GROUPE BPCE

Second update to the 2011 Registration Document and half-year financial report filed with the Autorité des Marchés Financiers (AMF) on August 29, 2012

The 2011 Registration document was registered with the AMF on March 30, 2012 under the number D.12-0246

The first update to the 2011 Registration Document was filed with the AMF on May 15, 2012 under the number D.12-0246-A01

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

Only the French version of the update to the Registration document has been submitted to the AMF. It is therefore the only version legally binding.

The second update to the 2011 Registration document was filed with the AMF on August 29, 2012 in compliance with Article 212-13 of the AMF's standard regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF.

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.

Contents

1. Press release and subsequent events to the 1st update of the 2011 Registration document (May 15, 2012)

1.1 Press release on May 21, 2012

Marguerite Bérard-Andrieu is appointed Deputy Chief Executive Officer responsible for the corporate strategy of Groupe BPCE.

Marguerite Bérard-Andrieu will be joining Groupe BPCE on June 11 later this year. As of July 16, she will replace François Riahi as Deputy Chief Executive Officer responsible for the corporate strategy of Groupe BPCE. As such, she will be a member of the General Management Committee and serve as Board Secretary. As announced earlier, François Riahi will assume responsibility for the Asia-Pacific platform of the Corporate & Investment Banking arm of Natixis, a Groupe BPCE subsidiary based in Hong Kong, effective as of September 1st, 2012.

Marguerite Bérard-Andrieu, (34) a graduate of the Paris Institute of Political Science (*Sciences Po*) and of Princeton University, is also a former student of the *Ecole Nationale d'Administration* (ENA). She began her career in 2004 in the *Inspection Générale des Finances*, the French Directorate responsible for auditing public bodies. From 2007 to 2010, she served as a technical advisor – and subsequently advisor – to the President of the French Republic, responsible for questions related to employment and social protection. She then ran the private office of the French Minister of Labor, Employment and Health from November 2010 to May 2012.

François Riahi served as an *Inspecteur des Finances* (auditor at the French Treasury) in the *Inspection Générale des Finances* from 2001 to 2005. He was then appointed to the Government's Budget Department, first as a chargé de mission reporting to the Budget Director and subsequently as Head of the Budget Policy Office. In 2007, he was appointed as an advisor of the President of the French Republic, responsible for the reform of State institutions and public finance. In March 2009, François Riahi joined Groupe BPCE where he was appointed Deputy CEO of BPCE, responsible for corporate strategy.

François Riahi (39) is a graduate of the *Ecole Centrale de Paris* school of engineering, the Paris Institute of Political Science (*Sciences Po*), and the Stanford Executive Program, and is a former student of the *Ecole Nationale d'Administration* (ENA).

2. Group half-year financial results as at June 30, 2012

2.1 Foreword

The financial data for the first half of 2012 and the comparative data for the first half of 2011 were prepared under IFRS as adopted by the European Union and applicable on June 30, 2012, therefore excluding some provisions of IAS 39 on hedge accounting.

This management report discusses the results of Groupe BPCE and BPCE SA group, built around the central institution, BPCE, which was established on July 31, 2009 following the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne.

BPCE SA group's results are presented in a summary manner because the operations and results of the two Groups are closely related. The main changes to the consolidation scope concern:

- the removal of the holding company, CE Holding Promotion, and its stake in Nexity, Habitat en Région Services and Erixel;
- income from the Banque Populaire banks and the Caisses d'Epargne is recognized in the income statement under "Share in net income of associates." This income was received through cooperative investment certificates (CICs). The CICs account for 20% of the capital of the Banque Populaire and Caisse d'Epargne networks and confer no shares with voting rights; they are held by Natixis.

2.2 First-half 2012 highlights

2.2.1 Economic and financial environment

The global economy, bogged down by several adverse shocks since the summer of 2011, intensified its slowdown throughout the first half of 2012, impacted by the newly-escalating European sovereign debt crisis, a widespread fiscal consolidation that was longer than expected, shrinking activity in southern European countries and the ensuing lack of drive in the Chinese economy.

Specifically, after a brief lull in the first quarter, resulting from a historic roll-out by the ECB of an arsenal of measures ensuring liquidity supply to the banks (two successive three-year refinancing operations), tension returned to the financial markets, fuelled by the Greek crisis, the increasing difficulties in Spain and Italy, and European dissensions.

Consequently, the financial markets saw renewed aversion to deflation risk, along with a likely bubble on the bond markets; a sinking euro against the dollar (~$1.25); the trend in Italian and Spanish long-term government rates toward 7%; historically low levels of investment-grade long-term rates (10-year OATs and Treasury bond issues at 2.78% in the second quarter, compared with 3% in the first quarter); and a CAC 40 bottoming out at 2,950 points on June 1, 2012.

Against this backdrop, the growth of the French economy, which was resilient in the first quarter of 2012, is likely to be negative or, at best, zero, in the second quarter, due to weak domestic demand resulting from wait-and-see behavior in consumption and especially business investment, leading to a widespread drop in the corporate margin rate.

2.2.2 First-half 2012 highlights

CAPITAL ADEQUACY AND LIQUIDITY: THE GROUP ADAPTS TO A NEW ENVIRONMENT

Groupe BPCE continued to adapt to changes in the regulatory and financial environment, which has seen capital adequacy and liquidity requirements increase. Capital adequacy continued to improve, with a Basel 2.5 (CRD III) Core Tier 1 ratio of 10.0%[1] at June 30, 2012.

The Group's liquidity situation continued its improvement thanks to the reduction in its market funding requirement. Groupe BPCE had set itself a liquidity requirement reduction goal of €25 to €35 billion between end-June 2011 and end-2013. At June 30, 2012, 76% of the target had been achieved, with a €22.9 billion reduction in the market funding requirement.

BUYBACK ON FOUR SERIES OF BOND

On March 16, BPCE completed a senior debt cash buyback operation concerning four series of bonds maturing between November 27, 2012 and October 29, 2013. The buyback amount was €822 million. For Groupe BPCE, this operation was in line with the debt redemption management policy the aim of which is to extend average debt maturity, as part of the new regulatory constraints applicable to banks.

BANCA CARIGE

On January 2, 2012, BPCE transferred its entire interest in Banca Carige to its subsidiary BPCE IOM. The ownership interest at June 30, 2012 was 9.98%, following the transfer of shares to non-Group entities during the first half of 2012 by BPCE IOM.

The interest in Banca Carige was valued at the market price; a long-term impairment of €189 million was observed in the accounts for the first half of 2012.

GREEK GOVERNMENT BONDS

The Group participated in the private-sector plan to support the Greek government. On March 12, 2012, in keeping with that plan, the Group exchanged €1,199 million in Greek government bonds for new securities.

The securities exchange led to the derecognition of old securities and the recognition of the securities received in exchange at their fair value. This transaction generated a final loss of 78% of the nominal value of the old securities (compared with the 70% estimated by the Group at the closing of its annual accounts at end-December 2011). The impact on the net income for the first half of 2012 was -€13 million.

REIMBURSEMENT OF CHECK IMAGING EXCHANGE PENALTY

In 2008, the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne, like the market's other banks, received a complaint from the Competition Council. The banks were accused of working together to institute and fix the Check Imaging Exchange (EIC) fee amount, as well as related checking fees.

On September 20, 2010, the Competition Authority handed down a decision imposing sanctions against incriminated banks. The €90.9 million fine imposed on Groupe BPCE was paid in the fourth quarter of 2010.

The incriminated banks lodged an appeal. On February 27, 2012, the Paris Court of Appeals annulled the Competition Authority's decision and ordered that the fines be returned. The decision was binding. The repayment of the €90.9 million penalty was entered in Groupe BPCE's accounts in the first quarter of 2012.

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[1] Estimate at June 30, 2012

SALE OF VOLKSBANK INTERNATIONAL

On February 15, 2012, the Group sold to the Sberbank banking group its 24.5% interest in Volksbank International's capital (not including Volksbank Romania), which it held alongside VBAG, DZ Bank and WGZ Bank. This transaction fits into Groupe BPCE's strategy of refocusing on majority interests in priority development zones.

At December 31, 2011, this interest was valued on the basis of the terms of this agreement, and the disposal therefore had no impact on first-half 2012 income.

2.3 Groupe BPCE financial data

2.3.1 Groupe BPCE results

Since the fall of 2011, Groupe BPCE has faced an environment marked by an economic slowdown and persistent financial tensions paired with a profound change in regulations; the first half of 2011 was a high basis, in light of the breach that occurred in the summer of 2011.

	Groupe BPCE		Chg. H1-12 / H1-11		Core businesses		Chg. H1-12 / H1-11	
in millions of euros	H1-12	H1-11	€m	%	H1-12	H1-11	€m	%
Net banking income	11,121	12,038	(917)	(7.6)%	10,488	10,830	(342)	(3.2)%
Operating expenses	(7,852)	(8,102)	250	(3.1)%	(6,953)	(6,851)	(102)	1.5%
GROSS OPERATING INCOME	**3,269**	**3,936**	**(667)**	**(16.9)%**	**3,535**	**3,979**	**(444)**	**(11.2)%**
Cost/income ratio	*70.6%*	*67.3%*	-	3.3 pts	*66.3%*	*63.3%*	-	*3.0 pts*
Cost of risk	(1,108)	(924)	(184)	19.9%	(934)	(619)	(315)	50.9%
Share of net income/(loss) of associates	103	105	(2)	(1.9)%	101	107	(6)	(5.6)%
Net gains or losses on other assets	9	45	(36)	(80.0)%	7	12	(5)	(41.7)%
Change in the value of goodwill	(5)	0	(5)		0	0	0	ns
INCOME/(LOSS) BEFORE TAX	**2,268**	**3,162**	**(894)**	**(28.3)%**	**2,709**	**3,479**	**(770)**	**(22.1)%**
Income tax	(788)	(1,020)	232	(22.7)%	(913)	(1,100)	187	(17.0)%
Minority interests	(147)	(196)	49	(25.0)%	(215)	(256)	41	(16.0)%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,333**	**1,946**	**(613)**	**(31.5)%**	**1,581**	**2,123**	**(542)**	**(25.5)%**

NET BANKING INCOME

Groupe BPCE's net banking income was €11.1 billion in the first half of 2012, down -7.6% compared to the first half of 2011 (restated for the Foncia and Eurosic scope effect, net banking income shows a decline of -5.4%). It reflects a solid performance despite a deteriorated economic backdrop. Net banking income for core businesses was down -3.2%, impacted by adaptation to regulatory changes and toughened economic conditions. The reduced revenue base resulting from the program to reduce liquidity requirement and control risk-weighted assets, such as the rising cost of customer and market liabilities not yet fully passed on to credit rates, are penalizing the Group's core businesses.

OPERATING EXPENSES

Operating expenses were down 3.1% from the first half of 2011, at -€7.9 billion, due in particular to a stringent policy of cost control as well as a scope effect associated with the disposal of Foncia and Eurosic. As to core businesses, the 1.5% increase in operating expenses was mainly due to higher payroll expenses.

Against this backdrop, Groupe BPCE's cost/income ratio rose 3.3 points to 70.6%.

OPERATING INCOME

Gross operating income came out at €3.3 billion for the first half of 2012, a decrease of -16.9% on the first half of 2011.

The Group's cost of risk was up 19.9% (-€184 million) compared with the first half of 2011. The cost of risk was up because of the reinforcement of collective provisions in a context of lower customer ratings and increased individual provisions, especially on medium-sized corporate customers. Moreover, the cost of risk for the core businesses was impacted by a specific financing application for lease financing activity in partnership with a specialized company in the amount of -€163 million over the first half of 2012.

As a result, operating income totaled €2.2 billion in the first half of 2012.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

In a context of economic slowdown and heightened financial tension, net income attributable to equity holders of the parent was €1.3 billion in the first half of 2012, down -31.5% compared with the high base in the first half of 2011.

2.3.2 The Group’s businesses

Groupe BPCE redefined its businesses for its "Together 2010-2013" strategic plan presented in February 2010. Its organization has refocused around the development of its two core businesses:

Commercial Banking and Insurance, including:

- the Banque Populaire network, comprised of 19 Banque Populaire banks and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
- the Caisse d’Epargne network consisting of the 17 Caisses d’Epargne;
- Real Estate Financing, the results of which predominantly reflect the contribution of the Crédit Foncier Group;
- Insurance, International and the Other networks, chiefly comprising the Group’s interest in CNP Assurances, BPCE Assurances, international and overseas subsidiaries (including BPCE IOM) and Banque Palatine.

Corporate and Investment Banking, Investment Solutions and Specialized Financial Services include Natixis’ core businesses:

- Corporate and Investment Banking, which has now established itself as BPCE’s bank serving large businesses and institutional customers;
- Investment Solutions, with asset management, life insurance and private banking and the private equity business;
- Specialized Financial Services, which comprise the Factoring, Leasing, Consumer Finance, Sureties and Guarantees, Employee Benefits Planning, Payments and Securities Services businesses.

Equity interests is the third business segment, consisting of the Group’s stakes in Nexity, MeilleurTaux and Volksbank Romania, along with Natixis’ interests in Coface and the Natixis Private Equity activity.

Workout portfolio management and Other businesses encompasses:

- the contribution of Natixis’ Workout portfolio management business and the run-off management of the former CNCE’s proprietary trading and delegated management businesses;
- the contribution made by the Group’s central institution and holding companies, and by the activities sold (Foncia and Eurosic) or in the process of being sold;
- the write-down of Greek sovereign debt securities;

- adjustments to own debt;
- the impacts resulting from the dynamic management transactions on Crédit Foncier's balance sheet (securities disposals or debt buybacks);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

Consequently, Groupe BPCE's segment information was restated over past periods.

2.3.3 Income statement by sector of activity

	Commercial Banking and Insurance		CIB, Investment Solutions and SFS		Equity investments		Workout portfolio management and Other businesses		Groupe BPCE	
in millions of euros	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	7,420	7,622	3,068	3,208	878	877	(245)	331	11,121	12,038
Operating expenses	(4,968)	(4,899)	(1,985)	(1,952)	(710)	(714)	(189)	(537)	(7,852)	(8,102)
GROSS OPERATING INCOME	**2,452**	**2,723**	**1,083**	**1,256**	**168**	**163**	**(434)**	**(206)**	**3,269**	**3,936**
Cost/income ratio	*67.0%*	*64.3%*	*64.7%*	*60.8%*	*80.9%*	*81.4%*	*ns*	*ns*	*70.6%*	*67.3%*
Cost of risk	(791)	(545)	(143)	(74)	(4)	(19)	(170)	(286)	(1,108)	(924)
Share of net income/(loss) of associates	93	99	8	8	2	(4)	0	2	103	105
Net gains or losses on other assets	6	12	1	0	2	(5)	0	38	9	45
Change in the value of goodwill	0	0	0	0	0	0	(5)	0	(5)	0
INCOME/(LOSS) BEFORE TAX	**1,760**	**2,289**	**949**	**1,190**	**168**	**135**	**(609)**	**(452)**	**2,268**	**3,162**
Income tax	(615)	(755)	(298)	(345)	(62)	(56)	187	136	(788)	(1,020)
Minority interests	(21)	(16)	(194)	(240)	(47)	(45)	115	105	(147)	(196)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,124**	**1,518**	**457**	**605**	**59**	**34**	**(307)**	**(211)**	**1,333**	**1,946**

The Group's two core businesses, Commercial Banking and Insurance and Corporate and Investment Banking, Investment Solutions and Specialized Financial Services, saw a -3.2% decrease in net banking income in the first half of 2012, despite the depressed economic climate, adverse market conditions and a high basis of comparison in 2011. Commercial Banking and Insurance made a substantial contribution to the Group, accounting for 67% of the Group's net banking income, while Corporate and Investment Banking, Investment Solutions and Specialized Financial Services accounted for 28% of the Group's total.

2.3.4 Commercial Banking and Insurance

Financial activity and results for Commercial Banking and Insurance were generated against a difficult economic backdrop, impacted specifically by newly heightened financial tensions in the eurozone.

in millions of euros	Banque Populaire banks		Caisses d'Epargne		Real Estate Financing		Insurance, International and Other networks		Commercial Banking and Insurance		Change	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	€m	%
Net banking income	3,048	3,185	3,364	3,438	410	471	598	528	7,420	7,622	(202)	(2.7)%
Operating expenses	(2,087)	(2,014)	(2,230)	(2,232)	(272)	(314)	(379)	(339)	(4,968)	(4,899)	(69)	1.4%
GROSS OPERATING INCOME	961	1,171	1,134	1,206	138	157	219	189	2,452	2,723	(271)	(10.0)%
Cost/income ratio	*68.5%*	*63.2%*	*66.3%*	*64.9%*	*66.3%*	*66.7%*	*63.4%*	*64.2%*	*67.0%*	*64.3%*	-	*2.7 pts*
Cost of risk	(449)	(274)	(221)	(161)	(53)	(44)	(68)	(66)	(791)	(545)	(246)	45.1%
Share of net income/(loss) of associates	6	7	0	0	3	4	84	88	93	99	(6)	(6.1)%
Net gains or losses on other assets	1	5	0	5	4	5	1	(3)	6	12	(6)	(50.0)%
INCOME/(LOSS) BEFORE TAX	519	909	913	1,050	92	122	236	208	1,760	2,289	(529)	(23.1)%
Income tax	(191)	(309)	(335)	(367)	(32)	(38)	(57)	(41)	(615)	(755)	140	(18.5)%
Minority interests	(6)	(4)	0	0	(1)	0	(14)	(12)	(21)	(16)	(5)	31.3%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	322	596	578	683	59	84	165	155	1,124	1,518	(394)	(26.0)%

Net income declined by 26% relative to the first half of 2011, impacted by the depressed financial and economic environment. The Banque Populaire and Caisse d'Epargne networks made a significant contribution to the business line's performance, accounting for 80% of its net income.

THE BANQUE POPULAIRE BANKS

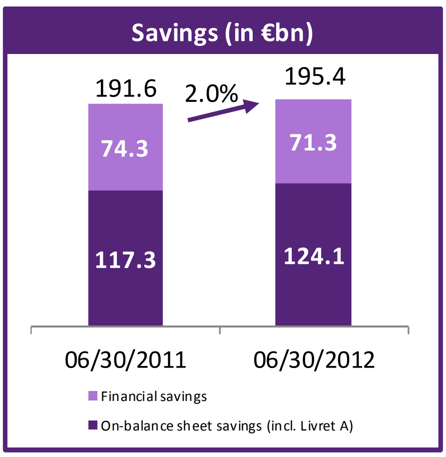
The network posted buoyant commercial activity, driven by a growing customer base, specifically on the individual market.

Continued re-intermediation of UCITS to on-balance sheet savings

Savings held with Banque Populaire banks increased by 2.0% to €195.4 billion, driven by the growth in on-balance sheet savings (up 5.8%), which accounted for 64% of all savings. Financial savings declined -4.0% to €71.3 billion, due to the decline in mutual funds and life insurance.

Individual customers are showing more interest in on-balance sheet savings. As a result, demand deposits were up by 2.6%, reaching €17.3 billion. The Livret A sales drive also attracted over €1.8 billion in additional savings compared to the end of June 2011. In a context of mistrust of the markets, life insurance products fell -4.1% to €40.4 billion.

Professional, corporate and institutional customers preferred products such as term deposits (up 5.3% to €19.1 billion) and demand deposits (up 1.8% to €29.5 billion) over mutual funds (down 3.7% to €22.6 billion).

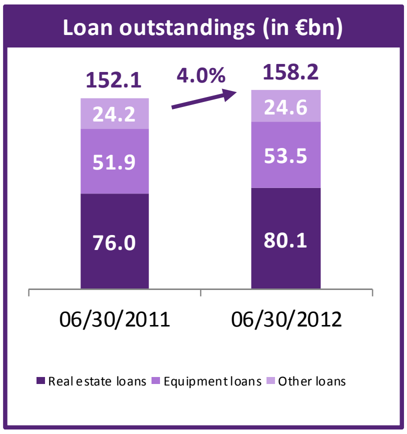


Increase in loan outstandings

Total loan outstandings amounted to €158.2 billion at June 30, 2012, up 4.0%.

This reflects a 4.7% increase to €87.5 billion on the individual customer market, driven by home loans (up 5.4% to €80.1 billion). This activity benefited from the buoyant real estate market and relatively low interest rates. Consumer loan outstandings were stable at €7.0 billion.

On the professional, corporate and institutional customers market, loan outstandings rose by 3.1% to €70.6 billion. For equipment loans, the high origination rate resulted in outstanding loans of €49.0 billion at the end of June 2012.



Financial results

Financial results of the Banque Populaire network were highly resilient compared with the first half of 2011, despite an unfavorable economic context.

in millions of euros	H1-12	H1-11	€m	%
Interest margin	1,914	1,895	19	1.0%
Fees and commissions	1,152	1,217	(65)	(5.3)%
Other income and expenses	(18)	73	(92)	ns
NET BANKING INCOME	**3,048**	**3,185**	**(138)**	**(4.3)%**

The interest margin was €1.9 billion, up 1% over the first half of 2011. The negative rate effect was offset by a positive volume effect on deposits and loans.

In addition, fees were down -5.3% to €1.2 billion. This decline is due to fees on financial savings products (essentially money-market UCITS instruments), the drop in fees on payment instruments, and lower prepayment penalties.

Operating expenses, up 3.6% to -€2.1 billion, factor in IT merger-migration costs, the rise in personnel costs and, in contrast, VAT accrual income in Q1 2011.

As a result, gross operating income totaled €1.0 billion (-17.9%). Consequently, the cost/income ratio was down 5.3 points to 68.5%.

The cost of risk was high, at €0.4 billion, against a difficult economic backdrop marked primarily by a specific funding application for a lease financing company (-€163 million) and the rise in the base of exposures classified as sensitive, partially offset by the reversal of a €19 million sectoral provision.

The contribution of Banque Populaire banks to the Commercial Banking and Insurance business line's net income stood at €0.3 billion, down 46% relative to the first half of 2011.

CAISSES D'EPARGNE

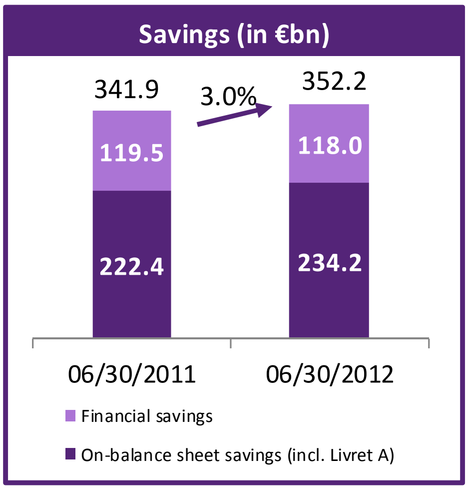
The Caisses d'Epargne were extremely buoyant over the period, confirming their commitment to funding the French economy.

Customer savings held up well despite the opening of the market for Livret A savings accounts

Customer savings have increased by 3.0% since June 30, 2011 to stand at €352.2 billion at the end of June 2012.

Deposits by individual customers rose slightly (up 1.5%), despite the effects associated with the opening of the market for Livret A savings accounts and low interest rates. Regulated home savings and demand deposits were up by 2.5% and 2.0%, respectively, compared with end-June 2011. Financial savings were down -1.6%; life insurance stayed relatively stable, but money-market UCITS outstandings posted a -16.5% drop.

Outstandings in the professional, corporate and institutional markets rose 13.2%; the context favored demand deposits (+19%) and life insurance (+37%) to the detriment of UCITS (-28.3%).

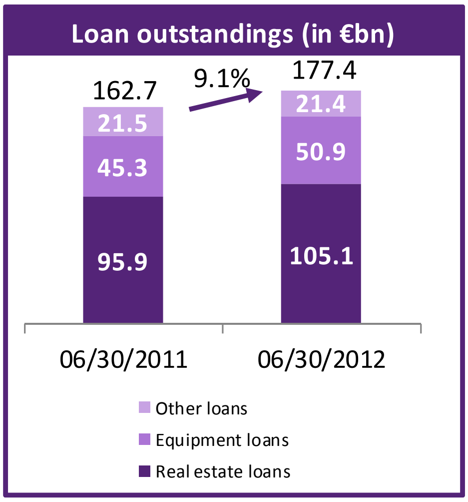


Brisk business in real estate and equipment loans

Loan outstandings rose on all markets to stand at €177 billion (9.1% year-on-year).

On the individual customer segment, loan outstandings were up 5.9% to €103.4 billion, mainly driven by real estate loans (up 6.8%). Outstanding consumer credits were stable at €11 billion, against a backdrop of intense competition from a growing number of specialist players.

Growth in loans to corporate and institutional customers continued to be strong, with outstandings of €74 billion, up 13.8% compared to June 30, 2011, driven by real estate loans (up 32.8%) and medium-to-long-term loans (up 12.3%).



Financial results

A contribution from the Caisses d'Epargne, driven down by the combined effect of the decrease of Livret A commissions and the rising cost of risk related to the market backdrop.

in millions of euros	H1-12	H1-11	€m	%
Interest margin	2,134	2,201	(67)	(3.0)%
Fees and commissions	1,224	1,242	(18)	(1.4)%
Other income and expenses	6	(4)	11	ns
Net banking income	**3,364**	**3,438**	**(74)**	**(2.2)%**

Thus, the interest margin was €2.1 billion compared to €2.2 billion in the first half of 2011. The decline is explained specifically by the lower commission rate for Livret A accounts (-€58 million compared with the first half of 2011). Commissions were down -1.4% to €1.2 billion, essentially impacted by the decline in prepayment penalties.

With stable operating expenses, gross operating income came out at €1.1 billion for the first half of 2012, down 6% since end-June 2011, coupled with a cost/income ratio that fell 1.4 point to 66.3%.

Cost of risk remained contained to €0.2 billion, even including an increase in the cost of collective risk.

The Caisses d'Epargne contributed €0.6 billion to the Commercial Banking and Insurance division's net income, in decrease by 15,4% compared to the first half of 2011.

REAL ESTATE FINANCING

Crédit Foncier Group accounts for most of the Real Estate Financing sub-division in terms of both income and financial results.

In an uncertain environment with slow growth in the real estate market, Crédit Foncier Group had an active first half on a commercial level. Total real estate loan production was €4.1 billion, down from the first half of 2011 (-15%).

As to individual financing, production totaled €3.0 billion. Crédit Foncier Group thus confirmed its strong position in the low-income housing sector, with a 36% market share, and first-time home ownership.

Production in the corporate market totaled €1.1 billion, with business in the public sector, specifically social housing, doing well.

Net banking income for the Real Estate Financing sub-division amounted to €410 million, down 13.0% on the first half of 2011, reflecting the determination of the Crédit Foncier Group to refocus on its core businesses in France serving its customers and those of Groupe BPCE.

Operating expenses totaled -€272 million (-13.4% from end-June 2011), which, for Crédit Foncier, included the decline in payroll caused by staff cuts, as well as lower fee consumption and a reduced depreciation allowance.

The cost of risk was impacted primarily by provisions on some Corporate accounts and additional collective provisions after calculation methods were harmonized with those established by Groupe BPCE.

The contribution of Real Estate Financing to net income attributable to equity holders of the parent stood at €59 million in the first half of 2012.

INSURANCE, INTERNATIONAL AND OTHER NETWORKS

Against a difficult backdrop, Insurance generated healthy business:

- CNP Assurances maintained its operating performance with €540 million (-0.5%) in reported income - virtually stable compared with end-June 2011. Erosion of activity in the first half of 2012, with premium income down -13.1% at €13.3 billion, was primarily caused by the Savings (-15%) and Retirement (-30%) segments. Premium income was down -10.5% in France but still higher than the life-capitalization market, and -23.1% internationally, impacted by a negative currency effect in Brazil. Sales of unit-linked accounts held steady, accounting for over 15% of Savings/Retirement premium income. The investment policy of reducing exposure to CNP Group's risky assets was actively pursued over the first half of 2012. The contribution to Groupe BPCE's net income was €81 million for the first half of 2012;
- BPCE Assurances' contribution was €7 million - stable compared with the first half of 2011. The 12.0% growth in revenues is the result of a pricing policy between 2011 and 2012 and the volume effect (portfolio up 7%). The most promising sectors were production in Auto Insurance (+18.4%) and Personal Accident Insurance (+29.1%). At the same time, operating expenses increased +17% due to the rise in payroll costs and operating costs. The claims rate for the period was up slightly compared to 2011 (62.6% vs. 62.2%).

