GROUPE BPCE

Bankers and insurers with a different perspective

Press Release

Paris, July 28, 2016

RESULTS[1] OF GROUPE BPCE FOR THE SECOND QUARTER AND FIRST HALF OF 2016

Attributable net income of €1.9bn[2] in the first half of 2016, up 12%. Sharp decline in the cost of risk

BUOYANT COMMERCIAL ACTIVITY

Strong momentum in the Banque Populaire and Caisse d'Epargne retail banking networks

- Growth in loan outstandings (4.7%) and deposits & savings (2.3%) compared with June 30, 2015
- Loans to corporate customers enjoyed a 29% growth in new production vs. H1-15

Rollout of Insurance solutions[3]

- Strong momentum in life insurance with gross net inflows up 18% compared with H1-15
- Portfolios of non-life insurance contracts up by 10% compared with H1-15

Core business lines of Natixis

- Strong recovery in activities in Q2-16 vs. Q1-16 thanks to a well-balanced business model maintaining the earning capacity of the core business lines

A RESILIENT BUSINESS MODEL

Commercial momentum making it possible to limit the decline in core business line revenues[4] (-1.9%)

- Retail banking net interest income remains impacted by prevailing low interest rates
- The revenues posted by the core business lines of Natixis increased by 1% in the first half of 2016, driven by the capital market, insurance and specialized financing activities

20.2% decline in the cost of risk[5]

IMPACT OF A MAJOR EXCEPTIONAL ITEM ON THE SECOND QUARTER OF 2016

- Positive €797m impact of the disposal of Visa Europe securities on attributable net income

CONTINUED STRENGTHENING OF THE FINANCIAL STRUCTURE

- Common Equity Tier-1 (or CET1[6]) ratio of **13,7%** at June 30, 2016
- Total capital ratio6 of **17.8%** at June 30, 2016
- The Liquidity Coverage Ratio (LCR) is greater than 110%

ACCELERATION OF THE DIGITAL STRATEGY

- Appointment of Yves Tyrode to the position of Chief Digital Officer (CDO) of Groupe BPCE
- First banking group in the euro zone to offer the Apple Pay solution to the customers of its two retail banking networks
- Acquisition of Fidor Group, a unique approach combining a digital bank and infrastructure

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[1] H1-15 and Q1-15 are presented pro forma (cf. the note on methodology at the end of this press release); unless specified to the contrary, all changes use the same reference base of June 30, 2015
[2] Excluding non-economic and exceptional items and after restating to account for the impact of IFRIC 21
[3] Entities included: CNP Assurances, Natixis Assurances, Prépar vie (gross inflows from the Banque Populaire and Caisse d'Epargne retail banking networks)
[4] Core business lines: Commercial Banking & Insurance, Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services
[5] Excluding non-economic and exceptional items
[6] Estimate at June 30, 2016 – CRR/CRD4 without transitional measures (except for deferred tax assets on tax loss carryforwards and pro forma of the additional phase-in of the stock of DTA in accordance with regulation 2016/445); additional Tier-1 capital takes account of subordinated debt issues that have become ineligible and capped at the phase-out rate in force

On July 28, 2016, the Supervisory Board of Groupe BPCE convened a meeting chaired by Pierre Valentin to examine the Group's financial statements for the first half and the second quarter of 2016.

François Pérol, Chairman of the Management Board of Groupe BPCE, said: "*The second quarter was marked by an acceleration in the transformation of our Group with the acquisition of Fidor Bank, a 100% mobile and digital bank based on an innovative open technological platform, the launch of the mobile payment solution Apple Pay, and the appointment of Yves Tyrode as the Group's Chief Digital Officer. Our results confirm the Group's resilience in an adverse environment for financial intermediation activities owing to negative rates of interest. The good commercial momentum maintained by the Banque Populaire and Caisse d'Epargne networks regarding loan outstandings and deposits & savings, the strong growth recorded in our insurance and specialized financing activities, and the buoyant performance of our capital market activities run by Natixis combine to offset a part of the decline in net interest income. The close management of our expenses, the substantial decline in the cost of risk combined with lower tax have allowed our net income*[2] *to increase by 21% during the second quarter and by 12% in the first six months of this year. Lastly, we are also continuing to reinforce the Group's financial fundamentals with capital adequacy increased to 13.7% (common equity Tier-1) and to 17.8% (total capital) in the second quarter of the year.*"

1. CONSOLIDATED RESULTS[7] OF GROUPE BPCE FOR THE SECOND QUARTER AND FIRST HALF OF 2016

Despite persistently low interest rates and a volatile market environment, Groupe BPCE reports healthy results for the first semester of 2016 thanks to a buoyant commercial performance and a diversified business model of proven resilience. The loan outstandings position of the Banque Populaire and Caisse d'Epargne retail banking networks has increased by 18 billion euros in the space of one year. The life and non-life insurance businesses have made strong progress, with 18% growth in gross life insurance inflows and a 10% increase in the portfolio of non-life insurance contracts. The core business lines of Natixis have also stood up well.

The Group generated net income attributable to equity holders of the parent of 1.9 billion euros[2] in the first half of 2016, equal to growth of 12.0%. This figure is the result of a limited 1.9% decline in the revenues posted by the core business lines, a substantial increase in regulatory contributions (contribution to the Single Resolution Fund, or SRF, multiplied by a factor of two compared with the first half of 2015), a sharp decline in the cost of risk (-20.2%[5]) and a marked reduction in tax (both structural and temporary effects).

One major feature of the second quarter of 2016 is an exceptional item having a significant impact on net income attributable to equity holders of the parent: capital gains of 797 million euros derived from the disposal of Visa Europe securities.

Groupe BPCE boasts a robust financial structure that it is continuing to be strengthened even further with a Common Equity Tier 1 (CET1) ratio of 13.7%[6] at June 30, 2016 and a total capital ratio of 17.8%, putting the Group in a favorable position faced with new regulatory requirements.

