

# MOODY'S

## INVESTORS SERVICE

### COMPANY PROFILE

#### Table of Contents:

COMPANY OVERVIEW	1
FINANCIAL HIGHLIGHTS (AS REPORTED)	2
BUSINESS ACTIVITIES	2
DISTRIBUTION CAPACITY AND MARKET SHARE	5
OWNERSHIP AND STRUCTURE	8
COMPANY MANAGEMENT	12
COMPANY HISTORY	16
PEER GROUP	17
SUBSIDIARIES RATED BY MOODY'S	17
RELATED WEBSITES AND INFORMATION SOURCES	18
MOODY'S RELATED RESEARCH	18

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## BPCE

Paris, France

### Company Overview

Groupe BPCE is the second-largest banking group in France and is present in 68 countries serving approximately 36 million customers. The group has the second-largest market share in France for domestic mortgage loans and customer deposits. In terms of size, it is also ranked first for small and medium-sized enterprise (SME) customers and second for individual customers, small businesses and self-employed professionals. As of 31 December 2010, Groupe BPCE reported a consolidated asset base of €1.048 billion.

Through its mutualist network and its subsidiaries, the group provides a range of financial products and services including corporate and investment banking, asset management, private equity and private banking, receivables management and retail commercial banking to individual-, SME-, corporate- and institutional customers in France and internationally. Natixis, BPCE's main subsidiary, delivers investment solutions, specialised financial services and operates as the corporate and investment banking arm of the group.

In July 2009, BPCE was created with the French status of "Société Anonyme" and is now the central body of the newly formed broader Groupe BPCE. BPCE, together with its subsidiaries, is also known as "groupe BPCE SA"<sup>1</sup>. As central body of the group, BPCE is owned equally by the *Banques Populaires* regional banks and the *Caisses d'Épargne* regional banks. Banque Fédérale des Banques Populaires (BFBP), renamed Banques Populaires Participations, and Caisse Nationale des Caisses d'Épargne (CNCE), renamed Caisses d'Épargne Participations, were respectively the former central bodies of the mutual banking groups Groupe Banque Populaire (GBP) and Groupe Caisse d'Épargne (GCE).

In August 2010, Banques Populaires Participations (BP Participations) and Caisses d'Épargne Participations (CE Participations) merged with BPCE, as announced in the strategic plan 2010. The two holding companies brought most of their assets to BPCE, such as Foncia, VBI, Credit Foncier de France and Banque Palatine.

BPCE has received a total of €7.05 billion in state aid from the French government, of which €4.05 billion was in the form of deeply subordinated bonds ("TSS") in December 2008 and the remaining €3 billion via the issuance of preference shares in July 2009. As of end-March 2011, BPCE fully repaid this state aid.

Source: Company Reports (Half-year report 2010, annual report Dec 09, brochure 2009)

<sup>1</sup> Groupe BPCE's perimeter covers the whole group, while the perimeter of "groupe BPCE SA" includes only BPCE and its subsidiaries, and excludes the two regional cooperative networks.

## Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on BPCE, please see [<BPCE page on moodys.com>](#).

FIGURE 1

### Latest Full-Year Results

EUR Million	Groupe BPCE			groupe BPCE SA		
	31-Dec-2010	31-Dec-2009	31-Dec-2008	31-Dec-2010	31-Dec-2009	31-Dec-2008
Total Assets	1,048,442	1,028,802	1,143,679	741,417	603,848	690,403
Total Shareholders' Equity	51,365	47,794	35,211	31,069	28,470	19,359
Shareholders' Equity excluding Minority Interest	47,385	43,988	31,513	25,146	23,167	14,263
Regulatory Capital	46,974	44,853	–	27,349	18,989	–
Tier 1 Ratio (%)	9.7	9.1	–	10.0	9.7	–
Net Income	4,033	-75	-2,696	2,016	(563)	(2,565)
Net Income Attributable to Equity Holders	3,640	537	-1,847	1,565	(69)	(1,796)

Note: 1) Consolidated financials are considered

2) Financials for 2008 are pro forma figures

3) "Regulatory Capital" and "Tier 1 Ratio" as of 31 December 2008 are not available

Source: Company Reports (annual report Dec 10, 09, 08)

## Business Activities

Groupe BPCE provides retail, corporate and investment banking, private banking, specialised financial services, asset management, insurance and receivables management services to retail, SME, corporate and institutional customers in France and internationally.

Business activities are organised into four segments: (i) Commercial Banking and Insurance; (ii) Corporate and Investment Banking, Investment Solutions and Specialised Financial Services (CIB, IS and SFS); (iii) Equity Interests; and (iv) Activities Managed on a Run-off Basis and Other Businesses. In the financial year ended 31 December 2010 (FYE December 2010), the Commercial Banking and Insurance segment was the largest contributor to Groupe BPCE's net banking income (64.6%).

### Activities Undertaken by the Regional Banks

**Commercial Banking and Insurance:** These activities are undertaken under the umbrella of the regional banks and include retail banking, international banking, insurance and other financial services as follows:

- » the 20 *Banques Populaires* (cooperative banks) and the 17 *Caisses d'Epargne* (cooperative banks)
- » the insurance operations, international banking and other networks comprising BPCE's interests in CNP Assurances, BPCE Assurances, international subsidiaries and overseas companies (including Financière Océor, renamed BPCE IOM)

As of 31 December 2010, the Commercial Banking and Insurance segment contributed 64.6% of Groupe BPCE's net banking income in FYE December 2010.

