

**Second registration document update
and interim financial reports
year ended june 30, 2010**

AMF

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This document is an English-language translation of the French "Deuxième actualisation du document de référence" submitted to France's financial market authority (*Autorité des marchés financiers*) on August 31, 2010 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*.

The English version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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CHAPTER 1 2010 INTERIM MANAGEMENT REPORT

1.1. Highlights of the first half of 2010

Fragile recovery

The first signs of improvement in the economic and financial situation seen at the end of 2009 were confirmed during the first half of 2010. However, conditions remain volatile and mixed, with robust momentum in the United States and Asia, and sluggish internal demand and hesitant recovery in Europe. In the spring, the eurozone had to cope with the sovereign debt crisis, which forced European managers and the ECB to take exceptional and daring measures.

The market has been subject to major movements in this unstable climate, with interest rates falling sharply over the period and further widening of credit spreads penalizing the performance of the equity markets. At the same time, the dollar has risen significantly against the euro in anticipation of weaker growth in Europe.

Groupe BPCE's steadfast commitment to maintaining its strategic targets

Against this backdrop, the Group has set defined targets as part of the "Ensemble" (Together) strategic plan for 2010-13, clarifying and asserting its organizational structure:

- In early June, BPCE's Supervisory Board and the boards of directors of the holding companies approved the proposed merger of Banques Populaires Participations and Caisses d'Épargne Participations into BPCE.
- The Group is refocusing on its core business lines and selling off assets that are no longer central to its strategy. On February 19, 2010, Natixis entered into exclusive negotiations with Axa Private Equity with a view to selling its proprietary private equity operations in France.

In mid-June, BPCE also entered into exclusive negotiations with Crédit du Nord (part of the Société Générale Group) concerning the sale of Société Marseillaise de Crédit (SMC).

- The Group is organizing its international activities. In June, Financière Océor adopted the name of BPCE International et Outre-Mer (BPCE IOM), which by the end of the year should combine the majority of the Group's operations in the French overseas departments and territories, in Europe and Africa (North and Sub-Saharan Africa).
- The Group has reduced its risk profile by organizing major disposals of Natixis's workout portfolio management activities (GAPC).

1.2. Groupe BPCE results

Following net income attributable to equity holders of the parent in excess of €1 billion in the first quarter of 2010, the Group confirmed its earnings capacity in the second quarter of 2010 in a more volatile climate.

in millions of euros	H1-10	H1-09	Change %
Net banking income	11,946	9,694	23%
Operating expenses	-7,938	-8,041	-1%
Gross operating income	4,008	1,653	
<i>Cost/income ratio</i>	<i>66,4%</i>	<i>82,9%</i>	
Cost of risk	-970	-2,990	
Share of income (loss) of associates	110	104	
Net gains (loss) on other assets	-108	69	
Change in the value of goodwill	0	-997	
Income before tax	3,040	-2,161	
Income tax	-902	572	
Minority interests	-193	832	
Net income attributable to equity holders of the parent	1,945	-757	

Groupe BPCE generated net banking income of €11,946 million in the first half of 2010, up 23% compared with the first half of 2009. Revenues from core business lines - namely Commercial Banking and Insurance, Corporate and Investment Banking, Investment Solutions and Specialized Financial Services - rose by 12% to €10,397 million.

Operating expenses decreased by 1% to €7,938 million. This control of costs reflects the reduction in restructuring costs within the Group, as well as the initial positive effects of synergies achieved within the framework of the strategic plan.

Gross operating income increased by 2.4x and the cost-income ratio improved by 16.5 points to 66.4%.

Cost of risk decreased by 68% to €970 million, although remained at a high level.

Including investments in associates (€110 million, including €83 million relating to CNP Assurances) and net losses on other assets (-€108 million, including -€80 million relating to the announced sale of SMC), income before tax came to €3,040 million.

Net income attributable to equity holders of the parent totaled €1,945 million, compared with a loss of €757 million in the first half of 2009.

FINANCIAL STRUCTURE

Groupe BPCE had total assets of €1,124 billion at June 30, 2010, representing an increase of €95 billion or 9% over the first half of the year. This growth relates primarily to Natixis, whose balance sheet was affected by the rise in the dollar against the euro, as well as an increase in repo transactions and the valuation of derivatives excluding hedging transactions.

Equity attributable to the parent company totaled €46 billion, up 6% compared with December 31, 2009. This increase is a result of:

- the allocation of net income for the first half of 2010 (+€1.9 billion);
- rights issues by the Banque Populaire banks and the Caisse d'Épargne banks (+€1.0 billion);
- dividend payouts (-€0.5 billion);
- redemption of deeply subordinated notes (-€0.2 billion);
- an increase in gains and losses recognized directly in equity (+€0.1 billion).

Risk-weighted assets represented an estimated €428 billion at June 30, 2010, with 61% relating to Commercial Banking and Insurance.

At June 30, 2010, the Group's Tier 1 capital stood at €41 billion, with a Tier 1 ratio of 9.6% and a Core Tier 1 ratio of 7.4%¹.

The results of the stress tests performed recently in Europe by the Committee of European Banking Supervisors (CEBS), showing a Tier 1 capital surplus of around €12 billion above the minimum deemed necessary by regulators to ensure security in the worst-case scenario, attest to Groupe BPCE's solidity and resilience.

Groupe BPCE benefits from a long-term rating of Aa3 from Moody's and A+ from Standard and Poor's and Fitch, all with a stable outlook.

¹ Estimate

1.3. Groupe BPCE activities and results by sector

1.3.1. Definition of the Group's segments

Groupe BPCE defined its segments within the framework of the review initiated in the second half of 2009 to draw up the "Ensemble" (Together) strategic plan for 2010-13. The Group is now focused on two core business units:

1. **Commercial Banking and Insurance**, including:
 - the Banque Populaire network, comprised of 20 Banque Populaire banks and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
 - the Caisses d'Epargne network, comprising 17 Caisses d'Epargne banks;
 - Real Estate Financing, whose income comes primarily from Crédit Foncier de France;
 - Insurance, International and Other Banking Networks, which includes mainly Groupe BPCE's stakes in CNP Assurances, GCE Assurances, international subsidiaries, subsidiaries operating in French overseas departments and territories (including BPCE IOM) and Banque Palatine.
2. **Corporate and Investment Banking, Investment Solutions and Specialized Financial Services**, which correspond to Natixis's core business lines:
 - corporate and investment banking, which has now established itself as Groupe BPCE's bank serving large businesses and institutional customers;
 - investment solutions, which includes asset management, life insurance and private banking;
 - specialized financial services, presenting a range of services dedicated primarily to the Banque Populaire and Caisse d'Epargne networks, as well as Natixis's other operations: factoring, leasing, consumer finance, guarantees, employee benefit planning, payments and securities.

Equity Investments is the third business unit and consists of Groupe BPCE's stakes in Nexity, Foncia, Eurosic and Meilleurtaux, as well as Natixis's stakes in Coface and Natixis Private Equity.

Run-off Operations and Other Activities includes:

- Natixis's Workout Portfolio Management business and Caisses d'Epargne Participations' run-off operations (CNCE's former proprietary trading activities);
- the Group's central institution and holding companies, as well as some non-recurring items related to goodwill impairment and amortization on valuation differences.

Two minor changes have been made to segment reporting since the publication of the financial statements to December 31, 2009:

- SMC, previously included in the Insurance, International and Other Banking Networks sub-division of the Commercial Banking and Insurance segment, is now included in Run-off Operations and Other Activities due to its planned disposal;
- Pramex and Natexis Algérie, previously part of the Run-off Operations and Other Activities segment, now belong to the Insurance, International and Other Banking Networks sub-division of the Commercial Banking and Insurance segment, due to the creation of the international division centered around BPCE IOM.

Pro forma figures for the first half of 2009 have also been adjusted.

1.3.2. Summary of results by sector

in millions of euros	Commercial Banking and Insurance		CIB, Investment Solutions and SFS		Equity Investments		Run-off Operations and Other Activities		#NOM?	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	7,502	6,695	2,895	2,558	1,150	730	399	-289	11,946	9,694
Operating expenses	-4,898	-4,862	-1,760	-1,704	-969	-955	-311	-520	-7,938	-8,041
Gross Operating Income	2,604	1,833	1,135	854	181	-225	88	-809	4,008	1,653
Cost/income ratio	65.3%	72.6%	60.8%	66.6%	84.3%	ns	77.9%	ns	66.4%	82.9%
Cost of risk	-654	-673	-195	-1,199	-16	-12	-105	-1	-970	-3
Operating Income	1,950	1,160	940	-345	165	-237	-17	-1,915	3	-1
Share of income (loss) of associates	100	95	8	6	2	3	0	0	110	104
Net gains (loss) on other assets	4	7	0	14	5	24	-117	24	-108	69
Change in the value of goodwill	0	0	0	0	0	0	0	-997	0	-997
Income before tax	2,054	1,262	948	-325	172	-210	-134	-2,888	3,040	-2,161
Income tax	-669	-414	-276	359	-60	73	103	554	-902	572
Minority interests	-16	-7	-194	-25	-55	23	72	841	-193	832
Net income attributable to equity holders of the parent	1,369	841	478	9	57	-114	41	-1,493	1,945	-757

The Group's core business lines - Commercial Banking and Insurance, Corporate and Investment Banking, Investment Solutions and Specialized Financial Services - accounted for 87% of net banking income and 95% of net income attributable to equity holders of the parent in the first half of 2010. This represents an increase of 2.2x compared with the first half of 2009.

1.3.3. Commercial Banking and Insurance

This segment delivered a robust performance in the first half of 2010, with the mobilization of networks to serve customers reflected by year-on-year growth of 5.5%² in outstanding loans in the French market.

in millions of euros	Banque Populaire banks		Caisse d'Epargne banks		Real estate financing		Insurance, International and Other banking networks		Commercial Banking and Insurance		Change	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	€m	%
Net banking income	3,102	2,860	3,359	2,882	498	470	543	483	7,502	6,695	807	12%
Operating expenses	-1,978	-1,953	-2,239	-2,210	-289	-283	-392	-416	-4,898	-4,862	-36	1%
Gross operating income	1,124	907	1,120	672	209	187	151	67	2,604	1,833	771	42%
Cost/income ratio	63.8%	68.3%	66.7%	76.7%	58.0%	60.2%	72.2%	86.1%	65.3%	72.6%	-	7.3 pts
Cost of risk	-342	-342	-170	-159	-62	-39	-80	-133	-654	-673	19	3%
Share of income (loss) of associates	10	4	0	0	3	1	87	90	100	95	5	5%
Net gains (loss) on other assets	7	8	-2	-2	0	0	-1	1	4	7	-3	-43%
Income before tax	799	577	948	511	150	149	157	25	2,054	1,262	792	63%
Income tax	-281	-198	-322	-171	-46	-46	-20	1	-669	-414	-225	62%
Minority interests	-4	-2	0	0	-3	-2	-9	-3	-16	-7	-9	ns
Net income attributable to equity holders of the parent	514	377	626	340	101	101	128	23	1,369	841	528	63%

Net income attributable to equity holders of the parent rose by over 60% relative to the first half of 2009, thanks to the Banque Populaire and Caisses d'Epargne networks, which accounted for 83% of the segment's net income. The Real Estate Financing business achieved another satisfactory performance, while the Insurance, International and Other Banking Networks business saw strong growth.

² To May 31, 2010 (source: Banque de France)

BANQUE POPULAIRE BANKS

The Banque Populaire banks achieved a strong performance in the first half of 2010, with growth in the customer base across all customer groups. The number of customers using Banque Populaire as their main bank increased by 1% relative to December 31, 2009, with a similar rate of growth among established active professional customers and a 6% increase in active business customers with sales of over €15 million.

Growth in outstanding loans

Total outstanding loans stood at €144 billion at June 30, 2010, up 4%.

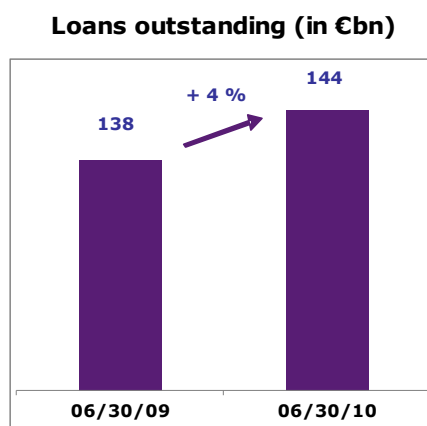
Outstanding loans to individual customers rose by 6% to €78 billion thanks to the solid momentum of home loans supported by favorable tax measures, with growth in new loans of 62% to €5 billion.

Outstanding consumer loans remained stable at €7 billion.

Among professional, business and institutional customers, loan applications picked up in the second quarter following a flat first quarter.

New medium and long-term loans saw a further sharp increase of 9% to €4 billion, bringing total outstanding loans to €45 billion.

Growth was also brisk in new short-term loans, up 7% at €5 billion.



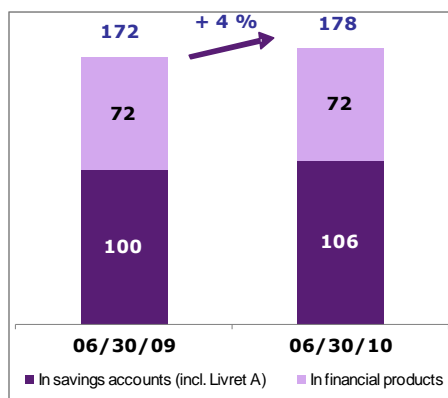
Solid performance in savings across all market segments

Customer deposits at the Banque Populaire banks rose by 4% in the first half of 2010 to €178 billion, driven by growth of 6% in guaranteed capital savings to €106 billion and continuing risk aversion, while financial savings remained stable at €72 billion.

Individual customers have shown clear interest in guaranteed capital savings products and life insurance. Demand deposits increased by 10% to €16 billion and life insurance deposits by 9% to €39 billion.

Against the backdrop of low interest rates, professional, business and institutional customers favored products such as term accounts, to the detriment of mutual funds. Deposits in this market remained stable overall, with a 9% reduction in financial savings (€32 billion) offset by a 10% increase in guaranteed capital savings (€40 billion).

Customer savings (in €bn)



Financial results

The Banque Populaire network's strong commercial performance is reflected by 8% growth in the net banking income contribution to €3.1 billion in the first half of 2010 compared with €2.9 billion in the first half of 2009.

in millions of euros	H1-10	H1-09	€m	%
Interest income	1,879	1,701	178	10%
Commission income	1,161	1,122	39	3%
Other income and expenses	62	37	25	68%
Net banking income	3,102	2,860	242	8%

Net interest income came to €1.9 billion compared with €1.7 billion in the first half of 2009, due to the combined effect of lower refinancing costs for commercial activities and the sharp rise in customer deposits.

Meanwhile, commission income increased thanks to other service commission fees - mainly relating to banking transactions - and commissions on financial savings products, which saw strong growth thanks to the rise in life insurance deposits.

Efforts to cut costs paid off, with operating expenses increasing by just 1% to less than €2 billion in the first half of the year.

Gross operating income rose by 24% to €1.1 billion, resulting in improvement in the cost-income ratio of 4.5 points to 63.8%.

As a result of the large number of SMEs facing bankruptcy over the period, cost of risk remained at a high level of €342 million, similar to that seen in the first half of 2009.

The Banque Populaire banks made a contribution of €514 million to net income attributable to equity holders of the parent for the segment, up 36% compared with the first half of 2009.

CAISSE D'EPARGNE BANKS

The Caisse d'Epargne banks held up well, benefiting from very gradual improvement in economic conditions and adapting to the generalized distribution of Livret A savings accounts in France.

The commitment of the banks' sales teams allowed for active new customers to be won, with an increase of 46,000 compared with June 30, 2009. The number of individual customers using banking services increased by 2% over the first half of the year, while the number of professional customers rose by 3%.

In the business banking market, the number of active customers also rose by 3% and transactions processed increased by 22%.

Strong growth in lending across all markets

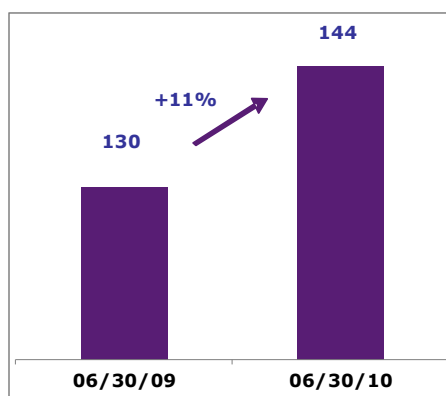
The Caisse d'Epargne banks continued to play a very active role in financing the French economy, both in the personal banking market and in other markets. Their lending remained at a brisk rate, with total outstanding loans rising 11% to €144 billion.

Outstanding loans to individuals totaled €88 billion, up 10% compared with June 30, 2009, mainly as a result of growth in new home loans, which more than doubled year-on-year, bringing total outstanding home loans to €85 billion, 11% higher than at June 30, 2009.

The attractive range of consumer loans was a resounding success, with outstanding loans rising 14% to €10 billion.

Growth in loans to businesses and institutional customers remained strong, with outstandings of €56 billion, up 11% compared with June 30, 2009.

Loans outstanding (in €bn)



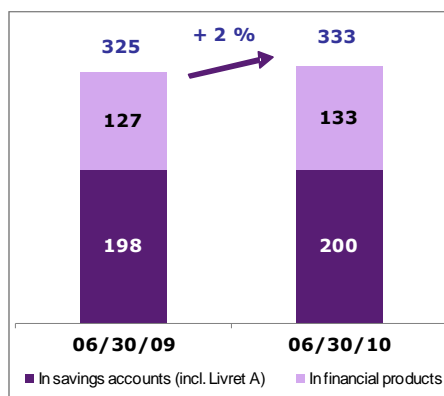
Savings focusing on long-term products

Outstanding customer deposits rose 2% year-on-year to €333 billion at June 30, 2010, despite the combined effect of the generalized distribution of Livret A savings accounts and the interest rate falling to its lowest-ever level, resulting in a €3.6 billion contraction in deposits.

Guaranteed capital savings, accounting for the majority of deposits at €200 billion, rose by just 1% compared with the first half of 2009, penalized by lackluster inflows in all areas apart from home savings products and demand deposits (up 16% with €23 billion for the personal banking market).

Financial savings have delivered a contrasting performance for the last three years, with a brisk level of inflows in life insurance products (deposits up 9% year-on-year) and a reduction in mutual fund deposits in money-market products.

Customer savings (in €bn)



Financial results

The Caisse d'Epargne banks generated net banking income of €3.4 billion, up 17% compared with the first half of 2009. This growth reflects a pick-up in loan activity and higher intermediation margins on the back of lower refinancing interest rates.

in millions of euros	H1-10	H1-09	€m	%
Interest income	2,212	1,818	394	22%
Commission income	1,125	1,028	97	9%
Other income and expenses	22	36	-14	-38%
Net banking income	3,359	2,882	477	17%

Net interest income came to €2.2 billion compared with €1.8 billion in the first half of 2009, benefiting from the lower refinancing cost for commercial activities, a positive interest rate effect on inflows into Livret B savings accounts and demand deposits, and strong growth in all loans to customers.

Commission income also rose thanks to the development of banking penetration (packages and cards) and growth in other service commission fees (loan insurance and early redemption charges). Commission income on financial savings products also increased as a result of the increase in deposits and life insurance margins.

Operating expenses rose by just 1%, with a slight increase in staff costs partly offsetting the reduction in expenses relating to external service costs made possible by a significant cut in IT costs.

Gross operating income increased by 67% to €1.1 billion compared with €0.7 billion in the first half of 2009, with improvement in the cost-income ratio of 10 points to 67%.

Despite an increase of 7%, cost of risk remained at a moderate level of €170 million, with the claims ratio for individual customers remaining low.

The Caisse d'Epargne banks made a contribution to net income attributable to equity holders of the parent for the segment of €626 million compared with €340 million in the first half of 2009, an increase of 84%.

REAL ESTATE FINANCING

In a market showing signs of recovery in both residential and commercial property, Crédit Foncier de France - the main business unit in this sub-division - generated new lending of €6.4 billion in the first half of 2010, up 6% compared with the first half of 2009.

New loans to individuals totaled €3.6 billion, stable relative to the first half of 2009, characterized by the solid performance of the first-time buyers' market against the backdrop of low interest rates favoring the granting of bank loans.

New loans to business customers rose by 15% to €2.8 billion, thanks to brisk activity in financing of real estate development and social housing programs, as well as the robust momentum of the international public sector.

The sub-division generated net banking income of €498 million an increase of 6% compared with the first half of 2009, reflecting growth in net banking income at Crédit Foncier, with in particular a €12 million increase in early redemption charges for individual customers and growth in insurance products of €4 million following renegotiations in life cover on loans.

Operating expenses were contained, rising by just 2% thanks to the reduction in staff costs and a moderate increase in other expenses, with the cost-income ratio falling 2 points to 58%.

The sub-division's contribution to net income attributable to equity holders of the parent remained stable at €101 million, penalized by a higher cost of risk and including a provision of €62 million for sensitive transactions concerning business customers and investors compared with €39 million in the first half of 2009.

INSURANCE, INTERNATIONAL AND OTHER BANKING NETWORKS

The Insurance business delivered a robust commercial performance, contributing €87 million to net income attributable to equity holders of the parent for the sub-division:

- Gross sales at GCE Assurances increased by 12% compared with the first half of 2009 as a result of more robust sales in motor insurance (up 11%) and home insurance (up 21%);
- With premium income up 2% at €17.7 billion, CNP Assurances delivered a robust performance in international activities (up 19%) and a rebound in sales of unit-linked products (up 16.5%), partly weighed down by a decline in premium income in France (down 1.2%). The Caisse d'Épargne network turned in a particularly good performance, with premium income up 6% at €6.2 billion. As a result, net income on ordinary activities came to €523 million, a solid increase of 4% as a result of 10% growth in insurance business revenues and 12% growth in proprietary revenues. It made a contribution to net income for the division of €83 million compared with €76 million in the first half of 2009.

The International business line reflects primarily the results of BPCE IOM, contributing €14 million to net income attributable to equity holders of the parent for the sub-division, with:

- gross operating income up 2.6x as a result of a 14% increase in net banking income and a reduction in external services costs. BPCE IOM achieved a strong performance, with new loans up 12% and positive inflows of €183 million, compared with outflows of €110 million in the first half of 2009;
- a significant reduction in cost of risk, following a high level of provisions set aside in the first half of 2009 for Banque de la Réunion and Financière Océor.

Lastly, Other Banking Networks generated net income of €28 million compared with a loss of €1 million in the first half of 2009, thanks to earnings growth at Banque Palatine as a result of brisk business momentum and banking operations acquired from Crédit Foncier de France, despite a higher cost of risk of €37 million compared with €27 million in the first half of 2009.

1.3.4. Corporate and Investment Banking, Investment Solutions, and Specialized Financial Services

This segment covers Natixis's three core business lines. Its contribution to Groupe BPCE's net income is after minority interests of 28% and includes any restructuring costs and profits within the business lines concerned.

in millions of euros	CIB		Investment Solutions		Specialized Financial Services		CIB, Investment Solutions and SFS		Change	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	€m	%
Net banking income	1,621	1,390	815	748	459	420	2,895	2,558	337	13%
Operating expenses	-826	-833	-606	-557	-328	-314	-1,760	-1,704	-56	3%
Gross operating income	795	557	209	191	131	106	1,135	854	281	33%
Cost/income ratio	50.9%	59.9%	74.3%	74.5%	71.7%	74.8%	60.8%	66.6%	--	-5.8 pts
Cost of risk	-156	-1,171	-15	-5	-24	-23	-195	-1,199	1,004	-84%
Income before tax	640	-600	201	192	107	83	948	-325	1,273	
Income tax	-192	436	-50	-51	-34	-26	-276	359	-635	
Minority interests	-127	46	-44	-54	-23	-17	-194	-25	-169	
Net income attributable to equity holders of the parent	321	-118	107	87	50	40	478	9	469	

This segment achieved strong growth in the first half of 2010, illustrating the significant recovery in Corporate and Investment Banking and the solid performance of the other two business lines.

CORPORATE AND INVESTMENT BANKING (CIB)

The Corporate and Investment Banking sub-division achieved growth in net banking income of 17% to €1,621 million, benefiting in particular from a favorable base effect relating to the negative contribution from Crédit Portfolio Management (CPM) in 2009. Growth stands at 14% adjusted for this factor (€30 million in the first half of 2010 compared with -€453 million in the first half of 2009).

Performances were mixed in each business line:

- Debt and Finance: net banking income increased to €607 million as a result of the strong performance of Global Energy & Commodities, International Trade Finance & Asset Finance and Real Estate activities, making up for the decline in Acquisition Finance and Securitization.
- Capital Markets and Investment Management: net banking income came to €728 million, down compared with an unusual year in 2009 relating to high trading revenues in fixed income and significant gains in treasury activities. Meanwhile, equity activities saw a return to growth thanks to derivative products.
- Corporate and Institutional Relations: revenues were down relative to the first half of 2009, affected by the transfer of EIG³ to capital market activities, as well as a liquidity cost relating to revolving loans invoiced in the first half of 2010.

CIB operating expenses came to €826 million, stable in relation to the first half of 2009. Costs were controlled thanks to a reduction in restructuring costs (€33 million), making up for the increase in variable compensation following provisions set aside due to the application of the new tax regulations in France relating to bonuses.

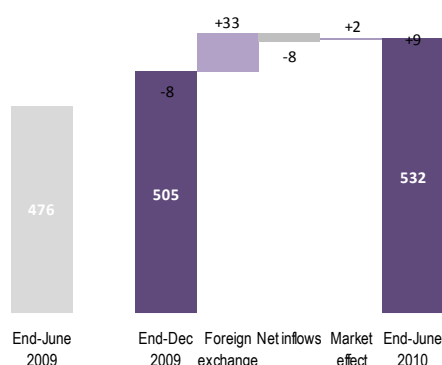
Cost of risk was €156 million, compared with the exceptionally high level at the end of June 2009. The CIB business therefore achieved a return to profit, with net income attributable to equity holders of the parent of €321 million in the first half of 2010 compared with a loss of €118 million in the year-earlier period.

INVESTMENT SOLUTIONS

The Investment Solutions business strengthened its international presence in asset management and enhanced its product range, winning a number of awards since the start of the year.

Assets under management for the asset management business totaled €532 billion at end-June, down 1.1% at constant exchange rates compared with the end of 2009, mainly due to the high level of outflows from eurozone money market products (-€8.7 billion) relating to low short-term interest rates.

Assets under management (in €bn)



³ EIG: operation initiated in December 2007 consisting of the creation of a structure in Belgium in partnership with EDF. EIG was deconsolidated on January 1, 2010, with an impact of -€7 million in the first half of 2010

The sub-division generated net banking income of €815 million, representing an increase of 9% compared with the first half of 2009, with a contribution from all business lines:

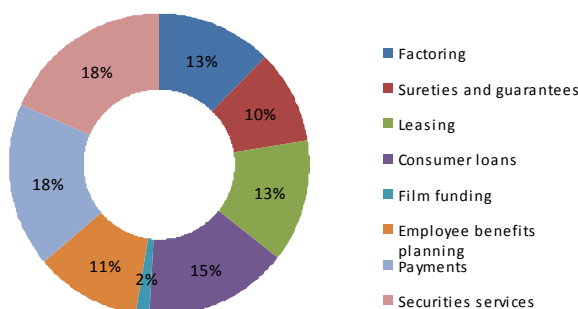
- Asset management (€670 million, up 9%): positive performance thanks to the 13% rise in average assets under management over one year rolling and the 0.4 bp increase in average interest paid to 22.9 bp;
- Insurance (€98 million, up 8%): solid performance penalized by the renewed financial market slump;
- Private banking (up 6%): upturn in business making up for lower margins.

Operating expenses increased by 9% to €606 million, as a result of the increase in variable compensation paid in asset management activities in the United States. Cost of risk was €15 million, up as a result of long-term impairment charges on specific portfolios (NAM 2 and NPBI). Net income attributable to equity holders of the parent for the sub-division came to €107 million, an increase of 23%.

SPECIALIZED FINANCIAL SERVICES (SFS)

The SFS sub-division - focused primarily on Groupe BPCE's banking networks - delivered a robust commercial performance, with significant improvement in profitability (net banking income up 9%) driven by specialized financing activities, with the development of consumer finance (up 23%) and lease financing (24%). Meanwhile, financial services - penalized by the decline in the securities business and lower net interest income in payments activities - sustained a slight fall compared with the first half of 2009.

Breakdown of NBI by business unit in the first half of 2010



The sub-division's operating expenses increased by just 4% thanks to the streamlining of IT tools in payments activities within Groupe BPCE, as well as the continuing development of the consumer finance business. Gross operating income for the period therefore came to €131 million, with net income attributable to equity holders of the parent of €50 million.

1.3.5. Equity Investments

The Equity Investments business unit comprises Groupe BPCE's equity investments in companies including Nexity, Foncia, Coface and Natixis Private Equity.