2014-2017 strategic plan "Another way to grow": revenue and cost synergies in line with our targets

The revenue and cost synergies are in line with the targets adopted in Groupe BPCE's 2014-2017 strategic plan. 512 million euros of additional revenues generated between the Banque Populaire banks, Caisses d'Epargne and Natixis were booked as at June 30, 2016 for an ultimate target of 870 million euros by 2017. The development of synergies in insurance and private banking corresponds perfectly with the Group's ambitions. For the Specialized Financial Services division, synergies have chiefly been driven by the sureties & guarantees, consumer loans and lease financing businesses. As a result, insurance activities accounted for 57% of the contribution to

[7] H1-15 and Q1-15 are presented pro forma (cf. the note on methodology at the end of this press release); unless specified to the contrary, all changes use the same reference base of June 30, 2015

these revenue synergies while consumer loans contributed 21%, and sureties & guarantees and other business lines each contributed 11%.

With respect to cost synergies, savings worth a total of 537 million euros had been booked as at June 30, 2016 for an ultimate target of 900 million euros by 2017. The major advances achieved in 2015 are bearing fruit:

- The operation launch of BPCE Infogérance et Technologies (BPCE-IT), a structure making it possible to pool IT production and procurement activities within the Group,
- The creation, with two industrial partners, of DocOne, an entity specializing in multichannel document management.

Changes in the Group's organization consequently account for 68% of the contribution to cost synergies while information systems and processes contributed 23% and 9% respectively.

New synergies will be generated by three mergers between regional banks launched since the beginning of the year.

Acceleration of the digital strategy

Groupe BPCE has completed a key step in its digital transformation strategy with the acquisition of Fidor Bank, a unique approach combining a digital bank and a state-of-the-art platform.

Founded in 2009 by its CEO Matthias Kröner, Fidor is one of the world's first "FinTech Banks," pioneering a step-change relationship model for retail banking. Fidor offers a unique proposition by combining an innovative customer experience relying heavily on the active involvement of the 350,000 members of its community and an open organization and architecture, enabling it to offer its clientele of approximately 120,000 individual and professional customers both Fidor products and third-party solutions developed by innovative FinTech companies.

Fidor has also developed a proprietary digital banking platform – Fidor Operating System – allowing for fast and easy functionality and providing optimized integration for third-party solutions (APIs). One illustration of this expertise: Telefónica announced this week the launch of O2 Banking, its mobile-only bank account in partnership with Fidor.

Groupe BPCE has appointed Yves Tyrode to the position of Chief Digital Officer. He will join Groupe BPCE as a CEO starting in September 2016 and will be responsible for coordinating, under François Pérol, Chairman of the Management Board, the drive to accelerate the implementation of the digital strategy.

A pioneer in the area of mobile payments, Groupe BPCE is the first banking group in the euro zone to have teamed up – via its two Banque Populaire and Caisse d'Epargne retail banking networks – with Apple Pay. Since the launch of this new mobile payment solution in France on July 19 earlier this year, Banque Populaire and Caisse d'Epargne customers have been able to use their Visa bank cards to complete purchases wherever contactless payments are accepted.

1.1 Consolidated results[7] for the first half of 2016: net income attributable to equity holders of the parent[8] up 12% to €1.9bn; sharp decline in the cost of risk and tax

The **net banking income**[9] of Groupe BPCE in the first half of 2016 stood at 11,628 million euros, down 2.8% compared with the first half of 2015. The core business lines contributed 11,510 million euros to net banking income, down 1.9% compared with the first half of 2015.

The Group's **operating expenses**[9] came to 8,413 million euros, up 2.7% year-on-year. The operating expenses of the core business lines, which amounted to 7,662 million euros, have increased by 1.0%. However, if the substantial increase in regulatory contributions is excluded – notably the contribution to the SRF of 229 million euros in the first half of 2016 while it only amounted to 106 million euros in the first half of 2015 – the Group's operating expenses have only increased by 1.2%.

[8] Excluding non-economic and exceptional items and after restating to account for the impact of IFRIC 21
[9] Excluding non-economic and exceptional items

The Group's **gross operating income**[9] stands at 3,215 million euros, down 14.8% compared with the first half of 2015. The contribution of the core business lines came to 3,848 million euros, down 7.2% on a year-on-year basis.

The Group's **cost of risk**[9] remained moderate in the first half of 2016 and declined by a significant 20.2% compared with the first half of 2015. It now stands at 741 million euros, corresponding to 23 basis points[10]. The ratio of non-performing loans to gross loan outstandings has declined, falling from 3.8% in the first half of 2015 to 3.5% in the first half of 2016 while the impaired loans coverage ratio (including guarantees related to impaired outstandings) is equal to 83.6% (vs. 79.0% in the first half of 2015)

- For the Banque Populaire and Caisse d'Épargne retail banking networks, the change in the cost of risk derives from a decline in individual provisions (thanks to an improvement in the economic environment in France) and a reduction in collective provisions
- For the core business lines of Natixis (Investment Solutions, Corporate & Investment Banking, SFS), the cost of risk is chiefly impacted by the drive to book provisions for the Oil & Gas sector (72 million euros in the first half of 2016). If the Oil & Gas sector is excluded, the cost of risk has declined, confirming the underlying improvement of all the business lines
- For the Group's core business lines, the cost of risk stands at 695 million euros, down by 22.0%, corresponding to 24 basis points.

The Group's **income before tax**[9] has declined by 9.7% to 2,702 million euros in the first half of 2016. For the core business lines, income before tax stands at 3,367 million euros, down 0.7% compared with the first half of 2015.

The Group's **income tax** stands at 759 million euros, down 34.9% compared with the first half of 2015. This decline is both structural in nature (discontinuation of the exceptional 10.7% tax on profits) and temporary (tax relief obtained equal to approximately 200 million euros). The effective tax rate for the 6-month period stands at 28.1%[9]; without tax relief, it stands at 35.5%[9]. For the core business lines, income tax came to 1,024 million euros, down 14.7%.

When restated to account for the impact of IFRIC 21, and excluding non-economic and exceptional items:

- **Net income attributable to equity holders of the parent** has risen by 12.0% compared with the first half of 2015 to reach a total of 1,897 million euros. The corresponding metrics for the core business lines enjoyed growth of 7.9% to 2,143 million euros.
- The Group's **cost/income ratio** has risen by 3.3 points and now stands at 70.4% for the Group as a whole. It is equal to 65.6% for the core business lines, representing a 1.9-point increase compared with the first half of 2015.
- The Group's **ROE** stands at 6.6%, equal to a 0.4-point increase compared with the first half of 2015. ROE is 11% for the core business lines, up one point compared with the first half of 2015.