The International business segment mainly reflects the results of Groupe BPCE International et Outre-mer (BPCE IOM):

- its contribution to the business line’s net income was €5 million, down from €14 million in the first half of 2011. The +30% increase in gross operating income (+€18 million) reflected improved business indicators (savings +3.1%, loans outstanding +4.6%) and the scope effect from the integration of Banque Malgache de l'Océan Indien (+€5 million). Nonetheless, these results were dragged down by large cost-of-risk provisions (-€16.5 million, Banque des Mascareignes) and the disposal of Crédit Immobilier et Hôtelier at end 2011 (€4 million in income in the first half of 2011);
- the other international subsidiaries mainly include Natixis Pramex Algérie and contributed €3 million to the division’s net income.

Finally, income from Other Networks totaled €67 million (up +19.6% or €11 million), including the relatively stable €25 million in earnings from Banque Palatine.

2.3.5 Corporate and Investment Banking, Investment Solutions and Specialized Financial Services

This sector groups together Natixis' three core businesses; its contribution to Groupe BPCE's net income is calculated after recognizing the 27.6% share of minority interests and impairment losses on Greek government bonds by Other businesses.

	CIB		Investment Solutions		SFS		CIB, Investment Solutions and SFS		Change	
in millions of euros	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	€m	%
Net banking income	1,461	1,685	1,006	948	601	575	3,068	3,208	(140)	(4.4)%
Operating expenses	(855)	(878)	(742)	(669)	(388)	(405)	(1,985)	(1,952)	(33)	1.7%
GROSS OPERATING INCOME	**606**	**807**	**264**	**279**	**213**	**170**	**1,083**	**1,256**	**(173)**	**(13.8)%**
Cost/income ratio	*58.5%*	*52.1%*	*73.8%*	*70.6%*	*64.6%*	*70.4%*	*64.7%*	*60.8%*	--	*3.9 pts*
Cost of risk	(101)	(34)	(3)	(4)	(39)	(36)	(143)	(74)	(69)	ns
INCOME/(LOSS) BEFORE TAX	**505**	**773**	**270**	**283**	**174**	**134**	**949**	**1,190**	**(241)**	**(20.3)%**
Income tax	(182)	(232)	(60)	(69)	(56)	(44)	(298)	(345)	47	(13.6)%
Minority interests	(89)	(148)	(70)	(64)	(35)	(28)	(194)	(240)	46	(19.2)%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**234**	**393**	**140**	**150**	**83**	**62**	**457**	**605**	**(148)**	**(24.5)%**

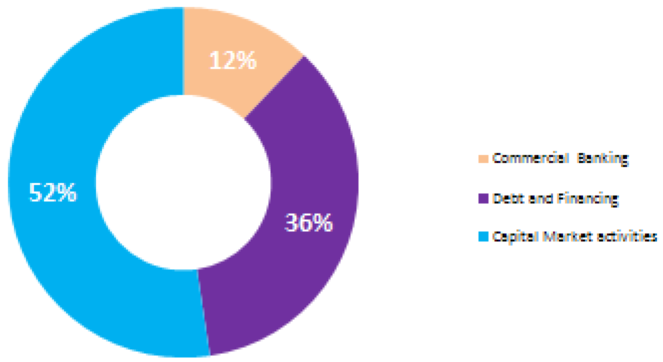
In an unfavorable and liquidity - and RWA - constrained market environment, the half-year results of Natixis' core businesses, at €457 million, posted a 24.5% drop from the first half of 2011, with performances varying between the business lines.

CORPORATE AND INVESTMENT BANKING (CIB)

In the first half of 2012, CIB's net banking income, at €1,461 million, was down 13.3% from a high first half of 2011. This dip reflects the worsening market as well as the deleveraging policy undertaken by Natixis on its financing businesses. As a reminder, the net banking income of the first half of 2011 represents a particularly high basis:

- despite good new-production levels, Commercial Banking revenue totaled €184 million, down 17.4% in one year, hit hard by the loss of end-period outstandings (-12% for the period) and by the contraction of net margins on average outstandings;
- the debt and financing business line, marked by a significant increase in refinancing costs, especially on the dollar, posted €541 million in revenues, down 8.4% from a high first half of 2011;
- market activities, at €799 million, contracted by 10.9% over one year, affected in the second quarter by a worsening market environment, marked by new tensions on European sovereign debts and investors' wait-and-see attitude in the equity markets;
  - against a difficult backdrop, fixed income & treasury activities limited the decline in its revenues to 4%, which underlines its good business performance. Thus, NBI for fixed-income activities (activities on government securities and diversified arbitrages) was up 16% despite tensions on sovereign debts, and 6% over the debt platform despite the virtual closure of the primary bond market in May. Also driven by brisk business, revenues from foreign exchange and emerging markets activities grew by 20% and 84%, respectively,
  - equity markets activity, down 24.2% compared to the first half of 2011 due to the shutdown of certain activities and to weak volumes in a difficult market.

CONTRIBUTION OF BUSINESSES (EXCL. CPM AND OTHER) TO CIB'S NET BANKING INCOME IN THE FIRST HALF OF 2012



CIB's operating expenses were down 2.5% from the first half of 2011, reflecting strict control of expenses on both personnel costs and other operating expenses, totaling €855 million.

The cost of risk, marked by the worsening market over one year, increased sharply to -€101 million.

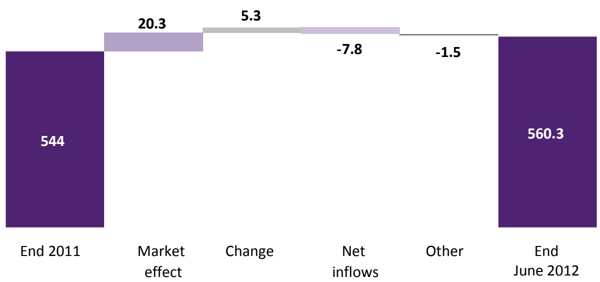
Contribution to net income was down 40.5% from the first half of 2011, at €234 million.

INVESTMENT SOLUTIONS

The business line's revenues of €1,006 million grew 6.1% over one year (+1.8% at constant exchange rates), driven essentially by the good performance of the asset management business:

- assets under management stood at €560 billion at end-June 2012, compared to €544 billion at end-December 2011, boosted by a favorable market impact of €20.3 billion in both zones, Europe and the US. Conversely, the business posted net outflows of -€7.8 billion attributable to the eurozone, with net outflows of -€10.9 billion (including €9.5 billion on money-market products).

Assets under management *(In billions of euros)*



At €817 million, net banking income from asset management was up 13% (+7.1% at constant exchange rates), thanks to the favorable development of commissions in the US zone, where margin rates are higher, and the positive impact of financial income;

- in a market especially unfavorable to the activity, Insurance generated net banking income of €92 million, down 33.9% from the first half of 2011. The economic backdrop had a major impact on life insurance revenues. Conversely, sustained especially by the business drive of both networks (revenues up 16%), borrowers' provident insurance grew by 23% and, as such, was a real growth driver for Insurance;

- private banking posted €54 million in NBI, stable excluding non-recurring items (recognition of income related to the revised price of Selection R), with managed assets at €18.4 billion, down 8% over one year;
- private equity revenues totaled €43 million (+25.6% over the first half of 2011) following an increase in capital gains on disposals and portfolio revaluations.

Operating expenses for Investment Solutions increased 11.1% over one year (6.4% at constant exchange rates) following the increase in asset management payroll costs and the start of production in 2011 of major IT projects for Insurance, the amortization of which is now weighing heavily on the business line.

The contribution to net income stood at €140 million, down 6.7% relative to the first half of 2011.

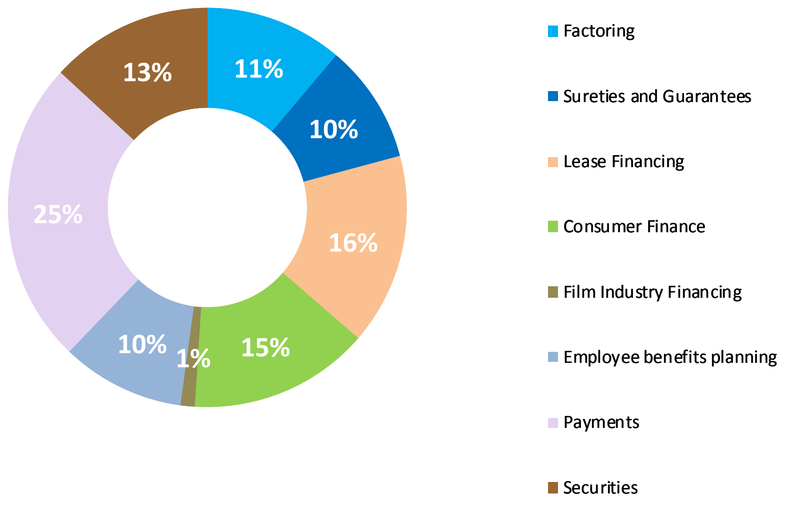
SPECIALIZED FINANCIAL SERVICES (SFS)

Specialized Financial Services generated €601 million in NBI, up 4.5%, driven by all the business lines.

Specialized Financing revenue was up 5.7% at €315 million, supported by the brisk business of both networks and the development of Natixis' own customers. Thus, the sub-division posted very good results on sureties and guarantees (+16.5%), consumer finance (+5.7% associated with the 7% rise in revolving loans outstanding and 18% in personal loans outstanding) and lease financing (+2.6%). Factoring also posted good performance, with 1% growth in NBI and 14% growth in the factored volume.

Financial Services income grew more slowly (+2.8%) at €286 million, with securities activity continuing to be dragged down by low transaction volumes and the volatile market. Conversely, employee benefits planning (up 4.8%) and payments (up 1.8%) posted satisfactory performances.

CONTRIBUTION OF BUSINESSES TO SPECIALIZED FINANCIAL SERVICES' NET BANKING INCOME IN THE FIRST HALF OF 2012



The business line's expenses, down 4.2% from the first half of 2011, stood at €388 million. Thus, gross operating income grew 25.3% to €213 million, and the contribution to net income by 33.9% to €83 million.

2.3.6 Equity interests

The Group's equity interests (including Nexity, Coface, Natixis Private Equity and Volksbank Romania) are recognized in the Equity interests business line.

	Equity investments		Change	
in millions of euros	H1-12	H1-11	€m	%
Net banking income	878	877	1	0.1%
Operating expenses	(710)	(714)	4	(0.6)%
GROSS OPERATING INCOME	**168**	**163**	**5**	**3.1%**
Cost of risk	(4)	(19)	15	(78.9)%
Share of net income/(loss) of associates	2	(4)	6	ns
Net gains or losses on other assets	2	(5)	7	ns
INCOME/(LOSS) BEFORE TAX	**168**	**135**	**33**	**24.4%**
Income tax	(62)	(56)	(6)	10.7%
Minority interests	(47)	(45)	(2)	4.4%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**59**	**34**	**25**	**73.5%**

The contribution to net income for the first half of 2012 stood at €59 million, an increase of 73,5% relative to the first half of 2011.

NEXITY

In a declining market, Nexity showed resiliency in its business performance. At end-June 2012, its €3.4 billion order book, i.e. 20 months of promotion activity, was close to that of the same period in 2011.

First-half 2012 revenues totaled €1.2 billion, virtually stable compared to the first half of 2011:

- Residential real estate: revenues totaled €773.4 million, down 2.8% relative to the first half of 2011. This development was produced by the decline in revenues from the Group's housing development activities in France (-2%) due to the uncertain economy (modified tax framework, wait-and-see attitude due to elections, and tighter credit);
- Commercial real estate: revenues increased 3.5%, benefiting from a high volume of orders in 2011 (€644 million).
- Services and Networks: the 2.2% increase in revenues was related to the business consolidation activities by La Française AM since January 1, 2012 and the consolidation effect of Icade Résidences Services since April 1, 2012.

in millions of euros	H1-12	H1-11	Change
Residential	773	795	(2.8)%
Commercial	187	181	3.5%
Services and Networks	243	238	2.2%
Other	2	1	ns
REVENUES	**1,206**	**1,215**	**(0.8)%**

Operating income was €81.5 million, down from €97.7 million, with an operating margin of 6.8%, down 1.2% from end-June 2011. Restated for the expenses of the "Nexity Demain" project (-€9 million in the first half of 2012), the operating margin was 7.5%.

Nexity's contribution to Equity interests' net income was €21 million, down 16.0% from the first half of 2011.

COFACE

For the first half of 2012, Coface's core business'[1] revenues were €808 million, up 5.8% over the first half of 2011 thanks to brisk business in credit insurance early in the year.

Net banking income in the first half of 2012 reached €371 million euros, up 9.2% on end-June 2011, driven by credit insurance, which was up 13.5%. The claim ratio deteriorated slightly over one year to 56.8% in the first half of 2012, compared with 55.4% for the same period in 2011. Restated for scope and currency effects, total NBI grew 5.1%.

Revenues for Coface's non-core business' entities totaled €78 million at end-June 2012, down 12.3% from the same period in 2011, a consequence of the gradual reduction in factoring activities.

The contribution to net income rose 14.5% to €40 million.

NATIXIS PRIVATE EQUITY (NPE)

Natixis Private Equity is a majority holder of fund units. Natixis' share of assets under management stood at €471 million at end-June 2012, down 5% relative to June 30, 2011. Net banking income for the first half of 2012 was €8 million, up from €3 million for the first six months of 2011 (unrealized gains, capital gains and provisions were down).

[1] Activities of credit insurance worldwide and factoring activities in Germany and Poland

2.3.7 Workout portfolio management and Other businesses

in millions of euros	Workout portfolio management and Other businesses		Change	
	H1-12	H1-11	€m	%
Net banking income	(245)	331	(576)	n/a
Operating expenses	(189)	(537)	348	(64.8)%
GROSS OPERATING INCOME	**(434)**	**(206)**	**(228)**	**x 2.1**
Cost of risk	(170)	(286)	116	(40.6)%
Share of net income/(loss) of associates	0	2	(2)	ns
Net gains or losses on other assets	0	38	(38)	ns
Change in the value of goodwill	(5)	0	(5)	ns
INCOME/(LOSS) BEFORE TAX	**(609)**	**(452)**	**(157)**	**34.7%**
Income tax	187	136	51	37.5%
Minority interests	115	105	10	9.5%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(307)**	**(211)**	**(96)**	**45.5%**

The loss recorded by this business line in the first half of 2012 was €307 million.

Net income attributable to equity holders of the parent for Workout Portfolio Management was -€26 million in the first half of 2012, down from €32 million over the first six months of 2011, a drop of €58 million.

For the first half of 2012, several transactions were performed to reduce the size of portfolios and the related risks. Disposals (€2 billion disposed in the first half of 2012) and portfolio restructuring were performed on RMBS US asset classes and were used to reduce the outstandings covered by the BPCE guarantee by €2.3 billion. GAPC entered into a switching agreement regarding CDS transactions with MBIA in May 2012, resulting in a €1.4 billion reduction in gross exposure.

At -€57 million, the effect of GAPC on the Group's net income in the first half of 2012 was limited. Risk-weighted assets totaled €15.2 billion at June 30, 2012.

Furthermore, net income attributable to equity holders of the parent generated by Other businesses stood at -€281 million, compared to -€243 million in the first half of 2011. The main impacts were the following:

- re-evaluation of the debt at fair value through profit or loss based on own credit risk of -€35 million compared with -€81 million for the first half of 2011;
- prolonged decline in value of the interest in Banca Carige amounts to -€189 million;
- the -€45 million impact on income of the dynamic management of Crédit Foncier de France's balance sheet (securities disposals / covered bonds buybacks) for the first half of 2012.

2.3.8 Groupe BPCE's financial structure

Groupe BPCE's consolidated balance sheet total was €1,174.9 billion at June 30, 2012, up €36.5 billion over the first half of the year.

Shareholders' equity came to nearly €48.5 billion, up 7.4% on December 31, 2011. This variation was the result of:

- recognition of income from the first half of 2012 (+€1.3 billion)
- capital increases (+€2.0 billion)

- dividend distribution (-€0.5 billion)
- interest on perpetual deeply subordinated notes (-€0.1 billion)
- the favorable trend in gains and losses recognized directly in equity (+€0.6 billion).

Risks-weighted assets were estimated at €386[1] billion at June 30, 2012. They were focused mainly on Commercial Banking and Insurance, which accounted for 71% of the total.

At June 30, 2012, the Group's Tier One capital stood at €44.5[1] billion, the Tier One ratio was 11.5%[1] and the Core Tier One ratio was 10.0%[1].

This financial solidity is an asset for the Group, specifically in the event that the crisis in the eurozone deteriorates further.

Groupe BPCE enjoys long-term ratings of A2 by Moody's and A by Standard & Poor's, both of which come with a stable outlook, and A+ by Fitch with a negative outlook.

2.4 BPCE SA group financial data

2.4.1 BPCE SA group results

BPCE SA group's net income is calculated by restating the contribution of non-consolidated entities and adding back the share of income of the Banque Populaire banks and the Caisses d'Epargne obtained through the cooperative investment certificates (CICs) held by Natixis.

At June 30, 2012, the transition from Groupe BPCE's net income to BPCE SA group's net income broke down as follows:

in millions of euros	H1-12
Groupe BPCE net income	**1,333**
Entities not consolidated or consolidated under a different method (1)	(1,110)
Contribution of Banque Populaire banks & Caisses d'Epargne (via Natixis CICs)	166
Other items	63
BPCE SA group net income	**451**

(1) including Banque Populaire banks, Caisses d'Epargne and their local savings companies, Nexity

The Group posted income of €451 million, compared with €661 million at June 30, 2011, including a negative scope effect following the disposal of Foncia in the second half of 2011.

[1] Estimate at June 30, 2012

in millions of euros	Commercial Banking and Insurance		CIB, Investment Solutions and SFS		Equity investments		Workout portfolio management and Other businesses		BPCE SA group		Change	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	€m	%
Net banking income	908	917	3,068	3,208	461	435	(279)	244	4,158	4,804	(646)	(13.4)%
Operating expenses	(582)	(606)	(1,985)	(1,952)	(373)	(367)	(193)	(515)	(3,133)	(3,440)	307	(8.9)%
GROSS OPERATING INCOME	**327**	**311**	**1,083**	**1,256**	**88**	**68**	**(472)**	**(271)**	**1,025**	**1,364**	**(339)**	**(24.9)%**
Cost/income ratio	*64.0%*	*66.1%*	*64.7%*	*60.8%*	*81.0%*	*84.3%*	*ns*	*ns*	*75.3%*	*71.6%*	*-*	*3.7 pts*
Cost of risk	(119)	(108)	(143)	(74)	(4)	(18)	(224)	(250)	(490)	(450)	(40)	8.9%
Share of net income/(loss) of associates	318	417	8	8	2	(5)	0	4	327	424	(97)	(22.9)%
Net gains or losses on other assets	4	4	1	0	1	(5)	0	(118)	7	(118)	125	ns
Change in the value of goodwill							(5)	0	(5)		(5)	ns
INCOME/(LOSS) BEFORE TAX	**530**	**625**	**949**	**1,190**	**87**	**40**	**(702)**	**(635)**	**864**	**1,220**	**(356)**	**(29.2)%**
Income tax	(84)	(79)	(298)	(345)	(30)	(21)	187	126	(225)	(319)	94	(29.5)%
Minority interests	(78)	(98)	(194)	(240)	(16)	(8)	100	106	(188)	(240)	52	(21.7)%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**368**	**448**	**457**	**605**	**40**	**10**	**(414)**	**(402)**	**451**	**661**	**(210)**	**(31.8)%**

Net income for the first half of 2012 reflects:

- the resiliency of Commercial Banking & Insurance's income, despite a sinking economy, with a contribution from both historical networks *via* the CICs of €166 million compared with €231 million in the first half of 2011;
- earnings for CIB, Investment Solutions and SFS of €457 million, down 24.5% in an unfavorable and liquidity - and RWA - constrained market, with varied performances according to the divisions;
- the financial recovery of equity interests primarily reflects the return to equilibrium of Natixis Private Equity and the absence of any VBRO impact;
- losses in Workout portfolio management and Other businesses, caused primarily by the recognition of the -€189 million from prolonged decline in value of the interest in Banca Carige, the -€57 million impact of the GAPC and the impact of the -€45 million in dynamic management transactions on Crédit Foncier de France's balance sheet.

2.4.2 BPCE SA group's financial structure

BPCE SA group's consolidated balance sheet total was €822.7 billion at June 30, 2012, up €26.9 billion for the first half of 2012.

Shareholders' equity came to nearly €24.3 billion, up 12.8% over December 31, 2011. This variation was the result of:

- recognition of income from the first half of 2012 (+€0.5 billion);
- issues of deeply subordinated notes (+€2.0 billion);
- interest on perpetual deeply subordinated notes (-€0.2 billion);
- the favorable trend in gains and losses recognized directly in equity (+€0.2 billion).

2.5 Recent developments and outlook

2.5.1 Events after the balance sheet date

2012 Amended French Finance Act

The proposed 2012 Amended French Finance Act, presented to the Council of Ministers on July 4, 2012, proposes creating an exceptional contribution owed by some lending institutions. This proposal was adopted at its first reading by the National Assembly on July 19, 2012 and by the Senate on July 27, 2012.

This additional contribution to the systemic banking tax will be payable at August 30, 2012 and due by September 30, 2012.

The amount of this additional contribution will be fully recorded in the income for the second half of 2012. In addition, for future years, and beginning on January 1, 2013, the systemic banking tax rate will be doubled, from 0.25% to 0.50% of the Group's consolidated equity requirements.

The 2012 Amended French Finance Act also provides for an increase in the corporate social contribution on employee savings (a jump in the rate from 8% to 20%, applicable to compensation paid as from September 1, 2012) and the introduction of a 3% tax on dividends distributed.

2.5.2 Outlook for 2012-2013

Subject to an easing of the eurozone's financial tensions, with progress in terms of European budgetary, fiscal and banking coordination, as well as the ECB's determination to defend the euro and the rapid mobilization of the solidarity mechanisms that Europe possesses, economic activity is likely to start up again moderately at the end of 2012.

Favorable factors could sustain it: the temporary easing of commodities and oil prices, especially in the United States, with the coming production in shale gas; the strengthening, as of 2013, of housing construction in the US, the missing link in the recovery, due to the emergence of identified needs; vigilant and proactive monetary policies, which have long been accommodating on both sides of the Atlantic; resilient emerging economies, due to the implementation of countercyclical policies, permitted by slower inflation; better-calibrated fiscal austerity programs and a dip in the euro.

However, the economic recovery is expected to remain laborious, because of the necessarily long process of public and private debt reduction and internal wage and price deflation, imposed by the impossibility of a national devaluation in European countries that have a structural competitive delay.

In France, growth, which has been anemic since the spring of 2011, is likely to remain extremely weak in 2012 and 2013, because NBI would grow by only 0.3% and 0.9% or even below, after 1.7% per year in 2010-2011 but -3% in 2009. Economic drivers, as for most OECD countries, must be sought through exports and competitiveness (a major weak point in the French economy), due to the lack of domestic demand. That demand is expected to suffer from a budget adjustment process of greater than one GDP point per year.

3. Risk Management

3.1 Capital management policy

MANAGEMENT OF CAPITAL ADEQUACY

The financial structure of Groupe BPCE has improved. The Core Tier-1 ratio stood at 10.0%[1] at June 30, 2012, an increase of more than 90 basis points compared with December 31, 2011[2], mainly due to the optimal management of risk-weighted assets, which dropped by €2 billion relative to December 31, 2011 (€386 billion at the end of June 2012), the level of reserved earnings and inflows from cooperative shares.

As such, Group BPCE is well ahead of the 9% Core Tier-1 ratio target under Basel 2.5, set by the European Banking Authority (€3.1 billion in surplus Core Tier-1 capital), taking into account a €1 billion sovereign buffer for the market discount on the Group's exposure to European sovereign debt.

Furthermore, during the first half of 2012, the Group's Tier-1 ratio of 11.5%[1] increased relative to December 31, 2011. There were several factors that had significant impacts on Groupe BPCE's capital ratio levels during the period.

Inflows from cooperative shares

To increase the Group's capital base, the two banking networks continued to issue shares to cooperative shareholders on a regular basis. The Banque Populaire banks and the Caisses d'Epargne sold nearly €2 billion in cooperative shares over the first half of 2012.

Buyback on four series of bond

On March 16, 2012, BPCE completed a senior debt cash buyback operation concerning four series of bonds maturing between November 27, 2012 and October 29, 2013. The buyback amount was €822 million. For Groupe BPCE, this operation was in line with the debt redemption management policy, the aim of which is to extend average debt maturity, as part of the new regulatory constraints applicable to banks.

STEPS FOR ALLOCATING CAPITAL

In order to guarantee the solvency of the group, steps were taken in the first half of 2012 to optimize and manage capital on behalf of the group.

Strengthening of BPCE SA group's capital base

On March 26, 2012, BPCE issued €2 billion in deeply subordinated notes, underwritten by each Banque Populaire bank and each Caisse d'Epargne in proportion to its interest in BPCE's share capital.

Banca Carige

Continuing its policy of centralizing all its international subsidiaries and equity investments, on January 2, 2012, BPCE transferred its entire interest in Banca Carige to its subsidiary BPCE IOM. Also, during the second quarter of 2012, BPCE IOM reduced its stake, holding a 9.98% interest in Banca Carige at the end of June.

Establishment of a redeemable subordinated loan to BPCE IOM

At the end of June 2012, BPCE agreed to a redeemable subordinated loan (*prêt subordonné remboursable*, PSR) to BPCE IOM in the amount of €40 million.

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[1] Estimate at June 30, 2012

[2] Compared to ratios, excluding the Basel I floor effect, which applied until December 31, 2011

OUTLOOK

During the second half of 2012, the Group will continue working to achieve its goal of improving its financial strength, and it will prepare for upcoming regulatory deadlines, particularly those related to the implementation of the Basel III measures.

The Group is confident in its ability to meet these new regulatory requirement deadlines without relying on the market and have a Basel III Common Equity Tier-1 ratio above 9%[1] in 2013.

3.2 Credit and counterparty risk

CREDIT AND COUNTERPARTY RISK MANAGEMENT ORGANIZATION

Risk measurement relies on rating systems adapted to each type of customer and transaction, of which the Group Risk Management Division is responsible for defining and controlling performance.

Decisions within each entity are made at Groupe BPCE within the framework of delegation procedures, a system of limits relating to each customer 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.

ACHIEVEMENTS DURING THE FIRST HALF OF 2012

The Credit Risk division finished rolling out the Group's limit system, renewing limits for major banking, corporate, regional public sector and real estate counterparties, under the Group Credit Committee.

Meanwhile, a method has been defined for setting limits on real estate professionals.

To expand the credit risk management system, Groupe BPCE completed its sector policy system with an initial implementation on the automotive business.

The Group watchlist monitoring system continues to be improved in order to provide consistent provisioning for the top risky loans shared by multiple entities and stronger monitoring of performing watchlist loans. As such, the assigned corporate provisioning standard was approved in a meeting of the Group Standards and Methods Committee for risks.

Furthermore, the corporates rating system was rolled out to the Caisse d'Epargne network in January 2012, paving the way for uniformity with the monitoring system currently used within the Banque Populaire network and Natixis by the end of 2012.

Finally, efforts to review the lending business's permanent control system began during the first half of 2012.

