103,074)	140,439
Amounts due to customers	5,815	7,814	42,873	(29)	56,473
Debt securities	15,204	68,337	30,392	(20,313)	93,620
Remeasurement adjustment on interest-rate risk hedged portfolios	0	258	222	0	480
Current tax liabilities	4	11	78	(1)	92
Deferred tax liabilities	0	29	189	0	218
Accrued expenses and other liabilities	11,610	3,005	22,443	(10,786)	26,272
Debts relating to non-current assets held for sale	0	0	357	(357)	0
Technical reserves of insurance companies	0	550	34,581	(1)	35,130
Provisions	114	105	1,613	0	1,832
Subordinated debt	2,474	6,454	15,484	(6,576)	17,836
Consolidated equity	8,777	19,040	14,380	(20,609)	21,588
Minority interests	25	185	666	3,358	4,234
TOTAL LIABILITIES	**88,249**	**222,588**	**494,426**	**(180,482)**	**624,781**

The main restatements are as follows:

in millions of euros – June 30, 2009	Natixis shares owned	Shareholders' advance and reclassifications	Equity-accounting value of CICs	Minority interests in Natixis	Reciprocal transactions	Other restatements	Restatements
Cash and amounts due from central banks		8,500					8,500
Financial assets at fair value through profit or loss					(16,019)	1	(16,018)
Hedging derivatives					(2,800)	(1)	(2,801)
Available-for-sale financial assets	(14,777)				(28,431)	1	(43,207)
Loans and receivables due from banks		(8,500)			(106,268)		(114,768)
Loans and receivables due from customers					(66)		(66)
Held-to-maturity financial assets							
Current tax assets						1	1
Deferred tax assets							
Accrued income and other assets		427			(11,147)	(2)	(10,722)
Non-current assets held for sale							
Deferred profit sharing		(427)					(427)
Investments in associates			(975)				(975)
Investment property							
Property, plant and equipment							
Intangible assets						1	1
Goodwill							
TOTAL ASSETS	**(14,777)**		**(975)**		**(164,731)**	**1**	**(180,482)**

in millions of euros – June 30, 2009	Natixis shares owned	Shareholders' advance and reclassifications	Equity-accounting value of CICs	Minority interests in Natixis	Reciprocal transactions	Other restatements	Restatements
Amounts due to central banks							
Financial liabilities at fair value through profit or loss					(20,393)		(20,393)
Hedging derivatives					(1,701)		(1,701)
Amounts due to banks					(103,074)		(103,074)
Amounts due to customers					(28)	(1)	(29)
Debt securities					(20,312)	(1)	(20,313)
Remeasurement adjustment on interest-rate risk hedged portfolios							
Current tax liabilities					(1)		(1)
Deferred tax liabilities							
Accrued expenses and other liabilities		357			(11,146)	3	(10,786)
Debts relating to non-current assets held for sale		(357)					(357)
Technical reserves of insurance companies						(1)	(1)
Provisions							
Subordinated debt		1,500			(8,076)		(6,576)
Consolidated equity	(14,777)	(1,500)	(975)	(3,352)		(5)	(20,609)
Minority interests				3,352		6	3,358
TOTAL LIABILITIES	**(14,777)**		**(975)**		**(164,731)**	**1**	**(180,482)**

In addition to the contributions made and the consolidation of Natixis, the following restatements were made in preparing the pro forma information:

- cancellation of Natixis shares held by BPCE as an exchange for equity;
- reclassification of various elements, including the €1.5 billion shareholder advance from BPCE to Natixis;
- adjustment of the equity-accounting value of the Banques Populaires and the Caisses d'Epargne in Natixis' financial statements in order to eliminate:
  - The revaluation of the shares of the former central institutions held by the latter,
  - Valuation differences and goodwill recognized by Natixis at the time of the first consolidation of the cooperative investment certificates issued by the Caisses d'Epargne and previously consolidated by the CNCE;
- recognition of the minority interests' share of Natixis' equity;
- inclusion of reciprocal transactions between Group entities.

Pro forma balance sheet to December 31, 2008

On the basis of historical data, the pro forma balance sheet is as follows:

in millions of euros – December 31, 2008	Contributions excl. BFBP	Contributions excl. CNCE	Natixis	Restatements	Pro forma Groupe BPCE SA
Cash and amounts due from central banks	144	11,949	1,759	0	13,852
Financial assets at fair value through profit or loss	17,854	1,280	285,493	(6,033)	298,594
Hedging derivatives	30	2,608	502	(2,362)	778
Available-for-sale financial assets	6,107	44,126	30,911	(43,421)	37,723
Loans and receivables due from banks	47,209	131,884	65,573	(90,625)	154,041
Loans and receivables due from customers	2,800	8,817	115,953	(83)	127,487
Held-to-maturity financial assets	0	0	6,411	0	6,411
Current tax assets	27	13	368	0	408
Deferred tax assets	166	400	2,200	0	2,766
Accrued income and other assets	280	4,043	31,142	(4,856)	30,609
Deferred profit sharing	0	0	925	0	925
Investments in associates	20	1,484	9,320	(982)	9,842
Investment property	6	34	1,016	0	1,056
Property, plant and equipment	140	148	645	0	933
Intangible assets	10	75	719	(1)	803
Goodwill	797	166	2,823	1	3,787
TOTAL ASSETS	**75,590**	**207,027**	**555,760**	**(148,362)**	**690,015**

in millions of euros – December 31, 2008	Contributions excl. BFBP	Contributions excl. CNCE	Natixis	Restatements	Pro forma Groupe BPCE SA
Amounts due to central banks	0	0	831	1	832
Financial liabilities at fair value through profit or loss	9,405	4,541	275,380	(14,136)	275,190
Hedging derivatives	11	1,345	259	(902)	713
Amounts due to banks	28,730	100,542	96,600	(87,329)	138,543
Amounts due to customers	4,097	5,291	59,108	(147)	68,349
Debt securities	13,863	68,858	34,606	(20,765)	96,562
Remeasurement adjustment on interest-rate risk hedged portfolios	0	290	407	0	697
Current tax liabilities	20	15	117	0	152
Deferred tax liabilities	0	28	678	0	706
Accrued expenses and other liabilities	9,309	4,484	22,816	(4,945)	31,664
Technical reserves of insurance companies	0	512	33,558	0	34,070
Provisions	116	79	1,481	0	1,676
Subordinated debt	2,551	9,960	13,631	(4,392)	21,750
Consolidated equity	7,462	10,892	15,552	(19,891)	14,015
Minority interests	26	190	736	4,144	5,096
TOTAL LIABILITIES	**75,590**	**207,027**	**555,760**	**(148,362)**	**690,015**