## Activities Undertaken by BPCE's Subsidiaries

**Corporate and Investment Banking, Investment Solutions and Specialised Financial Services (CIB, IS and SFS):** This segment includes the core business provided by Natixis's core activities to large corporate customers, institutional investors and the public sector:

- » corporate and investment banking, including: (i) commercial banking products and services (involving conventional financing, cash flow solutions and M&A advisory services); (ii) capital markets (incorporating equity, fixed-income, credit, currency and commodities markets); and (iii) structured finance (covering loans, project finance, international trade finance, real estate finance, aviation, commodities, energy, acquisitions and strategic finance, syndication and securitisation advisory services)
- » investment solutions activities, including asset management, insurance and private banking services
- » specialised financial services (SFS) are undertaken by Natixis and include businesses connected with the *Banques Populaire* and *Caisses d'Epargne* networks, and with Natixis's other business segments, such as factoring, leasing, consumer finance, financial guarantees, employee benefits planning, payments and vouchers

As of 31 December 2010, the CIB, IS and SFS segment contributed 24.8% of Groupe BPCE's net banking income in FYE December 2010.

**Equity Interests:** This segment includes Natixis's interests in Coface and Natixis Private Equity, the majority of which was sold to AXA Private Equity in September 2010. Coface is the world's largest receivables management company, providing credit insurance, factoring, company information and ratings, and receivables management services. In France, the company is also responsible for managing public export guarantees on behalf of the French state.

Natixis Private Equity, a subsidiary of Natixis, is a leading French private equity company for SMEs, with various private equity business activities including venture capital, expansion capital, buy-in and buy-out finance, and funds of funds. On 5 July 2010, Natixis signed an agreement with AXA Private Equity to sell the majority of its proprietary private business in France. This deal was completed in September 2010.

The segment also comprises participations in specialised real estate companies, such as Foncia and Nexity.

Foncia (ex-subsiary of BP Participations) became BPCE's subsidiary following the merger of two holding entities into BPCE. Foncia specialises in property management and property transactions.

Nexity is a property developer offering integrated real-estate services to retail, corporate and institutional customers. Nexity was not involved in the recent merger of the holding companies and is now directly owned by the *Caisses d'Epargne* regional banks.

As of 31 December 2010, the Financial Stakes segment contributed 10% of Groupe BPCE's net banking income in FYE December 2010.

**Activities Managed on a Run-off Basis and Other Businesses:** This segment includes contributions made by: (i) the Workout Portfolio management activities (*Gestion Active des Portefeuilles Cantonnés* or

GAPC) of Natixis; (ii) the central body and holding companies; and (iii) goodwill impairment and amortisation of valuation differences.

The GAPC combined with the guarantee provided by BPCE in favor of Natixis, is the internal “defeasance structure” put in place by Groupe BPCE in order to protect Natixis from losses and earnings volatility.

This segment contributed 0.6% of the net banking income of Groupe BPCE in FYE December 2010.

Source: Company Report (Presentation 4Q 2010)

FIGURE 2  
**Groupe BPCE's Business Segment**  
 (% of Net Banking Income, consolidated, for FYE December 2010)

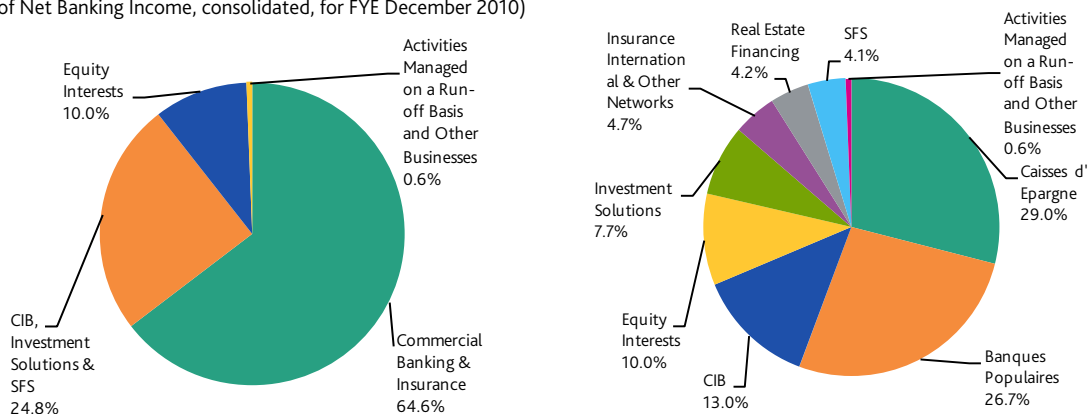
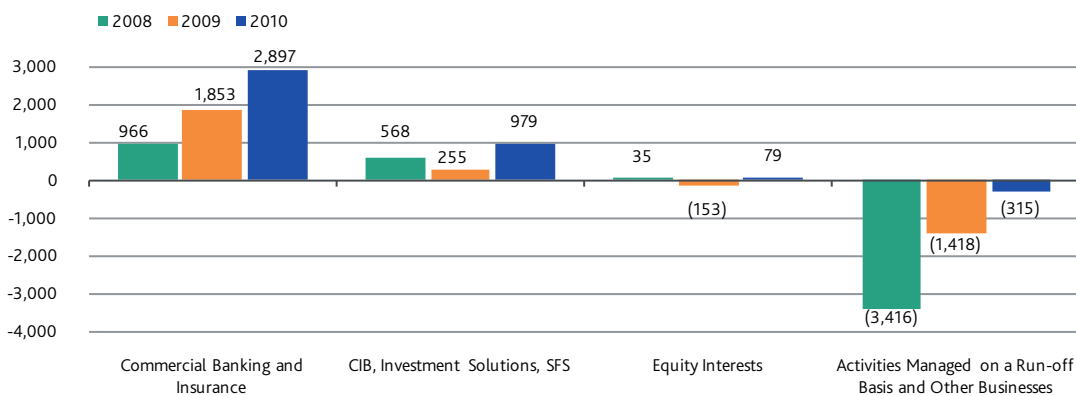


FIGURE 3  
**Groupe BPCE's Net Profit\* by Business Segment**  
 (consolidated, in € million)



\* Represents net profit attributable to the equity holders

Source: Company Presentation (4Q 2010)

## Distribution Capacity and Market Share

Groupe BPCE operates in 68 countries and distributes its products and services through 8,000 branches, servicing a total of 36 million customers, mostly in France. Most of the bank's activities are performed in France through the *Banques Populaires* and *Caisses d'Épargne* networks.