[1] Without transitional measures (after restating deferred tax assets)

Breakdown of the loan portfolio by gross exposure categories and approaches

in millions of euros	**06/30/2012**	**12/31/2011**
	Exposures	**Exposures**
Sovereigns	177,236	165,496
Institutions	150,551	157,264
Corporates	296,505	303,502
Retail customers	342,463	338,366
Securitization	35,116	38,694
Equity	11,596	12,056
TOTAL[1]	**1,013,467**	**1,015,378**

Source: Group risk management data

Groupe BPCE's total gross exposures, excluding other assets, remained relatively stable in the first half of 2012 (-0.2%) at more than €1.013 trillion. Corporate and retail customers, the Group's traditional business, accounted for more than half of the Group's gross exposures at June 30, 2012 (63%).

Breakdown by region (gross exposure)

in millions of euros	**06/30/2012**						**12/31/2011**
	France	**Europe (excl. France)**	**North & South America**	**Asia/Oceania**	**Africa and the Middle East**	**Total**	**Total**
Sovereigns	147,674	22,451	5,617	340	1,154	**177,236**	**165,496**
Institutions	88,611	40,112	15,688	4,616	1,524	**150,551**	**157,264**
Corporates	194,076	43,695	42,815	8,068	7,850	**296,505**	**303,502**
TOTAL	**430,362**	**106,257**	**64,121**	**13,023**	**10,528**	**624,292**	**626,262**

Source: Group risk management data

Groupe BPCE's gross risk exposure is mainly in Europe (86%), including 68.9% in France with a particular emphasis in French sovereign debt. The "corporates" and "institutions" categories have a more diluted breakdown by region, with 35% and 41% of their exposure, respectively, located outside of France.

[1] Excluding other assets

Breakdown by sector (gross exposure)

Groupe BPCE – Corporates and professionals

in millions of euros	06/30/2012			12/31/2011		
	Corporates	**Professionals**	**Total**	**Corporates**	**Professionals**	**Total**
Finance insurance	61,302	848	**62,150**	64,097	856	**64,953**
Real estate rental	32,320	23,718	**56,038**	31,279	23,401	**54,680**
Real estate	24,047	2,614	**26,661**	25,540	2,273	**27,813**
Holding companies & diversified	19,293	1,895	**21,187**	19,551	1,961	**21,511**
Energy	20,038	356	**20,394**	18,923	351	**19,274**
Services	13,007	6,839	**19,846**	12,523	6,716	**19,239**
Construction and public works	12,100	6,041	**18,141**	11,898	6,067	**17,965**
Retailing	12,189	3,061	**15,250**	11,649	3,044	**14,693**
Pharma-health	7,778	6,054	**13,832**	7,144	5,929	**13,073**
Transportation	11,418	1,963	**13,380**	11,743	1,933	**13,675**
Food industries	8,221	4,773	**12,994**	8,497	4,604	**13,101**
Consumer goods	7,609	4,050	**11,659**	8,161	4,079	**12,241**
Electrical and mechanical construction	9,637	1,679	**11,316**	10,362	1,700	**12,062**
Staple industries	8,762	732	**9,493**	9,487	785	**10,272**
Tourism, hotels & restaurants	4,565	4,875	**9,440**	4,678	4,805	**9,483**
International commodities trade	7,958	49	**8,007**	8,759	60	**8,819**
Media	6,957	501	**7,458**	7,458	505	**7,963**
Technology	5,217	168	**5,385**	5,249	173	**5,422**
Services to local authorities	4,021	152	**4,173**	4,249	153	**4,403**
Government	863	11	**874**	836	12	**848**
Other	19,202	2,251	**21,453**	21,420	2,544	**23,965**
Total	**296,505**	**72,629**	**369,134**	**303,502**	**71,952**	**375,454**

Source: Group risk management data

Over the first half of 2012, the breakdown of exposure by sector type has been stable, with particular emphasis on the Finance and insurance sector.

European sovereign[1] exposures at June 30, 2012

On June 30, 2012, Groupe BPCE performed an update of its exposures to the thirty European Economic Area countries, based on the format established by the European Banking Authority (EBA)[2].

[1] Exposure of banking activities on a consolidated basis.

[2] European Banking Authority, formerly the Committee of European Banking Supervisors or CEBS.

in millions of euros	**Gross direct exposures at 06/30/2012**	**Net direct exposures (excluding derivatives) at 06/30/2012**	**o/w banking book**	**o/w trading book**	**Net direct exposures (excluding derivatives) at 12/31/2011**
Austria	398	323	279	44	38
Belgium	3,962	3,178	3,009	170	2,149
Bulgaria	0	0	0	0	0
Cyprus	57	57	57	0	126
Czech Republic	168	168	168	0	179
Denmark	94	94	94	0	95
Estonia	0	0	0	0	0
Finland	111	17	0	17	(27)
France	44,245	32,286	33,003	(717)	28,875
Germany	8,239	1,100	0	1,100	(3,571)
Greece	29	5	5	0	631
Hungary	118	112	106	5	103
Iceland	0	0	0	0	0
Ireland	173	173	171	2	158
Italy[1]	9,242	3,866	3,502	364	3,532
Latvia	4	4	0	4	0
Liechtenstein	0	0	0	0	0
Lithuania	42	42	0	42	63
Luxembourg	6	6	6	0	3
Malta	0	0	0	0	0
Netherlands	2,598	(136)	1	(137)	99
Norway	0	0	0	0	0
Poland	560	560	557	3	568
Portugal	81	8	62	(54)	82
Romania	0	0	0	0	0
Slovakia	259	259	259	0	238
Slovenia	247	247	247	0	247
Spain	1,168	214	13	202	(33)
Sweden	0	0	0	0	0
United Kingdom	1	1	1	0	1
TOTAL	**71,803**	**42,585**	**41,539**	**1,046**	**33,556**

The total amount of net direct exposure (excluding derivatives) increased over the first half of 2012, driven mainly by France and Germany.

[1] December 31, 2011 pro forma reclassification of a regional public sector counterparty into sovereign debt

3.3 Market risk

MARKET RISK MANAGEMENT

The Market Risk Management Service of the Risk Management Division is responsible for the control of market activities within BPCE, which is subject to regular review by the Group Market Risk Management Committee.

ACHIEVEMENTS DURING THE FIRST HALF OF 2012

During the first half of 2012, following the project to implement a uniform VaR calculator at the Group level, the Group Risk Management Division is now producing the Group's VaR on a daily basis for all of the trading books.

In addition, the system for monitoring the Group's cash was tightened by improving the techniques used for the VaR (new risk factors added) and by aligning the calculation of the sensitivity indicators with the tools used by Natixis.

In addition, the Financial Risk Management Department is also involved in monitoring the active management policy for the Crédit Foncier securitization portfolio through strategy committee meetings and bimonthly monitoring meetings.

The Financial Risk Management Division also helped conduct the market stress test scenarios required by the International Monetary Fund (IMF). A working group consisting of the central institution, Natixis, BRED, and Crédit Coopératif was set up to recalibrate the Group's market stress test scenarios.

Finally, the special quarterly monitoring of the Lagarde report's recommendations was refined with respect to cash management of individual and cumulative daily transactions by traders.

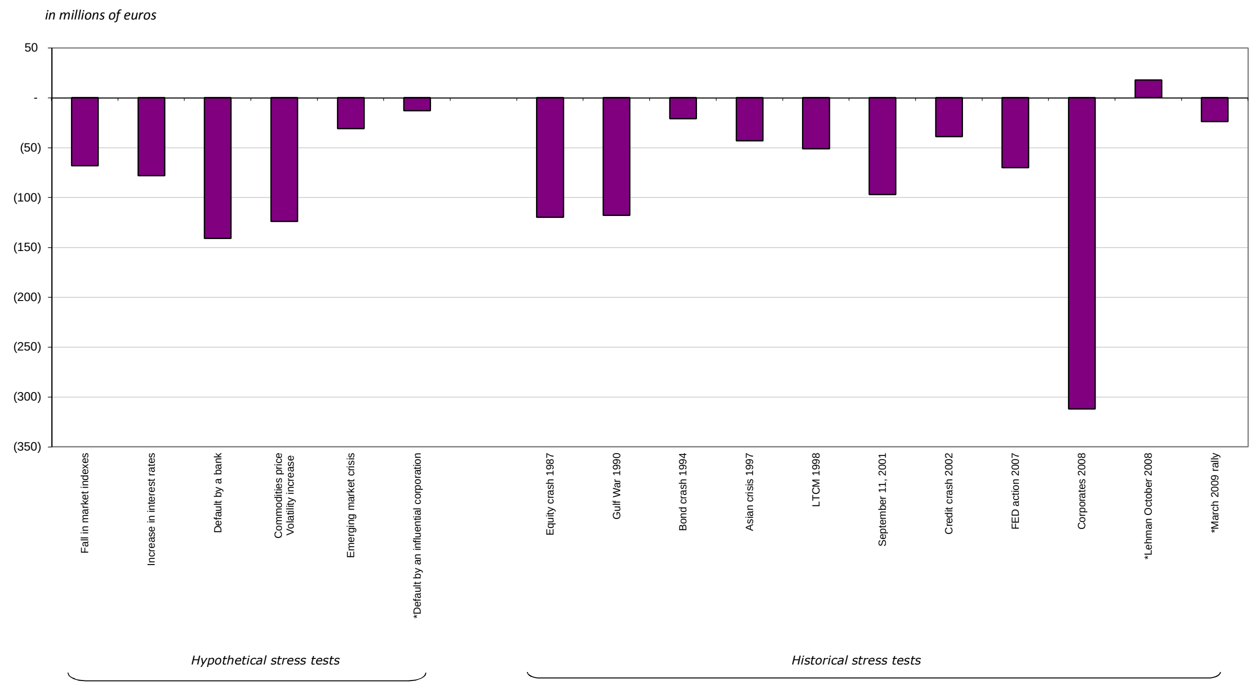
MARKET RISK MEASUREMENT QUANTITATIVE DATA

Groupe BPCE VaR

The consolidated VaR for Groupe BPCE's trading scope (99% one-day Monte Carlo) stood at €24.5 million at June 29, 2012, boosted mainly by Natixis and by BRED Banque Populaire.

Stress testing results

***OVERALL STRESS TESTS* AT JUNE 29, 2012**



** These stress tests were deployed within Groupe BPCE's trading scope: Natixis, the Caisse d'Epargne network, BRED Banque Populaire, and subsidiaries.*

The most sensitive hypothetical stress tests relate to a default of a financial institution within Natixis' CIB scope and an increase in commodities volatility.

The most significant historical scenario relates to the ABS/MBS corporates - March 2008, because of a notable impact on the GAPC from residual directions of securitizations associated with MBIA transactions.

3.4 Liquidity and interest rate risk

A/ ORGANIZATION OF GROUPE BPCE'S ASSET-LIABILITY MANAGEMENT

Governance

Groupe BPCE central institution finalized a standard of rules for all business lines and institutions. It allows risks to be consolidated, and enables the Group to apply a risk management policy that is appropriate for its strategic vision around two key principles:

- each institution is responsible for charges related to structural risks on the balance sheet that it carries with internal market systems allowing it to optimize the Group's interests around shared rules and adaptations that take into account the specific features of each business line's activities;
- each entity is responsible for risk management at its own level; the central institution monitors the application and relevance of Group rules at each of its levels.

The Group's asset-liability management is determined by the **Group ALM (Asset-Liability Management) Committee**, which is under the authority of the Chairman of the Group's Management Board.

Achievements in the first half of 2012

The Group set up a Group liquidity reserve which respects the criteria of the Basel Committee's text published on December 16, 2010. This reserve is booked on the balance sheet of BPCE SA, the Group's central institution and liquidity guarantor.

In 2012, the Group renewed its liquidity budget arrangement for its businesses, in order to substantially reduce liquidity consumption.

As part of its preparation for the LCR, the Group is adopting a program involving all of its businesses. As such, sales offers for products which are better tailored to comply with Basel regulatory requirements have been introduced on the market.

The Group also reduced its short-term liquidity transformation as part of its management.

Supervision procedures

The Group Risk Management division forms part of the management system for structural balance sheet risks (liquidity, interest rate, and exchange rate risk).

The ALM Risk division is responsible for second-level control of structural interest rate, liquidity and exchange rate risks. As part of its structural balance-sheet risk control and monitoring mechanism, the ALM Risk division played a role in updating the Group's asset-liability management standards, in particular by strengthening the controls implemented by the central institution and Natixis, in collaboration with Natixis' Risk Management division.

The business line also extended its level-two control to BPCE SFH (a secured bond issue vehicle), which resulted in the implementation of an initial permanent control plan for second-level controls under the remit of the Group Risk Management division.

Furthermore, as part of the liquidity projects, the business line was involved in the validation of in-house Group methodology standards for one-month and one-year LCRs and NSFRs. Controls were subsequently performed, in particular on the liquidity reserve.

Lastly, work was carried out in order to automate ALM Risk report production. The roll-out phase is currently underway.

B/ LIQUIDITY AND FUNDING RISK

Liquidity risk management

Entities have autonomous control of their asset and liability management within the framework of the Group ALM standards defined by the Group ALM Committee and validated by the Group Risk Management Committee.

Each Group entity has an ALM Committee that meets at least once a quarter. The Committee reviews indicators and decides on the financial transactions to be carried out to manage assets and liabilities and future production.

Entities therefore share the same management indicators, the same risk models including the specific characteristics of their activities and the same limits rules. Indicators are consolidated at Group level to enable the Group ALM Committee to validate management decisions at Group level.

The liquidity risk is monitored in two ways, static and dynamic, and in two kinds of market conditions, normal and stressed.

Funding management

The Group Finance division organizes, coordinates and supervises the funding activities of Groupe BPCE in the markets.

For short-term funding needs, the Group's main issuers are BPCE and Natixis which, since 2011, have been operating under a single treasury and central bank collateral management arrangement resulting from the merger of BPCE and Natixis' cash management teams.

For medium and long-term funding requirements (more than one year), in addition to deposits from customers of the Banque Populaire and Caisse d'Epargne networks, which are the primary source of funding, the Group also issues bonds through two main operators – BPCE and Compagnie de Financement Foncier, a subsidiary of Crédit Foncier de France.

The Group's priorities in terms of medium- and long-term funding in the markets are to ensure sources of funding are properly diversified and to limit dependence on markets to which access may be less frequent.

As of July 20, 2012, Groupe BPCE's €26 billion medium- and long-term funding program was 80% complete. So far, the Group has raised a total of €20.9 billion, with an average maturity extended to 6.8 years (compared to 4.2 years one year ago) and a solid balance between secured and unsecured bonds:

- unsecured bonds: €10.4 billion raised, including €2.8 billion through the retail banking networks;
- secured bonds: €10.5 billion raised.

The wholesale program (€21 billion) and the retail banking network funding program (€5 billion) are 86% and 56% complete respectively.

In terms of BPCE's medium- and long-term funding pool, 79% of the €18 billion program had been completed as of July 20, 2012: €14.2 billion had been raised with an average maturity of 5.9 years.

In terms of Crédit Foncier de France's medium- and long-term funding pool, 84% of the €8 billion program had been completed as of July 20, 2012: €6.7 billion had been raised with an average maturity of 8.8 years.

The outstanding amount of Group short-term refinancing was €103 billion[1] at June 30, 2012.

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[1] Estimate

At June 30, 2012, the Group held €133 billion in liquidity reserves, including €100 billion in unencumbered assets eligible for central bank refinancing, or likely to be so in the short term, and €33 billion in liquid assets placed with central banks at the end of June 2012.

Regulatory liquidity ratios

The BPCE one-month liquidity coefficient was at 114.6% at June 30, 2012 (compared to 105.6% at December 31, 2011), for a 100% minimum requirement.

Adapting Groupe BPCE to the new environment

Groupe BPCE is adapting to changes in the regulatory and financial environment, which has experienced rising liquidity requirements, whether they be new Basel III regulatory restraints or pressure and uncertainty over liquidity and funding generated by the sovereign debt crisis. Faced with these increased requirements, adaptation measures are monitored for all Group subsidiaries so that the commercial, financial and technical domains learn these new rules and constraints in the way that is most profitable for the Group.

Balance-sheet inflows at the Banque Populaire and Caisse d'Epargne networks continued to increase, with the ratio of coverage of customer assets by liabilities within the scope of the two networks coming out to 116%[1] at June 30, 2012.

Groupe BPCE also set a liquidity requirement reduction goal of €25 to €35 billion by the end of 2013. The Group's liquidity requirements have been substantially reduced since the end of June 2011. As of the end of June 2012, the Group had already reduced its liquidity requirement: €22.9 billion, which represents 76% of the Group's mid-point target.

C/ INTEREST RATE RISK

Interest rate risk management

Interest rate risk is controlled by a system of indicators and limits defined by the Group ALM Committee. Instruments authorized to hedge it are strictly vanilla (unstructured), excluding any sale of options and favoring accounting that does not impact the consolidated Group results.

This risk is monitored both statically and dynamically. It measures structural risks on the balance sheet, excluding any kind of independent risk (trading, own accounts, etc.) The Group aims for controlled risk and predictable, constant results.

For static monitoring, gap limits are based on calculating interest-rate gaps common to the whole Group. These limits decrease over time and are calibrated to take business-line features into account.

Risk is also analyzed dynamically by simulating future income in a central interest-rate scenario established by Group economists.

Exposures

Most of the Group's interest-rate gap is held by Commercial Banking and primarily with the networks. In the first quarter of 2012, this gap narrowed for the first five years, was stable further out, and continues to comply with the limits set.

in billions of euros	4/1/2012 to 3/31/2013	4/1/2013 to 3/31/2017	4/1/2017 to 3/31/2022
Gaps	(13.82)	(15.89)	(8.17)

[1] Estimate

3.5 Financial Stability Forum recommendations concerning financial transparency

3.5.1 Groupe BPCE exposure (excluding Natixis) at June 30, 2012

UNHEDGED SENSITIVE CDO EXPOSURES

ABS CDOs exposed to the US residential market

ABS CDOs with a subprime component presented gross exposure of €3 million as at June 30, 2012.

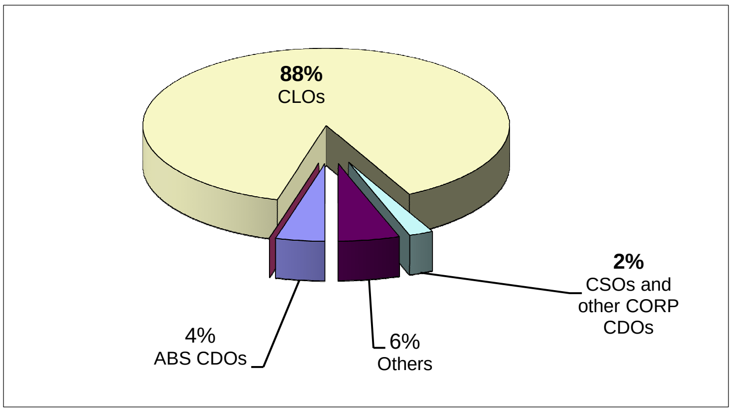
in millions of euros	**Total**
Net exposure at December 31, 2011	**0**
Impairment during the first half of 2012	0
Other changes	0
Net exposure at June 30, 2012	**0**
Gross exposure at June 30, 2012	3

Other CDOs

Exposure by asset type	**06/30/2012**		**12/31/2011**	**Change H1 2012 / 2011**
in millions of euros	**Gross exposure**	**Net exposure**	**Net exposure**	
ABS CDOs	67	52	80	(28)
TRUPS CDOs	4	0	0	0
CLOs	1,086	1,070	1,087	(17)
CSOs and other CORP CDOs	73	26	32	(6)
Other	69	65	70	(5)
TOTAL	**1,299**	**1,213**	**1,270**	**(57)**

Over 88% of the Group's net exposure to other CDOs concerns CLOs.

Breakdown of net exposure at June 30, 2012



Breakdown by accounting portfolio – other CDOs

in millions of euros	06/30/2012		12/31/2011	
	Amounts	**Percentage (%)**	**Amounts**	**Percentage (%)**
Trading book	13	1%	13	1%
Fair value option asset portfolio	34	3%	38	3%
Loans and receivables portfolio	1,102	91%	1,133	89%
Available-for-sale assets portfolio	64	5%	86	7%
TOTAL	**1,213**	**100%**	**1,270**	**100%**

Breakdown by rating – other CDOs

in millions of euros	06/30/2012		12/31/2011	
	Amounts	**Percentage (%)**	**Amounts**	**Percentage (%)**
AAA	197	16%	121	10%
AA	654	54%	695	55%
A	237	20%	242	19%
BBB	70	6%	125	10%
BB	5	0%	10	1%
B	1	0%	0	0%
CCC	4	0%	8	1%
CC	0	0%	0	0%
C	0	0%	0	0%
D	0	0%	0	0%
NR	45	4%	68	5%
TOTAL	**1,213**	**100%**	**1,270**	**100%**

Protection purchased from counterparties to hedge CDO exposures

in millions of euros	06/30/2012			12/31/2011		
	Gross notional amount of hedged instruments	Impairment of hedged CDOs	Fair value of protection	Gross notional amount of hedged instruments	Impairment of hedged CDOs	Fair value of protection
TOTAL	**443**	**(80)**	**80**	**456**	**(96)**	**96**

These exposures fit in with the negative base trade strategies concerning three separate transactions:

- two senior tranches of European CLOs rated AAA/AA+ and AAA/AA- by two ratings agencies;
- a senior tranche of a European ABS CLO rated AA/B+ by two ratings agencies.

Protection purchased from monoline insurers

Protection purchased from credit enhancers by Crédit Foncier de France is not included for the appraisal of hedged instruments (valued at zero).

They therefore do not reflect exposure to credit enhancers.

CMBS EXPOSURE

Breakdown of exposure by accounting portfolio - CMBS

in millions of euros	06/30/2012		12/31/2011	Change H1 2012 / 2011
	Gross exposure	**Net exposure**	**Net exposure**	
Trading book	2	2	2	0
Fair value option asset portfolio	0	0	0	0
Loans and receivables portfolio	366	296	294	2
Available-for-sale assets portfolio	52	50	60	(10)
TOTAL	**420**	**348**	**356**	**(8)**

Breakdown of net exposure by rating - CMBS

in millions of euros	06/30/2012		12/31/2011	
	Amounts	**Percentage (%)**	**Amounts**	**Percentage (%)**
AAA	65	19%	68	19%
AA	92	27%	139	39%
A	116	33%	74	21%
BBB	36	10%	35	10%
BB	0	0%	0	0%
CCC	5	1%	5	1%
CC	35	10%	35	10%
TOTAL	**348**	**100%**	**356**	**100%**

Breakdown of net exposure by region - CMBS

as a percentage	**06/30/2012**	**12/31/2011**
Germany	7%	8%
France	28%	27%
Italy	6%	6%
United Kingdom	20%	20%
Rest of Europe	39%	39%
TOTAL	**100%**	**100%**

There is limited risk because nearly 80% of the exposure is rated AAA, AA, or A. The entire CMBS portfolio is in Europe.

RMBS EXPOSURE

Breakdown by accounting portfolio – Spanish RMBS

in millions of euros	06/30/2012		12/31/2011	Change H1 2012 / 2011
	Gross exposure	Net exposure	Net exposure	
Trading book	2	1	2	(1)
Loans and receivables portfolio	4	4	4	0
Available-for-sale assets portfolio	204	190	202	(12)
TOTAL	**210**	**194**	**208**	**(14)**

Breakdown by rating – Spanish RMBS

in millions of euros	06/30/2012		
	AAA	AA	A
Trading book	0	1	0
Loans and receivables portfolio	0	3	1
Available-for-sale assets portfolio	0	165	25
TOTAL	**0**	**169**	**26**

Breakdown by accounting portfolio – UK RMBS

in millions of euros	06/30/2012		12/31/2011	Change H1 2012 / 2011
	Gross exposure	Net exposure	Net exposure	
Loans and receivables portfolio	11	11	15	(4)
Available-for-sale assets portfolio	149	149	141	8
TOTAL	**160**	**160**	**156**	**4**

Breakdown by rating – UK RMBS

in millions of euros	06/30/2012		
	AAA	AA	A
Loans and receivables portfolio	11	0	0
Available-for-sale assets portfolio	143	5	0
Total	**155**	**5**	**0**

The Groupe BPCE (except Natixis) does not present any exposure to US RMBS.

3.5.2 Natixis' exposure at June 30, 2012

EXPOSURE TO ABS CDOS WITH A SUBPRIME COMPONENT

in millions of euros	Total exposure
Net exposure at December 31, 2011, after impairment	377
Changes in exposures (liquidation, reimbursement and exchange rate)	(184)
Impairment during the first half of 2012	(6)
NET EXPOSURE AT JUNE 30, 2012, after impairment	**187**

ABS CDOs with a subprime component presented gross exposure of €816 million as at June 30, 2012. Impairment losses of €6 million were booked (excluding the effect of the BPCE guarantee) during the first half of 2012, bringing total cumulative impairment to €629 million.

EXPOSURE TO CREDIT ENHANCERS

	At June 30, 2012			At December 31, 2011		
in millions of euros	**Notional amount**	**Exposure before value adjustments**	**Value adjustments**	**Notional amount**	**Exposure before value adjustments**	**Value adjustments**
Subprime CDOs protection	0	0	0	404	179	(140)
CLO protection	3,095	109	(48)	4,609	168	(89)
RMBS protection	153	33	(5)	327	63	(27)
CMBS protection	109	8	(7)	464	10	(9)
Other risks	5,386	700	(354)	8,069	1,936	(1,309)
TOTAL	**8,743**	**850**	**(413)**	**13,873**	**2,356**	**(1,573)**

in millions of euros	**June 30, 2012**	**December 31, 2011**
Exposure before value adjustments	850	2,356
Value adjustment	(413)	(1,573)
Residual exposure	**436**	**783**
Percentage discount	49%	67%

The additional write-down decreased in the first half of 2012 by €1.160 billion (excluding the effect of the BPCE guarantee), bringing total write-downs to €413 million at June 30, 2012 compared to €1.573 billion at December 31, 2011 under the main effect of switching operations with the MBIA monoline counterparty.

PORTFOLIOS OF US RMBS, INCLUDING SUBPRIME RMBS

Breakdown by accounting portfolio – US RMBS

in millions of euros	**Net exposure at 12/31/2011**	**Changes in value during the first half of 2012**	**Other changes**	**Net exposure at 06/30/2012**
Trading book	5	0	(4)	1
Fair value option asset portfolio	0	0	16	16
Loans and receivables portfolio	903	(47)	(178)	678
Available-for-sale assets portfolio	0	0	0	0
Non-wrapped	**908**	**(47)**	**(166)**	**695**
Trading book	10	0	(1)	10
Loans and receivables portfolio	245	0	(48)	198
Wrapped	**255**	**0**	**(49)**	**207**
Trading book	5	0	(4)	1
Loans and receivables portfolio	1,103	0	(914)	189
US Agencies	**1,109**	**0**	**(918)**	**190**
TOTAL	**2,272**	**(47)**	**(1,133)**	**1,092**
BPCE guaranteed net exposure percentage: 15%				
External guaranteed net exposure percentage: 14%				

Breakdowns by rating and by type of underlying asset of US RMBS were as follows at June 30, 2012.