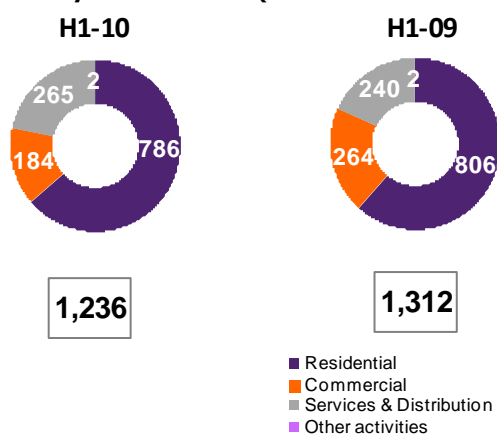
in millions of euros	Equity Investments		Change	
	H1-10	H1-09	€m	%
Net banking income	1,150	730	420	58%
Operating expenses	-969	-955	-14	1%
GROSS OPERATING INCOME	181	-225	406	ns
<i>Cost/income ratio</i>	84.3%	ns	--	--
Cost of risk	-16	-12	-4	33%
OPERATING INCOME	165	-237	402	ns
Share of income (loss) of associates	2	3	-1	-33%
Net gains (loss) on other assets	5	24	-19	-79%
Change in the value of goodwill	0	0	0	
INCOME BEFORE TAX	172	-210	382	ns
Income tax	-60	73	-133	ns
Net income from discontinued or held-for-sale operations	0	0	0	
Minority interests	-55	23	-78	ns
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	57	-114	171	ns

The division made a contribution to net income attributable to equity holders of the parent of €57 million in the first half of 2010, compared with a loss of €114 million in the first half of 2009, thanks to the improved performance of Coface.

Nexity

Despite a strong business performance, sales fell by 6% compared with the first half of 2009 to €1,236 million in the first half of 2010.

Sales by business line (in millions of euros)



Reservations of new homes and building plots remained at a high level of 6,733 lots, supported by record low real estate borrowing rates and government measures in France such as help for first-time buyers and investment incentives. However, the residential property business sustained a fall in sales of 3% to €786 million due to the decline in business activity in 2010.

The commercial property business was subject to severe deterioration in international market conditions in the first half of the year, particularly in Spain and Italy, and therefore sustained a 30% drop in sales to €184 million.

The Services and Distribution business generated sales of €265 million, up 10% compared with the first half of 2009, following the upturn in business at I-Sélection, which continued to benefit from the extension of Scellier tax incentives for investments made under the non-professional furnished rentals scheme in France.

Nexity generated operating income of €80 million, down 15% compared with the first half of 2009, due to severe deterioration in margins in the residential property business.

Nexity made a contribution to net income attributable to equity holders of the parent for the Equity Investments business unit of €17 million compared with €41 million in the first half of 2009.

Foncia

Foncia achieved sales growth of 6.5%, driven by organic growth, particularly in real estate transactions and lettings. With sales of €45 million, the real estate transactions business saw significant improvement, reaching a record volume of sales. The number of preliminary sales agreements also rose by 17%.

Growth through acquisitions came to a record low of 1.6% due to the slowdown in acquisitions in 2009.

in millions of euros	H1-10	H1-09	Change
Real estate management	195	188	4%
Transactions	45	32	41%
Interest income from custom	2	9	-78%
International	22	19	15%
Other businesses	21	20	6%
Revenue	285	268	6.5%

Foncia made a contribution to net income attributable to equity holders of the parent for the Equity Investments business unit of €16 million. This increase was thanks to its revenue growth.

Coface and Private Equity

Coface confirmed the recovery that began at the end of 2009. Net income increased sharply in the first half of 2010, with:

- sales of €798 million, down 1.5% compared with the first half of 2009: the decline in services and credit insurance activities was offset by strong growth in international factoring activities, particularly in Germany;
- strong growth in net banking income to €383 million compared with €129 million in the first half of 2009, thanks to improvement in the claims ratio, with a ratio of claims to premiums of 61% in credit insurance in the first half of 2010 compared with 116% in the first half of 2009;
- stable expenses over the period.

Meanwhile, the **Private Equity business** made a significant recovery over the first half of the year, benefiting from capital gains and the low level of provisions.

Coface and Private Equity - via the stake held by Natixis in these activities - made a contribution to net income attributable to equity holders of the parent for the Equity Investments business unit of €27 million in the first half of 2010, compared with a loss of €147 million in the first half of 2009.

1.3.6. Run-off Operations and Other Activities

in millions of euros	Run-off Operations and Other Activities		Change
	H1-10	H1-09	€m
Net banking income	399	-289	688
Operating expenses	-311	-520	209
GROSS OPERATING INCOME	88	-809	897
Cost of risk	-105	-1,106	1,001
OPERATING INCOME	-17	-1,915	1,898
Net gains (loss) on other assets	-117	24	-141
Change in the value of goodwill	0	-997	997
INCOME BEFORE TAX	-134	-2,888	2,754
Income tax	103	554	-451
Minority interests	72	841	-769
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	41	-1,493	1,534

The division sustained a pre-tax loss of €0.1 billion, including:

- the significant reduction in losses from run-off operations (-€27 million in the first half of 2010 compared with -€3,098 million in the first half of 2009), against the backdrop of continuing measures to reduce the risk profile. Natixis significantly cut back its Workout Portfolio Management positions, selling off the majority of risks relating to its complex credit derivatives portfolios, and Caisses d'Epargne Participations also continued with its asset sales from its proprietary activities portfolio;
- the contribution from the Group's holding companies - Natixis's "Other Activities" business unit - as well as from SMC, totaling -€0.1 billion.

As a reminder, net income for the first half of 2009 included significant exceptional items: a capital gain of €1.5 billion, recognized under net banking income, relating to the reclassification of deeply subordinated notes as equity for the former CNCE, as well as changes in the goodwill impairment charge pursuant to impairment tests in the amount of -€1 billion, relating mainly to real estate company investments.

After recognition of a €0.1 billion tax gain (compared with €0.6 billion in the first half of 2009, which benefited from the capitalization of deferred taxes at Natixis) and minority interests, the Run-off Operations and Other Activities business unit generated net income attributable to equity holders of the parent of €41 million. This represents a significant improvement compared with a loss of €1.5 billion in the first half of 2009.

1.4. BPCE SA group results

BPCE SA group's net income is calculated by eliminating non-consolidated entities from the scope and adding back the share of income of the Banque Populaire banks and the Caisses d'Epargne obtained through the Cooperative Investment Certificates (CICs) that Natixis has owned since 2006.

The following table shows how BPCE SA group's net income is calculated from Groupe BPCE's net income for the first half of 2010:

in millions of euros	H1-10
Groupe BPCE net income	1,945
Entities not consolidated or consolidated under a different method (1)	-1,324
Income from Banque Populaire banks & Caisses d'Epargne (through Natixis CICs)	168
Other items	-3
BPCE SA group net income	787

(1) Including Banque Populaire banks, Caisses d'Epargne, Nexity, FONCIA, and CFF

BPCE SA group's net income totaled €0.8 billion compared with a loss of €0.5 billion in the first half of 2009.

in millions of euros	H1-10	H1-09	Change	
			€m	%
Net banking income	3,982	2,764	1,218	44%
Operating expenses	-2,686	-2,900	214	-7%
Gross operating income	1,296	-136	1,432	
<i>Cost/income ratio</i>	67.5%	ns	--	
Cost of risk	-239	-2,358	2,119	
Operating income	1,057	-2,494	3,551	
Share of income (loss) of associates	334	287	47	
Net gains (loss) on other assets	-112	55	-167	
Change in the value of goodwill	0	-87	87	
Income before tax	1,279	-2,239	3,518	
Income tax	-262	965	-1,227	
Minority interests	-230	762	-992	
Net income attributable to equity holders of the parent	787	-512	1,299	

Net banking income increased significantly compared with the first half of 2009, up 44% at close to €4 billion. This reflects:

- significant improvement in revenues from Natixis's three "core" business lines;
- an increase in Coface's financial results thanks to considerable improvement in the credit insurance claims ratio;
- and a significant reduction in losses for the Workout Portfolio Management business.

With operating expenses down 7% over the period, gross operating income came to €1.3 billion compared with a loss of €0.1 billion in the first half of 2009.

Including net losses on other assets and the share of income from associations - mainly Banque Populaire banks and Caisse d'Epargne banks CICs and CNP Assurances - income before tax came to €1.3 billion compared with a loss of €2.2 billion in the first half of 2009, thanks in particular to significant improvement in cost of risk for run-off operations and CIB.

FINANCIAL STRUCTURE

BPCE SA group had €696 billion of consolidated assets at June 30, 2010, an increase of €92 billion or 15%. This relates primarily to Natixis, whose balance sheet was affected by the rise in the dollar against the euro, as well as an increase in repo transactions and the valuation of derivatives excluding hedging transactions.

BPCE SA group's equity attributable to equity holders of the parent totaled €24 billion at June 30, 2010, compared with €23 billion at December 31, 2009. This €1 billion increase reflects primarily:

- the inclusion of earnings for the first half of 2010 (+€0.8 billion);
- dividend payouts (-€0.1 billion);
- interest on deeply subordinated notes (-€0.2 billion);
- an increase in gains and losses recognized directly in equity (+€0.6 billion).

1.5. Subsequent events and outlook for the second half of 2010

Simplification of the Group's structure

The merger of holding companies Banques Populaires Participations and Caisses d'Épargne Participations into BPCE is effective as of August 5 (with retroactive effect as of January 1, 2010). Prior to the merger, the equity interests held by Caisses d'Épargne Participations in Nexity (40.82%), GCE SEM (100%), GCE Habitat (100%) and Erixel (99,25 %) were transferred to a dedicated holding company called Caisses d'Épargne Holding Promotion.

Following these transfers, BPCE will carry out a €1.8 billion capital increase in cash, equally subscribed by the Banque Populaire banks and the Caisses d'Épargne.

Government redemptions

Groupe BPCE has announced the redemption of some of the preferred shares purchased by the French government's Société de Prise de Participation de l'Etat (SPPE). €1.2 billion was redeemed on August 6, 2010, thanks to equity created by taking earnings to reserves, with a further €600 million to be redeemed on October 15, 2010 after the effective sale of SMC. To date, BPCE still has to redeem €1.2 billion of preferred shares.

The Group has announced the redemption of €600 million of deeply subordinated notes purchased by SPPE on August 6, 2010. Groupe BPCE will therefore have redeemed €2.35 billion of deeply subordinated notes out of the €4.05 billion purchased by SPPE.

In accordance with the "Ensemble" (Together) strategic plan for 2010-13, Groupe BPCE is maintaining its target of redeeming all of the equity provided by the French government over the duration of the plan, thanks in particular to earnings being taken to reserves.

1.6 Main risks and uncertainties for the next six months

The risks to which Groupe BPCE is exposed are the same as those described in Chapter 3 of the 2009-02 Registration Document registered with the AMF on May 10, 2010, and the update filed on May 20, 2010.

It is specified that Groupe BPCE operates in a business environment that by nature gives rise to risks, some of which it cannot control. In particular, the Group's activities, financial position and results are closely linked to general economic conditions, as well as the development of the financial markets. Consequently, a decline and/or a high level of volatility in the financial markets, as well as an unfavorable change in general economic conditions, could have an unfavorable impact on the Group's activities, financial position and results.

CHAPTER 2 RISK MANAGEMENT

2.1. Information relating to credit and counterparty risk

Credit and counterparty risk management organization

Risk measurement is based on rating systems for some of the Group's Basel II approved banks or those aiming to comply with Basel II regulatory requirements and adapted to each type of client or transaction, for which the Risk Management department is responsible for defining and controlling performance.

Decisions are made at Groupe BPCE within the framework of delegation procedures, a system of limits relating to each client group on a consolidated basis, and a principle of contradictory analysis involving the Risk Management department, with a right of appeal that may result in submission to the higher level Credit Committee.

The delegation system for Groupe BPCE and BPCE, which was overhauled in 2009, is in the process of being reviewed as part of an update of limits.

Within Groupe BPCE, a single internal rating methodology (specific to each client segment) used for the two networks was introduced for individual and professional retail banking clients at the start of 2010.

Work carried out in the first half of 2010

The Caisse d'Épargne banks' Basel II retail project in accordance with Basel II requirements, which began in April 2009, continued with the updating of rating parameters for the Caisses d'Épargne and the Banque Populaire banks in February 2010.

At the same time, a supervisory system for Basel II standards and the quality of data used for retail ratings for individual and professional banking clients was introduced for the Caisses d'Épargne. This system, used on a monthly basis since the preparation of the financial statements to December 31, 2009, has been used quarterly since June 30, 2010.

All of the committees involved in the monitoring of risks met in the first half of the year in accordance with the predefined timetable, in particular the Group Watchlist and Provisions Committee, which is continuing with its monthly review of counterparties on the watch list.

Breakdown of the loan portfolio by exposure category

Exposure category	Gross exposure
In millions of euros	
Sovereign	154,955
Institutions	156,547
Corporate	294,808
Retail clients	304,729
Securitization	51,381
Equities	12,085
TOTAL June 30, 2010	974,505
TOTAL December 31, 2009	956,013
Change December 31, 2009 vs. June 30, 2010	1.9%

Source: Group risk management data

The two networks' historic business lines of Retail and Corporate clients accounted for more than half of Groupe BPCE's gross exposures as at June 30, 2010 (61.5%).

Breakdown by region (gross exposure in millions of euros at June 30, 2010)

Exposure category	France	Europe excl. France	Americas	Asia- Pacific	Africa and Middle East	Total		Δ
						30/06/10	31/12/09	
Corporate	180,593	42,091	54,911	14,320	2,892	294,808	282,845	4.2%
Institutions	90,396	41,258	19,210	5,253	426	156,544	14,617	5.3%
Sovereign	133,394	8,126	11,856	1,285	294	154,955	144,167	7.5%
TOTAL	404,383	91,476	85,977	20,858	3,612	606,306	57,628	5.3%

Source: Group risk management data - Δ : Change December 31, 2009 vs. June 30, 2010

For the three categories - Corporate, Institutions and Sovereign - the majority of Groupe BPCE's gross risk exposure is in Europe (81.8%), including 66.7% in France. This proportion relates to Corporate clients, while the majority of Sovereign risks are national. Only Institutions represent a more diluted breakdown by region, with 42.2% of exposure outside France and 26.3% in Europe.

Breakdown by sector (gross exposure)

Groupe BPCE - Corporates and Professionals

Type of sector in millions of euros	Corporates and Professionals	Percentage
Finance & insurance	71,283	19,5%
Real estate rental	56,776	15,5%
Holding companies & diversified	49,032	13,4%
Services	29,296	8,0%
Real estate	26,057	7,1%
Construction & public works	18,137	5,0%
Energy	15,136	4,1%
Retailing	12,338	3,4%
Pharmaceuticals & healthcare	12,128	3,3%
Basic industries	11,513	3,1%
Consumer goods	10,386	2,8%
Food	9,790	2,7%
Mechanical and electrical engineering	7,978	2,2%
Media	7,965	2,2%
Tourism, hotels & restaurants	7,564	2,1%
Transport	7,556	2,1%
Utilities	4,533	1,2%
International commodities trade	4,171	1,1%
Technology	3,216	0,9%
Government	736	0,2%
TOTAL June 30, 2010	365,592	100%
TOTAL December 31, 2009	340,634	-
Change December 31, 2009 vs. June 30, 2010	7.3%	-

Source : données de gestion de risque groupe

The financial and insurance sector (19.5%), real estate rental (15.5%) and holding companies (13.4%) together account for nearly half of Groupe BPCE's exposures.

Concentration by borrower

Concentration by borrower	Percentage
Largest borrower	2.8%
Top 10 borrowers	17.4%
Top 50 borrowers	53.1%
Top 100 borrowers	75.7%

Source : Group risk management data

The weighting of the 100 largest borrowers does not show any particular concentration.

Exposures by credit quality

Scale*	Gross exposure	Percentage
in millions of euros - June 30, 2010		
1	321,013	35.2%
2	251,545	27.6%
3-4	283,399	31.1%
5-6	55,082	6.0%
Non-performing	18,842	2.1%
TOTAL	911,039	100%

* Estimated data - excluding equities and securitization. The breakdown of credit quality ratings scales at March 31, 2010 has been applied to outstandings at June 30, 2010
Source: Group risk management data

Measuring credit quality shows 63% of gross exposures to be good or very good risks. 92% of exposures are between scales 1 and 4.

2.2. Market risk

Market risk management

The Market Risk Management division of the Financial Risk Management department, part of the BPCE Group Risk Management department, is responsible for the management of market risk within the Group.

For the commercial banking scope, risks are monitored in accordance with the segmentation of financial activities between the proprietary business unit on one hand and the ALM business unit and medium and long-term management (replacement of capital) on the other. This entity uses Natixis's management principles.

For the Caisses d'Épargne, day-to-day monitoring of proprietary activities is based on supervision by the Group Risk Management department of 99% 1-day value-at-risk and compliance with regulatory limits.

Based on the definition of proprietary trading, consolidated 1-day VaR based on a 99% confidence interval was set at €4 million for the Caisses d'Épargne taken as a whole, €3 million below the initial limit. This exposure limit was rolled down to the various entities based on their level of capital, taking account of the effect of diversification. The overall limits assigned to each entity are reviewed each year by the Market Risks committee.

In addition, the Group Risk Management Department has endeavored to implement stress scenarios in collaboration with the Group's various entities.

These global and historic stress scenarios, already in place at Natixis and BRED Banque Populaire, were rolled out on a uniform basis across all of the Caisses d'Epargne during the first half of 2010. A roll-out is currently under way within the Banque Populaire network.

Market risk measurement methods

Groupe BPCE's market risk relates primarily to Natixis, which has a system for measuring and monitoring market risk.

Natixis's 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:

1. Synthetic VaR calculations determine potential losses from each activity at a given confidence level (for example 99%) and a given holding period (for example one day). The calculation is performed and monitored daily for all of Natixis'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 5,200 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's Risk department produces the VaR for Natixis's consolidated scope.

As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers, Natixis has adopted a new calculation method 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 and three months rolling.

The "Risk Factors" project, which began in 2009, was finalized in 2010. This project constituted an exhaustive review of all decisions relating to risk factors, involving all of the departments concerned (Risk Management, front office and results). It is now continuing as part of a permanent process.

2. 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 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, specific stress test and loss-alert limits. They are determined consistently with the latter limits.
3. All operational limits are subject to day-to-day monitoring by the Market Risk team. All violations of limits (operational, VaR, stress test and loss-alert limits) are notified. Loss-alert violations may lead to a management decision concerning the position in question (closure, hedging, maintaining, etc.).
4. 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 partly redefined and enhanced in 2009 as part of a permanent process. Three historic stress tests have now been added to the existing framework.

Calculated using Natixis's 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. Eleven historical stress scenarios were defined after two new scenarios entered production in early 2010.
- 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.

Specific stress tests calculated on a daily basis in management tools have been rolled out across all trading areas. Limits have also been set and reporting systems introduced for all of these trading activities, which are communicated to each Market Risk Committee meeting.

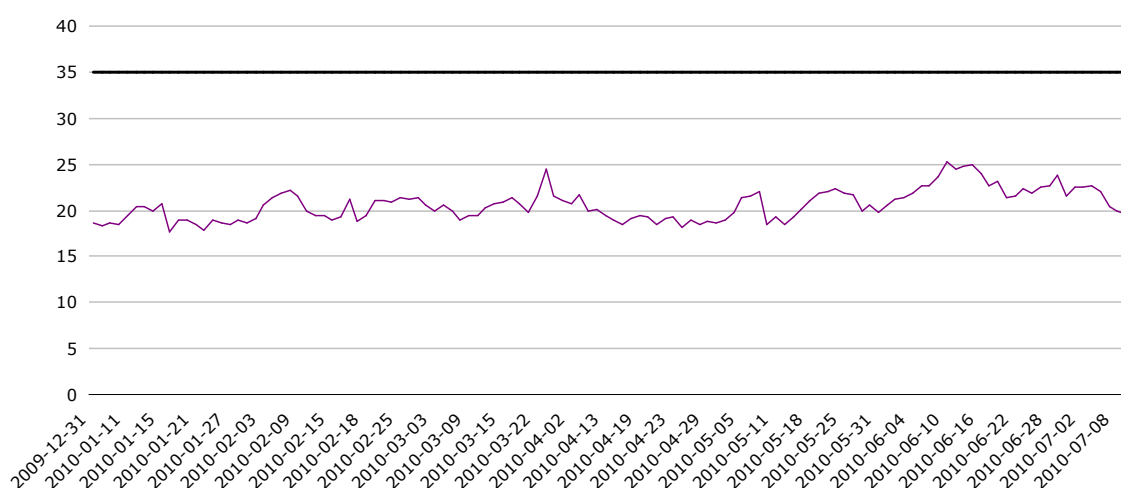
Market risk measurement quantitative data

CHANGES IN VAR AT NATIXIS

99% 1-day VaR for Natixis's trading portfolios averaged €20.5 million, with a maximum observed level of €25.3 million on June 10, 2010 and a value of €21.6 million at June 30, 2010.

As the chart below shows, VaR remained stable during the first half of 2010, at a level corresponding to an average of 60% of the VaR limit.

NATIXIS'S OVERALL TRADING PORTFOLIO VAR (1-DAY, 99% VAR)



VaR in €m — Limit

OVERALL TRADING VAR BY CLASS OF RISK

in millions of euros	Monte Carlo VaR 99%, 1 day			
	June 30, 2010	Dec 31, 2009	Difference	Average
Natixis trading scope				
Interest rate risk	10.8	10.7	0.1	13.0
Equity risk	3.9	4.6	(0.7)	6.3
Specific equity risk	0.8	0.8	0.0	1.1
Specific interest rate risk	18	15.8	2.2	16.7
Exchange rate risk	1.6	2.5	(0.9)	3.1
All risk classes	35	34.4	-	-
Netting effect	(13.4)	(15.8)	-	-
Consolidated VaR	21.6	18.6	-	22.2

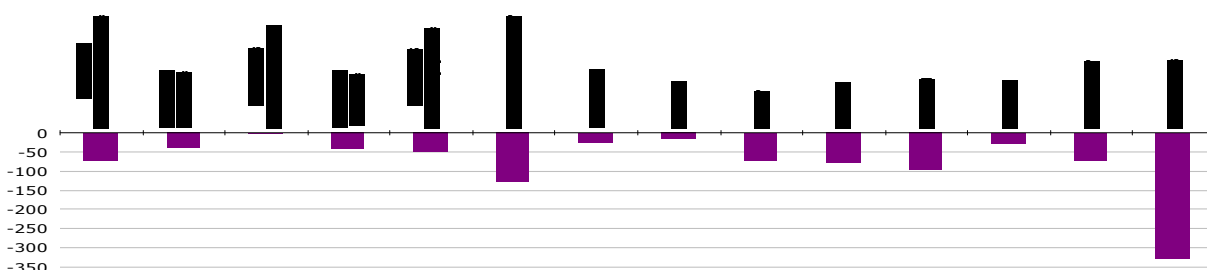
Stress testing results

Natixis introduced two new historic stress tests in the first half of 2010:

- Lehman October 2008: stress situation after the collapse of Lehman Brothers on September 15, 2008;
- Rally March 2009: equity market rally in March 2009.

These two stress tests are in the process of being adopted for BRED Banque Populaire and the Caisses d'Epargne. The "Total" in the tables below therefore cannot be calculated for these two stress tests.

Global stress tests at June 30, 2010 (in millions of euros)



Global stress tests for Natixis and BRED Banque Populaire (in millions of euros):

Stress test	#1 Fall in stock market indices	#2 Increase in interest rates	#3 Default by a bank	#4 Rise in commodities prices	#5 Emerging market crisis
Natixis	6	(26)	63	4	(36)
Durable	16	(31)	28	(20)	(17)
Segregated	(10)	5	35	24	(19)
BRED	(79)	(14)	(66)	(47)	(13)
Trading desk	(10)	3	(15)	(8)	1
Corporate treasury	(69)	(16)	(51)	(39)	(14)
Total	(73)	(40)	(3)	(43)	(49)

The scope concerned is sensitive to stress tests relating to stock market indices via BRED Banque Populaire's corporate treasury portfolio.

Stress test	#1-1987 Equity crash	#2-1990 Gulf war	#3-1994 Bond crisis	#4-1997 Asian crisis	#5-1998 LTCM	
Natixis	(71)	(7)	(8)	(25)	(53)	
Durable	78	10	(7)	9	(11)	
Segregated	(149)	(17)	(1)	(34)	(42)	
BRED	(57)	(19)	(10)	(49)	(25)	
Trading desk	15	8	(4)	(4)	(3)	
Corporate treasury	(71)	(27)	(6)	(44)	(22)	
Total	(128)	(26)	(18)	(74)	(78)	
Stress test	#6-2001 September 11	#7-2002 Credit crunch	#8-2007 Fed action	#9-2008 Corporate	#10-2008 Lehman Brothers	#11-2009 March rally
Natixis	(49)	(4)	(56)	(295)	(41)	5
Durable	(4)	22	(22)	4	1	35
Segregated	(45)	(27)	(34)	(292)	(42)	(30)
BRED	(48)	(23)	(18)	(32)	-	-
Trading desk	(7)	(3)	2	(5)	-	-
Corporate treasury	(42)	(20)	(20)	(27)	-	-
Total	(97)	(27)	(74)	(327)	-	-

The scope concerned is sensitive to historic stress tests relating to the 1987 equities crash in the amount of -€128 million via the Group's exposures to hedge funds within the scope of Natixis Segregated, and relating to the Corporate, Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS) crisis in 2008 the amount of -€327 million via securitization exposures contained within the scope of Natixis Segregated.

SUMMARY OF WORK CARRIED OUT IN THE FIRST HALF OF 2010

Work was carried out in collaboration with the Financial Risk Management unit in the first half of 2010 allowing for Group guidelines to be drawn up containing assessment, control and reporting standards.

Furthermore, at the Caisse d'Épargne banks, VaR limits for the Proprietary Trading compartment were redefined at €4 million, €3 million below the initial limit. Lastly, the hypothetical and historic stress scenarios in place at Natixis and BRED Banque Populaire were rolled out at the Caisse d'Épargne banks and are subject to weekly reporting.

2.3. Liquidity and interest rate risk

The role of the Risk Management department forms part of the general organization of management of structural balance sheet risks (interest rate, liquidity and exchange rate risk).

The Financial Risk Management unit is responsible for second-tier controls of these risks.

WORK CARRIED OUT IN THE FIRST HALF OF 2010

A new Group reference framework for assets and liabilities management has been available to the Group's establishments since January 1. This reference framework lists the management and reporting rules adopted at the level of Groupe BPCE relating to assets and liabilities management.

These shared rules were updated as part of the work of the ALM Reference Framework Committee, of which the Group Risk Management Department is a permanent member.

Liquidity risk

MANAGEMENT OF REFINANCING

In July 2010, the Group had achieved more than two-thirds of its program of medium and long-term refinancing using a variety of resources, with in particular a significant covered bonds issuing capacity, which represented 59% of issues. Issues over the period represented a total of €27 billion.

EXPOSURES

The average ratio of coverage of assets by liabilities for the next five years is 104.8% (at March 31, 2010, last available figures) for the Caisses d'Épargne and Banque Populaire networks on a consolidated basis, excluding Crédit Foncier de France (CFF).

Interest rate risk

METHODOLOGY

A central interest rate scenario for all Group entities is proposed by Natixis's economists and used to calculate projected net interest income.

EXPOSURE

The table below shows the interest rate gap at March 31, 2010, the date of the first-time application of the new ALM standards reference framework (convergence of standards for the two networks) for all commercial banking activities excluding CFF.

in billions of euros	04/01/10 to 03/31/11	04/01/11 to 03/31/15	04/01/15 to 03/31/20
Gap	(11.27)	(7.44)	(0.81)

2.4. Risks relating to the BPCE guarantee for Natixis concerning part of GAPC

The guarantee system shielding Natixis against risks of future losses and the volatility of earnings caused by part of the "GAPC" portfolio of assets managed on a run-off basis, announced in August 2009, was approved on November 12, 2009, by the governing bodies of BPCE and Natixis, with retroactive effect as of July 1, 2009.

This guarantee system has been validated by the Autorité de Contrôle Prudentiel.

It concerns an equal share of 85% of risks relating to covered assets and is based on two mechanisms:

(i) a guarantee of the nominal amount, relating to assets recognized as "loans and receivables" (L&R) and available-for-sale securities (AFS) through the implementation of a financial guarantee;

(ii) a guarantee of the value of assets recognized as part of the trading portfolio through the implementation of total return swap ("TRS") contracts (one in dollars, the other in euros), coupled with an option mechanism allowing Natixis to benefit from any profits made on these assets. The option has a term of 10 years. If it is exercised, the TRS is canceled.

The following assets were under these guarantees at June 30, 2010:

Type of asset (type of portfolio)	Notional amount (€ bn)	Net value (€ bn)	Discount rate	RWA before guarantee (€bn)
ABS CDO	1.9	0.7	63%	14.8
Other CDO	7.7	6.1	21%	
RMBS	7.6	6.4	16%	
Covered bonds	0.2	0.2	-%	
CMBS	0.7	0.5	29%	
Other ABS	0.8	0.7	13%	
Covered assets	15.6	13.9	11%	
Corporate loans portfolio	6.0	6.0	-%	
Total	40.5	34.5		
O/w US agencies RMBS	3.1	3.0		
Total guarantee (at 85%)	37.4	31.5		

During the life of the guarantee system, changes in value and any additional provisions for the covered assets (at 85%) will be recorded as income at BPCE rather than Natixis (before any impact on the option mechanism). They shall therefore be recognized 100% as Group share for the portion relating to BPCE rather than divided between the Group share and minority interests.

Furthermore, on a prudential basis, the guarantee system has a neutral impact from the outset, as risk-weighted assets covered by the system are already fully consolidated by Groupe BPCE (which owns around 72% of Natixis) under the full consolidation method.

- Guarantee relating to loan default: the scope relates to "loans and receivables" (L&R) and available-for-sale securities (AFS).

The BPCE guarantee comes into effect at 85% if there is a default:

- on the payment of a coupon;
- on repayment of the nominal amount.

The mechanism implemented for assets recognized as part of the trading portfolio: Total Return Swap (TRS)

The total return swap (TRS) is a derivative instrument that allows for the performance of underlying assets to be exchanged.

Each year, at the exchange date:

- if the performance of the underlying asset has deteriorated, BPCE has to pay Natixis 85% of the underperformance of these assets;
- if the performance of the underlying assets has improved, Natixis has to pay BPCE 85% of the outperformance of these assets.

