First update to the 2018 Registration Document

filed with the Autorité des Marchés Financiers (AMF)
on May 16, 2019

2018 Registration Document filed with the AMF

on April 2, 2019 under number D.19-0252

This update to the 2018 Registration Document was filed with the AMF on May 16, 2019, in accordance with Article 212-13 of the AMF General Regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note approved by the AMF. This document was prepared by the issuer and its signatories are responsible for its contents.

Contents

1. PRESS RELEASE

1.1. Press release on April 2nd, 2019

Groupe BPCE named “Bond Issuer of the Year” by Thomson Reuters

Paris, April 2nd, 2019

THOMSON REUTERS NAMED GROUPE BPCE “BOND ISSUER OF THE YEAR” IN ITS DEALWATCH AWARDS 2018 IN JAPAN. THIS IS THE FIRST TIME A NON-JAPANESE ISSUER HAS OBTAINED THIS PRESTIGIOUS AWARD.

Groupe BPCE won the award for its regular access to the Samurai* bond market.

Since its first Samurai* issue in December 2012, the Group has issued in this market every year, including a number of Social Bonds. Groupe BPCE came to the market successfully with its 15th Samurai bond issue in January 2019. Following this bond issue, Groupe BPCE has more than ¥1 trillion (over €8 billion) of Samurai* bonds outstanding.

Nicolas Namias, Groupe BPCE Management Board Member, Deputy Chief Executive Officer and Chief Financial Officer, declared: “G*roupe BPCE is very proud to receive this prestigious award. It crowns years of successful commitment of the teams of Groupe BPCE to have the Japanese financial community get to know and appreciate the quality of our signature. This award bears fine testimony to our policy of diversifying our funding. It also recognizes our long-term presence in Asia and Japan as an issuer and partner of local financial institutions, as well as through our Corporate & Investment Banking and Asset Management activities.”*

** Japanese-law bonds issued in yen by non-Japanese issuers*

1.2. Press release on April 4th, 2019

BPCE acquires a 50.1% interest in Oney Bank SA:

long-term alliance signed today between Auchan Holding and BPCE

Croix, April, 4th 2019

Following exclusive talks entered into on 12 February, Auchan Holding and BPCE have today signed a long-term partnership agreement that sees BPCE taking on a 50.1% interest in Oney Bank. This follows a favourable opinion from the employee representation bodies at the companies involved.

Effective completion of the transaction is conditional on its approval by the competent authorities, and notably the relevant French and European bodies. As previously announced, it is earmarked for the second half of 2019.

Through this alliance, Oney Bank will be able to draw on the joint expertise of BPCE and Auchan Holding in order to plough ahead with its expansion and strengthen its status as a European leader in payment solutions, financing, digital profiling and insurance. The complementary fit between BPCE's own solutions and locations and those of Oney Bank will enable the group BPCE to extend its scope of expertise in specialised financial services, particularly in payment solutions. Oney Bank currently operates in 11 countries. It employs 3,000 people, serves 7.6 million customers and works with 400 retailers and e-merchants.

About Auchan Holding

Auchan Holding is the holding structure for three large complementary companies : Auchan Retail, present in 17 countries through different food retailing formats; Ceetrus, a global real estate player; Oney Bank, an international bank expert in payment, financing, digital identification and insurance solutions. Auchan Holding employs some 359,000 staff worldwide and posted consolidated turnover of €51.0 billion net of tax in 2018.

1.3. Press release on May 9th, 2019

Groupe BPCE and Natixis extend their insurance partnership with Covéa Group for Caisse d'Epargne and Banque Populaire professional clients

Paris, May 9, 2019

Groupe BPCE, Natixis and Covéa Group have finalized an agreement to renew their partnership on professional risk insurance for Caisse d'Epargne and Banque Populaire customers from January 1, 2020. As of this date, Natixis Assurances will manage new non-life policies for retail customers of Banque Populaire in addition to those of Caisse d'Epargne.

This fresh initiative meets the goals set out in Groupe BPCE's strategic plan, TEC2020, and that of Natixis, New Dimension, which aim to make Groupe BPCE a fully-fledged bancassurer and develop a single operating model at Natixis Assurances for non-life insurance for retail and professional customers.

From January 1, 2020, new motor and home insurance policies for Banque Populaire and Caisse d'Epargne retail customers will be managed directly by a single platform, BPCE Assurances[1], a 100% subsidiary of Natixis Assurances.

As part of this extended partnership, BPCE IARD[2], which is jointly owned by Natixis Assurances and Covéa Group, will continue to meet professional clients' insurance needs for both banking networks, in line with Covéa Group's Cové@venir 2021 strategic plan.

This partnership is a natural extension of the longstanding business relationship between the Groupe BPCE banks and Covéa Group in the non-life insurance sector since 1994. The partnership has an initial duration of five years and is renewable by five-year periods thereafter.

The arrangement also outlines the conditions for managing policies taken out by Banque Populaire retail customers before December 31, 2019, as they will continue to be managed by Covéa Group in accordance with currently applicable terms and conditions.

[1] BPCE Assurances, a fully-owned subsidiary of Natixis Assurances, is currently devoted to non-life insurance for Caisse d'Epargne individual customers.

[2] BPCE IARD, co-owned equally by Natixis Assurances and Covéa Group, currently provides non-life insurance for Banque Populaire individual customers and also insures Banque Populaire and Caisse d'Epargne professional clients.

Christine Fabresse, head of Retail Banking and Insurance, member of the management board, Groupe BPCE said: *"Groupe BPCE set the strategic goal of becoming a leading insurer at the service of its clients by the end of 2020. This partnership allows us to realize this objective and will enable the Banque Populaire and Caisse d'Epargne banks to further enhance the services they already provide to their retail and professional clients."*

Jean-François Lequoy, member of the Natixis Senior Management Committee in charge of Insurance for Natixis said: "*This partnership marks a major milestone in our insurance strategy, and fits clearly with our New Dimension goals, bolstering our position as a leading insurer in France*."

Joaquim Pinheiro, Managing Director, Customer Relationship, Covéa Group, said: "*This renewed partnership is resolutely in line with our Covfor Covév@venir 2021 strategic plan. It supports the growth momentum we are seeing on the professional client market and our aim to expand in new areas and assert our leadership position."*

About Covéa

A French mutual insurance group, Covéa is a leader in damage and liability insurance protecting one in three households in France thanks to its 21,000 employees, who work daily to serve more than 11.5 million policyholders.

With three strong brands, MAAF, MMA and GMF, Covéa is a solid, dynamic financial player: in 2018, its earned premiums came to €16.9 billion and its capital €15.2 billion.

The Covéa Group also has operations abroad, where it generates €2 billion in earned premiums. More information at covea.eu

About Natixis

Natixis is a French multinational financial services firm specialized in asset & wealth management, corporate & investment banking, insurance and payments. A subsidiary of Groupe BPCE, the second-largest banking group in France through its two retail banking networks, Banque Populaire and Caisse d'Epargne, Natixis counts nearly 16,000 employees across 38 countries. Its clients include corporations, financial institutions, sovereign and supranational organizations, as well as the customers of Groupe BPCE's networks. Listed on the Paris stock exchange, Natixis has a solid financial base with a CET1 capital under Basel 3(1) of €11.8 billion, a Basel 3 CET1 Ratio(1) of 10.8 % and quality long-term ratings (Standard & Poor's: A+ / Moody's: A1 / Fitch Ratings: A+).

(1) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in.

Figures as at 31 December 2018

2. UPDATE TO CHAPTER 3
REPORT ON CORPORATE GOVERNANCE

New composition of the Supervisory Board:

At its meeting on March 28, 2019, BPCE's Supervisory Board:

- formally recognized the end of the term of office of Maryse Aulagnon, independent member of the Supervisory Board, Chairman of the Appointments Committee and Chairman of the Remuneration Committee, effective April 19, 2019.

At its meeting on May 9, 2019, BPCE's Supervisory Board:

- appointed Valérie Pancrazi as an independent member of the Supervisory Board, Chairman of the Appointments Committee and Chairman of the Remuneration Committee, for the remaining term of office of her predecessor, Maryse Aulagnon, i.e. until the Annual Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2023.

As a result, the new composition of the Supervisory Board is as follows:

As representatives of Category A shareholders:

- Nicolas Plantrou, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Normandie, Vice-Chairman of the Supervisory Board of BPCE since May 19, 2017;
- Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Dominique Goursolle-Nouhaud, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Aquitaine Poitou-Charentes;
- Françoise Lemalle, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur;
- Alain Denizot, Chairman of the Management Board of Caisse d'Epargne Rhône Alpes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile de France;
- Pierre Valentin, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon.

As representatives of Category B shareholders:

- Michel Grass, Chairman of the Board of Directors of Banque Populaire Bourgogne Franche-Comté, Chairman of the Supervisory Board of BPCE since May 19, 2017;
- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Thierry Cahn, Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne;
- Alain Condaminas, Chief Executive Officer of Banque Populaire Occitane;
- Bernard Dupouy, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique;
- Yves Gevin, Chief Executive Officer of Banque Populaire Rives de Paris;
- Olivier Klein, Chief Executive Officer of BRED Banque Populaire;
- Catherine Mallet, Chairman of the Board of Directors of Banque Populaire Occitane.

As independent members:

- Valérie Pancrazi, independent member, independent consultant (VAP Conseil);
- Anne-Claude Pont, independent member, Chairman and co-founder of WILOV;
- Kadidja Sinz, independent member, Head of Europe – Liberty Specialty Markets.

As employee representatives:

- Vincent Gontier;
- Frédéric Hassaine.

As non-voting directors:

- Jean Arondel, non-voting director, Chairman of the Fédération Nationale des Caisses d'Epargne;
- Pierre Carli, non-voting director, Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées;
- Joël Chassard, non-voting director, Chairman of the Management Board of Caisse d'Epargne CEPAC;
- Sylvie Garcelon, non-voting director, Chief Executive Officer of CASDEN Banque Populaire;
- André Joffre, non-voting director, Chairman of the Fédération Nationale des Banques Populaires;
- Daniel Karyotis, non-voting director, Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes.

As such, the new composition of the Supervisory Board committees is as follows:

Supervisory Board Audit Committee

The Audit Committee is chaired by Kadidja Sinz, independent member, Head of Europe – Liberty Specialty Markets.

The other members of the Audit Committee are:

- Thierry Cahn, Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne;
- Yves Gevin, Chief Executive Officer of Banque Populaire Rives de Paris;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile de France;
- Anne-Claude Pont, independent member, Chairman and co-founder of WILOV;
- Pierre Valentin, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon.

Supervisory Board Risk Committee

The Risk Committee is chaired by Anne-Claude Pont, independent member, Chairman and co-founder of WILOV.

The other members of the Risk Committee are:

- Alain Denizot, Chairman of the Management Board of Caisse d'Epargne Rhône Alpes;
- Olivier Klein, Chief Executive Officer of BRED Banque Populaire;
- Françoise Lemalle, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur;
- Kadidja Sinz, independent member, Head of Europe – Liberty Specialty Markets.

Supervisory Board Appointments Committee

The Appointments Committee is chaired by Valérie Pancrazi, independent member, independent consultant (VAP Conseil).

The other members of the Appointments Committee are:

- Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Bernard Dupouy, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique;
- Yves Gevin, Chief Executive Officer of Banque Populaire Rives de Paris;
- Dominique Goursolle-Nouhaud, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Aquitaine Poitou-Charentes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile-de-France.

Supervisory Board Remuneration Committee

The Remuneration Committee is chaired by Valérie Pancrazi, independent member, independent consultant (VAP Conseil).

The other members of the Remuneration Committee are:

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

- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Bernard Dupouy, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique;
- Yves Gevin, Chief Executive Officer of Banque Populaire Rives de Paris;
- Vincent Gontier, employee representative;
- Dominique Goursolle-Nouhaud, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Aquitaine Poitou-Charentes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile de France.

Supervisory Board Cooperative and CSR Committee

The Cooperative and CSR Committee is chaired by Jean Arondel, non-voting director as of right, Chairman of the Fédération Nationale des Caisses d'Epargne.

The other members of the Cooperative and CSR Committee are:

- André Joffre, non-voting director as of right, Chairman of the Fédération Nationale des Banques Populaires;
- Yves Gevin, Chief Executive Officer of Banque Populaire Rives de Paris;
- Michel Grass, Chairman of the Board of Directors of Banque Populaire Bourgogne Franche-Comté, Chairman of the Supervisory Board of BPCE;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile de France;
- Nicolas Plantrou, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Normandie, Vice-Chairman of the Supervisory Board of BPCE.

3. UPDATE TO CHAPTER 4 FIRST-QUARTER 2019 ACTIVITIES AND FINANCIAL INFORMATION

3.1. Result press release on May 9, 2019

Results for the 1st quarter of 2019

Robust performance achieved by Retail Banking & Insurance
Successful completion of transformation operations launched since June 2018
New strategic partnerships in line with our growth ambitions

Underlying NBI of €5.9bn, virtually unchanged
Underlying net income[1] of €933m, a limited decrease (-4%)
Reported net income[1] of €650m including transformation costs of €258m

Robust performance achieved by Retail Banking & Insurance and solidity of our diversified banking model in a challenging business environment

Underlying Group revenues down by a marginal 1.2%[1], to €5.9bn

- **Retail Banking & Insurance:** buoyant growth in revenues, **+2.3% vs. Q1-18**, driven by the momentum of all our business lines and, in particular, the Banque Populaire and Caisse d'Epargne retail banking networks
- **Asset & Wealth Management:** good resilience of revenues and positive net inflows
- **Corporate & Investment Banking:** diversification of the business model partially offsetting a sluggish quarter for Capital Market activities and a high comparison base in Q1-18

Operating expenses[1] under tight control, down 1.1% overall vs. Q1-18, including 2.3% for Retail Banking & Insurance

Underlying net income[1] down marginally vs. Q1-18 to €933m

High level of capital including the organic growth of our businesses and the acquisition of 50.1% of Oney Bank

- **CET1[1] at 15.4%** pro forma at end-March 2019 including **organic growth and the acquisition of a 50.1% stake in the capital of Oney Bank**
- **TLAC[1] at 22.6%** pro forma at March 31, 2019, **a level well above our target** of 21.5% for the beginning of 2019

Successful implementation of strategic projects launched since June 2018, and the bulk of transformation costs already incurred

- Integration finalized **of SFS businesses and Crédit Foncier expertise**
- Project to dispose of **banking interests in Africa: closing planned in the 2nd half of 2019**
- **Fidor:** impairment booked in Q1-19 for €148m related to **this no longer strategic equity investment**

Ongoing development of our core businesses: new strategic partnerships

- **Oney Bank: signature of a long-term partnership agreement on April 4, 2019 and acquisition of a 50.1% equity interest. Effective completion of the transaction expected in the 3rd quarter of 2019**
- **Non-life Insurance:** Natixis to take over new P&C business for the Banque Populaire banks' individual customers as part of the renewed partnership with COVEA
- **Corporate & Investment Banking: new M&A franchise in Australia with the acquisition of Azure Capital Limited**

Laurent Mignon, Chairman of the Management Board of Groupe BPCE, made the following statement: *"Our diversified banking model continues to demonstrate its strength, notably within the context of a lackluster market environment. Our businesses put up robust performances, primarily our two Banque Populaire and Caisse d'Epargne retail banking networks, our Financial Solutions & Expertise division, and our Insurance and Payments businesses. Asset & Wealth Management resisted well and the diversified Corporate & Investment Banking business model enabled partially to offset the decline in our capital markets activities. We have also pursued the execution of our transformation projects, such as the integration, now finalized, of Crédit Foncier's activities and the Financial Solutions & Expertise division, or the acquisition of a majority stake in the capital of Oney Bank. Our robust capital position allows us to pursue the sustained development of our franchises in addition to the completion of targeted acquisitions in our core businesses. Our Group is now in a position to focus even more on the added value we want to offer our customers thanks to the expertise and commitment of our employees."*

[1] See notes on methodology and pro-forma impacts on page 4 regarding CET1 and TLAC

On May 9, 2019, the Supervisory Board of Groupe BPCE, chaired by Michel Grass, examined the Group's financial statements for the first quarter of 2019.

Groupe BPCE: decline in reported net income in Q1-19 owing to the inclusion of the bulk of transformation costs

Reported figures *€m*	Q1-19	Q1-18	*Q1-19 vs. Q1-18*
Net banking income	**5,953**	**6,010**	**-1.0%**
Operating expenses	-4,686	-4,606	1.7%
o/w expenses excluding SRF	*-4,310*	*-4,266*	*1.0%*
Gross operating income	**1,267**	**1,404**	**-9.8%**
Cost of risk	-294	-259	13.4%
Impairment of goodwill	-88	-	na
Income before tax	**901**	**1,222**	**-26.3%**
Income tax	-472	-455	3.8%
Non-controlling interests	-88	-162	na
Net income – Group share	**340**	**605**	**-43.8%**
Restatement of IFRIC 21	310	321	
Net income – Group share – after IFRIC 21 restatement	**650**	**925**	**-29.7%**

Exceptional items including the strategic projects

€m			Q1-19	Q1-18
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	*Net banking income*	*Corporate center*	6	-12
Transformation and reorganization costs	*Operating expenses/Gains or losses on other assets/Goodwill*	*Business lines & Corporate center*	-257	-46
Other impairment	*Share in income of equity-accounted associates*	*Corporate center*	-25	
Total impact on income before tax			**-276**	**-58**
Total impact on net income – Group share			**-283**	**-29**

Transformation and reorganization costs in Q1-19 can be broken down as follows: Retail banking networks (9%), Crédit Foncier (15%), Natixis (13%), Fidor (52%), and Other (11%).

1. Groupe BPCE: solid performance in a challenging environment. Resilient revenues, significant cost reduction and a limited decrease in net income[1] of 4.2%

Underlying figures *€m*	Q1-19	Q1-18 Pro forma[2]	*Q1-19 vs. Q1-18 Pro forma*	*Q1-19 vs. Q1-18 Pro forma and constant FX*
Net banking income	**5,947**	**6,022**	**-1.2%**	**-2.3%**
Operating expenses	-4,549	-4,560	-0.2%	-1.1%
o/w expenses excluding SRF	*-4,173*	*-4,220*	*-1.1%*	*-2.0%*
Gross operating income	**1,398**	**1,463**	**-4.4%**	**-6.1%**
Cost of risk	-284	-259	9.8%	
Income before tax	**1,176**	**1,280**	**-8.1%**	
Income tax	-449	-475	-5.5%	
Non-controlling interests	-104	-153	-31.6%	
Net income – Group share	**623**	**652**	**-4.5%**	
Restatement of IFRIC 21	310	322		
Net income – Group share – after IFRIC 21 restatement	**933**	**974**	**-4.2%**	
Cost/income ratio[1]	*69.9%*	*69.0%*	*0.9pp*	*1.0pp*
ROE after tax[1]	*5.7%*	*6.2%*	*-0.5pp*	

Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2.
Unless specified to the contrary, changes express differences between Q1-19 and Q1-18.

In Q1-19, the **net banking income** generated by Groupe BPCE fell by a marginal 1.2% to 5.9 billion euros. Revenues posted by the Retail Banking & Insurance division confirmed their positive trend (net banking income up +2.3%), while revenues from the Asset & Wealth Management division resisted well. In the Corporate & Investment Banking division, the diversification of activities partially offset the adverse trend in revenues posted by Global markets faced with a challenging market environment and a high comparison base in Q1-18.

Operating expenses declined by 0.2% and, when restated to account for the contribution to the Single Resolution Fund (376 million euros, up 10.7% year-on-year), this reduction in expenses stands at 1.1%. This item includes the continued drive to reduce costs in the retail banking networks (down 3.2% year-on-year), good cost control in Asset & Wealth Management (+0.9%) and an increase in expenses in the Corporate & Investment Banking division (+2.5%).
The cost/income ratio rose slightly (+0.9pt) to 69.9% while the gross operating income came to 1.4 billion euros.

The aggregate **cost of risk**[1] for Groupe BPCE increased by 9.8% vs. a very low comparison base in 2018, to 284 million euros, corresponding to 17 basis points compared to 16 basis points in Q1-18, which still remains a very low ratio, below our guidance of 20 to 30 basis points for the 2018/2020 strategic plan.

Net income Group share came to 623 million euros in Q1-19, equal to a decline of 4.5%. After restating to account for the impact of IFRIC 21, it stood at 933 million euros, down slightly by 4.2%.

RoE decreased to 5.7% (-0.5 percentage points).

[1] See notes on methodology and excluding IFRIC 21 for the calculation of ROE and the cost/income ratio
[2] 2018 figures have been restated to take account of changes in the segment reporting as presented on page 5

2. HIGH LEVELS OF CAPITAL ADEQUACY AND LOSS-ABSORBING CAPACITY

Unless specified to the contrary, changes express differences between Q1-19 and Q1-18.

2.1 High levels of CET1[1] and TLAC[1] ratios

Groupe BPCE's CET1 ratio (CRR/CRD IV without transitional measures) at the end of March 2019 was estimated at 15.6% compared with 15.8% at December 31, 2018. Changes for the quarter can be broken down into:

- Retained earnings: +11bps,
- Change in risk-weighted assets: -35bps,
- Issue of cooperative shares: +17bps,
- Other changes: -14bps.

The implementation of the initiatives[2] in the Group's transformation plan, combined with the deduction from regulatory capital of irrevocable payment commitments (IPCs), have an impact on the Group's CET1 ratio equal to -22bps. This translates into a pro forma CET1 ratio of these items (including the impact of the acquisition of a 50.1% equity interest in Oney Bank) of 15.4% at the end of March 2019.

2.2 TLAC ratio[1,3]: target fixed in the 2018-2020 strategic plan already achieved since June 2018

Total loss-absorbing capacity (TLAC) stands at 91.5 billion euros (including the pro-forma impacts – estimate at end-March 2019). The TLAC ratio, expressed as a percentage of risk-weighted assets, is equal to 22.6%, thereby confirming the achievement of the objective fixed in the Group's strategic plan of reaching a level exceeding 21.5% by early 2019.

At March 31, 2019, the leverage ratio[3] stood at 5.1%.

2.3 60% of the 2019 medium-/long-term funding plan has been completed

The target of the medium-/long-term funding plan for 2019 stands at 20 billion euros, including 13 to 14 billion euros to be raised in the unsecured segment (of which 3 to 4 billion euros of non-preferred senior debt) and 6 to 7 billion euros in the secured segment.

At April 30, 2019, Groupe BPCE had raised 12 billion euros, of which 7.5 billion euros in the unsecured segment, including 2.2 billion euros of non-preferred debt.

[1] See notes on methodology.
[2] Plan for BPCE SA to acquire a 50.1% stake in the capital of Oney Bank (subject to the usual conditions precedent for this type of operation); plan to dispose of banking interests in Africa; acquisitions in the Asset & Wealth Management and Corporate & Investment Banking divisions.
[3] Deduction, following the instructions of the supervisory authorities, of the part of the contribution to the Single Resolution Fund and the Deposit Guarantee Fund recognized as irrevocable payment commitments (IPC)

3.1 RESULTS OF THE BUSINESS LINES

In order to reflect the execution of our strategic projects, segment reporting will include as of 2019 the following changes in the three business lines:

Retail Banking & Insurance: Creation of the **Financial Solutions & Expertise division (FSE)**, comprising the following activities: factoring, consumer credit, sureties & financial guarantees, and retail securities services (these activities previously formed part of the Specialized Financial Services division, SFS); and **Payments becomes a full-fledged division** (this activity was previously pursued in the SFS division).

Corporate & Investment Banking: Film industry financing, previously managed by the SFS division within the RB&I business line, has been reallocated to Global finance within CIB.

Asset & Wealth Management: the Employee savings plan activity, previously a part of the SFS division within the RB&I business line, has now been reallocated to the Asset & Wealth Management business line.

In the Corporate center business line, equity interests chiefly include Coface and CNP Assurances, while the Run-off activities include, in particular, Crédit Foncier (with the exception of Socfim and CFI allocated to RB&I) and BPCE International (except for Pramex allocated to RB&I).

Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2. Unless specified to the contrary, changes express differences between Q1-19 and Q1-18.

3.1 Retail Banking & Insurance
All divisions contributed to revenue growth; gross operating income up 12.5%

Underlying figures €m	Q1-19	% Change N-1
Net banking income	**4,069**	**2.3%**
Net banking income excl. home purchase savings schemes	4,033	1.2%
Operating expenses	-2,671	-2.3%
Gross operating income	**1,398**	**12.5%**
Cost of risk	-247	27.1%
Income before tax, after IFRIC 21 restatement	**1,243**	**6.2%**
Cost/income ratio[1]	63.7%	- 2.3pp
ROE after tax[1]	10.8%	0.3pp

Loan outstandings rose by 5.2% year-on-year to reach a total of 495 billion euros at end-March 2019, including a 6.6% increase in home loans, and an increase in equipment loans and consumer loans of 4.6% and 5.7% respectively.
At the end of March 2019, **deposits & savings** (excluding regulated savings centralized with the CDC) amounted to 432 billion euros (+5.1%) while demand deposits recorded a significant increase of 12.3% year-on-year.

In Q1-19, **net banking income** generated by the Retail Banking & Insurance business line rose 2.3% year-on-year to 4,069 million euros:

- The Banque Populaire and Caisse d'Epargne networks generated net banking income for an aggregate total of 3,362 million euros (+1.9%)
- Financial Solutions & Expertise (FSE) generated net banking income of 270 million euros (+0.8%),
- Payments and Insurance posted strong revenue growth of 10.8% and 6.9% respectively.

Operating expenses, down 2.3%, reflect the continued drive to reduce costs in the retail banking networks (-3.2%) and an increase in expenses incurred by activities currently under development: Insurance and Payments.
Gross operating income increased by 12.5% and the cost/income ratio improved by 2.3 points to reach 63.7% in Q1-19.

Income before tax, after restating to account for the impact of IFRIC 21, increased by 6.2% in Q1-19 to reach a total of 1,243 million euros.

[1] See notes on methodology and excluding IFRIC 21

3.1.1 Banque Populaire network: revenues up 2.0%, despite the low interest rates environment

The Banque Populaire network comprises the 14 Banque Populaire banks, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies.

Underlying figures *€m*	Q1-19	% Change N-1
Net banking income	**1,618**	**+2.0%**
Net banking income excluding home purchase savings schemes	1,610	+1.2%
Operating expenses	-1,078	-1.7%
Gross operating income	**540**	**+10.3%**
Cost of risk	-94	+12.6%
Income before tax after IFRIC 21 restatement	**483**	**+11.7%**
Cost/income ratio[1]	*65.0%*	*-1.5pp*

Loan outstandings increased by 6.9% year-on-year to 213 billion euros at the end of March 2019. **Deposits & savings** rose by 4.8% year-on-year to 273 billion euros at the end of March 2019 (+6.3% for on-balance sheet savings, excluding regulated savings centralized with the CDC). The number of principal active customers increased by 2.3% (+86,600 customers).