After accounting for non-economic and exceptional items, and cancelling restatements made to account for the impact of IFRIC 21, **published net income attributable to equity holders of the parent** increased by 45.8% in the first half of 2016, to 2,427 million euros. The published net income of the core business lines rose by 7.1% to stand at 2,040 million euros for the first half of this year.

1.2 Consolidated results[7] for the second quarter of 2016: net income attributable to equity holders of the parent[8] up 21.1% to more than €1bn

In the second quarter of 2016, the **net banking income**[9] of Groupe BPCE came to 5,841 million euros, down 2.2% compared with the second quarter of 2015. The net banking income of the core business lines, equal to 5,778 million euros, has experienced a limited 1.6% decline

[10] Cost of risk expressed in annualized basis points on gross customer outstandings at the beginning of the period

compared with the second quarter of 2015. The revenues (excluding changes in provisions for home purchase savings schemes) of the Commercial Banking & Insurance division have declined by 3.5% while the revenues generated by the core business lines of Natixis have increased by 1.8%.

The Group's **operating expenses**[9] came to a total of 4,025 million euros, representing an increase of 2.5% year-on-year. The expenses of the core business lines, equal to 3,733 million euros, have risen by 1.1%.

The Group's **gross operating income**[9] stands at 1,816 million euros, down 11.2% compared with the second quarter of 2015. The contribution from the core business lines is equal to 2,045 million euros, down 6.1% year-on-year.

The Group's **cost of risk**[9] declined by a substantial 15.2% in the second quarter of 2016 to reach 370 million euros, or 23 basis points[10]. For the core business lines, this metric stands at 343 million euros, down 18.0%, and also corresponds to 23 basis points.

The Group's **income before tax**[9] came to 1,561 million euros in the second quarter of 2016, down 8.1% year-on-year. For the core business lines, income before tax stands at 1,814 million euros, down 0.7% compared with the second quarter of 2015.

The Group's **income tax** amounted to 312 million euros, 51.6% lower than in the second quarter of 2015 (structural and temporary reduction). For the core business lines, income tax came to 498 million euros, down 22.1%.

When restated to account for the impact of IFRIC 21 and non-economic and exceptional items:
- **Net income attributable to equity holders of the parent** has increased by 21.1% to 1,016 million euros. The same item for the core business lines has risen by 12.8% to 1,121 million euros.
- The **cost/income ratio** has risen by 3.7 points to 70.9% for the Group; it stands at 65.6% for the core business lines, up 1.7 points compared with the second quarter of 2015.
- The Group's **ROE** stands at 7.0%, up 0.7 point. It is equal to 12% for the core business lines, up 2 points compared with the second quarter of 2015.

After accounting for non-economic and exceptional items, and cancelling restatements made to account for the impact of IFRIC 21, **published net income attributable to equity holders of the parent** has increased by 77.6% year-on-year to 1,849 million euros, which includes – for a total of 797 million euros – the capital gains realized on the disposal of Visa Europe securities, completed during the quarter. Published net income attributable to equity holders of the parent posted by the core business lines increased by 11.2% to reach a total of 1,148 million euros in the second quarter of 2016.

CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FIRST HALF OF 2016

In millions of euros	**H1-16**	**H1-16 / H1-15 pf** % change	**Core business lines H1-16**	**H1-16 / H1-15 pf** % change
Net banking income *	11,628	- 2.8%	11,510	- 1.9%
Operating expenses *	- 8,413	+ 2.7%	- 7,662	+ 1.0%
Gross operating income *	**3,215**	**- 14.8%**	**3,848**	**- 7.2%**
Cost of risk *	- 741	- 20.2%	- 695	- 22.0%
Income before tax *	**2,702**	**- 9.7%**	**3,367**	**- 0.7%**
Income tax	- 759	- 34.9%	- 1,024	- 14.7%
Minority interests	- 230	- 13.9%	- 280	- 1.9%
Net income attributable to equity holders of the parent *	**1,714**	**+ 9.8%**	**2,063**	**+ 8.3%**
Restatement to account for the IFRIC 21 impact	*184*		*80*	
**Net income attributable to equity holders of the parent ** **	**1,897**	**+ 12.0%**	**2,143**	**+ 7.9%**
Cost/income ratio **	70.4%	+ 3.3 pts	65.6%	+ 1.9 pt
ROE**	6.6%	+ 0.4 pt	11%	+ 1 pt
Impact on net income of non-economic and exceptional items	*713*		*- 24*	
Add-back to net income of the IFRIC 21 impact	*- 184*		*- 80*	
Published net income attributable to equity holders of the parent	**2,427**	**+ 45.8%**	**2,040**	**+ 7.1%**

H1-15 pro forma, cf. the note on methodology at the end of this press release

The core business lines are Commercial Banking & Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail banking networks in addition to Crédit Foncier, Banque Palatine and BPCE International), and the Investment Solutions, CIB, and Specialized Financial Services divisions of Natixis

* Excluding non-economic and exceptional items

** Excluding non-economic and exceptional items and excluding the IFRIC 21 impact

CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE 2ND QUARTER OF 2016

In millions of euros	Q2-16	Q2-16 / Q2-15 pf % change	Core business lines Q2-16	Q2-16 / Q2-15 pf % change
Net banking income *	5,841	- 2.2%	5,778	- 1.6%
Operating expenses *	- 4,025	+ 2.5%	- 3,733	+ 1.1%
Gross operating income *	**1,816**	**- 11.2%**	**2,045**	**- 6.1%**
Cost of risk *	- 370	- 15.2%	- 343	- 18.0%
Income before tax *	**1,561**	**- 8.1%**	**1,814**	**- 0.7%**
Income tax	- 312	- 51.6%	- 498	- 22.1%
Minority interests	- 141	- 5.2%	- 154	+ 1.0%
Net income attributable to equity holders of the parent *	**1,108**	**+ 22.4%**	**1,161**	**+ 12.3%**
Restatement to account for the IFRIC 21 impact	*- 92*		*- 40*	
Net income attributable to equity holders of the parent **	**1,016**	**+ 21.1%**	**1,121**	**+ 12.8%**
Cost/income ratio **	70.9%	+ 3.7 pts	65.6%	+ 1.7 pt
ROE**	7.0%	+ 0.7 pt	12%	+ 2 pts
Impact on net income of non-economic and exceptional items	*741*		*- 13*	
Add-back to net income of the IFRIC 21 impact	*92*		*40*	
Published net income attributable to equity holders of the parent	**1,849**	**+ 77.6%**	**1,148**	**+ 11.2%**