The main restatements are as follows:

in millions of euros – December 31, 2008	Natixis shares owned	Equity-accounting value of CICs	Minority interests in Natixis	Reciprocal transactions	Other restatements	Restatements
Cash and amounts due from central banks						
Financial assets at fair value through profit or loss				(6,033)		(6,033)
Hedging derivatives				(2,361)	(1)	(2,362)
Available-for-sale financial assets	(14,765)			(28,656)		(43,421)
Loans and receivables due from banks				(90,624)	(1)	(90,625)
Loans and receivables due from customers				(84)	1	(83)
Held-to-maturity financial assets						
Current tax assets						
Deferred tax assets						
Accrued income and other assets				(4,857)	1	(4,856)
Deferred profit sharing						
Investments in associates		(982)				(982)
Investment property						
Property, plant and equipment						
Intangible assets					(1)	(1)
Goodwill					1	1
TOTAL ASSETS	**(14,765)**	**(982)**		**(132,615)**		**(148,362)**

in millions of euros – December 31, 2008	Natixis shares owned	Equity-accounting value of CICs	Minority interests in Natixis	Reciprocal transactions	Other restatements	Restatements
Amounts due to central banks					1	1
Financial liabilities at fair value through profit or loss				(14,136)		(14,136)
Hedging derivatives				(902)		(902)
Amounts due to banks				(87,329)		(87,329)
Amounts due to customers				(147)		(147)
Debt securities				(20,765)		(20,765)
Remeasurement adjustment on interest-rate risk hedged portfolios						
Current tax liabilities						
Deferred tax liabilities						
Accrued expenses and other liabilities				(4,944)	(1)	(4,945)
Technical reserves of insurance companies						
Provisions						
Subordinated debt				(4,392)		(4,392)
Consolidated equity	(14,765)	(982)	(4,144)			(19,891)
Minority interests			4,144			4,144
TOTAL LIABILITIES	**(14,765)**	**(982)**		**(132,615)**		**(148,362)**

In addition to the contributions made and the consolidation of Natixis, the following restatements were made in preparing the pro forma information:

- cancellation of Natixis shares held by BPCE as an exchange for equity;
- adjustment of the equity-accounting value of the Banques Populaires and the Caisses d'Epargne in Natixis' financial statements in order to eliminate:
  - the revaluation of the shares of the former central institutions held by the latter,
  - valuation differences and goodwill recognized by Natixis at the time of the first consolidation of the cooperative investment certificates issued by the Caisses d'Epargne and previously consolidated by the CNCE;
- recognition of the minority interests' share of Natixis' equity;
- inclusion of reciprocal transactions between Group entities.

STATEMENT BY THE STATUTORY AUDITORS

Statutory auditors' report on the pro forma financial information

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

To the Chairman of the Management Board of BPCE,

In our capacity as Statutory Auditors and in application of regulation (EC) N°809/2004, we have prepared the following report on Groupe BPCE SA unaudited pro forma financial information dated June 30, 2009 and December 31, 2008 with respect to the balance sheet, and for the half-years ended June 30, 2009 and June 30, 2008 with respect to the income statement, included in part 4.3.4 "Pro forma financial information for Groupe BPCE SA" of the registration document dated September 28, 2009.

This pro forma financial information has been prepared, for illustrative purposes only, to provide information about how the combination transactions between Groupe Banque Populaire and Groupe Caisse d'Epargne might have affected:

- the consolidated balance sheet of Groupe BPCE SA as at June 30, 2009 and December 31, 2008, had the combination taken effect on December 31, 2008;
- the consolidated income statement of Groupe BPCE SA for the half-years ended June 30, 2009 and June 30, 2008, had the combination taken effect on January 1, 2009 and January 1, 2008 respectively.

Because of its nature, it addresses a hypothetical situation and does not necessarily represent the financial position or performance, had these transactions taken place earlier than they actually did.

This pro forma financial information was prepared under your responsibility in conformity with Commission Regulation (EC) n°809/2004 and the CESR's recommendations on pro forma financial information.

Our role is to express, in conformity with Annex II, item 7 of Commission Regulation (EC) n°809/2004, our conclusions on the appropriateness of the preparation of this pro forma financial information.

We have carried our work in accordance with French professional standards. Our work, which does not include an independent examination of the financial information underlying the pro forma financial information, consisted mainly in ensuring that the basis used to prepare the proforma financial information is consistent with that described in note 4.3.4 "Proforma financial information for Groupe BPCE SA" of the registration document, considering evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Management of Groupe BPCE in order to collect information and explanations we deemed necessary.

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated in section 4.3.4 "Proforma financial information for Groupe BPCE SA" of the registration document;
- this basis was established in conformity with the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, prepared in accordance with IFRS as adopted by the European Union.

We draw your attention to the paragraph "Accounting rules and principles" of part 4.3.4 "Proforma financial information for Groupe BPCE SA" of the registration document, which specifies that the comparison of the accounting policies applied by the two groups did not lead to the identification of significant differences in the implementation of IFRS, except for the methods used for the calculation of the impairment on a portfolio basis and the provisions on home purchase saving accounts and plans ("Epargne Logement") and which points out that the adjustments that could result from the harmonization of these calculation methods have not yet been quantified.

This report has been issued for the sole purpose of filing the registration document with the AMF, and may not be used in any other context.

Paris La Défense, September 28, 2009		Neuilly-sur-Seine, September 28, 2009		Paris La Défense, September 28, 2009	
KPMG Audit **Département de KPMG SA**		**PricewaterhouseCoopers Audit**		**Mazars**	
Fabrice Odent	Marie-Christine Jolys	Agnès Hussherr	Anik Chaumartin	Michel Barbet-Massin	Charles de Boisriou

5

GENERAL INFORMATION

5.1 General information

5.1.1 Company name

BPCE

5.1.2 Registered office

50, avenue Pierre Mendès France – F-75013 Paris

5.1.3 Legal structure

A French limited company (*société anonyme*) with a Management Board and a Supervisory Board, governed by the regulations applicable to commercial companies, the French Monetary and Financial Code (*Code monétaire et financier*) and its bylaws.

5.1.4 Date and duration of incorporation

The company was incorporated on January 22, 2007 for a duration of 99 years, the date on which the non-trading company, BPCE, was formed to hold the assets contributed by Groupe Banque Populaire and Groupe Caisse d'Epargne.

5.1.5 Trade and Companies Register (RCS) and number

Paris Trade and Companies Register
Number: 493 455 042
NAF (activity) code: 6419Z

5.1.6 Corporate purpose (Article 2 of the Bylaws)

The company's role is to provide guidelines and promote the business and expansion of the group, comprised of the Caisses d'Epargne et de Prévoyance network and the Banques Populaires network, the affiliated entities and, more generally, the other entities under its control.