Breakdown by rating – US RMBS

as a percentage	06/30/2012
AAA	19%
AA	14%
A	3%
BBB	2%
BB	3%
B	7%
CCC	17%
CC	16%
C	11%
D	7%
NR	1%
TOTAL	**100%**

Breakdown by underlying asset – US RMBS

as a percentage	06/30/2012
US Agencies	18%
Prime	20%
Alt-A	27%
Subprime	27%
Other	8%
TOTAL	**100%**

EUROPEAN RMBS EXPOSURE

Breakdown by accounting portfolio – UK RMBS

in millions of euros	Net exposure at 12/31/2011	Changes in value during the first half of 2012	Other changes	Net exposure at 06/30/2012
Trading book	86	0	(83)	3
Fair value option asset portfolio	0	0	12	12
Loans and receivables portfolio	162	0	(114)	47
Available-for-sale assets portfolio	96	(3)	2	95
TOTAL	**344**	**(3)**	**(183)**	**158**
Percentage of exposures guaranteed by BPCE: 52%				
Percentage of net exposure guaranteed by BPCE (including assets carried by Sahara): 60%				

Breakdown by rating – UK RMBS

in millions of euros	AAA	AA	A	BBB	BB	B	CCC	CC
Trading book	0	0	0	3	0	0	0	0
Fair value option asset portfolio	0	7	0	0	0	0	0	5
Loans and receivables portfolio	0	12	35	0	0	0	0	0
Available-for-sale assets portfolio	0	4	16	62	5	4	3	1
TOTAL	**0**	**24**	**51**	**65**	**5**	**4**	**3**	**6**

Breakdown by accounting portfolio – Spanish RMBS

in millions of euros	**Net exposure at 12/31/2011**	**Changes in value during the first half of 2012**	**Other changes**	**Net exposure at 06/30/2012**
Trading book	47	(3)	(35)	9
Fair value option asset portfolio	0	0	0	0
Loans and receivables portfolio	396	0	(188)	208
Available-for-sale assets portfolio	10	0	(3)	7
TOTAL	**453**	**(2)**	**(225)**	**225**
Percentage of exposures guaranteed by BPCE: 18%				
Percentage of net exposure guaranteed by BPCE (including assets carried by Sahara): 98%				

Breakdown by rating – Spanish RMBS

in millions of euros	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**
Trading book	0	0	8	0	1	0	0	0
Fair value option asset portfolio	0	0	0	0	0	0	0	0
Loans and receivables portfolio	0	169	7	0	33	0	0	0
Available-for-sale assets portfolio	0	0	2	4	1	0	0	0
TOTAL	**0**	**169**	**17**	**4**	**35**	**0**	**0**	**0**

CMBS EXPOSURE

Breakdown by accounting portfolio – CMBS

in millions of euros	**Net exposure at 12/31/2011**	**Changes in value during the first half of 2012**	**Other changes**	**Net exposure at 06/30/2012**
Trading book	20	0	(10)	9
Fair value option asset portfolio	0	0	13	13
Loans and receivables portfolio	50	0	(3)	46
Available-for-sale assets portfolio	80	(1)	(3)	76
TOTAL	**149**	**(1)**	**(4)**	**144**
Percentage of exposures guaranteed by BPCE: 69%				

Breakdown by rating – CMBS

as a percentage	**06/30/2012**
AAA	14%
AA	16%
A	16%
BBB	28%
BB	14%
B	10%
CCC	1%
CC	1%
C	0%
NR	0%
TOTAL	**100%**

Breakdown by country – CMBS

as a percentage	06/30/2012
United Kingdom	8%
United States	20%
Europe	70%
Other	2%
TOTAL	**100%**

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

The guarantee system shielding Natixis against the risk of future losses and the volatility of earnings relating to the workout portfolio was put into place in late 2009, with retroactive effect as of July 1, 2009.

This guarantee system, validated by the *Autorité de Contrôle Prudentiel* (ACP – French Prudential Supervisory Authority), concerns an equal share of 85% of risks relating to covered assets and is based on two mechanisms:

- 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 with no time limit;
- a guarantee of the value of trading assets 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 profit made on these assets. The option has a term of 10 years. If it is exercised, the TRS is canceled.

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 are therefore 100% recognized as attributable to equity holders of the parent for the portion relating to BPCE rather than divided between the equity holders of the parent and minority interests.

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 TRADING ASSETS: TOTAL RETURN SWAP (TRS)

The TRS is a derivative instrument that allows transfer of the economic benefit of underlying assets. Each year, at the exchange date:

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

Furthermore, on a prudential basis, the guarantee system has a neutral impact from the start of the transaction in 2009, as risk-weighted assets covered by the system are already fully consolidated by Groupe BPCE (which owns 72% of Natixis) under the full consolidation method.

The assets covered by the financial guarantee and the TRS break down as follows:

in billions of euros	**Notional amount**	**Net value at 06/30/2012 (1)**	**Net value at 12/31/2011**
ABS CDO	1.6	0.6	0.5
Other CDO	4.9	4.4	4.4
RMBS	1.6	1.1	1.6
CMBS	0.5	0.4	0.2
Other ABS	0.5	0.4	0.4
Covered assets (2)	6.9	6.6	8.4
Corporate loans	3.9	3.9	3.9
TOTAL	**19.8**	**17.4**	**19.3**

(1) Net of provisions.
(2) Covered assets correspond to positions covered by monoline insurers.

At June 30, 2012, the net outstanding amount for the guaranteed scope continued to decrease by almost €2 billion relative to December 31, 2011.

3.7 Risks relating to the management of the proprietary activities of the former Caisse Nationale des Caisses d'Epargne (CNCE)[1]

The proprietary activities of the former CNCE have been managed strictly on a run-off basis since late 2008. When BPCE was formed, these activities were placed with CE Participations, still on a run-off basis. Natixis Global Asset Management has benefited from a management mandate since December 1, 2009, with the following system of delegation:

- delegation of risks: control of observance of delegations by Natixis Global Asset Management's Risk Management Division and the Group Finance Division;
- monthly management report (presented by Natixis Global Asset Management to BPCE's Management Committee): valuation of the portfolio, effective 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 Division: observance of mandates, changes to the portfolio and analytical monitoring, risk indicators;
- risk monitoring is reviewed by the Group Risk Management Division as part of the Group Market Risk Management Committee.

In conjunction with the merger by absorption of Banques Populaires Participations and Caisses d'Epargne Participations by BPCE in 2010, a protection mechanism for the "management of proprietary activities" of the former CNCE was put into place, with the main goal of protecting BPCE against the potential losses of this proprietary activity and to safeguard, at Caisses d'Epargne level, economic exposure to certain proprietary trading run-off activities. This makes it complicated.

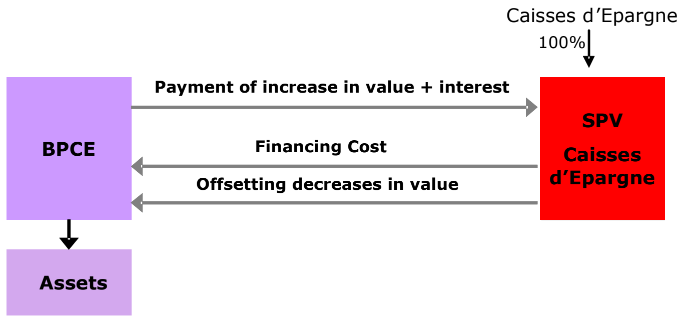
The scope concerned by this mechanism is limited to listed and unlisted medium- and long-term and discretionary management portfolios. The building of this mechanism is based on an SPV (Special Purpose Vehicle), wholly-owned by Caisses d'Epargne which entered into a Total Return Swap with CE Participations by instrument, which allows these transactions to be qualified as hedging instrument transactions. The merger by

[1] Caisse Nationale des Caisses d'Epargne

absorption of CE Participations by BPCE resulted in a transfer of assets and Total Return Swaps to BPCE. These transactions took effect retroactively on January 1, 2010.

Total Return Swaps between the SPV and BPCE consist of swapping changes in values and portfolio returns hedged against remuneration corresponding to the cost of financing of hedged assets, based on a notional amount corresponding to the net carrying value of assets at January 1, 2010 at a rate determined contractually.

The mechanism breaks down as follows:



At June 30, 2012, total outstandings were €1.59 billion, down €380 million compared with December 31, 2011, and broke down as follows:

- €1.47 billion relates to the "Medium- and Long-term portfolio" (at June 30, 2012, CLOs made up 69% of the portfolio);
- €121 million relates to the "delegated management" activity portfolio.

3.8 Legal risks

3.8.1 Legal and arbitration proceedings – BPCE

DOUBL'Ô – DOUBL'Ô MONDE FCP MUTUAL FUND

Entities involved: certain Caisses d'Epargne summoned individually, asset management companies, Natixis subsidiaries and BPCE for the class action lawsuit by Collectif Lagardère.

Certain clients have held mediation procedures with the former Caisse d'Epargne Group's mediator or the AMF's mediator.

AMF procedure

The decision by the AMF Enforcement Committee dated April 19, 2012 which, in accordance with the opinion of its legal advisor, considers that "the statute of limitations was applicable as of October 30, 2008, the date on which the courts were summoned."

On June 19, 2012, the Chairman of the AMF launched an appeal against this decision with the French Council of State.

Civil procedures

Individual summons of Caisses d'Epargne:

Individual legal actions have also been initiated against certain Caisses d'Epargne.

Total claims relating to lawsuits in progress relating to Caisses d'Epargne: around €2,700,000 (this is not exhaustive as it is based on information provided by the Caisses d'Epargne).

Lagardère class action:

Collectif Lagardère launched legal action against Caisse d'Epargne Participations (now BPCE) in August 2009 for compensation for the damages caused by its alleged failures to fulfill its obligations to provide information, advice and warning for the sale of Doubl'ô and Doubl'ô Monde mutual fund shares by the Caisses d'Epargne.

These have resulted in one legal proceeding before the magistrate's court of the 7th arrondissement in Paris and two legal proceedings before the Paris Court of First Instance.

The lawsuit covers the interests of 315 clients.

In all, €6,494,393.82 is being claimed.

A ruling given by the magistrate's court of the 7th arrondissement in Paris on September 6, 2011, declared the plaintiffs' action inadmissible due to a lack of standing against BPCE.

In its ruling of June 6, 2012, the Paris Court of First Instance declared the plaintiffs' and intervenors' action admissible and referred the case to a pre-trial hearing on September 12, 2012.

Criminal action

Caisse d'Epargne Loire Drôme Ardèche was advised on January 7, 2010 of a judicial inquiry against it for misleading advertising relating to the Doubl'ô mutual fund. Caisse d'Epargne Loire Drôme Ardèche was referred to the Saint-Etienne Criminal Court. No timetable has been set at this time.

3.8.2 Legal and arbitration proceedings – Natixis

CIC/CRÉDIT MUTUEL

In a ruling issued on July 10, 2012, the Court of Cassation overturned the Paris Court of Appeal's April 28, 2011 decision for reasons of form associated with the drafting of the appeal ruling. The redrafted case was referred back to the Paris Court of Appeal.

MMR

In 2007, Ixis Corporate & Investment Bank (the rights of which have now transferred to Natixis) issued EMTN (Euro Medium Term Notes) indexed to a fund which invested in the Bernard Madoff Investment Securities fund. Renstone Investments Ltd, the rights of which have now transferred to MMR Investment Ltd, subscribed to $50 million of these notes through a financial intermediary acting as an investment agent for the issue.

MMR Investment Ltd summoned Natixis and the financial intermediary jointly and severally, claiming to have never become a bondholder despite having paid the subscription price to the financial intermediary. The plaintiff's primary claim is for the reimbursement of the bond subscription price and, secondly, the cancellation of the subscription for defect of consent.

Natixis considers the plaintiff's case to be unfounded.

4. Corporate governance

4.1 BPCE Ordinary Shareholders' Meeting of May 24, 2012

The Ordinary Shareholders' Meeting of BPCE, chaired by the Chairman of the Supervisory Board, was held on May 24, 2012. The Management Board put forward 13 resolutions.

The Shareholders' Meeting, having met the necessary conditions as to quorum with respect to the number of shareholders present and represented, was able to convene validly. The Chairman stated that the shareholders and various other persons recognised equally by law were able to exercise their right to information within the periods and under the terms established by law.

The Works Council received the documents and information submitted to the Shareholders' Meeting in a timely manner, in accordance with the provisions of Article L. 2323-8 of the French Labour Code.

These statements were duly noted by the Shareholders' Meeting.

The Chairman then moved to examine the agenda of the Ordinary Shareholders' Meeting. As no one asked to take the floor, the Chairman put the following resolutions on the agenda to a vote.

First resolution: approval of the annual financial statements of BPCE

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, having been informed of the Management Board's Report on the management of the Company, the observations of the Supervisory Board, the Chairman of the Board's Report and the Statutory Auditors' Report on the annual financial statements of BPCE for the financial year ended December 31, 2011, hereby approves the annual financial statements showing a profit of €7,122,739.41.

Second resolution: approval of the consolidated financial statements of Groupe BPCE SA

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, having been informed of the Management Board's Report on the management of the Group, the observations of the Supervisory Board and the Statutory Auditors' Report on the consolidated financial statements of Groupe BPCE SA for the financial year ended December 31, 2011, hereby approves the consolidated financial statements showing a profit of €402 million.

Third resolution: approval of the consolidated financial statements of Groupe BPCE

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, having been informed of the Management Board's Report on the management of the Group, the observations of the Supervisory Board and the Statutory Auditors' Report on the consolidated financial statements of Groupe BPCE for the financial year ended December 31, 2011, hereby approves the consolidated financial statements showing a profit of €2,685 million.

Fourth resolution: distribution of earnings

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, hereby approves the distribution of earnings in the amount of €7,122,739.41, in accordance with the following terms, as put forward by the Management Board:

- 5% of book income for the financial year ended December 31, 2011 to the legal reserve, i.e. €356,136.97, bringing the total legal reserve to €45,041,681.47;

- the remainder, i.e. €6,766,602.44 to retained earnings, bringing total retained earnings to €463,034,665.39.

In accordance with the provisions of Article 253 of the French General Tax Code, the table below shows the dividends paid out in respect of the three previous financial years:

Financial year ended	Dividend per share	Fraction of dividend eligible for 40% tax reduction	Fraction of dividend not eligible for 40% tax reduction
December 31, 2008	/	/	/
December 31, 2009	Category C shares €16.379	/	/
	Category A and B shares €0.01	100%	/
December 31, 2010	Category C shares €40.241	/	/
	Category A and B shares €0.01	100%	/

Fifth resolution: approval of agreements covered by Article L. 225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, having been informed of the Statutory Auditors' Special Report and Complementary Special Report on the agreements covered by Article L. 225-86 of the French Commercial Code, hereby approves, in succession, each of the agreements mentioned therein.

Sixth resolution: ratification of the appointment of Catherine Halberstadt as a member of the Supervisory Board, on the recommendation of the Category B shareholders

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Catherine Halberstadt as a member of the Supervisory Board, carried out on a provisional basis by the Board of Directors on April 4, 2012, replacing Jean Criton, having resigned from office, for the remainder of his term.

Seventh resolution: ratification of agreements covered by Article L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Article L.225-90 of the French Commercial Code, hereby ratifies the application for affiliation with the GSC unemployment insurance agreement in favour of Anne Mercier-Gallay, Philippe Queuille, Nicolas Duhamel and Olivier Klein (by taking over his contract), members of the Management Board, and for each of the Management Board members, and also hereby approves the continuation of their remuneration for a period of 12 months in the event of temporary work incapacity, and the option of adhering to the employee protection measures implemented by BPCE, under the same conditions as the employees of the Group; these agreements falling within the scope of Article L.225-86 of the French Commercial Code.

Eighth resolution: ratification of a commitment covered by Articles L.225-90-1 and L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Articles L.225-90-1 and L.225-90 of the French Commercial Code, hereby ratifies the terms and conditions of compensation owed or liable to be owed to François Pérol in the event of forced resignation as a member of the Management Board, non-renewal of his corporate office and retirement, in respect of a retirement bonus, and in accordance with the defined contribution pension plans applicable on the one hand to all Group employees and on the other to Group executive officers.

Ninth resolution: ratification of a commitment covered by Articles L.225-90-1 and L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Articles L.225-90-1 and L.225-90 of the French Commercial Code, hereby ratifies the terms and conditions of compensation owed or liable to be owed to Nicolas Duhamel in the event of forced resignation as a member of the Management Board, non-renewal of his corporate office and retirement, in respect of a retirement bonus, and in accordance with the defined contribution pension plans applicable on the one hand to all Group employees and on the other to Group executive officers.

Tenth resolution: ratification of a commitment covered by Articles L.225-90-1 and L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Articles L.225-90-1 and L.225-90 of the French Commercial Code, hereby ratifies the terms and conditions of compensation owed or liable to be owed to Philippe Queuille in the event of forced resignation as a member of the Management Board, non-renewal of his corporate office and retirement, in respect of a retirement bonus, and in accordance with the defined contribution pension plans applicable on the one hand to all Group employees and on the other to Group executive officers.

Eleventh resolution: ratification of a commitment covered by Articles L.225-90-1 and L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Articles L.225-90-1 and L.225-90 of the French Commercial Code, hereby ratifies the terms and conditions of compensation owed or liable to be owed to Olivier Klein in the event of forced resignation as a member of the Management Board, non-renewal of his corporate office and retirement, in respect of a retirement bonus, and in accordance with the defined contribution pension plans applicable on the one hand to all Group employees and on the other to Group executive officers.

Twelfth resolution: ratification of a commitment covered by Articles L.225-90-1 and L.225-86 of the French Commercial Code

The Shareholders' Meeting, under the conditions required for Ordinary Shareholders' Meetings as to quorum and majority, in view of the Statutory Auditors' Special Report and Complementary Special Report, in accordance with the provisions of Articles L.225-90-1 and L.225-90 of the French Commercial Code, hereby ratifies the terms and conditions of compensation owed or liable to be owed to Anne-Mercier Gallay in the event of forced resignation as a member of the Management Board, non-renewal of her corporate office and retirement, in respect of a retirement bonus, and in accordance with the defined contribution pension plans applicable on the one hand to all Group employees and on the other to Group executive officers.

<u>Thirteenth resolution: powers to complete formalities</u>

Bearers of an extract or copy of the present document are endowed with all powers to carry out the necessary legal formalities.

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

4.2 New composition of the Supervisory Board

New composition of the Supervisory Board:

At its meeting on June 27, 2012, the BPCE Supervisory Board acknowledged:

- the resignation of Bernard Jeannin from his position as a member of the Supervisory Board and appointed Alain Condaminas, Chief Executive Officer of Banque Populaire Occitane to the Supervisory Board for the remainder of his predecessor's term of office, i.e. until the Annual General Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2014;
- the resignation of Alain Condaminas from his position as a non-voting director of the Supervisory Board and appointed Dominique Wein, Chief Executive Officer of Banque Populaire Lorraine Champagne to the Supervisory Board for the remainder of his predecessor's term of office, i.e. until the Annual General Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016;

Following these changes, the Board now includes the following category A shareholder representatives:

- Yves Toublanc, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes, Chairman of the BPCE Supervisory Board since January 1, 2012;
- Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Bernard Comolet, Chairman of the Management Board of Caisse d'Epargne Île-de-France;
- 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;
- 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 Languedoc-Roussillon.

The Board now includes the following category B shareholder representatives:

- Philippe Dupont, Chairman of the BPCE Supervisory Board until January 1, 2012;
- Catherine Halberstadt, Chief Executive Officer of Banque Populaire du Massif Central since April 4, 2012;
- Stève Gentili, Chairman of BRED Banque Populaire, Vice-Chairman of the BPCE Supervisory Board since January 1, 2012;
- Gérard Bellemon, Chairman of Banque Populaire Val de France;
- Thierry Cahn, Chairman of Banque Populaire d'Alsace;
- Pierre Desvergnes, Chairman of CASDEN Banque Populaire;
- Alain Condaminas, Chief Executive Officer of Banque Populaire Occitane.

The following are independent members:

- Maryse Aulagnon, independent member, Chairman and Chief Executive Officer of Groupe Affine;
- Laurence Danon, independent member, Chairman of the Management Board of Edmond de Rothschild Corporate Finance;
- Marwan Lahoud, independent member, Head of Strategy and Marketing and member of the Executive Committee of EADS;
- Marie-Christine Lombard, independent member, Chairman and Chief Executive Officer of TNT Express.

The following are non-voting directors:

- Natixis, represented by Laurent Mignon, non-voting director;
- Raymond Oliger, non-voting director, Chairman of the Fédération Nationale des Banques Populaires;
- Michel Sorbier, non-voting director, Chairman of the Fédération Nationale des Caisses d'Epargne;
- Gils Berrous, non-voting director, Chief Executive Officer of Banque Populaire Nord;
- Pierre Carli, non-voting director, Chairman of the Management Board of Caisse d'Epargne de Midi-Pyrénées;
- Alain Denizot, non-voting director, Chairman of the Management Board of Caisse d'Epargne Nord France Europe;
- Dominique Wein, non-voting director, Chief Executive Officer of Banque Populaire Lorraine Champagne.

Biography of Alain Condaminas:

Alain Condaminas, 55, is Chief Executive Officer of Banque Populaire Occitane. With a Master's degree in Economics and a Post-Graduate diploma in Banking Techniques and Finance, Alain Condaminas joined Groupe Banque Populaire in 1984. In 1992, he joined Banque Populaire Toulouse-Pyrénées as Production Manager, supervising Human Resources, and then as Chief Operating Officer. In 2001, Alain Condaminas was appointed Chief Executive Officer of Banque Populaire Quercy-Agenais. In 2003, he managed the merger with Banque Populaire du Tarn et de l'Aveyron and, in 2006 a second merger with Banque Populaire Toulouse-Pyrénées to create today's Banque Populaire Occitane.

Offices held by Alain Condaminas:

Alain CONDAMINAS
Born April 6, 1957
Offices held at June 27, 2012
Member of the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Occitane
Director: Natixis, Natixis Asset Management
Chairman: Fondation d'Entreprise BPOC
Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors: CELAD SA
Permanent Representative of Banque Populaire Occitane, Director: i-bp, IRDI
Permanent Representative of Banque Populaire Occitane, Member of the

Supervisory Board: SOTEL, ABP IARD

Permanent Representative of Banque Populaire Occitane, Member of the Investment Committee: MULTICROISSANCE

Legal Manager of IMMOCARSO (SNC)

Legal Manager of SCI immobilière de l'Hers

Terms of office expired in 2012

Non-Voting Director on the BPCE Supervisory Board

Director: Natixis Interépargne

Offices held at December 31 in previous years

2011	2010	2009	2008
Non-Voting Director on the BPCE Supervisory Board **Chief Executive Officer of Banque Populaire Occitane** **Chairman:** Fondation d'entreprise BPOC **Director:** Natixis Asset Management, Natixis Interépargne **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors:** CELAD SA **Permanent Representative of BP Occitane, Director:** i-bp, IRDI **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board:** SOTEL, ABP IARD **Legal Manager**: SNC Immocarso	**Non-Voting Director on the BPCE Supervisory Board** **Chief Executive Officer of Banque Populaire Occitane** **Chairman:** GIE Carso Matériel **Director:** Natixis Asset Management, Natixis Interépargne **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors:** CELAD SA **Permanent Representative of BP Occitane, Director**: i-bp, IRDI **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL, ABP IARD **Legal Manager**: SNC Immocarso	**Non-Voting Director on the BPCE Supervisory Board** **Chief Executive Officer of Banque Populaire Occitane** **Chairman:** GIE Carso Matériel **Director:** Natixis Asset Management, Natixis Securities, Société Marseillaise de Crédit (SMC) **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors:** CELAD SA **Permanent Representative of BP Occitane, Director**: i-bp, IRDI **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL, ABP IARD, Latecoere **Legal Manager**: SNC Immocarso	**Chief Executive Officer of Banque Populaire Occitane** **Chairman**: GIE Carso Matériel **Director:** Natixis Asset Management, Natixis Securities, Société Marseillaise de Crédit (SMC), Socama 31 **Permanent Representative of BP Occitane, Vice-Chairman of the Board of Directors:** CELAD SA **Permanent Representative of Banque Populaire Occitane, Director**: i-bp, IRDI **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL, ABP IARD, Latecoere **Legal Manager**: SNC Immocarso

Biography of Dominique Wein:

Dominique Wein, 57, is Chief Executive Officer of Banque Populaire Lorraine Champagne. After graduating with a law degree, Dominique Wein joined Groupe Banque Populaire in 1983. He completed his education at the *Institut Technique de Banque* and the *Conservatoire National des Arts et Métiers de Paris* in financial engineering and Advanced Banking and Insurance Management, and also completed the Banque Populaire banks' Advanced Management Program. After holding various management positions at Banque Populaire Lorraine Champagne from 2002 to 2008, Dominique Wein was appointed Chief Executive Officer of Banque Populaire du Sud-Ouest, then Chief Executive Officer of Banque Populaire Lorraine Champagne in 2010.

Offices held by Dominique Wein:

Dominique WEIN **Born May 20, 1955**			
Offices held at June 27, 2012			
Non-Voting Director on the BPCE Supervisory Board **Chief Executive Officer of Banque Populaire Lorraine Champagne** **Director: BPCE International & Outremer, Compagnie Européenne de Garanties et Cautions, Natixis Paiement, Fructifrance Immobilier (and Chairman), Banque des Antilles Françaises, Fondation d'Entreprise Banque Populaire, BPCE Domaines, LUXEQUIBAIL, SOCAMA Lorraine** **Chairman of the Board of Directors: CRITEL, TURBO SA** **Co-manager: SEGIMLOR, COFILOR SARL** **Legal Manager: SCI François de Curel** **Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: SAS Sociétariat Banque Populaire Lorraine Champagne, Eurocapital** **Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: SCI Espace Charlemagne, SNC Locagare** **Permanent Representative of Banque Populaire Lorraine Champagne, Director: SOCAMA Champagne, i-bp**			
Terms of office expired in 2012			
none			
Offices held at December 31 in previous years			
2011	**2010**	**2009**	**2008**
Chief Executive Officer of Banque Populaire Lorraine Champagne **Director:** BPCE International & Outremer, Compagnie Européenne de Garanties et Cautions, Natixis Paiement, Fructifrance Immobilier (and Chairman),	**Chief Executive Officer of Banque Populaire Lorraine Champagne** **Director:** BPCE International & Outremer, Compagnie Européenne de Garanties et Cautions, Natixis Paiement, Fructifrance Immobilier (and Chairman),	**Chief Executive Officer of Banque Populaire Sud Ouest** **Director:** BPCE International & Outremer, Compagnie Européenne de Garanties et Cautions, Fondation d'Entreprise Banque	**Chief Executive Officer of BP Sud Ouest** **Director:** BPCE International & Outremer, Compagnie Européenne de Garanties et Cautions, Fondation d'Entreprise Banque Populaire, BPCE

Fondation d'Entreprise Banque Populaire, BPCE Domaines, LUXEQUIBAIL, SOGAMMELOR (SOCAMA Lorraine since May 24, 2012) **Chairman of the Board of Directors:** CRITEL **Co-manager**: SEGIMLOR, COFILOR SARL **Legal Manager:** SCI François de Curel **Permanent Representative of Banque Populaire Lorraine Champagne, Chairman:** SAS Sociétariat Banque Populaire Lorraine Champagne, Eurocapital **Permanent Representative of Banque Populaire Lorraine Champagne, Chairman:** SCI Espace Charlemagne, SNC Locagare **Permanent Representative of Banque Populaire Lorraine Champagne, Director:** SOCAMA Champagne, i-bp **Permanent Representative of Banque Populaire Lorraine Champagne, Member of the Supervisory Board**: Foncière des Régions	Fondation d'Entreprise Banque Populaire, BPCE Domaines **Co-manager**: SEGIMLOR, COFILOR SARL **Legal Manager:** SCI François de Curel **Permanent Representative of Banque Populaire Lorraine Champagne, Chairman:** SAS Sociétariat Banque Populaire Lorraine Champagne **Permanent Representative of Banque Populaire Lorraine Champagne, Legal Manager:** SCI Espace Charlemagne, SNC Locagare **Permanent Representative of Banque Populaire Lorraine Champagne, Director:** i-bp	Populaire, BPCE Domaines, Natixis Epargne Financière and Natixis Epargne Financière Services **Permanent Representative of Banque Populaire Sud Ouest, Director:** i-bp	Domaines, Natixis Epargne Financière and Natixis Epargne Financière Services **Permanent Representative of Banque Populaire Sud Ouest, Director:** i-bp

4.3 General Management Committee

Biography of Marguerite Bérard-Andrieu

Marguerite Bérard-Andrieu (34) a graduate of the Paris Institute of Political Science (*Sciences Po*) and of Princeton University, is also a former student of the *Ecole Nationale d'Administration* (ENA).