Q2-15 pro forma, cf. the note on methodology at the end of this press release

The core business lines are Commercial Banking & Insurance (with, in particular, the Banque Populaire and Caisse d'Epargne retail banking networks in addition to Crédit Foncier, Banque Palatine and BPCE International), and the Investment Solutions, CIB, and Specialized Financial Services divisions of Natixis

* Excluding non-economic and exceptional items

** Excluding non-economic and exceptional items and excluding the IFRIC 21 impact

2. CONTINUED STRENGTHENING OF THE FINANCIAL STRUCTURE IN THE SECOND QUARTER OF 2016

2.1 A total capital ratio on track to reach, or exceed, the target of 18% in early 2019, enabling the Group to comply with TLAC requirements

The CET1[11] ratio of Groupe BPCE continued to improve in the second quarter of 2016 with an estimated level of 13.7% at June 30, 2016 vs. 13% at January 1, 2016 pro forma. This increase in the CET1 ratio is chiefly driven by retained earnings (adjusted to account for the projected distribution of dividends) with an impact of 39 basis points since December 31, 2015 (adjusted to account for the impact of the disposal of Visa Europe securities). The ratio was impacted, for a total of 11 basis points, by the disposal of Visa Europe securities (considering that the securities' revaluation had already been recognized in shareholders' equity at December 31, 2015). The phased-in ratio is estimated at 13.7%.

Groupe BPCE enjoys a total capital ratio at a high level, estimated at 17.8%[11] at June 30, 2016, up 100 basis points in the first half of 2016. The fully-loaded total capital ratio is equal to 17.7%.

Total capital increased by 3.1 billion euros in the first half of 2016, rising from 65.9 billion euros at January 1, 2016 to an estimated 69.0 billion euros at June 30, 2016. This growth in the Group's total capital is related to the following factors:

- The 1.9 billion euro increase in CET1 (thanks to retained earnings) which amounted to 53.0 billion euros at June 30, 2016 vs. 51.1 billion euros at January 1, 2016.
- The 1.3 billion euro growth in Tier-2 capital since the beginning of the year, which stood at 14.5 billion euros at June 30, 2016 against 13.2 billion euros at January 1, 2016.

Risk-weighted assets remain under close control, stable vs. December 31, 2015 at 387 billion euros.

At June 30, 2016, the leverage ratio[11,12] (under Basel 3) stood at 4.8% vs. 4.7% at December 31, 2015.

2.2 Solid liquidity reserves

At June 30, 2016, liquidity reserves covered 167% of total short-term funding requirements and medium-/long-term and subordinated debt with maturities within one year. Liquidity reserves stood at 189 billion euros at June 30, 2016, including 143 billion euros of available assets eligible for central bank funding and 46 billion euros in cash placed with central banks.

The short-term liquidity coverage ratio (LCR) remained higher than 110% at June 30, 2016.

2.3 66% of the 2016 wholesale medium-/long-term funding plan completed at June 30, 2016

Groupe BPCE's ability to access major debt markets allowed it to raise medium-/long-term (MLT) resources for an aggregate of 16 billion euros at June 30, 2016, equal to 66% of the 2016 funding program for a total of 24 billion euros. The average maturity at issue is 7.6 years and the average interest rate is equal to mid-swap +42 basis points. At the end of the first six months of 2016, 51% of the medium-/long-term funding had been completed in the form of public bond issues and 49% in the form of private placements.

In the first half of 2016, a total of 10.6 billion euros (8.2 billion euros in senior debt and 2.4 billion euros in Tier-2 subordinated debt) was raised in the unsecured bond segment, equal to 62% of the 2016 unsecured funding plan.

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[11] CRR/CRD4 without transitional measures (except for deferred tax assets on tax loss carryforwards and pro forma of the additional phase-in of the stock of DTA in accordance with regulation 2016/445); additional Tier-1 capital takes account of subordinated debt issues that have become ineligible and capped at the phase-out rate in force

[12] Estimate at June 30, 2016 according to the rules of the Delegated Act published by the European Commission on October 10, 2014

During the same period, 5.4 billion euros was raised in the covered bond segment, equal to 77% of the target in this compartment.

Groupe BPCE is continuing to raise substantial funds thanks to a greater diversification of its investor base. As a result, 40% of the unsecured bonds issued in the institutional market were placed in currencies other than the euro (notably 27% in USD and 9% in JPY).

Pursuing an innovative and diversified approach for its Tier-2 bond issues, BPCE was the first non-Japanese issuer to complete a Tier-2 issue on the retail Samurai market (53 billion Japanese yen or 475 million euros).

3. RESULTS[13] OF THE BUSINESS LINES: GOOD COMMERCIAL PERFORMANCE OF THE CORE BUSINESS LINES

3.1 Commercial Banking & Insurance: stable contribution to the Group's income before tax[14] against a background of low interest rates

The Commercial Banking & Insurance business line groups together the activities pursued by the Banque Populaire and Caisse d'Epargne retail banking networks, and those of the Other Networks division comprised of the subsidiaries of BPCE International, Banque Palatine, Crédit Foncier and the minority interest in CNP Assurances.

The Banque Populaire banks and Caisses d'Epargne continued to enjoy strong commercial dynamics in the first half of 2016. Loan outstandings enjoyed significant growth to reach 406 billion euros at June 30, 2016, equal to an increase of 18 billion euros (+ 4.7%) driven by short-term credit facilities (+7.9%), consumer loans (+9.3%) and home loans (+5.8%). The volume of new loan production remained at a high level (39.6 billion euros), buoyed up by the strong momentum achieved by loans granted to corporate customers: +29% compared with the first half of 2015.

Aggregate customer deposits & savings of the Banque Populaire banks and Caisses d'Epargne stood at 639 billion euros at June 30, 2016, representing year-on-year growth of 14 billion euros (+2.3%). This growth is largely due to the increase in on-balance sheet deposits & savings (+3.0% year-on-year). The proportion of demand deposits in the structure of overall deposits at end-June 2016 rose by 3 points year-on-year to reach a total of 34% (excluding centralized savings).

At the same time, the Group pursued the development of its new growth driver: insurance. In the life-insurance segment, life funds rose by 3.1% during the period. In the non-life insurance segment, the portfolio of contracts continued to enjoy significant growth, up 10% year-on-year.