In terms of commercial banking services, BPCE also operates through its subsidiaries' networks, including 64 branches of BCP France (retail banking) and six branches of BCP Luxembourg (retail banking).

For FYE December 2010, the geographical distribution of BPCE's net banking income was as follows:

FIGURE 4

### Geographical Distribution of BPCE Net Banking Income

Regions	Net Banking Income (%)	
	Groupe BPCE	groupe BPCE SA
France	85.3	63.5
Rest of Europe	5.3	13.1
North America	6.2	15.7
Rest of the world	3.2	7.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Groupe BPCE is the second-largest banking group in France, and the largest in several business areas including employee savings, solidarity-based savings management, Socially Responsible Investing (SRI) management and microcredit. As of January 2011, Groupe BPCE was present in the following market segments and held the following market positions/shares:

#### 1. Commercial Banking and Insurance

- a. **The *Banques Populaires* network** comprises 20 *Banques Populaires* regional banks, as well as 60 mutual guarantee companies, whose sole corporate purpose is to guarantee loans issued by *Banques Populaires* regional banks.

The *Banques Populaires* network helps BPCE maintain the following positions:

- » Ranked third-largest bank among self-employed professionals
- » Ranked first in the business start-up loans segment, with a market share of 27.5%
- » Leading player in payment systems for self-employed professionals
- » Ranked first in terms of financing SMEs and institutional clients, counting 38% of the companies as customers
- » Ranked second in terms of providing services for individual customers, small businesses

- b. **The *Caisses d'Epargne* network** includes 17 *Caisses d'Epargne* et de Prévoyance, regional banks.

The *Caisses d'Epargne* network provides retail banking and regional development banking services to individuals & small businesses and public & private entities, respectively. The bank holds a share of more than 9% of the customer demand deposit market and a 10% share of the home loans market. The *Caisse d'Epargne* was one of the historical exclusive (with La Banque Postale) distributors of the Livret A, a tax-free saving account. However, the distribution of the Livret A has been opened to all domestic banks since January 2009.

The *Caisses d'Epargne* network maintains the following market positions:

- » Ranked first as a private operator involved in social housing
- » Tier 1 player in public finance lending in France
- » Ranked second as a mortgage insurer for private individuals
- » Ranked third-largest bancassurer for car and home insurance
- » Ranked third-largest distributor of green loans

- c. **Real Estate Financing through Credit Foncier de France (CFF, 100% owned by BPCE):** CFF has a leading position in the issuance of covered bonds in France and is a leading specialised real estate finance institution in the country. As of 31 December 2010, CFF held market shares of around 7% in terms of lending to first-time buyers, 35.5% in terms of loans to low-income families, and 21% of the interest-free loans segment "Prêts à taux zero". Its market share in new mortgage production in France decreased to 6.5% in 2010 from 6.9% in 2009. It is also a leading issuer of new construction rental property loans, with a 20% market share. CFF distributes loans through a light domestic branch network of around 136 branches and referrals from real estate professionals.

Through its network and subsidiaries, BPCE also ranks first in terms of real estate financing for small businesses, residential housing development, rental management and co-ownership, and residential property sales.

- d. **Insurance, International Banking and Other Networks:** CNP Assurances is a leading personal insurer in France, with a market share of around 18%. Banque Palatine focuses on delivering SME financing, with a strong mid-market bias, through a network of 51 branches; and it is also the leading property manager in France, with 1,500 clients and a market share of around 40%.

Internationally, BPCE conducts business in Central and Eastern Europe, the Mediterranean basin, Central Africa and the Indian Ocean region.

- » Volksbank International AG (VBI), 24.5% owned by BPCE, operates in nine Central and Eastern European countries and distributes products and services through a network of 582 branches
- » Banca Carige (in Genova), 15% owned by BPCE, holds a strong position in northern Italy through its 1,000 insurance branches, with a 22% market share
- » In central Africa, Banque Internationale du Cameroun pour l'Epargne et le Crédit (BICEC) operates through a network of 32 branches in Cameroon, and Banque Commerciale Internationale (BCI) operates through 16 branches in Congo-Brazzaville

- » Société Marseillaise de Crédit, a regional commercial bank, operates in the Mediterranean basin through 145 branches. In July 2010, an agreement was signed between BPCE and Credit du Nord (Société Générale) to sell SMC for €901 million. The proceeds of the SMC sale have been used for the reimbursement of state aid.
- 2. Corporate and Investment Banking, Investment Solutions and Financial Services (CIB, IS and SFS):** The group operates these activities through Natixis, the corporate and investment banking arm of the group.
- a. **Corporate and Investment Banking:**
    - » Ranked second for French corporate bond issuances
    - » Ranked fourth for financial institutions euro bond issuances
  - b. **Investment Solutions:**
    - » Performs asset management functions through Natixis Global Asset Management (NAGM), one of the world's 15 largest asset managers, with strong positions in Europe (mainly France) and the US, with €538 billion in assets under management as of 31 December 2010
    - » Ranked fourth-largest bancassurer for P&C insurance in France
    - » Ranked sixth-largest bancassurer for life insurance in France
  - c. **Specialised Financial Services:** The bank holds a 22% market share in the area of business investment guarantees.
    - » Ranked no. 1 custodian for employee savings, with a market share of more than 25%
    - » Ranked second-largest player in real-estate leasing in France
    - » Ranked second-largest provider of mortgage loan guarantees to individuals
    - » Ranked second-largest provider of retail custody services
    - » Ranked third-largest player in terms of consumer credit
    - » Ranked third-largest player in terms of factoring, with a market share of more than 13%
    - » Ranked third-largest electronic money operator in France
- 3. Equity Interests:**
- a. **Real estate Services:** Ranked first in different segments of real estate market including property development (homes, offices, shops and businesses), individual and business services, realtor branch networks, asset management and urban renewal services in France through its Nexity distribution network.
  - b. **Coface and Private Equity:** BPCE maintains a leading position in private equity for SMEs through Natixis private equity. It is, through Coface, the largest credit insurer in France and third-largest worldwide.