She began her career in 2004 in the *Inspection Générale des Finances*, the French Directorate responsible for auditing public bodies.

From 2007 to 2010, she served as a technical advisor – and subsequently advisor – to the President of the French Republic, responsible for questions related to employment and social protection. She then ran the private office of the French Minister of Labor, Employment and Health from November 2010 to May 2012.

Marguerite Bérard-Andrieu is appointed Deputy Chief Executive Officer* responsible for the corporate strategy of Groupe BPCE as of July 16. She is a member of the General Management Committee.

** The title of CEO does not include within the meaning of Article L. 225-66 of the Commercial Code.*

5. Financial information

5.1 IFRS condensed interim consolidated financial statements of Groupe BPCE at June 30, 2012

5.1.1 Consolidated balance sheet

ASSETS

in millions of euros	Notes	06/30/2012	12/31/2011
Cash and amounts due from central banks		12,349	15,995
Financial assets at fair value through profit and loss	4.1.1	257,536	225,477
Hedging derivatives		11,207	11,320
Available-for-sale financial assets	4.2	79,516	84,826
Loans and receivables due from credit institutions	4.4.1	143,751	141,471
Loans and receivables due from customers	4.4.2	577,048	571,880
Remeasurement adjustment on interest-rate risk hedged portfolio		6,812	5,471
Held-to-maturity financial assets		10,175	8,864
Current tax assets		226	1,246
Deferred tax assets		5,503	5,253
Accrued income and other assets		56,003	50,804
Deferred profit-sharing		8	902
Investments in associates		2,197	2,149
Investment property		1,899	2,028
Property, plant & equipment		4,781	4,819
Intangible assets		1,384	1,385
Goodwill	4.6	4,532	4,505
TOTAL ASSETS		**1,174,927**	**1,138,395**

LIABILITIES

in millions of euros	Notes	06/30/2012	12/31/2011
Amounts due to central banks		4	15
Financial liabilities at fair value through profit or loss	4.1.2	238,424	227,996
Hedging derivatives		10,829	9,979
Amounts due to credit institutions	4.7.1	112,708	117,914
Amounts due to customers	4.7.2	408,973	398,737
Debt securities	4.8	232,572	222,318
Remeasurement adjustment on interest-rate risk hedged portfolio		1,887	1,731
Current tax liabilities		382	314
Deferred tax liabilities		834	412
Accrued expenses and other liabilities		53,130	46,804
Technical reserves of insurance companies		47,269	46,785
Provisions	4.9	4,758	4,634
Subordinated debt	4.10	10,918	11,882
Equity		**52,239**	**48,874**
Equity attributable to equity holders of the parent		48,492	45,136
Share capital and additional paid-in capital	4.11.1	26,998	26,188
Retained earnings		21,266	17,919
Gains and losses recognized directly in equity		(1,105)	(1,656)
Net income for the period		1,333	2,685
Minority interests		3,747	3,738
TOTAL LIABILITIES		**1,174,927**	**1,138,395**

5.1.2 Consolidated income statement

in millions of euros	Notes	H1 2012	H1 2011
Interest and similar income	5.1	16,433	16,110
Interest and similar expenses	5.1	(10,295)	(10,031)
Commission income	5.2	4,472	4,668
Commission expense	5.2	(909)	(827)
Net gains or losses on financial instruments at fair value through profit or loss	5.3	816	618
Net gains or losses on available-for-sale financial assets	5.4	(268)	173
Income from other activities	5.5	4,783	4,868
Expenses from other activities	5.5	(3,911)	(3,541)
Net banking income		**11,121**	**12,038**
Operating expenses	5.6	(7,415)	(7,655)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		(437)	(447)
Gross operating income		**3,269**	**3,936**
Cost of risk	5.7	(1,108)	(924)
Operating income		**2,161**	**3,012**
Share in net income of associates	5.8	103	105
Gains or losses on other assets		9	45
Change in the value of goodwill		(5)	0
Income before tax		**2,268**	**3,162**
Income tax	5.9	(788)	(1,020)
Net income		**1,480**	**2,142**
Minority interests		(147)	(196)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,333**	**1,946**

5.1.3 Statement of net income and gains and losses recognized directly in equity

in millions of euros	H1 2012	H1 2011
Net income	**1,480**	**2,142**
Foreign exchange rate adjustments	104	(374)
Change in the value of available-for-sale financial assets	707	87
Change in the value of hedging derivatives	(90)	332
Income tax	(167)	(72)
Share of gains and losses recognized directly in the equity of associates	41	(21)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY (AFTER INCOME TAX)	**595**	**(48)**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**2,075**	**2,094**
Attributable to equity holders of the parent	1,883	1,921
Minority interests	192	173

5.1.4 Statement of changes in equity

in millions of euros	Share capital and additional paid-in capital: Share capital (1)	Additional paid-in capital (1)	Preference shares	Perpetual deeply subordinated notes	Retained earnings	Gains and losses recognized directly in equity: Foreign exchange rate adjustments	Change in fair value of financial instruments: Available-for-sale financial assets	Hedging derivatives	Net income attributable to equity holders of the parent	Shareholders' equity	Minority interests	Total consolidated equity
Shareholders' equity at January 1, 2011	**15,448**	**10,174**	**1,200**	**4,950**	**16,096**	**8**	**51**	**(542)**		**47,385**	**3,980**	**51,365**
Increase in capital	393				9					**402**	135	**537**
Dividend payments					(541)					**(541)**	(246)	**(787)**
Buy-back of deeply subordinated notes				(1,000)						**(1,000)**	(29)	**(1,029)**
Interest on deeply subordinated notes					(158)					**(158)**	(27)	**(185)**
Buy-back of preference shares			(1,200)		(20)					**(1,220)**		**(1,220)**
Impact of acquisitions and disposals on minority interests					(85)					**(85)**	(308)	**(393)**
Gains and losses recognized directly in equity						(252)	23	204		**(25)**	(23)	**(48)**
Net income									1,946	**1,946**	196	**2,142**
Other changes	(7)				(40)					**(47)**	9	**(38)**
Shareholders' equity at June 30, 2011	**15,834**	**10,174**		**3,950**	**15,261**	**(244)**	**74**	**(338)**	**1,946**	**46,657**	**3,687**	**50,344**
Dividend payments					(26)					**(26)**	(124)	**(150)**
Reclassification of guarantee deposits from mutual guarantee companies	(185)									**(185)**		**(185)**
Increase in capital	357	2			(253)					**106**	(175)	**(69)**
Buy-back of deeply subordinated notes				(697)	(245)					**(942)**		**(942)**
Interest on deeply subordinated notes					(128)					**(128)**	(27)	**(155)**
Impact of acquisitions and disposals on minority interests					19					**19**	182	**201**
Gains and losses recognized directly in equity						346	(1,259)	(234)		**(1,147)**	80	**(1,067)**
Net income									739	**739**	142	**881**
Other changes	7				36					**43**	(27)	**16**
Shareholders' equity at December 31, 2011	**16,013**	**10,176**		**3,253**	**14,664**	**102**	**(1,185)**	**(572)**	**2,685**	**45,136**	**3,738**	**48,874**
Appropriation of net income for 2011					2,685				(2,685)			
Shareholders' equity at January 1, 2012	**16,013**	**10,176**		**3,253**	**17,349**	**102**	**(1,185)**	**(572)**		**45,136**	**3,738**	**48,874**
Dividend payments					(491)					**(491)**	(115)	**(606)**
Increase in capital (2)	809				1,230					**2,039**	(40)	**1,999**
Buy-back of deeply subordinated notes											(12)	**(12)**
Interest on deeply subordinated notes					(116)					**(116)**	(27)	**(143)**
Impact of acquisitions and disposals on minority interests					5					**5**	10	**15**
Gains and losses recognized directly in equity						58	546	(54)		**550**	45	**595**
Net income									1,333	**1,333**	147	**1,480**
Other changes				19	17					**36**	1	**37**
Shareholders' equity at June 30, 2012	**16,822**	**10,176**		**3,272**	**17,994**	**160**	**(639)**	**(626)**	**1,333**	**48,492**	**3,747**	**52,239**

Comments:

(1) Share capital and Additional paid-in capital comprise the capital of the Banque Populaire banks and the Caisses d'Epargne in respective amounts of €8.2 billion and €8.6 billion and additional paid-in capital of €4.2 billion and €5.9 billion.

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

(2) During the first half of 2012, the Banque Populaire banks increased their capital by €0.8 billion.

5.1.5 Consolidated cash flow statement

in millions of euros	H1 2012	H1 2011
Income before tax	**2,268**	**3,162**
Net depreciation and amortization of property, plant and equipment, and intangible assets	490	507
Goodwill impairment	5	0
Net charge to provisions and provisions for impairment	1,536	213
Share in net income/(loss) of associates	(304)	(237)
Net cash flows generated by investing activities	(303)	(405)
Income/expense from financing activities	224	282
Other movements	7,828	(1,571)
Total non-monetary items included in net income/(loss) before tax	***9,476***	***(1,210)***
Net increase or decrease arising from transactions with credit institutions	3,778	(5,070)
Net increase or decrease arising from transactions with customers	10,614	22,447
Net increase or decrease arising from transactions involving financial assets and liabilities	(11,370)	471
Net increase or decrease arising from transactions involving non-financial assets and liabilities	(8,037)	(5,252)
Taxes paid	287	293
Net increase/(decrease) in assets and liabilities resulting from operating activities	***(4,728)***	***12,889***
Net cash flows generated by operating activities (A)	**7,016**	**14,841**
Net increase or decrease related to financial assets and equity investments	(1,791)	(96)
Net increase or decrease related to investment property	211	(60)
Net increase or decrease related to property, plant and equipment, and intangible assets	(425)	(524)
Net cash flows generated by investing activities (B)	**(2,005)**	**(680)**
Net increase (decrease) arising from transactions with shareholders (1)	1,381	(2,499)
Other increases or decreases generated by financing activities	(532)	(1,115)
Net cash flows generated by financing activities (C)	**849**	**(3,614)**
Impact of changes in exchange rates (D)	**4**	**(771)**
Total net cash flows (A+B+C+D)	**5,864**	**9,776**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	15,995	24,143
Due to central banks (liabilities)	(15)	(490)
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts (2)	5,072	5,974
Demand accounts and loans	14,770	1,194
Demand accounts in credit	(9,363)	(13,194)
Demand repurchase agreements	(1,187)	(604)
Opening cash and cash equivalents	**25,272**	**17,024**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	12,349	33,038
Due to central banks (liabilities)	(5)	(533)
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts (2)	5,706	7,120
Demand accounts and loans	28,197	831
Demand accounts in credit	(9,607)	(12,749)
Demand repurchase agreements	(5,504)	(908)
Closing cash and cash equivalents	**31,136**	**26,799**
Net change in cash and cash equivalents	**5,864**	**9,776**

(1) Cash flows from or to the shareholders include:

- the buy-back of deeply subordinated notes recorded in equity for -€12 million;
- net changes in equity of the Banque Populaire banks and Caisses d'Epargne amounting to +€1,999 million;
- dividend payouts, amounting to -€606 million.

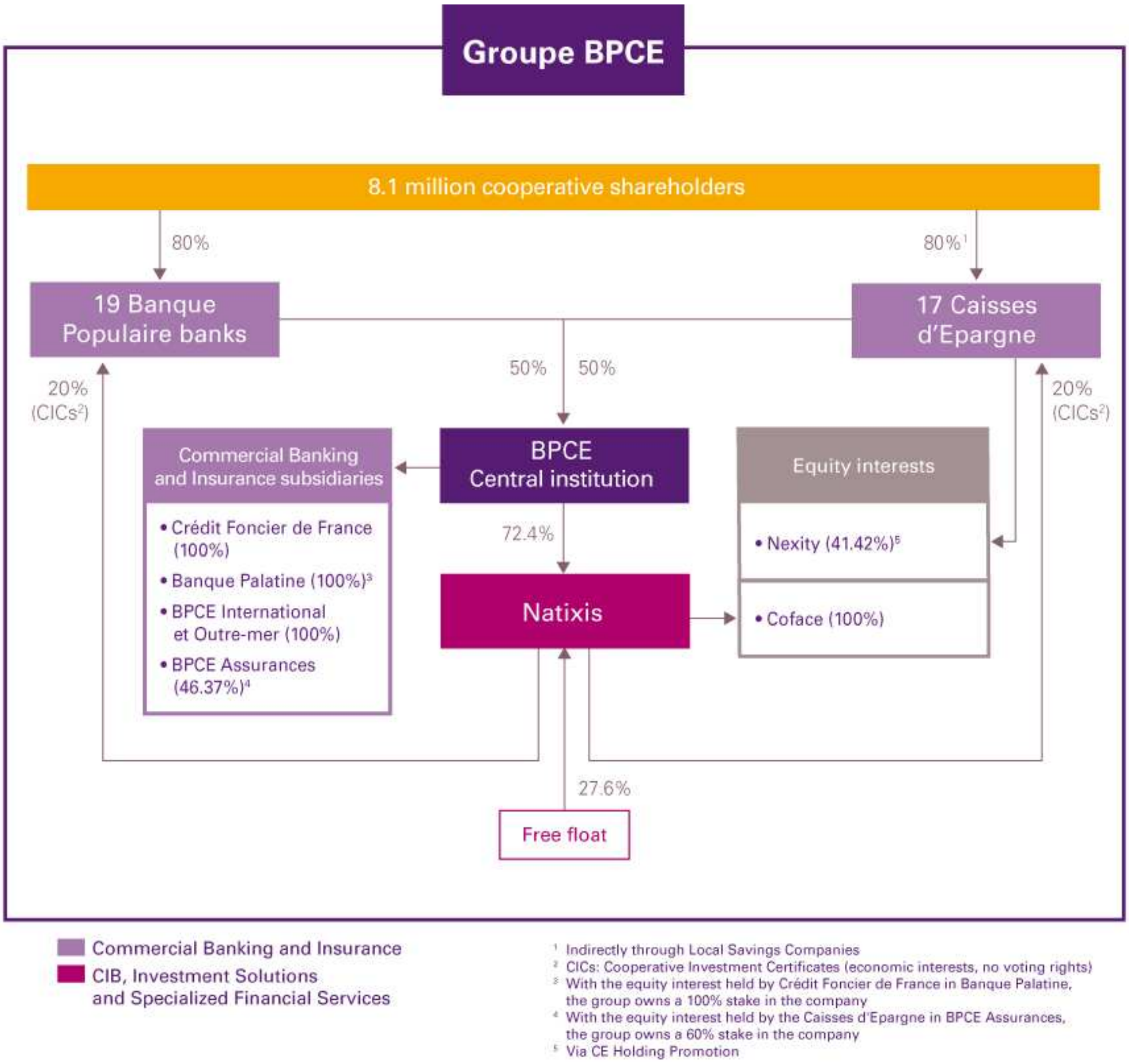
(2) Current accounts with overdrafts do not include Livret A and LDD passbook savings account funds centralized with the Caisse des dépôts et consignations.

5.1.6 Notes to the Groupe BPCE financial statements

Note 1 General background

1.1 Groupe BPCE

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



The two banking networks: the Banque Populaire banks and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks, the 19 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banque Populaire banks and the mutual guarantee companies granting them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne et de Prévoyance and the local savings companies.

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 LSCs are cooperative structures with an open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne to which they are affiliated and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution licensed to operate as a bank, was created pursuant to Law No. 2009-715 of June 18, 2009. BPCE was incorporated as a société anonyme with a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 17 Caisses d'Epargne and the 19 Banque Populaire banks.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banque Populaire banks and the Caisses d'Epargne.

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 is the head entity of the Group and holds the joint ventures between the two networks in retail banking, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around three major segments:

- Natixis, a 72.4%-owned listed company that combines Corporate and Investment Banking, Investment Solutions and Specialized Financial Services;
- Commercial Banking and Insurance (including Crédit Foncier, Banque Palatine and BPCE International et Outre-mer);
- Subsidiaries and Equity interests.

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 Guarantee mechanism

Pursuant to Article L. 512-107 of the French Monetary and Financial Code (Code monétaire et financier), the guarantee and shared support mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Banque Populaire and Caisse d'Epargne networks.

BPCE is tasked with taking all measures necessary to guarantee the capital adequacy of the Group and each of the networks, including implementing the appropriate internal financing mechanisms within the Group and establishing a Mutual Guarantee Fund common to both networks, for which it determines the working rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions of associates to the fund's initial capital endowment and reconstitution.

BPCE manages the funds for the Banque Populaire network and the Caisse d'Epargne et de Prévoyance network and has put in place the Mutual Guarantee Fund.

The Banque Populaire network fund was formed by a deposit made by the Banks (€450 million) that was booked by BPCE in the form of a 10-year time deposit which is indefinitely renewable.

The Caisses d'Epargne et de Prévoyance network fund was formed by a deposit made by the Caisses (€450 million) that was booked by BPCE in the form of a 10-year time deposit which is indefinitely renewable.

The Mutual Guarantee Fund was formed by deposits made by the Banque Populaire banks and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year time deposits which are indefinitely renewable. The deposits amounted to €330 million as of June 30, 2012, and the funds will be topped up each year by an amount equivalent to 5% of the contributions made by the Banque Populaire banks, the Caisses d'Epargne, and their subsidiaries to the Group's consolidated income.

The total amount of deposits made to BPCE in respect of the funds for the Banque Populaire network, the fund for the Caisse d'Epargne et de Prévoyance network and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the total weighted assets of the Group.

The booking of deposits in the establishments' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

The mutual guarantee companies (sociétés de caution mutuelle), whose sole corporate purpose is to guarantee loans issued by Banque Populaire banks, are covered by the liquidity and capital adequacy guarantee of the Banque Populaire bank with which they are jointly licensed in accordance with Article R. 515-1 of the French Monetary and Financial Code (Code monétaire et financier).

The liquidity and capital adequacy of the Caisses de Crédit Maritime Mutuel are guaranteed in respect of each individual Caisse, by the Banque Populaire which is both the core shareholder and provider of technical and operational support for the concerned Caisse to the partner Banque Populaire bank.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne et de Prévoyance which is the shareholder of the local savings company concerned.

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 during the first half of 2012

Accounting methods for the offer to exchange Greek securities

The Group participated in the Greek government's private sector support plan. Under this plan, the Group exchanged €1,199 million in Greek securities for new securities on March 12, 2012. The exchange was carried out as follows:

For former Greek sovereign bonds with a nominal value of 1,000, the following securities were received:

- two securities issued by the European Financial Stability Facility (EFSF) at a nominal value of 75 each, with respective maturities of one and two years, which earn interest under normal market conditions;
- six-month securities issued by the EFSF intended to pay interest accumulated on former issues;

- Greek government bonds with a total nominal value of 315, with maturities staggered from 2023 to 2042 (20 tranches in total); these bonds will pay a fixed interest rate below the market interest rate for comparable issues;
- Greek GDP-indexed warrants: if Greece's GDP reaches certain thresholds defined in the agreement, the investor will receive additional interest of 1% maximum; the depreciable notional value of this option is equal to the cumulative nominal value of the Greek bonds.

The exchange of securities led to the derecognition of former securities and recognition of securities received in exchange at their fair value. This transaction generated a permanent loss of 78% of the nominal value of the former securities (versus 70% estimated by the Group at closing of accounts at the end of December 2011). The additional expense recorded in as a cost of risk in the first half of 2012 was €27 million.

Sovereign risk on certain European Union countries

The exposure of Groupe BPCE's banking activities to the sovereign risk of these seven European Union countries on June 30, 2012 was as follows:

Accounting classification *in millions of euros*	Banking book				Trading book		Total net exposures as at June 30, 2012	Total net exposures as at December 31, 2011
	Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Financial assets designated at fair value	Direct exposures	Indirect exposures		
Cyprus	57	0	0	0	0	(1)	56	0
Spain	1	0	5	7	202	(6)	209	(42)
Greece	4	1	0	3	0	0	8	682
Hungary	41	59	0	6	5	(2)	109	0
Ireland	0	160	5	5	2	(12)	161	174
Italy (1)	1,579	1,829	79	16	364	(1)	3,867	2,751
Portugal	15	47	4	12	(55)	(7)	16	99
TOTAL	1,697	2,096	94	49	517	(29)	4,426	3,664

(1) The change in Groupe BPCE's Italian sovereign risk exposure over the first half of 2012 was specifically associated with a "Regional Public Sector" exposure being reclassified as "Sovereign" exposure.

The maturity dates of all net exposures at June 30, 2012 were as follows:

in millions of euros	Remaining maturity						TOTAL
	1 year	2 years	3 years	5 years	10 years	> 10 years	
Cyprus	0	0	0	(1)	57	0	56
Spain	363	(136)	(140)	54	58	10	209
Greece	0	0	0	0	0	8	8
Hungary	2	2	(20)	106	19	0	109
Ireland	7	27	9	(17)	7	127	161
Italy	717	(315)	228	(6)	221	3,022	3,867
Portugal	9	13	42	(86)	38	0	16
TOTAL	1,098	(409)	119	50	400	3,167	4,426

The exposure of Groupe BPCE's insurance activities to the sovereign risk of these European Union countries on June 30, 2012 was as follows:

in millions of euros	Gross exposure at June 30, 2012	Gross exposure at December 31, 2011
Spain	164	174
Greece	2	171
Ireland	118	106
Italy	1,091	513
Portugal	108	96
TOTAL	1,483	1,060

Groupe BPCE's insurance activities have no exposure to Hungary or Cyprus.

1.4 Events after the balance sheet date

Draft Amended French Finance Act 2012

The draft amended French Finance Act 2012 notably sets out the establishment of an additional contribution, to be paid by September 30, 2012 at the latest, equivalent to the systemic banking tax paid in 2012, the amount of which is 0.25% of the Group's consolidated capital requirements. Furthermore, beginning on January 1, 2013, the systemic banking tax rate would double from 0.25% to 0.50%.

In accordance with accounting regulations (change in tax rates or fiscal laws voted on or announced after the balance sheet date), the impact of these new fiscal measures is not recorded at June 30, 2012.

Accounting for this additional contribution on a prorata basis would have had a before-tax impact of -€41 million on the consolidated financial statements at June 30, 2012.

Note 2 Applicable accounting standards and comparability

2.1 Regulatory framework

In accordance with EC Regulation No. 1606/2002 of July 19, 2002 on the application of international accounting standards, Groupe BPCE has prepared its consolidated financial statements for the first half of 2012 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 at June 30, 2012 were prepared according to IAS 34 "Interim Financial Reporting". The notes therefore apply to the most significant aspects of the half-year and should be read in conjunction with the Group's consolidated financial statements at December 31, 2011.

2.2 Standards

The accounting standards and principles are identical to those used and described in the financial statements at December 31, 2011.

The other standards, amendments and interpretations adopted by the European Union, application of which was mandatory in 2012, did not have a material impact on the Group’s financial statements.

BPCE did not elect for early adoption of the texts adopted by the European Union on June 30, 2012, which had not yet entered into force as of that date:

- amendment to IAS 1 "Presentation of Financial Statements" adopted by the European Commission on June 5, 2012 and compulsory for fiscal years beginning on or after July 1, 2012. This amendment is intended to expand the financial information included in the "Statement of net income and gains and losses recognized directly in equity". Gains and losses recognized directly in equity will be presented so as to distinguish the individual items that may have been included in the net income recycling from those which will not be recycled in net income.
- amendment to IAS 19 "Employee benefits" adopted by the European Commission on June 5, 2012 and compulsory for fiscal years beginning retrospectively on January 1, 2013. This amendment modifies the recording and the presentation of pension and similar obligations, notably concerning actuarial gains and losses which will be recognized immediately and comprehensively in equity and past service cost which will be immediately recognized as income.

IFRS 13 "Fair Value Measurement" is currently being adopted by the European Commission. It applies on a prospective basis to fiscal years beginning on or after January 1, 2013. IFRS 13 indicates how to measure fair value, but does not change the conditions for applying fair value.

The impact on the Group's consolidated financial statements related to implementing these standards is currently being estimated.

[1] These standards are on display at the website of the European Commission at the following URL: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

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.

These estimates are 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 period ended June 30, 2012, the accounting estimates involving assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 4.1);
- the amount of impairment of financial assets, and more specifically permanent impairment losses on available-for-sale assets and impairment losses on an individual basis or calculated on the basis of portfolios (Note 4.2);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home savings products and provisions for insurance contracts (Note 4.9);
- calculations related to the cost of pensions and future employee benefits;
- deferred tax assets and liabilities;
- goodwill impairment testing (Note 4.6).

2.4 Presentation of the consolidated financial statements and balance sheet date

Consolidating entity

The consolidating entity of Groupe BPCE comprises:

- the Banque Populaire banks, namely the 17 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 or Mutual guarantee companies) collectively affiliated with the Banque Populaire banks to which they are linked;
- the Group's central institution, BPCE.

In addition, the Group comprises:

- the subsidiaries of the Banque Populaire banks;
- the subsidiaries of Caisses d'Epargne, including CE Holding Promotion and its subsidiaries (Nexity, Habitat en Région, etc.)
- the subsidiaries owned by the central institution, including Natixis, Crédit Foncier, Banque Palatine, BPCE IOM, etc.

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 interim consolidated financial statements

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

Interim balance sheet date

The consolidated financial statements are based on the individual financial statements as at June 30, 2012 of the entities included in the scope of consolidation. The Group's consolidated financial statements were approved by the Management Board on July 30, 2012.

Note 3 Segment reporting

Groupe BPCE is structured around its two core businesses:

Commercial Banking and Insurance, including:

- the Banque Populaire network, comprised of 19 Banque Populaire banks and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
- the Caisse d'Epargne network consisting of the 17 Caisses d'Epargne;
- Real Estate Financing, the results of which predominantly reflect the contribution of the Crédit Foncier group;
- Insurance, International and the Other networks, chiefly comprising the Group's interest in CNP Assurances, BPCE Assurances, the international and overseas subsidiaries (including BPCE IOM) and Banque Palatine.

Corporate and Investment Banking, Investment Solutions and Specialized Financial Services include Natixis' core businesses:

- Corporate and Investment Banking, which has now established itself as BPCE's bank serving large businesses and institutional customers;
- Investment Solutions, with asset management, life insurance and private banking and the private equity business;
- Specialized Financial Services, which comprise the Factoring, Leasing, Consumer Finance, Sureties and Guarantees, Employee Benefits Planning, Payments and Securities Services businesses.

Equity Interests is the third business segment, consisting of the Group's stakes in Nexity, MeilleurTaux and Volksbank Romania, along with Natixis' interests in Coface and the Natixis Private Equity activity.

Workout portfolio management and Other businesses notably include:

- the contribution of Natixis' Workout portfolio management business and the run-off management of the former CNCE's proprietary trading and delegated management businesses;
- the contribution made by the Group's central institution and holding companies, and of the activities sold (Foncia and Eurosic) or in the process of being sold;
- the write-down of Greek sovereign debt securities;
- reevaluation of own debt;
- impact of transactions due to dynamic management transactions in the Crédit Foncier balance sheet (disposal of securities and liability redemptions);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

Sector information for Groupe BPCE in previous periods has been restated.