During the first half of 2010, the impact of the guarantee was limited to +€12 million for Group BPCE.

The outstanding amount for the guaranteed scope decreased by more than USD 2 billion as a result of structured credit exposures.

2.5. Risks relating to the proprietary activities of Caisse Nationale des Caisses d'Épargne (CNCE)

The proprietary activities of the former CNCE have been managed on a strictly run-off basis since the market incident of October 2008.

On the creation of BPCE, these activities were placed with Caisses d'Épargne Participations, still on a run-off basis. Management has been assigned to Natixis Global Asset Management since December 1, 2009, with the following system of delegation:

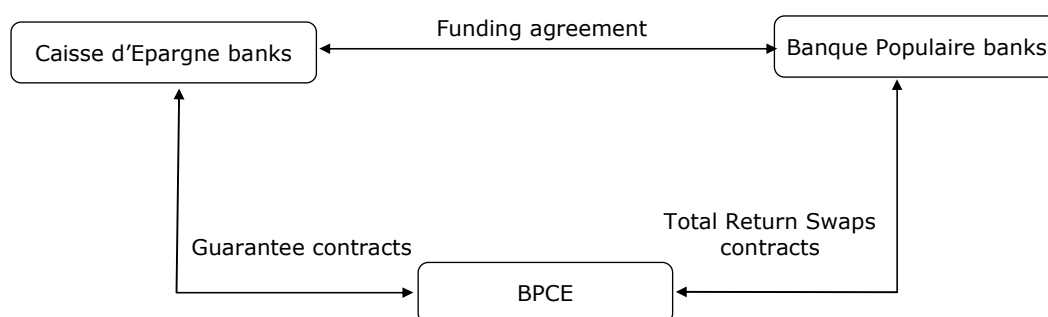
- risk delegation: control of observance of delegations by Natixis Global Asset Management's Risk Management department and the Group Finance department;
- monthly management report (presented by Natixis Global Asset Management to BPCE's Management committee): valuation of the portfolio, asset sales, breakdown of the portfolio and focus by asset class, short and medium/long-term management indicators;
- monthly risk reporting by the Natixis Global Asset Management Risk Management department: observance of delegations, changes to the portfolio and analytical monitoring, risk indicators;
- monitoring of BPCE risks: review by the Group Risk Management department for the BPCE Risk Management Committee.

Within the framework of the merger of Banques Populaires Participations and Caisses d'Épargne Participations into BPCE, a protection mechanism has been implemented so that the economic exposure of some of the former CNCE's proprietary activities managed on a run-off basis is kept solely at the level of the Caisse d'Épargne banks.

The adoption of this principle has resulted in a protection mechanism provided for the benefit of BPCE by means of an ad hoc structure (SAS Triton) made up by the Caisses d'Épargne.

Caisses d'Épargne, BPCE and SAS Triton are linked as follows:

- The Caisse d'Épargne banks own 100% of SAS Triton;
- Implementation of total return swaps between BPCE and SAS Triton;
- Guarantee contracts signed by the Caisses d'Épargne (registered off-balance sheet as financial guarantees given) in favor of BPCE.



At June 30, 2010, total assets under management amounted to €2.822 billion, broken down as follows:

- €2.45 billion relating to the "medium/long-term" portfolio (at June 30, 2010, collateralized loan obligations (CLO) made up 45% of this portfolio);
- €371 million relating to the "delegated management" portfolio.

2.6. Financial Stability Forum recommendations concerning financial transparency

Summary of sensitive exposures

in millions of euros	Groupe BPCE (excluding Natixis)	Natixis	Total June 30, 2010	Total March 31, 2010
Net exposure ABS CDOs (US residential market)	8	727	735	671
Net exposure Other at-risk CDOs	1,608	3,568	5,176	5,081
Net exposure CMBS	421	467	888	879
RMBS	1,003	6,240	7,243	7,144
Total net exposure Unhedged exposure	3,040	11,002	14,042	13,775
Monolines: residual exposure after value adjustments	-	1,624*	1,624	1,387
CDPC: exposure after value adjustments	-	530*	530	83
Net exposure to LBO	2,811	5,566	8,377	8,248

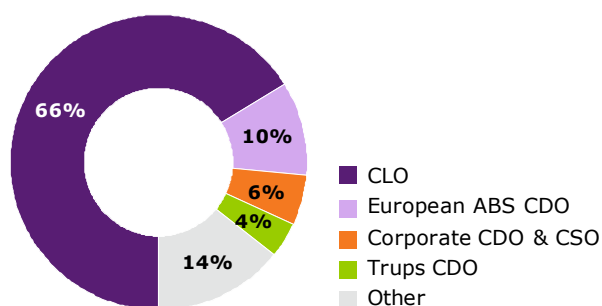
* Reversal of write-downs following the re-intermediation of certain CDPC and monoline risks with a higher-rated counterparty

Sensitive exposures excluding Natixis

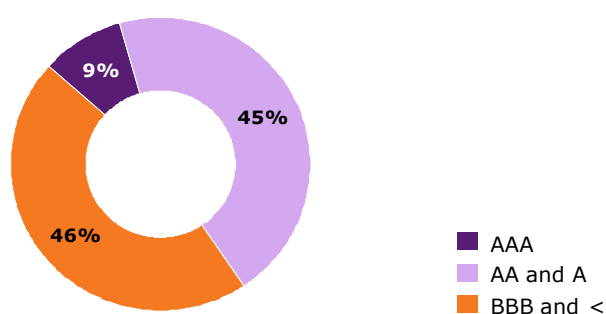
- OTHER UNHEDGED CDOS

in millions of euros	Net exposure March 31, 2010	Changes in value Q2-10	Other changes Q2-10	Net exposure June 30, 2010	Gross exposure June 30, 2010
Portfolio at fair value through profit or loss	219	25	-28	216	404
Portfolio at fair value through shareholders' equity	307	5	18	330	353
Portfolio of loans and receivables	1,137	- 44	- 31	1,062	1,229
TOTAL	1,663	- 14	- 41	1,608	1,986

Breakdown of residual exposure by type of product



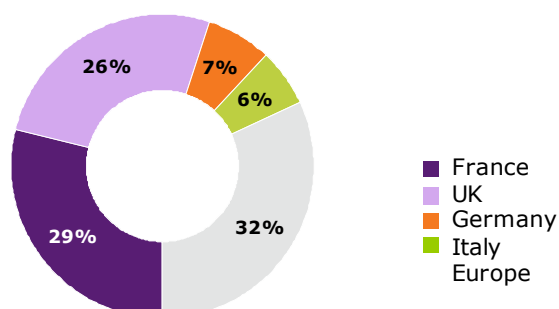
Breakdown of residual exposure by rating



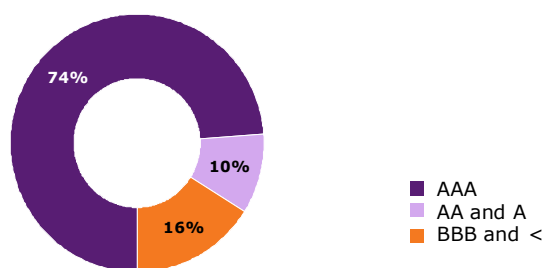
- CMBS

in millions of euros	Net exposure March 31, 2010	Changes in value Q2-10	Other changes Q2-10	Net exposure June 30, 2010	Gross exposure June 30, 2010
Portfolio at fair value through profit or loss	0	0	8	8	9
Portfolio at fair value through shareholders' equity	101	- 4	- 8	89	102
Portfolio of loans and receivables	333	- 9	0	324	388
TOTAL	434	- 13	0	421	499

Breakdown of residual exposure by region



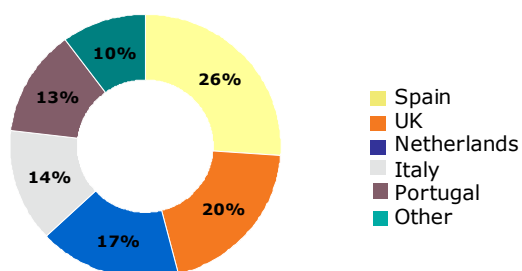
Breakdown of residual exposure by rating



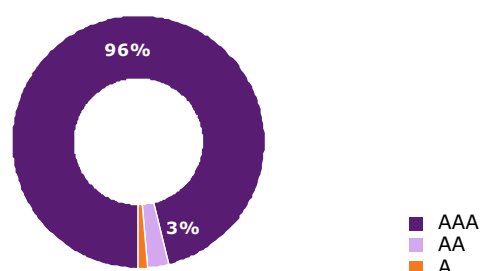
- RMBS

in millions of euros	Net exposure March 31, 2010	Changes in value Q2-10	Other changes Q2-10	Net exposure June 30, 2010	Gross exposure June 30, 2010
Portfolio at fair value through profit or loss	0	0	4	4	5
Portfolio at fair value through shareholders' equity	967	- 28	19	958	998
Portfolio of loans and receivables	36	1	0	37	38
Held-to-maturity asset portfolio	4	0	0	4	4
TOTAL	1 007	-27	23	1 003	1 045

Breakdown of residual exposure by region



Breakdown of residual exposure by rating



Protection purchased

Credit enhancers (monoline insurers)

Protection purchased from credit enhancers by Crédit Foncier de France is not taken into account in the valuation of hedged instruments (valued at zero). They therefore do not reflect exposures to credit enhancers.

Protection purchased from other counterparties

<i>in millions of euros</i>	Gross nominal amount of the hedged instruments	Impairment of hedged CDOs	Fair value of the protection
Protection for CDOs (US residential market)	-	-	-
Protection for other CDOs	760	- 94	137
TOTAL	760	- 94	137

Including three transactions forming part of negative basis trade strategies

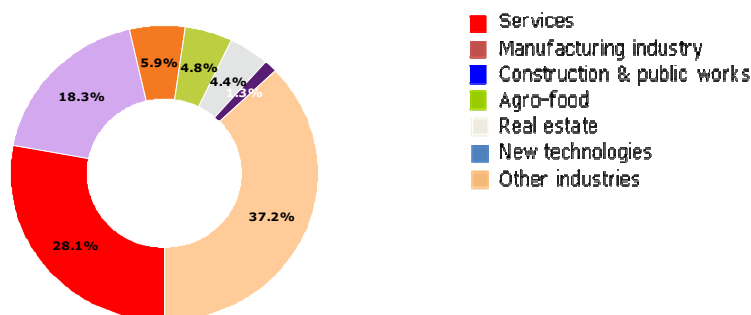
- two European senior CLO tranches rated AAA/AA and AAA/AA- by two ratings agencies
- one European senior ABS CDO tranche rated AA/B+ by two ratings agencies
- Counterparty risk relating to sellers of protection (European banks) hedged by margin calls

Including nine US or European CLO transactions rated AAA and A-

Leveraged financing (LBO)

- Net exposure at June 30, 2010: €2,811 million (versus €3,026 million at March 31, 2010)
Provision: €189 million
- Exposure comprising solely shares not held for sale
- Average commitment per transaction: €1.8 million

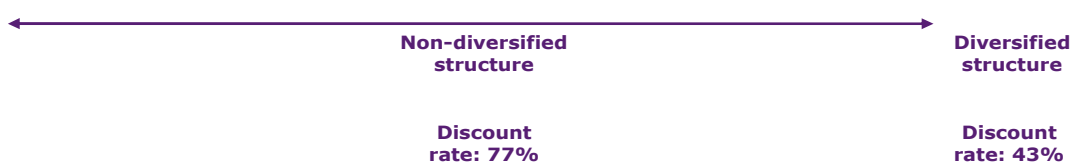
Breakdown by business sector



Natixis's sensitive exposures

- UNHEDGED ABS CDOS EXPOSED TO THE US RESIDENTIAL MARKET

	#1	#2	#7	#9	#10	#11	#12	#13	#14	#15	#16	#18	#4	#17
2Q10 Value adjustment	-1	-2	11	2	0	2	5	2	2	6	-5	-2	-19	-4
Net exposure 06/30/10	0	5	39	14	12	38	37	7	35	31	67	39	217	186
Discount rate	100%	96%	76%	49%	94%	30%	29%	96%	34%	66%	70%	79%	41%	45%
Nominal exposure	94	116	161	27	190	54	51	171	52	90	220	181	366	338
Change in value - total	-94	-112	-123	-14	-178	-16	-15	-164	-18	-59	-153	-142	-149	-153
Bracket	S. Senior	Mezz.	S. Senior	S. Senior	S. Senior	S. Senior	S. Senior	S. Senior	Mezz.	Mezz.	Mezz.	Senior	S. Senior	Senior
Underlying	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	Mezz.	H. Grade	Mezz.
Attachment point	0%	0%	24%	57%	0%	32%	34%	0% / 99%	15%	9.9% / 70.0%	0% / 99%	0%	0%	0%
Prime	3.8%	17.0%	9.3%	5.4%	9.3%	36.3%	10.1%	5.1%	3.6%	14.7%	20.3%	24.8%	4.2%	27.9%
Alt-A	1.3%	9.4%	0.9%	2.8%	1.1%	16.3%	0.8%	0.0%	5.0%	40.4%	28.1%	9.3%	0.8%	14.6%
Subprime (2005 and before)	27.5%	20.7%	53.8%	62.4%	48.9%	27.3%	43.9%	83.8%	37.8%	34.4%	0.1%	0.1%	17.3%	0.2%
Subprime (2006 & 2007)	58.3%	26%	6.9%	0.0%	20.1%	0.0%	5.1%	1.6%	4.6%	6.5%	17.4%	22.3%	3.0%	0.0%

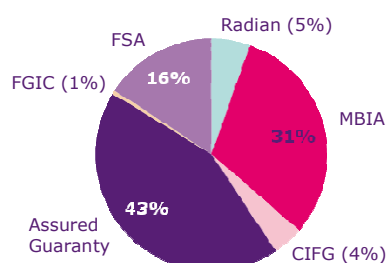


- PROTECTION

Protection purchased from monoline insurers

(€m)	Gross notional amount of purchased instrument	Exposure before 2Q10 value adjustment and hedging	Exposure before 2Q10 value adjustment and hedging
Protection for CDOs (housing market)	490	147	94
Protection for CLO	5,877	279	253
Protection for RMBS	662	126	128
Protection for CMBS	780	31	42
Other risks	9,602	2,963	2,662
TOTAL	17,412	3,546	3,178

Residual exposure to counterparty risk relating to monoline insurers



Protection purchased from CDPCs

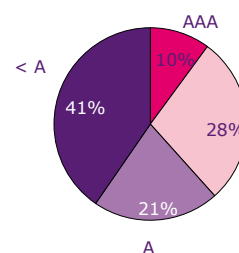
- Exposure before value adjustments: €970 million at June 30, 2010 (gross notional amount of €9.0 billion)
- Value adjustments of: €440 million

- OTHER UNHEDGED CDOS

CDOs not exposed to the US residential market

- Value adjustments 2Q10: €5 million
- Residual exposure: €3,568 million

Residual exposure by rating



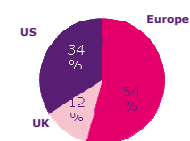
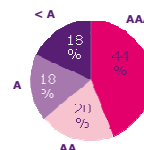
Of which CRE CDOs

(€m)	Net exposure 03/31/10	Loss in value 2Q10	Other changes 2Q10	Net exposure 06/30/10	Gross Exposure 06/30/10
FV through P&L	101	13	-19	95	181
FV through equity	4	8	0	12	39
Loans & receivables	53	-18	6	40	61
TOTAL	157	3	-13	148	281

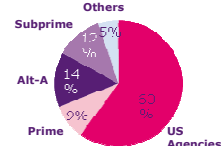
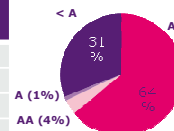
- UNHEDGED MORTGAGE-BACKED SECURITIES

in millions of euros

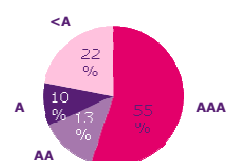
CMBS (€m)	Net exposure 03/31/10	Loss in value 2Q10	Other changes 2Q10	Net exposure 06/30/10	Gross exposure 06/30/10
FV through P&L	128	-26	25	128	186
FV through equity	157	6	4	167	261
Loans & receivables	160	2	12	173	184
TOTAL	445	-19	41	467	631



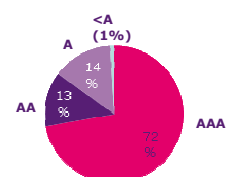
RMBS US (€m)	Net exposure 03/31/10	Loss in value 2Q10	Other changes 2Q10	Net exposure 06/30/10	Gross exposure 06/30/10
FV through P&L	20	-1	11	31	111
Agencies	3 026	-2	-20	3 004	3 070
Wrapped RMBS	426	12	25	463	491
Loans & receivables	1 410	2	110	1 523	1 773
TOTAL	4 881	12	127	5 020	5 445



RMBS UK (€m)	Net exposure 03/31/10	Loss in value 2Q10	Other changes 2Q10	Net exposure 06/30/10	Gross exposure 06/30/10
FV through P&L	122	0	-2	120	235
FV through equity	115	6	-5	116	170
Loans & receivables	421	0	-9	412	425
TOTAL	658	6	-16	648	830



RMBS Spain (€m)	Net exposure 03/31/10	Loss in value 2Q10	Other changes 1Q10	Net exposure 06/30/10	Gross exposure 06/30/10
FV through P&L	81	-6	-10	64	98
FV through equity	17	0	0	17	34
Loans & receivables	505	0	-14	491	491
TOTAL	603	-6	-25	572	622

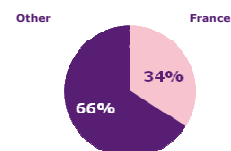
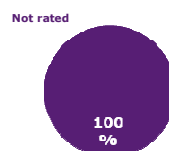


- SPONSORED CONDUITS

MAGENTA* – conduits sponsored by Natixis (€m)

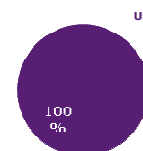
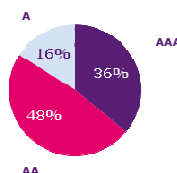
Country of issuance	France	Automobile loans	
Amount of asset financed	736	Business loans	100%
Liquidity line extended	990	Equipment loans	
Age of assets:		Consumer credit	
0 – 6 months		Non US RMBS	
6 – 12 months		CDO	
> à 12 months	100%	Other	

*Elixir: assets have been transferred in Magenta conduit. Structure is in liquidation process and is not disclosed individually anymore.



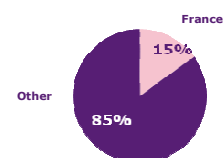
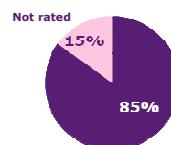
VERSAILLES – conduits sponsored by Natixis (€m)

Country of issuance	US	Automobile loans	29%
Amount of asset financed	2,501	Business loans	1%
Liquidity line extended	3,084	Equipment loans	4%
Age of assets:		Consumer credit	16%
0 – 6 months	1%	Non US RMBS	
6 – 12 months	4%	CDO	12%
> à 12 months	95%	Other	38%



DIRECT FUNDING – conduits sponsored by Natixis (€m)

Country of issuance	France	Automobile loans	
Amount of asset financed	175	Business loans	15%
Liquidity line extended	-	Equipment loans	
Age of assets:		Consumer credit	
0 – 6 months		Non US RMBS	85%
6 – 12 months		CDO	
> à 12 months	100%	Other	

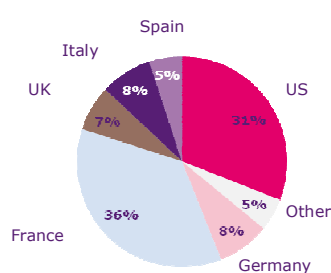


- LBO FINANCING

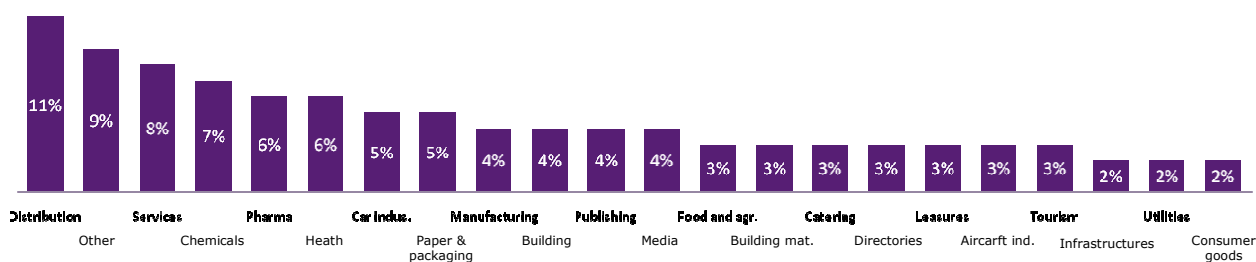
Commitments

(€m)	2Q10	1Q10
Final shares (booked commitments)	5,499	5,143
Number of transactions	364	374
Shares to be sold (booked commitments)	67	79
Number of transactions	1	2
TOTAL	5,566	5,222

Breakdown by region



Breakdown by business sector



- UNHEDGED & MONOLINE ABS CDOS: VALUATION ASSUMPTIONS

a) Unhedged ABS CDOs

Methodology

CONSERVATIVE DEFINITION OF THE "SUBPRIME" CATEGORY (FICO SCORE OF 660)

The loss rate of subprime assets is:

	< 2005	2005	2006	2007
12/31/2009	4.8%	14.8%	27.5%	42.6%
06/30/2010	6.2%	15.5%	27.4%	49.2%

VALUATION OF US RMBSS UNDERLYING ABS CDOS BY CASH FLOW MODEL

Allocation to transactions included in collateral rated CCC+ or lower of a loss of 97% apart from for underlying assets initially rated AAA for which the discount has been reduced to 70% (only for simple securitization transactions)

Valuation of non-subprime underlying assets based on a discount scale integrating transaction type, rating and vintage

b) Monoline insurers

Fair value of protection before value adjustments

- The economic exposure of ABS CDOs containing subprime assets has been determined using the method described above.
- The economic exposure of other types of assets was determined using either the mark-to-market method or the mark-to-model method

Value adjustments

- Four groups of monoline insurers are identified according to their credit quality. They are then assigned separate probabilities of default (PD).

	PD	Monoline
Group 1	15%	Assured guaranty, FSA
Group 2	50%	Radian*
Group 3	75%	MBIA
Group 4	100%	Ambac, CIFG, FGIC

- Regardless of the group, recovery in the event of default (R) is set at 10%
- The specific provision is defined as the mark-to-market (or mark-to-model) amount multiplied by the expected loss (expected loss = PD x (1-R)) for each monoline insurer

2.7. Legal risks

2.7.1 Proceedings subject to change during the first half of 2010

CAISSE D'ÉPARGNE ILE-DE-FRANCE (CEIDF)

a) Overview

In a ruling given at 3.00pm on July 31, 2009, the Paris Court of Appeal ruled that the works council of Caisse d'Épargne Ile-de-France (CEIDF) did not obtain all of the required information about the proposed merger between the Groupe Banque Populaire and the Groupe Caisse d'Épargne and the creation of the new central body, BPCE. The Court of Appeal's ruling requires CEIDF to repeat the consultation process and prohibits it from implementing the proposed merger until its works council has received the required information. BPCE has taken note of this ruling, which contradicts the decision of the Court of First Instance of July 10, 2009, when the judge dismissed the case of the plaintiff trade union organizations, deeming that sufficient information had been provided for the CEIDF works council to give an informed opinion. The judge in chambers' decision of July 31, 2009, ruling on appeal, does not call into question the legal existence of BPCE, the central body of the Banque Populaire banks and the Caisses d'Épargne. CEIDF's attendance at BPCE's statutory meetings is valid. CEIDF is affiliated by law to BPCE, which has to perform its legal and regulatory duties as central body. CEIDF has referred the case to the Court of First Instance by means of a summons of August 6, 2009, for an admission that it respected all of its commitments to its representative bodies, as already recognized by the Court of First Instance on July 10, 2009, and has made an appeal against the Court of Appeal's decision, notification of which was given on August 13, 2009. CEIDF also called a meeting of its works council on August 19, 2009.

Pending the conclusions of the court, Groupe BPCE is operational for its networks and to serve its clients.

These legal proceedings are restricted to CEIDF. The Court of Appeal, ruling on the claims against CEIDF and CNCE, has only granted some of the claims from appellants against CEIDF. However, the rest of appellants' claims against CEIDF and all of their claims against CNCE were rejected by the Court of Appeal. In our opinion, this legal dispute should not have any financial consequences for BPCE.

b) Events

On October 27, 2009, the Paris Court of First Instance ruled that CEIDF's management regularly informed the works council in relation to the proposed merger between Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires.

The court therefore believes that another consultation of the works council is not required.

The trade union organizations SUD and CGT and the works council lodged an appeal against this decision. The works council has decided to withdraw its appeal, while SUD and CGT are continuing with proceedings. The hearing date is not yet known.

In addition, on March 3, 2010, Caisse d'Epargne Ile-de-France decided to withdraw its appeal on points of law.

Lastly, a hearing is scheduled for September 9, 2010 to discuss the admissibility of the appeal made by SUD and CGT.

No provision has been set aside.

DOUBL'O – DOUBL'O MONDE FCP MUTUAL FUND

Entities concerned: certain Caisses d'Epargne summoned individually and Caisses d'Epargne Participations for the class action lawsuit by Collectif Lagardère.

a) Civil proceedings

Certain clients have held mediation procedures with the former Groupe Caisse d'Epargne's mediator or the AMF's mediator. Individual legal actions have also been initiated against certain Caisses d'Epargne.

i) Individual summons of Caisses d'Epargne:

Total claims relating to lawsuits in progress relating to the Caisses d'Epargne: €1,504,755 (not exhaustive as based on information provided by the Caisses d'Epargne), plus a claim in the Midi-Pyrénées region of €74,722,629,000 for a subscription of €524,400.

In a ruling given on June 15, 2010, the Toulouse Court of First Instance dismissed the client's claim for €74 billion and ordered the client to pay the sum of €3,000 in respect of Article 700 of the French Code of Criminal Procedure and a civil fine of €2,000 for abuse of proceedings. The claimant has appealed against this decision.

ii) Collectif Lagardère lawsuits

A lawsuit consisting of three summons at the request of Collectif Lagardère was initiated in August 2009 against Caisses d'Epargne Participations at the time of the creation of the Group before the small claims judge at the Court of the 7th arrondissement of Paris, the magistrate's court of the 7th arrondissement of Paris and the Paris Court of First Instance.

A new summons was announced on May 11, 2010 at the request of eight clients before the magistrate's court of the 7th arrondissement of Paris.

These lawsuits cover the interests of 250 clients. Summons by Collectif Lagardère and 250 clients: total claims of €5,063,054.04.

1) PARIS COURT OF FIRST INSTANCE

First hearing on October 28, 2009.

The case was adjourned to December 9, 2009 for communication of the claimants' evidence.

The case was adjourned to March 10, 2010 for the submissions in response from Caisses d'Epargne Participations. The pre-trial judge adjourned the case to June 16, 2010 for the submissions in response from the defendants on the inadmissibility of the case.

Case adjourned to September 15, 2010.

2) SMALL CLAIMS JUDGE AT THE COURT OF THE 7TH ARRONDISSEMENT OF PARIS

The claimants raised the plea of the incompetence of the small claims judge at the Court of the 7th arrondissement of Paris. Hearing adjourned to January 26, 2010 at the magistrate's court of the 7th arrondissement of Paris, the only court able to rule on the competence of the small claims judge. On February 16, 2010, the magistrate's court of the 7th arrondissement of Paris ordered the referral to this court of the proceedings initiated by Collectif Lagardère and 13 other claimants before the small claims court. A hearing took place on April 13, 2010.

After the hearing of April 13, 2010, the lawsuit was referred to the Paris magistrate's court.

3) PARIS MAGISTRATE'S COURT

Defense hearing: January 26, 2009, adjourned to a defense hearing on April 13, 2010 on the inadmissibility raised by Caisses d'Épargne Participations. The magistrate adjourned the cases to July 6, 2010 for a speech for the defense on the plea of nullity and the possible referral to the Paris Court of First Instance.

Decision expected on September 28, 2010.

No provision has been set aside at Caisses d'Épargne Participations.

b) Criminal proceedings

Caisse d'Épargne Loire Drôme Ardèche was advised on January 7, 2010 of a judicial enquiry against it for misleading advertising relating to the Doubl'O FCP mutual fund. The case is being examined in preparation for trial before the Saint-Etienne Court of First Instance.

Caisse d'Épargne Loire Drôme Ardèche was indicted for misleading advertising on April 12, 2010.

BORROWERS' INSURANCE

Entities concerned: Caisses d'Épargne Participations and the Caisses d'Épargne

Only entity concerned since December 8, 2009: Caisse d'Épargne Ile de France

a) Proceedings

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. CNP Assurances, CNCE and the Caisses d'Épargne received summons on May 18, 2007 to the Paris Court of First Instance from UFC-Que Choisir, requesting that the share in the profits made on these insurance contracts should be paid over to the borrowers. UFC-Que Choisir is seeking a blanket judgment on CNP Assurances and the former Groupe Caisse d'Épargne to pay it the sum of €5,053,193.83. The claims from clients of Groupe Caisse d'Épargne amount to an average of €1,000, the largest being €10,027 and the smallest €112. The former Groupe Caisse d'Épargne has acted in full compliance with the regulations concerning collective insurance contracts that it enters into with insurance companies, particularly CNP Assurances, the market leader. It 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 the former Groupe Caisse d'Épargne for the placement of these contracts, it is not 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 the former Groupe Caisse d'Épargne. 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.