Source: Company Reports (annual report Dec 10, brochure 2010), Natixis annual report Dec 10, Moody's research

## Ownership and Structure

Groupe BPCE operates through a three-tiered structure, comprising:

- » the two cooperative banking networks consisting of the 20 *Banques Populaires* regional banks and the 17 *Caisses d'Epargne* regional banks. The former are 80% owned by their cooperative shareholders and 20% owned by Natixis through cooperative investment certificates (CICs). The latter are 80% owned by Local Savings Companies (LSC) and 20% owned by Natixis through CICs. LSCs (of which there were 276 as of 31 December 2010) are cooperative companies with open-ended capital stock wholly owned by cooperative shareholders
- » the group's central body BPCE
- » several subsidiaries including Natixis, a publicly listed company consisting of the group's corporate and investment banking operations, investment solutions and financial services, Crédit Foncier, Banque Palatine, and the banks in the BPCE IOM network

Groupe BPCE is a cooperative group with "Sociétaires" owning the two local retail networks, the *Banques Populaires* (BP) and the *Caisses d'Epargne* (CE). Each network previously had its own central body, but they now share a common central body that they jointly own, BPCE. As a licensed credit institution, the bank is responsible by law for:

- » representing the affiliated companies, negotiating and entering into national and international agreements on their behalf, owning and managing their interests in subsidiaries, and setting out Groupe BPCE's development strategy
- » supervising the operations of the BP and CE networks and overseeing the management of affiliated entities
- » drawing up standard form by-laws for the BP and CE
- » defining the range of products and services offered by the BP and CE, organising depositor protection and approving senior management appointments; as part of its supervisory role, BPCE has the power to dismiss and replace the management of the regional banks should they fail to comply with its directives or banking regulations
- » managing any surplus funds held by the individual local networks, carrying out any financial transactions required to develop, and refinancing the group. In this respect, BPCE is responsible for pooling the liquidity surpluses of the BP and CE, lending and borrowing on the wholesale interbank market, and providing the retail network with long-term resources by issuing debt securities
- » ensuring the coherence, solvency and liquidity of the group and its affiliated members
- » providing banking services to the other group members

## Support Mechanism

According to the Article L.512-107-6 of the French Code Monétaire et Financier, BPCE is responsible for ensuring the liquidity and the solvency of its affiliated companies, and managing and organising the financial solidarity mechanism within the BP and CE networks.

BPCE is in charge of *“Taking all measures necessary to guarantee the solvency of the company and each of its banks, which includes: implementing the appropriate corporate financing mechanisms; setting up a mutual guarantee fund common to Banques Populaires and Caisses d’Epargne; determining the operating rules of this fund; establishing the terms and conditions under which the fund will intervene (in addition to the funds provided for in Articles L. 512-12 and L. 512-86-1); and determining affiliates’ contributions for building and maintaining the fund.”* Extracted from the French Law No. 2007-715, Article L.512-107, Paragraph 6.

The support mechanism is based on three funds:

- » The Fonds Réseau Banques Populaires (FRBP): local Banques Populaires deposit EUR450 million on a deposit account hosted by BPCE
- » The Fonds Réseau Caisses d’Epargne et de Prévoyance (FRCEP): the local Caisses d’Epargne deposits EUR450 million on a deposit account hosted by BPCE
- » The Fonds de Garantie Mutuel (FGM): the Banques Populaires and Caisses d’Epargne each make deposits on a special account at BPCE. Every year, the local Banques Populaires, the Caisses d’Epargne, and their subsidiaries must allow 5% of their contribution to the group’s consolidated earnings. At end-year 2010, the FGM totaled EUR103 million