The purpose of the company is:

- to be the central institution for the Caisses d'Epargne network and the Banques Populaires network and the affiliated entities, as provided for by the French Monetary and Financial Code. As such and pursuant to Articles L. 511-31 *et seq.* and Article L. 512-107 of the French Monetary and Financial Code, it is responsible for:
  - defining the group's policy and strategic guidelines as well as those of each of its constituent networks,
  - coordinating the sales policies of each of its networks and taking all measures necessary to the group's development, including acquiring or holding strategic equity investments,
  - representing the group and each of its networks to assert its shared rights and interests, including before industry bodies as well as negotiating and entering into national and international agreements,
  - representing the group and each of its networks as an employer to assert its shared rights and interests as well as negotiating and entering into collective industry-wide agreements,
  - taking all measures necessary to guarantee the liquidity of the group and each of its networks, and as such to determine rules for managing the group's liquidity, including by defining the principles and terms and conditions of investment and the management of the cash-flow of the entities that constitute it and the conditions under which these entities may carry out transactions with other banks or investment companies, carrying out securitization transactions or to issue financial instruments or perform any financial transaction necessary to liquidity management,
  - taking all measures necessary to guarantee the solvency of the group and each of its networks, including implementing the appropriate group internal financing mechanisms and setting up a mutual guarantee fund common to both networks, of which it determines the working rules, the terms and conditions for intervening in addition to the funds provided for in Articles L. 512-12 and L. 512-86-1, as well as the contributions of affiliates for its allocations and reconstitution,
  - defining the principles and conditions for organizing the internal control mechanism for the group and each of its networks, as well as assuming the control of the organization, management and quality of the financial position of affiliated entities, including through onsite checks in connection with the scope of intervention defined in paragraph 4 of Article L. 511-31,
  - defining risk management policies and principles and the limits thereof for the group and each of its networks and to ensure its continuous supervision on a consolidated basis,
  - approving the bylaws of affiliated entities and local savings companies as well as any changes that must be made to them,
  - approving the persons called upon, in accordance with Article L. 511-13, to determine the effective business orientation of its affiliated entities,
  - requesting the contributions required to perform its duties as a central institution,
  - ensuring that the Caisse d'Epargne duly fulfills the assignments provided for in Article L. 512-85;
- to be a credit institution, officially approved as a bank. On this basis, it performs both in France and other countries the prerogatives granted to banks by the French Monetary and Financial Code, and provides the investment services provided for in Articles L. 321-1 and L. 321-2 of the above-mentioned Code; it is the central banking, financial and technical organization of the network and more generally the group;
- to act as an insurance intermediary, in accordance with regulations in force;
- to act as an intermediary for real estate transactions, in accordance with regulations in force;
- acquiring stakes, both in France and abroad, in all French or foreign companies, groups or associations with similar purposes to those listed above or with a view to the group's expansion, and more generally, undertaking any transactions relating directly or indirectly to these purposes, which are likely to facilitate the achievement of the Company's purposes or its development.

5.1.7 Fiscal year

The fiscal year begins on January 1 and ends on December 31 each year.

The accounting basis is drawn up from BPCE's pro forma financial statements from June 30, 2009.

5.1.8 Appropriation of income

Distributable income is comprised of the income for the fiscal year, less any losses brought forward and any sums allocated to the legal reserve, plus any income brought forward.

The sums distributed are comprised of the distributable income plus any reserves available to the company.

If the full amount of a preferential dividend for a given year has not been distributed, no dividend may be paid to shareholders of Category A shares or to shareholders of Category B shares during the integration period and to shareholders following the end of the integration period.

The Ordinary General Shareholders' Meeting, on the Management board's proposal, is entitled to deduct any sums it deems suitable to be carried forward to the following year or to be allocated to one or more extraordinary, general or special reserve funds. Any sums decided on by the General Shareholders' Meeting, on the Management board's proposal, may be allocated to these funds. In addition, it may decide, on the Board's proposal, to distribute a dividend from all or part of the sums available for distribution, under the terms and conditions provided for under these Bylaws.

The Ordinary General Meeting, on the Management board's proposal, may opt to grant to each shareholder the option of receiving all or part of the dividend payment in cash or shares. This option may also be granted in the event of the payment of interim dividends.

5.1.9 General Meetings

General Shareholders' Meetings are convened and meet under the conditions established by current regulations.

Such Meetings are held at the Company's registered office or at any other place specified in the notice of the Meeting.

The Ordinary General Shareholders' Meetings convened to approve the annual financial statements for the past year meets within five months following the end of the fiscal year.

Only shareholders of Category A shares, shareholders of Category B shares and holders of ordinary shares are entitled to participate in General Shareholders' Meetings.

To attend such meetings, shareholders must be recorded in their name in the shareholder register kept by the company a minimum of three business days (by 12.00am Paris time) prior to the General Meeting.

If a shareholder does not attend a General Shareholders' Meeting in person, he may select one of the following three options:

- give an instrument of proxy to another Shareholder or his or her spouse; or
- cast a postal vote; or
- address an instrument of proxy to the company without indicating the name of the proxy.

General Meetings of Shareholders are chaired by the Chairman of the Supervisory Board or by the Vice-Chairman in his absence; in the absence of both the Chairman and the Vice-Chairman, General Meetings of Shareholders are chaired by a member of the Supervisory Board specially delegated for this purpose by the Supervisory Board. Failing this, the General Shareholders' Meeting elects its Chairman.

The General Shareholders' Meeting appoints its officers.

Returning Officers are appointed from among two Shareholders representing, either by themselves or as proxies, the greatest number of Shares and who are willing to carry out the task. The officers appoint a secretary, who may not necessarily be a member of the General Shareholders' Meeting.

An attendance sheet is kept, in accordance with the conditions laid down by the regulations in force.

The Ordinary General Shareholders' Meeting shall be validly held on first calling if the shareholders present or represented possess at least one fifth of the voting shares. The Ordinary General Shareholders' Meeting shall be validly held on the second calling regardless of the number of shareholders present or represented.

The deliberations of the Ordinary General Shareholders' Meeting are taken by a majority of the votes of the shareholders present or represented, including shareholders voting by mail.

The Extraordinary General Shareholders' Meeting shall be validly held on first calling if the shareholders present or represented possess at least one quarter of the voting shares.

The Extraordinary General Shareholders' Meeting shall be validly held on the second calling if the shareholders present or represented possess at least one fifth of the voting shares.

The deliberations of the Extraordinary General Shareholders' Meeting are taken by a two-thirds majority of the votes of the shareholders present or represented, including shareholders voting by mail.

Ordinary and Extraordinary General Shareholders' Meetings exercise their respective powers under the conditions stipulated in current regulations.

Copies or excerpts of the minutes of the General Shareholders' Meetings are validly certified by the Chairman or Vice-Chairman of the Supervisory Board, a member of the Management Board or by the secretary of the General Shareholders' Meeting.

Ordinary and Extraordinary General Shareholders' Meetings exercise their respective powers under the conditions stipulated in current regulations.

The documents relating to the Company such as the Bylaws, its financial statements, the reports presented to the meetings by the Management Board or the Statutory Auditors, may be viewed at the Company's registered office.

5.1.10 Company documents

The documents relating to the Company, namely the Bylaws, the financial statements and reports presented at the General Meetings by the Management Board or the Statutory Auditors' reports, may be viewed at the Company's registered office.

5.2 Share capital

5.2.1 Amount of capital

The share capital is fixed at four hundred and eighty-six million four hundred and seven thousand one hundred and fifteen euros (€486,407,115).

It is divided into 32,427,141 fully paid-up shares each with a par value of fifteen euros (€15), divided into three categories:

- 12,996,744 Category A shares;
- 12,996,744 Category B shares;
- 6,433,653 Category C shares.