The main French banks (BNP Paribas, CNCE and Caisses d'Épargne, Crédit Agricole SA, Banque Populaire Group, CIC Group, Société Générale), aware of the statements made in the various media by the President of UFC-Que Choisir and employees of this organization, consider that some of these remarks are of a defamatory nature, and have decided to take appropriate legal action in light of the serious nature of the facts. The French Banking Federation (FBF) has decided to join this action.

b) Events

The 17th Chamber of the Paris Court of First Instance gave its ruling on the case between various French banks, including the former CNCE, and the consumer association UFC-Que Choisir on September 23, 2009. All comments are considered defamatory, in that they are detrimental to the honor and consideration of all banks, including the Caisses d'Épargne.

However, the court believed that regardless of the clear responsibility of the consumer association, it could use the excuse that it was acting in good faith, thereby making it exempt.

In a ruling of December 8, 2009, the Paris Court of First Instance declared:

- the claim in voluntary joinder from UFC supporting the claims of the initial claimant admissible;
- the third party notices formed by the initial claimant and UFC against the Caisses d'Épargne other than Caisse d'Épargne Île-de-France inadmissible;
- the claims in voluntary joinder from 10 clients of CEIDF admissible;
- the claims of all other policyholders inadmissible.

The case was referred to the pre-trial hearing of February 16, 2010 for the lodging of the submissions of Caisse d'Épargne Île de France and CNP Assurances. A hearing was set for April 13, 2010, during which CNP Assurances filed its submissions. The case was adjourned to June 15, 2010 on the submission of the claimants.

On June 15, 2010, a timetable was set by the pre-trial judge:

- Significance of conclusions in September 2010
- October 4, 2010, the date of the defense hearing on UFC's communications incident before the Paris Court of First Instance.

No provision has been set aside.

NATIXIS

Jerry Jones et al. versus Harris Associates LP

In a ruling dated March 30, 2010, the United States Supreme Court referred the case to the Court of Appeals for the Seventh Circuit to determine whether the District Court's decision in favor of Harris Associates LP should be revoked or upheld.

Class actions in the United States relating to Municipal Guaranteed Investment Contracts

In a ruling dated April 26, 2010, the Court rejected the claim of inadmissibility against the individual lawsuits filed by the majority of defendants, including Natixis Funding and Natixis. The case will therefore continue. The defendants have responded to most of the claims filed by the plaintiffs. The parties have entered into the phase of the case relating to the discovery process, the scope of which is currently being negotiated.

2.7.2 Subsequent legal risks

NATIXIS

On August 2, 2010, Goldman Sachs International ('GSI') initiated legal proceedings against Natixis before the High Court of Justice in the UK. The lawsuit relates to three credit default swap transactions between GSI and Natixis, linked to certain tranches of a vehicle structured by Goldman Sachs called "Altius IV Funding". According to the terms of the swap agreements, Natixis had certain rights including the right to serve notice under certain circumstances of an "additional termination event" (or ATE) within the framework of each of the swap agreements. On the basis of the information presented to the High Court of Justice, GSI contests that an ATE was produced as, according to GSI, it did not contravene its obligations towards Natixis. Natixis has expressed its surprise that such legal action has been taken against it by GSI and, although it has not yet presented its defense case to the court, Natixis is contesting the terms of the complaint filed by GSI.

CHAPTER 3 CORPORATE GOVERNANCE

3.1 BPCE Combined General Shareholders' Meeting

A BPCE Combined General Shareholders' Meeting, chaired by the Chairman of the Supervisory Board, was held on May 28, 2010. The Management Board proposed 14 resolutions, including 12 in respect of the Ordinary Shareholders' Meeting and two in respect of the Extraordinary Shareholders' Meeting.

Given the number of shareholders present and represented at the meeting, the quorum of one-fifth for the ordinary meeting and one-quarter for the extraordinary meeting was met, allowing for the Combined General Shareholders' Meeting to be validly held. The Chairman states that shareholders and various other persons recognized by law as having the same right were able to exercise their right to information within the time frames and terms provided by law.

The Works Council received in opportune time the documents and information submitted to the meeting in accordance with the provisions of Article L.2323-8 of the French Labor Code.

The meeting formally acknowledged these declarations.

The Chairman then proposed a review of the agenda for the Combined General Shareholders' Meeting. With no one requesting to speak, the Chairman put the following resolutions included in the agenda to the vote.

3.1.1 Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution: Approval of BPCE's full-year financial statements

The General Shareholders' Meeting, having considered the Management Board's report on the Company's management, the observations of the Supervisory Board, the Chairman of the Board's report and the Statutory Auditors' report on BPCE's full-year financial statements for the year ended December 31, 2009, approves the full-year financial statements, showing a profit of €2,684,433.11.

Second resolution: Approval of BPCE SA's consolidated financial statements

The General Shareholders' Meeting, having considered the Management Board's report on the Group's management, the observations of the Supervisory Board and the Statutory Auditors' report on BPCE SA's consolidated financial statements for the year ended December 31, 2009, approves the consolidated financial statements, showing a loss of €69 million.

Third resolution: Approval of Groupe BPCE's consolidated financial statements

The General Shareholders' Meeting, having considered the Management Board's report on the Group's management, the observations of the Supervisory Board and the Statutory Auditors' report on Groupe BPCE's consolidated financial statements for the year ended December 31, 2009, approves the consolidated financial statements, showing a profit of €537 million.

Fourth resolution: Appropriation of income

The General Shareholders' Meeting, noting net income for the year ended December 31, 2009 of €2,684,433.11 and the existence of retroactive losses of €360,693,450.35:

- approves, in accordance with applicable accounting rules, the charging of the retroactive losses against the issue premium for retroactive losses, as recognized by the Shareholders' Meeting of July 31, 2009, arising from the partial asset contributions made by Banques Populaires Participations (formerly named Banque Fédérale des Banques Populaires) and Caisses d'Épargne Participations (formerly named Caisse Nationale des Caisses d'Épargne) to BPCE, in an amount of €3,717,571,801.15;
- approves the appropriation of these sums, in an aggregate amount of €363,377,883.46, as follows, as proposed by the Management Board:
 - 5% of the book profit for the period ended December 31, 2009 to be transferred to the legal reserve, in an amount of €134,221.66;

- a dividend of €105,379,087.07 to the 6,433,653 C category shares making up the capital stock at the date of the Shareholders' Meeting, representing a dividend of €16.379 per share;
- a dividend of €259,934.88 to the 25,993,488 A and B category shares making up the capital stock at the date of the Shareholders' Meeting, representing a dividend of €0.01 per share;
- the balance of €257,604,639.85 to be carried forward as retained earnings.

The dividend will be made payable on the date of the Shareholders' Meeting.

Pursuant the provisions of Article 253 of the French General Tax Code (Code Général des Impôts), dividends paid since the incorporation of the company were as follows:

Year ended	Dividend	Amount of the dividend eligible for the 40%	Amount of the dividend ineligible for the 40% tax relief
December 31, 2007	Nil	Nil	Nil
December 31, 2008	Nil	Nil	Nil

Fifth resolution: Balance of "issue premium for retroactive losses" included under "issue premium"

Subject to approval of the fourth resolution, the General Shareholders' Meeting notes that the "issue premium for retroactive losses" amounts to €3,356,878.80. In accordance with accounting regulations, the General Shareholders' Meeting decides to allocate all of the sums included in this item to the "issue premium".

Sixth resolution: Approval of the agreements referred to in Article L. 225-86 of the French Commercial Code

The General Shareholders' Meeting, having considered the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code, approves each of the agreements mentioned therein.

Seventh resolution: Ratification of the allocation agreement between BPCE, Natixis, Natixis Transport Finance and SFEF and the representation mandate agreement between Natixis and BPCE

The Ordinary Shareholders' Meeting ratifies the agreement concerning the opening of an allocation account in favor of SFEF allowing for the settlement of receivables allocated as collateral, within the framework of the implementation of the master credit agreements and master financial guarantee agreements signed in 2008, as well as the representation mandate agreement given by Natixis to BPCE for transactions relating to this agreement.

Eighth resolution: Ratification of the amendment to the MiFID agreement between Natixis, CFF (Crédit Foncier de France) and BPCE

The Ordinary Shareholders' Meeting ratifies the amendment to the agreement between Natixis, Crédit Foncier de France and BPCE specifying the obligations resulting from the MiFID directive for derivatives activities, the categorization of Natixis's counterparty clients and informing said clients of their categorization.

Ninth resolution: Ratification of the amendment to the "Package PLS - Package PLI" partnership agreement between CFF and BPCE

The Ordinary Shareholders' Meeting ratifies the amendment to the agreement relating to the distribution of regulated loans and the main changes to which relate to extending the scope of the loans to include "PLS" social housing loans, "PLI" intermediate rental loans, "PSLA" loans to facilitate home-ownership by low-income families and open loans for new inflows and similar transactions, as well as rules for calculating commission fees.

Tenth resolution: Ratification of the amendment to the financial intermediary agreement for local authorities and institutions clients between CFF and BPCE

The Ordinary Shareholders' Meeting ratifies the amendment to the financial intermediary agreement between CFF and BPCE with the aim of redefining the amounts and breakdown of commission fees, thereby allowing for the economic balance between the parties to be restored.

Eleventh resolution: Ratification of the partnership agreement between Crédit Immobilier et Hôtelier (CIH) and BPCE

The Ordinary Shareholders' Meeting ratifies the new partnership agreement with CIH providing for the launch of a joint commercial offering based on account-to-account fund transfers and the payment of commission fees by CIH to Group companies wishing to participate in the joint commercial offering.

Twelfth resolution: Ratification of the appointment of a member of the Supervisory Board

The Ordinary Shareholders' Meeting ratifies the appointment of Olivier Bourges as a member of the Supervisory Board on a provisional basis by the Supervisory Board on November 12, 2009, replacing Hervé de Villeroché, standing down from his position, for the duration of the latter's term of office.

3.1.2 Resolutions submitted to the Extraordinary Shareholders' Meeting

Thirteenth resolution: Precision concerning the corporate purpose

The Extraordinary Shareholders' Meeting decides to include the following precision in Article 2 of the bylaws:

"ARTICLE 2: PURPOSE (...)

The purpose of the company is: (...)

paragraph 3 - to be an insurance intermediary, in particular an insurance broker, in accordance with applicable regulations; (...)"

Fourteenth resolution: Powers for formalities

Full powers are given to the holder of an extract or copy of such to perform legal formalities.

All of these resolutions were adopted unanimously by the shareholders present and represented.

3.2 BPCE Supervisory Board as at June 30, 2010

Chairman

Philippe Dupont Chairman of the Board of Directors of BP Participations

Vice-Chairman

Yves Toublanc Chairman of the Steering and Supervisory Board of Caisse D'Epargne Rhône Alpes

Banque Populaire banks representatives

Gérard Bellemon Chairman of Banque Populaire Val de France

Thierry Cahn Chairman of Banque Populaire d'Alsace

Pierre Desvergnès Chairman of CASDEN Banque Populaire

Stève Gentili Chairman of BRED Banque Populaire

Jean Criton Chief Executive Officer of Banque Populaire Rives de Paris

Bernard Jeannin Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté

Caisses d'Epargne representatives

Catherine Amin-Garde Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme-Ardèche

Francis Henry Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne

Pierre Mackiewicz Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur

Bernard Comolet Chairman of the Management Board of Caisse d'Epargne Île-de-France

Didier Patault Chairman of the Management Board of Caisse d'Epargne Bretagne-Pays de Loire

Pierre Valentin Chairman of the Steering and Supervisory Board of Caisse d'Epargne du Languedoc-Roussillon

Representatives of the French government

Olivier Bourges	Deputy Chief Operating Officer of Agence des Participations de l'État, member of the Ministry for the Economy, Industry and Employment
Ramon Fernandez	Head of the Treasury and Economic Policy at the Ministry for the Economy, Industry and Employment

Independent members

Laurence Danon	Chairman of the Management Board, Edmond de Rothschild Corporate Finance
Marwan Lahoud	Head of strategy and marketing and member of the Executive committee of EADS

Non-voting Directors

Natixis	represented by Laurent Mignon, Chief Executive Officer of Natixis
Michel Sorbier	Chairman of the Steering and Supervisory Board of Caisse d'Épargne d'Auvergne et du Limousin
Pierre Carli	Chairman of the Management Board of Caisse d'Épargne de Midi Pyrénées
Jean Merelle	Chairman of the Management Board of Caisse d'Épargne Nord France Europe
Jean-Philippe Girard	Chairman of Banque Populaire Bourgogne Franche Comté
Christian du Payrat	Chief Executive Officer of Banque Populaire du Massif Central
Alain Condaminas	Chief Executive Officer of Banque Populaire Occitane

3.2.1 Specialist committees as at June 30, 2010

RISK MANAGEMENT COMMITTEE

Chairman: Marwan Lahoud

Members: Thierry Cahn, Bernard Comolet, Jean Criton, Pierre Valentin, Olivier Bourges

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairman: Laurence Danon

Members: Catherine Amin-Garde, Gérard Bellemon, Ramon Fernandez, Stève Gentili, Pierre Mackiewicz

COOPERATIVE COMMITTEE

Chairman: Philippe Dupont

Members: Bernard Comolet, Jean Criton, Pierre Desvergnès, Francis Henry, Yves Toubanc

3.3. Composition of the Management Board, the Executive Management Committee and the Executive Committee of BPCE at June 30, 2010

3.3.1 Management Board

François Pérol, Chairman of the Management Board

Olivier Klein, Chief Executive Officer – Commercial Banking and Insurance

Philippe Queuille, Chief Executive Officer – Operations and oversight for the reorganization of the central institution

Nicolas Duhamel, Chief Financial Officer

Jean-Luc Vergne, Chief Executive Officer - Human Resources

3.3.2 Executive Management Committee

François Pérol, Chairman of the Management Board

Olivier Klein, Chief Executive Officer – Commercial Banking and Insurance

Philippe Queuille, Chief Executive Officer – Operations and oversight for the reorganization of the central institution

Nicolas Duhamel, Chief Financial Officer

Jean-Luc Vergne, Chief Executive Officer - Human Resources

Laurent Mignon, Chief Executive Officer of Natixis

François Riahi, Director of Corporate Strategy

3.3.3 Executive Committee

François Pérol, Chairman of the Management Board

Olivier Klein, Chief Executive Officer – Commercial Banking and Insurance

Philippe Queuille, Chief Executive Officer – Operations and oversight for the reorganization of the central institution

Nicolas Duhamel, Chief Financial Officer

Jean-Luc Vergne, Chief Executive Officer - Human Resources

Laurent Mignon, Chief Executive Officer of Natixis

François Riahi, Director of Corporate Strategy

François Blancard, Chief Executive Officer of Crédit Foncier de France

Christiane Butte, Group Legal Director and General Secretary of BPCE*

Bruno Deletré, Chief Executive Officer of BPCE International et Outremer

Dominique Garnier, Director – Commercial Banking Coordination

Martine Lefebvre, Director – Internal Audit Department

Isabelle Maury, Director – Group Risks

Laurence May, Director – Compliance and Group Security

Yves Messarovitch, Director – Corporate Communications

*Christiane Butte was appointed on May 25, 2010

CHAPTER 4 FINANCIAL INFORMATION

4.1. Groupe BPCE IFRS condensed interim consolidated financial statements at June 30, 2010

4.1.1 Consolidated balance sheet

ASSETS

<i>in millions of euros</i>	Notes	6/30/2010	12/31/2009
Cash and amounts due from central banks		25,359	13,069
Financial assets at fair value through profit or loss	4.1.1	232,716	194,713
Hedging derivatives		9,758	6,481
Available-for-sale financial assets	4	68,239	65,853
Loans and receivables due from credit institutions	4.4.1	148,290	146,448
Loans and receivables due from customers	4.4.2	544,633	517,440
Revaluation differences on portfolios hedged against interest-rate risk		3,871	1,996
Held-to-maturity financial assets		9,115	8,851
Current income tax assets		547	1,711
Deferred income tax assets		5,279	5,464
Accrued income and other assets		54,336	48,966
Non-current assets held for sale	5	4,600	0
Investments in associates		2,315	2,329
Investment property		2,586	2,465
Property, plant and equipment		5,102	5,379
Intangible assets		1,976	1,967
Goodwill	5	5,257	5,670
Total assets		1,123,979	1,028,802

LIABILITIES AND EQUITY

<i>in millions of euros</i>	Notes	6/30/2010	12/31/2009
Amounts due to central banks		874	214
Financial liabilities at fair value through profit or loss	4.1.2	219,076	183,067
Hedging derivatives		8,494	4,648
Amounts due to credit institutions	4.8.1	129,470	115,730
Amounts due to customers	4.8.2	382,148	367,717
Debt securities	5	214,089	204,410
Revaluation differences on portfolios hedged against interest-rate risk		1,434	1,006
Current income tax liabilities		494	815
Deferred income tax liabilities		658	891
Accrued expenses and other liabilities		49,637	40,671
Liabilities associated with non-current assets held for sale	5	3,192	0
Technical reserves of insurance companies		44,138	41,573
Provisions	4	5,249	5,285
Subordinated debt	4	14,551	14,981
Consolidated equity		50,475	47,794
Equity attributable to equity holders of the parent		46,434	43,988
Share capital and additional paid-in capital		27,962	26,589
Retained earnings		17,227	17,693
Other comprehensive income		-700	-831
Net income for the period		1,945	537
Minority interests		4,041	3,806
Total liabilities and equity		1,123,979	1,028,802

4.1.2 Consolidated income statement

<i>in millions of euros</i>	Notes	First half 2010	First half 2009 (pro forma)
Interest and similar income	5	14,061	20,002
Interest and similar expense	5	-8,563	-13,237
Fee and commission income	5	4,575	4,487
Fee and commission expense	5	-930	-1,296
Net gain or loss on financial instruments at fair value through profit or loss	5	1,564	-491
Net gain or loss on available-for-sale financial assets	5	212	-447
Income from other activities	6	5,321	5,627
Expenses on other activities	6	-4,294	-4,951
Net banking income		11,946	9,694
Operating expenses	6	-7,483	-7,550
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-455	-491
Gross operating income		4,008	1,653
Cost of risk	6	-970	-2,990
Operating income/(loss)		3,038	-1,337
Share of income/(loss) of associates	6	110	104
Gains or losses on other assets	6	-108	69
Change in the value of goodwill		0	-997
Income before tax		3,040	-2,161
Income taxes	5	-902	572
Net income		2,138	-1,589
Minority interests		-193	832
Net income attributable to equity holders of the parent		1,945	-757

4.1.3 Statement of comprehensive income

<i>in millions of euros</i>	First half 2010	First half 2009 (<i>pro forma</i>)
Net income	2,138	-1,589
Translation adjustments	788	77
Change in the value of available-for-sale financial assets	-463	508
Change in the value of hedging derivatives	-132	-145
Taxes	176	-108
Share of gains and losses recognized directly in the equity of associates	-11	20
Gains and losses recognized directly in equity (after tax)	358	352
Comprehensive income	2,496	-1,237
Attributable to equity holders of the parent company	2,076	-473
Minority interests	420	-764

4.1.4 Statement of changes in equity

in millions of euros	Share capital and additional paid-in capital			Perpetual deeply subordinated notes	Retained earnings (3)	Gains and losses recognized directly in equity			Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total consolidated equity
	Share capital (2)	Additional paid-in capital (2)	Preferred shares			Change in fair value						
						Translation adjustments	Available-for-sale financial assets	Hedging derivatives				
Equity at January 1, 2009 (1)	10,013	10,166		950	12,262	-226	-1,122	-530		31,513	3,698	35,211
Capital increase	1,110	3			-32					1,081	-63	1,018
Dividend payments					-347					-347	-97	-443
Preferred shares held by the state			3,000							3,000		3,000
Reclassification of deeply subordinated notes				6,222	-1,485					4,737		4,737
Gains and losses recognized directly in equity						50	335	-101		284	68	352
Net income									-757	-757	-832	-1,589
Equity at June 30, 2009 (1)	11,123	10,170	3,000	7,172	10,399	-176	-787	-631	-757	39,512	2,774	42,286
Capital increase	2,293	3			-455					1,842	-129	1,713
Reclassification of deeply subordinated notes											827	827
Issues and redemptions of deeply subordinated notes				822						822		822
Interest on deeply subordinated notes					-258					-258		-258
Impact of mergers					-18					-18		-18
Impact of acquisitions and divestments on minority interests											-45	-45
Gains and losses recognized directly in equity						-22	858	-73		763	141	904
Net income									1,294	1,294	220	1,514
Other changes					32					32	18	50
Equity at December 31, 2009 (1)	13,416	10,173	3,000	7,994	9,699	-198	71	-704	537	43,988	3,806	47,794
Appropriation of 2009 net income					537				-537			
Equity at January 1, 2010	13,416	10,173	3,000	7,994	10,236	-198	71	-704		43,988	3,806	47,794
Capital increase (4)	1,372	1			-366					1,007	-78	929
Dividend payments					-476					-476	-49	-525
Interest on deeply subordinated notes					-212					-212	-41	-253
Impact of acquisitions and divestments on minority interests											-35	-35
Gains and losses recognized directly in equity						580	-383	-66		131	227	358
Net income									1,945	1,945	193	2,138
Harmonization of provisions for home savings					33					33		33
Other changes					18					18	18	36
Equity at June 30, 2010	14,788	10,174	3,000	7,994	9,233	382	-312	-770	1,945	46,434	4,041	50,475

Comments:

(1) Consolidated equity at January 1, 2009 and June 30, 2009 has been restated compared with the pro forma financial information published in registration document 2009-01 to take account of the impact of accounting policy harmonization work carried out during the second half of 2009.

(2) Share capital and additional paid-in capital comprises the capital of the Banque Populaire banks and of the Caisses d'Epargne in respective amounts of €6.7 billion and €8.1 billion and additional paid-in capital of €4.2 billion and €5.9 billion.

(3) The cooperative investment certificates (CIC) issued by the Banque Populaire banks and Caisses d'Epargne, which are held by Natixis, are eliminated from retained earnings based on the Group's percentage interest in Natixis.

(3) and (4) The Banque Populaire banks and Caisses d'Epargne carried out €1.4 billion in capital increases during the first half of 2010. The portion attributable to the CIC cooperative investment certificates (€202 million) and treasury shares of holding companies (€162 million) are eliminated from retained earnings.

4.1.5 Consolidated cash flow statement

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Income before tax	3,040	-2,161
Net depreciation and amortization of property, plant and equipment, and intangible assets	517	538
Impairment of goodwill	0	996
Net additions to/reversals of provisions for impairment	1,627	3,103
Share of income/(loss) of associates	-214	-243
Net losses/net gains on investing activities	-517	-354
Income/expense from financing activities	291	603
Other movements	737	489
Total non-monetary items included in net income/(loss) before tax	2,441	5,132
Net increase or decrease arising from transactions with credit institutions	19,090	4,931
Net increase or decrease arising from transactions with customers	-2,909	-105
Net increase or decrease arising from transactions involving financial assets and liabilities	2,698	-11,726
Net increase or decrease arising from transactions involving non-financial assets and liabilities	-10,177	-490
Taxes paid	362	450
Net increase/(decrease) in assets and liabilities resulting from operating activities	9,064	-6,940
Net cash flows generated by operating activities (A)	14,545	-3,969
Net increase or decrease related to financial assets and equity investments	6	-2,483
Net increase or decrease related to investment property	-98	-13
Net increase or decrease related to property, plant and equipment, and intangible assets	-334	-511
Net cash flows arising from investing activities (B)	-426	-3,007
Net increase (decrease) arising from transactions with shareholders	404	854
Other increases or decreases generated by financing activities	-842	4,955
Net cash flows arising from financing activities (C)	-438	5,809
Impact of changes in exchange rates (D)	717	18
Total net cash flows (A+B+C+D)	14,398	-1,149
Cash and net balance of accounts with central banks	12,855	18,324
Net balance of demand transactions with credit institutions	-4,123	-3,897
Cash and cash equivalents at beginning of the fiscal year	8,732	14,427
Cash and net balance of accounts with central banks	24,485	11,604
Net balance of demand transactions with credit institutions	-1,355	1,674
Cash and cash equivalents at end of the fiscal year	23,130	13,278
Change in cash and cash equivalents	14,398	-1,149

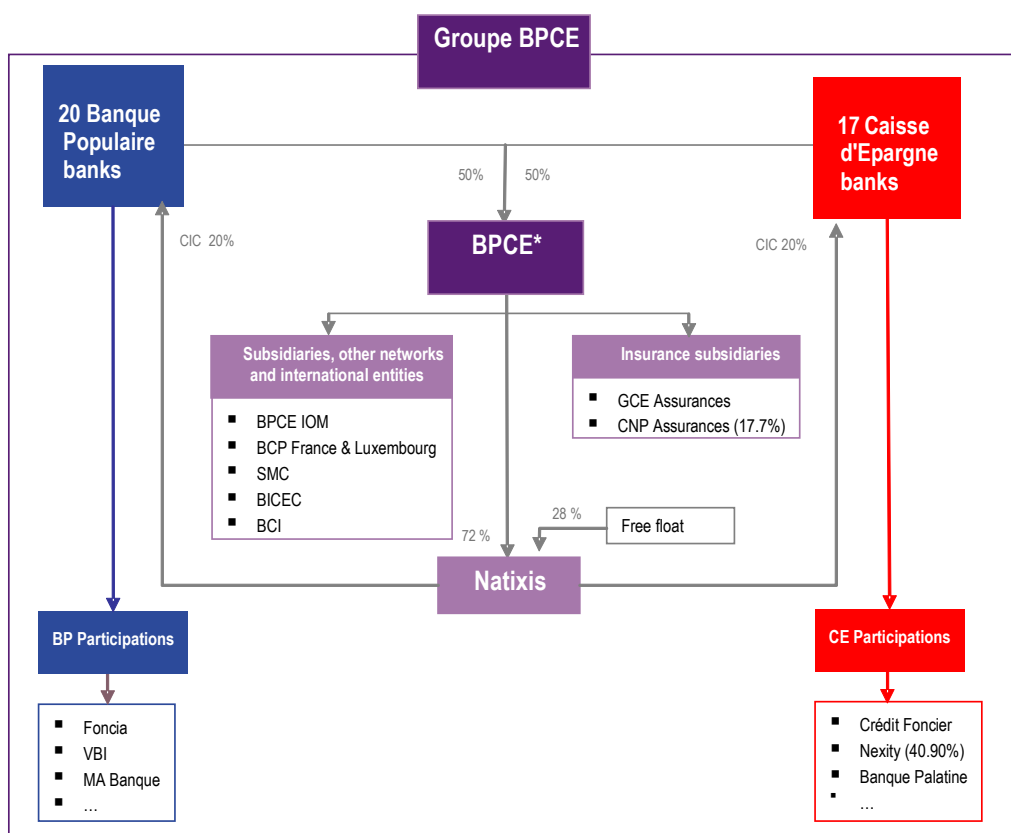
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Note 1 – General framework

1.1 – Groupe BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and their subsidiaries.



* The French state holds €3 billion in non-voting preferred stock.

THE BANQUE POPULAIRE AND CAISSE D'EPARGNE NETWORKS

The Groupe BPCE is a cooperative group whose cooperative shareholders own two retail banking networks, that is the 20 Banque Populaire banks and the 17 Caisse d'Epargne banks. Each of the two networks owns an equal share in BPCE, the Group's central body.

The Banque Populaire network comprises the Banque Populaire banks, the mutual guarantee companies granting them the exclusive benefit of their guarantees pursuant to their bylaws and BP Participations, the holding company for the Banque Populaire network (formerly Banque Fédérale des Banques Populaires - BFBP).

The Caisse d'Epargne network comprises the Caisses d'Epargne et de Prévoyance, the local savings companies, the Fédération Nationale des Caisses d'Epargne and CE Participations, the holding company for the Caisse d'Epargne network (formerly Caisse Nationale des Caisses d'Epargne - CNCE).

The Banque Populaire banks are 80%-owned by their cooperative shareholders and 20%-owned by Natixis via the cooperative investment certificates (CICs).

The capital of the Caisse d'Epargne banks is 80%-owned by the Local Savings Companies (LSC) and 20%-owned by Natixis via the CICs. The regionally based local savings companies are cooperative structures with an open-ended share capital owned by cooperative shareholders. They are tasked with coordinating the cooperative shareholder base, in connection with the general objectives defined by the individual Caisse d'Epargne banks with which they are affiliated. They are not authorized to carry out banking activities.

BPCE

The central institution called BPCE was established pursuant to Law No. 2009-715 of June 18, 2009. It replaced the two former central bodies, namely the BFBP and the CNCE. The French state holds the non-voting preferred stock.

BPCE is a société anonyme with a Management Board and Supervisory Board, with its share capital being owned jointly and equally by the 17 Caisses d'Épargne and the 20 Banque Populaire banks. It holds the joint ventures between the two networks in retail banking, corporate banking and financial services and their production units.

BPCE's mission statement is in keeping with the cooperative principles of the Banque Populaire banks and the Caisses d'Épargne.

Specifically, BPCE 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 key management appointments and oversees the smooth functioning of the Group's institutions.

As a holding company, BPCE acts as the top holding company for the Group. It owns and manages investments in the subsidiaries. It also defines the Group's corporate strategy and development policy.

BPCE's main subsidiaries are:

- Natixis, a 72%-owned subsidiary, which holds the capital market, savings and financial services activities;
- BP Covered Bonds, which operates the Banque Populaire banks' covered bonds program;
- BPCE IOM (formerly Financière Océor), the regional development bank serving France's overseas dependencies and international markets;
- GCE Covered Bonds, which operates the Caisse d'Épargne network's covered bonds program;
- Banque BCP (France) and Banque BCP (Luxembourg), the commercial banks formed through the merger of Portuguese financial institutions;
- BCI and BICEC, commercial banks based respectively in the Congo and Cameroon;
- CNP Assurances (personal insurance) and GCE Assurances (property/casualty insurance);
- GCE Technologies, the IT center of the Caisse d'Épargne network;
- i-BP, the IT platform of the Banque Populaire banks.