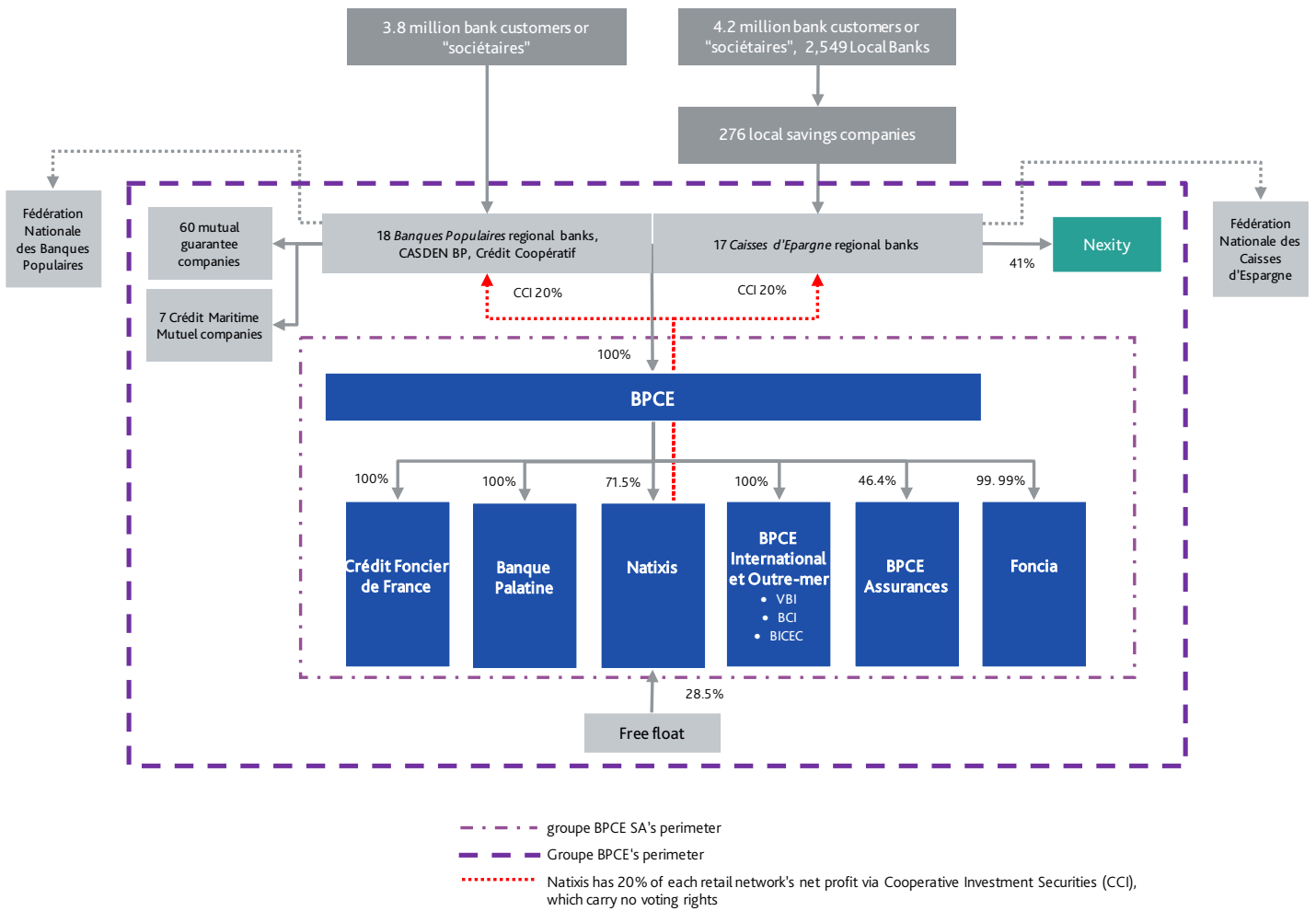
The total amount of the funds deposited with BPCE shall not be lower than 0.15% of the group’s RWA and up to a maximum limit of 0.3% of the group’s risk-weighted assets (RWA).

In the case of necessary support, BPCE can require the intervention of the *Banques Populaires* or the *Caisses d’Epargne* in the name of the support mechanism before impacting any of the three funds cited above. Importantly, when a defaulting entity is of a local network, the bailout must impact the fund of its affiliated network first (FRBP for the *Banques Populaires* and FRCEP for the *Caisses d’Epargne*). Then, if the fund cannot afford any supplemental bailout, the amount will be withdrawn from the FGM. When the FGM is exhausted, the residual value of the bailout shall impact the mutual guarantee fund of the other network. Lastly, if the guarantee fund from the other network is drained, the parent company of this network will be summoned in the limit of its capacity to support the bailout.

Conversely, if the defaulting entity is BPCE or one of its subsidiaries, the bailout will be withdrawn from the FGM until exhaustion, then the FRBP and FRCEP will be equally impacted. If both of these funds are exhausted, the parent companies are called within their capacities.

Last but not least: *“BPCE’s Management Board holds all the requisite powers to mobilise the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorisations given to BPCE by the contributors.”* Extracted from the Annual Report 2009, page 301.

Organisational Chart



## Subsidiaries

As of 31 December 2010, BPCE's major subsidiaries were as follows:

FIGURE 5

### BPCE

Company	City/Country	Business Description	% Ownership
Natixis	France	Corporate and investment banking, Investment Solutions and financial services activities	71.50
Banque Palatine	France	Corporate and Commercial Banking	100.00
Crédit Foncier de France	France	Real Estate lending	100.00
Banque Populaire Covered Bonds	France	Operates the <i>Banques Populaires</i> covered bonds programme	100.00
BPCE IOM	France	International development bank	100.00
GCE Covered Bonds	France	Operates the <i>Caisses d'Epargne</i> network's covered bonds programme	100.00
BCP France	France	Commercial bank	30.00
BCP Luxembourg via BPCE IOM	Luxembourg	Commercial bank	80.10
Banque Commerciale Internationale (BCI) via BPCE IOM	Congo	Commercial bank	99.9
Banque Internationale du Cameroun pour l'Epargne et le Crédit (BICEC) via BPCE IOM	Cameroon	Commercial bank	61.2
CNP Assurances via Holassure	France	Personal insurance	15.76
BPCE Assurances	France	Property/casualty insurance	46.38

## Government Support

In October 2008, the French government announced a support package for the country's financial system, including the following:

1. The creation of a new body, Société de Financement de l'Economie Française (SFEF), jointly owned by the state and the banks, and benefiting from an explicit state guarantee to provide loans to the French banks for up to €320 billion against collateral.

As of March 2009, SFEF had issued more than €45.5 billion of government-guaranteed debt with maturities ranging from two to five years, in euros and in US dollars.

2. The provision of €40 billion to Société de Prises de Participation de l'Etat (SPPE), a public body, to subscribe to Tier 1 subordinated capital, preference shares or ordinary shares of banks (including the participation taken in Dexia's capital).

By the end of 2008, SPPE had provided €10.5 billion of capital to French banks (all in the form of deeply subordinated hybrid debt, *Titres Super Subordonnés* – TSS – classified as non-core Tier 1). Through their former central bodies (BFBP and CNCE), GBP and GCE participated in the first €10.5 billion tranche by issuing, respectively, €950million and €1.1billion of TSS. Most of these funds were allocated to Natixis.