The Banque Populaire and Caisse d'Epargne retail banking networks developed innovative solutions for the benefit of their customers during the first half of 2016.

Banque Populaire launched the umbrella brand, *Banque Populaire Ingénierie Financière* ("Banque Populaire Financial Engineering"), designed to unify all its existing financial engineering resources and expertise and to provide a website (www.ingenieriefinanciere.banquepopulaire.fr) dedicated to forging contacts with the regional experts working with the Banque Populaire banks. This structure brings together the activities specializing in M&A consultancy, regional private equity and structured financing with a view to supporting corporate development strategies in the French regions.

For the second year in succession, Banque Populaire has organized "L'+xpérience," an operation involving more than 400 craftsmen and small retailers in 29 French towns and cities who invited the general public onto their premises to discover their specific know-how and expertise.

In May earlier this year, the Caisse d'Epargne unveiled its new brand territory designed with the help of the Altmann+Pacreau advertising agency. With its new corporate signature – *Vous être utile* ("To be helpful") – the Caisse d'Epargne seeks to reassert its strategic ambition: to serve as closely as possible the needs of French people in general, and of its customers in particular, by embodying a modern banking institution, enjoying reference status for customer relations; a cooperative bank, actively involved in the development of its regions.

The Caisse d'Epargne continues to enjoy its status as the preferred bank for young people thanks to the success of its student guarantee solution, organized in partnership with BPI, whose 6 million euro funding envelope was distributed in just one month. The Caisse d'Epargne also offers its support to young people with one of the market's top-ranked loan and bancassurance packages.

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[13] H1-15 and Q1-15 are presented pro forma (cf. the note on methodology at the end of this press release); unless specified to the contrary, all changes use the same reference base of June 30, 2015
[14] Excluding non-economic and exceptional items

Financial results[13] for the second quarter of 2016 of the Commercial Banking & Insurance business line

The **revenues** generated by the Commercial Banking & Insurance business line in the first half of 2016 came to 7,542 million euros (excluding changes in provisions for home purchase savings schemes), representing a decline of 3.2% compared with the first half of 2015. The historically low interest rates are continuing to weigh down on net customer interest income, which is down 6.3%[15] (excluding provisions for home purchase savings schemes). Commission income from early redemption fees is down 25.8%[15] along with commissions charged on centralized savings products owing to a decline in the commission rate. However, commissions derived from customers' use of banking products and services and life insurance have risen. Revenues for the second quarter of 2016 stand at 3,727 million euros (excluding changes in provisions for home purchase savings schemes), equal to a 3.5% decline compared with the second quarter of 2015.

Operating expenses (excluding exceptional items) are tightly managed, standing at 5,054 million euros in the first half of 2016, at a level comparable with the first half of 2015 (+0.1%), and at 2,452 million euros in the second quarter of 2016, stable compared to the same period in 2015 (+0.2%).

Gross operating income (excluding exceptional items) came to 2,448 million euros in the first 6 months of 2016, down 9.7% compared with the first half of 2015. In the second quarter of 2016, this item stood at 1,266 million euros, down 9.6% year-on-year.

The **cost of risk** (excluding exceptional items), which amounted to 542 million euros in the first half of 2016, has improved substantially, down by a factor of 27.9%. In the second quarter of 2016, it came to a total of 274 million euros, down by a significant 23.7%.

The **contribution made by the Commercial Banking & Insurance business line to the Group's income before tax** came to 2,056 million euros in the first half of 2016, down 0.8% year-on-year, and stood at 1,068 million euros in the second quarter of 2016, down 2.6% compared with the same period in 2015.

Restated to account for the impact of IFRIC 21 and exceptional items:

- **Income before tax** stands at 2,136 million euros for the first half of 2016, down 0.9% compared with the first half of 2015. It is equal to 1,028 million euros for the second quarter of 2016, down 2.7% year-on-year.
- The **cost/income ratio** rose by 2.3 points in the first half of the year, to stand at 66.3%. Reaching 67.0% in the second quarter of 2016, it has improved by 2.4 percentage points in the space of one year.
- **ROE** in the first half of 2016 is equal to 10%, up one percentage point year-on-year. The ROE of the second quarter of 2016 is equal to 11%, representing a 2-point improvement compared to the second quarter of 2015.

3.1.1 Banque Populaire: sustained growth in the customer base and outstandings, faster pace of development in insurance

The Banque Populaire network comprises the 18 Banque Populaire banks, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies.

- **Customer base**

The Banque Populaire retail banking network is pursuing its development strategy aimed at priority customer categories leading, at the end of June 2016, to 1.7% year-on-year growth in the number of principal active adult customers using banking services (+54,000 customers) and an 8.8% year-on-year increase in the number of individual customers using banking and insurance services (+95,000 customers).

[15] BP and CE retail banking networks

CASDEN Banque Populaire, a bank initially dedicated to civil servants working in education, research, and culture, has broadened its remit to include the entire French civil service, which accounted for 71% of the 87,200 new members recorded during the first half of 2016.

- **Loan outstandings**

Loan outstandings came to 177 billion euros at the end of June 2016, representing a 4.4% year-on-year increase.

- **Deposits & savings**

Deposits & savings grew by 4.2% on a year-on-year basis, rising to 238 billion euros at June 30, 2016.

- **Insurance**

Insurance activities continued to grow leading to a 10.3% year-on-year increase in the portfolio of P&C contracts and growth of 11% in the provident and health segment.

- **Financial results**

Net banking income for the first half of 2016 stands at 3,181 million euros (excluding changes in provisions for home purchase savings schemes), down 3.3% compared with the first half of 2015. This decline is chiefly due to a 6.8% downturn in net customer interest income (excluding changes in provisions for home purchase savings schemes) and a 1.1% decline in commissions. For the second quarter, net banking income comes to a total of 1,588 million euros (excluding changes in provisions for home purchase savings schemes), down 3.1% compared with the second quarter of 2015.

Operating expenses for the first half of 2016, which amounted to 2,155 million euros (excluding exceptional items), are virtually unchanged compared with the first half of 2015. For the second quarter of the year, they stand at 1,047 million euros, down 0.3%.

Gross operating income for the first half of 2016 is equal to 1,011 million euros (excluding exceptional items), down 10.1% compared with the first half of 2015. This item came to 536 million euros, down 8.1%, in the second quarter.