In respect of the Group's financial functions, BPCE is also responsible, in particular, for conducting the centralized management of any surplus funds, 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. It also provides banking services to the other Group entities.

BP PARTICIPATIONS AND CE PARTICIPATIONS

The Banque Populaire and Caisse d'Épargne networks own 100% of their former central body:

- the BFBP for the Banque Populaire banks, renamed Banques Populaires Participations (BP Participations);
- and the CNCE for the Caisse d'Épargne banks, renamed Caisses d'Épargne Participations (CE Participations).

BP Participations and CE Participations hold the assets that were not contributed to BPCE. These holding companies are financial sector companies approved as credit institutions and affiliated with 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), they manage and control their respective investments and proprietary trading activities, and 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 real estate subsidiaries of the two former groups (notably Crédit Foncier de France, Nexity, Foncia and Meilleurtaux) and a number of other shareholdings owned by the two former central bodies (notably Banca Carige, Banque Palatine and MaBanque) are held by BP Participations and CE Participations.

BP Participations and CE Participations, the two holding companies, will be merged into BPCE on August 5, 2010 as part of BPCE's strategic plan (see note 1.4 – Subsequent events).

1.2. Guarantee mechanism

Pursuant to Article L. 512-107-6 of the Monetary and Financial Code, the guarantee and solidarity mechanism aims to safeguard the liquidity and solvency of the Group and institutions affiliated with BPCE, as well as to safeguard financial security within the Banque Populaire and Caisse d'Epargne networks.

BPCE is responsible for 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 under which the fund may be called upon in addition to the two funds of the two networks already in place and the contributions made by affiliates for its endowment and reconstitution.

GUARANTEE FUND

BPCE manages the Banque Populaire network fund, the Caisses d'Epargne et de Prévoyance network fund and the new mutual guarantee fund.

The **Banque Populaire network fund** corresponds to the amount of the guarantee fund set up by the former Groupe Banque Populaire (€450 million). It has been deposited in BPCE's books in the form of a 10-year term deposit, which may be renewed indefinitely.

The **Caisses d'Epargne et de Prévoyance network fund** (€450 million) has been deposited in BPCE's books in the form of a 10-year term deposit, which may be renewed indefinitely.

The **Mutual Guarantee Fund** is composed of deposits made by the Banque Populaire banks and the Caisses d'Epargne in BPCE's books in the form of a 10-year term deposit, which may be renewed indefinitely. The initial amount of deposits was €20 million (€10 million for each network). The fund is endowed each year with 5% of the contribution made by the Banque Populaire banks, the Caisses d'Epargne and their subsidiaries – with the exception of the investment holding companies and their respective subsidiaries – to the Group's consolidated earnings up to a maximum limit of 0.3% of the Group's risk-weighted assets. This contribution is allocated in proportion to BPCE's share capital using the same allocation criteria as described below.

The total amount of deposits placed with BPCE in respect of the Banques Populaires network fund, the Caisses d'Epargne et de Prévoyance network fund and the Mutual Guarantee Fund may not be any lower than 0.15% of the Group's risk-weighted assets.

INTERNAL SOLIDARITY MECHANISMS

The arrangements for invocation of the guarantee system are predicated on the following level of priority:

- Each beneficiary must first of all draw on its equity capital.
BPCE may solicit intervention by the Banque Populaire banks and the Caisses d'Epargne under the guarantee and solvency system by applying the allocation criteria for contributions before calling on the three funds.
- If the defaulting bank belongs to one of the two networks (the Banque Populaire banks and their subsidiaries with bank status and BPCE affiliation, on the one hand, or the Caisses d'Epargne and their subsidiaries with bank status and BPCE affiliation, on the other hand), the amount drawn:
 - is charged first against the guarantee fund of the appropriate network, i.e. against the term deposit held in the name of the corresponding holding company, until this deposit has been used up,
 - when this deposit has been exhausted, the parent companies of the corresponding network (Banque Populaire banks or Caisses d'Epargne) are called on to contribute within their capacities,
 - when their capacities have been exhausted, the amount is charged against the common fund, i.e. against the term deposits held in the books of BPCE in the name of all the parent companies,
 - if the common fund has been exhausted, 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 exhausted, 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 common fund, i.e. against term deposits held in the books of BPCE in the name of all the parent companies until it has been exhausted,
 - 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 exhausted, the parent companies are called on within their capacities.

The intervention of the Banque Populaire network fund, the Caisses d'Epargne et de Prévoyance network fund and/or the Mutual Guarantee Fund or, more generally, any provision of funds under the guarantee and solidarity mechanism to a beneficiary will take the form of a subsidy or any other form of intervention that may prove to be more appropriate.

The mutual guarantee companies granting exclusive rights to their guarantees pursuant to their bylaws to a Banque Populaire bank receive the benefit of the latter's liquidity and solvency guarantee with which they are approved collectively in accordance with Article R. 515-1 of the Monetary and Financial Code.

The liquidity and solvency of the Caisses de Crédit Maritime Mutuel are guaranteed at the first level for each Caisse considered by the Banque Populaire bank that is its core shareholder and operator in respect of the technical and functional support provided by the Caisse to the Banque Populaire bank.

The liquidity and solvency of the Local Savings Companies are guaranteed at the first level for each local savings company considered by the Caisse d'Epargne in which the relevant local savings company is a shareholder.

BPCE's Management Board 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.

1.3 – Significant events

SALE OF SOCIÉTÉ MARSEILLAISE DE CRÉDIT

On June 14, 2010, BPCE announced that it was in exclusive negotiations with Crédit du Nord (Société Générale Group) for the sale of Société Marseillaise de Crédit (SMC). On July 30, 2010, the two parties entered into a sale agreement based on a price of €872 million. The agreement is subject to approval from the ACP and the competition authorities.

Consequently, the relevant assets and liabilities have been identified on a separate line of the balance sheet in accordance with IFRS 5 (see note 4.6) and a goodwill impairment loss of €80 million was recognized in the interim income statement under "Gains or losses on other assets".

SALE OF PRIVATE EQUITY SUBSIDIARIES

Natixis has sold its five consolidated private equity entities (Ixen and Ixen II venture capital funds, Ixen venture capital company, Natixis Investissement and Initiative & Finance Investissement) to Axa Private Equity. The sale is conditional upon approval from the European Commission.

Until approval has been received, the companies remain consolidated and are treated in accordance with IFRS 5 (see note 4.6).

1.4 – Subsequent events

RATIONALIZATION OF THE GROUPE BPCE ORGANIZATION STRUCTURE

The proposed merger of BP Participations and CE Participations into BPCE was approved on June 3, 2010 by the Supervisory Board of BPCE and the Boards of Directors of the two holding companies. The merger will be completed at the conclusion of the General Shareholders' Meetings of the three companies scheduled to take place on 5 August.

This transaction will complete the process of creating BPCE, simplify the Group's organization structure and mark a major milestone in the implementation of the Group's strategic plan.

- Hive-off of Nexity, GCE Sem, GCE Habitat and Erixel

On August 5, 2010, prior to its absorption by BPCE, CE Participations' interests in Nexity (40.82%), GCE Sem (100%), GCE Habitat (100%) and Erixel (99.25%) will be contributed to a dedicated holding company called CE Holding Promotion. CE Holding Promotion will then make an issue of bonus shares to the Caisses d'Epargne.

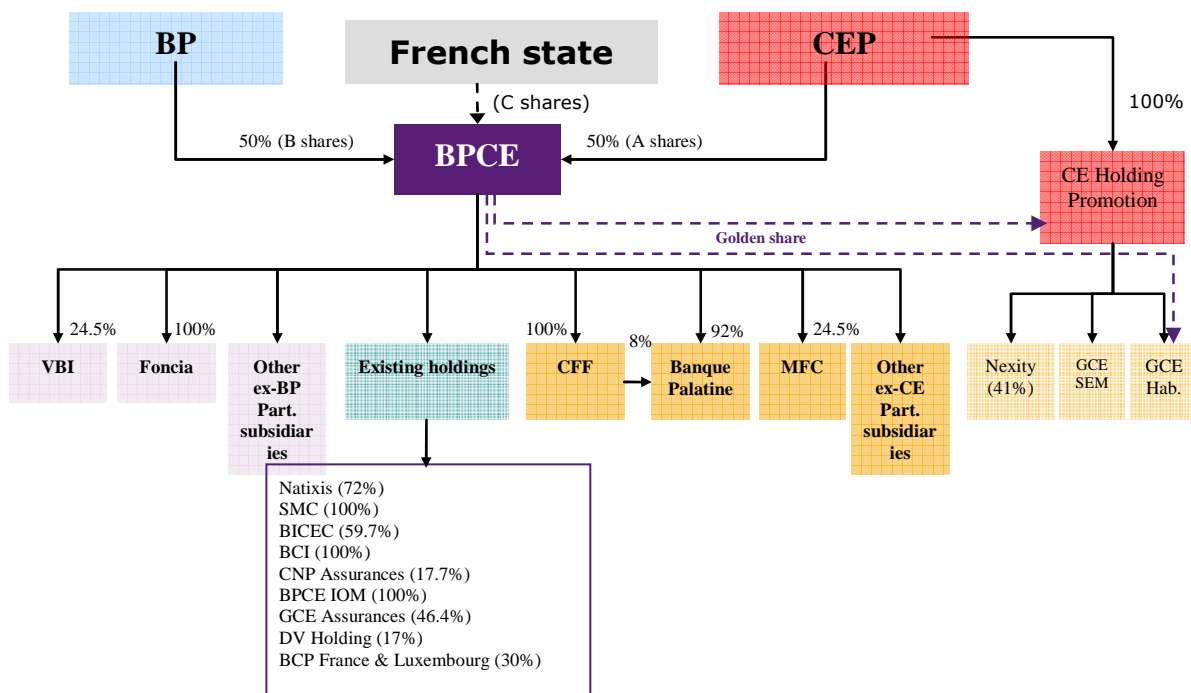
The transaction will have no impact on the Group's financial statements.

- Merger of BP Participations and CE Participations into BPCE

On August 5, 2010, the two holding companies, CE Participations and BP Participations, will be merged into BPCE.

The transaction will be paid for in A shares (for the Caisses d'Epargne) and B shares (for the Banque Populaire banks), thereby constituting an exchange of shares with no impact on the Group's financial statements.

On August 5, 2010, following these transactions, Groupe BPCE will be structured as follows:



BPCE CAPITAL INCREASE

In August 2010, following the mergers, BPCE will make a €1,807 million capital increase for cash to be subscribed equally by the Banque Populaire banks and the Caisse d'Epargne banks.

REPAYMENT OF THE FRENCH STATE

During the third quarter of 2010, Groupe BPCE will repay part of the capital provided by the French state when the new group was formed:

- 60% of the preferred shares held by the French state will be redeemed, i.e. €1,200 million in early August and €600 million after the effective sale of SMC scheduled for September 2010;
- A further €600 million of deeply subordinated notes will be redeemed, bringing the total amount redeemed from the French state to 58%.

Note 2 – Accounting policies used to prepare the interim consolidated financial statements

2.1 – Presentation of the interim consolidated financial statements and interim reporting date

CONSOLIDATING ENTITY

The consolidating entity of the Groupe BPCE comprises:

- the Banque Populaire banks, i.e. the 18 Banque Populaire regional banks, the CASDEN Banque Populaire and Crédit Coopératif;
- the 17 Caisses d'Epargne;
- the Caisses du Crédit Maritime Mutuel, affiliated with BPCE pursuant to the Financial Security Law No. 2003-706 of August 1, 2003;
- the Sociétés de Caution Mutuelle (SCM, Mutual guarantee companies) collectively affiliated with the Banques Populaires to which they are linked;
- BPCE, the Group's central institution.

In addition, the Groupe BPCE comprises:

- the subsidiaries of the Banques Populaires banks, including BP Participations and its subsidiaries (Foncia, VBI, MaBanque, etc.);
- the subsidiaries of the Caisses d'Epargne, including CE Participations and its subsidiaries (Crédit Foncier, Nexity, Banque Palatine, etc.);
- subsidiaries owned by the central body, chief among which Natixis.

The Groupe BPCE includes the credit institutions that have signed an association agreement with Crédit Coopératif. Their share of their net income and equity is recorded under minority interests.

PRESENTATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation 2009 No. R.04 issued by the Conseil national de la comptabilité (CNC, the French national accounting board) on July 2, 2009.

INTERIM REPORTING DATE

The consolidated financial statements are based on the separate financial statements of the Groupe BPCE companies at June 30, 2010. They were approved by BPCE's Management Board on August 3, 2010.

2.2. Significant accounting policies

In accordance with EC Regulation No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the Groupe BPCE has prepared its consolidated financial statements for the first half of 2010 under International Financial Reporting Standards (IFRS) as adopted for use by the European Union and applicable at that date, thereby excluding certain provisions of IAS 39 relating to hedge accounting ¹.

These condensed interim consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The notes only provide information on the most significant items of the first half and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2009.

The standards and interpretations used and described in the 2009 consolidated financial statements have been supplemented with the standards, amendments and interpretations which are mandatory for financial periods beginning on or after January 1, 2010 and, more particularly, IFRS 3 revised and IAS 27 revised.

The other standards, amendments and interpretations adopted by the European Union, application of which was mandatory in 2010, did not have a material impact on the Group's financial statements.

Lastly, the Group has not elected for early adoption of standards, amendments and interpretations adopted by the European Union where this decision is optional, unless stated specifically.

¹Information available on the European Commission's website at:

http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.

Work on harmonizing the accounting policies used by the Banque Populaire and Caisse d'Epargne groups was carried out during 2009 as part of the process of creating Groupe BPCE. This work continued during the first half of 2010, resulting in:

- Harmonization of models for calculating commitments on regulated home loan savings products: an interest rate model common to the entire Group was introduced during the period, which had the effect of reducing consolidated equity by €51 million (excluding deferred taxes) at January 1, 2010. Work on harmonizing the behavioral model will continue into 2011;
- Harmonization of methods for calculating portfolio-based impairment: work began in late 2009 and will continue into the second half of 2010.

As part of the preparatory work for obtaining approval of the Caisses d'Epargne's internal credit ratings model, the Group also began work on aligning methods of downgrading doubtful loans and receivables in the two networks (aligning the definition of non-performing with the Basel default definition). This change led to a significant rise in doubtful loans but had no material impact on the level of impairment losses recognized by the banks in the absence of any change, all other things being equal, in their risk exposure.

2.3. Use of estimates

Preparation of the financial statements requires management to make estimates and assumptions in certain areas with regard to uncertain future events, based on the judgment of the individuals preparing these financial statements and the information available at the balance sheet date.

Actual future results may differ from these estimates.

Specifically with respect to the financial statements for the six months ended June 30, 2010, the accounting estimates involving assumptions were mainly used in the following areas:

- the fair value of financial instruments determined on the basis of valuation models;
- the amount of impairment of financial assets, and more specifically impairment losses on available-for-sale financial assets and on loans and receivables calculated on an individual or portfolio basis;
- provisions recorded under liabilities on the balance sheet and more specifically the provision for home loan savings products and provisions for insurance contracts;
- calculations related to the cost of pensions and future employee benefits;
- deferred taxes.

Note 3 – Segment reporting

- Performance by division:**

in millions of euros	Commercial Banking and Insurance (1)		CIB, Savings and SFS		Financial Stakes		Run-off Operations and Other Activities (1)		Groupe BPCE	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	7,502	6,695	2,895	2,558	1,150	730	399	-289	11,946	9,694
Operating expenses	-4,898	-4,862	-1,760	-1,704	-969	-955	-311	-520	-7,938	-8,041
Gross operating income	2,604	1,833	1,135	854	181	-225	88	-809	4,008	1,653
<i>Cost/income ratio</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>NM</i>	<i>1</i>	<i>NM</i>	<i>1</i>	<i>1</i>
Cost of risk	-654	-673	-195	-1,199	-16	-12	-105	-1,106	-970	-2,990
Operating income/(loss)	1,950	1,160	940	-345	165	-237	-17	-1,915	3,038	-1,337
Share of income/(loss) of associates	100	95	8	6	2	3	0	0	110	104
Net gain or loss on other assets	4	7	0	14	5	24	-117	24	-108	69
Change in the value of goodwill	0	0	0	0	0	0	0	-997	0	-997
Income before tax	2,054	1,262	948	-325	172	-210	-134	-2,888	3,040	-2,161
Income taxes	-669	-414	-276	359	-60	73	103	554	-902	572
Minority interests	-16	-7	-194	-25	-55	23	72	841	-193	832
Net income attributable to equity holders of the parent company	1,369	841	478	9	57	-114	41	-1,493	1,945	-757

- Performance of the Commercial Banking and Insurance sub-divisions:**

in millions of euros	Banques Populaires		Caisses d'Epargne		Real estate financing		Insurance, International and Other Networks (1)		Commercial Banking and Insurance (1)	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	3,102	2,860	3,359	2,882	498	470	543	483	7,502	6,695
Operating expenses	-1,978	-1,953	-2,239	-2,210	-289	-283	-392	-416	-4,898	-4,862
Gross operating income	1,124	907	1,120	672	209	187	151	67	2,604	1,833
<i>Cost/income ratio</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Cost of risk	-342	-342	-170	-159	-62	-39	-80	-133	-654	-673
Operating income/(loss)	782	565	950	513	147	148	71	-66	1,950	1,160
Share of income/(loss) of associates	10	4	0	0	3	1	87	90	100	95
Net gain or loss on other assets	7	8	-2	-2	0	0	-1	1	4	7
Income before tax	799	577	948	511	150	149	157	25	2,054	1,262
Income taxes	-281	-198	-322	-171	-46	-46	-20	1	-669	-414
Minority interests	-4	-2	0	0	-3	-2	-9	-3	-16	-7
Net income attributable to equity holders of the parent company	514	377	626	340	101	101	128	23	1,369	841

(1) Société Marseillaise de Crédit (SMC), previously included in Commercial Banking and Insurance under Insurance, International and Other Networks, is now presented under Run-off Operations and Other Activities, due to its scheduled sale.

Pramex and Natixis Algeria, previously included in Run-off Operations and Other Activities, are now presented under Commercial Banking and Insurance.

The figures for the first half of 2009 have been restated accordingly.

- **Results of the Corporate and Investment Banking, Savings and Specialized Financial Services sub-divisions:**

in millions of euros	CIB		Savings		Specialized Financial Services		CIB, Savings and SFS	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	1,621	1,390	815	748	459	420	2,895	2,558
Operating expenses	-826	-833	-606	-557	-328	-314	-1,760	-1,704
Gross operating income	795	557	209	191	131	106	1,135	854
<i>Cost/income ratio</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Cost of risk	-156	-1,171	-15	-5	-24	-23	-195	-1,199
Operating income/(loss)	639	-614	194	186	107	83	940	-345
Share of income/(loss) of associates	0	0	7	6	1	0	8	6
Net gain or loss on other assets	1	14	0	0	-1	0	0	14
Income before tax	640	-600	201	192	107	83	948	-325
Income tax	-192	436	-50	-51	-34	-26	-276	359
Minority interests	-127	46	-44	-54	-23	-17	-194	-25
Net income attributable to equity holders of the parent company	321	-118	107	87	50	40	478	9

Note 4 – Notes to the 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

in millions of euros	6/30/2010			12/31/2009		
	Trading book	Fair value option	Total	Trading book	Fair value option	Total
Treasury bills and similar securities	24,361	721	25,082	25,835	558	26,393
Bonds and other fixed-income securities	18,832	4,291	23,123	20,213	5,923	26,136
Fixed-income securities	43,193	5,012	48,205	46,048	6,481	52,529
Equities and other variable-income securities	15,789	11,398	27,187	14,808	11,342	26,150
Loans to credit institutions	3,615	327	3,941	984	264	1,248
Loans to customers	988	9,969	10,957	803	9,392	10,195
Loans	4,603	10,296	14,899	1,787	9,656	11,443
Repurchase agreements	0	12,062	12,062	0	10,975	10,975
Trading derivatives	130,363		130,363	93,616		93,616
Total financial assets at fair value through profit or loss	193,948	38,768	232,716	156,259	38,454	194,713

4.1.2 – FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

in millions of euros	6/30/2010	12/31/2009
Repurchase agreements	25,957	25,505
Other financial liabilities	3,082	3,845
Financial liabilities held for trading	29,039	29,350
Trading derivatives	133,408	98,468
Interbank term accounts and loans	247	378
Customer term accounts and loans	407	2,157
Debt securities	48,624	46,268
Subordinated debt	83	72
Repurchase agreements	7,216	6,316
Other financial liabilities	52	58
Financial liabilities designated at fair value	56,629	55,249
Financial liabilities at fair value through profit or loss	219,076	183,067

4.2. Available-for-sale financial assets

in millions of euros	6/30/2010	12/31/2009
Treasury bills and similar securities	8,130	1,754
Bonds and other fixed-income securities (1)	44,589	48,069
Fixed-income securities	52,719	49,823
Equities and other variable-income securities (1)	16,830	17,347
Loans	65	68
Doubtful loans and receivables (1)	652	764
Available-for-sale financial assets, gross	70,266	68,002
Impairment of doubtful loans and receivables (1)	-361	-446
Permanent impairment of equities and other variable-income securities	-1,666	-1,703
Total available-for-sale financial assets	68,239	65,853

(1) Amounts at 12/31/2009 restated for comparability.

Impairment losses are recognized for available-for-sale financial assets whenever the Group considers that its investment may not be recovered. For variable-income instruments quoted in an active market, a price decline in excess of 50% or for over a 36-month period constitutes evidence of impairment.

4.3. Fair value hierarchy

INSTRUMENTS MEASURED BASED ON (UNADJUSTED) QUOTED PRICES IN AN ACTIVE MARKET (LEVEL 1)

These are notably listed securities and derivatives, such as futures and options, that are actively traded on organized and identifiably liquid markets. All transactions effected by Natixis in listed markets fall into this category.

OVER-THE-COUNTER INSTRUMENTS VALUED USING RECOGNIZED MODELS AND DIRECTLY OR INDIRECTLY OBSERVABLE INPUTS (LEVEL 2)

Standard instruments

A certain number of products, in particular OTC derivatives, plain vanilla interest rate swaps, future rate agreements, caps, floors and simple options, are valued using valuation models. The valuations obtained may rely either on observable inputs or on models recognized as market standards (discounting of future cash flows, interpolation) for the financial instrument in question.

For these instruments, the extent to which models are used and the observability of inputs have been documented.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model and on the basis of market inputs 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 input has been demonstrated to be observable.

OVER-THE-COUNTER INSTRUMENTS VALUED USING UNRECOGNIZED MODELS OR LARGELY NON-OBSERVABLE INPUTS (LEVEL 3)

When the valuations obtained do not rely either on observable inputs or on models recognized as market standards, the valuation obtained will be regarded as non-observable.

Instruments valued using special models or unobservable inputs notably include:

- multi-asset equity structured products, options on funds, hybrid fixed-income products, securitization swaps, structured credit derivatives, and fixed-income option products;
- most securitization-based instruments: securitized issues for which there are no prices quoted in an active market. These instruments are often valued on the basis of prices established by contributors (e.g., those provided by structured financing specialists).

6/30/2010				
<i>in millions of euros</i>	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using non-observable data (Level 3)	Total
FINANCIAL ASSETS				
Securities	39,113	11,467	8,402	58,982
Derivatives	331	126,017	4,015	130,363
Other financial assets	115	4,488		4,603
Financial assets held for trading	39,559	141,972	12,417	193,948
Securities	11,364	4,638	408	16,410
Other financial assets		20,159	2,199	22,358
Financial assets designated at fair value through profit or loss	11,364	24,797	2,607	38,768
Hedging derivatives		9,758		9,758
Investments in unconsolidated subsidiaries and affiliates	664	1,454	2,344	4,462
Other securities	53,190	7,679	2,813	63,682
Other financial assets	16	23	56	95
Available-for-sale financial assets	53,870	9,156	5,213	68,239
FINANCIAL LIABILITIES				
Securities	25,774	1,012	1	26,787
Derivatives	7,438	125,488	482	133,408
Other financial liabilities	30	2,222		2,252
Financial liabilities held for trading	33,242	128,722	483	162,447
Securities		49,203	210	49,413
Other financial liabilities	34	7,182		7,216
Financial liabilities designated at fair value through profit or loss	34	56,385	210	56,629
Hedging derivatives		8,453	41	8,494

12/31/2009				
<i>in millions of euros</i>	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using non-observable data (Level 3)	Total
FINANCIAL ASSETS				
Securities	40,618	11,495	8,743	60,856
Derivatives	2,206	88,145	3,265	93,616
Other financial assets	14	1,773		1,787
Financial assets held for trading	42,838	101,413	12,008	156,259
Securities	10,027	6,546	1,250	17,823
Other financial assets	333	19,487	811	20,631
Financial assets designated at fair value through profit or loss	10,360	26,033	2,061	38,454
Hedging derivatives		6,298	183	6,481
Investments in unconsolidated subsidiaries and affiliates	1,026	611	2,317	3,954
Other securities	51,003	8,072	2,724	61,799
Other financial assets	17	28	55	100
Available-for-sale financial assets	52,046	8,711	5,096	65,853
FINANCIAL LIABILITIES				
Securities	24,688	1,590	671	26,949
Derivatives	4,674	92,981	813	98,468
Other financial liabilities	3	2,398		2,401
Financial liabilities held for trading	29,365	96,969	1,484	127,818
Securities		48,781	193	48,974
Other financial liabilities		6,275		6,275
Financial liabilities designated at fair value through profit or loss		55,056	193	55,249
Hedging derivatives		4,564	84	4,648

At June 30, 2010, the financial assets shown in Level 3 of the fair value hierarchy notably include instruments adversely affected by the financial crisis that were not reclassified in the "Loans and receivables" category under the arrangements provided for in the amended IAS 39 dated October 13, 2008.

This notably concerns the following financial instruments held by the Natixis group:

- **Subprime ABS CDO portfolios**

In the absence of observable market inputs, ABS CDO portfolios with subprime exposure held directly by the Natixis group were valued based on a projection of the losses to completion.

Cumulative loss rates used (subprime) 6/30/2010	
Vintages prior to 2005	6.2%
2005 vintage	15.5%
2006 vintage	27.4%
2007 vintage	49.2%

The following assumptions applied at prior balance sheet dates were maintained:

- taking into account the CCC+ (or lower) rating of collateral assets by assigning a discount of 97% to these underlyings. For simple securitizations (i.e., excluding Commercial Real Estate CDOs – CRE CDOs, ABS CDOs, ABS CDO Mezzanine for which the 97% discount is retained), the size of this discount was cut to 70% for underlying assets initially rated AAA;
- valuation of non-subprime underlying assets (excluding US RMBSs) held in the structures based on a discounting grid including type, rating and vintage of the transactions;
- valuation of the underlying US RMBSs using the model for directly held US RMBS positions.

In addition, a transparent approach was applied, consisting of valuing each tranche of structures in which the Natixis Group holds the underlying assets by marking it to market or to the appropriate model.

- **CDSs entered into with monoline insurers and CDPCs**

Write-downs applied to transactions with monolines were determined by applying a uniform rate of recovery of 10% to the underlying assets and a probability of default reflecting the credit risk of the insurer.

For credit derivatives entered into with CDPCs (Credit Derivatives Product Companies), the probabilities of default were assessed by reviewing portfolios for transparency. The historic average probability of default at maturity for underlying assets was stressed by a factor of 1.2x, taking into account a recovery rate of 27%. The write-downs determined using this method were supplemented by a general provision to reflect the volatility of the fair value of transactions.

- **Portfolios of US RMBS, including subprime RMBS**

The valuation model used to determine the fair value of non-Agency US RMBSs applied to US RMBS portfolios held by the Natixis group is predicated on a final loss level specific to each RMBS resulting from calculations taking into account cumulative losses at maturity and the defaults updated on the reporting date. Unrealized capital gains are determined by projecting the final losses based on estimated losses at this date, which in turn result from the delinquency pipeline, the severity of the losses given default and realized losses based on the vintages and assets of the pools.

- **European RMBSs**

The valuation model used for European RMBSs held by the Natixis group consists in calculating fair value using spreads resulting from historical benchmark information provided by the Mark-it database. These benchmarks are defined according to the type of securitization, the rating and the country, and are thus associated with spread curves. A trend coefficient is then applied in order to adjust for liquidity risk.

- **Other instruments**

The valuations of the following types of assets held by the Natixis group resulting from securitization transactions for which no price could be identified in the market 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 the 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 (loss rate determined based on that of the underlying loans set at 10%). A minimum price was used along with coupon flow estimates taking into account the current rating of structures (3% for the CRE CDOs and CMBS rated AAA and 5% for the other CMBSs).

For Trups CDOs (Trust Preferred Securities), a stress-testing approach was applied using a valuation model based on forecast future cash flows and cumulative loss rates per structure. Total loss rates were determined based on 84 scenarios breaking down the defaults applied to this asset classes published by S&P. All of the scenarios were implemented for each structure, and the average of the 42 worst scenarios taken into account to determine the price of each transaction.

For CLOs, a model was used based on detailed knowledge of transaction features and credit risk, taking stress parameters into account, including the average canceled default rate set at 30%, the collection rate set at 65% for senior underlyings and the correlation factor set at 43.6%.

4.4. Loans and receivables

4.4.1 – LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Performing loans and receivables	148,260	146,435
Impairment on a portfolio basis	-50	-50
Net performing loans and receivables	148,210	146,385
Doubtful loans and receivables	476	405
Specific impairment	-396	-342
Net doubtful loans and receivables	80	63
Total loans and receivables due from credit institutions	148,290	146,448

The Livret A and LDD account funds centralized with the Caisse des Dépôts amounted to €72,636 million at June 30, 2010.