BPCE issued a further €2 billion at the end of Q2 2009 as part of the second tranche of the SPPE issuance. Finally, on 31 July 2009, SPPE subscribed to €3 billion worth of non-voting preference shares issued by BPCE. The state aid total capital contribution totaled €7.05 billion. The total state aid outstanding for Groupe BPCE amounted to €2.2 billion as of December 2010. BPCE fully completed the repayment of State aid during the Q1 2011.

Source: *Company Report (Annual Report 2010)*, Moody's research

## Company Management

Management Board	Affiliation	Age	Tenure	Committees
François Pérol	<p><b>Chairman of the Management Board:</b> BPCE</p> <p><b>Chairman of the Board of Directors:</b> Natixis, BPCE IOM, Crédit Foncier de France, Fondation des Caisses d'Epargne pour la Solidarité</p> <p><b>Chairman of Supervisory Board:</b> Foncia Groupe</p> <p><b>Chairman:</b> CE Holding Promotion</p> <p><b>Chairman of the Executive Committee:</b> Fédération Bancaire Française</p> <p><b>Vice Chairman of the Board of Directors:</b> Crédit Immobilier et Hotelier (CIH)</p> <p><b>Director:</b> CNP Assurances, Sopassure, CE Holding Promotion, Crédit Immobilier et Hotelier (CIH), Musée d'Orsay</p>	47	Since inception	N/A
Nicolas Duhamel	<p><b>Member of the Management Board and Chief Financial Officer:</b> BPCE</p> <p><b>Director:</b> BPCE International and Overseas</p> <p><b>Member of Supervisory Board:</b> Fonds de Garanties des Dépôts</p> <p><b>Deputy Chief Executive Officer:</b> CE Holding Promotion</p> <p><b>Director:</b> Financière Océor</p> <p><b>Director, Permanent representative BPCE:</b> Natixis</p> <p><b>CE Holding Promotion:</b> Crédit Foncier de France</p>	56	Since inception	N/A
Jean-Luc Vergne	<p><b>Member of the Management Board and Chief Human Resources Officer:</b> BPCE</p> <p><b>Chairman:</b> AFPA (Association pour la Formation Professionnelle des Adultes), ANACT (Agence Nationale pour l'Amélioration des Conditions de Travail)</p> <p><b>Director:</b> Natixis Interépargne</p>	62	Since inception	N/A
Olivier Klein	<p><b>Member of Management Board – Chief of Commercial Banking and Insurance:</b> BPCE</p> <p><b>Chairman of Supervisory Board:</b> SOCFIM</p> <p><b>Director:</b> Natixis, Crédit Foncier de France, BPCE International and Overseas, Banque Privée 1818, CNP Assurances, Sopassure, Neptune Technologies, ENS Lyon</p> <p><b>Member of Supervisory Board:</b> Banque Palatine, GCE Capital</p> <p><b>Permanent Representative for BPCE:</b> GCE Business Services, i-BP</p>	53	1	N/A

Philippe Queille	<b>Member of Management Board – Chief Operating Officer:</b> BPCE <b>Chairman of the Board:</b> i-BP, Albiero <b>Director:</b> Natixis, BPCE Achats, Partecis, ICDC <b>Permanent Representative for BPCE:</b> Chairman of Supervisory Board at GCE Technologies, Chairman of Supervisory Board at GCE Business Services, Director of Natixis Paiements	54	Since inception	N/A
François Riahi	<b>Member of Management Board - Deputy Chief Executive Officer:</b> BPCE	39	Since inception	N/A
Laurent Mignon	<b>Permanent Representative of Natixis and Law Censor at the Supervisory Board of BPCE</b> <b>Chief Executive Officer:</b> Natixis <b>Chairman of the Board:</b> Natixis Global Asset Management <b>Chairman:</b> SAS Coface Holding <b>Director:</b> Sequana, Arkema, Lazard Ltd	47	Since inception	

Supervisory Board	Affiliation	Age	Tenure	Committees
Philippe Dupont	<b>Chairman of the Supervisory Board:</b> BPCE <b>Director:</b> Fondation de France <b>Legal Manager:</b> SCI du 48 rue de Paris	59	Since inception	Cooperative Committee (C)
Yves Toublanc	<b>Vice Chairman of the Supervisory Board:</b> BPCE <b>Chairman of the Steering and Supervisory Board:</b> Caisse d'Epargne Rhône Alpes <b>Chairman of the Board of Directors:</b> CE Holding Promotion, Chatel Participations, SLE de Savoie <b>Director:</b> SATIL REM <b>ProcoatLegal Manager:</b> Chatel Industrie and Cartograin Conseil	64	Since inception	Cooperative Committee

#### **Banques Populaires representatives**

Gérard Bellemon	<b>Member of the Supervisory Board:</b> BPCE <b>Chairman of the Board:</b> Banque Populaire Val-de-France <b>Director:</b> Natixis assurances, Fondation Banque Populaire <b>Chairman:</b> Suard Bellemon, SOBEGEST <b>Supervisory Board Member, Permanent Representative of Banque Populaire Val de France:</b> Assurances Banques Populaires – Iard	56	Since inception	Appointments and Remuneration Committee
Thierry Cahn	<b>Member of the Supervisory Board:</b> BPCE <b>Chairman of the Board of Directors:</b> Banque Populaire d'Alsace <b>Member of Supervisory Board:</b> Banque Palatine	54	Since inception	Risk Management Committee