Results by division

in millions of euros	Commercial Banking and Insurance		CIB, Investment Solutions and SFS		Core businesses		Equity interests		Workout portfolio management and Other businesses		Groupe BPCE	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	7,420	7,622	3,068	3,208	10,488	10,830	878	877	(245)	331	11,121	12,038
Operating expenses	(4,968)	(4,899)	(1,985)	(1,952)	(6,953)	(6,851)	(710)	(714)	(189)	(537)	(7,852)	(8,102)
Gross operating income	**2,452**	**2,723**	**1,083**	**1,256**	**3,535**	**3,979**	**168**	**163**	**(434)**	**(206)**	**3,269**	**3,936**
Cost/income ratio	*67.0%*	*64.3%*	*64.7%*	*60.8%*	*66.3%*	*63.3%*	*80.9%*	*81.4%*	*ns*	*ns*	*70.6%*	*67.3%*
Cost of risk	(791)	(545)	(143)	(74)	(934)	(619)	(4)	(19)	(170)	(286)	(1,108)	(924)
Share in net income/(loss) of associates	93	99	8	8	101	107	2	(4)	0	2	103	105
Net gains or losses on other assets	6	12	1	0	7	12	2	(5)	0	38	9	45
Change in the value of goodwill									(5)	0	(5)	0
Income/(loss) before tax	**1,760**	**2,289**	**949**	**1,190**	**2,709**	**3,479**	**168**	**135**	**(609)**	**(452)**	**2,268**	**3,162**
Income tax	(615)	(755)	(298)	(345)	(913)	(1,100)	(62)	(56)	187	136	(788)	(1,020)
Minority interests	(21)	(16)	(194)	(240)	(215)	(256)	(47)	(45)	115	105	(147)	(196)
Net income attributable to equity holders of the parent	**1,124**	**1,518**	**457**	**605**	**1,581**	**2,123**	**59**	**34**	**(307)**	**(211)**	**1,333**	**1,946**

Results 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		Commercial Banking and Insurance	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	3,048	3,185	3,364	3,438	410	471	598	528	7,420	7,622
Operating expenses	(2,087)	(2,014)	(2,230)	(2,232)	(272)	(314)	(379)	(339)	(4,968)	(4,899)
Gross operating income	**961**	**1,171**	**1,134**	**1,206**	**138**	**157**	**219**	**189**	**2,452**	**2,723**
Cost/income ratio	*68.5%*	*63.2%*	*66.3%*	*64.9%*	*66.3%*	*66.7%*	*63.4%*	*64.2%*	*67.0%*	*64.3%*
Cost of risk	(449)	(274)	(221)	(161)	(53)	(44)	(68)	(66)	(791)	(545)
Share in net income/(loss) of associate	6	7	0	0	3	4	84	88	93	99
Net gains or losses on other assets	1	5	0	5	4	5	1	(3)	6	12
Income/(loss) before tax	**519**	**909**	**913**	**1,050**	**92**	**122**	**236**	**208**	**1,760**	**2,289**
Income tax	(191)	(309)	(335)	(367)	(32)	(38)	(57)	(41)	(615)	(755)
Minority interests	(6)	(4)	0	0	(1)	0	(14)	(12)	(21)	(16)
Net income attributable to equity holders of the parent	**322**	**596**	**578**	**683**	**59**	**84**	**165**	**155**	**1,124**	**1,518**

Results of the Corporate and Investment Banking, Investment Solutions and Specialized Financial Services sub-divisions

in millions of euros	Corporate and Investment Banking		Investment Solutions		Specialized Financial Services		CIB, Investment Solutions and SFS	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	1,461	1,685	1,006	948	601	575	3,068	3,208
Operating expenses	(855)	(878)	(742)	(669)	(388)	(405)	(1,985)	(1,952)
Gross operating income	**606**	**807**	**264**	**279**	**213**	**170**	**1,083**	**1,256**
Cost/income ratio	*58.5%*	*52.1%*	*73.8%*	*70.6%*	*64.6%*	*70.4%*	*64.7%*	*60.8%*
Cost of risk	(101)	(34)	(3)	(4)	(39)	(36)	(143)	(74)
Share in net income/(loss) of associates	0	0	8	8	0	0	8	8
Net gains or losses on other assets	0	0	1	0	0	0	1	0
Income/(loss) before tax	**505**	**773**	**270**	**283**	**174**	**134**	**949**	**1,190**
Income tax	(182)	(232)	(60)	(69)	(56)	(44)	(298)	(345)
Minority interests	(89)	(148)	(70)	(64)	(35)	(28)	(194)	(240)
Net income attributable to equity holders of the parent	**234**	**393**	**140**	**150**	**83**	**62**	**457**	**605**

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	06/30/2012			12/31/2011		
	Trading	Fair value option	Total	Trading	Fair value option	Total
Treasury bills and similar securities	32,604	41	32,645	16,826	40	16,866
Bonds and other fixed-income securities	13,742	4,479	18,221	14,683	4,566	19,249
Fixed-income securities	**46,346**	**4,520**	**50,866**	**31,509**	**4,606**	**36,115**
Equities and other variable-income securities	**12,325**	**11,342**	**23,667**	**10,277**	**11,609**	**21,886**
Loans to credit institutions	292	0	292	235	2	237
Loans to customers	448	9,277	9,725	672	8,614	9,286
Loans	**740**	**9,277**	**10,017**	**907**	**8,616**	**9,523**
Repurchase agreements	**////**	**69,927**	**69,927**	**////**	**47,272**	**47,272**
Trading derivatives	**103,059**	**////**	**103,059**	**110,681**	**////**	**110,681**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**162,470**	**95,066**	**257,536**	**153,374**	**72,103**	**225,477**

4.1.2 Financial liabilities at fair value through profit or loss

in millions of euros	06/30/2012	12/31/2011
Repurchase agreements	35,183	26,560
Other financial liabilities	1,526	2,328
Financial liabilities held for trading	**36,709**	**28,888**
Trading derivatives	**105,193**	**114,576**
Interbank term accounts and loans	146	781
Customer term accounts and loans	185	246
Debt securities	18,730	21,714
Subordinated debt	83	86
Repurchase agreements	77,365	61,686
Other financial liabilities	13	19
Financial liabilities designated at fair value	**96,522**	**84,532**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	**238,424**	**227,996**

Debt securities at June 30, 2012 included €4,320 million in covered bonds (secured bonds backed by French legislation) issued by the Compagnie de Financement Foncier, a subsidiary of Crédit Foncier.

4.2 Available-for-sale financial assets

in millions of euros	**06/30/2012**	**12/31/2011**
Treasury bills and equivalents	17,080	15,233
Bonds and other fixed-income securities	49,505	56,076
Impaired securities	363	385
Fixed-income securities	**66,948**	**71,694**
Equities and other variable-income securities	**14,956**	**15,375**
Loans to credit institutions	5	11
Loans to customers	68	74
Loans	**73**	**85**
Available-for-sale financial assets, gross	**81,977**	**87,154**
Impairment of doubtful loans and receivables	(222)	(243)
Permanent impairment of equities and other variable-income securities	(2,239)	(2,085)
TOTAL AVAILABLE-FOR-SALE ASSETS, NET	**79,516**	**84,826**

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

4.3 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price or valuation model:

in millions of euros	06/30/2012				12/31/2011			
	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using non-observable data (Level 3)	Total	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	45,981	7,540	5,151	58,672	27,660	8,302	5,824	41,786
Derivatives	1,863	99,801	1,395	103,059	1,557	106,865	2,259	110,681
Other financial assets	68	671		739	61	846		907
Financial assets held for trading	**47,912**	**108,012**	**6,546**	**162,470**	**29,278**	**116,013**	**8,083**	**153,374**
Securities	10,199	4,438	1,225	15,862	11,859	3,222	1,134	16,215
Other financial assets		78,862	342	79,204		55,586	302	55,888
Financial assets designated at fair value through profit or loss	**10,199**	**83,300**	**1,567**	**95,066**	**11,859**	**58,808**	**1,436**	**72,103**
Hedging derivatives	**13**	**11,194**		**11,207**	**23**	**11,297**		**11,320**
Investments in associates	362	1,420	2,404	4,186	252	1,481	2,595	4,328
Other securities	62,357	10,356	2,519	75,232	60,267	17,244	2,879	80,390
Other financial assets	15	37	46	98	19	42	47	108
Available-for-sale financial assets	**62,734**	**11,813**	**4,969**	**79,516**	**60,538**	**18,767**	**5,521**	**84,826**
FINANCIAL LIABILITIES								
Securities	34,793	780	2	35,575	26,025	939		26,964
Derivatives	2,147	102,449	596	105,192	2,128	112,326	122	114,576
Other financial liabilities	14	1,121		1,135	7	1,917		1,924
Financial liabilities held for trading	**36,954**	**104,350**	**598**	**141,902**	**28,160**	**115,182**	**122**	**143,464**
Securities	539	95,640		96,179		83,486		83,486
Other financial liabilities		218	125	343		893	153	1,046
Financial liabilities designated at fair value through profit or loss	**539**	**95,858**	**125**	**96,522**		**84,379**	**153**	**84,532**
Hedging derivatives	**34**	**10,794**		**10,829**	**12**	**9,951**	**10**	**9,974**

4.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Most loans originated by the Group are classified in this category.

4.4.1 Loans and receivables due from credit institutions

in millions of euros	**06/30/2012**	**12/31/2011**
Loans and receivables due from credit institutions	144,036	141,831
Specific impairment	(277)	(352)
Impairment on a portfolio basis	(8)	(8)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**143,751**	**141,471**

Breakdown of loans and receivables due from credit institutions

in millions of euros	06/30/2012	12/31/2011
Current accounts with overdrafts	6,248	87,500
Repurchase agreements	7,990	19,979
Loans and advances	124,214	31,043
Finance leases	3	3
Subordinated and participating loans	324	319
Securities classified as loans and receivables	4,927	2,579
Impaired loans and receivables	330	408
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**144,036**	**141,831**

During the first half of 2012, the Livret A and LDD passbook savings account funds centralized with the Caisse des dépôts et consignations were reclassified from the "Current accounts with overdrafts" line to "Loans and advances" following the change in centralization rules with the Caisse des dépôts et consignations. They amounted to €72,971 million on June 30, 2012 (€71,391 million on December 31, 2011).

4.4.2 Loans and receivables due from customers

in millions of euros	06/30/2012	12/31/2011
Loans and receivables due from customers	588,671	583,063
Specific impairment	(9,994)	(9,522)
Impairment on a portfolio basis	(1,629)	(1,661)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**577,048**	**571,880**

Breakdown of loans and receivables due from customers

in millions of euros	06/30/2012	12/31/2011
Current accounts with overdrafts	**14,150**	**12,858**
Loans to financial sector customers	4,463	5,022
Short-term credit facilities	54,079	56,174
Equipment loans	126,802	124,412
Home loans	249,988	243,451
Export credits	3,392	3,579
Other loans	25,079	25,709
Repurchase agreements	25,093	22,132
Subordinated loans	555	563
Other facilities granted to customers	**489,451**	**481,042**
Securities classified as loans and receivables	**39,840**	**44,273**
Other loans and receivables due from customers	**23,647**	**24,635**
Impaired loans and receivables	**21,583**	**20,255**
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**588,671**	**583,063**

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.

in millions of euros	Carrying amount		Fair value	
	06/30/2012	12/31/2011	06/30/2012	12/31/2011
Assets reclassified to:				
Available-for-sale financial assets	365	367	365	367
Loans and receivables	16,376	18,703	14,499	17,011
Total securities reclassified	**16,741**	**19,070**	**14,864**	**17,378**

Change in fair value which would have been recognized if the securities had not been reclassified

in millions of euros	H1 2012	H1 2011
Change in fair value		
- that would have been recognized in income if the securities had not been reclassified	52	(59)
- that would have been recognized in gains and losses recognized directly in equity if the securities had not been reclassified	(283)	(4)

4.6 Goodwill

in millions of euros	H1 2012
Opening net value	**4,505**
Acquisitions	12
Disposals	(10)
Impairment	(5)
Foreign exchange rate adjustments	30
Closing net value	**4,532**

Breakdown of goodwill

in millions of euros	Carrying amount	
	06/30/2012	**12/31/2011**
- *Investment Solutions*	*2,128*	*2,099*
- *Specialized Financial Services*	*58*	*58*
- *Coface*	*470*	*485*
- *Other*	*27*	*26*
Natixis	**2,683**	**2,668**
Nexity	**912**	**900**
Regional Banks*	**707**	**707**
Banque Palatine	**95**	**95**
BPCE IOM	**70**	**69**
Banque BCP France	**42**	**42**
Crédit Foncier	**13**	**13**
Other	**10**	**10**
TOTAL GOODWILL	**4,532**	**4,505**

* Regional Banks: Banque Chaix, Banque de Savoie, CCSO - Pelletier, Banque Dupuy, de Parseval, Banque Marze.

4.7 Amounts due to credit institutions and customers

4.7.1 Amounts due to credit institutions

in millions of euros	**06/30/2012**	**12/31/2011**
Demand deposits	9,462	9,363
Repurchase agreements	5,504	1,202
Accrued interest	10	29
Amounts due to credit institutions – repayable on demand	**14,976**	**10,594**
Term deposits and loans	77,937	84,596
Repurchase agreements	19,289	22,377
Accrued interest	506	347
Amounts due to credit institutions – repayable at agreed maturity dates	**97,732**	**107,320**
TOTAL AMOUNTS DUE TO CREDIT INSTITUTIONS	**112,708**	**117,914**

4.7.2 Amounts due to customers

in millions of euros	06/30/2012	12/31/2011
Current accounts in credit	**96,452**	**96,603**
Livret A savings accounts	85,958	83,663
Regulated home savings products	53,927	53,284
Other regulated savings accounts	81,677	77,162
Accrued interest	2,543	545
Regulated savings accounts	**224,105**	**214,654**
Demand deposits and loans	12,152	8,030
Term deposits and loans	54,809	56,161
Accrued interest	1,462	1,533
Other customer accounts	**68,423**	**65,724**
Demand	6,223	4,922
Term	12,215	15,193
Accrued interest	9	21
Repurchase agreements	**18,447**	**20,136**
Other amounts due to customers	**1,546**	**1,620**
TOTAL AMOUNTS DUE TO CUSTOMERS	**408,973**	**398,737**

4.8 Debt securities

in millions of euros	06/30/2012	12/31/2011
Bonds	149,556	143,572
Interbank market instruments and money market securities	79,813	75,613
Other debt securities	1,242	344
Total	**230,611**	**219,529**
Accrued interest	1,961	2,789
TOTAL DEBT SECURITIES	**232,572**	**222,318**

Bonds include, at June 30, 2012, €8,720 million in secured bonds backed by French legislation issued by BPCE SFH (legal covered bonds), a subsidiary of BPCE and €80,921 million issued by the Compagnie de Financement Foncier (covered bonds), a subsidiary of Crédit Foncier de France.

4.9 Provisions

in millions of euros	01/01/2012	Increase	Use	Reversals unused	Other movements (1)	06/30/2012
Provisions for employee benefit obligations	**1,491**	**70**	**(26)**	**(21)**	**1**	**1,515**
Provisions for regulated home savings products	637	35	(4)	(11)	0	657
Provisions for off-balance sheet commitments	995	142	(53)	(48)	32	1,068
Provisions for contingencies on real estate development projects	54	4	(4)	(1)	2	55
Provisions for restructuring costs	30	31	(3)	(6)	1	53
Provisions for claims and litigation	694	127	(37)	(44)	(15)	725
Other	733	121	(84)	(53)	(32)	685
Other provisions	**3,143**	**460**	**(185)**	**(163)**	**(12)**	**3,243**
TOTAL PROVISIONS	**4,634**	**530**	**(211)**	**(184)**	**(11)**	**4,758**

(1) Including changes in consolidation scope and currency fluctuations

4.10 Subordinated debt

in millions of euros	06/30/2012	12/31/2011
Term subordinated debt	9,976	10,968
Perpetual subordinated debt	125	126
Mutual guarantee deposits	228	231
Sub-total	**10,329**	**11,325**
Accrued interest	221	206
Revaluation of the hedged component	368	351
TOTAL SUBORDINATED DEBT	**10,918**	**11,882**

Changes in subordinated debt during the first half of 2012 are largely due to the early redemption (for €1 billion) of an issue by Natixis in September 2006, which had an initial maturity of January 2017.

4.11 Ordinary shares and equity instruments issued

4.11.1 Cooperative shares and cooperative investment certificates

At June 30, 2012, the share capital broke down as follows:

- €6,590 million in cooperative shares fully subscribed by cooperative shareholders of the Banque Populaire banks and the SAS, the carrying entities for the cooperative shareholders (compared to €5,942 million at December 31, 2011);
- €6,874 million in cooperative shares fully subscribed by Caisses d'Epargne's cooperative shareholders (compared to €6,874 million at December 31, 2011);
- €1,640 million in Banque Populaire banks' cooperative investment certificates held by Natixis (compared to €1,478 million at December 31, 2011);
- €1,718 million in Caisses d'Epargne's cooperative investment certificates held by Natixis (compared to €1,718 million at December 31, 2011);

At June 30, 2012, the additional paid-in capital broke down as follows:

- €949 million in cooperative shares fully subscribed by cooperative shareholders of the Banque Populaire banks and the carrying SAS (Simplified joint-stock company) (versus €949 million at December 31, 2011);
- €3,324 million in cooperative shares fully subscribed by Caisses d'Epargne's cooperative shareholders (compared to €3,324 million at December 31, 2011);
- €3,282 million in Banque Populaire banks' cooperative investment certificates held by Natixis (compared to €3,282 million at December 31, 2011);
- €2,621 million in Caisses d'Epargne's cooperative investment certificates held by Natixis (compared to €2,621 million at December 31, 2011);

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

4.11.2 Deeply subordinated notes classified as equity

Issuing entity	Issue date	Currency	Amount (in original currency)	Date of call option	Date of interest step-up	Rate	Nominal - in millions of euros	
							06/30/2012	12/31/2011
BPCE	November 26, 2003	EUR	471 million	July 30, 2014	July 30, 2014	5.25%	471	471
BPCE	July 30, 2004	USD	200 million	September 30, 2012	none	Min (10-year CMAT 0.3%; 9%)	158	154
BPCE	October 6, 2004	EUR	369 million	July 30, 2015	July 30, 2015	4.63%	369	369
BPCE	October 12, 2004	EUR	80 million	October 12, 2012	none	Min (10-year CMS; 7%)	80	80
BPCE	January 27, 2006	USD	300 million	October 27, 2012	none	6.75%	236	231
BPCE	February 1, 2006	EUR	350 million	February 1, 2016	February 1, 2016	4.75%	350	350
BPCE	October 30, 2007	EUR	509 million	October 30, 2017	October 30, 2017	6.12%	509	509
BPCE	August 6, 2009	EUR	52 million	September 30, 2015	none	13.00%	52	52
BPCE	August 6, 2009	EUR	374 million	September 30, 2019	September 30, 2019	12.50%	374	374
BPCE	August 6, 2009	USD	134 million	September 30, 2015	none	13.00%	105	103
BPCE	August 6, 2009	USD	444 million	September 30, 2019	September 30, 2019	12.50%	350	342
BPCE	October 22, 2009	EUR	750 million	April 22, 2015	none	9.25%	750	750
BPCE	March 17, 2010	EUR	818 million	March 17, 2015	March 17, 2015 March 15, 2020	9.00%	818	818
TOTAL							**4,622**	**4,603**

Note 5 Notes to the income statement

5.1 Interest and similar income and expense

in millions of euros	H1 2012			H1 2011		
	Income	Expense	Net	Income	Expense	Net
Loans and receivables due from customers	10,405	(3,614)	6,791	10,053	(3,337)	6,716
Loans and receivables due from credit institutions	1,892	(915)	977	1,973	(930)	1,043
Finance leases	458	////	458	431	////	431
Debt securities and subordinated debt	////	(3,163)	(3,163)	////	(3,116)	(3,116)
Hedging derivatives	2,225	(2,420)	(195)	2,315	(2,601)	(286)
Available-for-sale financial assets	1,090	////	1,090	1,056	////	1,056
Held-to-maturity financial assets	298	////	298	265	////	265
Impaired financial assets	56	////	56	13	////	13
Other interest income and expense	9	(183)	(174)	4	(47)	(43)
TOTAL INTEREST INCOME AND EXPENSE	**16,433**	**(10,295)**	**6,138**	**16,110**	**(10,031)**	**6,079**

5.2 Fee and commission income and expense

in millions of euros	H1 2012			H1 2011		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	13	(13)	0	12	(11)	1
Customer transactions	1,380	(19)	1,361	1,486	(33)	1,453
Financial services	272	(227)	45	266	(197)	69
Sales of life insurance products	518	////	518	524	////	524
Payment services	858	(345)	513	858	(363)	495
Securities transactions	144	(94)	50	197	(76)	121
Trust management services	991	(5)	986	963	(3)	960
Financial instruments and off-balance sheet transactions	167	(42)	125	120	9	129
Other fees and commissions	129	(164)	(35)	242	(153)	89
TOTAL FEE AND COMMISSION INCOME AND EXPENSE	**4,472**	**(909)**	**3,563**	**4,668**	**(827)**	**3,841**

5.3 Net gains or losses on financial instruments at fair value through profit or loss

in millions of euros	H1 2012	H1 2011
Gains and losses on financial instruments held for trading	386	740
Gains and losses on financial instruments designated at fair value through profit or loss	380	176
Gains and losses on hedging transactions	156	(184)
Gains and losses on foreign-exchange transactions	(106)	(114)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSSES	**816**	**618**

5.4 Net gains or losses on available-for-sale financial assets

in millions of euros	H1 2012	H1 2011
Gains or losses on disposals	(188)	(11)
Dividends received	231	242
Permanent impairment in value of variable-income securities	(311)	(58)
TOTAL NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(268)**	**173**

5.5 Income and expenses from other activities

in millions of euros	H1 2012			H1 2011		
	Income	Expenses	Net	Income	Expenses	Net
Income and expenses on insurance activities	2,267	(2,400)	(133)	2,068	(2,031)	37
Income and expenses from real estate activities	1,219	(795)	424	1,298	(845)	453
Income and expenses from leasing transactions	68	(56)	12	120	(71)	49
Income and expenses from investment property	131	(50)	81	92	(47)	45
Other banking income and expenses	1,098	(610)	488	1,290	(547)	743
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**4,783**	**(3,911)**	**872**	**4,868**	**(3,541)**	**1,327**

The "Income and expenses on insurance activities" line includes only the technical aspects of insurance. It does not include the financial items recorded in other net banking income items.

5.6 Operating expenses

in millions of euros	H1 2012	H1 2011
Personnel costs	**(4,788)**	**(4,870)**
Taxes other than on income	(285)	(296)
External services	(2,342)	(2,489)
Other administrative costs	**(2,627)**	**(2,785)**
TOTAL OPERATING EXPENSES	**(7,415)**	**(7,655)**

5.7 Cost of risk

5.7.1 Cost of risk

in millions of euros	H1 2012	H1 2011
Interbank transactions	(7)	(42)
Customer transactions	(1,989)	(1,766)
Other financial assets	(66)	(188)
Off-balance sheet commitments	(213)	(117)
Additions to impairment losses and provisions	**(2,275)**	**(2,113)**
Interbank transactions	83	61
Customer transactions	1,644	1,863
Other financial assets	131	100
Off-balance sheet commitments	102	75
Reversals from impairment losses and provisions	**1,960**	**2,099**
Losses on irrecoverable interbank loans and receivables	(31)	(28)
Losses on irrecoverable customer loans and receivables	(624)	(580)
Losses on other financial assets	(378)	(332)
Losses on irrecoverable loans and receivables	**(1,033)**	**(940)**
Recoveries of loans and receivables previously written off	**240**	**30**
COST OF RISK	**(1,108)**	**(924)**

5.7.2 Impairment and provisions for credit risk

in millions of euros	01/01/2012	Charges	Reversals	Other changes	06/30/2012
Available-for-sale financial assets	243	25	(115)	69	222
Interbank transactions	360	7	(83)	1	285
Customer transactions	11,183	1,989	(1,644)	95	11,623
Held-to-maturity financial assets	13	3	(5)	(6)	5
Other financial assets	266	38	(11)	(5)	288
Impairment losses recognized in assets	**12,065**	**2,062**	**(1,858)**	**154**	**12,423**
Provisions for off-balance sheet commitments	**995**	**213**	**(102)**	**(38)**	**1,068**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**13,060**	**2,275**	**(1,960)**	**116**	**13,491**

5.8 Share in net income of associates

in millions of euros	H1 2012	H1 2011
CNP Assurances (group)	81	81
Equity interests in the Natixis group	9	10
Banque Calédonienne d'Investissement	5	5
SOCRAM BANQUE	2	2
Crédit Immobilier Hotelier (1)	0	4
Volksbank international AG (1)	0	(5)
Other	2	3
Financial sector companies	**99**	**100**
Maisons France Confort P-I	2	3
Other	2	2
Non-financial companies	**4**	**5**
SHARE IN NET INCOME OF ASSOCIATES	**103**	**105**

(1) Companies sold during the second half of 2011.

5.9 Income tax

in millions of euros	H1 2012	H1 2011
Current income tax expense	(650)	(667)
Deferred tax assets and liabilities	(138)	(353)
INCOME TAX	**(788)**	**(1,020)**

Reconciliation between the tax charge in the financial statements and the theoretical tax charge

in millions of euros	H1 2012	H1 2011
Net income attributable to equity holders of the parent	1,333	1,946
Change in the value of goodwill	5	
Share of minority interests in consolidated companies	147	196
Share in net income/(loss) of associates	(103)	(105)
Income taxes	788	1,020
INCOME BEFORE TAX AND CHANGES IN THE VALUE OF GOODWILL	**2,170**	**3,057**
Standard income tax rate in France	**34.4%**	**34.4%**
Impact of the change in unrecognized deferred taxes	0.7%	(2.1)%
Impact of permanent differences	(3.5)%	(0.7)%
Reduced rate of tax and tax-exempt activities	2.4%	(0.2)%
Difference in tax rates on income taxed outside France	0.8%	(0.0)%
Temporary step-up of corporate tax	1.2%	0.0%
Tax on prior periods, tax credits and other tax	1.9%	0.7%
Other items	(1.6)%	1.2%
Effective tax rate	**36.3%**	**33.4%**

Note 6 Commitments

6.1 Financing commitments

The amounts shown represent the nominal value of commitments given.

in millions of euros	06/30/2012	12/31/2011
Financing commitments given to:		
- credit institutions	11,925	7,592
- customers	119,380	118,616
*Credit facilities granted	95,893	100,080
*Other commitments	23,487	18,536
Total financing commitments given	**131,305**	**126,208**
Financing commitments received from:		
- credit institutions	44,462	33,500
- customers	16,204	10,116
Total financing commitments received	**60,666**	**43,616**

6.2 Guarantee commitments

The amounts shown represent the nominal value of commitments given.

in millions of euros	06/30/2012	12/31/2011
Guarantees given:		
- to credit institutions	11,326	15,727
- to customers	71,895	69,208
- other assets pledged as collateral	172,525	183,492
Total guarantees given	**255,746**	**268,427**
Guarantees received:		
- from credit institutions	15,548	16,271
- from customers	74,154	80,422
- other assets received as collateral	81,801	77,582
Guarantees received	**171,503**	**174,275**

6.3 Financial assets pledged as collateral

The following table discloses the carrying amount of financial assets provided as collateral for liabilities and contingent liabilities (such as securities sold under repurchase agreements and hold-in-custody repos) booked in various accounting categories.

in millions of euros	06/30/2012	12/31/2011
Equity instruments	6,182	5,345
Debt instruments	123,550	117,646
Loans and advances	144,912	155,645
Other financial assets	0	1
TOTAL	**274,644**	**278,637**

As of June 30, 2012, receivables allocated as collateral under funding arrangements mainly included the following:

- €78,682 million in receivables assigned to Banque de France in connection with the TRICP system (€80,286 million at December 31, 2011);
- €9,433 million in receivables pledged to Societe de Financement de l'Economie Francaise, (SFEF, a State-owned loan distribution company) (€15,305 million at December 31, 2011);
- €6,159 million in receivables provided as a guarantee for funding obtained from the European Investment Bank (EIB), compared to €5,275 million as of December 31, 2011;
- €3,929 million in receivables given as guarantees to the Caisse de Refinancement de l'Habitat (formerly Hypothécaire), compared to €3,960 million at December 31, 2011.

Meanwhile in accordance with French law, the intrinsic guarantees linked to secured bond issues (see notes 4.1.2 and 4.8) are not recorded under guarantees given. Secured bonds issued by the Compagnie de Financement Foncier and BPCE SFH benefit from a special legal status accorded to eligible assets, which amount to €107,101 million for the Compagnie de Financement Foncier and €11,289 million for BPCE SFH.