4.4.2 – LOANS AND ADVANCES TO CUSTOMERS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Performing loans and receivables	535,106	509,443
Impairment on a portfolio basis	-2,265	-2,252
Net performing loans and receivables	532,841	507,191
Doubtful loans and receivables	20,998	18,858
Specific impairment	-9,206	-8,609
Net doubtful loans and receivables	11,792	10,249
Total loans and advances due from customers	544,633	517,440

Breakdown of performing loans and receivables due from customers

<i>in millions of euros</i>	6/30/2010	12/31/2009
Current accounts in debit	14,123	13,685
Loans to financial institutions	5,365	6,153
Short-term credit facilities	59,490	58,903
Equipment loans	110,621	109,191
Home loans	215,633	209,673
Export credits	3,167	2,694
Other	25,918	27,003
Repurchase agreements	29,417	13,621
Subordinated loans	554	576
Other customer loans	450,165	427,814
Securities classified as loans and receivables	47,526	44,702
Other loans and advances to customers	23,292	23,242
Total performing loans and advances due from customers	535,106	509,443

4.5. Reclassifications of financial assets

PORTFOLIO OF RECLASSIFIED FINANCIAL ASSETS

In application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets", the Group reclassified some of its financial assets with the characteristics stated in these amendments during the second half of 2008. Most of the assets reclassified were securitization outstandings (US and European RMBS), bonds, and securities issued by the international public sector. They are summarized in the table shown below:

<i>in millions of euros</i>	Carrying amount		Fair value	
	6/30/2010	12/31/2009	6/30/2010	12/31/2009
Assets reclassified in 2008 to the category				
Available-for-sale financial assets	421	369	421	369
Loans and receivables	23,530	22,707	22,548	21,462
Total securities reclassified in 2008	23,950	23,076	22,968	21,831
Total securities reclassified since 2008	0	0	0	0
Total reclassified securities	23,950	23,076	22,968	21,831

GAINS AND LOSSES RELATED TO RECLASSIFIED FINANCIAL ASSETS AND THOSE THAT WOULD HAVE BEEN RECOGNIZED HAD THE RECLASSIFICATIONS NOT BEEN MADE

<i>in millions of euros</i>	First half 2010
Net income for the period for reclassified assets	
- enregistré produit net bancaire	
- Recognized in cost of risk	-79
- Recognized in gains and losses recognized directly in equity	-0
Change in the fair value	
- That would have been recognized in income if the securities had not been	-97
- That would have been recognized in gains and losses recognized directly in	63

4.6. Assets held for sale and associated liabilities

<i>in millions of euros</i>	6/30/2010
Non-current assets held for sale	4,600
Liabilities associated with non-current assets held for sale	3,192

Non-current assets held for sale mainly comprise Société Marseillaise de Crédit's customer loans and receivables (€2,634 million), goodwill on Société Marseillaise de Crédit (€508 million) and the assets of Natixis' private equity subsidiaries currently being sold to Axa Private Equity (see note 1.3).

Liabilities associated with non-current assets held for sale mainly comprise amounts due by Société Marseillaise de Crédit to customers (€3,042 million).

4.7. Goodwill

<i>In millions of euros</i>	06/30/2010
Opening balance	5,670
Impairment	-80
Residual goodwill transferred to assets held for sale	-508
Translation adjustments	195
Other changes	-20
Closing balance	5,257

The agreement to sell Société Marseillaise de Crédit (see note 1.3) had the following impacts on goodwill:

- the goodwill related to Société Marseillaise de Crédit, including the goodwill representing synergies with Natixis, has been identified separately;
- an impairment loss of €80 million has been recognized under "Gains or losses on other assets";
- the residual goodwill (€508 million) has been transferred to "Assets held for sale".

Translation adjustments relate to Natixis' asset management business in the United States.

BREAKDOWN OF GOODWILL

<i>in millions of euros</i>	Carrying amount	
	6/30/2010	12/31/2009
Regional Banks *	744	1,215
Banque Palatine	95	95
BPCE IOM	54	54
Banque BCP France	42	42
Crédit Foncier	37	37
Natixis	2,727	2,654
Foncia	679	694
Nexity group	869	869
Other	10	9
Total goodwill	5,257	5,670

* Société Marseillaise de Crédit, Banque Chaix, Banque de Savoie, Crédit Commercial du Sud Ouest, Banque Dupuy de Parseval, Banque Pelletier, Banque Marze

4.8. Amounts due to credit institutions and customers

4.8.1 – AMOUNTS DUE TO CREDIT INSTITUTIONS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Demand deposits	17,730	14,941
Repurchase agreements	8	2,187
Accrued interest	12	6
Amounts due to credit institutions	17,750	17,134
Term deposits and loans	68,020	69,070
Repurchase agreements	43,217	29,161
Accrued interest	483	365
Amounts due to credit institutions - repayable at agreed maturity dates	111,720	98,596
Total amounts due to credit institutions	129,470	115,730

4.8.2 – AMOUNTS DUE TO CUSTOMERS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Current accounts in credit	82,285	82,711
Livret A	78,071	78,806
PEL/CEL products	50,541	50,036
Other regulated savings accounts	71,433	73,256
Accrued interest	1,738	630
Regulated savings accounts	201,783	202,728
Demand deposits and loans	12,991	5,752
Term deposits and loans	52,051	47,016
Accrued interest	1,102	1,060
Other customer accounts	66,144	53,828
Demand	8,493	4,327
Term	21,726	21,842
Accrued interest	8	14
Repurchase agreements	30,227	26,183
Other amounts due to customers	1,709	2,267
Total amounts due to customers	382,148	367,717

The breakdown of amounts outstanding at December 31, 2009 has changed (reclassification between current accounts in credit and term deposits and loans) for comparability purposes.

4.9. Debt securities

<i>in millions of euros</i>	6/30/2010	12/31/2009
Bonds	130,255	124,755
Interbank market instruments and money market instruments	81,698	77,057
Other debt securities	34	0
Total	211,987	201,812
Accrued interest	2,102	2,598
Total debt securities	214,089	204,410

4.10. Provisions

<i>in millions of euros</i>	1/1/2010	Increase	Use	Reversals unused	Change of method (1)	Other movements	6/30/2010
Provisions for employee benefits	1,816	85	-18	-13		-7	1,863
Provisions for home savings products	761	14	0	-20	-51	-3	701
Provisions for off-balance sheet commitments	1,126	127	-47	-75		19	1,150
Provisions for contingencies on real estate development projects	69	5	0	-11		-4	59
Provisions for restructuring costs	149	2	-24	-34		-1	92
Provisions for claims and litigation	667	157	-53	-60		-3	708
Other	697	109	-63	-66		-1	676
Other provisions	3,469	414	-187	-266	-51	7	3,386
Total provisions	5,285	499	-205	-279	-51	0	5,249

(1) The impact of the change of method was -€6 million for the Banque Populaire banks and -€45 million for the Caisse d'Epargne banks (see note 2.2)

4.11. Subordinated debt

<i>in millions of euros</i>	6/30/2010	12/31/2009
Term subordinated debt	13,667	14,144
Perpetual subordinated debt	161	161
Mutual guarantee deposits	41	42
Total	13,869	14,347
Accrued interest	241	314
Gains and losses on the hedged component	441	320
Total subordinated debt	14,551	14,981

MOVEMENT IN SUBORDINATED DEBT IN FIRST HALF 2010

<i>in millions of euros</i>	1/1/2010	Issuance	Redemption	Other movements (1)	6/30/2010
Term subordinated debt	14,144		-603	126	13,667
Perpetual subordinated debt	161				161
Mutual guarantee deposits	42			-1	41
Accrued interest	314			-73	241
Gains and losses on the hedged component	320			121	441
Total	14,981	0	-603	173	14,551

(1) Including impact of changes in scope and exchange rates.

4.12. Ordinary shares and equity instruments issued

4.12.1 - MEMBERS' SHARES AND COOPERATIVE INVESTMENT CERTIFICATES

At June 30, 2010, the share capital comprised:

- €5,243 million in members' shares fully subscribed by cooperative shareholders of the Banque Populaire banks and the SAS, carrying entities for the cooperative shareholders;
- €6,448 million in members' shares fully subscribed by Caisses d'Epargne local savings companies;
- €1,303 million in Banque Populaire banks' cooperative investment certificates held by Natixis;
- €1,612 million in Caisses d'Epargne cooperative investment certificates held by Natixis;
- €182 million in mutual guarantee deposits held by mutual guarantee companies.

Additional paid-in capital broke down at June 30, 2010 as follows:

- €946 million in members' shares fully subscribed by cooperative shareholders of the Banque Populaire banks and the SAS;
- €3,267 million in members' shares subscribed by local savings companies;
- €3,283 million in Banque Populaire banks' cooperative investment certificates held by Natixis;
- €2,678 million in Caisses d'Epargne cooperative investment certificates held by Natixis.

The CIC cooperative investment certificates issued by the Banque Populaire banks and Caisses d'Epargne are eliminated from retained earnings based on the percentage owned by the Group in Natixis and the balance from minority interests.

4.12.2 - OTHER EQUITY INSTRUMENTS

The French state subscribed the C shares issued by BPCE SA in July 2009 for a total of €3,000 million.

Note 5 – Notes to the income statement

5.1. Interest income and expense

<i>in millions of euros</i>	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Loans and receivables due from customers	9,207	-2,719	6,488	10,246	-3,758	6,488
Loans and receivables due from credit institutions	849	-843	6	3,277	-2,530	747
Finance leases	426	////	426	443	////	443
Debt securities and subordinated debt	////	-2,944	-2,944	////	-3,855	-3,855
Hedging derivatives	2,207	-2,037	170	3,177	-3,053	124
Available-for-sale financial assets	986	////	986	1,091	////	1,091
Held-to-maturity financial assets	261	////	261	261	////	261
Impaired financial assets	13	////	13	15	////	15
Other interest income and expense	112	-20	92	1,492	-41	1,451
Total interest income and expense	14,061	-8,563	5,498	20,002	-13,237	6,765

In the first half of 2009, the impact of the remeasurement at fair value of the perpetual deeply subordinated notes issued by the CNCE came to €1,485 million and was entered on the "Other interest income" line.

5.2. Fee and commission income and expense

<i>in millions of euros</i>	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	13	-15	-2	40	-35	5
Customer transactions	1,257	-13	1,244	1,222	-30	1,192
Financial services	243	-278	-35	248	-246	2
Sales of life insurance products	511	////	511	448	////	448
Payment processing services	773	-351	422	789	-341	448
Securities transactions	268	-85	183	254	-407	-153
Trust management services	981	-3	978	963	-7	956
Financial instruments and off-balance sheet trading	163	-26	137	189	-60	129
Other commissions and fees	366	-159	207	334	-170	164
Total commission income and expense	4,575	-930	3,645	4,487	-1,296	3,191

5.3. Net gain or loss on financial instruments at fair value through profit or loss

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Gains and losses on financial instruments held for trading	907	-1,396
Gains and losses on financial instruments designated at fair value through profit or loss	594	75
Gains and losses on hedging transactions	30	13
Gains and losses on foreign exchange transactions	33	817
Total net gain or loss on financial instruments at fair value	1,564	-491

5.4. Net gain or loss on available-for-sale financial assets

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Gains or losses on disposals	94	-95
Dividends received	267	231
Impairment of variable-income securities	-149	-583
Total net gain or loss on available-for-sale financial assets	212	-447

5.5. Income and expenses from other activities

in millions of euros	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Income and expense related to insurance business	2,772	-2,825	-53	3,132	-3,243	-111
Income and expense related to real estate activities	1,252	-844	408	1,327	-997	330
Income and expense related to leasing transactions	103	-67	36	76	-74	2
Income and expense related to investment property	92	-39	53	64	-39	25
Other banking income and expense	1,102	-519	583	1,028	-598	430
Total income and expense arising from other activities	5,321	-4,294	1,027	5,627	-4,951	676

Income and expense on insurance business" comprises only technical insurance items. It does not include the financial items recognized in other net banking income lines.

5.6. General operating expenses

in millions of euros	First half 2010	First half 2009 (pro forma)
Personnel costs	-4,772	-4,750
Income and other taxes	-203	-261
External services	-2,508	-2,538
Other expenses	0	-1
Other administrative costs	-2,711	-2,800
Total operating expenses	-7,483	-7,550

5.7. Credit risk

5.7.1 – COST OF RISK

in millions of euros	First half 2010	First half 2009 (pro forma)
Interbank items	-30	-153
Customer transactions	-2,017	-3,868
Other financial assets	-78	-77
Off-balance sheet commitments	-127	-334
Additions to impairment losses and provisions	-2,252	-4,432
Interbank items	13	99
Customer transactions	1,508	2,003
Other financial assets	149	131
Off-balance sheet commitments	122	150
Reversals from impairment losses and provisions	1,792	2,383
Interbank items	-3	-63
Customer transactions	-395	-818
Other financial assets	-112	-60
Losses on irrecoverable loans and receivables	-510	-941
Cost of risk	-970	-2,990

5.7.2 – IMPAIRMENT AND PROVISIONS FOR CREDIT RISK

in millions of euros	1/1/2010	Increase	Reversals	Other changes (1)	6/30/2010
Available-for-sale financial assets	446	77	-149	-13	361
Interbank items	392	30	-13	37	446
Customer transactions	10,861	2,017	-1,508	100	11,470
Held-to-maturity financial assets	1	1			2
Impairment losses recognized in assets	11,700	2,125	-1,670	124	12,279
Provisions for off-balance sheet commitments	1,126	127	-122	19	1,150
Total impairment and provisions for credit risk	12,826	2,252	-1,792	143	13,429

(1) Other changes mainly include translation adjustments and the impact of reclassifying Société Marseillaise de Crédit under assets held for sale.

5.8. Share of income/(loss) of associates

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Financial sector companies	107	103
CNP Assurances (group)	83	76
Natixis group associates	11	9
Socram Banque	2	0
Crédit Immobilier Hotelier	3	6
Other	8	12
Non-financial companies	3	1
Maisons France Confort P-I	2	1
Other	1	0
Share of income/(loss) of associates	110	104

5.9. Gains or losses on other assets

Net losses on other assets amounted to €108 million in the first half of 2010, mainly comprising an impairment loss of €80 million in connection with the proposed sale of Société Marseillaise de Crédit (see note 1.3).

5.10. Income taxes

5.10.1 – INCOME TAX COMPONENTS

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Current income taxes	-425	-182
Deferred income taxes	-477	754
Income taxes	-902	572

5.10.2 – RECONCILIATION BETWEEN THE TAX CHARGE IN THE FINANCIAL STATEMENTS AND THE THEORETICAL TAX CHARGE

<i>in millions of euros</i>	First half 2010
Net income attributable to equity holders of the parent	1,945
Minority interests	193
Share of income/(loss) of associates	110
Taxes	-902
Income before tax and change in the value of goodwill (A)	2,930
Standard income tax rate in France (B)	34.43%
Theoretical tax expense/(benefit) at the rate in force in France (A*B)	-1,009
Impact of the change in unrecognized deferred taxes	37
Impact of permanent differences	42
Reduced rate of tax and tax-exempt activities	8
Difference in tax rates on income taxed outside France	-6
Tax on previous fiscal years, tax credits and other tax	-13
Other items	39
Income taxes	-902
Effective tax rate (income tax expense on income divided by taxable income)	30.78%

Note 6 – Financing and guarantee commitments

6.1. Financing commitments

<i>in millions of euros</i>	6/30/2010	12/31/2009
Financing commitments given to	130,908	116,164
- credit institutions	26,415	19,885
- customers	104,493	96,279
* Credit lines set up	94,580	87,315
* Other commitments	9,913	8,964
Financing commitments received from	85,065	59,983
- credit institutions	79,957	58,512
- customers	5,108	1,471

6.2. Guarantee commitments

<i>in millions of euros</i>	6/30/2010	12/31/2009
Guarantee commitments given	230,067	230,065
- by order of credit institutions (1)	103,465	103,714
- by order of customers (1)	126,602	126,351
Guarantees commitments received from	157,551	155,987
- credit institutions	34,740	36,324
- customers	122,811	119,663

(1) Amounts at 12/31/2009 restated for comparability.

Note 7 – Preparation of pro forma financial data

7.1. Principles and methods used to draw up the pro forma financial information

The pro forma financial data is intended to provide insight into the effects of the transactions linked to the merger between Groupe Banque Populaire and Groupe Caisse d'Epargne and was prepared based on the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne for the first half of 2009.

This information was then updated to take into account the effects of the merger between the two groups. The pro forma financial information presented below does not include the impact of transactions carried in 2009 and the first half of 2010, other than that relating directly to the establishment of BPCE.

7.2. Accounting methods and scope of consolidation

The accounting principles and methods used to prepare the pro forma data are identical to those adopted by the Group to draw up the consolidated financial statements as described in notes 3 and 4 to the consolidated financial statements of Groupe BPCE for fiscal 2009.

BUSINESS COMBINATION

Pursuant to IFRS 3, the combination between Groupe Banque Populaire and Groupe Caisse d'Epargne was considered to be a merger of mutual entities, which is excluded from the scope of this standard.

Given the substance of the business combination, the historic cost method was used as the basis for the recognition of the merger transactions. This method has 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 combined entity's assets and liabilities are consistent, and guarantees neutral accounting treatment, irrespective of the origins of the businesses;
- it requires the elimination of the impact of prior transactions effected by Groupe Banque Populaire and Groupe Caisse d'Epargne. In particular, valuation differences and goodwill arising from the establishment of Natixis were restated.

SCOPE OF CONSOLIDATION

The asset contributions left BPCE owning 100% of the two groups' stakes in Natixis, giving it exclusive control over that entity. Consequently, Natixis has been fully consolidated in the pro forma financial information, with a 72% equity interest at June 30, 2009 (previously, Natixis was proportionately consolidated by both groups).

7.3. Pro forma income statement for the first half of 2009

On the basis of historical data, the pro forma balance sheet has the following structure:

in millions of euros - first half 2009	Groupe Banque Populaire	Groupe Caisse d'Epargne	Restatements	Groupe BPCE
NET BANKING INCOME	3,544	5,956	194	9,694
Operating expenses	-3,167	-4,195	-679	-8,041
GROSS OPERATING INCOME	377	1,761	-485	1,653
Cost of risk	-1,158	-1,197	-635	-2,990
OPERATING INCOME/(LOSS)	-781	564	-1,120	-1,337
Income/(loss) of associates	66	134	-96	104
Gains or losses on other assets	8	52	9	69
Change in the value of goodwill	-395	-601	-1	-997
Income taxes	128	178	266	572
NET INCOME	-974	327	-942	-1,589
Minority interests	-12	11	833	832
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	-986	338	-109	-757

The main restatements are as follows:

in millions of euros - first half 2009	Consolidation method used for Natixis	Contribution of the CICs	Other restatements	Restatements
NET BANKING INCOME	198		-4	194
Operating expenses	-675		-4	-679
GROSS OPERATING INCOME	-477		-8	-485
Cost of risk	-632		-3	-635
OPERATING INCOME/(LOSS)	-1,109		-11	-1,120
Income/(loss) of associates	76	-173	1	-96
Gains or losses on other assets	6		3	9
Change in the value of goodwill	0		-1	-1
Income taxes	267		-1	266
NET INCOME	-760	-173	-9	-942
Minority interests	760	73	0	833
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	0	-100	-9	-109

The column entitled "Consolidation method used for Natixis" shows each income statement item taking into account the full contribution of Natixis. This change in presentation does not have any impact on the net income attributable to equity holders of the parent, as 28% of Natixis' net income is apportioned to minority interests.

The column entitled "Contribution of CICs" (cooperative investment certificates) corresponds to the cancelation of the contribution of the Banque Populaire banks and the Caisses d'Épargne pursuant to the consolidation of Natixis.

Note 8 – Scope of consolidation

The main change in the scope of consolidation in the first half of 2010 concerns Société Marseillaise de Crédit.

As described in note 1.3, Société Marseillaise de Crédit was maintained within the scope of consolidation at June 30, 2010. As required by IFRS 5, its assets and liabilities are identified separately in the balance sheet under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale".

4.1.7 Statutory Auditors' report on Groupe BPCE's interim financial statements

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STATUTORY AUDITORS' REPORT ON THE 2010 INTERIM FINANCIAL STATEMENTS

To the Shareholders of

BPCE

50, avenue Pierre-Mendès-France
75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the attached summary consolidated interim financial statements of Groupe BPCE for the period from January 1 to June 30, 2010;
- verified the information provided in the interim business report.

The summary consolidated interim financial statements have been prepared by the Management Board against the backdrop of severe financial market volatility and continuing deterioration in economic conditions. Our responsibility is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We performed our limited review in accordance with professional standards applicable in France. A limited review consists primarily of talking to members of executive management in charge of accounting and financial matters and implementing analytical procedures. Our work was less extensive than that required for an audit performed in accordance with professional standards applicable in France. Consequently, only moderate assurance can be obtained within the framework of a limited review that the financial statements as a whole do not contain any significant anomalies, to a lesser extent than the assurance provided within the framework of a full audit.

On the basis of our limited review, we have not identified any significant anomalies that may call into question the compliance of the summary consolidated interim financial statements with IAS 34, the IFRS standard as adopted in the European Union relating to interim financial reporting.

Without calling into question the conclusion expressed above, we draw your attention to Note 2.2 of the notes to the financial statements, which explains the accounting policies applied by Groupe BPCE, as well as the impact of the continuation during the first half of 2010 of measures to harmonize the accounting policies applied as part of the creation of Groupe BPCE.

2. Specific verifications

We have also verified the information provided in the interim business report commenting on the summary consolidated interim financial statements of which we conducted a limited review.

We have no comments to make with respect to the fairness of their presentation and consistency with the summary consolidated interim financial statements.

Paris La Défense and Neuilly-sur-Seine, August 31, 2010

The Statutory Auditors

KPMG Audit
Département de KPMG S.A.
Fabrice Odent
Marie-Christine Jolys

PricewaterhouseCoopers Audit
Anik Chaumartin
Agnès Husscherr

Mazars
Charles de Boisriou

4.2 BPCE SA group IFRS condensed interim consolidated financial statements at June 30, 2010

4.2.1 Consolidated balance sheet

ASSETS

<i>in millions of euros</i>	Notes	6/30/2010	12/31/2009
Cash and amounts due from central banks		20,290	8,755
Financial assets at fair value through profit or loss	4.1.1	224,507	180,928
Hedging derivatives		3,071	2,486
Available-for-sale financial assets	4	40,016	39,637
Loans and receivables due from credit institutions	4.4.1	202,888	191,197
Loans and receivables due from customers	4.4.2	133,738	118,658
Held-to-maturity financial assets		5,189	5,485
Current income tax assets		560	344
Deferred income tax assets		3,637	3,691
Accrued income and other assets		41,183	35,833
Non-current assets held for sale	5	4,521	0
Investments in associates		11,256	10,960
Investment property		985	943
Property, plant and equipment		734	849
Intangible assets		823	803
Goodwill	5	2,880	3,279
Total assets		696,278	603,848

LIABILITIES AND EQUITY

<i>in millions of euros</i>	Notes	6/30/2010	12/31/2009
Amounts due to central banks		874	213
Financial liabilities at fair value through profit or loss	4.1.2	217,293	180,632
Hedging derivatives		1,157	544
Amounts due to credit institutions	4.8.1	175,438	151,196
Amounts due to customers	4.8.2	67,624	56,080
Debt securities	5	112,417	108,196
Revaluation differences on portfolios hedged against interest-rate risk		986	620
Current income tax liabilities		363	216
Deferred income tax liabilities		413	319
Accrued expenses and other liabilities		31,385	23,897
Liabilities associated with non-current assets held for sale	5	3,192	0
Technical reserves of insurance companies		39,231	37,114
Provisions	4	1,825	1,803
Subordinated debt	4	14,217	14,548
Consolidated equity		29,863	28,470
Equity attributable to equity holders of the parent		24,193	23,167
Share capital and additional paid-in capital		18,378	18,739
Retained earnings		4,895	4,915
Gains and losses recognized directly in equity		133	-418
Net income for the period		787	-69
Minority interests		5,670	5,303
Total liabilities and equity		696,278	603,848

4.2.2 Consolidated income statement

<i>in millions of euros</i>	Notes	First half 2010	First half 2009 (pro forma)
Interest and similar income	5	4,554	9,415
Interest and similar expense	5	-3,532	-6,438
Fee and commission income	5	1,914	1,908
Fee and commission expense	5	-685	-991
Net gain or loss on financial instruments at fair value through profit or loss	5	1,511	-870
Net gain or loss on available-for-sale financial assets	5	58	-332
Income from other activities	6	2,678	3,226
Expenses on other activities	6	-2,516	-3,154
Net banking income		3,982	2,764
Operating expenses	6	-2,557	-2,773
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-129	-127
Gross operating income		1,296	-136
Cost of risk	6	-239	-2,358
Operating income/(loss)		1,057	-2,494
Share of income/(loss) of associates	6	334	287
Gains or losses on other assets	6	-112	55
Change in the value of goodwill		0	-87
Income before tax		1,279	-2,239
Income taxes	5	-262	965
Net income		1,017	-1,274
Minority interests		-230	762
Net income attributable to equity holders of the parent		787	-512

4.2.3 Statement of comprehensive income

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Net income	1,017	-1,274
Translation adjustments	785	80
Change in the value of available-for-sale financial assets	-30	51
Change in the value of hedging derivatives	0	-82
Taxes	33	21
Share of gains and losses recognized directly in the equity of associates	-11	20
Gains and losses recognized directly in equity (after tax)	777	90
Comprehensive income	1,794	-1,184
Attributable to equity holders of the parent company	1,337	-451
Minority interests	457	-733

4.2.4 Statement of changes in equity

<i>in millions of euros</i>	Share capital and additional paid-in capital			Perpetual deeply subordinated notes	Retained earnings	Gains and losses recognized directly in equity			Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total consolidated equity
	Share capital	Additional paid-in capital	Preferred shares			Change in fair value						
						Translation adjustments	Available-for- sale financial assets	Hedging derivatives				
Equity at January 1, 2009	390	15,349		950	-1,348	-195	-557	-326		14,263	5,096	19,359
Dividend payments					-5					-5	-85	-90
Preferred shares held by the state			3,000							3,000		3,000
Reclassification of deeply subordinated notes				6,222	-1,485					4,737		4,737
Impact of acquisitions and divestments on minority interests											-48	-48
Gains and losses recognized directly in equity						51	70	-60		61	29	90
Net income									-512	-512	-762	-1,274
Other changes											5	5
Equity at June 30, 2009	390	15,349	3,000	7,172	-2,838	-144	-487	-386	-512	21,543	4,235	25,778
Reclassification of deeply subordinated notes											827	827
Issues and redemptions of deeply subordinated notes				822						822		822
Interest on deeply subordinated notes					-258					-258		-258
Impact of acquisitions and divestments on minority interests											-193	-193
Gains and losses recognized directly in equity						-26	598	28		600	181	782
Net income									443	443	270	713
Other changes					16					16	-17	-1
Equity at December 31, 2009	390	15,349	3,000	7,994	-3,080	-170	111	-358	-69	23,167	5,303	28,470
Appropriation of 2009 net income		-361			292				69			
Equity at January 1, 2010	390	14,988	3,000	7,994	-2,788	-170	111	-358		23,167	5,303	28,470
Dividend payments					-106					-106	-19	-125
Interest on deeply subordinated notes					-212					-212	-41	-253
Impact of acquisitions and divestments on minority interests											-34	-34
Gains and losses recognized directly in equity						580	-48	18		550	227	777
Net income									787	787	230	1,017
Other changes					7					7	4	11
Equity at June 30, 2010	390	14,988	3,000	7,994	-3,099	410	63	-340	787	24,193	5,670	29,863

4.2.5 Consolidated cash flow statement

<i>in millions of euros</i>	First half 2010
Income before tax	1,279
Net depreciation and amortization of property, plant and equipment, and intangible assets	153
Impairment of goodwill	0
Net additions to/reversals of provisions for impairment	987
Share of income/(loss) of associates	-262
Net losses/net gains on investing activities	-254
Income/expense from financing activities	271
Other movements	3,015
Total non-monetary items included in net income/(loss) before tax	3,910
Net increase or decrease arising from transactions with credit institutions	16,470
Net increase or decrease arising from transactions with customers	307
Net increase or decrease arising from transactions involving financial assets and liabilities	-4,716
Net increase or decrease arising from transactions involving non-financial assets and liabilities	-4,812
Taxes paid	99
Net increase/(decrease) in assets and liabilities resulting from operating activities	7,348
Net cash flows generated by operating activities (A)	12,537
Net increase or decrease related to financial assets and equity investments	426
Net increase or decrease related to investment property	-60
Net increase or decrease related to property, plant and equipment, and intangible assets	-140
Net cash flows arising from investing activities (B)	226
Net increase (decrease) arising from transactions with shareholders	-125
Other increases or decreases generated by financing activities	-811
Net cash flows arising from financing activities (C)	-936
Impact of changes in exchange rates (D)	713
Total net cash flows (A+B+C+D)	12,540
Cash and net balance of accounts with central banks	8,542
Net balance of demand transactions with credit institutions	-11,786
Cash and cash equivalents at beginning of the fiscal year	-3,244
Cash and net balance of accounts with central banks	19,416
Net balance of demand transactions with credit institutions	-10,120
Cash and cash equivalents at end of the fiscal year	9,296
Change in cash and cash equivalents	12,540

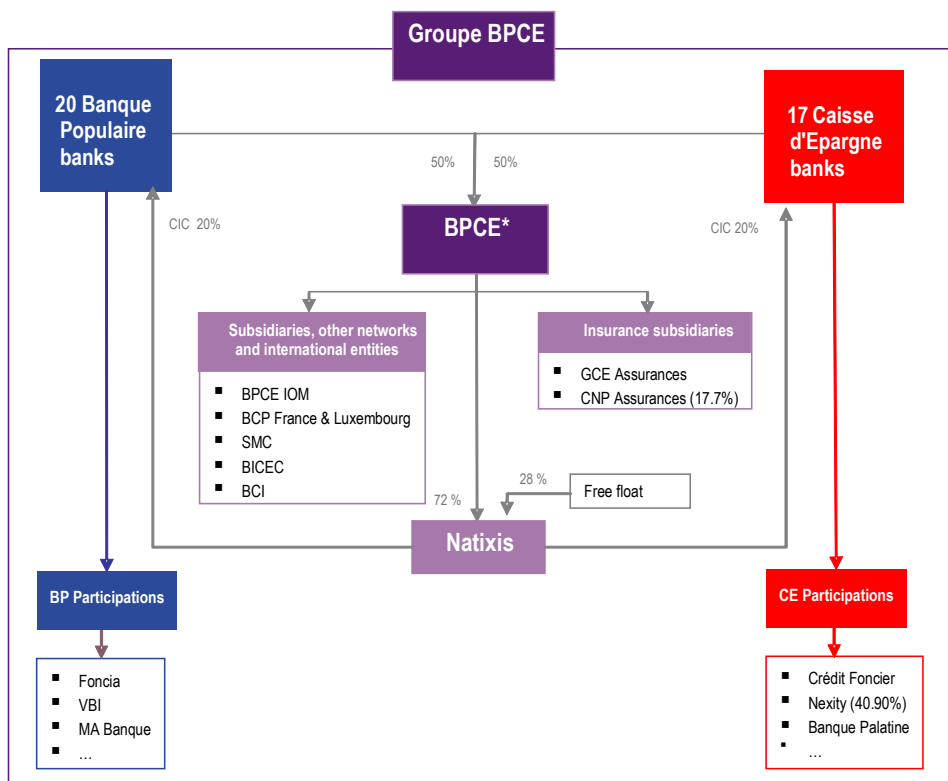
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Note 1 – General framework

1.1. Groupe BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and their subsidiaries.



* The French state holds €3 billion in non-voting preferred stock.