The **cost of risk** in the first half of 2016, equal to 261 million euros, has declined by a substantial 22.6% compared with the first half of 2015. The cost of risk in the second quarter of 2016 comes to 129 million euros, down 21.5% compared with second quarter of 2015.

Income before tax (excluding exceptional items) for first half of 2016 stands at 799 million euros, down 1.1% compared with the first half of 2015. In the second quarter of the year, it came to 427 million euros, down 0.6% compared with second quarter of 2015.

If restated to account for the impact of IFRIC 21, **income before tax**, excluding exceptional items, came to 830 million euros in the first half of 2016, equal to a decline of 1.2% compared with the first half of 2015. In the second quarter of 2016, it stood at 411 million euros, down 0.6%. The **cost/income ratio** dropped by 2.3 points, to 67.1% in the first half of 2016, and by 1.9 points, to 67.1% in the second quarter of 2016.

3.1.2 Caisse d'Epargne: net banking income remains firm, buoyed up by robust commercial performance

The Caisse d'Epargne network comprises the 17 individual Caisses d'Epargne along with their subsidiaries.

- **Customer base**

The strategy aimed at increasing the use of banking services by individual adult customers of the Caisse d'Epargne retail banking network was pursued during the first half of 2016 and led to 1.8% growth in the number of principal active customers using banking services, i.e. an additional 91,800 customers on a year-on-year basis. In the professional segment, the strategy aimed at attracting new customers led to a 3.9% increase in the number of active customers (+6,575 customers in the space of one year). In the corporate customer segment, the number of active customers rose by 5.6% (+918 customers).

- **Loan outstandings**

Loan outstandings came to a total of 229 billion euros at June 30, 2016, up 4.9% compared with June 30, 2015.

- **Deposits & savings**

Deposits & savings rose by +1.1% to reach a total of 401 billion euros at June 30, 2016.

- **Insurance**

The Caisse d'Epargne retail banking network continued to enjoy significant growth in its insurance activities, leading to a 10.0% increase in its portfolio of P&C contracts and 9.1% growth in the provident and health insurance segment.

- **Financial results**

Net banking income for the first half of 2016 stands at 3,662 million euros (excluding changes in provisions for home purchase savings schemes), down 1.2% compared with the first half of 2015. This change is chiefly due to a 5.8% reduction in net customer interest income (excluding changes in provisions for home purchase savings schemes) and a 1.4% decline in commissions on a year-on-year basis. In the second quarter of 2016, net banking income (excluding changes in provisions for home purchase savings schemes) came to 1,789 million euros, down 1.6%.

Operating expenses, excluding exceptional items, came to 2,423 million euros in the first half of 2016, reflecting marginal growth of 0.3% compared with the first half of 2015. In the second quarter of 2016, they stood at 1,180 million euros, up 0.6% compared with the second quarter of 2015.

Gross operating income, excluding exceptional items, is equal to 1,215 million euros in the first half of 2016, down 4.6% compared with the first half of 2015. In the second quarter of 2016, it came to 605 million euros, representing a 4.8% year-on-year decline.

The **cost of risk**, which amounted to 173 million euros in the first half of 2016, has fallen by 44.8% compared with the first half of 2015, excluding exceptional items. In the second quarter of 2016, it came to 88 million euros, down 36.2%.

Income before tax, excluding exceptional items, came to 1,039 million euros in the first half of 2016, up 8.5% on a year-on-year basis, and stood at 515 million euros in the second quarter of the year, up 3.8% compared with the same period in 2015.

If restated to account for the impact of IFRIC 21, income before tax, excluding exceptional items, came to 1,075 million euros in the first half of 2016, equal to growth of 8.2% compared with the first half of 2015. In the second quarter of 2016, it stood at 498 million euros, up 3.9%.

The **cost/income ratio** declined by 1.1 points, to 65.6%, in the first half of 2016 and by 1.3 points, to 67.1% in the second quarter of 2016.

3.1.3 Other networks

The contribution of the **Other networks** sub-division to the income before tax of Groupe BPCE came to 218 million euros for the first half of 2016, down 28.9% compared with the same period in 2015. **When restated to account for the impact of IFRIC 21**, income before tax stands at 232 million euros, down 28.0% compared with the first half of 2015.

- **Real estate Financing**

Crédit Foncier is the principal entity contributing to the Real estate Financing business line.

Crédit Foncier enjoyed buoyant commercial activity in the first half of 2016.

Aggregate new loan production came to 4.3 billion euros in the first half of 2016, including 3.2 billion euros for the individual customer segment and 1.2 billion euros for the public-sector facilities and real-estate investors segment.

In line with the strategy aimed at reducing the balance-sheet size, loan outstandings have declined by almost 5%. At June 30, 2016, they stood at 83 billion euros including 49 billion euros of loans granted to individual customers and 29 billion euros of loans granted in the public-sector facilities and real-estate investors market segment.

Restated to account for exceptional items (including the CVA/DVA impact), **net banking income** declined by 4.3% in the first half of 2016 compared with the same period in 2015. This decline goes hand-in-hand with that of the balance-sheet size; it also reflects the lower level of early loan redemption and related fee income.

Restated to account for the impact of IFRIC 21, **income before tax**[16] of Crédit Foncier came to 83 million euros in the first half of 2016.

- **BPCE International**

BPCE International represents all the international subsidiaries of Groupe BPCE, with the exception of Natixis.

The contribution of BPCE International to the income before tax of Groupe BPCE (after restating to account for the impact of IFRIC 21) is 10 million euros for the first half of 2016.

- **Banque Palatine**

The contribution of Banque Palatine to the income before tax of Groupe BPCE (after restating to account for the impact of IFRIC 21) is 32 million euros for the first half of 2016.

- **CNP and Others**

The principal entity comprising the division is the minority interest in CNP Assurances, accounted for by the equity method.

The contribution of CNP and Others to the income before tax of Groupe BPCE (after restating to account for the impact of IFRIC 21) is 104 million euros for the first half of 2016.

[16] Excluding the net loss of €104m in H1-15 recognized on Heta Asset Resolution AG allocated to the Corporate center

3.2 Core business lines of Natixis[17,18] (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services: activities of the core business lines stood up well in H1-16

The **net revenues** of the core business lines of Natixis (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services) stood at 4,009 million euros in the first half of 2016, marginally up compared with the first half of 2015 (+0.8%). Net revenues came to 2,060 million euros in the second quarter of 2016, reflecting 1.8% growth year-on-year.