The shares of BPCE are not listed or traded on any market.

5.2.2 Form and means of registration in a securities account

The shares issued by the company are registered shares.

They are recorded in a shareholder register held by the company or by an approved intermediary.

5.2.3 Breakdown of the capital

Shareholders	Number of shares	% capital held	% voting rights
Category A shares			
BPCE shareholder with a stake of over 5%			
CAISSE D'EPARGNE ILE-DE-FRANCE	1,808,388	5.58	6.96
BPCE shareholders with a stake of below 5%			
CAISSE D'EPARGNE RHONE ALPES	1,065,679	3.29	4.10
CAISSE D'EPARGNE NORD FRANCE EUROPE	1,007,412	3.11	3.88
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	1,000,325	3.08	3.85
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	981,799	3.03	3.78
CAISSE D'EPARGNE DE BRETAGNE-PAYS DE LOIRE	905,159	2.79	3.48
CAISSE D'EPARGNE LORRAINE CHAMPAGNE-ARDENNE	863,322	2.66	3.32
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTE	679,835	2.10	2.62
CAISSE D'EPARGNE NORMANDIE	657,410	2.03	2.53
CAISSE D'EPARGNE DE MIDI-PYRENEES	631,357	1.95	2.43
CAISSE D'EPARGNE LOIRE-CENTRE	603,008	1.86	2.32
CAISSE D'EPARGNE DU LANGUEDOC-ROUSSILLON	554,104	1.71	2.13
CAISSE D'EPARGNE COTE D'AZUR	521,861	1.61	2.01

Shareholders	Number of shares	% capital held	% voting rights
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	510,841	1.58	1.97
CAISSE D'EPARGNE DE PICARDIE	456,978	1.41	1.76
CAISSE D'EPARGNE DE LOIRE DROME ARDECHE	413,997	1.28	1.59
CAISSE D'EPARGNE ALSACE	335,269	1.03	1.29
TOTAL CATEGORY A SHARES	**12,996,744**	**40**	**50**
Category B shares			
CASDEN BANQUE POPULAIRE	1,242,468	3.83	4.78
BRED BANQUE POPULAIRE	1,231,359	3.80	4.74
BANQUE POPULAIRE RIVES DE PARIS	1,157,489	3.57	4.45
BANQUE POPULAIRE VAL DE FRANCE	1,116,876	3.44	4.30
BANQUE POPULAIRE OCCITANE	1,031,968	3.18	3.97
BANQUE POPULAIRE LORRAINE CHAMPAGNE	860,909	2.65	3.31
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTE	823,380	2.54	3.17
BANQUE POPULAIRE DE L'OUEST	625,228	1.93	2.41
BANQUE POPULAIRE D'ALSACE	586,162	1.81	2.26
BANQUE POPULAIRE ATLANTIQUE	567,023	1.75	2.18
BANQUE POPULAIRE DU SUD	532,558	1.64	2.05
BANQUE POPULAIRE DES ALPES	526,214	1.62	2.02
BANQUE POPULAIRE LOIRE ET LYONNAIS	460,231	1.42	1.77
BANQUE POPULAIRE CENTRE ATLANTIQUE	387,695	1.20	1.49
BANQUE POPULAIRE DU NORD	362,000	1.12	1.39
BANQUE POPULAIRE DU MASSIF CENTRAL	359,257	1.11	1.38
BANQUE POPULAIRE COTE D'AZUR	322,949	1.00	1.24
BANQUE POPULAIRE DU SUD-OUEST	279,471	0.86	1.08
CREDIT COOPERATIF	261,209	0.81	1.00
BANQUE POPULAIRE PROVENÇALE ET CORSE	201,718	0.62	0.78
BANQUES POPULAIRES PARTICIPATIONS	39,426	0.12	0.15
COFIBRED	13,196	0.04	0.05
SEGIMLOR	7,846	0.02	0.03
Other	112	0.00	0.00
TOTAL CATEGORY B SHARES	**12,996,744**	**40**	**50**
Category C shares			
BPCE shareholders with a stake of over 5%			
Wholly state-owned structure (*Société de prise de participation de l'Etat*)	6,433,653	19.84	0
TOTAL CATEGORY C SHARES	**6,433,653**	**19.84**	**0**
TOTAL SHARES	**32,427,141**	**100**	**100**

5.2.4 Improper control

The organization of corporate governance under the Bylaws and the breakdown of capital strongly reduce the likelihood of this issue occurring.

5.2.5 Change in control

To BPCE's knowledge, and in accordance with European regulations, there are no agreements that could lead to a change in control at a subsequent date. The provisions of Article L. 512-106 of the Monetary and Financial Code allows for the Banques Populaires and Caisses d'Epargne et de Prévoyance to hold jointly the absolute majority of the share capital and voting rights of BPCE.

5.2.6 Employee shareholding agreement

There are no agreements granting employees stakes in the capital of BPCE.

5.2.7 Category A and B shares

DEFINITIONS

Category A shares are shares held by the shareholders of Category A, which are the Caisses d'Epargne et de Prévoyance and the Caisses d'Epargne Participations (formerly the Caisse Nationale des Caisses d'Epargne) and issued by the company in accordance with Articles L. 228-11 *et seq.* of the French Commercial Code.

Category B shares are shares held by the shareholders of Category B, which are the Banques Populaires, the minority shareholders and the Banques Populaires Participations (formerly the Banque Fédérale des Banques Populaires) and issued by the company in accordance with the Articles of the French Commercial Code referred to above.

RIGHTS OF CATEGORY A AND B SHARES

With the exception of the rights of individuals, such as those defined in the Bylaws, awarded specifically during the integration period, Category A and Category B shares enjoy the same rights.

These individual rights associated with the integration period and attached to each of the share categories are exercised at the Ordinary General Shareholders' Meetings.

These specific rights expire and cease to apply at the end of the integration period. As a consequence, at the end of this period Category A and Category B shares shall be converted automatically, and without the need for any formalities, into ordinary shares, which shall have the same rights.

Each Category A share and each Category B share shall entitle the holder to one vote at the General Shareholders' Meetings.

The rights of Category A and Category B shareholders may not be changed without the approval of the meeting convened specifically, in accordance with the current law.

DEFINITION OF THE INTEGRATION PERIOD

The creation of two distinct share categories for former shareholders of CNCE and former shareholders of BFBP is aimed primarily at guaranteeing parity for shareholders from the two groups holding capital of BPCE during the five-year integration period. This period may be extended by a decision of the General Shareholders' Meeting. Following the end of this integration period, the A and B shares shall be automatically converted into ordinary shares.

Up to the expiry of the integration period, in the event of a capital increase in cash with a preferential subscription right or if certain of the holders of A or B shares were not to exercise all of their subscription rights as of right, the other holders of A or B shares (depending on the case) could exercise the subscription rights not exercised as of right and before other shareholders.

In addition, during the integration period, A and B shares may not be transferred, with the exception of transfers between holders of A shares or holders of B shares, which shall remain free to do so, subject to compliance with a pre-emptive right in favor of the other shareholders of this same category.