Net banking income in Q1-19 increased by 2.0%, including a 4.4% increase in net interest income and commissions, excluding early repayment fees that declined by 2.1%.

Operating expenses fell by 1.7% while the cost/income ratio improved by 1.5pp. This led to a 10.3% increase in **gross operating income** in Q1-19.

The cost of risk is down by 12.6%. **Income before tax** after restating to account for the impact of IFRIC 21 came to 483 million euros in Q1-19, up 11.7%.

3.1.2 Caisse d'Epargne network: significant decrease in the cost/income ratio to 64.1%

The Caisse d'Epargne network comprises 15 individual Caisses d'Epargne along with their subsidiaries

Underlying figures *€m*	Q1-19	% Change N-1
Net banking income	**1,744**	**+1.8%**
Net banking income excluding home purchase savings schemes	1,717	+0.1%
Operating expenses	-1,155	-4.6%
Gross operating income	**590**	**+17.2%**
Cost of risk	-115	+83.3%
Income before tax after IFRIC 21 restatement	**511**	**+5.0%**
Cost/income ratio[1]	*64.1%*	*-3.8pp*

Loan outstandings rose by 6.0% year-on-year to 273 billion euros at the end of March 2019 and **deposits & savings** increased by 2.3% compared with the same period in 2018 to reach a total of 424 billion euros (+4.4% for on-balance sheet savings, excluding regulated savings centralized with the CDC). The number of principal active customers increased by 0.9% (+62,000 customers).

Net banking income increased by 1.8% to reach a total of 1,744 million euros in Q1-19. Net interest income increased by 1.6% and commissions excluding early repayment fees increased by 1.7% to a total of 763 billion euros in Q1-19.

Operating expenses were reduced by 4.6% in Q1-19, while the cost/income ratio saw a 3.8pp improvement to 64.1%, leading to a 17.2% increase in **gross operating income** to 590 million euros.

Income before tax after restating to account for the impact of IFRIC 21 came to 511 million euros in Q1-19, up 5.0%.

[1] See notes on methodology and excluding IFRIC 21

3.1.3 Financial Solutions & Expertise: stable revenue base

Underlying figures €m	Q1-19	% Change N-1
Net banking income	**270**	**+0.8%**
Operating expenses	-153	+0.8%
Gross operating income	**117**	**+0.8%**
Cost of risk	-25	+28.1%
Income before tax after IFRIC 21 restatement	**95**	**-6.4%**
Cost/income ratio[1]	55.4%	+0.7pp

Net banking income came to a total of 270 million euros in Q1-19, up 0.8%.
Within Factoring, pace of business activity increased with the BP and CE retail banking networks in the Professional and SME segments.
Outstanding consumer loans are up by 8% year-on year. Leasing recorded almost 12% growth in new loan production in Q1-19.
The Sureties & Financial Guarantees business continued its strong momentum, as evidenced by the 23.8% increase in written premiums.

In Q1-19, **operating expenses** remained virtually unchanged at 153 million euros and the **cost/income ratio** came to 55.4% (+0.7pp).

The cost of risk remained under control at 25 million euros in Q1-19, up 28.1% vs. a low comparison base.

Income before tax after restating to account for the impact of IFRIC 21 amounted to 95 million euros (-6.4%).

3.1.4 Payments: continued momentum with a positive jaws effect

Underlying figures €m	Q1-19	% Change N-1
Net banking income	**103**	**+10.8%**
Operating expenses	-88	+10.2%
Gross operating income	**16**	**+14.1%**
Income before tax after IFRIC 21 restatement	**16**	**+13.0%**
Cost/income ratio[1]	84.1%	-0.4pp

Net banking income came to 103 million euros in Q1-19, reflecting growth of 10.8%.

In *Payment Processing & Services*, the historical activities developed by Natixis, revenues increased by 6% in Q1-19 and the number of card transactions processed rose by 9%, including the ramp-up of the Instant Payment service.
In *Merchant Solutions*, the volumes generated by Dalenys (for medium/large corporations) and PayPlug (serving SMEs) increased by 26% year-on-year in Q1-19. Synergies within Groupe BPCE are being developed, notably through the roll-out of PayPlug and Android POS solutions in the Caisse d'Epargne network.
In *Prepaid & Issuing Solutions*, Q1-19 growth was driven by the meal vouchers and Benefits & Rewards segments (*Titres Cadeaux* and *Comitéo*). The number of mobile payments in Q1-19 increased by a factor of 2.4 over the past year.

The development of activities led to a 10.2% increase in Q1-19 **operating expenses**.

Despite significant investments to support the growth of the Payments business, **gross operating income** enjoyed 14.1% growth.

Income before tax after restating to account for the impact of IFRIC 21 came to 16 million euros (+13.0%).

[1] See notes on methodology and excluding IFRIC 21

3.1.5 Insurance: continued strong delivery with gross operating income of 7.9%

The results presented below concern the Insurance division of Natixis.

Underlying figures €m	Q1-19	% Change N-1
Net banking income	**218**	**+6.9%**
Operating expenses	-125	+6.1%
Gross operating income	**93**	**+7.9%**
Income before tax after IFRIC 21 restatement	**106**	**+2.6%**
Cost/income ratio[1]	51.7%	+0.8pp

In Q1-19, **premiums[2]** reached a total of 3.3 billion euros. This represents a total 6% decline year-on-year, including a 4% increase in Non-Life Insurance. In Life and Personal protection insurance, premiums fell by 7%. Unit-linked products represent 29% of gross inflows, which is higher than the market average of 23% (at the end of March – source FFA).

Assets under management[2] amounted to 63.0 billion euros at the end of March 2019, including 15.2 billion euros in unit-linked products (+8% in Q1-19). **Net inflows[2]** in life insurance amounted to 1.7 billion euros.

In Q1-19, **net banking income** stood at 218 million euros, representing growth of 6.9% while **operating expenses** increased by 6.1%. **Gross operating income** rose by 7.9%.

Income before tax after restating to account for the impact of IFRIC 21 amounted to 106 million euros, up 2.6% in Q1-19.

Natixis will take over the new P&C insurance business distributed to private customers in the Banque Populaire network as of 2020 as part of the renewed partnership with Covéa.

Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

[1] See notes on methodology and excluding IFRIC 21 [2] Excluding the reinsurance agreement with CNP

3.2 Asset & Wealth Management: a resilient quarter after the market correction in Q4-18

The Asset & Wealth Management division includes the Asset Management and Wealth Management activities of Natixis.

Underlying figures €m	Q1-19	% Change N-1	Constant FX % Change N-1
Net banking income	**773**	**-3.3%**	***-7.5%***
Operating expenses	-553	+0.9%	*-3.6%*
Gross operating income	**220**	**-12.4%**	***-15.9%***
Income before tax after IFRIC 21 restatement	**225**	**-12.1%**	
Cost/income ratio[1]	71.0%	+3.0pp	+2.8pp
ROE after tax[1]	12.1%	-1.9pp	

In Asset Management, **net inflows** in Q1-19 amounted to 1 billion euros. In line with the objectives adopted in the strategic plan, the momentum for alternative strategies is strong with nearly 2 billion euros in new inflows, in contrast to strategies such as Core Fixed Income.

In Europe[2], net inflows of 4 billion euros are derived from positive flows across the majority of European affiliates including Ostrum, H_2O and Mirova. In North America, net outflows amounted to 3 billion euros.

At March 31, 2019, assets under management reached 855 billion euros in Asset Management (+6% over a quarter) and 27 billion euros in Wealth Management.

The division's **net banking income** came to 773 million euros, down 3.3% year-on-year, with a limited decline in Asset Management, reflecting the resilience of the business model, and a 6 million euro decline in Wealth Management, a result chiefly due to a change in scope following the sale of *Sélection 1818* in Q4-18.

In Asset Management, the fee rate (excluding performance fees) stands at 30bps overall, derived from 27bps in Europe (excluding life insurance) and 38bps in North America.

The adjustment of variable costs resulted in a limited increase in **operating expenses** of 0.9% in Q1-19.

The **cost/income ratio**[1] is equal to 71.0% (+3.3pp) while the **gross operating income** stands at 220 million euros (-12.4%).

Income before tax after restating to account for the impact of IFRIC 21 stands at 225 million euros (-12.1%).

ROE after tax[1] is equal to 12.1% (-1.9pp).

[1] See notes on methodology and excluding IFRIC 21 [2] Including Dynamic Solutions and the assets under management of Vega IM

3.3 Corporate & Investment Banking: diversification allowing for a RoE of almost 10% despite a challenging environment for Global markets

The Corporate & Investment Banking division (CIB) includes the Global markets, Global finance, Investment banking and M&A activities of Natixis.

Underlying figures €m	*Q1-19*	% Change N-1	Constant FX % Change N-1
Net banking income	**807**	**-14.5%**	***-17.1%***
Operating expenses	- 79	2.5%	*+0.2%*
Gross operating income	**228**	**-39.9%**	***-42.3%***
Cost of risk	- 0	- .7%	
Income before tax after IFRIC 21 restatement	**225**	**-40.4%**	
Cost/income ratio	68.7%	+11.2pp	+11.6pp
ROE after tax	9.6%	-7.5pp	

The **net banking income** generated by the Corporate & Investment Banking division amounted to 807 million euros in Q1-19, down 14.5% year-on-year.
The revenues posted by Global markets have decreased by 28%, impacted in particular by unfavorable conditions prevailing in the Rates and Forex markets. In 2018, FIC-T recorded a very high first quarter to the effect that Q1-19 revenues fell by 34% despite the positive momentum achieved by the Credit business and US platform. The Equity segment saw its revenues decline by 13% year-on-year.
Within Global Finance, new loan production saw 32% growth in ENR and 50% growth in Real Assets over the year, with growth being particularly strong in the Infrastructure segment.
The revenues posted by the Investment banking and M&A business lines increased by 6% in Q1-19, including double-digit growth in M&A driven by the integration of Fenchurch and Vermilion.

The 2.5% increase in **operating expenses** to 579 million euros was notably due to investments made in the development of sectorial expertise and the expansion of M&A. The cost/income ratio stands at 68.7% (+11.2 pp).

Gross operating income fell to 228 million euros (-39.9%).

The **cost of risk** remained virtually unchanged at 30 million euros.

Income before tax after restating to account for the impact of IFRIC 21 came to 225 million euros (-40.4%).

In Q1-19, **ROE after tax**[1] stood at 9.6% (-7.5 pp).

Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

[1] See notes on methodology and excluding IFRIC 21

Notes on methodology

Presentation of pro-forma quarterly results

The segment information has been modified as of Q1-19 in in order to reflect the execution of our strategic projects:

- **Retail Banking & Insurance**: Creation of the **Financial Solutions & Expertise division (FSE)**, comprising the following activities: factoring, consumer credit, sureties & financial guarantees, and retail securities services (these activities previously formed part of the Specialized Financial Services division, SFS); and **Payments** becomes a full-fledged division (this activity was previously pursued in the SFS division).
- **Corporate & Investment Banking:** Film industry financing, previously managed by the SFS division within the RB&I business line, has been reallocated to Global finance within CIB.
- **Asset & Wealth Management:** the Employee savings plan activity, previously a part of the SFS division within the RB&I business line, has now been reallocated to the Asset & Wealth Management business line.
- In the Corporate center business line, equity interests chiefly include Coface and CNP Assurances, while the Run-off activities include, in particular, Crédit Foncier (with the exception of Socfim and CFI allocated to RB&I) and BPCE International (except for Pramex allocated to RB&I).

The previous quarters have been restated accordingly.

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. In practice, for Groupe BPCE, the principal taxes concerned by IFRIC 21 are the company social solidarity contribution (C3S) and contributions and levies of a regulatory nature (systemic risk tax levied on banking institutions, contribution to ACPR control costs, contribution to the Single Resolution Fund and to the Single Supervisory Mechanism).

Net banking income

Customer net 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) in addition to changes in provisions for regulated home purchase savings schemes. Net interest on centralized savings is assimilated to commissions.

Operating expenses

The operating expenses correspond to the aggregate total of the "Operating Expenses" (as presented in the Group's registration document, note 6.6 appended to the consolidated financial statements of Groupe BPCE) and "Depreciation, amortization and impairment for property, plant and equipment and intangible assets."

Cost of risk

The cost of risk is expressed in basis points and measures the level of risk per business line as a percentage of the volume of loan outstandings; it is calculated by comparing net provisions booked with respect to credit risks of the period to gross customer loan outstandings at the beginning of the 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 **normative ROE of the business lines** is the ratio between the following items:

- Business line contributory net income attributable to equity holders of the parent, less interest (computed at the standard rate of 2%) 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 business line.
- Normative capital is allocated to Groupe BPCE business lines on the basis of 10.5% of Basel-3 average risk-weighted assets.

Capital adequacy

- **Common Equity Tier 1** is determined in accordance with the applicable CRR/CRD IV rules;
- **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. 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.
  Following the decision of July 13, 2018 handed down by the General Court of the European Union, Groupe BPCE again requested the agreement of the ECB to exclude the centralized outstandings of regulated savings from the calculation of the denominator of the ratio.

Total loss-absorbing capacity

The amount of liabilities eligible for inclusion in the numerator used to calculate the Total Loss-Absorbing Capacity (TLAC) ratio is determined on the basis of our understanding of the Term Sheet published by the FSB on November 9, 2015: "Principles on Loss-Absorbing and Recapitalization Capacity of G-SIBs in Resolution." This amount is comprised of the following 4 items:

- Common Equity Tier 1 in accordance with the applicable CRR/CRD IV rules,
- Additional Tier-1 capital in accordance with the applicable CRR/CRD IV rules,
- Tier-2 capital in accordance with the applicable CRR/CRD IV rules,
- Subordinated liabilities not recognized in the capital mentioned above and whose residual maturity is greater than 1 year, namely:
  - The share of additional Tier-1 capital instruments not recognized in common equity (i.e. included in the phase-out),
  - The share of the prudential discount on Tier-2 capital instruments whose residual maturity is greater than 1 year,
  - The nominal amount of senior non-preferred securities maturing in more than 1 year.

Eligible amounts differ slightly from the amounts adopted for the numerator of the capital adequacy ratios; these eligible amounts are determined using the principles defined in the Term Sheet published by the FSB on November 9, 2015.

Liquidity

Total liquidity reserves comprise the following:

- Central bank-eligible assets include: ECB-eligible securities not eligible for the LCR, taken for their ECB valuation (after the ECB haircut), securities retained (securitization and covered bonds) that are available and ECB-eligible taken for their ECB valuation (after ECB haircut) and private receivables available and eligible for central bank funding (ECB and the Federal Reserve), net of central bank funding.
- LCR eligible assets comprising the Group's LCR reserve taken for their LCR valuation.
- Liquid assets placed with central banks (ECB and the Federal Reserve), net of US Money Market Funds deposits and to which fiduciary money is added.

Short-term funding corresponds to funding with an initial maturity of less than, or equal to, 1 year and the short-term maturities of medium-/long-term debt correspond to debt with an initial maturity date of more than 1 year maturing within the next 12 months. The Group's LTD ratio (customer 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.

Customer deposits are 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.

Loan outstandings and Deposits & Savings

Restatements regarding transitions from book outstandings to outstandings under management (loans and Deposits & Savings) are as follows:

- Deposits & Savings: the scope of outstandings under management excludes debt securities (certificates of deposit and savings bonds)
- Loan outstandings: the scope of outstandings under management excludes securities classified as customer loans and receivables and other securities classified as financial operations.

DISCLAIMER

This press release may contain forward-looking statements and comments relating to the objectives and strategy of Groupe BPCE. By their very nature, these forward-looking statements inherently depend on assumptions, project considerations, objectives and expectations linked to future events, transactions, products and services as well as on suppositions regarding future performance and synergies.

No guarantee can be given that such objectives will be realized; they are subject to inherent risks and uncertainties and are based on assumptions relating to the Group, its subsidiaries and associates and the business development thereof; trends in the sector; future acquisitions and investments; macroeconomic conditions and conditions in the Group's principal local markets; competition and regulation. Occurrence of such events is not certain, and outcomes may prove different from current expectations, significantly affecting expected results. Actual results may differ significantly from those anticipated or implied by the forward-looking statements. Groupe BPCE shall in no event have any obligation to publish modifications or updates of such objectives.

Information in this press release relating to parties other than Groupe BPCE or taken from external sources has not been subject to independent verification; the Group makes no statement or commitment with respect to this third-party information and makes no warranty as to the accuracy, fairness, precision or completeness of the information or opinions contained in this document. Neither Groupe BPCE nor its representatives shall be held liable for any errors or omissions or for any harm resulting from the use of this document, the content of this presentation, or any document or information referred to in this presentation.

The financial information presented in this document relating to the fiscal period ended March 31, 2019 has been drawn up in compliance with IFRS guidelines, as adopted in the European Union. This financial information is not the equivalent of summary financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".

This press release includes financial data related to publicly-listed companies which, in accordance with Article L.451-1-2 of the French Monetary and Financial Code (*Code Monétaire et Financier*), publish information on a quarterly basis about their total revenues per business line. Accordingly, the quarterly financial data regarding these companies is derived from an estimate carried out by BPCE. The publication of Groupe BPCE's key financial figures based on these estimates should not be construed to engage the liability of the abovementioned companies.

The financial results contained in this press release have not been reviewed by the statutory auditors.

3.2. Analysts presentation

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The financial information presented in this document relating to the fiscal period ended March 31, 2019 has been drawn up in compliance with IFRS guidelines, as adopted in the European Union. This financial information is not the equivalent of summary financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".

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The financial results contained in this presentation have not been reviewed by the statutory auditors.

The quarterly financial statements of Groupe BPCE for the period ended March 31, 2019 approved by the Management Board at the meeting convened on May 7, 2019, were verified and reviewed by the Supervisory Board at a meeting convened on May 9, 2019.

2 RESULTS FOR THE 1ST QUARTER OF 2019 GROUPE BPCE

KEY MESSAGES

Solid revenues in Q1-19 (-1.2%[1])
in a challenging environment,
thanks to our diversified universal banking model

- **RB&I:** robust performance with sustained increase in revenues in our retail banking networks and continued development of the Insurance and Payments businesses
- **AWM:** resilient quarter and positive net inflows
- **CIB:** diversification offsetting partly Global markets challenging environment

Strong discipline in cost reduction
Lower Q1-19 operating expenses excl. SRF: -1.1%[1]

Limited decrease in Q1-19 underlying net income[2] at €933m: -4.2%
Q1-19 reported net income[2] at €650m

Capital and TLAC ratios remain stable at high levels and include the impact of the loan growth and the acquisition of a majority stake in Oney Bank

- **CET1 at 15.4%[3] and TLAC ratio at 22.6%[3]** as at March 31, 2019

Successful execution of strategic projects launched since June 2018
The bulk of transformation costs already incurred

- **Integrations of SFS businesses** within BPCE SA and **of Crédit Foncier activities and expertise** completed
- **Project to dispose of banking interests in Africa in progress:** closing expected in the second half of 2019
- **Fidor** now a non-core asset; impairment of goodwill and intangible assets in Q1-19

Ongoing development of our core businesses: new strategic partnerships

- **Oney Bank: long-term partnership agreement signed** on April 4, 2019; BPCE to acquire a 50.1% interest in Oney Bank Effective completion of the transaction expected in Q3-19[4]
- **P&C insurance:** Natixis to take over new P&C business for the individual customers of the Banque Populaire network as of 2020 as part of the renewed partnership with Covéa
- CIB: **new M&A franchise in Australia with the acquisition[4] of Azure Capital Limited**

[1] Underlying [2] After IFRIC 21 restatement [3] Estimate; pro forma and after deduction of irrevocable payment commitments (IPCs) [4] Effective completion of the transaction is conditional on its approval by the competent authorities

3 RESULTS FOR THE 1ST QUARTER OF 2019 GROUPE BPCE

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4 RESULTS FOR THE 1ST QUARTER OF 2019 GROUPE BPCE

Q1-19 RESULTS 1/3

Reported net income -29.7%[1] in Q1-19 owing to transformation costs

Reported figures €m	Q1-19	Q1-18	*Q1-19 vs. Q1-18*
Net banking income	5,953	6,010	-1.0%
Operating expenses	-4,686	-4,606	1.7%
o/w expenses excluding SRF	*-4,310*	*-4,266*	*1.0%*
Gross operating income	1,267	1,404	-9.8%
Cost of risk	-294	-259	13.4%
Impairment of goodwill	-88	-	ns
Income before tax	901	1,222	-26.3%
Income tax	-472	-455	3.8%
Non-controlling interests	-88	-162	ns
Net income – Group share	340	605	-43.8%
Restatement of IFRIC 21	310	321	
Net income after IFRIC 21 restatement	650	925	-29.7%

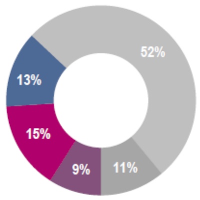
[1] After IFRIC 21 restatement

Q1-19 RESULTS 2/3

Exceptional items related to the implementation of strategic projects

€m			Q1-19	Q1-18
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	*Net banking income*	*Corporate center*	6	-12
Transformation and reorganization costs	*Operating expenses / Gains or losses on other assets / Goodwill*	*Business lines & Corporate center*	-257	-46
Other impairment	*Share in income of equity-accounted associates*	*Corporate center*	-25	
Total impact on income before tax			-276	-58
Total impact on net income – Group share			-283	-29

Breakdown of transformation and reorganization costs in Q1-19



Q1-19 RESULTS 3/3

Solid performance in a challenging environment
Resilient revenues, significant cost reduction and limited decrease in net income: -4.2%[1]

Underlying figures *€m*	Q1-19	Q1-18 pf	Q1-19 vs. Q1-18 pf	Q1-19 vs. Q1-18 pf *constant FX*
Net banking income	5,947	6,022	-1.2%	-2.3%
Operating expenses	-4,549	-4,560	-0.2%	-1.1%
o/w expenses excluding SRF	*-4,173*	*-4,220*	*-1.1%*	*-2.0%*
Gross operating income	1,398	1,463	-4.4%	-6.1%
Cost of risk	-284	-259	9.8%	
Income before tax	1,176	1,280	-8.1%	
Income tax	-449	-475	-5.5%	
Non-controlling interests	-104	-153	-31.6%	
Net income – Group share	623	652	-4.5%	
Restatement of IFRIC 21	310	322		
Net income after IFRIC 21 restatement	933	974	-4.2%	
Cost/income ratio[1]	*69.9%*	*69.0%*	*0.9 pp*	*1.0 pp*
ROE[1]	*5.7%*	*6.2%*	*-0.5 pp*	

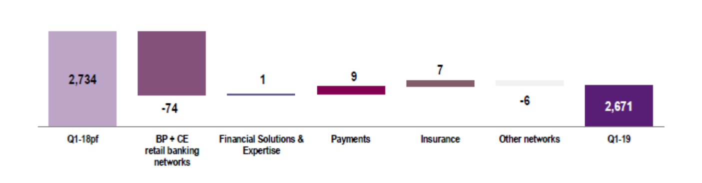
- Slight decrease in **revenues**: positive revenue trend confirmed in Retail Banking & Insurance (+2.3%) and resilient performance of AWM; within CIB, diversification partially offset the performance of Global markets confronted with a high Q1-18 and challenging market conditions
- **Operating expenses -0.2% (-1.1% excl. SRF)**: ongoing cost reduction in the retail banking networks (-3.2%); expenses under control in AWM (+0.9%) and CIB (+2.5%); SRF contribution of €376m (+10.7% YoY) fully booked in Q1 owing to IFRIC 21
- **Cost of risk** (+9.8% mainly due to an extremely low comparison base) **remains at a low level**: 17 bps in Q1-19 vs.16 bps in Q1-18

2018 figures restated – See annex for the reconciliation of the restated figures with formally published data [1] After IFRIC 21 restatement

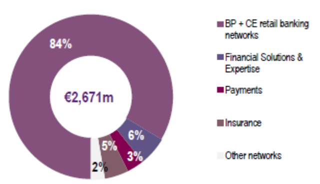
Q1-19 RESULTS – OPERATING EXPENSES

Retail banking & Insurance: dynamic cost reduction of 2.3%[1]

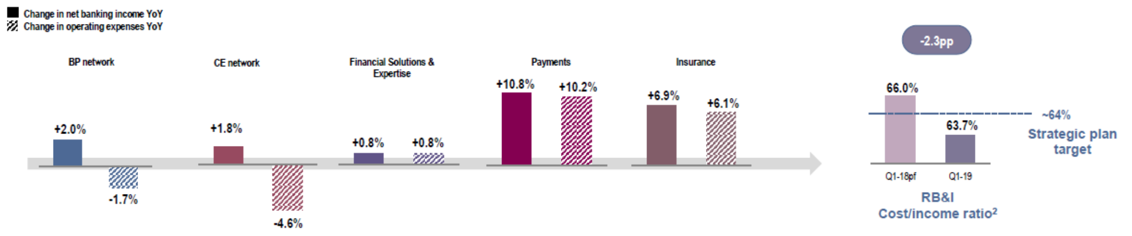
Change in operating expenses[1] (in €m)



Breakdown of operating expenses[1] in Q1-19



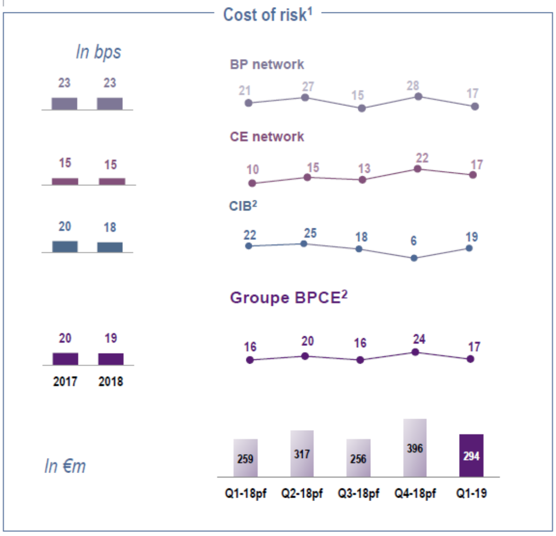
Positive jaws effect in all business divisions leading to improvement in cost/income ratio