Note 7 Scope of consolidation

Groupe BPCE's scope of consolidation did not change significantly over the first half of 2012.

5.1.7 Statutory Auditors' report on Groupe BPCE's interim financial report

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Department of KPMG S.A.		
1, cours Valmy	63, rue de Villiers	61, rue Henri Regnault
92923 Paris La Défense Cedex	92208 Neuilly-sur-Seine Cedex	92075 Paris La Défense Cedex

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

BPCE

50, avenue Pierre Mendès France

75013 Paris

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Groupe BPCE for the six months ended June 30, 2012;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 29, 2012

The Statutory Auditors

French original signed by

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Department of KPMG S.A.	Anik Chaumartin	Michel Barbet-Massin
Fabrice Odent		Jean Latorzeff
Marie-Christine Jolys		

5.2 IFRS condensed consolidated financial statements of BPCE SA group at June 30, 2012

5.2.1 Consolidated balance sheet

ASSETS

in millions of euros	**Notes**	**06/30/2012**	**12/31/2011**
Cash and amounts due from central banks		8,952	11,678
Financial assets at fair value through profit and loss	4.1.1	266,424	234,751
Hedging derivatives		10,904	10,985
Available-for-sale financial assets	4.2	45,011	51,335
Loans and receivables due from credit institutions	4.4.1	171,638	167,086
Loans and receivables due from customers	4.4.2	239,845	245,247
Remeasurement adjustment on interest-rate risk hedged portfolio		5,397	4,536
Held-to-maturity financial assets		4,833	4,626
Current tax assets		290	1,119
Deferred tax assets		3,836	3,540
Accrued income and other assets		46,010	40,864
Deferred profit-sharing		8	837
Investments in associates		13,066	12,522
Investment property		1,320	1,439
Property, plant & equipment		1,293	1,301
Intangible assets		887	914
Goodwill	4.6	2,964	2,948
TOTAL ASSETS		**822,678**	**795,728**

LIABILITIES

in millions of euros	Notes	06/30/2012	12/31/2011
Amounts due to central banks		0	13
Financial liabilities at fair value through profit or loss	4.1.2	242,463	229,834
Hedging derivatives		10,234	9,394
Amounts due to credit institutions	4.7.1	158,808	162,798
Amounts due to customers	4.7.2	64,792	61,212
Debt securities	4.8	218,905	212,382
Remeasurement adjustment on interest-rate risk hedged portfolio		1,549	1,431
Current tax liabilities		343	454
Deferred tax liabilities		780	377
Accrued expenses and other liabilities		39,007	34,347
Technical reserves of insurance companies		41,932	41,656
Provisions	4.9	2,159	2,026
Subordinated debt	4.10	11,076	12,109
Equity		**30,630**	**27,695**
Equity attributable to equity holders of the parent		**24,337**	**21,571**
Share capital and additional paid-in capital		18,408	18,408
Retained earnings		6,065	3,596
Gains and losses recognized directly in equity		(587)	(835)
Net income for the period		451	402
Minority interests		6,293	6,124
TOTAL LIABILITIES		**822,678**	**795,728**

5.2.2 Consolidated income statement

in millions of euros	Notes	H1 2012	H1 2011
Interest and similar income	5.1	8,823	9,348
Interest and similar expenses	5.1	(7,133)	(7,390)
Commission income	5.2	2,131	2,097
Commission expense	5.2	(916)	(690)
Net gains or losses on financial instruments at fair value through profit or loss	5.3	1,244	652
Net gains or losses on available-for-sale financial assets	5.4	(306)	78
Income from other activities	5.5	2,716	2,648
Expenses from other activities	5.5	(2,401)	(1,939)
Net banking income		**4,158**	**4,804**
Operating expenses	5.6	(2,970)	(3,271)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		(163)	(169)
Gross operating income		**1,025**	**1,364**
Cost of risk	5.7	(490)	(450)
Operating income		**535**	**914**
Share in net income of associates	5.8	327	424
Gains or losses on other assets		7	(118)
Change in the value of goodwill		(5)	0
Income before tax		**864**	**1,220**
Income tax	5.9	(224)	(319)
Net income		**640**	**901**
Minority interests		(189)	(240)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**451**	**661**

5.2.3 Statement of net income and gains and losses recognized directly in equity

in millions of euros	H1 2012	H1 2011
Net income	**640**	**901**
Foreign exchange rate adjustments	103	(369)
Change in the value of available-for-sale financial assets	350	94
Change in the value of hedging derivatives	(119)	136
Income tax	(69)	3
Share of gains and losses recognized directly in the equity of associates	44	(21)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY (AFTER INCOME TAX)	**309**	**(157)**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**949**	**744**
Attributable to equity holders of the parent	699	555
Minority interests	250	189

5.2.4 Statement of changes in equity

in millions of euros	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	Shareholders' equity	Minority interests	Total consolidated equity
	Share capital	Additional paid-in capital	Preference shares			Foreign exchange rate adjustments	Change in fair value of financial instruments: Available-for-sale financial assets	Change in fair value of financial instruments: Hedging derivatives				
Shareholders' equity at January 1, 2011	**467**	**17,941**	**1,200**	**4,950**	**1,029**	**18**	**(201)**	**(258)**		**25,146**	**5,923**	**31,069**
Dividend payments					(104)					**(104)**	(239)	**(343)**
Buy-back of deeply subordinated notes				(1,000)						**(1,000)**	(29)	**(1,029)**
Interest on deeply subordinated notes					(158)					**(158)**	(27)	**(185)**
Buy-back of preference shares (1)			(1,200)		(20)					**(1,220)**		**(1,220)**
Impact of acquisitions and disposals on minority interests					(37)					**(37)**	67	**30**
Gains and losses recognized directly in equity						(249)	51	92		**(106)**	(51)	**(157)**
Net income									661	**661**	240	**901**
Other changes					(22)					**(22)**	(3)	**(25)**
Shareholders' equity at June 30, 2011	**467**	**17,941**		**3,950**	**688**	**(231)**	**(150)**	**(166)**	**661**	**23,160**	**5,881**	**29,041**
Buy-back of deeply subordinated notes				(697)	(245)					**(942)**		**(942)**
Interest on deeply subordinated notes					(130)					**(130)**	(27)	**(157)**
Impact of acquisitions and disposals on minority interests					(22)					**(22)**	(3)	**(25)**
Gains and losses recognized directly in equity						349	(554)	(83)		**(288)**	22	**(266)**
Net income									(259)	**(259)**	193	**(66)**
Other changes					52					**52**	58	**110**
Shareholders' equity at December 31, 2011	**467**	**17,941**		**3,253**	**343**	**118**	**(704)**	**(249)**	**402**	**21,571**	**6,124**	**27,695**
Appropriation of net income for 2011					402				(402)			
Shareholders' equity at January 1, 2012	**467**	**17,941**		**3,253**	**745**	**118**	**(704)**	**(249)**		**21,571**	**6,124**	**27,695**
Dividend payments											(119)	**(119)**
Issue of deeply subordinated notes				2,000						**2,000**		**2,000**
Interest on deeply subordinated notes					(153)					**(153)**	(27)	**(180)**
Buyback of deeply subordinated notes											(12)	**(12)**
Impact of acquisitions and disposals on minority interests					1					**1**	(3)	**(2)**
Gains and losses recognized directly in equity						61	381	(194)		**248**	61	**309**
Net income									451	**451**	189	**640**
Other changes (2)				19	200					**219**	80	**299**
Shareholders' equity at June 30, 2012	**467**	**17,941**		**5,272**	**793**	**179**	**(323)**	**(443)**	**451**	**24,337**	**6,293**	**30,630**

(1) BPCE carried out the buy-back of preference shares subscribed for by the French government totaling €1.2 billion.

(2) Other changes include up to €195 million in capital increases by local savings companies through CICs held by Natixis

5.2.5 Consolidated cash flow statement

in millions of euros	H1 2012	H1 2011
Income before tax	**864**	**1,220**
Net depreciation and amortization of property, plant and equipment, and intangible assets	206	199
Goodwill impairment	5	0
Net charge to provisions and provisions for impairment	1,040	(92)
Share in net income/(loss) of associates	(313)	(342)
Net cash flows generated by investing activities	(62)	(82)
Income/expense from financing activities	226	286
Other movements	12,090	(815)
Total non-monetary items included in net income/(loss) before tax	***13,192***	***(846)***
Net increase or decrease arising from transactions with credit institutions	104	(853)
Net increase or decrease arising from transactions with customers	12,273	22,024
Net increase or decrease arising from transactions involving financial assets and liabilities	(12,567)	(4,574)
Net increase or decrease arising from transactions involving non-financial assets and liabilities	(4,336)	(1,273)
Taxes paid	622	699
Net increase/(decrease) in assets and liabilities resulting from operating activities	***(3,904)***	***16,023***
Net cash flows generated by operating activities (A)	**10,152**	**16,397**
Net increase or decrease related to financial assets and equity investments	(892)	545
Net increase or decrease related to investment property	187	(53)
Net increase or decrease related to property, plant and equipment, and intangible assets	(164)	(197)
Net cash flows generated by investing activities (B)	**(869)**	**295**
Net increase (decrease) arising from transactions with shareholders (1)	(1,869)	(2,428)
Other increases or decreases generated by financing activities	(993)	(1,123)
Net cash flows generated by financing activities (C)	**(2,862)**	**(3,551)**
Impact of changes in exchange rates (D)	**3**	**(771)**
Total net cash flows (A+B+C+D)	**6,424**	**12,370**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	11,678	19,743
Due to central banks (liabilities)	(13)	(488)
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts (2)	4,552	5,210
Demand accounts and loans	15,539	3,280
Demand accounts in credit	(17,227)	(18,950)
Demand repurchase agreements	(1,182)	(604)
Opening cash and cash equivalents	**13,347**	**8,191**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	8,952	28,579
Due to central banks (liabilities)	(0)	(528)
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts (2)	5,181	6,472
Demand accounts and loans	26,273	4,012
Demand accounts in credit	(15,482)	(17,066)
Demand repurchase agreements	(5,153)	(908)
Closing cash and cash equivalents	**19,771**	**20,561**
Net change in cash and cash equivalents	**6,424**	**12,370**

(1) Cash flows from or to the shareholders include:

- the buy-back of deeply subordinated notes recorded in equity for -€12 million;
- issuance of deeply subordinated notes by the Banque Populaire banks and Caisses d'Epargne amounting to +€2,000 million;
- dividend payouts, amounting to -€119 million.

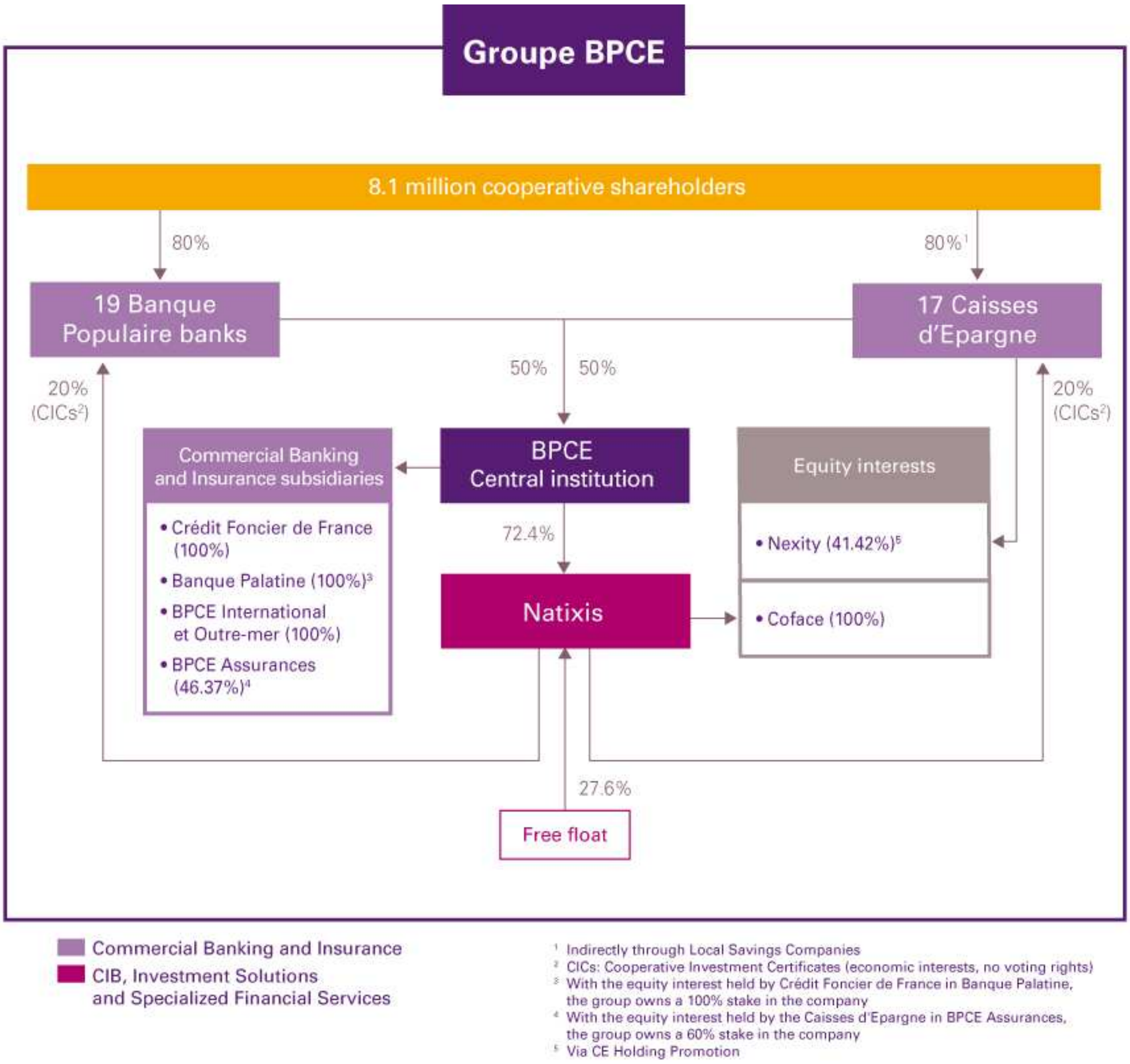
(2) Current accounts with overdrafts do not include Livret A and LDD passbook savings account funds centralized with the Caisse des dépôts et consignations.

5.2.6 Notes to the BPCE SA group financial statements

Note 1 General background

1.1 Groupe BPCE

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



The two banking networks: the Banque Populaire banks and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks, the 19 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banque Populaire banks and the mutual guarantee companies granting them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne et de Prévoyance and the local savings companies.

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 LSCs are cooperative structures with an open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne to which they are affiliated and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution licensed to operate as a bank, was created pursuant to Law No. 2009-715 of June 18, 2009. BPCE was incorporated as a *société anonyme* with a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 17 Caisses d'Epargne and the 19 Banque Populaire banks.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banque Populaire banks and the Caisses d'Epargne.

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 is the head entity of the Group and holds the joint ventures between the two networks in retail banking, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around three major segments:

- Natixis, a 72.4%-owned listed company that combines Corporate and Investment Banking, Investment Solutions and Specialized Financial Services;
- Commercial Banking and Insurance (including Crédit Foncier de France, Banque Palatine and BPCE International et Outre-mer);
- Subsidiaries and Equity interests.

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 Guarantee mechanism

Pursuant to Article L. 512-107 of the French Monetary and Financial Code (*Code monétaire et financier*), the guarantee and shared support mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Banque Populaire and Caisse d'Epargne networks.

BPCE is tasked with taking all measures necessary to guarantee the capital adequacy of the Group and each of the networks, including implementing the appropriate internal financing mechanisms within the Group and establishing a Mutual Guarantee Fund common to both networks, for which it determines the working rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions of associates to the fund's initial capital endowment and reconstitution.

BPCE manages the funds for the Banque Populaire network and the Caisse d'Epargne et de Prévoyance network and has put in place the Mutual Guarantee Fund.

The **Banque Populaire network fund** was formed by a deposit made by the Banks (€450 million) that was booked by BPCE in the form of a 10-year time deposit which is indefinitely renewable.

The **Caisses d'Epargne et de Prévoyance network fund** was formed by a deposit made by the Caisses (€450 million) that was booked by BPCE in the form of a 10-year time deposit which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banque Populaire banks and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year time deposits which are indefinitely renewable. The deposits amounted to €330 million as of June 30, 2012, and the funds will be topped up each year by an amount equivalent to 5% of the contributions made by the Banque Populaire banks, the Caisses d'Epargne, and their subsidiaries to the Group's consolidated income.

The total amount of deposits made to BPCE in respect of the fund for the Banque Populaire network, the fund for the Caisse d'Epargne et de Prévoyance network and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the total weighted assets of the Group.

The booking of deposits in the establishments' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

The mutual guarantee companies (*sociétés de caution mutuelle*), whose sole corporate purpose is to guarantee loans issued by Banque Populaire banks, are covered by the liquidity and capital adequacy guarantee of the Banque Populaire bank with which they are jointly licensed in accordance with Article R. 515-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

The liquidity and capital adequacy of the Caisses de Crédit Maritime Mutuel are guaranteed in respect of each individual Caisse, by the Banque Populaire which is both the core shareholder and provider of technical and operational support for the concerned Caisse to the partner Banque Populaire bank.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne et de Prévoyance which is the shareholder of the local savings company concerned.

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 during the first half of 2012

1.3.1 Perpetual deeply subordinated note issue recognized as equity

On March 26, 2012, BPCE issued €2 billion in undated deeply subordinated notes recognized as equity.

These undated deeply subordinated notes are eligible for additional Tier-1 equity under the new Basel III regulations (currently being transposed in the European Union through regulation and Capital Requirements Directive IV. They were subscribed equally by Banque Populaire network and Caisse d'Epargne network institutions.

1.3.2 Sovereign risk on certain European Union countries

Accounting methods for the offer to exchange Greek securities

The Group participated in the Greek government's private sector support plan. Under this plan, the Group exchanged €1,176 million in Greek securities for new securities on March 12, 2012. The exchange was carried out as follows:

For former Greek sovereign bonds with a nominal value of 1,000, the following securities were received:

- two securities issued by the European Financial Stability Facility (EFSF) at a nominal value of 75 each, with respective maturities of one and two years, which earn interest under normal market conditions;

- six-month maturity securities issued by the EFSF intended to pay interest accumulated on former issues;
- Greek government bonds with a total nominal value of 315, with maturities staggered from 2023 to 2042 (20 tranches in total); these bonds will pay a fixed interest rate below the market interest rate for comparable issues;
- Greek GDP-indexed warrants: if Greece's GDP reaches certain thresholds defined in the agreement, the investor will receive additional interest of 1%; the depreciable notional value of this option is equal to the cumulative nominal value of the Greek bonds.

The exchange of securities led to the derecognition of former securities and recognition of securities received in exchange at their fair value. This transaction generated a permanent loss of 78% of the nominal value of the former securities (versus 70% estimated by the Group at closing of accounts at the end of December 2011). The additional expense recorded as a cost of risk in the first half of 2012 was €23 million.

Sovereign risk on certain European Union countries

The exposure of BPCE SA group's banking activities to the sovereign risk of these seven European Union countries on June 30, 2012 was as follows:

Accounting classification *in millions of euros*	Banking book		Trading book			Total net exposures as at June 30, 2012	Total net exposures as at December 31, 2011
	Loans and receivables	Available-for-sale financial assets	Financial assets designated at fair value	Direct exposures	Indirect exposures		
Cyprus	57	0	0	0	(1)	56	0
Spain	1	0	2	202	(6)	199	(72)
Greece	0	0	3	0	0	3	672
Hungary	41	59	6	5	(2)	109	0
Ireland	0	127	0	2	(12)	117	127
Italy (1)	1,579	1,054	8	374	(1)	3,015	1,924
Portugal	15	0	9	(55)	(7)	(38)	42
TOTAl	**1,693**	**1,241**	**28**	**528**	**(29)**	**3,461**	**2,693**

(1) The change in BPCE SA group's Italian sovereign risk exposure over the first half of 2012 was specifically associated with a "Regional Public Sector" exposure being reclassified as "Sovereign" exposure.

The maturity dates of all net exposures at June 30, 2012 were as follows:

in millions of euros	Remaining maturity						TOTAL
	1 year	2 years	3 years	5 years	10 years	> 10 years	
Cyprus	0	0	0	(1)	57	0	56
Spain	358	(136)	(140)	54	53	10	199
Greece	0	0	0	0	0	3	3
Hungary	2	2	(20)	106	19	0	109
Ireland	4	2	1	(17)	0	127	117
Italy	717	(315)	148	(192)	212	2,445	3,015
Portugal	9	5	7	(86)	27	0	(38)
TOTAL	**1,090**	**(442)**	**(4)**	**(136)**	**368**	**2,585**	**3,461**

The exposure of BPCE SA group's insurance activities to the sovereign risk of these European Union countries on June 30, 2012 was as follows:

in millions of euros	Gross exposure at June 30, 2012	Gross exposure at December 31, 2011
Spain	164	174
Greece	2	171
Ireland	118	106
Italy	1,091	513
Portugal	108	96
TOTAL	**1,483**	**1,060**

BPCE SA group's insurance activities have no exposure to Hungary or Cyprus.

1.4 Events after the balance sheet date

Draft Amended French Finance Act 2012

The draft amended French Finance Act 2012 notably sets out the establishment of an additional contribution, to be paid by September 30, 2012 at the latest, equivalent to the systemic banking tax paid in 2012, the amount of which is 0.25% of the Group's consolidated capital requirements. Furthermore, beginning on January 1, 2013, the systemic banking tax rate would double from 0.25% to 0.50%.

In accordance with accounting regulations (change in tax rates or fiscal laws voted on or announced after the balance sheet date), the impact of these new fiscal measures is not recorded at June 30, 2012.

Accounting for this additional contribution on a prorata basis would have had a before-tax impact of -€41 million on the consolidated financial statements at June 30, 2012, including the impact on CICs from the Caisses d'Epargne and the Banque Populaire banks.

Note 2 Applicable accounting standards and comparability

2.1 Regulatory framework

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 2012 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 at June 30, 2012 were prepared according to IAS 34 "Interim Financial Reporting". The notes therefore apply to the most significant aspects of the half-year and should be read in conjunction with the Group's consolidated financial statements at December 31, 2011.

2.2 Standards

The accounting standards and principles are identical to those used and described in the financial statements at December 31, 2011.

The other standards, amendments and interpretations adopted by the European Union, application of which was mandatory in 2012, did not have a material impact on the Group's financial statements.

BPCE did not elect for early adoption of the texts adopted by the European Union on June 30, 2012, which had not yet entered into force as of that date:

- amendment to IAS 1 "Presentation of Financial Statements" adopted by the European Commission on June 5, 2012 and compulsory for fiscal years beginning on or after July 1, 2012. This amendment is intended to expand the financial information included in the "Statement of net income and gains and losses recognized directly in equity". Gains and losses recognized directly in equity will be presented so as to distinguish the individual items that may have been included in the net income recycling from those which will not be recycled in net income;
- amendment to IAS 19 "Employee benefits" adopted by the European Commission on June 5, 2012 and compulsory for fiscal years beginning retrospectively on January 1, 2013. This amendment modifies the recording and the presentation of pension and similar obligations, notably concerning actuarial gains and losses which will be recognized immediately and comprehensively in equity and past service cost which will be immediately recognized as income.

IFRS 13 "Fair Value Measurement" is currently being adopted by the European Commission. It applies on a prospective basis to fiscal years beginning on or after January 1, 2013. IFRS 13 indicates how to measure fair value, but does not change the conditions for applying fair value.

The impact on the Group's consolidated financial statements related to implementing these standards is currently being estimated.

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.

These estimates are 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 period ended June 30, 2012, the accounting estimates involving assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 4.1);
- the amount of impairment of financial assets, and more specifically permanent impairment losses on available-for-sale assets and impairment losses on an individual basis or calculated on the basis of portfolios (Note 4.2);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home savings products and provisions for insurance contracts (Note 4.9);
- calculations related to the cost of pensions and future employee benefits;
- deferred tax assets and liabilities;
- goodwill impairment testing (Note 4.6).

2.4 Presentation of the consolidated financial statements and balance sheet date

Presentation of interim consolidated financial statements

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

Interim balance sheet date

The consolidated financial statements are based on the individual financial statements as at June 30, 2012 of the entities included in the scope of consolidation. The Group's consolidated financial statements were approved by the Management Board on July 30, 2012.

Note 3 Segment reporting

The BPCE SA group is structured around its two core businesses:

Commercial Banking and Insurance, including:

- the Banque Populaire banks and the Caisses d'Epargne: these contribute to the BPCE SA group's income only via the "Share in net income/(loss) of associates" line via the cooperative investment certificates (CICs) that account for 20% of the share capital of the Banque Populaire and the Caisses d'Epargne, held by Natixis;
- Real Estate Financing, the results of which predominantly reflect the contribution of the Crédit Foncier group;
- Insurance, International and the Other networks, chiefly comprising the Group's interest in CNP Assurances, BPCE Assurances, international and overseas subsidiaries (including BPCE IOM) and Banque Palatine.

Corporate and Investment Banking, Investment Solutions and Specialized Financial Services include Natixis' core businesses:

- Corporate and Investment Banking, which has now established itself as BPCE's bank serving large businesses and institutional customers;
- Investment Solutions, with asset management, life insurance and private banking and the private equity business;
- Specialized Financial Services, which comprise the Factoring, Leasing, Consumer Finance, Sureties and Guarantees, Employee Benefits Planning, Payments and Securities Services businesses.

Equity interests is the third business segment, consisting of the Group's stakes in MeilleurTaux, Volksbank Romania, along with Natixis' interests in Coface and the Natixis Private Equity activity.

Workout portfolio management and Other businesses notably include:

- the contribution of Natixis' Workout portfolio management (GAPC);
- the contribution made by the Group's central institution and holding companies, and of the activities sold (Foncia and Eurosic) or in the process of being sold;
- the write-down of Greek sovereign debt securities;
- reevaluation of own debt;
- impact of transactions due to dynamic management transactions in the Crédit Foncier balance sheet (disposal of securities and liability redemptions);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

Sector information for BPCE SA group in previous periods has been restated.