Lastly, during the integration period, seven members of the company's Supervisory Board shall be appointed from among the candidates proposed by the holders of A shares, and seven members of the company's Supervisory Board shall be appointed from among the candidates proposed by the holders of B shares. The Supervisory Board may only deliberate validly if at least two members of the Supervisory Board from among those proposed by the holders of A shares, and two members of the Supervisory Board from among those proposed by the holders of B shares are present.

5.2.8 Category C shares

DEFINITION

Category C shares are preferred shares issued by the company and subscribed by the French State *via* the SPPE, a French company that recapitalizes credit institutions. The maturity of this issue is five years from the issue date (July 31, 2009). 19.8% of the capital is comprised of Category C shares.

These shares are recognized as "basic shareholders' equity", which with no maximum limit is eligible as "Core Tier One" equity in accordance with the French Banking Commission's *(Commission bancaire)* General Secretariat.

PREFERENCE SHARE RIGHTS

The rights of holders of C shares are defined in Articles L. 228-11 *et seq.* of the French Commercial Code and by the company's Bylaws.

In particular, in addition to the specific rights set out below, the holders of C shares have the same rights as a holder of an ordinary share (including the same rights to information), with the exception of:

- the right to vote during General Shareholders' Meetings of the company;
- the preferential subscription right in the case of a capital increase, it being understood that holders of C shares shall in this case have the right to subscribe to a number of C shares provided their percentage stake in the capital of the company remains unchanged;
- the right to a dividend payable to holders of ordinary shares, it being understood that holders of C shares shall benefit from a preferential dividend as explained below.

CONDITIONS FOR DISTRIBUTING A PREFERENTIAL DIVIDEND

C shares are shares with no voting rights at General Shareholders' Meetings. However they are entitled to a non-cumulative preferential dividend, whose amount shall be determined in accordance with the Company's Bylaws. However, C shares may only benefit from a preferential dividend if there are sufficient distributable sums (as provided for by Article L. 232-11 of the French Commercial Code) to pay the full preferential dividend and an ordinary divided equal to at least one eurocent per ordinary share. Payment is also subject to the decision of the Ordinary General Meeting to pay a preferential dividend and an ordinary dividend provided there are no prudential events (as defined in the Bylaws) on the date of said decision.

This preferential dividend shall be paid on the ordinary dividend payment date voted by the General Shareholders' Meeting of the company in respect of the dividend paid for the fiscal year ended December 31, 2009.

BUY-BACK TERMS AND CONDITIONS

All or part of the C shares may be bought-back by the company at the redemption price (as determined in the Bylaws) and at any time from the first anniversary of the issue date of the C shares, subject to the company sending the holder of the C shares at least 30 days' written notice prior to the planned buy-back date and to the prior authorization of the French Banking Commission's General Secretariat. Nonetheless, this buy-back option may not be exercised without the government's prior authorization under certain scenarios listed in the Bylaws.

The C shares for which the State (directly or indirectly) is no longer the holder may be bought-back, in full or in part, by the company and at their redemption value (as defined in the Bylaws) as from the tenth fiscal year following the fiscal year in which the C shares were issued, subject to the company sending the holders of these C shares at least 30 days' written notice prior to the planned buy-back date and to obtaining the prior authorization from the Banking Commission's General Secretariat. The Bylaws set other conditions of a financial nature under which such a buy-back is permitted.

C shares may not be converted, in full or in part, into ordinary shares.

DISPOSAL

During a period of two years following their issue date, C shares may not be disposed of in any way other than a sale by the SPPE to the State or to an entity wholly-owned directly or indirectly by the State. Following the end of this two-year period, any sale shall be subject to the approval and pre-emption in accordance with the stipulations in the Bylaws, unless all the following conditions are complied with: the SPPE proposed in advance to the company the purchase at the same price of all the C shares for which a disposal was planned, and the third party seller is not a banking institution or a subsidiary, parent company or company belonging to the same group as the institution.

POLITICAL RIGHTS

The State, including the SPPE, benefits, as a holder of C shares, from specific representation rights at the Supervisory Board. In this context it proposed the appointment of four members of the Supervisory Board, two of which are independent members. If a position on the Board occupied by a Supervisory Board member proposed by the holders of C shares becomes vacant, said Board shall co-opt a new candidate proposed by the Board members representing the holders of C shares.

The special meeting of holders of C shares shall, in particular, be authorized to propose at any time to the General Shareholders' Meeting the removal of Supervisory Board members appointed on proposal of the holders of C shares, and shall be authorized to approve any planned buy-back by the company of all or part of its own shares or securities giving access to the company's capital.

These rights specific to the State are not under any circumstances transferable. In the event of the exercise by the State of the sale or disposal option of the majority of the C shares, these rights shall become null and void and the two members representing the State shall resign from the Supervisory Board on the date of the sale or disposal.

5.2.9 Equity Warrants

In parallel to the issue of preferred shares, an issue was undertaken of unlisted equity warrants (*bons de souscription d'actions, BSA*) issued by the company at a price of one eurocent per warrant. The original number of equity warrants was equal to 25% of the total number of outstanding A and B Category shares on the issue date of the C Category shares.

These equity warrants were subscribed by the SPPE on the issue date of the C Category shares.

RIGHTS OF EQUITY WARRANTS

Each warrant, if exercised will give the holder rights to subscribe to an ordinary share of the company, which will be equal to the value of an ordinary share multiplied by the unit issue price of a C share divided by the buyback price of a C share. The warrants may be exercised during a period of 90 calendar days following each anniversary of the issue date of the C shares, beginning on the fifth anniversary of said issue date. This exercise shall be subject to the prior authorization of the French Credit Institutions and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement, CECEI*) in the cases stipulated in Article 2.1 of Regulation No. 96-16 of December 20, 1996 relating to changes in the situation of banks and investment firms other than asset management companies, as amended.

DISPOSAL

The SPPE may freely dispose of the warrants subscribed by it to the State or to an entity wholly-owned directly or indirectly by the State. Subsequent disposals of warrants between the State and an entity wholly-owned directly or indirectly by the State or between entities wholly-owned directly or indirectly by the State shall also be undertaken freely.

With the exception of the free disposals referred to above, the SPPE (or the State in the case of the direct holding by the State or, in the case of the indirect holding by the State, the holding entity) may not undertake any other disposal of warrants.

BUYBACK

Unexercised warrants shall automatically expire if all the C shares are bought-back. The company shall pay the State a flat-rate indemnity equal to one eurocent per warrant that expires.

In the case of the partial buy-back of C shares prior to the date on which the warrants may be exercised, the warrants eligible for exercise shall be those whose total exercise price is at the most equal to the issue price per unit of all outstanding C shares calculated on that date. In such case the warrants that may no longer be exercised shall automatically expire and the company shall pay the State a flat-rate indemnity equal to one eurocent per warrant that expires.

SHARES RESULTING FROM THE EXERCISE OF WARRANTS

Ordinary shares of the company resulting from the exercise of warrants shall benefit from a voting right at General Meetings and shall be freely transferable by their holders, subject to three restrictions:

- these ordinary shares shall only be transferable following the expiry of a two-year period following the exercise date of the warrants in question;
- the other shareholders of the company shall benefit from a pre-emptive right in the case of the disposal of ordinary shares to a third party, with a substitution option;
- these ordinary shares may not be transferred to a bank or a subsidiary, parent company or company belonging to the same group as this institution.