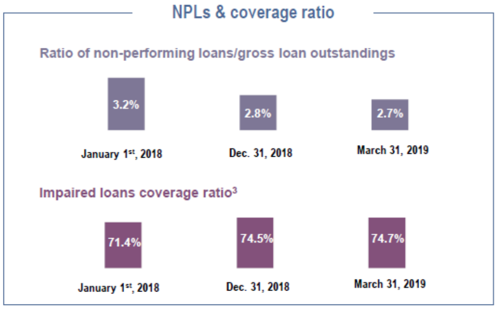


[1] Underlying figures [2] After IFRIC21 restatement

Q1-19 RESULTS – COST OF RISK

Cost of risk at 17 bps, below our guidance for the current strategic plan (20 to 30 bps)



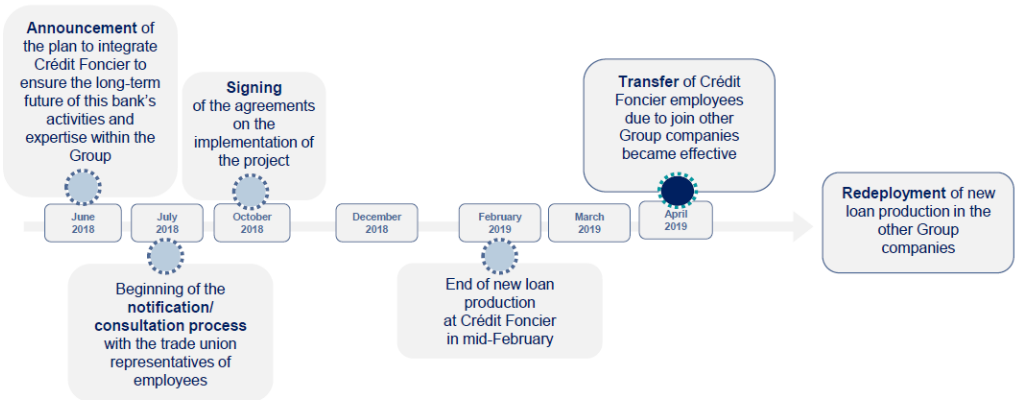


- Stable impairment on non-performing loans (stage 3)
- Increase YoY in IFRS 9 expected losses on performing loans (stages 1 & 2). Cost of risk of CE network in Q1-19 compared to an extremely low level in Q1-18
- NPL ratio remains low, at 2.7% (-0.5 pp vs. Jan. 1st, 2018)

[1] Cost of risk expressed in annualized basis points on gross customer outstandings at the beginning of the period [2] Excluding exceptional items in Q3-18 (CIB) and in Q1-19 (Corporate center)
[3] Coverage ratio, including guarantees related to impaired outstandings

Q1-19 RESULTS – SUCCESSFUL EXECUTION OF STRATEGIC PROJECTS

Effective integration of Crédit Foncier activities and expertise



Focus on Compagnie de Financement Foncier (issuer of covered bonds; 100% owned by Crédit Foncier)
Compagnie de Financement Foncier remains an active issuer of covered bonds and one of the funding tools of Groupe BPCE; it is now refocused on public sector assets (only public sector assets will be added to its balance sheet; residential mortgages currently in its balance sheet will amortize over time and eventually only public sector assets will be left)
Very successful issue of 8-year covered bonds on April 1st, 2019: €1.25bn out of an order book of €3bn; tight pricing at € midswap + 8 bps

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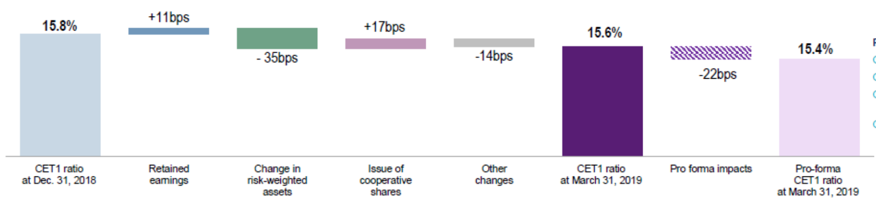
CAPITAL AND LOSS-ABSORBING CAPACITY

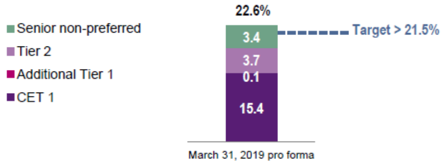
CET1 and TLAC ratios at high levels

Change in the CET1 ratio[1] (in bps)



Pro forma impacts:
- Acquisition of 50.1% of Oney Bank[4]
- Acquisitions[4] in AWM and in CIB
- Deduction from regulatory capital of irrevocable payment commitments (IPCs)[2]
- Disposal of African subsidiaries

TLAC[1] ratio (as a % of risk-weighted assets)



CET1 capital equal to €62.4bn[1] at March 31, 2019

Total loss-absorbing capacity stood at €91.5bn[1,2] at end-March 2019, equal to a TLAC ratio of 22.6%[1,2]

Leverage ratio equal to 5.1%[2,3] at March 31, 2019

Capital adequacy, Total loss-absorbing capacity – see note on methodology [1] Estimate at March 31, 2019 (pro forma) [2] Deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments [3] The leverage ratio would amount to 5.4% after excluding the centralized outstandings of regulated savings from the calculation of the denominator of the ratio, subject to the agreement of the ECB and following the decision of July 13, 2018 of the General Court of the European Union [4] Effective completion of the transaction is conditional on its approval by the competent authorities

LIQUIDITY

60% of the medium-/long-term funding plan completed

2019 MLT funding plan of €20bn

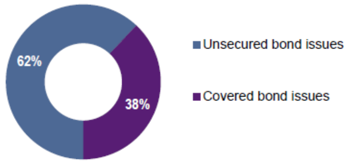
- Unsecured segment: €13bn to €14bn
  - Of which €3bn to €4bn of senior non-preferred debt
- Secured segment: €6bn to €7bn of covered bonds and other secured funding

€12bn raised at April 30, 2019

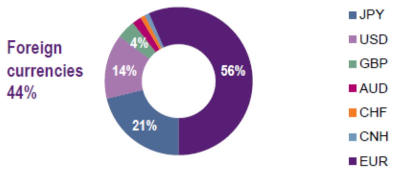
- Unsecured segment: €7.5bn raised o/w €2.2bn of senior non-preferred debt
- Average maturity at issue: 7.6 years
- Average cost of liquidity: mid-swap +47 bps

Thomson Reuters named Groupe BPCE "**Bond Issuer of the Year**" in Japan in its DealWatch Awards 2018. This is the first time a non-Japanese issuer has obtained this prestigious award.

Structure of MLT funding at April 30, 2019



Diversification of the investor base for MLT funding raised as at April 30, 2019 (in unsecured bond issues)



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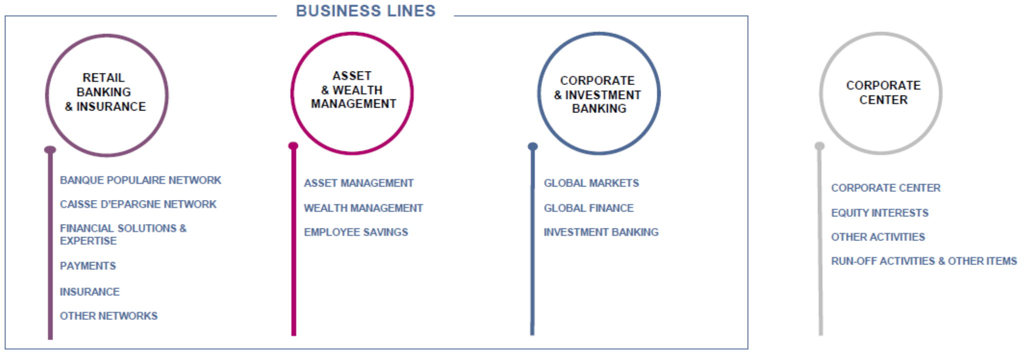
RESULTS OF THE BUSINESS LINES

New segment reporting reflecting the implementation of strategic projects



Retail Banking & Insurance
- Creation of the Financial Solutions & Expertise division including factoring, consumer credit, leasing, sureties and financial guarantees, retail securities services (formerly in the SFS division)
- Payments becomes a standalone business line (formerly in the SFS division)

Asset & Wealth Management
- Employee savings plan is reallocated from RB&I (formerly in the SFS division) to AWM

Corporate & Investment banking
- Film industry financing is reallocated from RB&I (formerly in the SFS division) to CIB (Global Finance)

Corporate center
- Equity interests are isolated and mainly include Coface and CNP Assurances
- Run-off activities include Crédit Foncier (except Socfim and CFI allocated to RB&I) and BPCE International (except Pramex allocated to RB&I)

RETAIL BANKING & INSURANCE 1/6

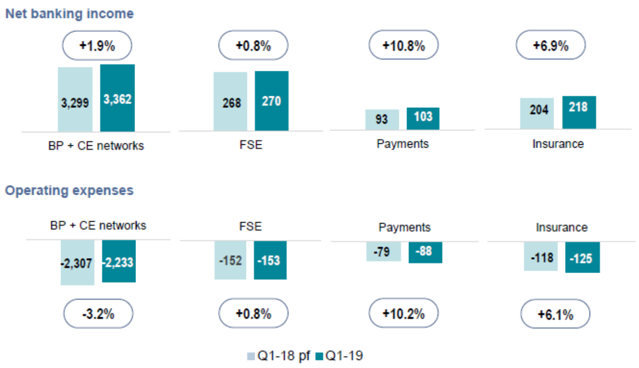
All divisions contributed to revenue growth; gross operating income +12.5%

BP & CE digital channels
4.4 million mobile app users in March 2019
Selfcare use: > 790,000 additions of transfer beneficiaries in Q1-19
26.7 million transfers made on mobile devices in Q1-19

Loan outstandings: €495bn, +5.2% YoY
o/w residential mortgages **+6.6% YoY**
o/w equipment loans **+4.6% YoY**
o/w consumer loans **+5.7% YoY**

On-balance sheet deposits & savings[1]: €432bn, +5.1% YoY
o/w sight deposits **+12.3% YoY**

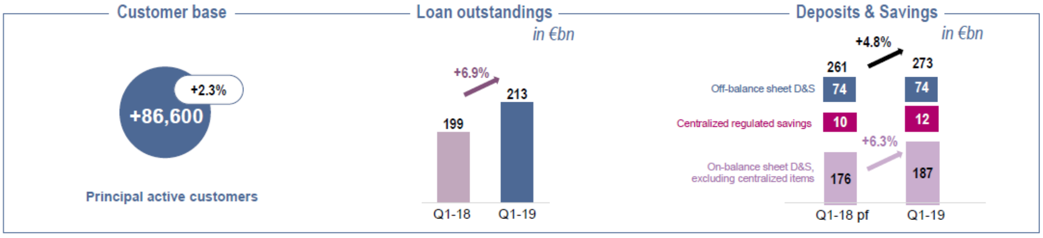
Underlying figures[2] €m	Q1-19	% Change N-1 pf
Net banking income	4,069	2.3%
Net banking income excl. home purchase savings schemes	4,033	1.2%
Operating expenses	-2,671	-2.3%
Gross operating income	1,398	12.5%
Cost of risk	-247	27.1%
Income before tax after IFRIC 21 restatement	1,243	6.2%
Cost/income ratio[3]	*63.7%*	*-2.3pp*
Normative ROE (after tax)	*10.8%*	*+0.3pp*



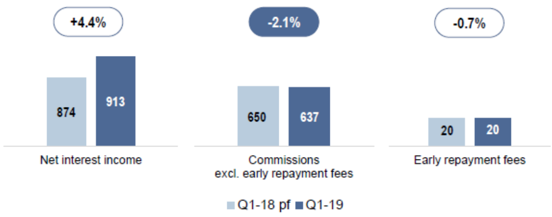
[1] Excluding centralized regulated savings [2] Excluding exceptional items (see annex) [3] After IFRIC 21 restatement

RETAIL BANKING & INSURANCE 2/6

BANQUE POPULAIRE network: revenues grew by 2.0% despite low interest rates



Underlying figures[1] €m	Q1-19	% Change N-1
Net banking income	1,618	2.0%
Net banking income excl. home purchase savings schemes	1,610	1.2%
Operating expenses	-1,078	-1.7%
Gross operating income	540	10.3%
Cost of risk	-94	-12.6%
Income before tax after IFRIC 21 restatement	483	11.7%
Cost/income ratio[2]	*65.0%*	*-1.5pp*

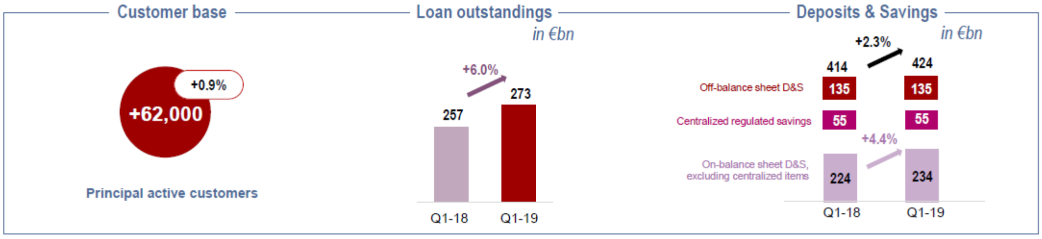


[1] Excluding exceptional items (see annex) [2] After IFRIC 21 restatement

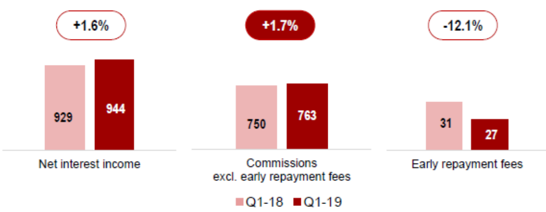
17 RESULTS FOR THE 1ST QUARTER OF 2019 GROUPE BPCE

RETAIL BANKING & INSURANCE 3/6

CAISSE D'EPARGNE network: significant cost/income ratio decrease to 64.1%



Underlying figures[1] €m	Q1-19	% Change N-1
Net banking income	1,744	1.8%
Net banking income excl. home purchase savings schemes	1,717	0.1%
Operating expenses	-1,155	-4.6%
Gross operating income	590	17.2%
Cost of risk	-115	83.3%
Income before tax after IFRIC 21 restatement	511	5.0%
Cost/income ratio[2]	*64.1%*	*-3.8pp*



[1] Excluding exceptional items (see annex) [2] After IFRIC 21 restatement

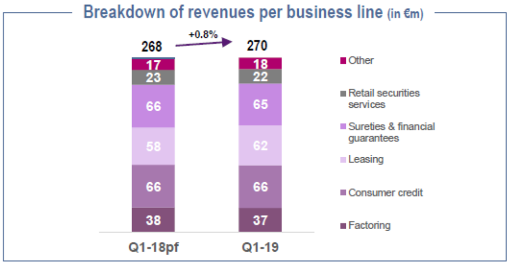
18 RESULTS FOR THE 1ST QUARTER OF 2019 GROUPE BPCE

RETAIL BANKING & INSURANCE 4/6

Financial Solutions & Expertise – Dynamic business and solid revenue base

Business activities

- **Factoring**: increased pace of business activity with the BP and CE retail banking networks in the Small Business and SME segments, with an increase in the number of contracts vs. Q1-18 of 37% for Small Businesses and 20% for SMEs
  Instant Payment launched in February 2019 for Small Businesses
- **Consumer credit**: loan outstandings +8% YoY
  Digitalized offering fully rolled out in 2018 in the BP network and currently in the roll-out stage in the CE network
- **Leasing**: dynamic new production, up by almost 12% vs. Q1-18
- **Sureties and financial guarantees**: buoyant activity related to activities with individual customers in the retail banking network and continued deployment of the offering in the BP network
  Gross premiums written: +23.8% vs. Q1-18



Results

Net banking income: +0.8% in Q1-19, mainly driven by the contribution from the Leasing activity; other divisions remained stable

Expenses: limited increase, with good control in all business lines

Cost of risk: increase over the period, up from a low basis of comparison in Q1-18

Underlying figures[1] *€m*	Q1-19	% Change N-1
Net banking income	270	0.8%
Operating expenses	-153	0.8%
Gross operating income	117	0.8%
Cost of risk	-25	28.1%
Income before tax after IFRIC 21 restatement	95	-6.4%
Cost/income ratio[2]	*55.4%*	*+0.7pp*

[1] Excluding exceptional items (see annex) [2] After IFRIC 21 restatement

RETAIL BANKING & INSURANCE 5/6

Payments – Continued solid momentum with positive jaws

Scope: Payments division of Natixis

Net revenues: +10.8% YoY

- **Payment Processing & Services:** +6% YoY revenues growth in Natixis Payments' historical activities. Number of card transactions processed +9% YoY and progressive ramp-up of Instant Payment
- **Merchant Solutions:** solid business volumes generated by Dalenys (medium/large corp.) and PayPlug (SME), +26% YoY
  Synergies ongoing between entities and within Groupe BPCE with the deployment of PayPlug
- **Prepaid & Issuing Solutions:** robust growth in Q1-19 driven by meal vouchers and the contribution of our *Benefits & Rewards* activity (Titres Cadeaux and Comitéo)
  Number of mobile payments more than x2.4 vs. Q1-18

Expenses: +10% YoY, translating into a positive jaws effect

Gross operating income: +14.1% YoY in Q1-19 despite investments still being made

Oney Bank **acquisition to generate synergies for all payments business lines**

Underlying figures[1] *€m*	Q1-19	% Change N-1
Net banking income	103	10.8%
Operating expenses	-88	10.2%
Gross operating income	16	14.1%
Income before tax after IFRIC 21 restatement	16	13.0%
Cost/income ratio[2]	*84.1%*	*-0.4pp*

[1] Excluding exceptional items (see annex) [2] After IFRIC 21 restatement

RETAIL BANKING & INSURANCE 6/6

Insurance – Continued strong delivery with GOI +7.9%

Scope: Insurance division of Natixis

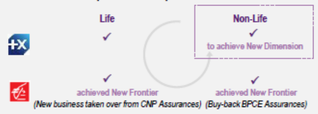
Life[1] and Personal protection insurance

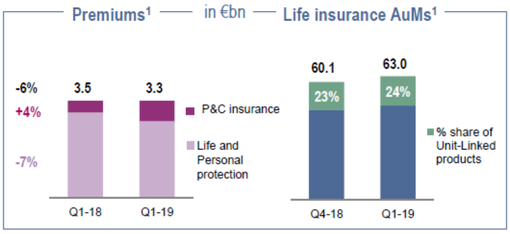
- Total AuMs at €63.0bn at end-March 2019 (+5% QoQ), €1.7bn of net inflows
- Unit-linked AuMs at €15.2bn, +8.0% QoQ; UL products accounted for 29% of gross inflows vs. 23% market average (end March)[2]

P&C insurance

- €0.4bn earned premiums in Q1-19, +4% YoY
- Combined ratio: 92.5% in Q1-19, +0.2pp YoY

P&C insurance: Natixis to take over new P&C business for the individual customers of the Banque Populaire network as of 2020 as part of the renewed partnership with Covéa





Net banking income: +6.9% in Q1-19, driven both by Life and P&C

Expenses: +6% YoY, translating into a positive jaws effect and a **cost/income ratio below ~54% (2020 target)**

Gross operating income: +7.9% in Q1-19

Underlying figures[3] *€m*	Q1-19	% Change N-1
Net banking income	218	6.9%
Operating expenses	-125	6.1%
Gross operating income	93	7.9%
Income before tax after IFRIC 21 restatement	106	2.6%
Cost/income ratio[4]	*51.7%*	*0.8pp*

[1] Excluding the reinsurance agreement with CNP [2] Source FFA [3] Excluding exceptional items (see annex) [4] After IFRIC 21 restatement

ASSET & WEALTH MANAGEMENT

Resilient quarter following the Q4-18 market correction

Asset management: +6% AuM increase in Q1-19 with flows turning positive

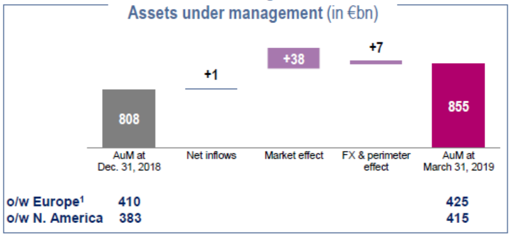
Net inflows reached €1bn in Q1-19, with net inflows on LT products of a similar amount in March

In line with New Dimension, the momentum for alternative strategies (liquid and illiquid) remains strong with close to €2bn in net inflows in Q1-19 as opposed to strategies such as Core Fixed Income

- **Europe[1]:** ~€4bn net inflows in Q1-19. Positive net inflows across a vast majority of European affiliates
- **North America:** ~€3bn net outflows in Q1-19. Recovery post Q4-18, with flows coming back to positive territory, notably for Harris in March

Wealth management: AuM at €27bn as at March 31, 2019, with positive net inflows in Q1-19

Asset Management:
Assets under management (in €bn)



Net revenues: +1% YoY (excl. perf. fees) illustrating the resilience of our model

- **Asset management:** overall fee rate (excl. perf. fees) at 30bps in Q1-19, in line with New Dimension target
  - Europe: 27bps (excl. Life Insurance). Fee rate increase primarily driven by the higher share of alternative strategies
  - North America: 38bps with a lower share of average AuM from Harris following the Q4-18 market effect
  - Perf. fees: €32m in Q1-19 (~5% of AM revenues) vs. €65m in Q1-18
- **Wealth management:** net revenues -€6m YoY mainly due to the perimeter effect from the disposal of Selection 1818 finalized in Q4-18.

Expenses: -4% YoY (at constant exchange rate), with AM variable costs adjusting to the revenue environment and investments being made to prepare the next levers of growth

Underlying figures[2] *€m*	Q1-19	% Change N-1pf	Constant FX % change N-1pf
Net banking income	773	-3.3%	-7.5%
Operating expenses	-553	0.9%	-3.6%
Gross operating income	220	-12.4%	-15.9%
Income before tax after IFRIC 21 restatement	225	-12.1%	
Cost/income ratio[3]	*71.0%*	*3.0pp*	*2.8pp*
Normative ROE (after tax)	*12.1%*	*-1.9pp*	

[1] Including Dynamic Solutions and Vega IM AuM [2] Excluding exceptional items (see annex) [3] After IFRIC 21 restatement

CORPORATE & INVESTMENT BANKING

Diversification allowing for ~10% ROE despite challenging Global markets

Net revenues: -15% YoY in Q1-19, with contrasted performances

Global markets: -28% YoY vs. a high Q1-18. **Progressive normalization of market conditions towards quarter-end**

- FICT: -34% YoY on the back of less favorable market conditions across Rates and FX offset by a positive momentum in Credit and a solid performance from the US platform. **Maintained high selectivity on profitable deals. Base effect since Q1-18 FICT revenues were close to historic highs**
- Equity: -13% YoY (excl. cash equity) **with a solid recovery post Q4-18**. Market risk associated to the portfolio of Asian derivative products that led to the Q4-18 performance now entirely hedged with no additional P&L impact expected

Global finance: **largely flat YoY**. Robust new loan production with ENR +32% YoY and Real Assets +50% YoY with a strong momentum for Infrastructure (more than x2 YoY). **Distribution rate on Real Assets ~70%** (vs. 65% in Q1-18)

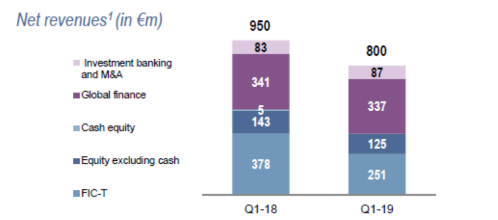
Investment banking and M&A: +6% YoY including a double-digit growth in M&A thanks to the successful integration of Fenchurch and Vermilion

Proportion of revenues generated from services fees at 41% (vs. 38% in Q1-18)

Expenses: flat YoY (at constant exchange rate) despite investments being made to develop our sectorial expertise as well as the expansion of our high expertise, asset-light M&A boutiques model

Cost of risk stable YoY

A diversified revenue mix



Underlying figures[2] *€m*	Q1-19	% Change N-1pf	Constant FX % change N-1
Net banking income	807	-14.5%	-17.1%
Operating expenses	-579	2.5%	0.2%
Gross operating income	228	-39.9%	-42.3%
Cost of risk	-30	-2.7%	
Income before tax after IFRIC 21 restatement	225	-40.4%	
Cost/income ratio[3]	*68.7%*	*11.2pp*	*11.6pp*
Normative ROE (after tax)	*9.6%*	*-7.5pp*	

[1] Total excluding CVA/DVA desk and other; figures at current FX [2] Excluding exceptional items (see annex) [3] After IFRIC 21 restatement

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CONCLUSION

- **Very good track record in the execution of strategic projects**
  Bulk of related costs already incurred
- **Retail banking & Insurance: sustained growth in revenues (+2.3%) and strong cost discipline (operating expenses: -2.3%[1])**
- **Strength of our diversified universal banking model faced with challenging market conditions**
- **Stable underlying earnings and strong capital and TLAC positions**

[1] Excluding exceptional items (see page 6)

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RESULTS FOR THE 1ST QUARTER OF 2019

ANNEXES

MAY 9, 2019

PARIS 2024

PARIS 2024 JEUX PARALYMPIQUES

GROUPE BPCE PARTENAIRE PREMIUM

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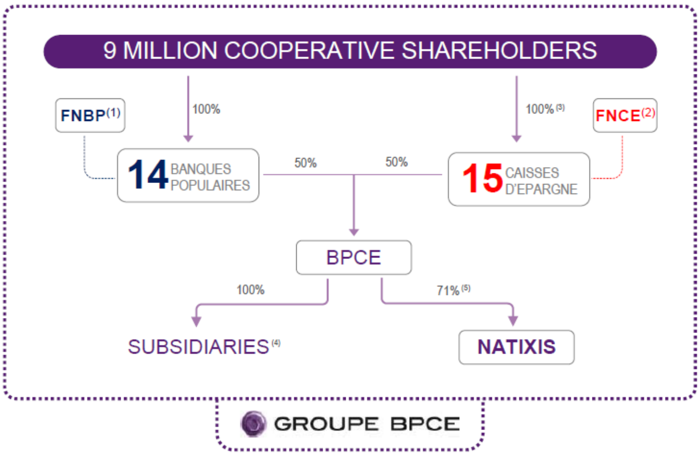
Organizational structure of Groupe BPCE at March 31, 2019



(1) Fédération Nationale des Banques Populaires
(2) Fédération Nationale des Caisses d'Epargne
(3) Indirectly through Local Savings Companies
(4) Banque Palatine, FSE subsidiaries, etc.
(5) Float: 29%

ANNEXES

Note on methodology (1/4)

Presentation of the pro-forma quarterly results

- The segment information has been modified as of Q1-19 reflecting the strategic project:

  In the Retail banking & Insurance business line:
  - Creation of the Financial Solutions & Expertise division including factoring, consumer credit, leasing, sureties and financial guarantees, retail securities services (formerly in the SFS division),
  - Payments becomes a standalone business line (formerly in the SFS division).

