

## Press Release

### BPCE enters into exclusive negotiations with Crédit du Nord for the sale of Société Marseillaise de Crédit.

Paris, June 14, 2010

BPCE is entering into exclusive negotiations with Crédit du Nord (Société Générale Group) for the sale of Société Marseillaise de Crédit (SMC).

The selling price considered for this transaction is 872 million euros. If account is taken of the cash dividend (29 million euros) paid by SMC to BPCE in May, BPCE will receive a total of 901 million euros in 2010 from its interest in SMC if plans to sell the subsidiary go ahead.

Groupe Banque Populaire acquired SMC in 2008 with a view to strengthening its operations in southeast France. The creation of Groupe BPCE in 2009, however, led to a strong presence in this geographical region where the Caisses d'Épargne, Banque Populaire banks and their subsidiaries (Banque Chaix, Banque Marze, and Banque Dupuy, de Parseval) represent a total of more than 1,000 branches and nearly 2 million active individual customers and generated, in 2009, an aggregate net banking income of 1.8 billion euros. As a result, the continued presence of SMC in the group no longer carries the same strategic importance that prevailed at its acquisition, all the more so that its status as a direct subsidiary of the BPCE central institution only offers a limited scope for synergies.

Financially speaking, this sale (if it goes ahead) will free up a total of approximately 700 million euros of core Tier-1 capital. This entire amount would be used to speed up the group's reimbursement of State funds. As of 2010, it would be added to the reimbursement capacity generated by the earnings posted by all the group's different business activities.

In view of the cost of the preferred shares and the increase in their redemption premium, the operation would have an accretive effect as of 2011 in terms of net income for Groupe BPCE.

Plans for this asset disposal will shortly be submitted to the representative bodies of the employees of Société Marseillaise de Crédit, BPCE and Crédit du Nord. The draft agreement is also subject to the approval of the relevant supervisory authorities (*Autorité de Contrôle Prudentiel*) and competition watchdog authorities.

François Pérol, Chairman of the Management Board of BPCE, made the following statement: *"I am delighted that we have entered into exclusive negotiations with Crédit du Nord because I am convinced that the strategy pursued by this banking institution will respect the values and history of Société Marseillaise de Crédit as well as the interests of its employees. This operation is also extremely favorable for Groupe BPCE to the extent it gives the group greater room for maneuver in the implementation of its strategic plan."*

#### **About Groupe BPCE:**

*Groupe BPCE, the 2<sup>nd</sup>-largest banking group in France, includes two independent and complementary commercial banking networks: the network of 20 Banque Populaire banks and the network of 17 Caisses d'Épargne. It also works through Crédit Foncier de France in the area of real estate financing. It is a major player in corporate & investment banking, asset management and financial services with Natixis. Groupe BPCE serves more than 37 million customers and enjoys a strong presence in France with 8,200 branches, 127,000 employees and more than 7 million cooperative shareholders.*

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