5.3 Legal and arbitration proceedings

5.3.1 AMF notices relating to the issuance and marketing of subordinated redeemable securities by Groupe Caisse d'Epargne

Entity concerned: CE Participations

Following the investigation opened on September 10, 2004 by the AMF, (French financial markets authority) with regard to the terms and conditions of issue by the CNCE and marketing by the Caisses d'Epargne of subordinated redeemable securities as from June 2002, on September 11, 2006, the AMF issued letters constituting statements of objections both to the CNCE and to ten of the Caisses d'Epargne. In the statements of objection sent to the ten Caisses d'Epargne, the AMF criticizes these entities for, having procured the subscription of subordinated redeemable securities issued by the CNCE on the primary market, whereas clients could have purchased such securities or substantially identical securities under better conditions on the secondary market, and having marketed these securities in violation of a number of regulatory requirements, in particular those regarding the duty to provide subscribers with information and appropriate advice. In its letter to the CNCE, the AMF indicates that the CNCE might be considered to have committed two types of failure to act appropriately: (i) in connection with the preparation and implementation of the system for issuing, listing, and placing the securities, by providing the public with information that was inaccurate in part (subscription dates and acquisitions by the Caisses d'Epargne), and (ii) by neglecting its duties as the entity overseeing the Caisses d'Epargne and thus its obligation to protect the savings of retail customers (reference was made to the objections lodged against the Caisses d'Epargne). After having analyzed these statements, the CNCE and the Caisses d'Epargne submitted their observations to the AMF before December 1, 2006.

The rapporteur appointed by the AMF's Sanction Commission delivered his report on April 23, 2008, in which he found in favor of the exoneration of the CNCE as much with respect to its status as issuer as in its role as central institution. He dismissed the objections lodged against the Caisses d'Epargne in connection with the invoicing of investment commissions and the alleged provision of faulty advice for not having proposed to customers, in lieu of the subordinated redeemable securities (TSR) issued, existing TSRs on the secondary market. He proposed a scale of sanctions for other objections not dismissed.

The Sanction Commission, which met to discuss this matter on June 5, 2008, absolved the CNCE of any wrongdoing, but imposed pecuniary commissions on the Caisses d'Epargne against which objections had been lodged (decision published on June 20, 2008 on the AMF's website). The penalties issued against Caisses d'Epargne de Provence-Alpes-Corse, Bourgogne Franche-Comté, Ile-de-France, Aquitaine Poitou-Charente, Normandie Côte d'Azur et Rhône-Alpes amount to sums of between €50,000 and €320,000. The Caisses d'Epargne have appealed this ruling.

No provision has been set aside.

5.3.2 Payment Protection Insurance (ADE)

Entities concerned: CE Participations and Caisses d'Epargne

The French consumer association *UFC-Que Choisir* has made claims against insurance companies and banks with regard to the borrowers' insurance entered into by their clients within the scope of real estate loan transactions. On May 18, 2007, legal proceedings were brought by *UFC-Que Choisir* before the *Tribunal de Grande Instance* (Paris Regional Court, TGI) against CNP, CNCE and Caisses d'Epargne, requesting that the share in the profits made on these insurance contracts should be paid over to the borrowers. UFC-Que Choisir is seeking the joint conviction of CNP Assurances and Groupe Caisse d'Epargne to pay it the sum of €5,053,193.83. Requests from Groupe Caisse d'Epargne customers amount to an average of €1,000, the largest amounting to €10,027, the lowest being €112. Groupe Caisse d'Epargne acts in full compliance with the regulations concerning collective insurance contracts that it enters into with insurance companies, particularly CNP, the market leader. The group thereby allows its customers to benefit from the collective price negotiated under these agreements if they choose this type of contract.

With regard to the remuneration received by Groupe Caisse d'Epargne for the placement of these contracts, it is not currently allocated a share in the profits, as may have been alleged, but is paid a commission by the insurer. This commission is a uniform practice that applies to all the insurance products distributed by Groupe Caisse d'Epargne. In this regard, it performs a certain number of tasks on behalf of the insurer as it is the only entity that is in contact with the client entering into the insurance policy: distribution of the insurance product, management of the contract throughout its lifetime, and administrative procedures in the event of a claim.

This file will be closed on October 14 and oral submissions on the incident will be heard on November 3. Subsequently, a new timetable will be set for the Court to judge the merits of the case.

The main French banks (BNP Paribas, CNCE and Caisses d'Epargne, Crédit Agricole SA, Groupe Banque Populaire, Groupe CIC and Société Générale) have been made aware in the different media of the declarations of the Chairman of UFC-Que Choisir and its employees and are of the opinion that some of these declarations are libelous in nature. They have therefore decided to enter into legal proceedings in accordance with the severity of the accusations. The French Banking Federation (FBF) has decided to join this action.

No provision has been set aside.

5.3.3 Proceeding before the Conseil de la concurrence relating to truncated check exchange

Marketplace case involving CE Participations and BP Participations

On March 18, 2008, the CNCE, along with other French banks, received a statement of objections from the *Conseil de la concurrence* (the French antitrust authority). The banks are accused of having collectively established and determined the amount of the fee collected for the clearing of checks in the form of images *via* the French interbank teleclearing system as well as related check fees. The risk of financial penalties is possible but difficult to assess at this stage. The inquiry is on-going and proceedings are still underway before the Antitrust Authority.

No provision has been set aside.

5.3.4 Sanction by the Banking Commission against the Caisse Nationale des Caisses d'Epargne

Entity concerned: BPCE

By decision notified on July 15, 2009, the French Banking Commission reprimanded the Caisse Nationale des Caisses d'Epargne (CNCE) and imposed a financial penalty of €20 million.

The CNCE took due note of this decision, which it considers to constitute the first application of the French Law on the Modernization of the Economy (*loi de modernisation de l'économie*) of August 4, 2008. This ruling has multiplied by ten (bringing the total to €50 million) the maximum amount of financial penalties that can be imposed by the Banking Commission.

This penalty was imposed following the inquiries undertaken by the Banking Commission following the heavy market losses suffered in October 2008, which led CNCE to report an offence under a criminal procedure.

Since then, as highlighted by the Banking Commission's decision, the necessary corrective measures have been implemented: internal sanctions have been imposed, all transactions at issue have been stopped, and the assets still in the portfolio are now subject to stricter management under the control of the Banking Commission.

In order to preserve its corporate interests and in light of the decision of June 11, 2009 of the European Court of Human Rights (Dubus SA vs. France) relating to respecting the rights of the defense before the Banking Commission, the CNCE decided to appeal this sanction decision.

No provision has been set aside.

5.3.5 Doubl'O – Doubl'O Monde formula unincorporated investment fund

Entities concerned: certain individually summoned Caisses d'Epargne and CE Participations in connection with the legal proceedings initiated by Collectif Lagardère.