  In the Asset & Wealth Management business line:
  - Employee savings plan is reallocated from RB&I (formerly in the SFS division) to AWM.

  In the Corporate & Investment banking business line:
  - Film industry financing is reallocated from RB&I (formerly in the SFS division) to CIB (Global Finance).

  In the Corporate center:
  - Equity interests are isolated and mainly include Coface and CNP Assurances,
  - Run-off activities include Crédit Foncier (except Socfim and CFI allocated to RB&I) and BPCE International (except Pramex allocated to RB&I).

  The previous quarters have been restated accordingly.

Exceptional items

- The exceptional items and the reconciliation of the restated income statement to the income statement reported by Groupe BPCE are included in an annex to this document.

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. In practice, for Groupe BPCE, the principal taxes concerned by IFRIC 21 are the company social solidarity contribution (C3S) and contributions and levies of a regulatory nature (systemic risk tax levied on banking institutions, contribution to ACPR control costs, contribution to the Single Resolution Fund and to the Single Supervisory Mechanism).

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GROUPE BPCE

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Note on methodology (2/4)

Net banking income

- Customer net 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) in addition to changes in provisions for regulated home purchase savings schemes. Net interest on centralized savings is assimilated to commissions.

Operating expenses

- The operating expenses correspond to the aggregate total of the "Operating Expenses" (as presented in the Group's registration document, note 6.6 appended to the consolidated financial statements of Groupe BPCE) and "Depreciation, amortization and impairment for property, plant and equipment and intangible assets."

Cost of risk

- The cost of risk is expressed in basis points and measures the level of risk per business line as a percentage of the volume of loan outstandings; it is calculated by comparing net provisions booked with respect to credit risks of the period to gross customer loan outstandings at the beginning of the 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 **normative ROE of the business lines** is the ratio between the following items:
  - Business line contributory net income attributable to equity holders of the parent, less interest (computed at the standard rate of 2%) 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 business line.
  - Normative capital is allocated to Groupe BPCE business lines on the basis of 10.5% of Basel-3 average risk-weighted assets.

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GROUPE BPCE

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Note on methodology (3/4)

Capital adequacy

- **Common Equity Tier 1** is determined in accordance with the applicable CRR/CRD IV rules.
- **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. 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. Following the decision of July 13, 2018 handed down by the General Court of the European Union, Groupe BPCE again requested the agreement of the ECB to exclude the centralized outstandings of regulated savings from the calculation of the denominator of the ratio.

Total loss-absorbing capacity

- **The amount of liabilities eligible for inclusion in the numerator used to calculate the Total Loss-Absorbing Capacity (TLAC) ratio** is determined on the basis of our understanding of the Term Sheet published by the FSB on November 9, 2015: "Principles on Loss-Absorbing and Recapitalization Capacity of G-SIBs in Resolution."
- This amount is comprised of the following 4 items:
  - Common Equity Tier 1 in accordance with the applicable CRR/CRD IV rules,
  - Additional Tier-1 capital in accordance with the applicable CRR/CRD IV rules,
  - Tier-2 capital in accordance with the applicable CRR/CRD IV rules,
  - Subordinated liabilities not recognized in the capital mentioned above and whose residual maturity is greater than 1 year, namely:
    - The share of additional Tier-1 capital instruments not recognized in common equity (i.e. included in the phase-out),
    - The share of the prudential discount on Tier-2 capital instruments whose residual maturity is greater than 1 year,
    - The nominal amount of senior non-preferred securities maturing in more than 1 year.
- Eligible amounts differ slightly from the amounts adopted for the numerator of the capital adequacy ratios; these eligible amounts are determined using the principles defined in the Term Sheet published by the FSB on November 9, 2015.

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Note on methodology (4/4)

Liquidity

- Total liquidity reserves comprise the following:
  - Central bank-eligible assets include: ECB-eligible securities not eligible for the LCR, taken for their ECB valuation (after ECB haircut), securities retained (securitization and covered bonds) that are available and ECB-eligible taken for their ECB valuation (after ECB haircut) and private receivables available and eligible for central bank funding (ECB and the Federal Reserve), net of central bank funding.
  - LCR eligible assets comprising the Group's LCR reserve taken for their LCR valuation.
  - Liquid assets placed with central banks (ECB and the Federal Reserve), net of US Money Market Funds deposits and to which fiduciary money is added.
- Short-term funding corresponds to funding with an initial maturity of less than, or equal to, 1 year and the short-term maturities of medium-/long-term debt correspond to debt with an initial maturity date of more than 1 year maturing within the next 12 months.

Customer deposits are 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.

Loan outstandings and Deposits & Savings

- Restatements regarding transitions from book outstandings to outstandings under management (loans and Deposits & Savings) are as follows:
  - Deposits & Savings: the scope of outstandings under management does not include debt securities (certificates of deposit and savings bonds)
  - Loan outstandings: the scope of outstandings under management does not include securities classified as customer loans and receivables and other securities classified as financial operations.

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Q1-19 results: reconciliation of alternative performance measures to reported data

in millions of euros		Net banking income	Operating expenses	Cost of risk	Share in income of equity-accounted associates	Gains or losses on other assets	Goodwill	Income before tax	Net income attributable to equity holders of the parent
Q1-19 results		**5,953**	**-4,686**	**-294**	**44**	**-28**	**-88**	**901**	**340**
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	*Corporate center*	6						6	0
Transformation and reorganization costs	*Business lines/ Corporate center*		-137	-10		-21	-88	-257	-258
Other impairments	*Corporate center*				-25			-25	-25
Q1-19 results excluding exceptional items		**5,947**	**-4,549**	**-284**	**69**	**-7**	**0**	**1,176**	**623**
Total impact		**6**	**-137**	**-10**	**-25**	**-21**	**-88**	**-276**	**-283**

ANNEXES

Q1-18 pf results: reconciliation of alternative performance measures to reported data

in millions of euros		Net banking income	Operating expenses	Income before tax	Net income attributable to equity holders of the parent
Q1-18 pf results		**6,010**	**-4,606**	**1,222**	**623**
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	*Corporate center*	-12		-12	-3
Transformation and reorganization costs	*Business lines/ Corporate center*		-46	-46	-27
Q1-18 pf results excluding exceptional items		**6,022**	**-4,560**	**1,280**	**652**
Total impact		**-12**	**-46**	**-58**	**-29**

ANNEXES

Reconciliation of published consolidated data to pro-forma data (1/5)

in millions of euros	Retail Banking & Insurance					Asset & Wealth Management			Corporate & Investment Banking			Corporate center					Groupe BPCE		
	Q1-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q1-18 pf	Q1-18 reported	Creation of FSE division	Q1-18 pf	Q1-18 reported	Creation of FSE division	Q1-18 pf	Q1-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q1-18 pf	Q1-18 reported	Creation of FSE division	Q1-18 pf
Net banking income	4,174	-141	-40	-18	3,977	777	23	799	938	6	944	121	141	40	-11	290	6,010		6,010
Operating expenses	-2,933	107	34	28	-2,765	-529	-19	-548	-564	-3	-566	-580	-107	-34	-6	-726	-4,606		-4,606
Gross operating income	**1,241**	**-34**	**-7**	**10**	**1,212**	**248**	**3**	**251**	**375**	**3**	**378**	**-459**	**34**	**7**	**-16**	**-436**	**1,404**		**1,404**
Cost of risk	-213	22	6	-9	-194				-29	-2	-31	-17	-22	-6	11	-34	-259		-259
Gains or losses on other assets	6	2	-4		3				3		3	3	-2	4		6	11		11
Income before tax	**1,044**	**-11**	**-5**	**1**	**1,030**	**248**	**3**	**251**	**352**	**1**	**353**	**-422**	**11**	**5**	**-5**	**-413**	**1,222**		**1,222**
Income tax	-357		8		-349	-69	-1	-70	-95		-95	66		-8	1	59	-455		-455
Non-controlling interests	-43	1	1	18	-22	-79	-1	-80	-75		-75	35	-1	-1	1	33	-162	18	-144
Net income attributable to equity holders of the parent	**644**	**-10**	**4**	**19**	**659**	**100**	**1**	**101**	**182**	**1**	**183**	**-321**	**10**	**-4**	**-3**	**-320**	**605**	**18**	**623**

ANNEXES

Reconciliation of published consolidated data to pro-forma data (2/5)

in millions of euros	Retail Banking & Insurance					Asset & Wealth Management			Corporate & Investment Banking			Corporate center					Groupe BPCE		
	Q2-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q2-18 pf	Q2-18 reported	Creation of FSE division	Q2-18 pf	Q2-18 reported	Creation of FSE division	Q2-18 pf	Q2-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q2-18 pf	Q2-18 reported	Creation of FSE division	Q2-18 pf
Net banking income	4,294	-134	-55	-23	4,080	819	23	842	965	11	976	163	134	55	-10	344	6,241		6,241
Operating expenses	-2,821	90	38	25	-2,667	-549	-19	-569	-549	-2	-551	-316	-90	-38	-4	-449	-4,235		-4,235
Gross operating income	**1,473**	**-44**	**-17**	**2**	**1,413**	**269**	**4**	**273**	**417**	**8**	**425**	**-153**	**44**	**17**	**-14**	**-105**	**2,006**		**2,006**
Cost of risk	-265	9	4	-13	-265	-1		-1	-39	2	-37	-12	-9	-4	11	-14	-317		-317
Gains or losses on other assets	-18	-1	22		3							3	1	-22		-18	-15		-15
Income before tax	**1,200**	**-36**	**9**	**-11**	**1,161**	**268**	**4**	**272**	**381**	**10**	**391**	**-105**	**36**	**-9**	**-3**	**-80**	**1,744**		**1,744**
Income tax	-373	10	2	6	-355	-75	-1	-76	-103	-3	-106	79	-10	-2	-1	66	-472		-472
Non-controlling interests	-46	1	2	23	-20	-83	-1	-84	-82	-3	-84	-23	-1	-2	1	-24	-233	21	-212
Net income attributable to equity holders of the parent	**781**	**-25**	**14**	**18**	**786**	**110**	**2**	**112**	**195**	**5**	**200**	**-49**	**25**	**-14**	**-3**	**-39**	**1,038**	**21**	**1,059**

ANNEXES

Reconciliation of published consolidated data to pro-forma data (3/5)

in millions of euros	Retail Banking & Insurance					Asset & Wealth Management			Corporate & Investment Banking			Corporate center					Groupe BPCE		
	Q3-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q3-18 pf	Q3-18 reported	Creation of FSE division	Q3-18 pf	Q3-18 reported	Creation of FSE division	Q3-18 pf	Q3-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q3-18 pf	Q3-18 reported	Creation of FSE division	Q3-18 pf
Net banking income	4,146	-107	-43	-20	3,975	818	23	841	822	6	828	121	107	43	-8	263	5,906		5,906
Operating expenses	-2,881	264	35	27	-2,556	-564	-19	-584	-523	-3	-525	-256	-264	-35	-5	-559	-4,225		-4,225
Gross operating income	**1,264**	**157**	**-9**	**6**	**1,419**	**253**	**4**	**257**	**299**	**3**	**302**	**-135**	**-157**	**9**	**-13**	**-296**	**1,681**		**1,681**
Cost of risk	-227	23	19	-6	-191	-1		-1	-96	-2	-98	-4	-23	-19	8	-37	-327		-327
Gains or losses on other assets	-5				-5							3				3	-2		-2
Income before tax	**1,045**	**179**	**9**		**1,234**	**253**	**4**	**257**	**206**	**1**	**207**	**-90**	**-179**	**-9**	**-5**	**-283**	**1,414**		**1,414**
Income tax	-348	-60			-407	-71	-1	-72	-56	-1	-56	47	60		1	108	-427		-427
Non-controlling interests	-42		-1	19	-24	-81	-1	-82	-45		-46	-22		1	1	-21	-191	19	-172
Net income attributable to equity holders of the parent	**654**	**120**	**9**	**20**	**803**	**101**	**2**	**103**	**105**		**105**	**-64**	**-120**	**-9**	**-3**	**-196**	**796**	**19**	**815**

ANNEXES

Reconciliation of published consolidated data to pro-forma data (4/5)

in millions of euros	Retail Banking & Insurance					Asset & Wealth Management			Corporate & Investment Banking			Corporate center					Groupe BPCE		
	Q4-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q4-18 pf	Q4-18 reported	Creation of FSE division	Q4-18 pf	Q4-18 reported	Creation of FSE division	Q4-18 pf	Q4-18 reported	CFF transfer	BPCE I transfer	Creation of FSE division	Q4-18 pf	Q4-18 reported	Creation of FSE division	Q4-18 pf
Net banking income	4,182	-99	-35	-23	4,024	1,005	26	1,032	512	6	518	145	99	35	-9	269	5,844		5,844
Operating expenses	-3,137	246	47	29	-2,815	-622	-21	-642	-558	-2	-559	-305	-246	-47	-7	-605	-4,621		-4,621
Gross operating income	**1,045**	**147**	**13**	**5**	**1,210**	**384**	**6**	**389**	**-46**	**5**	**-41**	**-161**	**-147**	**-13**	**-16**	**-336**	**1,222**		**1,222**
Cost of risk	-367	7	25	-12	-348				-11	3	-9	-18	-7	-25	10	-40	-396		-396
Gains or losses on other assets	-23		24		1	43		43						-24		-24	20		20
Income before tax	**667**	**153**	**62**	**-7**	**875**	**429**	**6**	**435**	**-54**	**7**	**-47**	**-125**	**-153**	**-62**	**-6**	**-346**	**917**		**917**
Income tax	-211	-62	3	14	-256	-107	-2	-109	18	-2	16	177	62	-3	-10	226	-123		-123
Non-controlling interests	-39		-4	19	-25	-171	-1	-172	8	-2	7	-4		4	5	5	-206	21	-186
Net income attributable to equity holders of the parent	**416**	**92**	**60**	**26**	**594**	**150**	**3**	**153**	**-28**	**3**	**-24**	**49**	**-92**	**-60**	**-11**	**-115**	**588**	**21**	**608**

ANNEXES

Reconciliation of published consolidated data to pro-forma data (5/5)

	Retail Banking and Insurance					*Asset & Wealth Management*		
in millions of euros	2018 reported	CFF transfer	BPCE I transfer	Creation of FSE division	2018 pf	2018 reported	Creation of FSE division	2018 pf
Net banking income	16,795	-482	-173	-85	16,056	3,419	95	3,513
Operating expenses	-11,772	707	153	109	-10,803	-2,264	-79	-2,343
Gross operating income	**5,023**	**226**	**-20**	**24**	**5,253**	**1,154**	**16**	**1,170**
Cost of risk	-1,072	60	55	-41	-999	-1		-2
Gains or losses on other assets	-40	1	41		2	43		43
Income before tax	**3,956**	**286**	**75**	**-17**	**4,300**	**1,198**	**16**	**1,214**
Income tax	-1,289	-112	13	20	-1,367	-323	-5	-328
Non-controlling interests	-170	2	-2	80	-90	-415	-3	-418
Net income attributable to equity holders of the parent	**2,496**	**177**	**87**	**83**	**2,842**	**460**	**8**	**468**

	Corporate & Investment Banking			*Corporate center*					*Groupe BPCE*		
in millions of euros	2018 reported	Creation of FSE division	2018 pf	2018 reported	CFF transfer	BPCE I transfer	Creation of FSE division	2018 pf	2018 reported	Creation of FSE division	2018 pf
Net banking income	3,237	28	3,266	550	482	173	-38	1,166	24,001		24,001
Operating expenses	-2,193	-9	-2,202	-1,458	-707	-153	-21	-2,339	-17,687		-17,687
Gross operating income	**1,045**	**19**	**1,064**	**-909**	**-226**	**20**	**-59**	**-1,173**	**6,314**		**6,314**
Cost of risk	-175	1	-174	-51	-60	-55	41	-125	-1,299		-1,299
Gains or losses on other assets	3		3	9	-1	-41		-32	15		15
Income before tax	**884**	**20**	**904**	**-742**	**-286**	**-75**	**-19**	**-1,122**	**5,297**		**5,297**
Income tax	-235	-6	-241	370	112	-13	-9	459	-1,477		-1,477
Non-controlling interests	-194	-5	-199	-14	-2	2	8	-7	-793	79	-714
Net income attributable to equity holders of the parent	**455**	**9**	**464**	**-386**	**-177**	**-87**	**-20**	**-669**	**3,026**	**79**	**3,105**

ANNEXES

Exceptional items and IFRIC 21 effects per business line: Q1-19 vs. Q1-18 pf

Q1-19

in €m	Retail Banking & Insurance	AWM	CIB	Corporate center	**Groupe BPCE**
Impact of exceptional items	-32	-5	-18	-221	**-276**
Impact of IFRIC 21	-80	-4	-24	-286	**-395**
Total impact on Income before tax	**-112**	**-9**	**-42**	**-507**	**-671**

in €m	Banque Populaire network	Caisse d'Epargne network	FSE	Payments	Insurance	Other networks	**Retail Banking & Insurance**
Impact of exceptional items	-8	-7	0	0	0	-17	**-32**
Impact of IFRIC 21	-26	-36	-3	-1	-13	-1	**-80**
Total impact on Income before tax	**-34**	**-43**	**-3**	**-1**	**-13**	**-18**	**-112**

Q1-18 pf

in €m	Retail Banking & Insurance	AWM	CIB	Corporate center	**Groupe BPCE**
Impact of exceptional items	-31	-1	-2	-25	**-58**
Impact of IFRIC 21	-109	-4	-22	-269	**-405**
Total impact on Income before tax	**-140**	**-5**	**-24**	**-294**	**-463**

in €m	Banque Populaire network	Caisse d'Epargne network	FSE	Payments	Insurance	Other networks	**Retail Banking & Insurance**
Impact of exceptional items	-23	-6	-1	0	0	-1	**-31**
Impact of IFRIC 21	-41	-46	-5	-1	-14	-2	**-109**
Total impact on Income before tax	**-64**	**-52**	**-6**	**-1**	**-14**	**-2**	**-140**

ANNEXES

Groupe BPCE: Quarterly income statement per business line

in millions of euros	*Retail Banking & Insurance* Q1-19	Q1-18 pf	*Asset and Wealth Management* Q1-19	Q1-18 pf	*Corporate & Investment Banking* Q1-19	Q1-18 pf	*Corporate center* Q1-19	Q1-18 pf	*Groupe BPCE* Q1-19	Q1-18 pf	%
Net banking income	4,069	3,977	773	799	807	944	304	290	5,953	6,010	-1.0%
Operating expenses	-2,693	-2,765	-558	-548	-582	-566	-853	-726	-4,686	-4,606	1.7%
Gross operating income	**1,376**	**1,212**	**216**	**251**	**225**	**378**	**-549**	**-436**	**1,267**	**1,404**	**-9.8%**
Cost/income ratio	66.2%	69.5%	72.1%	68.6%	72.2%	60.0%	ns	ns	78.7%	76.6%	2.1 pp
Cost of risk	-257	-194	1	0	-30	-31	-8	-34	-294	-259	13.4%
Income before tax	**1,131**	**1,030**	**216**	**251**	**183**	**353**	**-629**	**-413**	**901**	**1,222**	**-26.3%**
Income tax	-369	-349	-60	-70	-53	-95	10	59	-472	-455	3.8%
Non-controlling interests	-23	-22	-65	-80	-41	-75	40	33	-88	-144	-38.6%
Net income attributable to equity holders of the parent	**739**	**659**	**90**	**101**	**89**	**183**	**-578**	**-320**	**340**	**623**	**-45.4%**

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Groupe BPCE: Quarterly series

in millions of euros	*Groupe BPCE* Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	6,010	6,241	5,906	5,844	24,001	5,953
Operating expenses	-4,606	-4,235	-4,225	-4,621	-17,687	-4,686
Gross operating income	**1,404**	**2,006**	**1,681**	**1,222**	**6,314**	**1,267**
Cost/income ratio	76.6%	67.9%	71.5%	79.1%	73.7%	78.7%
Cost of risk	-259	-317	-327	-396	-1,299	-294
Income before tax	**1,222**	**1,744**	**1,414**	**917**	**5,297**	**901**
Net income attributable to equity holders of the parent	**623**	**1,059**	**815**	**608**	**3,105**	**340**

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Consolidated balance sheet

ASSETS (in €m)	March 31, 2019	Dec. 31, 2018	LIABILITIES (in €m)	March 31, 2019	Dec. 31, 2018
Cash and amounts due from central banks	87,866	76,458	Amounts due to central banks	0	9
Financial assets at fair value through profit or loss	206,276	200,516	Financial liabilities at fair value through profit or loss	196,270	194,867
Hedging derivatives	9,033	8,160	Hedging derivatives	15,012	13,589
Financial assets at fair value through shareholders' equity	43,002	40,088	Debt securities	235,301	216,878
Financial assets at amortized cost	32,698	31,776	Amounts due to credit institutions	87,387	85,662
Loans and receivables due from credit institutions and similar at amortized cost	90,224	91,142	Amounts due to customers	537,749	530,323
Loans and receivables due from customers at amortized cost	671,073	659,281	Revaluation difference on interest rate risk-hedged portfolios	235	221
Revaluation difference on interest rate risk-hedged portfolios	7,075	5,480	Current tax liabilities	484	262
Insurance activity investments	114,570	110,295	Deferred tax liabilities	886	884
Current tax assets	960	873	Accrued expenses and other liabilities	35,884	32,701
Deferred tax assets	2,954	3,174	Liabilities associated with non-current assets held for sale	2,185	2,096
Accrued income and other assets	28,056	29,123	Insurance-related liabilities	103,095	98,855
Non-current assets held for sale	2,722	2,639	Provisions	6,462	6,574
Deferred profit-sharing	-	-	Subordinated debt	17,414	17,598
Investments in associates	4,175	4,033			
Investment property	768	783	**Shareholders' equity**	**74,930**	**73,406**
Property, plant and equipment	6,363	4,419	*Equity attributable to equity holders of the parent*	*67,373*	*66,194*
Intangible assets	1,036	1,198	*Non-controlling interests*	*7,557*	*7,212*
Goodwill	4,444	4,489			
TOTAL ASSETS	**1,313,294**	**1,273,926**	**TOTAL LIABILITIES**	**1,313,294**	**1,273,926**

ANNEXES

Statement of changes in shareholders' equity

In millions of euros	Equity attributable to equity holders of the parent
December 31, 2018	**66,194**
Distributions	-
Capital increase (cooperative shares)	717
Income	340
Remuneration of super-subordinated notes (TSSDI)	-10
Issue and redemption of super-subordinated notes (TSSDI)	-
Changes in gains & losses directly recognized in equity	404
Impact of acquisitions and disposals on non-controlling interests (minority interests)	-279
Other	7
March 31, 2019	**67,373**

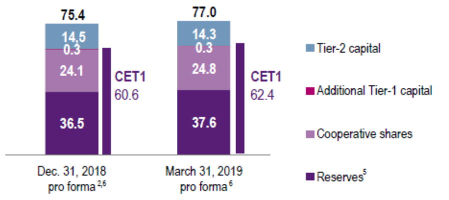
ANNEXES

Financial structure: changes in regulatory capital and fully-loaded ratios

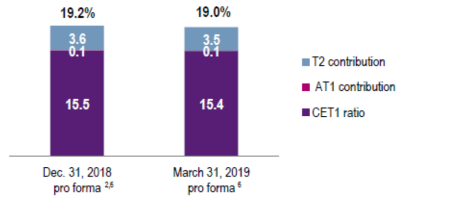
Reconciliation of shareholders' equity to total capital[1]

In billions of euros	March 31, 2019	Dec. 31, 2018[2]
Equity attributable to equity holders of the parent	67.4	66.2
Cancellation of hybrid securities[3] in equity attributable to equity holders of the parent	-0.7	-0.7
Non-controlling interests[4]	4.9	5.2
Goodwill and intangibles	-4.9	-5.1
EL/Prov. difference	-0.3	-0.2
Pro forma impacts	-0.6	-1.6
Other regulatory adjustments	-3.4	-3.2
Common Equity Tier-1 capital	62.4	60.6
Additional Tier-1 capital	0.3	0.3
Tier-1 capital	62.7	60.9
Tier-2 capital	15.1	15.1
T2 regulatory adjustments	-0.8	-0.6
Total capital	77.0	75.4

Regulatory capital[1] (in €bn)



Total capital ratios[1] (as a %)



[1] After deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [2] CRR/CRD IV without transitional measures; additional Tier-1 capital takes account of subordinated debt issues that have become ineligible and capped at the phase-out rate in force [3] BPCE deeply subordinated notes booked to equity attributable to equity holders of the parent [4] Non-controlling interests (prudential definition); account is only taken of the part from Natixis, excluding super-subordinated notes and after regulatory clipping [5] Reserves net of prudential restatements [6] See page 12

ANNEXES

Financial structure: prudential ratios and credit ratings

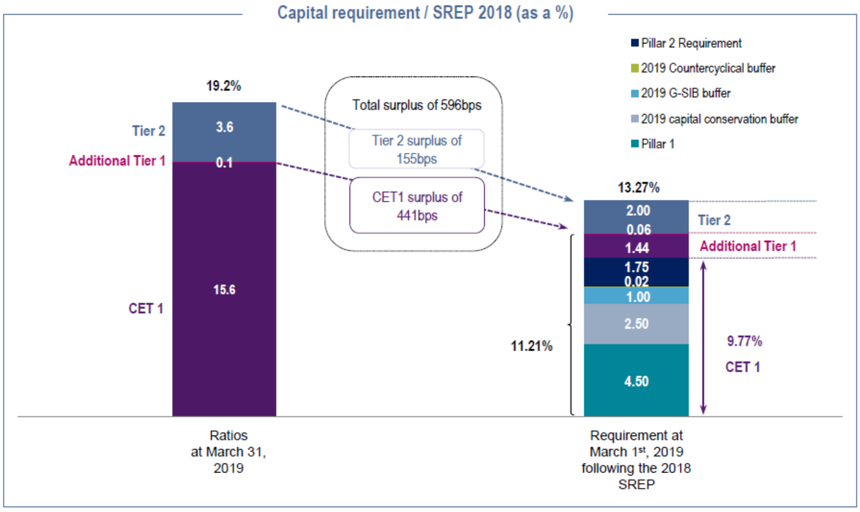
	March 31, 2019[1]	Dec. 31, 2018[1,2]	Dec. 31, 2017[2]
Total risk-weighted assets	€404bn	€392bn	€386bn
Common Equity Tier-1 capital	€63.1bn	€62.2bn	€59.0bn
Tier-1 capital	€63.4bn	€62.5bn	€59.5bn
Total capital	€77.7bn	€76.9bn	€74.0bn
Common Equity Tier-1 ratio	15.6%	15.8%	15.3%
Tier-1 ratio	15.7%	15.9%	15.4%
Total capital adequacy ratio	19.2%	19.6%	19.2%