Results by division

in millions of euros	Commercial Banking and Insurance		CIB, Investment Solutions and SFS		Core businesses		Equity interests		Workout portfolio management and Other businesses		BPCE SA group	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	908	917	3,068	3,208	3,976	4,125	461	435	(279)	244	4,158	4,804
Operating expenses	(582)	(606)	(1,985)	(1,952)	(2,567)	(2,558)	(373)	(367)	(193)	(515)	(3,133)	(3,440)
Gross operating income	**327**	**311**	**1,083**	**1,256**	**1,410**	**1,567**	**88**	**68**	**(473)**	**(271)**	**1,025**	**1,364**
Cost/income ratio	*64.0%*	*66.1%*	*64.7%*	*60.8%*	*64.5%*	*62.0%*	*81.0%*	*84.3%*	*ns*	*ns*	*75.3%*	*71.6%*
Cost of risk	(119)	(108)	(143)	(74)	(262)	(182)	(4)	(18)	(224)	(250)	(490)	(450)
Share in net income/(loss) of associates	318	417	8	8	326	425	2	(5)	(0)	4	327	424
Net gains or losses on other assets	4	4	1	0	5	4	1	(5)	0	(118)	7	(118)
Change in the value of goodwill									(5)	0	(5)	0
Income/(loss) before tax	**530**	**625**	**949**	**1,190**	**1,479**	**1,815**	**87**	**40**	**(702)**	**(635)**	**864**	**1,220**
Income tax	(84)	(79)	(298)	(345)	(382)	(424)	(30)	(21)	187	126	(225)	(319)
Minority interests	(78)	(98)	(194)	(240)	(272)	(338)	(16)	(8)	100	106	(188)	(240)
Net income attributable to equity holders of the parent	**368**	**448**	**457**	**605**	**825**	**1,053**	**40**	**10**	**(414)**	**(402)**	**451**	**661**

Results of the Commercial Banking and Insurance sub-divisions

in millions of euros	Banque Populaire bank and Caisse d'Epargne CICs		Real Estate Financing		Insurance, International and Other networks		Commercial Banking and Insurance	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income			410	469	499	449	908	917
Operating expenses			(271)	(314)	(311)	(293)	(582)	(606)
Gross operating income			**139**	**155**	**188**	**156**	**327**	**311**
Cost/income ratio			*66.2%*	*66.9%*	*62.3%*	*65.2%*	*64.0%*	*66.1%*
Cost of risk			(53)	(43)	(66)	(65)	(119)	(108)
Share in net income/(loss) of associate	229	320	2	3	87	95	318	417
Net gains or losses on other assets			4	4	0	(0)	4	4
Income/(loss) before tax	**229**	**320**	**93**	**119**	**209**	**186**	**530**	**625**
Income tax			(32)	(39)	(52)	(40)	(84)	(79)
Minority interests	(63)	(88)	(1)	(0)	(14)	(9)	(78)	(98)
Net income attributable to equity holders of the parent	**166**	**231**	**60**	**80**	**143**	**136**	**368**	**448**

Results of the Corporate and Investment Banking, Investment Solutions and Specialized Financial Services sub-divisions

in millions of euros	Corporate and Investment Banking		Investment Solutions		Specialized Financial Services		CIB, Investment Solutions and SFS	
	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11	H1-12	H1-11
Net banking income	1,461	1,685	1,006	948	601	575	3,068	3,208
Operating expenses	(855)	(878)	(742)	(669)	(388)	(405)	(1,985)	(1,952)
Gross operating income	**606**	**807**	**264**	**279**	**213**	**170**	**1,083**	**1,256**
Cost/income ratio	*58.5%*	*52.1%*	*73.8%*	*70.6%*	*64.6%*	*70.4%*	*64.7%*	*60.8%*
Cost of risk	(101)	(34)	(3)	(4)	(39)	(36)	(143)	(74)
Share in net income/(loss) of associates	0	0	8	8	0	0	8	8
Net gains or losses on other assets	0	0	1	0	0	0	1	0
Income/(loss) before tax	**505**	**773**	**270**	**283**	**174**	**134**	**949**	**1,190**
Income tax	(182)	(232)	(60)	(69)	(56)	(44)	(298)	(345)
Minority interests	(89)	(148)	(70)	(64)	(35)	(28)	(194)	(240)
Net income attributable to equity holders of the parent	**234**	**393**	**140**	**150**	**83**	**62**	**457**	**605**

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	06/30/2012			12/31/2011		
	Trading	Fair value option	Total	Trading	Fair value option	Total
Treasury bills and similar securities	29,851	41	29,892	15,339	40	15,379
Bonds and other fixed-income securities	12,885	3,047	15,932	13,373	3,046	16,419
Fixed-income securities	**42,736**	**3,088**	**45,824**	**28,712**	**3,086**	**31,798**
Equities and other variable-income securities	**12,054**	**10,661**	**22,715**	**10,004**	**11,161**	**21,165**
Loans to credit institutions	2,381	524	2,905	2,616	640	3,256
Loans to customers	448	4,095	4,543	672	3,287	3,959
Loans	**2,829**	**4,619**	**7,448**	**3,288**	**3,927**	**7,215**
Repurchase agreements	*////*	**78,825**	**78,825**	*////*	**57,370**	**57,370**
Trading derivatives	**111,612**	*////*	**111,612**	**117,203**	*////*	**117,203**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**169,231**	**97,193**	**266,424**	**159,207**	**75,544**	**234,751**

4.1.2 Financial liabilities at fair value through profit or loss

in millions of euros	**06/30/2012**	**12/31/2011**
Repurchase agreements	35,184	26,560
Other financial liabilities	1,739	1,836
Financial liabilities held for trading	**36,923**	**28,396**
Trading derivatives	**107,345**	**115,222**
Interbank term accounts and loans	1,840	2,511
Customer term accounts and loans	5	58
Debt securities	18,839	21,830
Subordinated debt	83	86
Repurchase agreements	77,416	61,712
Other financial liabilities	12	19
Financial liabilities designated at fair value	**98,195**	**86,216**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	**242,463**	**229,834**

Debt securities at June 30, 2012 included €4,320 million in covered bonds (secured bonds back by French legislation) issued by the Compagnie de Financement Foncier, a subsidiary of Crédit Foncier.

4.2 Available-for-sale financial assets

in millions of euros	**06/30/2012**	**12/31/2011**
Treasury bills and similar securities	10,071	8,993
Bonds and other fixed-income securities	27,935	35,211
Impaired securities	176	193
Fixed-income securities	**38,182**	**44,397**
Equities and other variable-income securities	**8,842**	**8,911**
Loans to credit institutions	1	1
Loans to customers	63	69
Loans	**64**	**70**
Available-for-sale financial assets, gross	**47,088**	**53,378**
Impairment of doubtful loans and receivables	(122)	(138)
Permanent impairment of equities and other variable-income securities	(1,955)	(1,905)
TOTAL AVAILABLE-FOR-SALE ASSETS, NET	**45,011**	**51,335**

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

4.3 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price or valuation model:

in millions of euros	06/30/2012 Price quoted in an active market (Level 1)	06/30/2012 Measurement techniques using observable data (Level 2)	06/30/2012 Measurement techniques using non-observable data (Level 3)	06/30/2012 Total	12/31/2011 Price quoted in an active market (Level 1)	12/31/2011 Measurement techniques using observable data (Level 2)	12/31/2011 Measurement techniques using non-observable data (Level 3)	12/31/2011 Total
FINANCIAL ASSETS								
Securities	41,984	7,655	5,151	54,790	24,474	8,418	5,824	38,716
Derivatives	1,861	108,343	1,408	111,612	1,553	113,374	2,276	117,203
Other financial assets	68	2,761		2,829	61	3,227		3,288
Financial assets held for trading	**43,913**	**118,759**	**6,559**	**169,231**	**26,088**	**125,019**	**8,100**	**159,207**
Securities	8,604	4,045	1,101	13,750	10,459	2,776	1,012	14,247
Other financial assets		82,724	719	83,443		60,395	902	61,297
Financial assets designated at fair value through profit or loss	**8,604**	**86,769**	**1,820**	**97,193**	**10,459**	**63,171**	**1,914**	**75,544**
Hedging derivatives	**7**	**10,897**		**10,904**	**5**	**10,980**		**10,985**
Investments in associates	316	446	1,770	2,532	189	563	1,926	2,678
Other securities	34,749	6,825	841	42,415	32,612	14,902	1,075	48,589
Other financial assets	1	36	27	64		41	27	68
Available-for-sale financial assets	**35,066**	**7,307**	**2,638**	**45,011**	**32,801**	**15,506**	**3,028**	**51,335**
FINANCIAL LIABILITIES								
Securities	34,793	784	2	35,579	26,025	939		26,964
Derivatives	2,147	104,589	609	107,345	2,127	112,951	144	115,222
Other financial liabilities	14	1,330		1,344	7	1,425		1,432
Financial liabilities held for trading	**36,954**	**106,703**	**611**	**144,268**	**28,159**	**115,315**	**144**	**143,618**
Securities	540	95,798		96,338		83,627		83,627
Other financial liabilities		223	1,634	1,857		851	1,738	2,589
Financial liabilities designated at fair value through profit or loss	**540**	**96,021**	**1,634**	**98,195**		**84,478**	**1,738**	**86,216**
Hedging derivatives	**34**	**10,200**		**10,234**	**10**	**9,369**	**11**	**9,390**

4.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Most loans originated by the Group are classified in this category.

4.4.1 Loans and receivables due from credit institutions

in millions of euros	06/30/2012	12/31/2011
Loans and receivables due from credit institutions	171,903	167,349
Specific impairment	(258)	(256)
Impairment on a portfolio basis	(7)	(7)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**171,638**	**167,086**

Breakdown of loans and receivables due from credit institutions

in millions of euros	06/30/2012	12/31/2011
Current accounts with overdrafts	5,710	4,882
Repurchase agreements	12,354	20,502
Loans and advances	146,204	136,309
Finance leases	3	3
Subordinated and participating loans	2,879	2,922
Securities classified as loans and receivables	4,441	2,417
Impaired loans and receivables	312	314
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**171,903**	**167,349**

During the first half of 2012, the Livret A and LDD passbook savings account funds centralized with the Caisse des dépôts et consignations were reclassified from the "Current accounts with overdrafts" line to "Loans and advances" following the change in centralization rules with the Caisse des dépôts et consignations. They amounted to €266 million on June 30, 2012 (€273 million on December 31, 2011).

4.4.2 Loans and receivables due from customers

in millions of euros	06/30/2012	12/31/2011
Loans and receivables due from customers	244,346	249,655
Specific impairment	(3,722)	(3,549)
Impairment on a portfolio basis	(779)	(859)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**239,845**	**245,247**

Breakdown of loans and receivables due from customers

in millions of euros	06/30/2012	12/31/2011
Current accounts with overdrafts	**6,999**	**7,097**
Loans to financial sector customers	4,196	4,953
Short-term credit facilities	29,807	32,393
Equipment loans	26,770	26,749
Home loans	62,438	61,547
Export credits	3,177	3,342
Other loans	20,100	20,824
Repurchase agreements	24,600	22,038
Subordinated loans	74	80
Other facilities granted to customers	**171,162**	**171,926**
Securities classified as loans and receivables	**38,474**	**42,739**
Other loans and receivables due from customers	**18,146**	**18,862**
Impaired loans and receivables	**9,565**	**9,031**
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**244,346**	**249,655**

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.

in millions of euros	Carrying amount		Fair value	
	06/30/2012	12/31/2011	06/30/2012	12/31/2011
Assets reclassified to:				
Available-for-sale financial assets	365	367	365	367
Loans and receivables	15,841	18,237	14,024	16,552
Total securities reclassified	**16,206**	**18,604**	**14,389**	**16,919**

Change in fair value which would have been recognized if the securities had not been reclassified

in millions of euros	H1 2012	H1 2011
Change in fair value		
- that would have been recognized in income if the securities had not been reclassified	50	(59)
- that would have been recognized in gains and losses recognized directly in equity if the securities had not been reclassified	(285)	(16)

4.6 Goodwill

in millions of euros	H1 2012
Opening net value	**2,948**
Acquisitions	
Disposals	(10)
Impairment	(5)
Foreign exchange rate adjustments	30
Other changes	1
Closing net value	**2,964**

Breakdown of goodwill

	Carrying amount	
in millions of euros	06/30/2012	12/31/2011
- *Investment Solutions*	2,227	2,198
- *Specialized Financial Services*	58	58
- *Coface*	470	485
- *Other*	26	25
Natixis	**2,781**	**2,766**
Banque Palatine	**95**	**95**
BPCE IOM	**71**	**69**
Crédit Foncier	**13**	**13**
Other	**4**	**4**
TOTAL GOODWILL	**2,964**	**2,948**

4.7 Amounts due to credit institutions and customers

4.7.1 Amounts due to credit institutions

in millions of euros	**06/30/2012**	**12/31/2011**
Demand deposits	15,581	17,227
Repurchase agreements	5,153	1,198
Accrued interest	8	15
Amounts due to credit institutions - repayable on demand	**20,742**	**18,440**
Term deposits and loans	124,619	126,483
Repurchase agreements	12,538	17,055
Accrued interest	909	820
Amounts due to credit institutions – repayable at agreed maturity dates	**138,066**	**144,358**
TOTAL AMOUNTS DUE TO CREDIT INSTITUTIONS	**158,808**	**162,798**

4.7.2 Amounts due to customers

in millions of euros	**06/30/2012**	**12/31/2011**
Current accounts in credit	**19,276**	**19,066**
Livret A savings accounts	289	252
Regulated home savings products	463	458
Other regulated savings accounts	1,857	1,912
Accrued interest	23	23
Regulated savings accounts	**2,632**	**2,645**
Demand deposits and loans	7,982	4,766
Term deposits and loans	16,982	16,690
Accrued interest	97	106
Other customer accounts	**25,061**	**21,562**
Demand	6,223	4,916
Term	10,031	11,379
Accrued interest	8	20
Repurchase agreements	**16,262**	**16,315**
Other amounts due to customers	**1,561**	**1,624**
TOTAL AMOUNTS DUE TO CUSTOMERS	**64,792**	**61,212**

4.8 Debt securities

in millions of euros	06/30/2012	12/31/2011
Bonds	153,506	148,579
Interbank market instruments and money market securities	61,760	60,730
Other debt securities	1,269	371
Total	**216,535**	**209,680**
Accrued interest	2,370	2,702
TOTAL DEBT SECURITIES	**218,905**	**212,382**

Bonds include, at June 30, 2012, €8,720 million in secured bonds backed by French legislation issued by BPCE SFH (legal covered bonds), a subsidiary of BPCE and €80,921 million issued by the Compagnie de Financement Foncier (covered bonds), a subsidiary of Crédit Foncier de France.

4.9 Provisions

in millions of euros	01/01/2012	Increase	Use	Reversals unused	Other movements (1)	06/30/2012
Provisions for employee benefit obligations	**577**	**52**	**(24)**	**(12)**	**1**	**594**
Provisions for regulated home savings products	7	1	0	(1)	0	7
Provisions for off-balance sheet commitments	764	88	(1)	(24)	10	837
Provisions for contingencies on real estate development projects	1	0	0	0	0	1
Provisions for restructuring costs	22	31	(2)	(4)	1	48
Provisions for claims and litigation	286	75	(19)	(13)	0	329
Other	369	45	(66)	(12)	7	343
Other provisions	**1,449**	**240**	**(88)**	**(54)**	**18**	**1,565**
TOTAL PROVISIONS	**2,026**	**292**	**(112)**	**(66)**	**19**	**2,159**

(1) Including changes in consolidation scope and currency fluctuations

4.10 Subordinated debt

in millions of euros	06/30/2012	12/31/2011
Term subordinated debt	10,314	11,407
Perpetual subordinated debt	123	125
Mutual guarantee deposits	4	4
Sub-total	**10,441**	**11,536**
Accrued interest	267	222
Revaluation of the hedged component	368	351
TOTAL SUBORDINATED DEBT	**11,076**	**12,109**

Changes in subordinated debt during the first half of 2012 are largely due to the early redemption (for €1 billion) of a September 2006 issue by Natixis, which had an initial maturity of January 2017.

4.11 Ordinary shares and equity instruments issued

Deeply subordinated notes classified as equity

Issuing entity	Issue date	Currency	Amount (in original currency)	Date of call option	Date of interest step-up	Rate	Nominal - in millions of euros	
							06/30/2012	12/31/2011
BPCE	November 26, 2003	EUR	471 million	July 30, 2014	July 30, 2014	5.25%	471	471
BPCE	July 30, 2004	USD	200 million	September 30, 2012	none	Min (10-year CMAT 0.3%; 9%)	158	154
BPCE	October 6, 2004	EUR	369 million	July 30, 2015	July 30, 2015	4.63%	369	369
BPCE	October 12, 2004	EUR	80 million	October 12, 2012	none	Min (10-year CMS; 7%)	80	80
BPCE	January 27, 2006	USD	300 million	October 27, 2012	none	6.75%	236	231
BPCE	February 1, 2006	EUR	350 million	February 1, 2016	February 1, 2016	4.75%	350	350
BPCE	October 30, 2007	EUR	509 million	October 30, 2017	October 30, 2017	6.12%	509	509
BPCE	August 6, 2009	EUR	52 million	September 30, 2015	none	13.00%	52	52
BPCE	August 6, 2009	EUR	374 million	September 30, 2019	September 30, 2019	12.50%	374	374
BPCE	August 6, 2009	USD	134 million	September 30, 2015	none	13.00%	105	103
BPCE	August 6, 2009	USD	444 million	September 30, 2019	September 30, 2019	12.50%	350	342
BPCE	October 22, 2009	EUR	750 million	April 22, 2015	none	9.25%	750	750
BPCE	March 17, 2010	EUR	818 million	March 17, 2015	March 17, 2015 March 15, 2020	9.00%	818	818
BPCE	March 26, 2012	EUR	1,000 million	March 26, 2017	none	11.00%	1,000	-
BPCE	March 26, 2012	EUR	1,000 million	March 26, 2017	none	11.00%	1,000	-
TOTAL							**6,622**	**4,603**

Note 5 Notes to the income statement

5.1 Interest and similar income and expense

in millions of euros	H1 2012			H1 2011		
	Income	Expense	Net	Income	Expense	Net
Loans and receivables due from customers	3,947	(343)	3,604	3,852	(434)	3,418
Loans and receivables due from credit institutions	1,855	(1,505)	350	2,292	(1,566)	726
Finance leases	248	////	248	244	////	244
Debt securities and subordinated debt	////	(3,023)	(3,023)	////	(3,019)	(3,019)
Hedging derivatives	1,992	(2,089)	(97)	2,142	(2,354)	(212)
Available-for-sale financial assets	629	////	629	646	////	646
Held-to-maturity financial assets	124	////	124	157	////	157
Impaired financial assets	22	////	22	13	////	13
Other interest income and expense	6	(173)	(167)	2	(17)	(15)
TOTAL INTEREST INCOME AND EXPENSE	**8,823**	**(7,133)**	**1,690**	**9,348**	**(7,390)**	**1,958**

5.2 Fee and commission income and expense

in millions of euros	H1 2012			H1 2011		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	3	(16)	(13)	3	(15)	(12)
Customer transactions	348	(9)	339	388	(23)	365
Financial services	190	(259)	(69)	185	(234)	(49)
Sales of life insurance products	89	////	89	78	////	78
Payment services	197	(51)	146	188	(53)	135
Securities transactions	85	(86)	(1)	125	(73)	52
Trust management services	970	0	970	941	0	941
Financial instruments and off-balance sheet transactions	72	(206)	(134)	28	(15)	13
Other fees and commissions	177	(289)	(112)	161	(277)	(116)
TOTAL FEE AND COMMISSION INCOME AND EXPENSE	**2,131**	**(916)**	**1,215**	**2,097**	**(690)**	**1,407**

5.3 Net gains or losses on financial instruments at fair value through profit or loss

in millions of euros	H1 2012	H1 2011
Gains and losses on financial instruments held for trading	1,022	556
Gains and losses on financial instruments designated at fair value through profit or loss	261	279
Gains and losses on hedging transactions	68	(58)
Gains and losses on foreign-exchange transactions	(107)	(125)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,244**	**652**

5.4 Net gains or losses on available-for-sale financial assets

in millions of euros	H1 2012	H1 2011
Gains or losses on disposals	(185)	(63)
Dividends received	179	191
Permanent impairment in value of variable-income securities	(300)	(50)
TOTAL NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(306)**	**78**

5.5 Income and expenses from other activities

in millions of euros	H1 2012			H1 2011		
	Income	Expenses	Net	Income	Expenses	Net
Income and expenses on insurance activities	1,915	(1,975)	(60)	1,622	(1,581)	41
Income and expenses from leasing transactions	53	(51)	2	37	(38)	(1)
Income and expenses from investment property	116	(32)	84	60	(29)	31
Other banking income and expenses	632	(343)	289	929	(291)	638
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**2,716**	**(2,401)**	**315**	**2,648**	**(1,939)**	**709**

The "Income and expenses on insurance activities" line includes only the technical aspects of insurance. It does not include the financial items recorded in other net banking income items.

5.6 Operating expenses

in millions of euros	H1 2012	H1 2011
Personnel costs	**(1,930)**	**(2,039)**
Taxes other than on income	(103)	(113)
External services	(937)	(1,119)
Other administrative costs	**(1,040)**	**(1,232)**
TOTAL OPERATING EXPENSES	**(2,970)**	**(3,271)**

5.7 Cost of risk

5.7.1 Cost of risk

in millions of euros	H1 2012	H1 2011
Interbank transactions	(6)	(41)
Customer transactions	(632)	(583)
Other financial assets	(27)	(176)
Off-balance sheet commitments	(109)	(62)
Additions to impairment losses and provisions	**(774)**	**(862)**
Interbank transactions	6	59
Customer transactions	599	836
Other financial assets	113	61
Off-balance sheet commitments	25	19
Reversals from impairment losses and provisions	**743**	**975**
Losses on irrecoverable interbank loans and receivables	(11)	(24)
Losses on irrecoverable customer loans and receivables	(308)	(272)
Losses on other financial assets	(364)	(280)
Losses on irrecoverable loans and receivables	**(683)**	**(576)**
Recoveries of loans and receivables previously written off	**224**	**13**
COST OF RISK	**(490)**	**(450)**

5.7.2 Impairment and provisions for credit risk

in millions of euros	01/01/2012	Charges	Reversals	Other changes	06/30/2012
Available-for-sale financial assets	138	21	(102)	65	122
Interbank transactions	263	6	(6)	2	265
Customer transactions	4,408	632	(599)	60	4,501
Held-to-maturity financial assets	13	1	(5)	(5)	4
Other financial assets	191	5	(6)	(2)	188
Impairment losses recognized in assets	**5,013**	**665**	**(718)**	**120**	**5,080**
Provisions for off-balance sheet commitments	**764**	**109**	**(25)**	**(11)**	**837**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**5,777**	**774**	**(743)**	**109**	**5,917**

5.8 Share in net income of associates

in millions of euros	H1 2012	H1 2011
CNP Assurances (group)	81	81
Banque Populaire bank and Caisse d'Epargne CICs	229	329
Equity interests in the Natixis group	9	3
Maisons France Confort P-I	2	3
Banque BCP S.A.S	2	2
IT-CE	2	3
Other	2	3
SHARE IN NET INCOME OF ASSOCIATES	**327**	**424**

5.9 Income tax

in millions of euros	H1 2012	H1 2011
Current income tax expense	1	(76)
Deferred tax assets and liabilities	(225)	(243)
INCOME TAX	**(224)**	**(319)**

Reconciliation between the tax charge in the financial statements and the theoretical tax charge

in millions of euros	H1 2012	H1 2011
Net income attributable to equity holders of the parent	451	661
Goodwill impairment	5	0
Share of minority interests in consolidated companies	189	240
Share in net income/(loss) of associates	(327)	(424)
Income taxes	224	319
INCOME BEFORE TAX AND CHANGES IN THE VALUE OF GOODWILL	**543**	**796**
Standard income tax rate in France	**34.4%**	**34.4%**
Impact of the change in unrecognized deferred taxes	3.5%	7.7%
Impact of permanent differences	(10.5%)	(4.1%)
Reduced rate of tax and tax-exempt activities	9.7%	(0.3%)
Difference in tax rates on income taxed outside France	3.3%	0.4%
Temporary step-up of corporate tax	4.7%	
Tax on prior periods, tax credits and other tax	7.4%	(3.6%)
Other items	(11.3%)	5.6%
Effective tax rate	**41.3%**	**40.1%**

Note 6 Commitments

6.1 Financing commitments

The amounts shown represent the nominal value of commitments given.

in millions of euros	06/30/2012	12/31/2011
Financing commitments given to:		
- credit institutions	41,454	29,640
- customers	82,440	79,192
*Credit facilities granted	59,316	60,974
*Other commitments	23,124	18,218
Total financing commitments given	**123,894**	**108,832**
Financing commitments received from:		
- credit institutions	40,310	30,196
- customers	16,023	10,002
Total financing commitments received	**56,333**	**40,198**

6.2 Guarantee commitments

The amounts shown represent the nominal value of commitments given.

in millions of euros	06/30/2012	12/31/2011
Guarantees given:		
- to credit institutions	10,006	14,035
- to customers	129,516	124,494
- other assets pledged as collateral	62,355	59,453
Total guarantees given	**201,877**	**197,982**
Guarantees received:		
- from credit institutions	15,692	17,303
- from customers	48,371	58,568
- other assets received as collateral	136,912	129,099
Guarantees received	**200,975**	**204,970**

The amount related to guarantees given for other securities pledged as collateral at 12/31/2010 is restated for comparability.

6.3 Financial assets pledged as collateral

The following table discloses the carrying amount of financial assets provided as collateral for liabilities and contingent liabilities (such as securities sold under repurchase agreements and hold-in-custody repos) booked in various accounting categories.

in millions of euros	06/30/2012	12/31/2011
Equity instruments	6,182	5,345
Debt instruments	114,607	108,342
Loans and advances	36,286	31,897
Other financial assets	0	1
TOTAL	**157,075**	**145,585**

As of June 30, 2012, receivables allocated as collateral under funding arrangements mainly included the following:

- €35,114 million in receivables assigned to Banque de France in connection with the TRICP system (€29,342 million at December 31, 2011);
- €1,679 million in receivables pledged to SFEF (€4,729 million at December 31, 2011);
- €6,159 million in receivables provided as a guarantee for funding obtained from the European Investment Bank (EIB), compared to €5,275 million as of December 31, 2011.

Meanwhile in accordance with French law, the intrinsic guarantees linked to secured bond issues (see notes 4.1.2 and 4.8) are not recorded under guarantees given. Secured bonds issued by the Compagnie de Financement Foncier benefit from a special legal status accorded to eligible assets, which amount to €107,101 million.

Note 7 Scope of consolidation

The BPCE SA group's scope of consolidation did not change significantly over the first half of 2012.

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

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Department of KPMG S.A.		
1, cours Valmy		61, rue Henri Regnault
92923 Paris La Défense Cedex	63, rue de Villiers	92075 Paris La Défense Cedex
	92208 Neuilly-sur-Seine Cedex	

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

BPCE

50, avenue Pierre Mendès France

75013 Paris

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of groupe BPCE SA for the six months ended June 30, 2012;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 29, 2012

The Statutory Auditors

French original signed by

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Department of KPMG S.A.		
Fabrice Odent	Anik Chaumartin	Michel Barbet-Massin
Marie-Christine Jolys		Jean Latorzeff

6. General information

6.1 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 (AMF) 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

Département Émissions et Communication financière

50, avenue Pierre-Mendès-France

75013 Paris

6.2 Statutory Auditors

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Département de KPMG S.A. 1, cours Valmy 92923 Paris-La Défense Cedex	63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	61, rue Henri-Regnault 92075 Paris La Défense Cedex

PricewaterhouseCoopers Audit (672006483 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.

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 Ms Anik Chaumartin.

Alternate: 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, department of KPMG S.A., 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, department of KPMG S.A., is represented by Ms Marie-Christine Jolys and Mr Fabrice Odent.

Alternate: 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'Epargne to its Chairman to sign the bylaws of GCE Nao and all instruments necessary for its incorporation. The term of this appointment is six years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2013, convened to approve the financial statements for the year ended December 31, 2012.

Mazars is represented by Mr Michel Barbet-Massin and Mr Jean Latorzeff.

Alternate: 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.

7. Person responsible for the update to the Registration Document and the half-year financial report

François Pérol

Chairman of the BPCE Management Board

7.1 Statement by the person responsible

I hereby declare that, to the best of my knowledge after having taken all reasonable measure to this end, the information contained in the present update to the Registration Document is in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the condensed financial statements for the most recent half-year of Groupe BPCE and the BPCE S.A. Group have been prepared in accordance with applicable accounting standards and give a true and fair picture of the financial position and the assets and liabilities of the company and all entities in the Group's scope of consolidation, and that the half-year management report accurately reflects the highlights of the first six months of the reporting year and their impact on the financial statements, as well as 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 the completion of their work, in which they state that they have verified the information on the financial position and the consolidated accounts as set out in this update, and that they have read the Registration Document and its updates in their entirely.

Paris, August 29, 2012

François Pérol

Chairman of the BPCE Management Board

8. Cross-reference tables

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En application de l'article 212-13 du Règlement général de l'AMF, la présente actualisation comprend les informations du rapport financier semestriel mentionné à l'article L451-1-2 du Code monétaire et financier.

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BPCE
A French limited company *(Société Anonyme)*
governed by a Management and Supervisory Board
with a capital of €467,226,960

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