The **operating expenses** of the core business lines of Natixis amounted to 2,608 million euros in the first half of 2016, up 2.7% compared with the same period in 2015. These expenses stood at 1,281 million euros in the second quarter of 2016, up 2.9% over the same period last year.

The **gross operating income** of the core business lines of Natixis came to 1,400 million euros in the first half of the year, representing a 2.5% decline compared with the first half of 2015. This item stood at 779 million euros in the second quarter of 2016, marginally up compared with the second quarter of 2015 (+0.2%).

The **cost of risk** of the core business lines of Natixis amounted to 153 million euros in the first half of 2016, up by 9.9% compared with the same period in 2015. The cost of risk for the second quarter of 2016 rose 16.8% year-on-year to stand at 69 million euros.

The **income before tax** of the core business lines of Natixis came to 1,311 million euros in the first half of 2016, down 0.6% on a year-on-year basis. Income before tax stood at 746 million euros in the second quarter of the year, up 2.2%.

Restated to account for the impact of IFRIC 21, income before tax for the first half of 2016 stands at 1,345 million euros, down 0.6% compared with the first half of 2015. It came to 729 million euros in the second quarter of 2016, up 2.3%. On a division by division basis, income before tax can be broken down as follows:

- The **Investment Solutions** division reported **income before tax** of 520 million euros in the first half of 2016, down 1.5% compared with the first half of 2015. The Investment Solutions division accounted for 39% of the income before tax of the core business lines. In the second quarter of 2016, income before tax stood at 251 million euros, down 8.4% compared with the second quarter of 2015.
- In the **Corporate & Investment Banking** division, **income before tax** came to 579 million euros in the first half of 2016, down 7.1%. The Corporate & Investment Banking division accounted for 43% of the income before tax of the core business lines. In the second quarter of 2016, income before tax stood at 346 million euros, up 2.7% compared with the same period in 2015.
- The **income before tax of the Specialized Financial Services (SFS)** division enjoyed growth of 21.4% in the first half of 2016, rising to 246 million euros. The Specialized Financial Services division accounted for 18% of the income before tax of the core business lines. In the second quarter of 2016, income before tax rose by 30.0% compared with the second quarter of 2015 to reach a total of 133 million euros.

Restated to account for the impact of IFRIC 21, the **cost/income ratio** of the core business lines of Natixis is equal to 64.2% in the first half of 2016, representing an increase of 1.2 points. In the second quarter of this year, it stood at 63.0%, equal to a 0.6-point increase.

Restated to account for the impact of IFRIC 21, **ROE** was equal to 13% in the first half of 2016, a level stable on a year-on-year basis. In the second quarter of 2016, it rose one percentage point compared with the second quarter of 2015 to reach 15%.

(For a more detailed analysis of the core business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com).

[17] The Groupe BPCE contribution figures are different from those published by Natixis
[18] H1-15 and Q2-15 results are presented pro forma (cf. notes on methodology)

NON-ECONOMIC AND EXCEPTIONAL ITEMS FOR THE FIRST HALF OF 2016

Non-economic items In millions of euros	H1-16 Income before tax	H1-16 Net income attributable to equity holders of the parent	H1-15 pf Income before tax	H1-15 pf Net income attributable to equity holders of the parent
Revaluation of own debt* *(net banking income)*	- 19	- 8	119	54
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies** *(net banking income)*	- 22	- 13	83	47
Total impact of non-economic items	**- 41**	**- 21**	**202**	**101**

Exceptional items In millions of euros	H1-16 Income before tax	H1-16 Net income attributable to equity holders of the parent	H1-15 pf Income before tax	H1-15 pf Net income attributable to equity holders of the parent
Capital gains realized on Visa Europe securities *(net banking income)*	831	797		
Disposal of the entire residual equity interest in Nexity *(net banking income)*	39	40	111	109
Banca Carige / Permanent impairment *(net banking income)*	- 13	- 13	3	3
Disposal of international assets managed on a run-off basis *(net banking income)*	- 65	- 43	- 29	- 18
Transformation costs *(operating expenses)*	- 36	- 24	- 2	- 2
Heta Asset Resolution AG *(cost of risk)*			- 104	- 64
Decline in value of goodwill and other gains or losses on other assets	- 76	- 23	- 34	- 26
Total impact of exceptional items	**680**	**734**	**- 55**	**2**
Total impact	**639**	**713**	**147**	**103**

H1-15 results are presented pro forma (cf. notes on methodology)

* Concerns Natixis and Crédit Foncier

** Concerns Natixis and BPCE

NON-ECONOMIC AND EXCEPTIONAL ITEMS FOR THE 2ND QUARTER OF 2016

Non-economic items In millions of euros	Q2-16 Income before tax	Q2-16 Net income attributable to equity holders of the parent	Q2-15 pf Income before tax	Q2-15 pf Net income attributable to equity holders of the parent
Revaluation of own debt* *(net banking income)*	- 26	- 13	127	60
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies** *(net banking income)*	23	14	- 39	- 22
Total impact of non-economic items	**- 3**	**0**	**88**	**38**

Exceptional items In millions of euros	Q2-16 Income before tax	Q2-16 Net income attributable to equity holders of the parent	Q2-15 pf Income before tax	Q2-15 pf Net income attributable to equity holders of the parent
Capital gains realized on Visa Europe securities *(net banking income)*	831	797		
Disposal of the entire residual equity interest in Nexity *(net banking income)*			111	109
Banca Carige / Permanent impairment *(net banking income)*	- 3	- 3	3	3
Disposal of international assets managed on a run-off basis *(net banking income)*	- 26	- 17	- 24	- 15
Transformation costs *(operating expenses)*	- 20	- 13	- 2	- 1
Heta Asset Resolution AG *(cost of risk)*			38	29
Decline in value of goodwill and other gains or losses on other assets	- 76	- 23	- 34	- 26
Total impact of exceptional items	**706**	**741**	**92**	**98**
Total impact	**703**	**741**	**180**	**136**

Q2-15 results are presented pro forma (cf. notes on methodology)

* Concerns Natixis and Crédit Foncier

** Concerns Natixis and BPCE

For further details about the financial results for the 1st half and the 2nd quarter of 2016, please consult the Investors/Results section of the corporate website www.bpce.fr.