LONG-TERM SENIOR PREFERRED CREDIT RATINGS (MAY 9, 2019)	
FitchRatings	A+ outlook stable
Moody's	A1 outlook stable
R&I	A outlook positive
STANDARD & POOR'S	A+ outlook stable

[1] Excluding deduction of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [2] Estimate taking account of transitional measures provided for by CRR / CRD IV; subject to the provisions of article 26.2 of regulation (EU) n° 575/2013

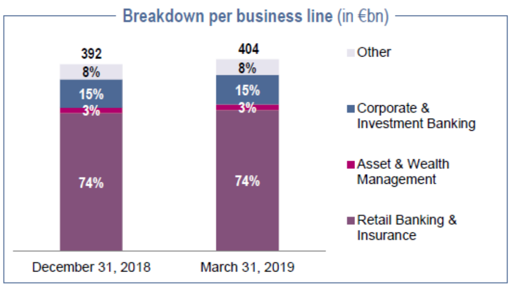
ANNEXES

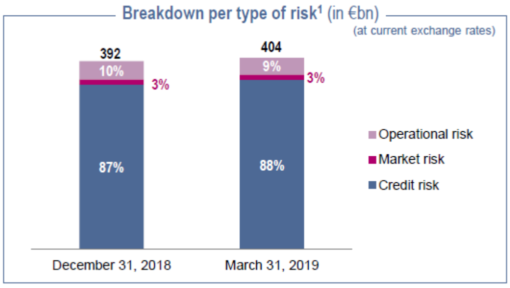
SREP

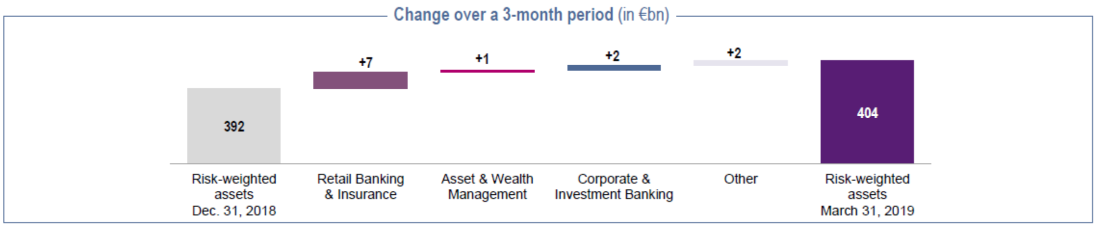


ANNEXES

Risk-weighted assets







[1] The CVA is included under Credit risk. It accounted for less than 1% of RWA at March 31, 2019 and December 31, 2018

ANNEXES

Leverage ratio[1]

In billions of euros	March 31, 2019	Dec. 31, 2018
Tier-1 capital	**63.2**	**62.3**
Deduction of irrevocable payment commitments	-0.6	-0.6
Tier-1 capital restated[3]	**62.6**	**61.7**
Balance sheet total	**1,313.3**	**1,273.9**
Prudential restatements	-109.2	-104.9
Prudential balance sheet total[2]	**1,204.1**	**1,169.0**
Adjustments related to exposure to derivatives[4]	-31.3	-33.6
Adjustments related to security financing operations[5]	-16.2	-20.4
Off-balance sheet (financing and guarantee commitments)	78.7	74.1
Deduction of irrevocable payment commitments	-0.6	-0.6
Regulatory adjustments	-5.7	-5.8
Total leverage exposure[3]	**1,229.0**	**1,182.7**
Leverage ratio[3]	**5.1%[6]**	**5.2%**

[1] Estimate calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014 [2] The main difference between the statutory balance sheet and the prudential balance sheet lies in the method used for consolidating insurance companies, consolidated using the equity method in the prudential scope of consolidation, irrespective of the statutory consolidation method [3] After deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [4] Inclusion of the effects of offsetting applicable to derivatives according to the rules of the Delegated Act [5] Inclusion of adjustments applicable to security financing operations according to the rules of the Delegated Act [6] The leverage ratio would amount to 5.4% after excluding the centralized outstandings of regulated savings from the calculation of the denominator of the ratio, subject to the agreement of the ECB and following the decision of July 13, 2018 of the General Court of the European Union

ANNEXES

Financial conglomerate

Financial conglomerate ratio

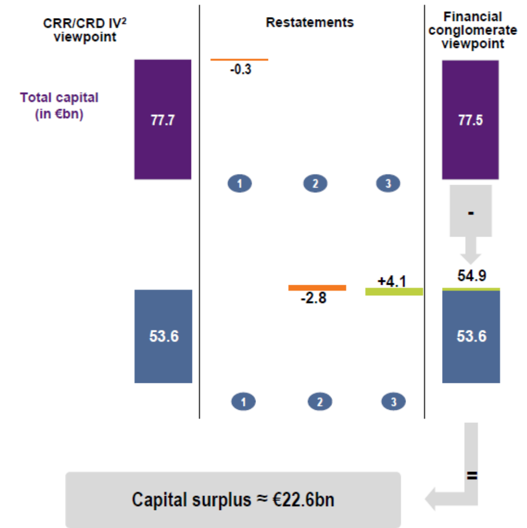
Regulatory capital > Banking CR[1] (CRR/CRD IV) + Insurance CR[1] (Solvency 2)

Restatements applied

1. shift from a prudential to a statutory scope[3]
2. cancellation of the capital requirements of insurance companies calculated under CRR/CRD IV
3. inclusion of the solvency margin calculated under Solvency 2

Consequences

- Restatements of no significance for total capital
- Net restatement of CR of €1.3bn, < 5% of total CR

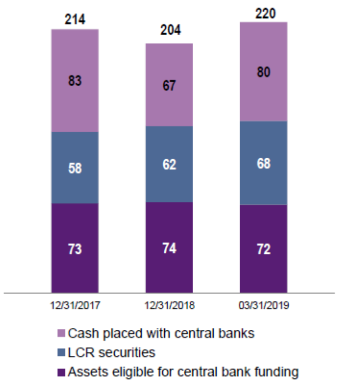


[1] CR = capital requirements, i.e. 13.27% of risk-weighted assets according to CRR/CRD IV [2] Estimate – Taking account of transitional measures; subject to the provisions of article 26.2 of regulation (EU) n° 575/2013 [3] The main difference between the two scopes lies in the method used to consolidate insurance companies, consolidated using the equity method in the prudential scope of consolidation, irrespective of the statutory consolidation method

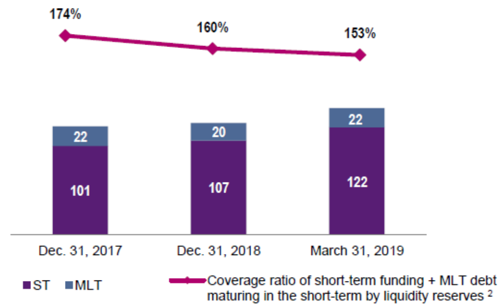
ANNEXES

Liquidity reserves and short-term funding

Total liquidity reserves of Groupe BPCE[1] (in €bn)



Short-term funding and MLT debt maturing in the short term (in €bn)



LCR > 110% at March 31, 2019

[1] Excluding MMF US Natixis deposits [2] Coverage ratio = Total liquidity reserves of Groupe BPCE / [Short-term funding +MLT debt maturing in the short term]

ANNEXES

Retail Banking & Insurance: quarterly income statement

in millions of euros	Banque Populaire network			Caisse d'Epargne network			Financial Solutions & Expertise			Payments			Insurance			Other networks			Retail Banking & Insurance		
	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%	Q1-19	Q1-18 pf	%
Net banking income	1,618	1,586	2.0%	1,744	1,713	1.8%	270	268	0.8%	103	93	10.8%	218	204	6.9%	115	112	2.3%	4,069	3,977	2.3%
Operating expenses	-1,086	-1,120	-3.0%	-1,162	-1,217	-4.5%	-153	-153	0.2%	-88	-79	10.3%	-125	-118	5.9%	-79	-78	1.5%	-2,693	-2,765	-2.6%
Gross operating income	532	467	14.1%	583	497	17.4%	117	115	1.6%	16	14	13.9%	93	86	8.2%	36	35	4.2%	1,376	1,212	13.5%
Cost/income ratio	67.1%	70.6%	-3.5 pp	66.6%	71.0%	-4.4 pp	56.8%	57.2%	-0.3 pp	84.8%	85.2%	-0.4 pp	57.5%	58.0%	-0.5 pp	68.6%	69.2%	-0.6 pp	66.2%	69.5%	-3.3 pp
Cost of risk	-94	-107	-12.6%	-115	-63	83.3%	-25	-20	28.1%	0	0	ns	0	0		-22	-4	ns	-257	-194	32.0%
Income before tax	449	368	22.0%	468	434	7.8%	91	95	-4.0%	16	14	13.5%	93	89	5.0%	14	30	-54.3%	1,131	1,030	9.8%
Income tax	-141	-121	16.6%	-158	-154	2.5%	-29	-31	-5.7%	-5	-4	13.5%	-30	-28	8.2%	-6	-11	-43.9%	-369	-349	5.8%
Non-controlling interests	0	1	ns	-1	-2	-31.5%	0	0	ns	-3	-3	15.9%	-18	-18	4.7%	0	0	ns	-23	-22	4.3%
Net income attributable to equity holders of the parent	308	248	24.3%	309	278	10.9%	62	64	-2.8%	8	7	12.6%	45	43	3.0%	8	19	-58.7%	739	659	12.1%

ANNEXES

Retail Banking & Insurance: quarterly series

	Retail Banking & Insurance					
in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	3,977	4,080	3,975	4,024	16,056	4,069
Operating expenses	-2,765	-2,667	-2,556	-2,815	-10,803	-2,693
Gross operating income	**1,212**	**1,413**	**1,419**	**1,210**	**5,253**	**1,376**
Cost/income ratio	69.5%	65.4%	64.3%	69.9%	67.3%	66.2%
Cost of risk	-194	-265	-191	-348	-999	-257
Income before tax	**1,030**	**1,161**	**1,234**	**875**	**4,300**	**1,131**
Net income attributable to equity holders of the parent	**659**	**786**	**803**	**594**	**2,842**	**739**

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ANNEXES

Retail Banking & Insurance: Banque Populaire and Caisse d'Epargne networks quarterly series

	Banque Populaire network					
in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	1,586	1,641	1,559	1,590	6,377	1,618
Operating expenses	-1,120	-1,083	-1,051	-1,102	-4,355	-1,086
Gross operating income	**467**	**559**	**508**	**488**	**2,022**	**532**
Cost of risk	-107	-141	-79	-152	-479	-94
Income before tax	**368**	**430**	**434**	**339**	**1,571**	**449**
Net income attributable to equity holders of the parent	**248**	**295**	**288**	**244**	**1,075**	**308**

	Caisse d'Epargne network					
in millions of euros	Q1-18	Q2-18	Q3-18	Q4-18	2018	Q1-19
Net banking income	1,713	1,761	1,746	1,731	6,952	1,744
Operating expenses	-1,217	-1,156	-1,095	-1,247	-4,715	-1,162
Gross operating income	**497**	**606**	**651**	**484**	**2,237**	**583**
Cost of risk	-63	-98	-84	-150	-395	-115
Income before tax	**434**	**508**	**566**	**335**	**1,844**	**468**
Net income attributable to equity holders of the parent	**278**	**360**	**378**	**219**	**1,236**	**309**

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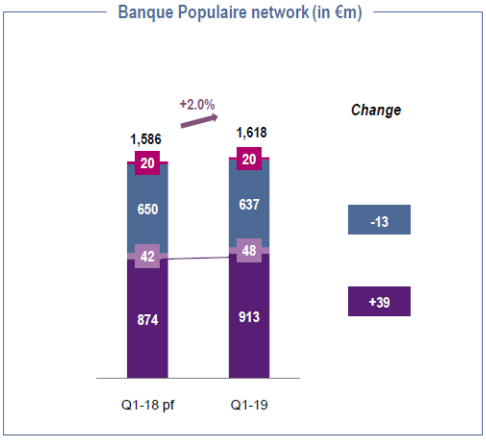
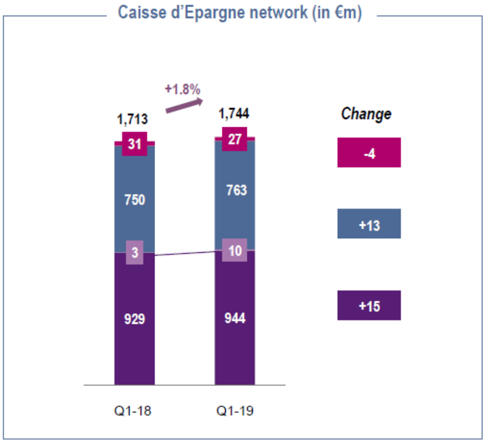
Retail Banking & Insurance: change in net banking income





■ Net interest income ■ Other items included in net banking income ■ Commissions (excl. early repayment fees) ■ Early repayment fees

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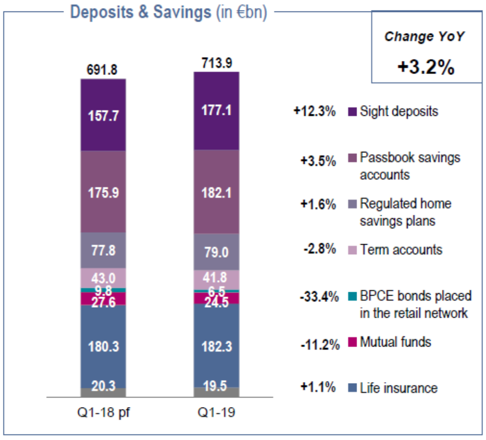
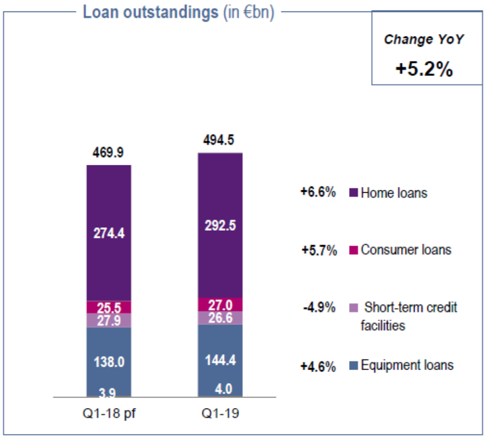
ANNEXES

Retail Banking & Insurance





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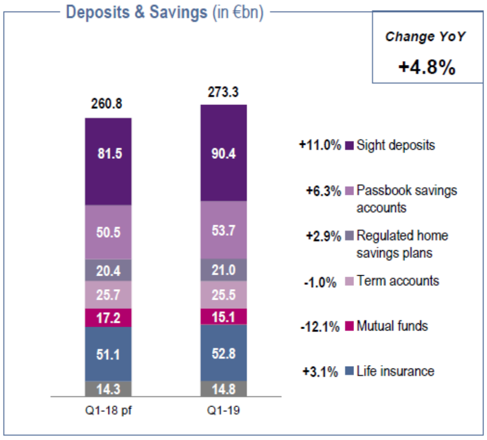
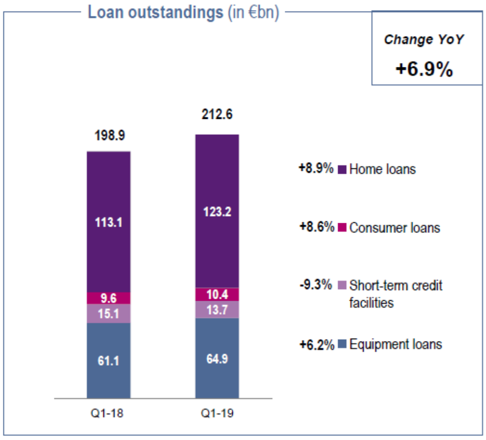
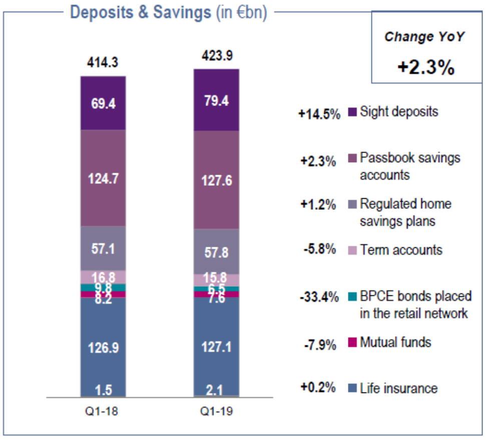
Retail Banking & Insurance: Banque Populaire network

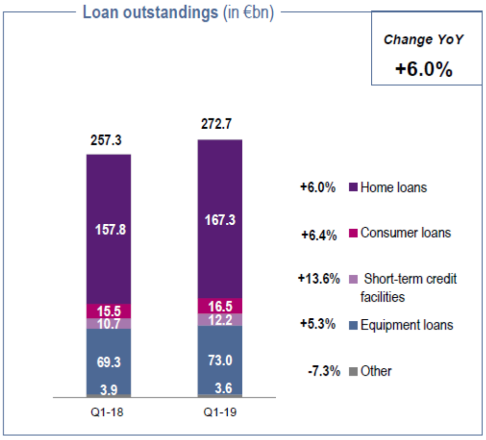




ANNEXES

Retail Banking & Insurance: Caisse d'Epargne network





ANNEXES

Retail Banking & Insurance: FSE quarterly series

	Financial Solutions & Expertise					
in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	268	273	270	278	1,089	270
Operating expenses	-153	-151	-150	-163	-618	-153
Gross operating income	**115**	**122**	**120**	**114**	**471**	**117**
Cost/income ratio	57.2%	55.4%	55.5%	58.9%	56.8%	56.8%
Cost of risk	-20	-10	-19	-14	-63	-25
Income before tax	**95**	**112**	**101**	**100**	**407**	**91**
Net income attributable to equity holders of the parent	**64**	**77**	**68**	**79**	**288**	**62**

ANNEXES

Retail Banking & Insurance: Payments quarterly series

	Payments					
in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	93	95	96	105	389	103
Operating expenses	-79	-88	-84	-90	-341	-88
Gross operating income	**14**	**7**	**12**	**15**	**48**	**16**
Cost/income ratio	85.2%	92.2%	87.6%	85.7%	87.6%	84.8%
Cost of risk	0	0	0	-2	-2	0
Income before tax	**14**	**8**	**12**	**13**	**47**	**16**
Net income attributable to equity holders of the parent	**7**	**4**	**6**	**6**	**22**	**8**

ANNEXES

Retail Banking & Insurance: Insurance quarterly series

in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
	Insurance					
Net banking income	204	193	192	201	790	218
Operating expenses	-118	-108	-103	-118	-448	-125
Gross operating income	**86**	**85**	**89**	**83**	**342**	**93**
Cost/income ratio	58.0%	56.1%	53.8%	58.9%	56.7%	57.5%
Income before tax	**89**	**85**	**92**	**91**	**356**	**93**
Net income attributable to equity holders of the parent	**43**	**41**	**44**	**46**	**174**	**45**

ANNEXES

Retail Banking & Insurance: Other networks quarterly series

in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
	Other networks					
Net banking income	112	116	112	120	460	115
Operating expenses	-78	-81	-73	-94	-326	-79
Gross operating income	**35**	**35**	**39**	**25**	**133**	**36**
Cost/income ratio	69.2%	70.2%	65.4%	78.7%	71.0%	68.6%
Cost of risk	-4	-16	-9	-30	-59	-22
Income before tax	**30**	**19**	**29**	**-4**	**74**	**14**
Net income attributable to equity holders of the parent	**19**	**9**	**19**	**-1**	**47**	**8**

ANNEXES

Asset & Wealth Management: quarterly series

in millions of euros	Asset & Wealth Management Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	799	842	841	1,032	3,513	773
Operating expenses	-548	-569	-584	-642	-2,343	-558
Gross operating income	**251**	**273**	**257**	**389**	**1,170**	**216**
Cost/income ratio	68.6%	67.6%	69.4%	62.3%	66.7%	72.1%
Cost of risk	0	-1	-1	0	-2	1
Income before tax	**251**	**272**	**257**	**435**	**1,214**	**216**
Net income attributable to equity holders of the parent	**101**	**112**	**103**	**153**	**468**	**90**

ANNEXES

Corporate & Investment Banking: quarterly series

in millions of euros	Corporate & Investment Banking Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	944	976	828	518	3,266	807
Operating expenses	-566	-551	-525	-559	-2,202	-582
Gross operating income	**378**	**425**	**302**	**-41**	**1,064**	**225**
Cost/income ratio	60.0%	56.4%	63.5%	ns	67.4%	72.2%
Cost of risk	-31	-37	-98	-9	-174	-30
Income before tax	**353**	**391**	**207**	**-47**	**904**	**183**
Net income attributable to equity holders of the parent	**183**	**200**	**105**	**-24**	**464**	**89**

ANNEXES

Corporate center: quarterly series

	Corporate Center					
in millions of euros	Q1-18 pf	Q2-18 pf	Q3-18 pf	Q4-18 pf	2018 pf	Q1-19
Net banking income	290	344	263	269	1,166	304
Operating expenses	-726	-449	-559	-605	-2,339	-853
Gross operating income	-436	-105	-296	-336	-1,173	-549
Cost of risk	-34	-14	-37	-40	-125	-8
Change in the value of goodwil				-16	-16	-88
Income before tax	-413	-80	-283	-346	-1,122	-629
Net income attributable to equity holders of the parent	-320	-39	-196	-115	-669	-578

Impact of the principal non-economic and exceptional items

- **Net income attributable to equity holders of the parent in Q1-19 main items having a total impact of -€249m**
  - Transformation and reorganization costs: -€224m
- **Net income attributable to equity holders of the parent in Q1-18 pf: one main item having a total impact of -€3m**
  - Revaluation of assets associated with super-subordinated notes denominated in foreign currencies: -€3m

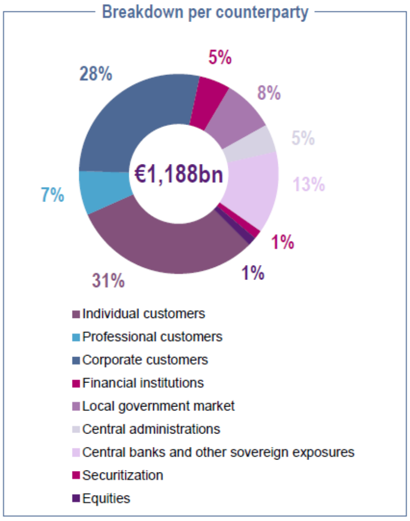
ANNEXES

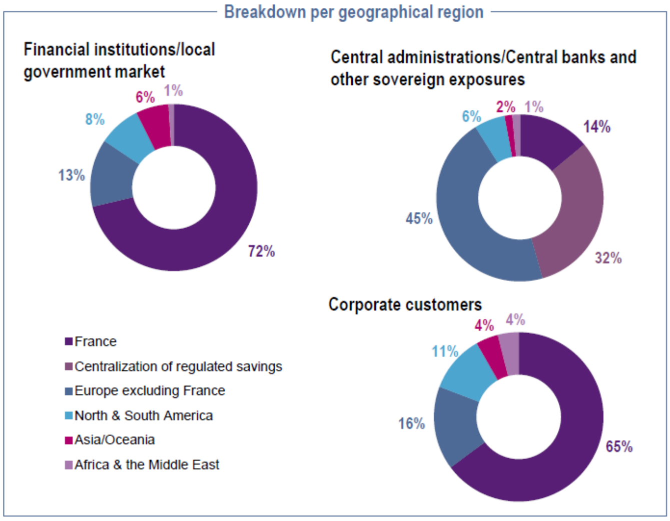
Non-performing loans and impairment

In billions of euros	March 31, 2019	Dec. 31, 2018
Gross outstanding loans to customers and credit institutions	774.0	763.1
O/w S3 outstandings	21.2	21.5
Non-performing/gross outstanding loans	2.7%	2.8%
S3 impairment recognized	9.7	9.7
Impairment recognized/non-performing loans	45.9%	45.0%
Coverage ratio (including guarantees related to impaired outstandings)	74.7%	74.5%

ANNEXES

Breakdown of commitments at March 31, 2019





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PARIS 2024

PARIS 2024 JEUX PARALYMPIQUES

GROUPE BPCE

PARTENAIRE PREMIUM

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4. UPDATE TO CHAPTER 6 RISK MANAGEMENT AND PILLAR III REPORT

4.1. Risk factors

The banking and financial environment in which Groupe BPCE operates is exposed to numerous risks which obliges it to implement an increasingly demanding and strict policy to control and manage these risks.

Some of the risks to which Groupe BPCE is exposed are set out below. However, this is not a comprehensive list of all of the risks incurred by Groupe BPCE in the course of conducting its business or given the environment in which it operates. The risks presented below are those identified to date as significant and specific to Groupe BPCE, and liable to have a material adverse impact on its business, financial position and/or results.

CREDIT AND COUNTERPARTY RISKS

Default and counterparty risks

A substantial increase in asset impairment expenses recorded on Groupe BPCE's outstanding loans and receivables may have an adverse impact on its results and financial position.

In the course of its lending activities, Groupe BPCE regularly recognizes charges for asset impairments in order to reflect, if necessary, actual or potential losses on its portfolio of loans and receivables. Such impairments are booked in the income statement under "Cost of risk." Groupe BPCE's total charges for asset impairments are based on the Group's measurement of historic losses on loans, volumes and types of loans granted, industry standards, loans in arrears, economic conditions and other factors associated with the recoverability of various types of loans. While Groupe BPCE makes every effort to set aside a sufficient level of provisions for asset impairment expenses, its lending activities may cause it in the future to have to increase its expenses for losses on loans, due to a rise in non-performing loans or for other reasons such as the deterioration of market conditions or factors affecting certain countries. Any substantial increase in charges for losses on loans, material change in Groupe BPCE's estimate of the risk of loss associated with its portfolio of loans, or any loss on loans exceeding past charges in this respect, would have an adverse impact on Groupe BPCE's results and financial position.