Certain clients commenced mediation proceedings with the mediator of the Caisse d'Epargne Group or the mediator of the AMF. Individual legal proceedings are also in progress against certain Caisses d'Epargne.

Legal proceedings consisting of three summons upon the request of Collectif Lagardère were initiated during August 2009 against Caisses d'Epargne Participations following the formation of the group, before the local judge (*juge de proximité*) of the 7th arrondissement Court in Paris, before the *Tribunal d'Instance* of the 7th arrondissement in Paris and before the Paris Regional Court.

This lawsuit encompasses the interests of 242 clients. Summons of Collectif Lagardère and 242 customers: Total amount of requests is €5,010,604.04.

Individual summons of Caisses d'Epargne: Total amount of requests in connection with proceedings which are underway against Caisses d'Epargne: €1,504,755 euros [(1)], plus a request in Midi-Pyrénées assessed at €74,722,629,000 for a subscription of €524,400.

The first hearing will be held on October 1, 2009 before the local judge of the 7th arrondissement Court in Paris.

No provision has been set aside by CE Participations.

(1) This is not an exhaustive assessment. It is drawn up based on elements passed on by Caisses d'Epargne.

5.3.6 Caisse d'Epargne Ile-de-France

In a decision handed down on July 31, 2009 at 3.00pm, the Paris Court of Appeal ruled that the Works Council of Caisse d'Epargne Ile-de-France (CEIDF) did not obtain all the information necessary on the planned merger between the Banque Populaire and Caisse d'Epargne groups and the creation of a new central institution, BPCE. The decision by the Court of Appeal demanded that CEIDF recommence the consultation process and prohibited it from implementing the planned merger in view of the fact that the works council had not received the necessary information. BPCE took due note of this decision, which contradicts the decision of the Regional Court of July 10. At that time the judge nonsuited the complainant trade unions, ruling that the information was sufficient for the CEIDF works council to arrive at an informed opinion. The decision of July 31, 2009 by the urgent applications judge, ruling under appeal, does not in any way undermine the legal existence of BPCE, the central institution for Banques Populaires and Caisses d'Epargne. CEIDF's participation in BPCE's incorporation meetings is valid. Under law, CEIDF is an affiliated company of BPCE, which in this respect must exercise all its legal and regulatory duties in its capacity as the central institution. CEIDF brought a case before the Regional Court on the grounds that, under the summons of August 6, 2009, in order for it to be accepted that it complied in full with its commitments in relation to its representative bodies, as the Regional Court of July 10 had acknowledged, it lodged an appeal on points of law against the decision of the Court of Appeal. Notification of the filing took place on August 13, 2009. The CEIDF also convened its works council on August 19.

Pending the conclusion of the judgment on the merits, the BPCE Group remains operational in terms of its networks and services to its clients.

This dispute is, as the proceedings stand, limited to CEIDF. The Court of Appeal, which ruled on the complaints against CEIDF and CNCE, only granted applications to complaints from appellants against CEIDF and all of their complaints against CNCE were rejected by the Court of Appeal. In our opinion, this dispute should not have any financial consequences for BPCE.

No provision has been set aside.

5.3.7 Caisse d'Epargne de Midi-Pyrénées

On June 23, 2009, the works council of Caisse d'Epargne Midi-Pyrénées (CEMP) brought an urgent application before the Regional Court of Toulouse against CEMP, adding its request to a certain number of claims aimed primarily at having the urgent applications judge acknowledge that the Council's prior consultation phase had not been completed, at ordering CEMP to submit a certain number of additional documents within one month, subject to a late payment penalty of €5,000 per day, and at filing a motion of a stay of execution in relation to any decision by CEMP's Steering and Supervisory Committee pending the completion of the Works Council's consultation procedure. A €500,000 penalty shall be imposed per infringement committed.

By order of July 10, 2009, the urgent applications judge of the Regional Court of Toulouse nonsuited the Works Council of CEMP in relation to all its claims, namely on the grounds that CEMP had "sent to its Works Council the information it had, that the discussions took place during six meetings, which enabled the Works Council to ask the questions it wanted to, that the Works Council benefited from the assistance of an expert whose report was available for discussion, that as a consequence the Works Council was in a position to give an opinion, and that the Caisse d'Epargne de Midi-Pyrénées was well-founded in considering the procedure closed following the meeting of June 18, 2009".

CEMP's Works Council lodged an appeal against this order. The procedure before the Court of Appeal of Toulouse is pending.

This dispute relates solely to Caisse d'Epargne de Midi-Pyrénées.

No provision has been set aside.

Moreover, Groupe Banque Populaire is currently involved in a limited number of liability claims. After review and based on the current status of claims pending, the Groupe Banque Populaire does not believe these claims will have a material adverse impact on its results or financial position. Provisions have been booked in the 2008 financial statements for all legal and tax risks that can be reasonably estimated. Banque Fédérale des Banques Populaires is not involved in any legal or arbitration proceedings having a material impact on its financial statements.

In addition, there are currently no government, legal or arbitration proceedings in progress, other than those listed above, which could have a significant impact on the business, results or financial position of the Groupe BPCE or BPCE.

5.4 Major contracts

5.4.1 Agreements concluded with the French government

Caisse Nationale des Caisses d'Epargne et de Prévoyance, on behalf of the Groupe Caisse d'Epargne, and Banque Fédérale des Banques Populaires, on behalf of the Groupe Banque Populaire have signed the following agreements with the State:

- on October 23, 2008, an agreement relating to the new state guarantee scheme for the financial sector;
- on December 9, 2008, an agreement relating to the new scheme for the subscription of subordinated notes by the French state;
- on June 26, 2009, a new issue of subordinated securities subscribed by the State.

The Groupe Caisse d'Epargne and the Groupe Banque Populaire, in exchange for access to refinancing and to the equity support mechanism, have entered into a number of commitments relating first, to financing for individuals, companies and local governments, and second, to the remuneration of management. The remuneration of market operators is, furthermore, governed by Title II, Chapter 1, Article 5 of Regulation 97-02.

5.5 Investments

The Groupe BPCE and BPCE have not made any significant investments.

5.6 Trends

There has been no marked deterioration affecting the growth outlook of the Groupe BPCE and BPCE since 26 August 2009, the date of the latest, published pro forma financial information.

5.7 Dependency

The Groupe BPCE and BPCE are not dependent with regard to any patents or licenses, industrial procurement, commercial or financial contracts.

5.8 Significant changes

No significant changes have taken place in the financial position of Groupe Banque Populaire and Banque Fédérale des Banques Populaires, Groupe Caisse d'Epargne and Caisse Nationale des Caisses d'Epargne since August 26, 2009, the date on which the financial statements and this registration document were drawn up.

Similarly, no significant changes have taken place in the financial position of Groupe BPCE and BPCE since August 26, 2009, the publication date of the pro forma financial information and the date of registration of the latest pro forma financial information.

5.9 Person responsible for the information contained in this document

Roland Charbonnel
Director of the Department for Issues and Investor Relations

5.10 Documents on display

This document is available from the website *www.bpce.fr* under the heading "Investor Relations" or from the *Autorité des marchés financiers www.amf-france.org*.