THE BANQUE POPULAIRE AND CAISSE D'EPARGNE NETWORKS

The Groupe BPCE is a cooperative group whose cooperative shareholders own two retail banking networks, that is the 20 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central body.

The Banque Populaire network comprises the Banque Populaire banks, the mutual guarantee companies granting them the exclusive benefit of their guarantees pursuant to their bylaws and BP Participations, the holding company for the Banque Populaire network (formerly Banque Fédérale des Banques Populaires - BFBP).

The Caisse d'Epargne network comprises the Caisses d'Epargne et de Prévoyance, the local savings companies, the Fédération Nationale des Caisses d'Epargne and CE Participations, the holding company for the Caisse d'Epargne network (formerly Caisse Nationale des Caisses d'Epargne - CNCE).

The Banque Populaire banks are 80%-owned by their cooperative shareholders and 20%-owned by Natixis via the cooperative investment certificates (CICs).

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 regionally based local savings companies are cooperative structures with an open-ended share capital owned by cooperative shareholders. They are tasked with coordinating the cooperative shareholder base, in connection with the general objectives defined by the individual Caisses d'Epargne with which they are affiliated. They are not authorized to carry out banking activities.

BPCE

The central institution called BPCE was established pursuant to Law No. 2009-715 of June 18, 2009. It replaced the two former central bodies, namely the BFBP and the CNCE. The French state holds the non-voting preferred stock.

BPCE is a société anonyme with a Management Board and Supervisory Board, with its share capital being owned jointly and equally by the 17 Caisse d'Épargne banks and the 20 Banque Populaire banks. It holds the joint ventures between the two networks in retail banking, corporate banking and financial services and their production units.

BPCE's mission statement is in keeping with the cooperative principles of the Banque Populaire banks and the Caisse d'Épargne banks.

Specifically, BPCE 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 key management appointments and oversees the smooth functioning of the Group's institutions.

As a holding company, BPCE acts as the top holding company for the Group. It owns and manages investments in the subsidiaries. It also defines the Group's corporate strategy and development policy.

BPCE's main subsidiaries are:

- Natixis, a 72%-owned subsidiary, which holds the capital market, savings and financial services activities;
- BP Covered Bonds, which operates the Banque Populaire banks' covered bonds program;
- BPCE IOM (formerly Financière Océor), the regional development bank serving France's overseas dependencies and international markets;
- GCE Covered Bonds, which operates the Caisse d'Épargne network's covered bonds program;
- Banque BCP (France) and Banque BCP (Luxembourg), the commercial banks formed through the merger of Portuguese financial institutions;
- BCI and BICEC, commercial banks based respectively in the Congo and Cameroon;
- CNP Assurances (personal insurance) and GCE Assurances (property/casualty insurance);
- GCE Technologies, the IT center of the Caisse d'Épargne network;
- i-BP, the IT platform of the Banque Populaire banks.

In respect of the Group's financial functions, BPCE is also responsible, in particular, for conducting the centralized management of any surplus funds, 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. It also provides banking services to the other Group entities.

BP PARTICIPATIONS AND CE PARTICIPATIONS

The Banque Populaire and Caisse d'Épargne networks own 100% of their former central body:

- the BFBP for the Banque Populaire banks, renamed Banques Populaires Participations (BP Participations);
- and the CNCE for the Caisse d'Épargne network, renamed Caisses d'Épargne Participations (CE Participations).

BP Participations and CE Participations hold the assets that were not contributed to BPCE. These holding companies are financial sector companies approved as credit institutions and affiliated with 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), they manage and control their respective investments and proprietary trading activities, and 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 real estate subsidiaries of the two former groups (notably Crédit Foncier de France, Nexity, Foncia and Meilleurtaux) and a number of other shareholdings owned by the two former central bodies (notably Banca Carige, Banque Palatine and MaBanque) are held by BP Participations and CE Participations.

BP Participations and CE Participations, the two holding companies, will be merged into BPCE on August 5, 2010 as part of BPCE's strategic plan (see note 1.4 – Subsequent events).

The BPCE SA group, of which the consolidated financial statements are presented hereinafter, includes BPCE SA and its subsidiaries. Through Natixis, BPCE SA notably owns an indirect shareholding in the Banque Populaire banks and the Caisse d'Épargne banks.

1.2. Guarantee mechanism

Pursuant to Article L. 512-107-6 of the Monetary and Financial Code, the guarantee and solidarity mechanism aims to safeguard the liquidity and solvency of the Group and institutions affiliated with BPCE, as well as to safeguard financial security within the Banque Populaire and Caisse d'Epargne networks.

BPCE is responsible for 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 under which the fund may be called upon in addition to the two funds of the two networks already in place and the contributions made by affiliates for its endowment and reconstitution.

GUARANTEE FUND

BPCE manages the Banque Populaire network fund, the Caisses d'Epargne et de Prévoyance network fund and the new mutual guarantee fund.

The **Banque Populaire network fund** corresponds to the amount of the guarantee fund set up by the former Groupe Banque Populaire (€450 million). It has been deposited in BPCE's books in the form of a 10-year term deposit, which may be renewed indefinitely.

The **Caisses d'Epargne et de Prévoyance network fund** (€450 million) has been deposited in BPCE's books in the form of a 10-year term deposit, which may be renewed indefinitely.

The **Mutual Guarantee Fund** is composed of deposits made by the Banque Populaire banks and the Caisses d'Epargne in BPCE's books in the form of a -year term deposit, which may be renewed indefinitely. The initial amount of deposits totals €20 million (€10 million for each network). The fund is endowed each year with 5% of the contribution made by the Banque Populaire banks, the Caisses d'Epargne and their subsidiaries – with the exception of the investment holding companies and their respective subsidiaries – to the Group's consolidated earnings up to a maximum limit of 0.3% of the Group's risk-weighted assets. This contribution is allocated in proportion to BPCE's share capital using the same allocation criteria as described below.

The total amount of deposits placed with BPCE in respect of the Banques Populaires network fund, the Caisses d'Epargne et de Prévoyance network fund and the Mutual Guarantee Fund may not be any lower than 0.15% of the Group's risk-weighted assets.

INTERNAL SOLIDARITY MECHANISMS

The arrangements for invocation of the guarantee system are predicated on the following level of priority:

- Each beneficiary must first of all draw on its equity capital.
BPCE may solicit intervention by the Banque Populaire banks and the Caisses d'Epargne under the guarantee and solvency system by applying the allocation criteria for contributions before calling on the three funds.
- If the defaulting bank belongs to one of the two networks (the Banque Populaire banks and their subsidiaries with bank status and BPCE affiliation, on the one hand, or the Caisses d'Epargne and their subsidiaries with bank status and BPCE affiliation, on the other hand), the amount drawn:
 - is charged first against the guarantee fund of the appropriate network, i.e. against the term deposit held in the name of the corresponding holding company, until this deposit has been used up,
 - when this deposit has been exhausted, the parent companies of the corresponding network (Banque Populaire banks or Caisses d'Epargne) are called on to contribute within their capacities,
 - when their capacities have been exhausted, the amount is charged against the common fund, i.e. against the term deposits held in the books of BPCE in the name of all the parent companies,
 - if the investment fund has been exhausted, 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 exhausted, 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 common fund, i.e. against term deposits held in the books of BPCE in the name of all the parent companies until it has been exhausted,
 - 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 exhausted, the parent companies are called on within their capacities.

The intervention of the Banque Populaire network fund, the Caisses d'Epargne et de Prévoyance network fund and/or the Mutual Guarantee Fund or, more generally, any provision of funds under the guarantee and solidarity mechanism to a beneficiary will take the form of a subsidy or any other form of intervention that may prove to be more appropriate.

The mutual guarantee companies granting exclusive rights to their guarantees pursuant to their bylaws to a Banque Populaire bank receive the benefit of the latter's liquidity and solvency guarantee with which they are approved collectively in accordance with Article R. 515-1 of the Monetary and Financial Code.

The liquidity and solvency of the Caisses de Crédit Maritime Mutuel are guaranteed at the first level for each Caisse considered by the Banque Populaire bank that is its core shareholder and operator in respect of the technical and functional support provided by the Caisse to the Banque Populaire bank.

The liquidity and solvency of the Local Savings Companies are guaranteed at the first level for each local savings company considered by the Caisse d'Epargne in which the relevant local savings company is a shareholder.

BPCE's Management Board 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.

1.3. Significant events

SALE OF SOCIÉTÉ MARSEILLAISE DE CRÉDIT

On June 14, 2010, BPCE announced that it was in exclusive negotiations with Crédit du Nord (Société Générale Group) for the sale of Société Marseillaise de Crédit (SMC). On July 30, 2010, the two parties entered into a sale agreement based on a price of €872 million. The agreement is subject to approval from the ACP and the competition authorities.

Consequently, the relevant assets and liabilities have been identified separately in the balance sheet in accordance with IFRS 5 (see note 4.6) and a goodwill impairment loss of €80 million was recognized during the first half. The impairment loss is recognized in the income statement for the period under "Gains or losses on other assets".

SALE OF PRIVATE EQUITY SUBSIDIARIES

Natixis has sold its five consolidated private equity entities (Ixen and Ixen II venture capital funds, Ixen venture capital company, Natixis Investissement and Initiative & Finance Investissement) to Axa Private Equity. The sale is conditional upon approval from the European Commission.

Until approval has been received, the companies remain consolidated and are treated in accordance with IFRS 5 (see note 4.6).

1.4. Subsequent events

RATIONALIZATION OF THE GROUPE BPCE ORGANIZATION STRUCTURE

The proposed merger of BP Participations and CE Participations into BPCE was approved on June 3, 2010 by the Supervisory Board of BPCE and the Boards of Directors of the two holding companies. The merger will be completed at the conclusion of the General Shareholders' Meetings of the three companies scheduled to take place on 5 August.

This transaction will complete the process of creating BPCE, simplify the Group's organization structure and mark a major milestone in the implementation of the Group's strategic plan.

- Hive-off of Nexity, GCE Sem, GCE Habitat and Erixel

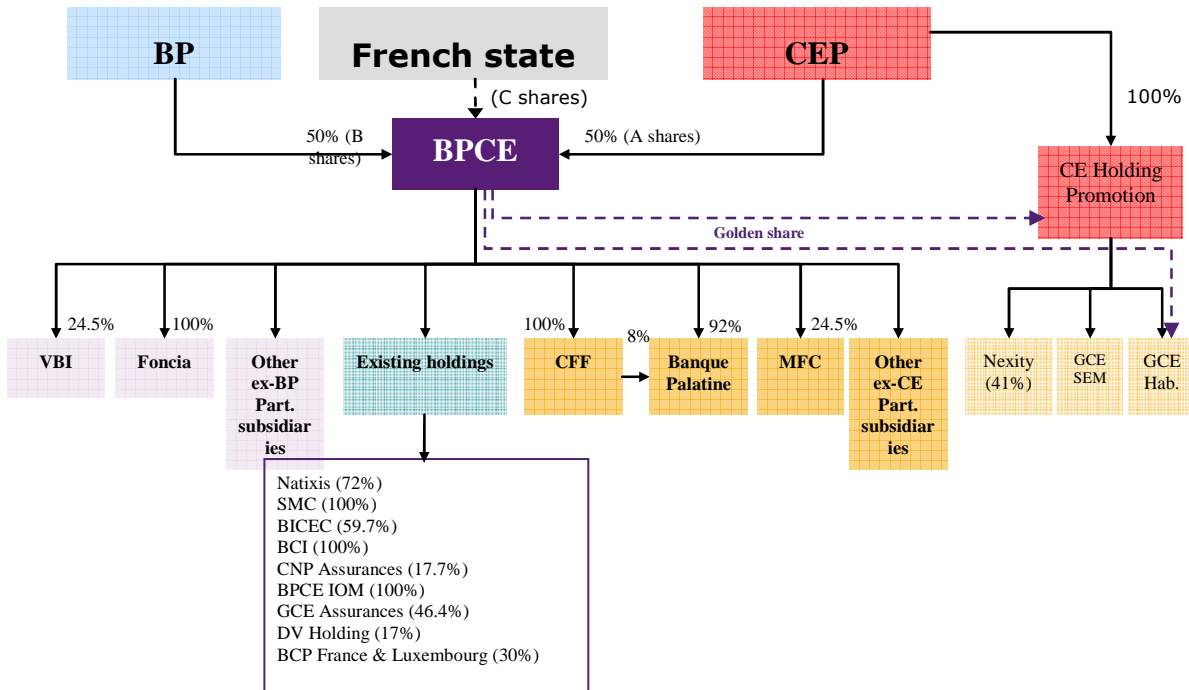
On August 5, 2010, prior to its absorption by BPCE, CE Participations' interests in Nexity (40.82%), GCE Sem (100%), GCE Habitat (100%) and Erixel (99.25%) will be contributed to a dedicated holding company called CE Holding Development. CE Holding Promotion will then make an issue of bonus shares to the Caisses d'Epargne banks.

- Merger of BP Participations and CE Participations into BPCE

On August 5, 2010, the two holding companies, CE Participations and BP Participations, will be merged into BPCE.

The transaction will be paid for in A shares (for the Caisses d'Epargne) and B shares (for the Banque Populaire banks), thereby constituting an exchange of shares with no impact on the Group's financial statements.

On August 5, 2010, following these transactions, Groupe BPCE will be structured as follows:



These transactions will be reflected in the consolidated financial statements of the BPCE SA group in the second half of 2010.

BPCE CAPITAL INCREASE

In August 2010, following the mergers, BPCE will make a €1,807 million capital increase for cash to be taken up equally by the Banque Populaire banks and the Caisse d'Epargne banks.

REPAYMENT OF THE FRENCH STATE

During the third quarter of 2010, Groupe BPCE will repay part of the capital provided by the French state when the new group was formed:

- 60% of the preferred shares held by the French state will be redeemed, i.e. €1,200 million in early August and €600 million after the effective sale of SMC scheduled for September 2010;
- A further €600 million of deeply subordinated notes will be redeemed, bringing the total amount redeemed from the French state to 58%.

Note 2 – Accounting policies used to prepare the interim consolidated financial statements

2.1. Presentation of the interim consolidated financial statements and interim reporting date

PRESENTATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As no specific format is required under IFRS, the presentation used by the group for summarized statements follows Recommendation 2009 No. R.04 issued by the Conseil national de la comptabilité (CNC, the French national accounting board) on July 2, 2009.

INTERIM REPORTING DATE

The consolidated financial statements are based on the separate financial statements of the BPCE SA group companies at June 30, 2010. They were approved by BPCE's Management Board on August 3, 2010.

2.2. Significant accounting policies

In accordance with EC Regulation No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the BPCE SA group has prepared its consolidated financial statements for the first half of 2010 under International Financial Reporting Standards (IFRS) as adopted for use by the European Union and applicable at that date, thereby excluding certain provisions of IAS 39 relating to hedge accounting¹.

These condensed interim consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The notes only provide information on the most significant items of the first half and should therefore be read in conjunction with the group's consolidated financial statements for the year ended December 31, 2009.

The standards and interpretations used and described in the 2009 consolidated financial statements have been supplemented with the standards, amendments and interpretations which are mandatory for financial periods beginning on or after January 1, 2010 and, more particularly, IFRS 3 revised and IAS 27 revised.

The other standards, amendments and interpretations adopted by the European Union, application of which was mandatory in 2010, did not have a material impact on the group's financial statements.

Lastly, the group has not elected for early adoption of standards, amendments and interpretations adopted by the European Union where this decision is optional, unless stated specifically.

2.3. Use of estimates

Preparation of the financial statements requires management to make estimates and assumptions in certain areas with regard to uncertain future events, based on the judgment of the individuals preparing these financial statements and the information available at the balance sheet date.

Actual future results may differ from these estimates.

Specifically with respect to the financial statements for the six months ended June 30, 2010, the accounting estimates involving assumptions were mainly used in the following areas:

- the fair value of financial instruments determined on the basis of valuation models;
- the amount of impairment of financial assets, and more specifically impairment losses on available-for-sale financial assets and on loans and receivables calculated on an individual or portfolio basis;
- provisions recorded under liabilities on the balance sheet and more specifically the provision for home loan savings products and provisions for insurance contracts;
- calculations related to the cost of pensions and future employee benefits;
- deferred taxes.

¹ Information available on the European Commission's website at:

http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.

Note 3 – Segment reporting

- Performance by division:**

in millions of euros	Commercial Banking and Insurance (1)		CIB, Savings and SFS		Financial Stakes		Run-off Operations and Other Activities (1)		BPCE SA group	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	338	305	2,895	2,558	442	74	307	-173	3,982	2,764
Operating expenses	-257	-270	-1,760	-1,704	-360	-359	-309	-567	-2,686	-2,900
Gross operating income	81	35	1,135	854	82	-285	-2	-740	1,296	-136
<i>Cost/income ratio</i>	<i>76.0%</i>	<i>88.5%</i>	<i>60.8%</i>	<i>66.6%</i>	<i>81.4%</i>	<i>NM</i>	<i>100.7%</i>	<i>NM</i>	<i>67.5%</i>	<i>NM</i>
Cost of risk	-41	-102	-195	-1,199	-16	-12	13	-1,045	-239	-2,358
Operating income/(loss)	40	-67	940	-345	66	-297	11	-1,785	1,057	-2,494
Share of income/(loss) of associates	324	278	8	6	3	3	-1	0	334	287
Net gain or loss on other assets	1	2	0	14	4	20	-117	19	-112	55
Change in the value of goodwill	0	0	0	0	0	0	0	-87	0	-87
Income before tax	365	213	948	-325	73	-274	-107	-1,853	1,279	-2,239
Income taxes	-21	-10	-276	359	-25	71	60	545	-262	965
Minority interests	-75	-53	-194	-25	-21	56	60	784	-230	762
Net income attributable to equity holders of the parent company	269	150	478	9	27	-147	13	-524	787	-512

- Performance of the Commercial Banking and Insurance sub-divisions:**

in millions of euros	CICs, Banques Populaires and Caisses d'Epargne		Insurance, International and Other Networks (1)		Commercial Banking and Insurance (1)	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	0	0	338	305	338	305
Operating expenses	0	0	-257	-270	-257	-270
Gross operating income	0	0	81	35	81	35
<i>Cost/income ratio</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Cost of risk	0	0	-41	-102	-41	-102
Operating income/(loss)	0	0	40	-67	40	-67
Share of income/(loss) of associates	237	194	87	84	324	278
Net gain or loss on other assets	0	0	1	2	1	2
Income before tax	237	194	128	19	365	213
Income taxes	-3	-12	-18	2	-21	-10
Minority interests	-66	-51	-9	-2	-75	-53
Net income attributable to equity holders of the parent company	168	131	101	19	269	150

(1) Société Marseillaise de Crédit (SMC), previously included in Commercial Banking and Insurance under the Insurance, International and Other Networks sub-division, is now presented under Run-off Operations and Other Activities, due to its scheduled sale.

Pramex and Natixis Algeria, previously included in Run-off Operations and Other Activities, are now presented under Commercial Banking and Insurance.

The figures for the first half of 2009 have been restated accordingly.

- **Results of the Corporate and Investment Banking, Savings and Specialized Financial Services sub-divisions:**

in millions of euros	CIB		Savings		Specialized Financial Services		CIB, Savings and SFS	
	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09	H1-10	H1-09
Net banking income	1,621	1,390	815	748	459	420	2,895	2,558
Operating expenses	-826	-833	-606	-557	-328	-314	-1,760	-1,704
Gross operating income	795	557	209	191	131	106	1,135	854
<i>Cost/income ratio</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Cost of risk	-156	-1,171	-15	-5	-24	-23	-195	-1,199
Operating income/(loss)	639	-614	194	186	107	83	940	-345
Share of income/(loss) of associates	0	0	7	6	1	0	8	6
Net gain or loss on other assets	1	14	0	0	-1	0	0	14
Income before tax	640	-600	201	192	107	83	948	-325
Income tax	-192	436	-50	-51	-34	-26	-276	359
Minority interests	-127	46	-44	-54	-23	-17	-194	-25
Net income attributable to equity holders of the parent company	321	-118	107	87	50	40	478	9

Note 4 – Notes to the 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

<i>in millions of euros</i>	30/06/2010			31/12/2009		
	Trading book	Fair value option	Total	Trading book	Fair value option	Total
Treasury bills and similar securities	20,874	722	21,596	18,651	559	19,210
Bonds and other fixed-income securities	18,390	2,481	20,871	19,622	4,093	23,715
Fixed-income securities	39,264	3,203	42,467	38,273	4,652	42,925
Equities and other variable-income securities	15,341	10,916	26,258	14,336	10,674	25,010
Loans to credit institutions	3,615	1,161	4,776	984	1,087	2,071
Loans to customers	988	1,498	2,486	803	1,356	2,159
Loans	4,603	2,659	7,262	1,787	2,443	4,230
Repurchase agreements	0	12,027	12,027	0	10,963	10,963
Trading derivatives	136,494		136,494	97,800		97,800
Total financial assets at fair value through profit or loss	195,702	28,805	224,507	152,196	28,732	180,928

4.1.2 – FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Repurchase agreements	25,981	25,505
Other financial liabilities	2,208	2,308
Financial liabilities held for trading	28,189	27,813
Trading derivatives	136,245	100,438
Interbank term accounts and loans	2,461	2,960
Customer term accounts and loans	127	1,880
Debt securities	42,920	41,138
Subordinated debt	83	72
Repurchase agreements	7,216	6,272
Other financial liabilities	52	59
Financial liabilities designated at fair value	52,859	52,381
Financial liabilities at fair value through profit or loss	217,293	180,632

4.2. Available-for-sale financial assets

<i>in millions of euros</i>	6/30/2010	12/31/2009
Treasury bills and similar securities	6,739	358
Bonds and other fixed-income securities	26,105	31,884
Fixed-income securities	32,844	32,242
Equities and other variable-income securities	8,389	8,474
Loans	5	3
Doubtful loans and receivables	288	353
Available-for-sale financial assets, gross	41,526	41,072
Impairment of doubtful loans and receivables	-161	-208
Permanent impairment of equities and other variable-income securities	-1,349	-1,227
Total available-for-sale financial assets	40,016	39,637

Impairment losses are recognized for available-for-sale financial assets whenever the Group considers that its investment may not be recovered. For variable-income instruments quoted in an active market, a price decline in excess of 50% or for over a 36-month period constitutes evidence of impairment.

4.3. Fair value hierarchy

INSTRUMENTS MEASURED BASED ON (UNADJUSTED) QUOTED PRICES IN AN ACTIVE MARKET (LEVEL 1)

These are notably listed securities and derivatives, such as futures and options, that are actively traded on organized and identifiably liquid markets. All transactions effected by Natixis in listed markets fall into this category.

OVER-THE-COUNTER INSTRUMENTS VALUED USING RECOGNIZED MODELS AND DIRECTLY OR INDIRECTLY OBSERVABLE INPUTS (LEVEL 2)

Standard instruments

A certain number of products, in particular OTC derivatives, plain vanilla interest rate swaps, future rate agreements, caps, floors and simple options, are valued using valuation models. The valuations obtained may rely either on observable inputs or on models recognized as market standards (discounting of future cash flows, interpolation) for the financial instrument in question.

For these instruments, the extent to which models are used and the observability of inputs have been documented.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model and on the basis of market inputs 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 input has been demonstrated to be observable.

OVER-THE-COUNTER INSTRUMENTS VALUED USING UNRECOGNIZED MODELS OR LARGELY NON-OBSERVABLE INPUTS (LEVEL 3)

When the valuations obtained do not rely either on observable inputs or on models recognized as market standards, the valuation obtained will be regarded as non-observable.

Instruments valued using special models or unobservable inputs notably include:

- multi-asset equity structured products, options on funds, hybrid fixed-income products, securitization swaps, structured credit derivatives, and fixed-income option products;
- most securitization-based instruments: securitized issues for which there are no prices quoted in an active market. These instruments are often valued on the basis of prices established by contributors (e.g., those provided by structured financing specialists).

6/30/2010				
<i>in millions of euros</i>	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using non-observable data (Level 3)	Total
FINANCIAL ASSETS				
Securities	34,716	11,487	8,402	54,605
Derivatives	298	132,181	4,015	136,494
Other financial assets	115	4,488		4,603
Financial assets held for trading	35,129	148,156	12,417	195,702
Securities	9,691	4,305	123	14,119
Other financial assets		12,650	2,036	14,686
Financial assets designated at fair value through profit or loss	9,691	16,955	2,159	28,805
Hedging derivatives		3,070	1	3,071
Investments in unconsolidated subsidiaries and affiliates	98	663	1,383	2,144
Other securities	26,675	10,506	688	37,869
Other financial assets		1	2	3
Available-for-sale financial assets	26,773	11,170	2,073	40,016
FINANCIAL LIABILITIES				
Securities	25,798	842	1	26,641
Derivatives	7,493	128,272	480	136,245
Other financial liabilities	30	1,518		1,548
Financial liabilities held for trading	33,321	130,632	481	164,434
Securities		43,404	2,239	45,643
Other financial liabilities	34	7,182		7,216
Financial liabilities designated at fair value through profit or loss	34	50,586	2,239	52,859
Hedging derivatives		1,157	0	1,157
12/31/2009				
<i>in millions of euros</i>	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using non-observable data (Level 3)	Total
FINANCIAL ASSETS				
Securities	31,959	11,907	8,743	52,609
Derivatives	2,154	92,389	3,257	97,800
Other financial assets	14	1,773		1,787
Financial assets held for trading	34,127	106,069	12,000	152,196
Securities	9,148	5,184	993	15,325
Other financial assets	333	11,530	1,544	13,407
Financial assets designated at fair value through profit or loss	9,481	16,714	2,537	28,732
Hedging derivatives		2,486		2,486
Investments in unconsolidated subsidiaries and affiliates	209	705	1,345	2,259
Other securities	26,621	9,928	827	37,376
Other financial assets		2		2
Available-for-sale financial assets	26,830	10,635	2,172	39,637
FINANCIAL LIABILITIES				
Securities	24,688	966	671	26,325
Derivatives	4,658	94,978	802	100,438
Other financial liabilities	3	1,486		1,489
Financial liabilities held for trading	29,349	97,430	1,473	128,252
Securities		43,381	2,733	46,114
Other financial liabilities		6,266		6,266
Financial liabilities designated at fair value through profit or loss		49,647	2,733	52,380
Hedging derivatives		539	5	544

At June 30, 2010, the financial assets and liabilities shown in Level 3 of the fair value hierarchy notably include instruments adversely affected by the financial crisis that were not reclassified in the "Loans and receivables" category under the arrangements provided for in the amended IAS 39 dated October 13, 2008.

This notably concerns the following financial instruments held by the Natixis group:

- **Subprime ABS CDO portfolios**

In the absence of observable market inputs, ABS CDO portfolios with subprime exposure held directly by the Natixis group were valued based on a projection of the losses to completion.

Cumulative loss rates used (subprime)	6/30/2010
Vintages prior to 2005	6.2%
2005 vintage	15.5%
2006 vintage	27.4%
2007 vintage	49.2%

The following assumptions applied at prior balance sheet dates were maintained:

- taking into account the CCC+ (or lower) rating of collateral assets by assigning a discount of 97% to these underlyings. For simple securitizations (i.e., excluding Commercial Real Estate CDOs – CRE CDOs, ABS CDOs, ABS CDO Mezzanine for which the 97% discount is retained), the size of this discount was cut to 70% for underlying assets initially rated AAA;
- valuation of non-subprime underlying assets (excluding US RMBSs) held in the structures based on a discounting grid including type, rating and vintage of the transactions;
- valuation of the underlying US RMBSs using the model for directly held US RMBS positions.

In addition, a transparent approach was also applied, consisting of valuing each tranche of structures in which the Natixis Group holds the underlying assets by marking it to market or to the appropriate model.

- **CDSs entered into with monoline insurers and CDPCs**

Write-downs applied to transactions with monolines were determined by applying a uniform rate of recovery of 10% to the underlying assets and a probability of default reflecting the credit risk of the insurer.