For information purposes, Groupe BPCE's cost of risk amounting to €1.3 billion at December 31, 2018. See Chapter 6.5.4 "*Credit risk - Quantitative disclosures*" of the 2018 Registration Document.

The financial solidity and performance of other financial institutions and market players may have an unfavorable impact on Groupe BPCE.

Groupe BPCE's ability to execute transactions may be affected by a decline in the financial strength of other financial institutions and market players. Financial institutions are closely interconnected owing to their trading, clearing, counterparty and financing operations. A default by a sector player, or even mere rumors or concerns regarding one or more financial institutions or the financial industry in general, may lead to a general contraction in market liquidity and subsequently to losses or further defaults in the future. Groupe BPCE is directly or indirectly exposed to various financial counterparties, such as investment service providers, commercial or investment banks, clearing houses and CCPs, mutual funds, hedge funds, and other institutional clients, with which it regularly conducts transactions. The default or failure of any such counterparties may have an adverse on Groupe BPCE's financial position. Moreover, Groupe BPCE may be exposed to the risk associated with the growing involvement of operators subject to little or no regulation in its business sector and to the emergence of new products subject to little or no regulation (including in particular crowdfunding and trading platforms). This risk would be exacerbated if the assets held as collateral by Groupe BPCE could not be sold or if their selling price would not cover all of Groupe BPCE's exposure to loans or derivatives in default, or in the event a key market operator such as a CCP defaults.

For information purposes, exposures to "Institutions" made up 5% of Groupe BPCE's total exposures at December 31, 2017 and at December 31, 2018, amounting to €1,151 billion (see Chapter 6.5.4 "*Credit risk - Quantitative disclosures"* of the 2018 Registration Document).

Country risks

Groupe BPCE may be vulnerable to political, macroeconomic and financial environments or to specific circumstances in its countries of operation.

Some Groupe BPCE entities are exposed to country risk, which is the risk that economic, financial, political or social conditions in a foreign country (particularly in countries where the Group conducts business) may affect their financial interests. Groupe BPCE predominantly develops its activities in France (79% of net banking income for the fiscal year ended December 31, 2018) and North America (11% of net banking income for the fiscal year ended December 31, 2018), with other European countries and the rest of the world accounting for 6% and 4%, respectively, of net banking income for the fiscal year ended December 31, 2018. Note 12.6 to the consolidated financial statements of Groupe BPCE "*Locations by country*", included in the 2018 Registration Document, lists the entities established in each country and gives a breakdown of net banking income and income before tax by country of establishment.

A significant change in the political or macroeconomic environment of such countries or regions may generate additional expenses or reduce profits earned by Groupe BPCE.

A major economic disturbance, such as the 2018 financial crisis or the 2011 sovereign debt crisis in Europe, may have a material adverse impact on all Groupe BPCE activities, particularly if the disturbance encompasses a lack of liquidity on the market, making it difficult for Groupe BPCE to obtain funding. The financial markets have been subject to strong volatility in response to various events, including but not limited to the decline in oil and commodity prices, the slowdown in emerging economies and turbulence on the equity markets, which have directly or indirectly impacted several Groupe BPCE businesses (primarily securities transactions and financial services). If economic or market conditions in France or elsewhere in Europe were to deteriorate further, Groupe BPCE's markets of operation could be more significantly disrupted, and its business, results and financial position could be adversely affected.

Moreover, the markets on which Groupe BPCE operates may be affected by uncertainties such as Brexit conditions. On March 29, 2017, the government of the United Kingdom invoked Article 50 of the Treaty on European Union (the "Lisbon Treaty") relating to withdrawal. Negotiations have begun to determine future relations between the United Kingdom and the European Union, particularly in terms of commercial, financial and legal agreements. The nature, timetable as well as the economic and political impacts of a potential Brexit are still highly uncertain and will depend on the outcome of the negotiations between the United Kingdom and the European Union. Brexit has sparked uncertainties, volatility and major disturbances on the European markets, and more broadly on the global economic and financial markets, and may well continue to do so, potentially harming the credit rating, activity, results and financial position of Groupe BPCE.

For more detailed information, see Chapters 6.1.4 "*Main risks and emerging risks",* 4.2.1 "*Economic and financial environment"* and 4.7 *"Outlook for Groupe BPCE"* of the 2018 Registration Document.

FINANCIAL RISKS

Liquidity risk

Groupe BPCE is dependent on its access to funding and other sources of liquidity, which may be limited for reasons outside its control.

Access to short-term and long term funding is critical for the conduct of Groupe BPCE's business. Unsecured sources of funding for Groupe BPCE include deposits, issues of long-term debt and short/medium-term negotiable debt securities, banks loans and credit lines. Groupe BPCE also uses funding secured in particular by reverse repurchase agreements. If Groupe BPCE were unable to access the secured and/or unsecured debt market at conditions deemed acceptable, or incurred an unexpected outflow of cash or collateral, including a significant decline in customer deposits, its liquidity may be negatively affected. Furthermore, if Groupe BPCE were unable to maintain a satisfactory level of customer deposits (e.g. in the event its competitors offer higher rates of return on deposits), Groupe may be forced to obtain funding at higher rates, which would reduce its net interest income and results.

Groupe BPCE's liquidity may also be affected by unforeseen events outside its control, such as general market disruptions, operational hardships affecting third parties, negative opinions on financial services in general or on the short/long-term outlook for Groupe BPCE, changes in Groupe BPCE's credit rating, or even the perception of the position of Groupe BPCE or other financial institutions among market operators.

Groupe BPCE's access to the capital markets, and the cost of long-term unsecured funding, are directly related to changes in its credit spreads on the bond and credit derivatives markets, which it can neither predict nor control. Liquidity constraints may have a material adverse impact on Groupe BPCE's financial position, results and ability to meet its obligations to its counterparties.

Groupe BPCE's liquidity position is described in Chapters 6.9.2 *"Liquidity risk - Liquidity risk management policy"* and 6.9.3 *"Liquidity risk - Quantitative disclosures*" of the 2018 Registration Document.

Interest rate risk

Significant changes in interest rates may have an adverse impact on Groupe BPCE's net banking income and profitability.

Net interest income earned by Groupe BPCE during a given period has a material influence on net banking income and profitability for the period. In addition, material changes in credit spreads may influence Groupe BPCE's earnings. Interest rates are highly sensitive to various factors that may be outside the control of Groupe BPCE. In the last decade interest rates have tended to be low but may increase, and Groupe BPCE may not be able to immediately pass on the impacts of this change. Changes in market interest rates may have an impact on the interest rate applied to interest-bearing assets, different from those of interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve may reduce net interest income from associated lending and funding activities and thus negatively impact Groupe BPCE's profitability.

For information purposes, the change in Groupe BPCE's projected one-year net interest income calculated under four scenarios ("increase in rates", "decrease in rates", "steepening of the curve", "flattening of the curve") compared to the central scenario showed, at September 30, 2018, the "decrease in rates" to be the most adverse scenario with expected losses of €203 million over a rolling 12-month period (see Chapter 6.9.4 "*Management of structural interest rate risk*" of the 2018 Registration Document).

Market risks

Market fluctuations and volatility expose Groupe BPCE, in particular Natixis, to losses in its trading and investment activities, which may adversely impact Group's BPCE's results and financial position.

In the course of its *third-party trading* or investment activities, Groupe BPCE may carry positions in the bond, currency, commodity and equity markets, and in unlisted securities, real estate assets and other asset classes. These positions may be affected by volatility on the markets (especially the financial markets), i.e. the degree of price fluctuations over a given period on a given market, regardless of the levels on the market in question. Certain market configurations and fluctuations may also generate losses on a broad range of trading and hedging products used, including swaps, futures, options and structured products.

For information purposes, market risk-weighted assets amounted to €10.6 billion, i.e. 2.7% of Groupe BPCE's total risk-weighted assets, at December 31, 2018 (see Note 6.3.4 "*RWAs by type of risk and by business line*" of the 2018 Registration Document).

The hedging strategies implemented by Groupe BPCE do not eliminate all risk of loss.

Groupe BPCE may thus incur losses if some of the various hedging instruments or strategies that it uses to hedge its exposure to various kinds of risks prove ineffective in certain market configurations or if the hedges are only partially effective.

See Note 5.3 to the consolidated financial statements of Groupe BPCE "*Hedging derivatives"*, included in the 2018 Registration Document.

Changes in the fair value of Groupe BPCE's portfolios of derivative securities and products, and its own debt, are liable to have an adverse impact on the carrying amount of these assets and liabilities, and as a result on Groupe BPCE's net income and equity.

The carrying amount of Groupe BPCE's derivative securities, products and other types of assets at fair value, and of its own debt, is adjusted (at balance sheet level) at the date of each new financial statement. These adjustments are predominantly based on changes in the fair value of assets and liabilities during an accounting period, i.e. changes recognized in the income statement or booked directly to equity. Changes recorded in the income statement, but not offset by corresponding changes in the fair value of other assets, have an impact on net banking income and thus on net income. All fair value adjustments have an impact on equity and thus on Groupe BPCE's capital adequacy ratios. The fact that fair value adjustments are recorded over an accounting period does not mean that additional adjustments will not be necessary in subsequent periods.

See Note 4.3 to the consolidated financial statements of Groupe BPCE *"Net gains or losses on financial instruments at fair value through profit and loss"*, Note 4.4 "*Net gains or losses on financial instruments at fair value through other comprehensive income",* Note 5.2 "*Financial assets and liabilities at fair value through profit or loss"* and Note 5.4 *"Financial assets and liabilities at fair value through other comprehensive income"*.

Groupe BPCE's revenues from brokerage and other activities associated with fee and commission income may decrease in the event of market downturns.

A market downturn is liable to lower the volume of transactions (particularly financial services and securities transactions) executed by Groupe BPCE entities for their customers and as a market maker, thus reducing net banking income from these activities. A market downturn is liable to lower the volume of transactions executed by Groupe BPCE for its customers and the corresponding fees, thus reducing revenues earned from these activities. Furthermore, as management fees invoiced by Groupe BPCE entities to their customers are generally based on the value or performance of portfolios, any decline in the markets causing the value of these portfolios to decrease or generating an increase in the amount of redemptions would reduce the revenues earned by these entities through the distribution of mutual funds or other investment products (for the Caisses d'Epargne and the Banque Populaire banks) or through asset management activities (for Natixis).

Even if there is no market decline, if funds managed for third parties throughout the Group and other Groupe BPCE products underperform the market, redemptions may increase and/or inflows decrease as a result, with a potential corresponding impact on revenues from the Group's asset management business.

For more detailed information on the amounts of fees received by Groupe BPCE, see Note 4.2 to the consolidated financial statements of Groupe BPCE "*Fee and commission income and expenses"*, included in the 2018 Registration Document.

Trading and banking book illiquidity risk

Extended market declines and/or violent crisis may reduce the liquidity of certain asset classes, making it difficult to sell certain assets and in turn generating material losses.

For more detailed information and examples, see Note 10.1.2 to the consolidated financial statements of Groupe BPCE "*Analysis of financial assets and liabilities classified in Level 3 of the fair value hierarchy*", included in the 2018 Registration Document.

Credit spread risks

BPCE must maintain high credit ratings to avoid affecting its funding cost, profitability and business continuity.

Credit ratings have a significant impact on the funding of BPCE and its affiliates active in the financial markets (including Natixis). A ratings downgrade may affect Groupe BPCE's liquidity and competitive position, increase borrowing costs, limit access to financial markets and trigger obligations under some bilateral contracts governing trading, derivative and collateralized funding transactions, thus affecting its profitability and business continuity. Shifts in credit spreads are correlated to the market and sometimes subject to unforeseen and highly volatile changes. Credit spreads are also influenced by market perception of issuer solvency and are associated with changes in the purchase price of Credit Default Swaps backed by certain BPCE or Natixis debt securities.

Foreign exchange risk

Exchange rate fluctuations may adversely impact Groupe BPCE's net banking income or net income.

Groupe BPCE entities carry out a large share of their activities in currencies other than the euro, in particular the US dollar, and changes in the exchange rate may adversely affect their net banking income and results. The fact that Groupe BPCE records costs in currencies other than the euro only partly offsets the impact of exchange rate fluctuations on net banking income. Natixis is particularly exposed to fluctuations between the euro and US dollar, as a major share of its net banking income and operating income is generated in the United States.

For information purposes, for the period ended December 31, 2018, Groupe BPCE, subject to regulatory capital requirements for foreign exchange risk, saw its foreign exchange position (i.e. the difference between long and short positions in a given currency) decrease to €2,597 million versus €2,792 million at end-2017, with €212 million for foreign exchange risk compared to €228 million at end-2017. The foreign exchange position is predominantly carried by Natixis (see Chapter 6.9.5 "*Management of structural foreign exchange risk*" of the 2018 Registration Document).

INSURANCE RISKS

A deterioration in market conditions, and in particular excessive interest rate increases or decreases, could have a material adverse impact on Groupe BPCE's life insurance business and net income.

The main risk to which Groupe BPCE insurance subsidiaries (predominantly Natixis) are exposed in their life insurance business is market risk. Exposure to market risk relates mainly to capital guarantee and return commitments on euro-denominated investment funds.

Among market risks, interest rate risk is structurally significant for Natixis, as its general funds consist primarily of bonds. Interest rate fluctuations may:

- in the case of higher rates: reduce the competitiveness of the euro-denominated offer (by making new investments more attractive) and trigger waves of redemptions on unfavorable terms with unrealized capital losses on outstanding bonds;
- in the case of lower rates: in the long term, make the return on general funds too low to enable them to meet their capital guarantees.

Due to the allocation of the general funds, a widening of spreads and a fall in the equity markets could also have a material adverse impact on the results of Groupe BPCE's life insurance business.

A mismatch between the insurer's projected loss ratio and the actual benefits paid by Groupe BPCE to policyholders could have a material adverse impact on its non-life insurance business, results and financial position.

The main risk to which Groupe BPCE insurance subsidiaries (predominantly Natixis) are exposed in their non-life insurance business is underwriting risk. This risk results from a mismatch between i) claims actually recorded and benefits actually paid as compensation for these claims and ii) the assumptions used by the subsidiaries to set the prices for their insurance products and to establish technical reserves for potential compensation.

Groupe BPCE uses both its own experience and industry data to develop estimates of future policy benefits, including information used in pricing insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates, and unforeseen risks such as pandemics or natural disasters could result in higher-than-expected payments to policyholders.

To the extent that the actual benefits paid by Groupe BPCE to policyholders are higher than the underlying assumptions used in initially establishing the future policy benefit reserves, or if events or trends were to cause Groupe BPCE to change the underlying assumptions, Groupe BPCE may be exposed to greater-than-expected liabilities, which may adversely affect its non-life insurance business, results and financial position.

NON-FINANCIAL RISKS

IT security and information system risk

Any interruption or failure of the information systems belonging to Groupe BPCE or a third party may lead to losses, including losses in sales.

As is the case for the majority of its competitors, Groupe BPCE is highly dependent on information and communication systems, as a large number of increasingly complex transactions are processed in the course of its activities. Any failure, interruption or malfunction in these systems may cause errors or interruptions in the systems used to manage customer accounts, general accounts, deposits, transactions and/or to process loans. For example, if Groupe BPCE's information systems were to malfunction, even for a short period, the affected entities would be unable to meet their customers' needs in time and could thus lose transaction opportunities. Similarly, a temporary failure in Groupe BPCE's information systems despite back-up systems and contingency plans could also generate substantial information recovery and verification costs, or even a decline in its proprietary activities if, for example, such a failure were to occur during the implementation of a hedging transaction. The inability of Groupe BPCE's systems to adapt to an increasing volume of transactions may also limit its ability to develop its activities.

Groupe BPCE is also exposed to the risk of malfunction or operational failure by one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to carry out or facilitate its securities transactions. As interconnectivity with its customers continues to grow, Groupe BPCE may also become increasingly exposed to the risk of the operational malfunction of customer information systems. Groupe BPCE's communication and information systems, and those of its customers, service providers and counterparties, may also be subject to failures or interruptions resulting from cybercriminal or cyberterrorist acts. For example, as a result of its digital transformation, Groupe BPCE's information systems are becoming increasingly open to the outside (cloud computing, big data, etc.). and many of its processes are gradually going digital. Use of the Internet and connected devices (tablets, smartphones, apps used on tablets and mobiles, etc.) by employees and customers is on the rise, increasing the number of channels serving as potential vectors for attacks and disruptions, and the number of devices and applications vulnerable to attacks and disruptions. Consequently, the software and hardware used by Groupe BPCE's employees and external agents are constantly and increasingly subject to cyberthreats. Groupe BPCE cannot guarantee that such malfunctions or interruptions in its own systems or in third party systems will not occur or that, if they do occur, that they will be adequately resolved. Any interruption or failure of the information systems belonging to Groupe BPCE or third parties may generate losses (including commercial losses) due to the disruption of its operations and the possibility that its customers may turn to other financial institutions during and/or after any such interruptions or failures.

For more detailed information, see Chapter 6.11.4 *"Information System Security (ISS)"* of the 2018 Registration Document.

Legal and reputational risks

Reputational and legal risks could unfavorably impact Groupe BPCE's profitability and commercial outlook.

Groupe BPCE's reputation is of paramount importance when it comes to attracting and retaining customers. Use of inappropriate means to promote and market Group products and services, inadequate management of potential conflicts of interest, legal and regulatory requirements, ethics issues, money laundering laws, economic sanctions, information security policies and sales and trading practices could adversely affect Groupe BPCE's reputation. Its reputation could also be harmed by inappropriate employee behavior, fraud, misappropriation of funds or other malpractice committed by financial sector participants to which Groupe BPCE is exposed, any decrease, restatement or correction of financial results, or any legal ruling or regulatory action with a potentially unfavorable outcome. Any such harm to Groupe BPCE's reputation may have a negative impact on its profitability and business outlook.

Ineffective management of reputational risk could also increase Groupe BPCE's legal risk, the number of legal disputes in which it is involved and the amount of damages claimed, or may expose the Group to regulatory sanctions (for more detailed information, see Chapter 6.10 "*Legal risks*" of the 2018 Registration Document).

Unforeseen events may interrupt Groupe BPCE's operations and cause losses and additional costs.

Unforeseen events, such as a serious natural disaster, events related to climate risk (physical risk directly associated with climate change), a pandemic, attacks or any other emergency situation can cause an abrupt interruption in the operations of Groupe BPCE entities, affecting in particular the Group's core business lines (liquidity, payment instruments, securities services, loans to individual and corporate customers, and fiduciary services) and trigger material losses, if the Group is not covered or not sufficiently covered by an insurance policy. These losses could relate to material assets, financial assets, market positions or key personnel, and have a direct and potentially material impact on Groupe BPCE's net income. Moreover, such events may also disrupt Groupe BPCE's infrastructure, or that of a third party with which Groupe BPCE does business, and generate additional costs (relating in particular to the cost of re-housing the affected personnel) and increase Groupe BPCE's costs (such as insurance premiums). Such events may invalidate insurance coverage of certain risks and thus increase Groupe BPCE's overall level of risk.

For more detailed information, see Chapter 6.11.3 "*Business continuity*" of the 2018 Registration Document.

Execution, delivery and process management risks

The failure or inadequacy of Groupe BPCE's risk management policies, procedures and strategies may expose it to unidentified or unexpected risks which may trigger losses.

The risk management techniques and strategies of Groupe BPCE may not succeed in effectively limiting its exposure to all types of market environments or all kinds of risks, and may even prove ineffective for some risks that the Group was unable to identify or anticipate. Furthermore, the risk management techniques and strategies employed by Groupe BPCE may not effectively limit its exposure to risk and do not guarantee that overall risk will actually be lowered. These techniques and strategies may prove ineffective against certain types of risk, in particular risks that Groupe BPCE had not already identified or anticipated, given that the tools used by Groupe BPCE to develop risk management procedures are based on assessments, analyses and assumptions that may prove inaccurate. Some of the indicators and qualitative tools used by Groupe BPCE to manage risk are based on the observation of past market performance. To measure risk exposures, the heads of risk management carry out a statistical analysis of these observations.

There is no guarantee that these tools or indicators will be capable of predicting future exposure to risk. For example, these risk exposures may be due to factors that Groupe BPCE may not have anticipated or correctly assessed in its statistical models or due to unexpected or unprecedented shifts in the market. This would limit Groupe BPCE's risk management capability. As a result, losses incurred by Groupe BPCE may be higher than those anticipated based on historical measurements. Moreover, the Group's quantitative models cannot factor in all risks. Some risks are subject to a more qualitative analysis, which may prove inadequate and thus expose Groupe BPCE to material unexpected losses. In addition, while no significant problem has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud.

Groupe BPCE's losses in respect of operational risk can be primarily attributed to the "trading and sales" business line (60%).

51% of losses in respect of operational risk were recorded under "Execution, delivery and process management".

For more detailed information, see Chapter 6.11.5 "*Operational risks*" of the 2018 Registration Document.

STRATEGIC, BUSINESS AND ECOSYSTEM RISKS

Regulatory risk

Groupe BPCE is subject to significant regulation in France and in several other countries around the world where it operates; regulatory measures and changes could adversely affect Groupe BPCE's business and results.

The business and results of Group entities may be materially impacted by the policies and actions of various regulatory authorities in France, other governments of the European Union, the United States, foreign governments and international organizations. Such constraints may limit the ability of Group BPCE entities to expand their businesses or conduct certain activities. The nature and impact of future changes in such policies and regulatory measures are unpredictable and are beyond Groupe BPCE's control. Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on the part of legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures may have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty surrounding the new legislative and regulatory measures, it is not possible to predict what impact they will have on Groupe BPCE; however, this impact may be highly adverse.

For example, legislation and regulations have recently been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the global financial crisis, the impact of the new measures could substantially change, and may continue to change, the environment in which Groupe BPCE and other financial institutions operate.

As a result of some of these measures, Groupe BPCE has reduced, and may further reduce, the size of certain activities in order to comply with the new requirements. These measures are also liable to increase the cost of compliance with new regulations. This could cause revenues and consolidated profit to decline in the relevant business lines, sales to decline in certain activities and asset portfolios, and asset impairment expenses.

Some of these measures could also raise Groupe BPCE's financing costs. For example, on November 9, 2015, the Financial Stability Board finalized international standards requiring systemically important banks to maintain large sums of loans subordinated (by law, contract or structure) to certain secured operating liabilities, such as guaranteed or insured deposits. The purpose of these requirements, relative to the TLAC (Total Loss Absorbing Capacity) ratio, is to ensure that losses are absorbed by shareholders or creditors (excluding creditors in respect of secured operating liabilities) and thus without calling on public funds.

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the CRD IV Directive, the CRD IV Regulation, the BRRD and the Single Resolution Mechanism Regulation. If adopted, these legislative proposals would, among other things, give effect to the FSB TLAC Term Sheet and modify the requirements applicable to the Minimum Requirement for own funds and Eligible Liabilities (MREL). The implementation of the current texts and the new proposals, and their application to Groupe BPCE or the taking of any action thereunder is currently uncertain.

On November 16, 2018, the Financial Stability Board (FSB), in consultation with Basel Committee on Banking Supervision and national authorities, published the 2017 list of global systemically important banks (G-SIBs). Groupe BCPE is classified as a G-SIB by the FSB. Groupe BPCE also appears on the list of global systematically important financial institutions (G-SIFIs).

These regulatory measures, which may apply to various Groupe BPCE entities, and any changes in such measures may impact the business and results of Groupe BPCE.

Ecosystem risks/macroeconomic risks

A persistently low interest rate environment may be detrimental to the profitability and financial position of Groupe BPCE.

The global markets have been subject to low interest rates in recent years, and it appears this situation will not be changing anytime soon. When interest rates are low, credit spreads tend to tighten, meaning Groupe BPCE may not be able to sufficiently lower interest rates paid on deposits to offset the drop in revenues associated with issuing loans at lower market rates. Groupe BPCE’s efforts to reduce the cost of deposits may be restricted by the high volumes of regulated products, especially on the French market, including in particular Livret A passbook savings accounts and PEL home savings plans, which earn interest above the current market rate. In addition, Groupe BPCE may incur an increase in prepayments and renegotiations of home loans and other fixed-rate loans to individuals and businesses, as customers seek to take advantage of lower borrowing costs. Combined with the issuance of new loans at low interest rates prevailing on the markets, Group BPCE may see an overall decrease in the average interest rate in the loan book. Reduced credit spreads and weaker retail banking revenues stemming from this decrease may undermine the profitability of the retail banking activities and overall financial position of Groupe BPCE. Furthermore, if market rates begin climbing again and Groupe BPCE’s hedging strategies prove ineffective or only partially offset this fluctuation in value, its profitability may be affected. An environment of persistently low interest rates may also cause the market yield curve to flatten more generally, which in turn may lower the premium generated by Groupe BPCE’s financing activities and negatively impact its profitability and financial position. The flattening of the yield curve may also encourage financial institutions to enter into higher-risk activities in an effort to obtain the targeted level of return, which may heighten risk and volatility on the market.

The stress tests conducted by Groupe BPCE on capital markets activities revealed the highest-impact hypothetical stress test to be the “liquidity crisis” scenario, and the highest-impact historical stress test to be the “2011 sovereign debt crisis”, mainly within the Corporate & Investment Banking division of Natixis (see Chapter 6.8.4 “*Market risks - Quantitative disclosures*” of the 2018 Registration Document).

For information purposes, the change in Groupe BPCE’s projected one-year net interest income calculated under four scenarios (“increase in rates”, “decrease in rates”, “steepening of the curve”, “flattening of the curve”) compared to the central scenario showed, at September 30, 2018, the “decrease in rates” to be the most adverse scenario with expected losses of €203 million over a rolling 12-month period (see Chapter 6.9.4 “*Management of structural interest rate risk*” of the 2018 Registration Document).

Tax legislation and its application in France and in countries where Groupe BPCE operates are likely to have an adverse impact on Groupe BPCE’s profits.

As a multinational banking group that carries out large and complex international transactions, Groupe BPCE (particularly Natixis) is subject to tax legislation in a large number of countries throughout the world, and structures its activity in compliance with applicable tax rules. Changes in tax schemes by the competent authorities in these countries could materially impact Groupe BPCE’s profits. Groupe BPCE manages its activities with a view to creating value from the synergies and sales capabilities of its various constituent entities. It also works to structure financial products sold to its customers from a tax efficiency standpoint. The structure of intra-group transactions and financial products sold by entities of Groupe BPCE are based on its own interpretations of applicable tax regulations and laws, generally based on opinions given by independent tax experts, and, as needed, on decisions or specific interpretations by the competent tax authorities. It is possible that in the future tax authorities may challengre some of these interpretations, as a result of which the tax positions of Groupe BPCE entities may be disputed by the tax authorities, potentially resulting in tax re-assessments.