Pierre Desvergnès	<p><b>Member of the Supervisory Board:</b> BPCE</p> <p><b>Chairman and Chief Executive Office:</b> CASDEN Banque Populaire</p> <p><b>Chairman of the Board of Directors:</b> Parnasse Finance</p> <p><b>Director:</b> Crédit Foncier de France, Banque Monétaire et Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)</p> <p><b>Chairman, Representative of CASDEN Banque Populaire:</b> SAS Finance, SAS Parnasse Espace 1, SAS Parnasse Espace 2</p> <p><b>Representative of Banques Populaires Participations, Director:</b> Parnasse Services</p> <p><b>Supervisory Board Member, Representative of Banques Populaires Participations:</b> SCPI Fructi Pierre</p> <p><b>Legal Manager:</b> Inter Promo</p>	59	Since inception	Cooperative Committee
Stève Gentili	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Board of Directors:</b> BRED Banque Populaire</p> <p><b>Chairman of the Board of Directors:</b> Natixis Pramex International</p> <p><b>Director:</b> Natixis, Natixis Algérie, Natixis Pramex International Milan</p> <p><b>Director, Representative of BRED Banque Populaire:</b> BICEC and BCI-Banque Commerciale Internationale</p>	61	Since inception	Appointments and Remuneration Committee
Jean Criton	<p><b>Chief Executive Officer:</b> Banque Populaires Rives de Paris</p> <p><b>Chairman of the Board – Chief Executive Officer:</b> Sud Participation SA</p> <p><b>Chairman:</b> BPCE Achats</p> <p><b>Chairman of the Board of Directors:</b> Turbo SA</p> <p><b>Director:</b> Natixis, Natixis Private Equity, Fondation d'Entreprise Banque Populaire</p> <p><b>Permanent Representative of BP Rives de Paris, Director:</b> i-BP, Association des Banques Populaires pour la Création d'Entreprise</p> <p><b>Permanent Representative of BP Rives de Paris – Chairman of the Board:</b> SAS Sociétariat BP Rives de Paris</p>	63	Since inception	Risk Management Committee, Cooperative Committee
Bernard Jeannin	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chief Executive Officer:</b> Banque Populaire Bourgogne Franche-Comté</p> <p><b>Director:</b> Natixis</p> <p><b>Permanent Representative of BP Bourgogne Franche-Comté:</b> i-BP, Association des BP pour la Creation d'Entreprise</p>	61	Since inception	N/A
<b>Caisses d'Epargne representatives</b>				
Catherine Amin-Garde	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Steering and Supervisory Board:</b> Caisse d'Epargne Loire Drome Ardeche</p> <p><b>Chairman of the Board of Directors:</b> SLE Drôme Provençale Centre</p> <p><b>Chairman of the Management Committee:</b> Fondation Loire Drôme Ardèche</p> <p><b>Director:</b> FNCE, CE Holding Promotion, Association Savoir pour réussir Drôme</p>	55	Since inception	Appointments and Remuneration Committee

Francis Henry	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Steering and Supervisory Board:</b> Caisse d'Epargne et de Prévoyance Lorraine Champagne Ardenne</p> <p><b>Chairman of the Board:</b> SLE Marne</p> <p><b>Director:</b> Crédit Foncier de France, CE Holding Promotion, FNCE</p>	64	Since inception	Cooperative Committee
Pierre Mackiewicz	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Steering and Supervisory Board:</b> Caisse d'Epargne Côte d'Azur</p> <p><b>Chairman of the Board:</b> SLE Est Alpes Maritimes</p> <p><b>Director:</b> CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, FNCE, Association CREASOL</p>	61	Since inception	Appointments and Remuneration Committee
Bernard Comolet	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Management Board:</b> Caisse d'Epargne et de Prévoyance Ile-de-France</p> <p><b>Chairman of the Supervisory Board:</b> Banque BCP</p> <p><b>Vice-Chairman of the Board of Directors:</b> Nexity</p> <p><b>Director:</b> CE Holding Promotion</p> <p><b>Member of Supervisory Board:</b> Banque BCP Luxembourg</p> <p><b>Permanent Representative of CE IDF, Director:</b> Immobilière 3F</p>	64	Since inception	Risk Management Committee, Cooperative Committee
Didier Patault	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Management Board:</b> Caisse d'Epargne et de Prévoyance de Bretagne – Pays de Loire</p> <p><b>Chief Executive Officer:</b> SODERO</p> <p><b>Chairman of the Supervisory Board:</b> SODERO Gestion, BATIROC Bretagne – Pays de Loire</p> <p><b>Chairman of the Board:</b> SODERO Participations, SA des Marchés de l'Ouest (SAMO)</p> <p><b>Member of Supervisory Board:</b> GCE Capital</p> <p><b>Director:</b> Natixis, Natixis Coficiné, Mancelle Habitation, Compagnie de Financement Foncier – SCF</p> <p><b>Permanent Representative of CEBPL, Director:</b> Pays de la Loire Développement, SEMITAN, NAPF, FNCE</p> <p><b>Permanent Representative of CEPBL, Member of Supervisory Board:</b> GCE Technologies, GCE Business Services</p>	49	Since inception	N/A
Pierre Valentin	<p><b>Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Steering and Supervisory Board:</b> Caisse d'Epargne Langue doc Roussillon</p> <p><b>Chairman of the Board:</b> SLE Vallée des Gardons</p> <p><b>Vice-Chairman of Supervisory Board:</b> Banque Palatine</p> <p><b>Director:</b> CE Holding Promotion, Clinique Bonnefon, Pierre et Lise Immobilier, FNCE</p> <p><b>Legal Manager:</b> SCI Les Trois Cyprès, SCI les Amandiers</p>	58	Since inception	Risk Management Committee
<b>Independent Directors</b>				
Laurence Danon	<p><b>Independent Member of Supervisory Board:</b> BPCE</p> <p><b>Chairman of the Management Board:</b> Edmond de Rothschild Corporate Finance</p> <p><b>Director:</b> TF1, Rhodia, Diageo</p>	55	Since inception	Appointments and Remuneration Committee (C)
Marwan Lahoud	<p><b>Independent Member of Supervisory Board:</b> BPCE</p> <p><b>Member of Executive Committee and Head of Strategy and Marketing:</b> EADS</p> <p><b>Director:</b> Technip (Independent Member), Eurotradia</p>	45	Since inception	Risk Management Committee (C)