For credit derivatives entered into with CDPCs (Credit Derivatives Product Companies), the probabilities of default were assessed by reviewing portfolios for transparency. The historic average probability of default at maturity for underlying assets was stressed by a factor of 1.2x, taking into account a recovery rate of 27%. The write-downs determined using this method were supplemented by a general provision to reflect the volatility of the fair value of transactions.

- **Portfolios of US RMBS, including subprime RMBS**

The valuation model used to determine the fair value of non-Agency US RMBSs applied to US RMBS portfolios held by the Natixis group is predicated on a final loss level specific to each RMBS resulting from calculations taking into account cumulative losses at maturity and the defaults updated on the reporting date. Unrealized capital gains are determined by projecting the final losses based on estimated losses at this date, which in turn result from the delinquency pipeline, the severity of the losses given default and realized losses based on the vintages and assets of the pools.

- **European RMBSs**

The valuation model used for European RMBSs held by the Natixis group consists in calculating fair value using spreads resulting from historical benchmark information provided by the Mark-it database. These benchmarks are defined according to the type of securitization, the rating and the country, and are thus associated with spread curves. A trend coefficient is then applied in order to adjust for liquidity risk.

- **Other instruments**

The valuations of the following types of assets held by the Natixis group resulting from securitization transactions for which no price could be identified in the market 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 the 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 (loss rate determined based on that of the underlying loans set at 10%). A minimum price was used along with coupon flow estimates taking into account the current rating of structures (3% for the CRE CDOs and CMBS rated AAA and 5% for the other CMBSs).

For Trups CDOs (Trust Preferred Securities), a stress-testing approach was applied using a valuation model based on forecast future cash flows and cumulative loss rates per structure. Total loss rates were determined based on 84 scenarios breaking down the defaults applied to this asset classes published by S&P. All of the scenarios were implemented for each structure, and the average of the 42 worst scenarios taken into account to determine the price of each transaction.

For CLOs, a model was used based on detailed knowledge of transaction features and credit risk, taking stress parameters into account, including the average canceled default rate set at 30%, the collection rate set at 65% for senior underlyings and the correlation factor set at 43.6x%.

4.4. Loans and receivables

4.4.1 - LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Performing loans and receivables	202,855	191,172
Impairment on a portfolio basis	-49	-48
Net performing loans and receivables	202,806	191,124
Doubtful loans and receivables	377	306
Specific impairment	-295	-233
Net doubtful loans and receivables	82	73
Total loans and receivables due from credit institutions	202,888	191,197

4.4.2 - LOANS AND ADVANCES TO CUSTOMERS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Performing loans and receivables	130,803	115,858
Impairment on a portfolio basis	-1,227	-1,191
Net performing loans and receivables	129,576	114,667
Doubtful loans and receivables	7,082	6,760
Specific impairment	-2,920	-2,769
Net doubtful loans and receivables	4,162	3,991
Total loans and advances due from customers	133,738	118,658

Breakdown of performing loans and receivables due from customers

<i>in millions of euros</i>	6/30/2010	12/31/2009
Current accounts in debit	7,285	7,823
Loans to financial institutions	5,299	6,036
Short-term credit facilities	29,341	28,774
Equipment loans	9,592	9,673
Home loans	3,291	4,418
Export credits	3,012	2,520
Other	17,500	16,793
Repurchase agreements	28,336	13,359
Subordinated loans	79	93
Other customer loans	96,448	81,666
Securities classified as loans and receivables	12,427	11,748
Other loans and advances to customers	14,643	14,621
Total performing loans and advances due from customers	130,803	115,858

4.5. Reclassifications of financial assets

PORTFOLIO OF RECLASSIFIED FINANCIAL ASSETS

In application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets", the group reclassified some of its financial assets with the characteristics stated in these amendments during the second half of 2008. Most of the assets reclassified were securitization outstandings (US and European RMBS), bonds, and securities issued by the international public sector. They are summarized in the table shown below:

in millions of euros	Carrying amount		Fair value	
	6/30/2010	12/31/2009	6/30/2010	12/31/2009
Assets reclassified in 2008 to the category				
Available-for-sale financial assets	0	0	0	0
Loans and receivables	8,948	9,285	8,670	8,673
Total securities reclassified in 2008	8,948	9,285	8,670	8,673
Total securities reclassified since 2008	0	0	0	0
Total reclassified securities	8,948	9,285	8,670	8,673

GAINS AND LOSSES RELATED TO FINANCIAL ASSETS THAT WOULD HAVE BEEN RECOGNIZED HAD THE RECLASSIFICATIONS NOT BEEN MADE

in millions of euros	First half 2010
Change in the fair value	
- That would have been recognized in income if the securities had not been reclassified	-1
- That would have been recognized in gains and losses recognized directly in equity if the securities had not been reclassified	105

4.6. Assets held for sale and associated liabilities

in millions of euros	6/30/2010
Non-current assets held for sale	4,521
Liabilities associated with non-current assets held for sale	3,192

Non-current assets held for sale mainly comprise Société Marseillaise de Crédit's customer loans and receivables (€2,634 million), goodwill on Société Marseillaise de Crédit (€508 million) and the assets of Natixis' private equity subsidiaries currently being sold to Axa Private Equity (see note 1.3).

Liabilities associated with non-current assets held for sale mainly comprise amounts due by Société Marseillaise de Crédit to customers (€3,042 million).

4.7. Goodwill

in millions of euros	6/30/2010
Opening balance, net	3,279
Impairment loss	-80
Reclassification as non-current assets held for sale	-508
Translation adjustments	195
Other changes	-6
Closing balance, net	2,880

The agreement to sell Société Marseillaise de Crédit (see note 1.3) had the following impacts on goodwill:

- the goodwill related to Société Marseillaise de Crédit, including the goodwill representing synergies with Natixis, has been identified separately;
- an impairment loss of €80 million has been recognized under "Gains or losses on other assets";
- the residual goodwill (€508 million) has been transferred to "Assets held for sale".

Translation adjustments relate to Natixis' asset management business in the United States.

BREAKDOWN OF MAIN GOODWILL

<i>in millions of euros</i>	Carrying amount	
	6/30/2010	12/31/2009
Société Marseillaise de Crédit	0	471
BPCE IOM	55	56
Natixis	2,825	2,752
Total goodwill	2,880	3,279

4.8. Amounts due to credit institutions and customers

4.8.1 – AMOUNTS DUE TO CREDIT INSTITUTIONS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Demand deposits	26,135	22,651
Repurchase agreements	8	2,187
Accrued interest	5	9
Amounts due to credit institutions	26,148	24,847
Term deposits and loans	108,145	102,287
Repurchase agreements	40,229	23,243
Accrued interest	916	819
Amounts due to credit institutions - repayable at agreed maturity dates	149,290	126,349
Total amounts due to credit institutions	175,438	151,196

4.8.2 – AMOUNTS DUE TO CUSTOMERS

<i>in millions of euros</i>	6/30/2010	12/31/2009
Current accounts in credit	9,390	10,883
Livret A	121	303
PEL/CEL products	197	352
Other regulated savings accounts	1,230	1,950
Accrued interest	9	22
Regulated savings accounts	1,557	2,627
Demand deposits and loans	11,805	4,790
Term deposits and loans	16,235	12,816
Accrued interest	126	105
Other customer accounts	28,166	17,711
Demand	8,413	4,292
Term	18,361	18,283
Accrued interest	8	13
Repurchase agreements	26,782	22,588
Other amounts due to customers	1,729	2,271
Total amounts due to customers	67,624	56,080

4.9. Debt securities

<i>in millions of euros</i>	6/30/2010	12/31/2009
Bonds	53,311	48,501
Interbank market instruments and money market instruments	58,518	59,182
Other debt securities	34	0
Total	111,863	107,683
Accrued interest	554	513
Total debt securities	112,417	108,196

4.10. Provisions

<i>in millions of euros</i>	1/1/2010	Increase	Reversals	Other movements	6/30/2010
Provisions for employee benefits	385	57	-9	-8	425
Provisions for off-balance sheet commitments	861	51	-63	-2	847
Provisions for contingencies on real estate development projects	0	0	0	0	0
Provisions for restructuring costs	65	1	-32	-1	33
Provisions for claims and litigation	177	49	-22	1	205
Other	315	31	-28	-3	315
Other provisions	1,418	132	-145	-5	1,400
Total provisions	1,803	189	-154	-13	1,825

4.11. Subordinated debt

<i>in millions of euros</i>	6/30/2010	12/31/2009
Term subordinated debt	13,387	13,848
Perpetual subordinated debt	178	91
Mutual guarantee deposits	1	1
Total	13,566	13,940
Accrued interest	245	311
Gains and losses on the hedged component	406	297
Total subordinated debt	14,217	14,548

MOVEMENT IN SUBORDINATED DEBT IN FIRST HALF 2010

<i>in millions of euros</i>	1/1/2010	Issuance	Redemption	Other movements (1)	6/30/2010
Term subordinated debt	13,848		-534	73	13,387
Perpetual subordinated debt	91			87	178
Mutual guarantee deposits	1				1
Accrued interest	311			-66	245
Gains and losses on the hedged component	297			109	406
Total	14,548	0	-534	203	14,217

(1) Including impact of changes in scope and exchange rates.

4.12. Other equity instruments

The French state subscribed the C shares issued by BPCE SA in July 2009 for a total of €3,000 million.

Note 5 – Notes to the income statement

5.1. Interest income and expense

<i>in millions of euros</i>	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Loans and receivables due from customers	1,561	-296	1,265	2,037	-325	1,712
Loans and receivables due from credit institutions	1,278	-1,372	-94	3,446	-3,024	422
Finance leases	198	////	198	207	////	207
Debt securities and subordinated debt	////	-1,172	-1,172	////	-2,000	-2,000
Hedging derivatives	715	-687	28	1,298	-1,081	217
Available-for-sale financial assets	540	////	540	796	////	796
Held-to-maturity financial assets	141	////	141	125	////	125
Impaired financial assets	9	////	9	13	////	13
Other interest income and expense	112	-5	107	1,493	-8	1,485
Total interest income and expense	4,554	-3,532	1,022	9,415	-6,438	2,977

In the first half of 2009, the impact of the remeasurement at fair value of the perpetual deeply subordinated notes issued by the CNCE came to €1,485 million and was entered on the "Other interest income" line.

5.2. Fee and commission income and expense

<i>in millions of euros</i>	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	2	-15	-13	3	-26	-23
Customer transactions	286	-7	279	320	-21	299
Financial services	239	-258	-19	225	-280	-55
Sales of life insurance products	18	////	18	12	////	12
Payment processing services	133	-51	82	145	-58	87
Securities transactions	112	-80	32	89	-404	-315
Trust management services	890	0	890	874	0	874
Financial instruments and off-balance sheet trading	74	-28	46	95	-40	55
Other commissions and fees	160	-246	-86	145	-162	-17
Total commission income and expense	1,914	-685	1,229	1,908	-991	917

5.3. Net gain or loss on financial instruments at fair value through profit or loss

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Gains and losses on financial instruments held for trading	1,341	-1,880
Gains and losses on financial instruments designated at fair value through profit or loss	113	135
Gains and losses on hedging transactions	47	-29
Gains and losses on foreign exchange transactions	10	904
Total net gain or loss on financial instruments at fair value	1,511	-870

5.4. Net gain or loss on available-for-sale financial assets

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Gains or losses on disposals	-1	-7
Dividends received	178	137
Impairment of variable-income securities	-119	-462
Total net gain or loss on available-for-sale financial assets	58	-332

5.5. Income and expenses from other activities

<i>in millions of euros</i>	First half 2010			First half 2009 (pro forma)		
	Income	Expense	Net	Income	Expense	Net
Income and expense related to insurance business	2,219	-2,278	-59	2,725	-2,855	-130
Income and expense related to leasing transactions	21	-21		15	-18	-3
Income and expense related to investment property	44	-21	23	26	-25	1
Other banking income and expense	394	-196	198	460	-256	204
Total income and expense arising from other activities	2,678	-2,516	162	3,226	-3,154	72

Income and expense on insurance business" comprises only technical insurance items. It does not include the financial items recognized in other net banking income lines.

5.6. General operating expenses

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Personnel costs	-1,573	-1,628
Income and other taxes	-32	-101
External services	-952	-1,044
Other administrative costs	-984	-1,145
Total operating expenses	-2,557	-2,773

5.7. Credit risk

5.7.1 – COST OF RISK

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Interbank items	-29	-141
Customer transactions	-548	-2,525
Other financial assets	-57	-25
Off-balance sheet commitments	-51	-275
Additions to impairment losses and provisions	-685	-2,966
Interbank items	12	95
Customer transactions	394	985
Other financial assets	79	65
Off-balance sheet commitments	63	97
Reversals from impairment losses and provisions	548	1,242
Interbank items	-1	-60
Customer transactions	-93	-571
Other financial assets	-8	-3
Losses on irrecoverable loans and receivables	-102	-634
Cost of risk	-239	-2,358

5.7.2 – IMPAIRMENT AND PROVISIONS FOR CREDIT RISK

<i>in millions of euros</i>	1/1/2010	Increase	Reversals	Other changes (1)	30/06/2010
Available-for-sale financial assets	208	56	-79	-24	161
Interbank items	281	29	-12	45	343
Customer transactions	3,960	548	-394	32	4,146
Held-to-maturity financial assets	1	1		0	2
Impairment losses recognized in assets	4,450	634	-485	53	4,652
Provisions for off-balance sheet commitments	861	51	-63	-2	847
Total impairment and provisions for credit risk	5,311	685	-548	51	5,499

(1) Other changes mainly include translation adjustments and the impact of reclassifying Société Marseillaise de Crédit under assets held for sale.

5.8. Share of income/(loss) of associates

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
CNP Assurances (group)	83	76
Banques Populaires and Caisses d'Epargne CICs	237	194
Natixis group associates	11	9
Crédit Immobilier Hotelier	3	6
Other	0	1
Share of income/(loss) of associates	334	287

5.9. Gains or losses on other assets

Net losses on other assets amounted to €112 million in the first half of 2010, mainly comprising an impairment loss of €80 million in connection with the proposed sale of Société Marseillaise de Crédit (see note 1.3).

5.10. Income taxes

5.10.1 – INCOME TAX COMPONENTS

<i>in millions of euros</i>	First half 2010	First half 2009 (pro forma)
Current income taxes	191	63
Deferred income taxes	-453	902
Income taxes	-262	965

5.10.2 – RECONCILIATION BETWEEN THE TAX CHARGE IN THE FINANCIAL STATEMENTS AND THE THEORETICAL TAX CHARGE

<i>in millions of euros</i>	First half 2010
Net income attributable to equity holders of the parent	787
Change in the value of goodwill	0
Minority interests	230
Share of income/(loss) of associates	335
Taxes	-262
Income before tax and change in the value of goodwill (A)	944
Standard income tax rate in France (B)	34.43%
Theoretical tax expense/(benefit) at the rate in force in France (A*B)	-325
Impact of the change in unrecognized deferred taxes	36
Effect of the restructuring of deeply subordinated notes	
Impact of permanent differences	39
Reduced rate of tax and tax-exempt activities	-1
Difference in tax rates on income taxed outside France	-6
Other items	-5
Income taxes	-262
Effective tax rate (income tax expense on income divided by taxable income)	27.76%

Note 6 – Financing and guarantee commitments

6.1. Financing commitments

<i>in millions of euros</i>	6/30/2010	12/31/2009
Financing commitments given to	102,452	78,584
- credit institutions	50,990	30,143
- customers	51,462	48,441
* Credit lines set up	43,366	40,682
* Other commitments	8,096	7,759
Financing commitments received from	78,489	51,399
- credit institutions	73,938	50,021
- customers	4,551	1,378

6.2. Guarantee commitments

<i>in millions of euros</i>	6/30/2010	12/31/2009
Guarantee commitments given	204,201	203,043
- by order of credit institutions (1)	55,039	58,089
- by order of customers (1)	149,162	144,954
Guarantees commitments received from	90,459	80,338
- credit institutions	77,661	67,933
- customers	12,798	12,405

(1) Amounts at 12/31/2009 restated for comparability.

Note 7 – Preparation of pro forma financial data

7.1. Principles and methods used to draw up the pro forma financial information

The pro forma financial data is intended to provide insight into the effects of the transactions linked to the merger between Groupe Banque Populaire and Groupe Caisse d'Epargne and was prepared based on the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne for the first half of 2009.

This information was then updated to take into account the effects of the merger between the two groups. The pro forma financial information presented below does not include the impact of transactions carried in 2009 and the first half of 2010, other than that relating directly to the establishment of BPCE.

7.2. Accounting methods and scope of consolidation

The accounting principles and methods used to prepare the pro forma data are identical to those adopted by the group to draw up the consolidated financial statements as described in notes 3 and 4 to the consolidated financial statements of the BPCE SA group for fiscal 2009.

BUSINESS COMBINATION

Pursuant to IFRS 3, the combination between Groupe Banque Populaire and Groupe Caisse d'Epargne was considered to be a merger of mutual entities, which is excluded from the scope of this standard.

Given the substance of the business combination, the historic cost method was used as the basis for the recognition of the merger transactions. This method has 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 combined entity's assets and liabilities are consistent, and guarantees neutral accounting treatment, irrespective of the origins of the businesses;
- it requires the elimination of the impact of prior transactions effected by Groupe Banque Populaire and Groupe Caisse d'Epargne. In particular, valuation differences and goodwill arising from the establishment of Natixis were restated.

SCOPE OF CONSOLIDATION

The asset contributions left BPCE owning 100% of the two groups' stakes in Natixis, giving it exclusive control over that entity. Consequently, Natixis has been fully consolidated in the pro forma financial information, with a 72% equity interest at June 30, 2009 (previously, Natixis was proportionately consolidated by both groups).

Following the asset contributions and after BPCE's acquisition of the CNCE's shareholding in CNP Assurances, excluding Natixis, the principal shareholdings held by BPCE were as follows:

Entity	Consolidation method	Percentage interest at June 30, 2009
Société Marseillaise de Crédit	Full consolidation	100%
Groupe Financière Océor	Full consolidation	100%
GCE Assurances	Full consolidation	46%
Groupe CNP Assurances	Equity method	15,76%

The Group's interest in CNP Assurances stands at 17.7%. Given the agreements between BPCE and La Poste, the percentage interest adopted for consolidation purposes was 15.76%.

7.3. Pro forma income statement for the first half of 2009

On the basis of historical data, the pro forma balance sheet has the following structure:

in millions of euros - first half 2009	Fiscal 2008 BFBP contributions (excl. Natixis)	CNCE contributions (excl. Natixis)	Natixis group	Restatements
NET BANKING INCOME	299	1,759	702	4
Operating expenses	-173	-327	-2,398	-2
GROSS OPERATING INCOME	126	1,432	-1,696	2
Cost of risk	-11	-104	-2,243	0
OPERATING INCOME/(LOSS)	115	1,328	-3,939	2
Share of income/(loss) of associates	0	84	271	-68
Gains or losses on other assets	1	-3	20	37
Change in the value of goodwill	0	-87	0	0
Income taxes	-13	30	949	-1
NET INCOME	103	1,352	-2,699	-30
Minority interests	-2	1	-23	786
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	101	1,353	-2,722	756

The main restatements were:

in millions of euros - first half 2009	Dividends received from central bodies	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/(LOSS)	0	0	0	2	2
Share of income/(loss) 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 EQUITY HOLDERS OF THE PARENT	-69	37	786	2	756

The dividends received by the Banques Populaires banks and the Caisses d'Epargne from the central bodies were eliminated in full from the income statement.

During the first half of 2009, the increase in the percentage interest in Natixis led to the recognition of an accretion gain of €37 million.

Given the percentage interest in Natixis, the contribution (after elimination of dividends received from the central bodies by the Banque Populaire banks and the Caisses d'Epargne) gave rise to the recognition of minority interests in the Group's net income in the amount of €786 million.

Note 8 – Scope of consolidation

The main change in the scope of consolidation in the first half of 2010 concerns Société Marseillaise de Crédit.

As described in note 1.3, Société Marseillaise de Crédit was maintained within the scope of consolidation at June 30, 2010. As required by IFRS 5, its assets and liabilities are identified separately in the balance sheet under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale".

4.2.7 Statutory Auditors' report on the BPCE SA group's interim financial statements

KPMG Audit
Département de KPMG S.A
1, cours Valmy
92923 Paris La Défense Cedex

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92075 Paris La Défense Cedex

STATUTORY AUDITORS' REPORT ON THE 2010 INTERIM FINANCIAL STATEMENTS

To the Shareholders of

BPCE
50, avenue Pierre-Mendès-France
75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the attached summary consolidated interim financial statements of the BPCE SA group for the period from January 1 to June 30, 2010;
- verified the information provided in the interim business report.

The summary consolidated interim financial statements have been prepared by the Management Board against the backdrop of severe financial market volatility and continuing deterioration in economic conditions. Our responsibility is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We performed our limited review in accordance with professional standards applicable in France. A limited review consists primarily of talking to members of executive management in charge of accounting and financial matters and implementing analytical procedures. Our work was less extensive than that required for an audit performed in accordance with professional standards applicable in France. Consequently, only moderate assurance can be obtained within the framework of a limited review that the financial statements as a whole do not contain any significant anomalies, to a lesser extent than the assurance provided within the framework of a full audit.

On the basis of our limited review, we have not identified any significant anomalies that may call into question the compliance of the summary consolidated interim financial statements with IAS 34, the IFRS standard as adopted in the European Union relating to interim financial reporting.

2. Specific verifications

We have also verified the information provided in the interim business report commenting on the summary consolidated interim financial statements of which we conducted a limited review.

We have no comments to make with respect to the fairness of their presentation and consistency with the summary consolidated interim financial statements.

Paris La Défense and Neuilly-sur-Seine, August 31, 2010

Statutory Auditors

KPMG Audit
Département de KPMG S.A.
Fabrice Odent
Marie-Christine Jolys

PricewaterhouseCoopers Audit
Anik Chaumartin
Agnès Husserr

Mazars
Charles de Boisriou

CHAPTER 5 ADDITIONAL INFORMATION

5.1 BPCE's share capital as at June 30, 2010

The company's share capital is set 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 with a par value of fifteen euros (€15) each, divided into three categories:

Shareholders	Number of shares	Percentage of share	Capital Allocation of share	Voting rights	Percentage of voting rights
Caisse d'Epargne banks A Category shares	12,996,744	40.08	194,951,160	12,996,744	50.00
Banque Populaire banks B category shares	12,996,744	40.08	194,951,160	12,996,744	50.00
French government via SPPE C category shares	6,433,653	19.84	96,504,795	0	0.00
Total	32,427,141	100.00	486,407,115	25,993,488	100.00

5.2 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.

Any person wanting further information about Groupe BPCE may, with no commitment and free of charge, request documents by post at the following address:

BPCE

Issues and Investor Relations department

50, avenue Pierre-Mendès-France

75013 Paris

CHAPTER 6 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG Audit

Département de KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex

Mazars

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 Agnès Hussherr and Anik Chaumartin.

Alternate Statutory Auditor appointed by the Combined Ordinary and Extraordinary General Meeting of July 9, 2009: Étienne 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 Marie-Christine Jolys and Fabrice Odent.

Alternate Statutory Auditor: Isabelle Goalec, 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 2015, convened to approve the financial statements for the year ended December 31, 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'Épargne 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 Charles de Boisriou.

Alternate Statutory Auditor: Anne Veaute, 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.

PricewaterhouseCoopers Audit (642010045 RCS Nanterre), KPMG Audit (775726417 RCS Nanterre) and Mazars (784824153 RCS Nanterre) are registered as statutory auditors, members of the Compagnie Régionale des Commissaires aux Comptes de Versailles and under the authority of the Haut Conseil du Commissariat aux Comptes.

CHAPTER 7 PERSON RESPONSIBLE FOR THE UPDATE OF THE REGISTRATION DOCUMENT AND INTERIM FINANCIAL REPORT

7.1 Person responsible for the update of the registration document and interim financial report

François Pérol, Chairman of the BPCE Management Board

7.2 Statement by the person responsible for the registration document

Having taken all reasonable care to ensure that such is the case, to the best of my knowledge, all of the information contained in this update of the registration document is in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the condensed financial statements for the first half of the year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the Company and all affiliated companies, and that the interim business review presents a true and fair picture of the key events that occurred during the first six months of the year, their impact on the financial statements, and a description of the main risks and uncertainties for the remaining six months of the year.

I have obtained a letter from the Statutory Auditors certifying that they have verified the information concerning the financial position and the accounts given in this update, and have read the full registration document and its updates.

Paris, August 31, 2010

François Pérol

Chairman of the BPCE Management Board

CHAPTER 8 CROSS-REFERENCE TABLE

	Items in appendix 1 pursuant to EC Regulation No. 809/2004	The 2009 Registration document was filed with the AMF on May 10, 2010 under N°.R.10-035.	The 1 st update was submitted to the AMF on May 10, 2010	The 2 nd update was submitted to the AMF on August 31, 2010
1	Persons responsible	505	30	110
2	Statutory Auditors	502	29-30	109
3	Selected financial information			
3.1	Historical financial information selected by the issuer for each financial year	6		
3.2	Selected financial information for interim periods	NA		5
4	Risk factors	119-122 ; 126-127 ; 129-130 ; 139-197	12; 21-26	20-40 ; 72 ; 101
5	Informations about the issuer			
5.1	History and development of the issuer	8		19 ; 56-57 ; 87-88
5.2	Investments	487		
6	Business overview			
6.1	Principal activities	23-34 ; 286-289	4-10	6-17
6.2	Principal markets	23-34 ; 286-289	4-10	6-17
6.3	Exceptional events	NA		
6.4	Dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	487		
6.5	Basis of statements made by the issuer regarding its competitive position	23-34		
7	Organizational structure			
7.1	Description of the Group	10-21		6 ; 53-56 ; 84-87
7.2	List of significant subsidiaries	18-21		
8	Property, plant and equipment			
8.1	Existing or planned material tangible fixed assets	260-261 ; 352-353 ; 415		
8.2	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	458-475		
9	Operating and financial review			
9.1	Financial condition	203-213 ; 222-225 ; 316-319 ; 391-393	2-4 ; 6 ; 8-10	5 ; 18
9.2	Operating results	224-225 ; 318-319 ; 393	4 ; 11 ; 16	7 ; 47 ; 79
10	Cash flow and capital resources			
10.1	Information on the issuer's capital resources	141-143 ; 226-227 ; 268 ; 320-321 ; 358 ; 481-482	17	49-50 ; 81 ; 108
10.2	Sources and amounts of issuer's cash flows	228 ; 322		51 ; 82
10.3	Information on the borrowing requirements and funding structure of the issuer	264 ; 267-268 ; 280 ; 356-358 ; 370 ; 416 ; 419-420	28-29	5 ; 18 ; 27 ; 68-70 ; 98 -99
10.4	Information regarding any restrictions on the use of capital resources that have affected or could affect the issuer's operations	NA		
10.5	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2 and 8.1	NA		
11	Research and development, patents and licenses	NA		
12	Trend information	220 ; 487		
13	Profit forecasts and estimates	NA		
14	Administrative, management and supervisory bodies and senior management			
14.1	Administrative bodies	36-71	27-28	43-45
14.2	Administrative, management and supervisory bodies and senior management conflicts of interests	69 ; 108-109		

Items in appendix 1 pursuant to EC Regulation No. 809/2004	The 2009 Registration document was filed with the AMF on May 10, 2010 under N°.R.10-035.	The 1st update was submitted to the AMF on May 10, 2010	The 2nd update was submitted to the AMF on August 31, 2010
15 Remuneration and benefits			
15.1 Amount of remuneration paid and benefits in kind	54-62 ; 80-88 ; 97-105		
15.2 Total amount set aside or accrued by the issuer to provide pension, retirement or similar benefits	62 ; 87 ; 105 ; 291 ; 380		
16 Board practices			
16.1 Date of expiration of the current term of office	37 ; 39-51		
16.2 Service contracts with members of the administrative bodies	69 ; 108-109		
16.3 Information about the issuer's Audit committee and Remuneration committee	113-115		
16.4 Compliance with the country of incorporation's corporate governance regime	36 ; 73 ; 91		
17 Employees			
17.1 Number of employees	450-451		
17.2 Shareholdings and stock options	59-61 ; 85-87 ; 104-105		
17.3 Arrangements involving the employees in the capital of the issuer	483		
18 Major shareholders			
18.1 Shareholders with over 5% of the issuer's capital or voting rights	481-482		
18.2 Major shareholders with different voting rights	481-482		
18.3 Control of the issuer	481-482		
18.4 Any arrangement, known to the issuer, which may at subsequent date result in a change in control of the issuer	483		
19 Related-party transactions	291 ; 380 ; 414 ; 488		
20 Financial information concerning the issuer's assets and liabilities, financial position and profits and losses			
20.1 Historical financial information	6-7 ; 221-435		
20.2 Pro forma financial information	NA		
20.3 Financial statements	222-313 ; 316-388		
20.4 Auditing of historical annual financial information	314-315 ; 389-390		
20.5 Age of latest financial information	222		
20.6 Interim financial information	NA	2-21	4-18 ; 46-106
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20.8 Legal and arbitration proceedings	172-176		37-40
20.9 Significant change in the issuer's financial or trading position	487		
21 Additional information			
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22 Material contracts	486		
23 Third party information and statement by experts and declaration of any interest	NA		
24 Documents on display	504	29	108
25 Information on holdings	18-21 ; 301-313 ; 385-388		76 ; 106

In accordance with Article 212-13 of the AMF General Regulations, this update contains information from the interim financial report as mentioned in Article L. 451-1-2 of the French Monetary and Financial Code.

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BPCE

A French limited company (*Société Anonyme*)
governed by a Management and Supervisory Board
with a capital of €486,407,115

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GROUPE
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