Investors in BPCE’s securities could suffer losses if BPCE were to be subject to resolution procedures.

The EU Bank Recovery and Resolution Directive (the “BRRD”) and the Single Resolution Mechanism (defined below), as transposed into French law by a decree-law dated August 20, 2015 (*ordonnance No. 2015-1024 du 20 août 2015 portant diverses dispositions d’adapation de la legislation au droit de l’Union européenne en matière financière*), provide resolution authorities with the power to write down BPCE’s securities or, in the case of debt securities, to convert them to equity.

Resolution authorities may write down or convert capital instruments, such as BPCE’s Tier 2 subordinated debt securities, if the issuing institution or the group to which it belongs is failing or likely to fail (and there is no reasonable prospect that another measure would avoid such failure within a reasonable time period), becomes non-viable, or requires extraordinary public support (subject to certain exceptions). They must write down or convert capital instruments before opening a resolution proceeding, or if doing so is necessary to maintain the viability of an institution. Any write-down or conversion of capital instruments must be effected in order of seniority, so that common equity tier 1 instruments are to be written down first, then additional Tier 1 instruments are to be written down or converted to equity, followed by Tier 2 instruments. If the write-down or conversion of capital instruments is not sufficient to restore the financial health of the institution, the bail-in power held by the resolution authorities may be applied to write down or convert eligible liabilities, such as BPCE's senior non-preferred and senior preferred securities.

For Groupe BPCE, all entities affiliated with the central institution of Groupe BPCE benefit from a guarantee and solidarity mechanism, the aim of which, in accordance with Articles L.511.31 and L.512.107-6 of the French Monetary and Financial Code, is to ensure the liquidity and solvency of all affiliated entities and to organize financial solidarity throughout the Group.

This financial solidarity is rooted in legislative provisions instituting a legal solidarity mechanism requiring the central institution to restore the liquidity or solvency of struggling affiliates and/or of all Group affiliates, by mobilizing if necessary up to all cash and cash equivalents and capital available to all contributing affiliates. As a result of this complete legal solidarity, one or more affiliates may not find itself subject to court-ordered liquidation, or be affected by resolution measures within the meaning of Directive 2014/59 EU, without all affiliates also being affected.

In the event of court-ordered liquidation thus necessarily affecting all affiliates, the external creditors of all affiliates would be addressed identically according to their rank and in the order of the ranking of creditors, irrespective of their ties with any specific entity. As a result, investors in AT1 instruments and other pari passu securities would be more affected than investors in Tier 2 instruments and other pari passu securities, which in turn would be more affected than investors in external senior non-preferred debt, which in turn would be more affected than investors in external senior preferred debt. In the event of resolution, identical impairment and/or conversion rates would be applied to debts and securities of a given rank, irrespective of their ties with any specific entity, in the order of the ranking referred to above.

Only entities not themselves affected by court-ordered liquidation or resolution measures, and not contributing to the Group solidarity mechanism, are exempted from bail-in measures involving the other affiliates.

A resolution proceeding may be initiated in respect of an institution, such as BPCE, if (i) it or the group to which it belongs is failing or likely to fail, (ii) there is no reasonable prospect that another measure would avoid such failure within a reasonable time period, and (iii) a resolution measure is required, to achieve the objectives of the resolution: (a) to ensure the continuity of critical functions, (b) to avoid a significant adverse effect on the financial system, (c) to protect public funds by minimizing reliance on extraordinary public financial support, and (d) to protect customer funds and assets, in particular those of depositors. Failure of an institution means that it does not respect requirements for continuing authorization, it is unable to pay its debts or other liabilities when they fall due, it requires extraordinary public financial support (subject to limited exceptions), or the value of its liabilities exceeds the value of its assets.

In addition to the bail-in power, resolution authorities are provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

The exercise of the powers described above by resolution authorities could result in the partial or total write-down or conversion to equity of the capital instruments and the debt instruments issued by BPCE, or may substantially affect the amount of resources available to BPCE to make payments on such instruments.

For more detailed information, see Chapter 6.3.5. "*Management of capital adequacy"* of the 2018 Registration Document.

Strategic and business risks

Groupe BPCE reported results are liable to vary from the targets set in the 2018-2020 strategic plan for a number of reasons, including the materialization of one or more of the risk factors described in this section. If Groupe BPCE does not meet its targets, its financial position and the value of its financial instruments may be adversely affected.

Groupe BPCE will implement a strategic plan for the 2018-2020 period which focuses on a combination of (i) digital transformation in order to seize opportunities created by the ongoing technological revolution, (ii) commitment towards its customers, employees and cooperative shareholders, and (iii) growth in all of the Group's core businesses. This document contains forward-looking information, which is necessarily subject to uncertainty. In particular, in connection with the 2018-2020 Strategic Plan, Groupe BPCE announced certain financial targets, including revenue synergies between Natixis and the Banque Populaire and Caisse d'Epargne networks and cost cutting targets. In addition, the Groupe BPCE has also disclosed targets for regulatory capital and TLAC ratios, strategic initiatives and priorities, as well as the management of the cost of risk on outstandings. The financial objectives were established primarily for purposes of planning and allocation of resources, are based on a number of assumptions, and do not constitute projections or forecasts of anticipated results. Groupe BPCE's reported results are liable to vary from these targets for a number of reasons, including the materialization of one or more of the risk factors described in this section. If Groupe BPCE does not meet its targets, its financial position and the value of its financial instruments may be adversely affected.

Actual results may vary compared to assumptions used to prepare Groupe BPCE's financial statements, which may expose it to unexpected losses.

In accordance with current IFRS standards and interpretations, Groupe BPCE must base its financial statements on certain estimates, in particular accounting estimates relating to the determination of provisions for nonperforming loans and receivables, provisions for potential claims and litigation, and the fair value of certain assets and liabilities. If the values used for the estimates by Groupe BPCE prove to be materially inaccurate, in particular in the event of major and/or unexpected market trends, or if the methods used to calculate these values are modified due to future changes in IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

Information on the use of estimates and judgments is provided in Chapter 5 *"Financial report"*, Note 2.3 "*Use of estimates"* of the 2018 Registration Document.

BPCE may have to help entities belonging to the financial solidarity mechanism in the event they experience financial difficulties, including entities in which BPCE holds no economic interest.

As the central institution of Groupe BPCE, BPCE is responsible for ensuring the liquidity and solvency of each regional bank (Banque Populaire banks and Caisses d'Epargne) and the other members of the group of affiliates which are credit institutions subject to French regulations. The group of affiliates includes BPCE subsidiaries, such as Natixis, Crédit Foncier de France and Banque Palatine. While the regional banks and some other members of the Group of affiliates (the "**contributing entities**") are required to provide BPCE with similar support, there is no guarantee that the benefits of the financial solidarity mechanism will outweigh the costs.

The three guarantee funds established to cover Groupe BPCE's liquidity and capital adequacy risks are described in Chapter 5.6.3 "*Notes to the parent company annual financial statements"*, Note 1.2 "*Guarantee mechanism"* of the 2018 Registration Document. The regional banks and entities belonging to the group of affiliates are obligated to make additional contributions to the guarantee fund on their future profits. While the guarantee fund represents a substantial source of resources to fund the solidarity mechanism, there is no guarantee these revenues will be sufficient. If the guarantee fund proves inadequate, BPCE, in accordance with its duties as central institution, will be required to offset the deficit by mobilizing its own resources and, where applicable, those of the contributing entities.

In light of this obligation, if a member of the Group (including one of the non-contributing affiliates) were to encounter a major financial hardship, the circumstances underlying said hardship may impact the financial position of BPCE and the other contributing entities called upon for support in respect of the financial solidarity mechanism. In the extreme case where the circumstances in question resulted in the initiation of a resolution proceeding against Groupe BPCE, or the court-ordered liquidation of BPCE, the mobilization of BPCE's resources and, where applicable, the resources of the contributing entities, to support the entity initially encountering the financial hardship, may impact investors in securities issued by BPCE and the contributing entities, starting with investors in CET1 instruments and AT1 instruments. If the loss exceeded the amount of CET1 and AT1 capital, BPCE's assets and, where applicable, the assets of the contributing entities, may prove insufficient to partially or fully redeem Tier 2 instruments, senior non-preferred debt instruments and any senior preferred debt instruments. In such case, impacted investors may lose their invested capital, in part or in whole.

Intense competition in France, Groupe BPCE's main market, or internationally, may cause its net income and profitability to decline.

Groupe BPCE's main business lines operate in a very competitive environment both in France and other parts of the world where it is does substantial business. This competition is heightened by consolidation, either through mergers and acquisitions or cooperation and arrangements. Consolidation has created a certain number of companies which, like Groupe BPCE, can offer a wide range of products and services ranging from insurance, loans and deposits to brokerage, investment banking and asset management. Groupe BPCE is in competition with other entities based on a number of factors, including the execution of transactions, products and services offered, innovation, reputation and price. If Groupe BPCE is unable to maintain its competitiveness in France or in its other major markets by offering a range of attractive and profitable products and services, it may lose market share in certain key business lines or incur losses in some or all of its activities (for more detailed information on the contribution of each business line, see Chapter 1.5 "*Key figures 2018*" of the 2018 Registration Document). Moreover, a slowdown in the global economy or the economic environment of Groupe BPCE's main markets is likely to increase competitive pressure, in particular through greater pricing pressure and a slowdown in business volume for Groupe BPCE and its competitors. New and more competitive rivals could also enter the market. Subject to separate or more flexible regulation, or to other requirements governing prudential ratios, these new market participants would be able to offer more competitive products and services. Advances in technology and the growth of e-commerce have made it possible for institutions other than custodians to offer products and services that were traditionally banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new entrants may put downward pressure on the price of Groupe BPCE's products and services or affect Groupe BPCE's market share. Advances in technology could lead to rapid and unexpected changes on Groupe BPCE's markets of operation. Groupe BPCE's competitive position, net earnings and profitability may be adversely affected should it prove unable to adequately adapt its activities or strategy in response to such changes.

Groupe BPCE's ability to attract and retain skilled employees is paramount to the success of its business and failing to do so may affect its performance.

The employees of Groupe BPCE entities are the Group's most valuable resource. Competition to attract qualified employees is fierce in many areas of the financial services sector. Groupe BPCE's earnings and performance depend on its ability to attract new employees and retain and motivate existing employees. Changes in the economic environment (in particular tax and other measures aimed at limiting the pay of banking sector employees) may compel Groupe BPCE to transfer its employees from one unit to another, or reduce the workforce in certain business lines, which may cause temporary disruptions due to the time required for employees to adapt to their new duties, and may limit Groupe BPCE's ability to benefit from improvements in the economic environment. This may prevent Groupe BPCE from taking advantage of potential opportunities in terms of sales or efficiency.

For more detailed information, see Chapter 2.5.1 "*Employees: helping to build and develop the Group*" of the 2018 Registration Document.

Risk associated with strategic investments

Groupe BPCE may encounter difficulties in adapting, implementing and incorporating its policy governing acquisitions or joint ventures.

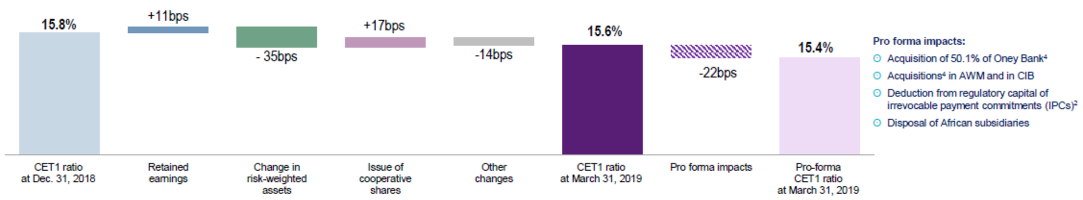
Although acquisitions are not a major part of Groupe BPCE's current strategy, the Group may nonetheless consider acquisition or partnership opportunities in the future. Although Groupe BPCE carries out an in-depth analysis of any potential acquisitions or joint ventures, in general it is impossible to carry out an exhaustive appraisal in every respect. As a result, Groupe BPCE may have to manage initially unforeseen liabilities. Similarly, the results of the acquired company or joint venture may prove disappointing and the expected synergies may not be realized in whole or in part, or the transaction may give rise to higher-than-expected costs. Groupe BPCE may also encounter difficulties with the consolidation of new entities. The failure of an announced acquisition or failure to consolidate a new entity or joint venture may place a material strain on Groupe BPCE's profitability. This situation may also lead to the departure of key personnel. In the event that Groupe BPCE is obliged to offer financial incentives to its employees in order to retain them, this situation may also lead to an increase in costs and a decline in profitability. Joint ventures expose Groupe BPCE to additional risks and uncertainties in that it may depend on systems, controls and persons that are outside its control and may, in this respect, see its liability incurred, suffer losses or incur damage to its reputation. Moreover, conflicts or disagreements between Groupe BPCE and its joint venture partners may have a negative impact on the targeted benefits of the joint venture (for example, see Note 12.4 "*Partnerships and associates*" of the 2018 Registration Document).

4.2. Regulatory capital and prudential ratios

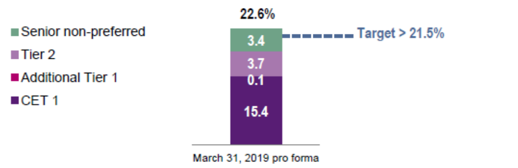
CAPITAL AND LOSS-ABSORBING CAPACITY

CET1 and TLAC ratios at high levels

Change in the CET1 ratio[1] (in bps)



TLAC[1] ratio (as a % of risk-weighted assets)



CET1 capital equal to €62.4bn[1] at March 31, 2019

Total loss-absorbing capacity stood at €91.5bn[1,2] at end-March 2019, equal to a TLAC ratio of 22.6%[1,2]

Leverage ratio equal to 5.1%[2,3] at March 31, 2019

Capital adequacy, Total loss-absorbing capacity – see note on methodology [1] Estimate at March 31, 2019 (pro forma) [2] Deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments [3] The leverage ratio would amount to 5.4% after excluding the centralized outstandings of regulated savings from the calculation of the denominator of the ratio, subject to the agreement of the ECB and following the decision of July 13, 2018 of the General Court of the European Union [4] Effective completion of the transaction is conditional on its approval by the competent authorities

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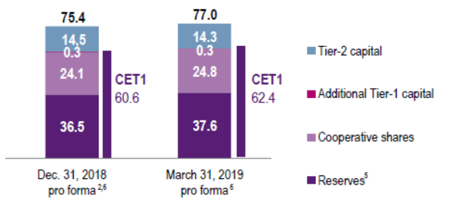
ANNEXES

Financial structure: changes in regulatory capital and fully-loaded ratios

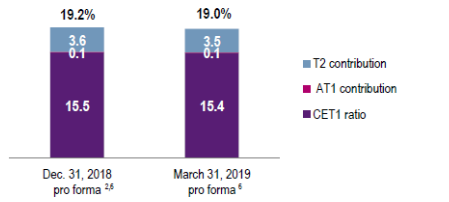
Reconciliation of shareholders' equity to total capital[1]

In billions of euros	March 31, 2019	Dec. 31, 2018[2]
Equity attributable to equity holders of the parent	67.4	66.2
Cancellation of hybrid securities[3] in equity attributable to equity holders of the parent	-0.7	-0.7
Non-controlling interests[4]	4.9	5.2
Goodwill and intangibles	-4.9	-5.1
EL/Prov. difference	-0.3	-0.2
Pro forma impacts	-0.6	-1.6
Other regulatory adjustments	-3.4	-3.2
Common Equity Tier-1 capital	62.4	60.6
Additional Tier-1 capital	0.3	0.3
Tier-1 capital	62.7	60.9
Tier-2 capital	15.1	15.1
T2 regulatory adjustments	-0.8	-0.6
Total capital	77.0	75.4

Regulatory capital[1] (in €bn)



Total capital ratios[1] (as a %)



[1] After deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [2] CRR/CRD IV without transitional measures; additional Tier-1 capital takes account of subordinated debt issues that have become ineligible and capped at the phase-out rate in force [3] BPCE deeply subordinated notes booked to equity attributable to equity holders of the parent [4] Non-controlling interests (prudential definition); account is only taken of the part from Natixis, excluding super-subordinated notes and after regulatory clipping [5] Reserves net of prudential restatements [6] See page 12

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ANNEXES

Financial structure: prudential ratios and credit ratings

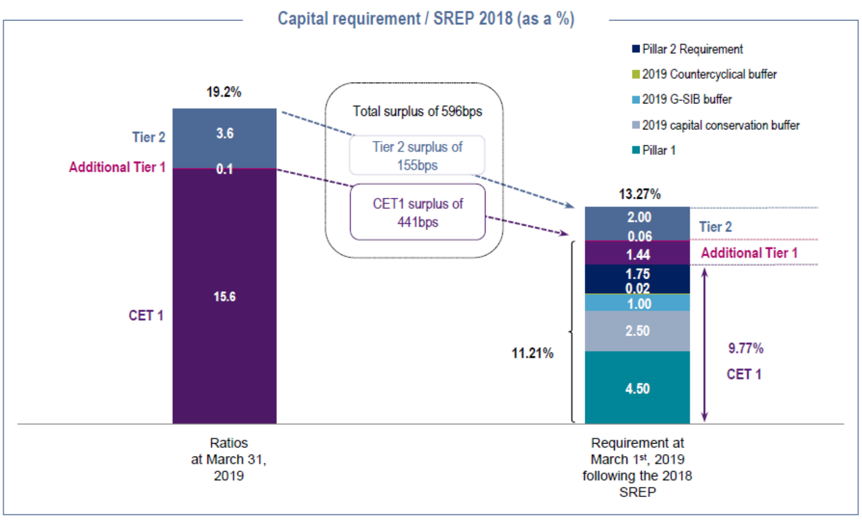
	March 31, 2019[1]	Dec. 31, 2018[1,2]	Dec. 31, 2017[2]
Total risk-weighted assets	€404bn	€392bn	€386bn
Common Equity Tier-1 capital	€63.1bn	€62.2bn	€59.0bn
Tier-1 capital	€63.4bn	€62.5bn	€59.5bn
Total capital	€77.7bn	€76.9bn	€74.0bn
Common Equity Tier-1 ratio	15.6%	15.8%	15.3%
Tier-1 ratio	15.7%	15.9%	15.4%
Total capital adequacy ratio	19.2%	19.6%	19.2%

LONG-TERM SENIOR PREFERRED CREDIT RATINGS (MAY 9, 2019)	
FitchRatings	A+ outlook stable
Moody's	A1 outlook stable
R&I	A outlook positive
Standard & Poor's	A+ outlook stable

[1] Excluding deduction of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [2] Estimate taking account of transitional measures provided for by CRR / CRD IV; subject to the provisions of article 26.2 of regulation (EU) n° 575/2013

ANNEXES

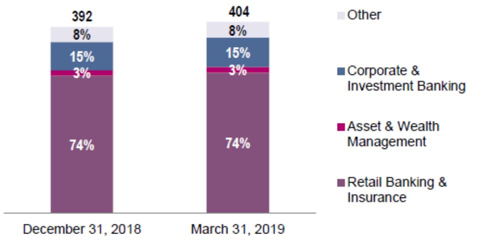
SREP



ANNEXES

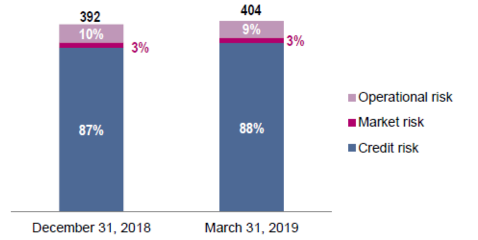
Risk-weighted assets

Breakdown per business line (in €bn)

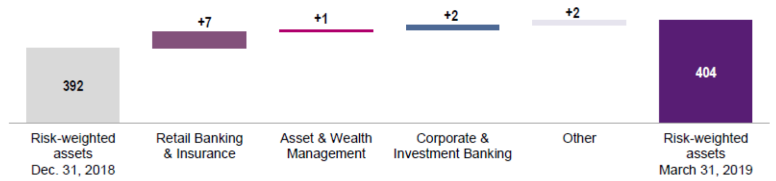


Breakdown per type of risk[1] (in €bn)

(at current exchange rates)



Change over a 3-month period (in €bn)



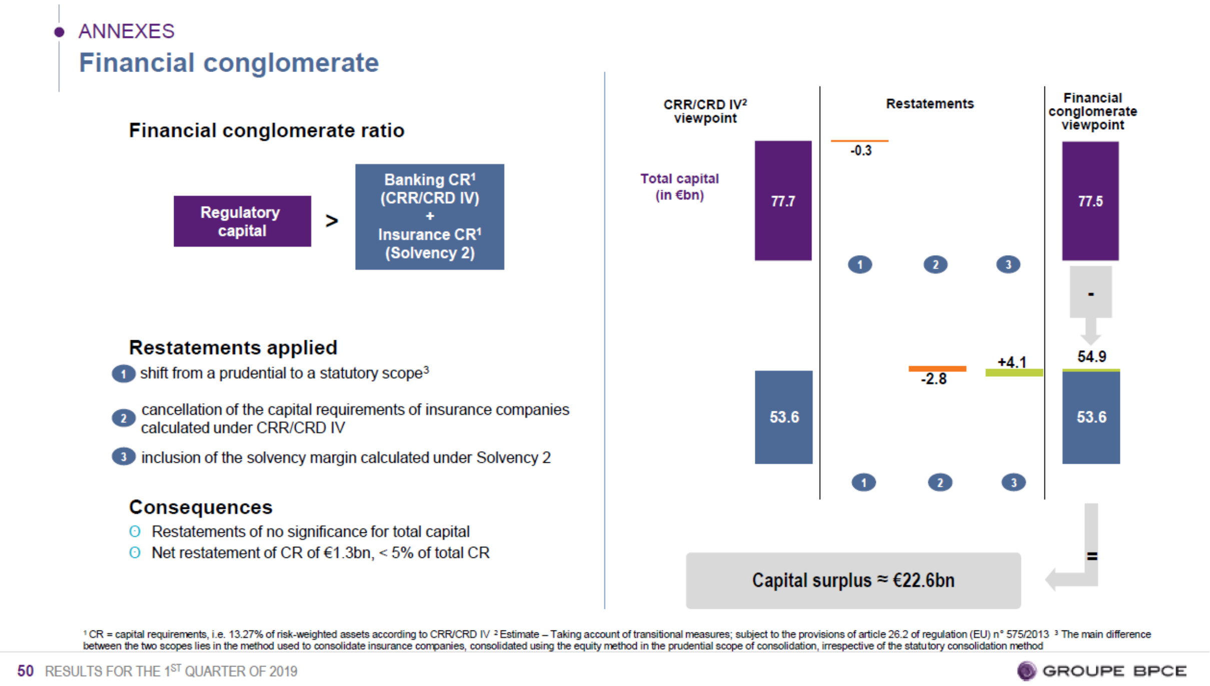
[1] The CVA is included under Credit risk. It accounted for less than 1% of RWA at March 31, 2019 and December 31, 2018

ANNEXES

Leverage ratio[1]

In billions of euros	March 31, 2019	Dec. 31, 2018
Tier-1 capital	**63.2**	**62.3**
Deduction of irrevocable payment commitments	-0.6	-0.6
Tier-1 capital restated[3]	**62.6**	**61.7**
Balance sheet total	**1,313.3**	**1,273.9**
Prudential restatements	-109.2	-104.9
Prudential balance sheet total[2]	**1,204.1**	**1,169.0**
Adjustments related to exposure to derivatives[4]	-31.3	-33.6
Adjustments related to security financing operations[5]	-16.2	-20.4
Off-balance sheet (financing and guarantee commitments)	78.7	74.1
Deduction of irrevocable payment commitments	-0.6	-0.6
Regulatory adjustments	-5.7	-5.8
Total leverage exposure[3]	**1,229.0**	**1,182.7**
Leverage ratio[3]	**5.1%[6]**	**5.2%**

[1] Estimate calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014 [2] The main difference between the statutory balance sheet and the prudential balance sheet lies in the method used for consolidating insurance companies, consolidated using the equity method in the prudential scope of consolidation, irrespective of the statutory consolidation method [3] After deduction, following the instructions of the supervisory authorities, of the part of the contributions to the Single Resolution Fund and Bank Deposit Guarantee Fund recognized in the form of irrevocable payment commitments (IPC) [4] Inclusion of the effects of offsetting applicable to derivatives according to the rules of the Delegated Act [5] Inclusion of adjustments applicable to security financing operations according to the rules of the Delegated Act [6] The leverage ratio would amount to 5.4% after excluding the centralized outstandings of regulated savings from the calculation of the denominator of the ratio, subject to the agreement of the ECB and following the decision of July 13, 2018 of the General Court of the European Union



4.3. G-SIB indicators

G-SIB indicators at December 31, 2018 were published on the Groupe BPCE website on April 30, 2019 and are available at:

https://groupebpce.com/en/investors/regulated-information

LIQUIDITY

60% of the medium-/long-term funding plan completed

2019 MLT funding plan of €20bn

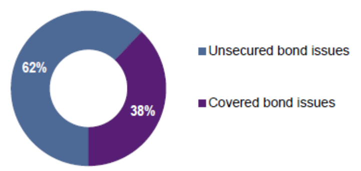
- Unsecured segment: €13bn to €14bn
  - Of which €3bn to €4bn of senior non-preferred debt
- Secured segment: €6bn to €7bn of covered bonds and other secured funding

€12bn raised at April 30, 2019

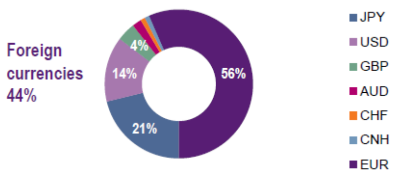
- Unsecured segment: €7.5bn raised o/w €2.2bn of senior non-preferred debt
- Average maturity at issue: 7.6 years
- Average cost of liquidity: mid-swap +47 bps

Thomson Reuters named Groupe BPCE "**Bond Issuer of the Year**" in Japan in its DealWatch Awards 2018. This is the first time a non-Japanese issuer has obtained this prestigious award.