The summary financial statements of Groupe BPCE for the period ended June 30, 2016 approved by the Management Board at a meeting convened on July 27, 2016, were verified and reviewed by the Supervisory Board at a meeting convened on July 28, 2016. These results are subject to a limited review carried out by the statutory auditors.

Notes on methodology

Presentation of Q2-15 and H1-15 pro-forma results

The segment information has been modified as of Q1-16 after the Equity interests division was subsumed into the Corporate center division.
On September 18, 2015, BPCE International transferred to the Caisse d'Epargne Provence-Alpes-Corse the entire equity interest it held in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon. The revenues generated by these entities have been attributed retroactively to the Caisse d'Epargne sub-division. This operation has no impact on the Commercial Banking & Insurance division as a whole.
The retroactive application since January 1st, 2015 of the change in the accounting method whereby assets and liabilities denominated in foreign currencies are hedged by currency swaps (with the impacts of the inefficiency of hedging now being recorded in transferable capital) has led to a restatement of the 2015 quarterly reviews; this restatement has no impact on the 2015 annual result.
The series of financial reports for 2015 is also presented pro forma to account for the transfer of expenses from the Corporate Center division to the SFS division.
The method used to account for renegotiation fees charged by the retail networks has been standardized between 2015 and 2016 leading to a pro-forma figure for the 2015 financial year. In 2016, renegotiation fees are accounted for in net interest margin over the period whereas in 2015 certain entities accounted for these fees in commissions, on a one-off basis.

Non-economic and exceptional items

The figures and comments contained in this presentation are based on the income statements of Groupe BPCE and its business lines restated to reflect the non-economic and exceptional accounting items listed on pages 16 and 17 of this press release. A reconciliation of the restated income statement with the income statement published by Groupe BPCE is provided in an annex to the slide presentation.
As of Q1-16, the contribution to the Single Resolution Fund, accounted for in the operating expenses of the Corporate center, is no longer restated as an exceptional item.
When the Q1-15 results were published, the amount recognized as the Group's contribution to the Single Resolution Fund was based on an estimate. The series of financial reports for 2015 has been restated to reflect the actual amount of the Q1-15 contribution to the SRF as calculated by the supervisory authority. This restatement has no impact on the 2015 annual result. Similarly, following notification of the actual amount of the contribution in Q2-16, the amount of the SRF recognized in Q1-16 has been readjusted.
The Group has launched a number of transformation operations helping to simplify its organizational structure and to generate synergies. The resulting transformation costs (restructuring expenses specific to projects for the combination/merger of entities and the migration to existing IT platforms) have been isolated as of Q2-16.

Net banking income

Net customer interest income, excluding regulated home savings schemes, is computed on the basis of interest earned from transactions with customers, excluding net interest on centralized savings products (Livret A, Livret Développement Durable, Livret Epargne Logement passbook savings accounts) and changes in provisions for home purchase savings schemes.
Net interest on centralized savings is assimilated to commissions.

Restatement of the impact of IFRIC 21

The results, cost/income ratios and ROE, after being restated to account for the impact of IFRIC 21, are calculated on the basis of ¼ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a given quarter, or ½ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a 6-month period.

Business line performance presented using Basel 3 standards

***The accounting ROE of Groupe BPCE** is the ratio between the following items:*
Net income attributable to equity holders of the parent restated to account for the interest expense related to deeply subordinated notes classified as equity and for non-economic and exceptional items
Equity attributable to equity holders of the parent restated to account for the deeply subordinated notes classified as equity and for unrealized gains and losses

***The standard ROE of the core business lines** (Commercial Banking & Insurance on the one hand; Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services on the other) is the ratio between the following items:*
Core business line contributory net income attributable to equity holders of the parent, less interest (computed at the standard rate of 3%) paid on surplus equity compared with normative capital and restated to account for non-economic and exceptional items
Normative capital adjusted to reflect goodwill and intangible assets related to the core business line
Normative capital is allocated to Groupe BPCE business lines since Q1-15 on the basis of 10% of Basel-3 average risk-weighted assets.

Capital adequacy
Common Equity Tier 1 is determined in accordance with the applicable CRR/CRD 4 rules; non-phased-in equity is presented without the application of transitional measures, with the exception of restated deferred tax assets on tax loss carryforwards.
Additional Tier-1 capital takes account of subordinated debt issues that have become non-eligible and subject to ceilings at the phase-out rate in force.
The leverage ratio is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures, after restating to account for deferred tax assets on tax loss carryforwards. Securities financing operations carried out with clearing houses are offset on the basis of the criteria set forth in IAS 32, without consideration of maturity and currency criteria. Account has been taken in the total leverage exposure of savings deposits centralized with the Caisse des Dépôts et Consignations since Q1-16.

Liquidity
*The Group's **LTD ratio (loan-to-deposit ratio)** is the ratio between customer loans and centralized regulated passbook savings accounts in the numerator, and customer deposits in the denominator. The scope of the calculation excludes SCF (Compagnie de Financement Foncier, the Group's société de crédit foncier, a French covered bond issuer). These items are taken from the Group's accounting balance sheet after accounting for the insurance entities using the equity method. Customers' deposits have been subject to the following adjustments:*
Addition of security issues placed by the Banque Populaire and Caisse d'Epargne retail banking networks with their customers, and certain operations carried out with counterparties comparable to customer deposits
Withdrawal of short-term deposits held by certain financial customers collected by Natixis in pursuit of its intermediation activities.

*The **liquidity reserve** includes:*
Available assets eligible for the Federal Reserve
Other available securities eligible for the Central European Bank
Securities retained, available and eligible for the Central European Bank
Private receivables, available and eligible for central bank funding
Liquid assets placed with central banks
Amounts are published after including Central Bank discounts.

***Short-term funding** corresponds to funding with an initial maturity of less than 12 months.*

About Groupe BPCE
Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary cooperative commercial banking networks: the network of 18 Banque Populaire banks and the network of 17 Caisses d'Epargne. It also works through Crédit Foncier in the area of real estate financing. It is a major player in Investment Solutions, Corporate & Investment banking and financial services with Natixis. Groupe BPCE, with its 108,000 employees, serves a total of 35 million customers and enjoys a strong local presence in France with 8,000 branches and more than 8.9 million cooperative shareholders.

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