

Press Release

BPCE buys back deeply subordinated notes for a total of €700 million

Paris, December 10, 2010

BPCE today bought back deeply subordinated notes held by *Société de Prise de Participation de l'Etat* (SPPE), a fully owned subsidiary of the French State, for a total of €700 million.

This buyback was made possible by improvements in the group's solvency ratios. The capital ratios of Groupe BPCE were the following at September 30, 2010: Core Tier 1 ratio of 7.7% and Tier 1 ratio of 9.8% whereas the two ratios stood at 6.9% and 9.1% respectively at December 31, 2009. It should be borne in mind that the deeply subordinated notes are included in Tier 1 capital but not in Core Tier 1 capital. The buyback of these notes will result in a reduction of 0.2 percentage points in the Tier 1 ratio of Groupe BPCE (9.6% instead of 9.8%) on the basis of September 30, 2010 figures. It has no impact, however, on the Core Tier 1 ratio.

Upon completion of this operation, the balance of deeply subordinated notes issued by BPCE and held by SPPE stands at a total of 1 billion euros. BPCE has thus bought back 75% of the deeply subordinated notes it previously issued and which had been subscribed to by SPPE. As stated by François Pérol, Chairman of the Management Board of BPCE on December 2 earlier this year, the group intends to buy back with or without refinancing the remaining deeply subordinated notes held by SPPE by the end of 2012.

About Groupe BPCE:

Groupe BPCE, the 2nd-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'Epargne. 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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