Anyone wishing to obtain additional information on the BPCE Group can request the documents by post, free of charge and without any obligations, from the following address:

BPCE
Département émissions et communication financière
50 Avenue Pierre Mendès France
F-75013 Paris

5.11 Persons responsible for auditing the financial statements

5.11.1 BPCE and Groupe BPCE

PricewaterhouseCoopers Audit	KPMG Audit	Mazars
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	2, cours du Triangle 92939 Paris La Défense	61, rue Henri Regnault 92075 Paris La Défense Cedex

PRICEWATERHOUSECOOPERS AUDIT

The General Meeting of CEBP (whose name was changed to BPCE following its Combined Ordinary and Extraordinary General Meeting of July 9, 2009) of July 2, 2009, voting under the conditions of quorum and majority applicable to an ordinary General Meeting, decided to appoint PricewaterhouseCoopers Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ended December 31, 2014.

PricewaterhouseCoopers Audit is represented by Mrs Agnès Hussherr and Mrs Anik Chaumartin.

Alternate Statutory Auditor appointed by the Combined Ordinary and Extraordinary General Meeting of July 9, 2009: Etienne Boris residing at 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, for a period of six fiscal years, i.e. until the ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ended December 31, 2014.

KPMG AUDIT

The General Meeting of CEBP (whose name was changed to BPCE following its Combined Ordinary and Extraordinary General Meeting of July 9, 2009) of July 2, 2009, voting under the conditions of quorum and majority applicable to an ordinary General Meeting, decided to appoint KPMG Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ended December 31, 2014.

KPMG Audit is represented by Mrs Marie-Christine Jolys and Mr Fabrice Odent.

Alternate Statutory Auditor: Isabelle Goalec, residing at 1 Cours Valmy, 92939 Paris La Défense, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ended 31 December 2014.

MAZARS

Mazars was appointed directly in the initial Bylaws of GCE Nao, at the time of its incorporation, (whose name was changed to CEBP by decision of the sole shareholder on April 6, 2009 and then BPCE following the Combined Ordinary and Extraordinary General Meeting of CEBP on July 9, 2009) following the authorization given by the Management Board of Caisse Nationale des Caisses d'Epargne to its Chairman to sign the Bylaws of GCE Nao and all instruments necessary for its incorporation. The term of this appointment is six years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2013, convened to approve the financial statements for the year ended December 31, 2012.

Mazars is represented by Mr Michel Barbet-Massin and Mr Charles De Boisriou.

Alternate Statutory Auditor: Franck Boyer, residing at 61 Rue Henri Regnault, 92075 Paris La Défense Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2013, convened to approve the financial statements for the year ended December 31, 2012.

5.11.2 Banque Fédérale des Banques Populaires and Groupe Banque Populaire

PricewaterhouseCoopers Audit	KPMG Audit
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	2, cours du Triangle 92939 Paris La Défense

PRICEWATERHOUSECOOPERS AUDIT

The Combined Ordinary and Extraordinary General Meeting of Banque Fédérale des Banques Populaires held on May 15, 2008, voting under the conditions of quorum and majority applicable to an Ordinary General Meeting, noting that the term of office of the Statutory Auditor Constantin Associés (Paris Trade and Companies Register No. 642 010 045) had expired, appointed PricewaterhouseCoopers Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2014, convened to approve the financial statements for the year ended December 31, 2013.

PricewaterhouseCoopers Audit is represented by Agnès Hussherr.

Alternate Statutory Auditor: Etienne Boris residing at 63 Rue de Villiers, 92208 Neuilly-sur-Seine Cedex, for a period of six fiscal years, i.e. until the ordinary General Shareholders' Meeting to be held in 2014, convened to approve the financial statements for the year ended December 31, 2013.

KPMG AUDIT

The Combined Ordinary and Extraordinary General Meeting of Banque Fédérale des Banques Populaires, voting under the conditions of quorum and majority applicable to an Ordinary General Meeting, noting that the term of office of the Statutory Auditor Salustro Reydel (Paris Trade and Companies Register No. 652 044 371) had expired, appointed KPMG Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2014, convened to approve the financial statements for the year ended December 31, 2013.

KPMG Audit is represented by Mr Fabrice Odent.

Alternate Statutory Auditor: Malcolm McLarty, residing at 1 Cours Valmy, 92923 Paris La Défense Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2014, convened to approve the financial statements for the year ended December 31, 2013.

5.11.3 Caisse Nationale des Caisses d'Epargne and Groupe Caisse d'Epargne

Mazars	PricewaterhouseCoopers Audit
61, rue Henri Regnault 92075 Paris La Défense Cedex	63, rue de Villiers 92208 Neuilly-sur-Seine Cedex

Mazars was appointed as statutory auditor at the Ordinary Shareholders' Meeting of May 26, 2004 for a term of six years expiring at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2009.

Mazars, represented by Michel Barbet-Massin and Charles de Boisriou, is a member of the CRCC (French regional association of statutory auditors) of Versailles.

Alternate Statutory Auditor: Mr Patrick de Cambourg, Tour Exaltis, 61 rue Henri Regnault, 92400 Courbevoie.

PricewaterhouseCoopers Audit was reappointed as statutory auditor at the Ordinary General Meeting of May 26, 2004, for a period of six fiscal years, which will expire at the end of the Ordinary General Meeting, convened to approve the financial statements for the fiscal year ended December 31, 2009.

PricewaterhouseCoopers Audit is represented by Mrs Anik Chaumartin and Mr Jean-Baptiste Deschryver.

Alternate Statutory Auditor: Mr Pierre Coll, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex.

PricewaterhouseCoopers Audit (Nanterre Trade and Companies Register No. 642 010 045), KPMG Audit (Paris Trade and Companies Register No. 775 726 417) and Mazars (Nanterre Trade and Companies Register No. 784 824 153) are registered as statutory auditors (members of the French regional association of statutory auditors of Versailles) and are placed under the authority of the Haut conseil du Commissariat aux Comptes (French accounting regulator).

6

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr François Pérol, Chairman of the BPCE Management Board.

6.1 Statement by the person responsible for the Registration document

I hereby declare that to the best of my knowledge, and after having taken all reasonable precautions, the information contained in this Registration document is correct and does not contain any omission that is liable to alter the significance thereof.

To the best of my knowledge, the pro forma financial information of Groupe BPCE and of the BPCE SA group have been prepared in accordance with IFRS standards. Their purpose is to illustrate the merger between Groupe Banque Populaire and Groupe Caisse d'Epargne as if the transaction had taken place on January 1, 2009.

I obtained a statement from the statutory auditors at the end of their assignment, in which they confirm having verified the information regarding the financial position and financial statements of Groupe Caisse d'Epargne and Groupe Banque Populaire contained here within, and having examined the entire document.

The pro forma financial information of Groupe BPCE and the BPCE SA group, presented in this registration document was commented on in reports by the statutory auditors on pages 374 and 390 each of which contain an observation.

Paris, September 28, 2009

François Pérol

Chairman BPCE Management Board

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