Structure of MLT funding at April 30, 2019



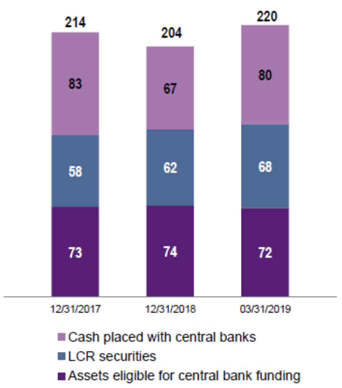
Diversification of the investor base for MLT funding raised as at April 30, 2019 (in unsecured bond issues)



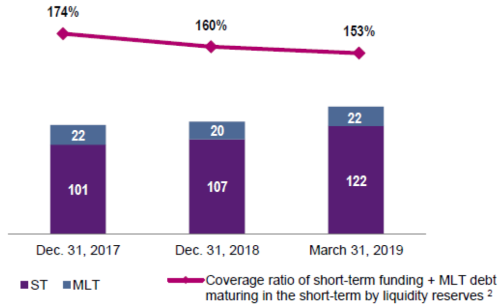
ANNEXES

Liquidity reserves and short-term funding

Total liquidity reserves of Groupe BPCE[1] (in €bn)



Short-term funding and MLT debt maturing in the short term (in €bn)



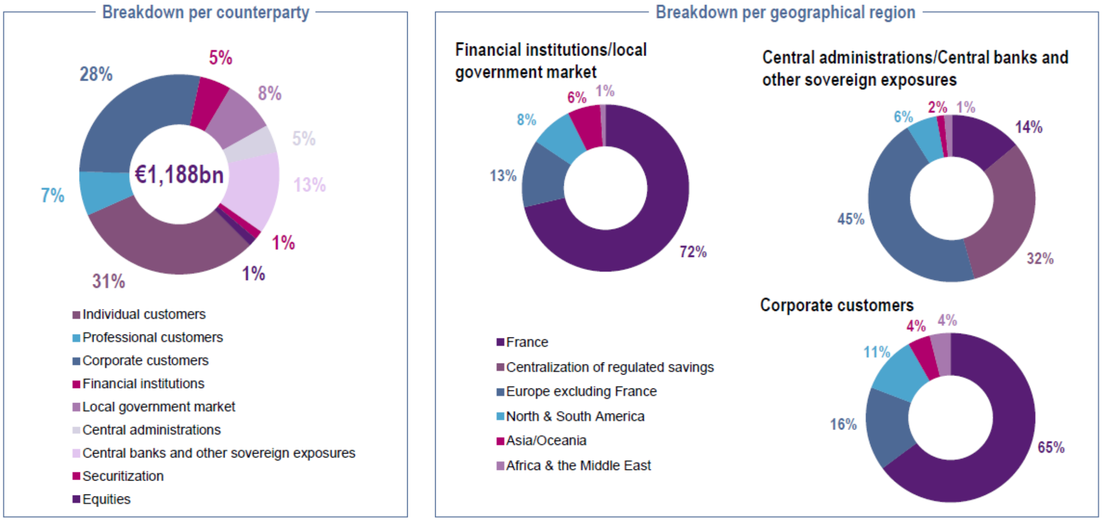
LCR > 110% at March 31, 2019

[1] Excluding MMF US Natixis deposits [2] Coverage ratio = Total liquidity reserves of Groupe BPCE / [Short-term funding +MLT debt maturing in the short term]

4.5. Credit risk and counterparty risk

ANNEXES

Breakdown of commitments at March 31, 2019



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4.6. Non-performing loans and impairment

ANNEXES

Non-performing loans and impairment

In billions of euros	March 31, 2019	Dec. 31, 2018
Gross outstanding loans to customers and credit institutions	774.0	763.1
O/w S3 outstandings	21.2	21.5
Non-performing/gross outstanding loans	2.7%	2.8%
S3 impairment recognized	9.7	9.7
Impairment recognized/non-performing loans	45.9%	45.0%
Coverage ratio (including guarantees related to impaired outstandings)	74.7%	74.5%

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5. STATUTORY AUDITORS

BPCE's Statutory Auditors are responsible for auditing the individual financial statements of BPCE and the consolidated financial statements of Groupe BPCE and BPCE SA group. At March 31, 2019, the Statutory Auditors were:

PricewaterhouseCoopers Audit	Deloitte & Associés	Mazars
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	6, place de la Pyramide 92908 Paris-La Défense Cedex	61, rue Henri-Regnault 92075 Paris-La Défense Cedex

PricewaterhouseCoopers Audit (672006483 RCS Nanterre), Deloitte et Associés (572028041 RCS Nanterre) and Mazars (784824153 RCS Nanterre) are registered as Statutory Auditors, members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and under the authority of the *Haut Conseil du Commissariat aux Comptes*.

PRICEWATERHOUSECOOPERS AUDIT

The Annual General Shareholders' Meeting of BPCE of May 22, 2015, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to renew the term of PricewaterhouseCoopers Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

PricewaterhouseCoopers Audit is represented by Nicolas Montillot and Emmanuel Benoist.

Substitute: Jean-Baptiste Deschryver, residing at 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

DELOITTE & ASSOCIES

The Annual General Shareholders' Meeting of BPCE of May 22, 2015, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to appoint Deloitte & Associés for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

Deloitte & Associés is represented by Sylvie Bourguignon and Marjorie Blanc Lourme.

Substitute: Cabinet BEAS, represented by Mireille Berthelot, located at 195, avenue Charles De Gaulle, 92524 Neuilly-sur-Seine Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2021, convened to approve the financial statements for the year ending December 31, 2020.

MAZARS

The Annual General Shareholders' Meeting of BPCE of May 24, 2013, voting under the conditions of quorum and majority applicable to Ordinary General Shareholders' Meetings, resolved to appoint Mazars for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2019, convened to approve the financial statements for the year ending December 31, 2018.

Mazars is represented by Charles de Boisriou.

Substitute: Anne Veaute, residing at 61, rue Henri-Regnault, 92075 Paris-La Défense Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2019, convened to approve the financial statements for the year ending December 31, 2018.

6. UPDATE TO CHAPTER 7 LEGAL INFORMATION

6.1. BPCE Annual Ordinary General Shareholders' Meeting of May 24, 2019

DRAFT RESOLUTIONS

First resolution: Approval of the annual financial statements of BPCE SA for the fiscal year ended December 31, 2018

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Management Board's report on the company's management, the Supervisory Board's report on corporate governance and the Statutory Auditors' report on the annual financial statements of BPCE for the fiscal year ended December 31, 2018, hereby approves the annual financial statements showing a profit of €390,468,286.

The Annual General Shareholders' Meeting duly notes that the financial statements for the fiscal year ended do not include expenses not deductible from taxable income, as referred to in Article 39-4 of the French General Tax Code.

Second resolution: Approval of the consolidated financial statements of BPCE SA group for the fiscal year ended December 31, 2018

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Management Board's report on the company's management, the observations of the Supervisory Board, the Chairman of the Supervisory Board's report and the Statutory Auditors' report on the consolidated financial statements of BPCE SA group for the fiscal year ended December 31, 2018, hereby approves the consolidated financial statements showing net income attributable to equity holders of the parent of €685 million.

Third resolution: Approval of the consolidated financial statements of Groupe BPCE for the fiscal year ended December 31, 2018

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Management Board's report on the company's management, the observations of the Supervisory Board, the Chairman of the Supervisory Board's report and the Statutory Auditors' report on the consolidated financial statements of Groupe BPCE for the fiscal year ended December 31, 2018, hereby approves the consolidated financial statements showing net income attributable to equity holders of the parent of €3,026 million.

Fourth resolution: Allocation of net income for fiscal year 2018 and dividend payment

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the Management Board's proposal and resolves to allocate the net profit for the fiscal year, amounting to €390,468,286, as follows:

- dividend payment of €403,040,426.36 to the shareholders, i.e. €12.3715 per share;
- €12,572,140.36 to retained earnings.

Given the payment on December 20, 2018 of an interim dividend of €201,537,903.42, as decided by the Management Board at its meeting of December 20, 2018, a residual dividend of €201,502,522.94 remains to be paid to the shareholders, i.e. €5.9815 per share.

Subsequent to this distribution, the balance of "Retained earnings" is €3,498,918,097.65.

The cash dividend will be paid at the registered office as from June 26, 2019.

For individuals having their tax residence in France, this dividend is eligible for the tax reduction provided for in Article 158, Paragraph 3, Point 2 of the French General Tax Code.

The Annual General Shareholders' Meeting duly notes that the dividends received by individuals having their tax residence in France, eligible for Article 158, Paragraph 3, Point 2 of the French General Tax Code, are subject (barring a request for exemption submitted under the conditions provided for by law) to a mandatory withholding not exempting the balance from income tax, as provided for in Article 117 quater of the French General Tax Code, at a rate of 12.8% (plus social security withholdings).

In accordance with the provisions of Article L. 243 bis of the French General Tax Code, the table below shows the dividends paid out in respect of the three previous fiscal years:

Year ended	**Dividend/Earnings per share**	**Fraction of dividend eligible for 40% tax deduction**	**Fraction of dividend ineligible for 40% tax deduction**
December 31, 2015	A share: €11.2364 B share: €11.2364	€349,996,600.88	/
December 31, 2016	A share: €12.312 B share: €12.312	€383,499,888.77	/
December 31, 2017	A share: € 12.9382 B share: € 12.9382	€403,005,056.92	/

<u>Fifth resolution</u>: Option to pay the residual dividend for fiscal year 2018 in shares

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Management Board's report, the Statutory Auditors' special report, and applying the provisions of Articles L.232-18 to L.232-20 of the French Commercial Code, and Article 33 of the by-laws, and observing that the share capital is fully paid-up,

resolves to give each shareholder the option between receiving payment of the residual dividend in cash or in shares for the entirety of the residual dividend referred to in the fourth resolution to which the shareholder is entitled.

The issue price of each new Category A and Category B share, each having a par value of €5, that will be allocated as payment of the residual dividend, is set at €517.60, including additional paid-in capital of €512.60 each.

This price is calculated by dividing a sum including:

- The amount of shareholders' equity recorded on the balance sheet for the fiscal year ended December 31, 2018, approved by this Annual General Shareholders' Meeting, i.e. €16,438,102,021.35;
- Plus the amount of the capital increase, including additional paid-in capital, carried out on March 8, 2019, by the use of the authorization granted to the Management Board to issue 1,074,023 Category A shares and 1,074,023 Category B shares, i.e. €1,200,000,098.18.
- Minus the amount of the residual dividend proposed in respect of fiscal year 2018, i.e. €201,502,522.94.

by the number of capital shares outstanding at the date of this Annual General Shareholders' Meeting, i.e. 33,687,624 Category A and B shares

Shareholders opting for the payment of the residual dividend in shares may exercise their option from May 27, 2019 to June 14, 2019 inclusive by submitting their request to the Company. Consequently, any shareholders not exercising their option by the end of the period set by this resolution may only receive the residual dividend to which they are entitled in cash. The residual dividend will be paid on June 26, 2019; at that same date the shares will be delivered to those shareholders having opted to receive payment of the entire residual dividend to which they are entitled in shares.

Subscription forms will be made available to the shareholders.

Each shareholder may opt for either form of payment, but said option will apply to the entire residual dividend for which the option is provided.

Subscriptions shall pertain to a whole number of shares. If the amount of the residual dividend for which the option is exercised is not a whole number of shares, each shareholder may receive the next-higher whole number of shares by paying, at the date on which the option is exercised, the difference in cash, or the next-lower whole number of shares, in which case the shareholder will receive the difference in cash.

All powers are granted to the Management Board, which may delegate said powers under the conditions provided for by law, to implement this resolution, recognize the completion of the capital increase resulting from the exercise of the option to receive payment of the dividend in shares, amend the by-laws accordingly and carry out advertising formalities.

Sixth resolution: Authorization granted to the Management Board to propose an option to receive payment of the interim dividend in shares in respect of fiscal year 2019

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Management Board's report and applying the provisions of Articles L.232-18 to L.232-20 of the French Commercial Code, and Article 33 of the by-laws, and observing that the share capital is fully paid-up,

authorizes the Management, in the event it decides to pay one or more interim dividends in respect of fiscal year 2019, to offer the shareholders the option of receiving payment in cash or in new shares.

For each interim dividend, each shareholder may elect to receive payment in cash or in shares, with either choice being mutually exclusive.

Consequently, the Annual General Shareholders' Meeting authorizes the Management Board to set, where applicable:

- the issue price of each share allocated as payment for one or more interim dividends, by dividing the amount of shareholders' equity recorded on the balance sheet for the fiscal year in progress, by the number of outstanding shares.

Subscriptions shall pertain to a whole number of shares. If the amount of the dividend for which the option is exercised is not a whole number of shares, each shareholder may receive the next-higher whole number of shares by paying, at the date on which the option is exercised, the difference in cash, or the next-lower whole number of shares, in which case the shareholder will receive the difference in cash.

- the period during which, as from its decision to pay an interim dividend, the shareholders may ask to receive payment in shares, it being stipulated that said period may not exceed three months.

All powers are granted to the Management Board, which may delegate said powers under the conditions provided for by law, to recognize the completion of the capital increase resulting from the exercise of the option to receive payment of the dividend in shares, deduct the costs of said capital increase from the amount of the related additional paid-in capital, amend the by-laws accordingly and carry out advertising formalities.

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

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code, hereby successively approves each of the newly concluded, amended or terminated agreements referred to therein, which were authorized beforehand by the Supervisory Board during the fiscal year ended December 31, 2018 and subsequent to this date, through to the date of establishment of the special report.

Eighth resolution: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to François Pérol, in his capacity as Chairman of the Management Board until May 31, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to François Pérol, in his capacity as Chairman of the Management Board until May 31, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Ninth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Laurent Mignon, in his capacity as Chairman of the Management Board from June 1, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Laurent Mignon, in his capacity as Chairman of the Management Board from June 1, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Tenth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Catherine Halberstadt, in her capacity as Member of the Management Board

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Catherine Halberstadt in respect of her corporate office, in her capacity as Member of the Management Board, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Eleventh resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Laurent Roubin, in his capacity as Member of the Management Board until October 31, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Laurent Roubin in respect of his corporate office, in his capacity as Member of the Management Board until October 31, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Twelfth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to François Riahi, in his capacity as Member of the Management Board in charge of Group Finance, Strategy, Legal Affairs and Secretary's Office of the Supervisory Board until May 31, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to François Riahi in respect of his corporate office, in his capacity as Member of the Management Board in charge of Group Finance, Strategy, Legal Affairs and Secretary's Office of the Supervisory Board until May 31, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Thirteenth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Nicolas Namias, in his capacity as Member of the Management Board from June 1, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Nicolas Namias in respect of his corporate office, in his capacity as Member of the Management Board from June 1, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Fourteenth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Christine Fabresse, in her capacity as Member of the Management Board from November 1, 2018

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Christine Fabresse in respect of her corporate office, in her capacity as Member of the Management Board from November 1, 2018, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Fifteenth resolution</u>: Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Michel Grass, in his capacity as Chairman of the Supervisory Board

The Annual General Shareholders' Meeting, in accordance with Article L.225-100 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind owed, paid or granted in respect of the fiscal year ended December 31, 2018 to Michel Grass, in his capacity as Chairman of the Supervisory Board, as presented in the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code.

<u>Sixteenth resolution</u>: Approval of the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the Chairman of the Management Board

The Annual General Shareholders' Meeting, having read the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the Chairman of the Management Board, in respect of his term of office, as presented in said report.

<u>Seventeenth resolution</u>: Approval of the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the other members of the Management Board

The Annual General Shareholders' Meeting, having read the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the other members of the Management Board, as presented in said report.

<u>Eighteenth resolution</u>: Approval of the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the Chairman of the Supervisory Board

The Annual General Shareholders' Meeting, having read the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the Chairman of the Supervisory Board, in respect of his term of office, as presented in said report.

<u>Nineteenth resolution</u>: Approval of the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the other members of the Supervisory Board

The Annual General Shareholders' Meeting, having read the Report on Corporate Governance established in accordance with Article L.225-68 of the French Commercial Code, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby approves the principles and criteria used for the determination, breakdown and allocation of the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind attributable to the other members of the Supervisory Board, as presented in said report.

<u>Twentieth resolution</u>: : Approval of the commitments addressed in Article L.225-86 and L.225-90-1 of the French Commercial Code taken in favor of Laurent Mignon

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Statutory Auditors' special report on the agreements and commitments addressed in Article L.225-90-1 of the French Commercial Code, hereby approves the commitments taken in favor of Laurent Mignon, Chairman of the Management Board, consisting of severance pay and a retirement bonus, as presented in the aforementioned Statutory Auditors' special report included in Chapter 7.6 of the Registration Document.

<u>Twenty-first resolution</u>: Approval of the commitments addressed in Article L.225-86 and L.225-90-1 of the French Commercial Code taken in favor of Catherine Halberstadt

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Statutory Auditors' special report on the agreements and commitments addressed in Articles L.225-79-1 and L.225-90-1 of the French Commercial Code, hereby approves the commitments taken in favor of Catherine Halberstadt, Member of the Management Board, consisting of severance pay and a retirement bonus, as presented in the aforementioned Statutory Auditors' special report included in Chapter 7.6 of the Registration Document.

<u>Twenty-second resolution</u>: Approval of the commitments addressed in Article L.225-86 and L.225-90-1 of the French Commercial Code taken in favor of Christine Fabresse

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Statutory Auditors' special report on the agreements and commitments addressed in Article L.225-79-1 and L.225-90-1 of the French Commercial Code, hereby approves the commitments taken in favor of Christine Fabresse, Member of the Management Board, consisting of i) severance pay and a retirement bonus and ii) entitlement to the pension plan for executive officers of Groupe BPCE dated July 1, 2014, subject to Article L.137-11 of the French Social Security Code, as presented in the aforementioned Statutory Auditors' special report included in Chapter 7.6 of the Registration Document.

<u>Twenty-third resolution</u>: Approval of the commitments addressed in Article L.225-86 and L.225-90-1 of the French Commercial Code taken in favor of Nicolas Namias

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, having read the Statutory Auditors' special report on the agreements and commitments addressed in Articles L.225-79-1 and L.225-90-1 of the French Commercial Code, hereby approves the commitments taken in favor of Nicolas Namias, Member of the Management Board, consisting of severance pay and a retirement bonus, as presented in the aforementioned Statutory Auditors' special report included in Chapter 7.6 of the Registration Document.

<u>Twenty-fourth resolution</u>: Consultation on the total budget for remuneration of any kind paid to company directors and to the personnel categories referred to in Article L. 511-71 of the French Monetary and Financial Code, during the fiscal year ended December 31, 2018

The Annual General Shareholders' Meeting, consulted in accordance with Article L. 511-73 of the French Monetary and Financial Code, having read the Management Board's report, hereby issues a favorable opinion on the total budget for remuneration of any kind paid during the fiscal year ended December 31, 2018 to the personnel categories referred to in Article L. 511-71 of the French Monetary and Financial Code, amounting to €24,347,899.81.

Twenty-fifth resolution: Ratification, based on the proposal of the Category B shareholders, of the appointment of Gérard Bellemon as a Member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Gérard Bellemon as a member of the Supervisory Board, carried out temporarily by the Supervisory Board on June 19, 2018, to replace André Joffre, who resigned from office, for the remainder of his term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

Twenty-sixth resolution: Ratification of the appointment of Kadidja Sinz as an independent member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Kadidja Sinz as an independent member of the Supervisory Board, carried out temporarily by the Supervisory Board on August 2, 2018, to replace Marwan Lahoud, who resigned from office, for the remainder of his term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020.

Twenty-seventh resolution: Ratification, based on the proposal of the Category B shareholders, of the appointment of Bernard Dupouy as a Member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Bernard Dupouy as a member of the Supervisory Board, carried out temporarily by the Supervisory Board on August 2, 2018, to replace Pierre Desvergnes, who resigned from office, for the remainder of his term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

Twenty-eighth resolution: Ratification, based on the proposal of the Category B shareholders, of the appointment of Olivier Klein as a Member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Olivier Klein as a member of the Supervisory Board, carried out temporarily by the Supervisory Board on December 20, 2018, effective January 1, 2019, to replace Alain Condaminas, who resigned from office, for the remainder of his term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020.

Twenty-ninth resolution: Ratification, based on the proposal of the Category A shareholders, of the appointment of Dominique Goursolle-Nouhaud as a Member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Dominique Goursolle-Nouhaud as an independent member of the Supervisory Board, carried out temporarily by the Supervisory Board on August 2, 2018, to replace Astrid Boos, who resigned from office, for the remainder of her term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020.

Thirtieth resolution: Ratification, based on the proposal of the Category A shareholders, of the appointment of Alain Denizot as a Member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Alain Denizot as an independent member of the Supervisory Board, carried out temporarily by the Supervisory Board on December 20, 2018, to replace Stéphanie Paix, who resigned from office, for the remainder of her term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020.

<u>Thirty-first resolution</u>: Ratification of the appointment of Valérie Pancrazi as an independent member of the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Valérie Pancrazi as an independent member of the Supervisory Board, carried out temporarily by the Supervisory Board on May 9, 2019, to replace Maryse Aulagnon, who resigned from office, for the remainder of her term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

<u>Thirty-second resolution</u>: Ratification, based on the proposal of the Category B shareholders, of the appointment of André Joffre as a non-voting director on the Supervisory Board

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of André Joffre as a non-voting director on the Supervisory Board, carried out temporarily by the Supervisory Board on June 19, 2018, to replace Dominique Martinie, who resigned from office, for the remainder of his term of office as Chairman of the Fédération Nationale des Banques Populaires.

<u>Thirty-third resolution</u>: Ratification, based on the proposal of the Category A shareholders, of the appointment of Sylvie Garcelon as a non-voting director

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, hereby ratifies the appointment of Sylvie Garcelon as an non-voting director on the Supervisory Board, carried out temporarily by the Supervisory Board on December 20, 2018, to replace Dominique Garnier, who resigned from office, for the remainder of his term of office, i.e. until the Annual General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020.

<u>Thirty-fourth resolution</u>: Appointment of a principal Statutory Auditor

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, based on the proposal of the Supervisory Board and after consulting the Audit Committee, hereby reappoints MAZARS as principal Statutory Auditor, for a term of six years ending after the Ordinary General Shareholders' Meeting to be held in 2025 to approve the financial statements for the fiscal year ending December 31, 2024.

<u>Thirty-fifth resolution</u>: Appointment of a substitute Statutory Auditor

The Annual General Shareholders' Meeting, under the conditions required by Ordinary General Shareholders' Meetings as to quorum and majority, based on the proposal of the Supervisory Board and after consulting the Audit Committee, hereby appoints Anne Veaute as substitute Statutory Auditor, for a term of six years ending after the Ordinary General Shareholders' Meeting to be held in 2025 to approve the financial statements for the fiscal year ending December 31, 2024.

<u>Thirty-sixth resolution</u>: Powers to conduct formalities

The Annual General Shareholders' Meeting hereby grants all powers to the holder of an extract or a copy of this document to conduct legal formalities.

7. ADDITIONAL INFORMATION

7.1. Documents available to the public

This document is available from the "Investors" section of the Group's website (www.groupebpce.fr) or from the AMF website (www.amf-france.org).

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

BPCE

Département Émissions et Communication Financière

50, avenue Pierre Mendès-France

75013 Paris

8. PERSON RESPONSIBLE FOR THE UPDATE TO THE REGISTRATION DOCUMENT

8.1. Statement by the person responsible

Laurent Mignon

Chairman of the BPCE Management Board

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

I have obtained a letter from the Statutory Auditors certifying the completion of their work, in which they state that they have verified the information on the financial position and the consolidated accounts as set out in this update, and that they have read the Registration Document and its updates in their entirety.

Paris, May 16, 2019

Laurent Mignon

Chairman of the BPCE Management Board

9. CROSS-REFERENCE TABLE

Items in Appendix 1 pursuant to EC regulation No. 809/2004		2018 Registration Document filed with the AMF on April 2, 2019	First update filed with the AMF on May 16, 2019
1	**Persons responsible**	**728**	**85**
2	**Statutory Auditors**	**385; 526; 595-596**	**75**
3	**Selected financial information**		
3.1	Historical financial information selected by the issuer for each financial year	11-13	10-55
3.2	Selected financial information for interim periods	N/A	10-55
4	**Risk factors**	**603-612**	**56-68**
5	**Information about the issuer**		
5.1	History and development of the issuer	5	
5.2	Investments	241	
6	**Business overview**		
6.1	Principal activities	14-30; 221-244; 364-365; 516-517	
6.2	Principal markets	14-30; 221-244; 364-365; 516-517	
6.3	Exceptional events	N/A	N/A
6.4	Dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	681	
6.5	Basis of statements made by the issuer regarding its competitive position	14-30	
7	**Organizational structure**		**35**
7.1	Description of the Group	4-8; 247	
7.2	List of significant subsidiaries	6; 387-395; 527-530; 566-569	35
8	**Property, plant and equipment**		
8.1	Existing or planned material tangible fixed assets	302-304; 460-461; 571	
8.2	Environmental issues that may affect the issuer's utilization of tangible fixed assets	35-96	
9	**Operating and financial review**		
9.1	Financial condition	221-244; 248-251; 407-409; 542-548	
9.2	Operating income	248; 407; 543; 547; 551	11; 24; 42
10	**Cash flow and capital resources**		
10.1	Information on the issuer's capital resources	240; 254-255; 308-309; 412-413; 464-465; 575-576	27; 43-46; 69-72
10.2	Sources and amounts of issuer's cash flows	256; 414	
10.3	Information on the issuer's borrowing requirements and funding structure	227; 308; 464; 575; 676	28; 73
10.4	Information regarding any restrictions on the use of capital resources that have affected or could affect the issuer's operations	N/A	N/A
10.5	Information regarding the expected sources of funds needed to fulfill commitments referred to in points 5.2 and 8.1	N/A	N/A

Items in Appendix 1 pursuant to EC regulation No. 809/2004		2018 Registration Document filed with the AMF on April 2, 2019	First update filed with the AMF on May 16, 2019
11	**Research and development, patents and licenses**	**546; 581**	
12	**Trend information**	**242-243; 546**	
13	**Profit forecasts and estimates**	**N/A**	**N/A**
14	**Administrative, management and supervisory bodies and senior management**		
14.1	Administrative bodies	128-189	7-9
14.2	Conflicts of interest involving the administrative, management and supervisory bodies and senior management	131; 218-219	
15	**Remuneration and benefits**		
15.1	Amount of remuneration paid and benefits in kind	190-208; 210-217; 368; 520; 545; 584	
15.2	Total amount set aside or accrued by the issuer to provide pension, retirement or similar benefits	209-217; 368; 520; 545; 584; 712-715	
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