Marie-Christine Lombard	<b>Independent Member of Supervisory Board:</b> BPCE <b>Chairman of the Board and Chief Executive Officer:</b> TNT Express Division <b>Member of Management Board:</b> TNT Group Amsterdam <b>Member of Supervisory Board:</b> Metro A.G.	52	Since December 2010
Maryse Aulagnon	<b>Independent Member of Supervisory Board:</b> BPCE <b>Chairman of the Board and Chief Executive Officer:</b> Affine SA <b>Chairman:</b> Promaffine, MAB Finances <b>Director:</b> Air France – KLM, Affiparis, Holdaffine <b>Member of Management Board:</b> Concerto Developpement <b>Legal Manager:</b> ATIT, Transaffine, Affinvestor <b>Permanent Representative of Affine and Chairman:</b> Banimmo, Affine Développement, Capucine Investissements, Les 7 Collines, SIPEC <b>Permanent Representative of Affine and Legal  Manager:</b> Capucines III, Capucines IV, Capucines V, Capucine VI, Nevers Colbert <b>Permanent Representative of Affine and Liquidator:</b> Lumière <b>Permanent Representative of Promaffine, Legal  Manager:</b> Bourgtheroulde de l'Eglise, Luce Parc-Leclerc, Nanterre Terrasses 12, Paris 29 Copernic <b>Permanent Representative of MAB-Finances, Director:</b> Cour des Capucines <b>Permanent Representative of ATIT, Liquidator:</b> 2/4 Haussmann	61	Since December 2010

(C) = Committee chair

Note: 1) The members of the Management Board were appointed by the Supervisory Board on a motion by the Chairman of the Management Board at its meeting on 31 July 2009, for a term of four years

2) BPCE's Supervisory Board members took office on 31 July 2009, for a term of six years

Source: Company

## Company History

BPCE, the central body of Groupe BPCE, was established on 31 July 2009 as a result of the combination of BFBP and CNCE (respectively part of French cooperative groups Groupe Banque Populaire (GBP) and Groupe Caisse d'Epargne (GCE)). The bank was established by the partial transfers of assets by Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE). GBP and GCE combined their central bodies on July 2009 to form BPCE.

As a result, BFBP and CNCE became BP Participations and CE Participations respectively, holding companies for equity interests not transferred to BPCE. These companies were wholly owned by the *Banques Populaires* and *Caisses d'Epargne* networks, respectively.

The *Banques Populaires* network was originally created in 1878 in Angers by (and for) entrepreneurs, with the objective of pooling funds to enable entrepreneurs to finance their own projects. *Banques Populaires* obtained cooperative status in 1917. They opened their services to individual customers in 1962. In 1998, the acquisition of Natexis provided Groupe Banque Populaire with a publicly listed company. In 2008, Groupe Banque Populaire acquired seven regional banks from HSBC France.

The Caisse d'Épargne network was originally founded in 1818 in Paris to promote, collect and manage tax-free savings passbooks (Livret A). Recognised as “private establishments with public utility” in 1835, the *Caisses d'Épargne* have pursued public-interest objectives since 1895. In 1950, they acquired the status of not-for-profit financial institutions. In 1999, they became cooperative banks. Subsequently, GCE has expanded into various businesses by creating new entities and acquisitions. It entered the real estate business with Crédit Foncier in 1999, corporate banking with Banque Palatine (ex-Banque Sanpaolo) in 2003, and investment banking by acquiring Ixis in 2004. It became a fully fledged operator in the real estate sector in 2007 through its acquisition of Nexity.

In 2006, the corporate and investment banking, asset management and financial services businesses of GBP and GCE, respectively Natexis and Ixis, merged to form Natixis. Following the merger, Natixis was equally owned by BFBP and CNCE (34.47% each), the remaining shares being owned by the free float.

On 31 July 2009, Groupe BPCE was created following the merger of the two groups' central bodies (BFBP and CNCE) to form BPCE. In June 2010, the Supervisory Board of BPCE and the Boards of Directors of BP Participations (ex-BFBP) and CE Participations (ex-CNCE) approved plans to merge these companies to create BPCE, the actual central body of the group.

In February 2010, Groupe BPCE announced the key elements of its 2010-2013 strategic plan, and, in particular, the following:

- » to focus on lower risk commercial banking and insurance businesses, core corporate and investment banking, savings and specialised financial services of Natixis
- » to manage group shareholdings within the real estate sector (through FONCIA, Nexity and Eurosic) as financial investments

In August 2010, BP Participations and CE Participations were fully transferred to BPCE, including Crédit Foncier de France and Banque Palatine.

*Source: Company Report (annual reports Dec 10 and Dec 09), Company data*

## Peer Group

- » Groupe Crédit Agricole
- » BNP Paribas
- » Société Générale
- » CM5 - CIC

## Subsidiaries Rated by Moody's

- » Natixis
- » Credit Foncier de France
- » Banque Palatine
- » Locindus
- » Coface

## Related Websites and Information Sources

For additional information, please see:

- » The company's website: [www.bpce.fr](http://www.bpce.fr)
- » The regulator's website: [www.banque-france.fr](http://www.banque-france.fr)

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## Moody's Related Research

### Credit Opinion:

- » [BPCE, January 2011](#)

### Banking System Outlook:

- » [Banking System Outlook: France, September 2010 \(125604\)](#)

### Country Statistics:

- » [France Country Statistics, December 2010](#)

### Special Comments:

- » [Moody's Approach to Estimating French Banks' Credit Losses, October 2009 \(120745\)](#)
- » [Moody's Guidelines for Rating Bank Hybrid Securities and Subordinated Debt, November 2009 \(120307\)](#)
- » [Revisions to Moody's Hybrid Tool Kit, July 2010 \(125615\)](#)
- » [Debate over the Livret A highlights importance of deposits funding, January 2011 \(130674\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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