

CREDIT ANALYSIS

Groupe BPCE

Paris, France

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Summary Rating Rationale

Groupe BPCE, which is the second largest banking group in France (by market shares), was formed in July 2009 by the merger of mutualist banking groups Groupe Banque Populaire (GBP) and Groupe Caisse d'Epargne (GCE). Created with the French status of "Société Anonyme", BPCE is the central institution of the group and is owned equally by the *Banques Populaires* (BP) regional banks and the *Caisses d'Epargne* (CE) regional banks. As part of the merger, the main assets of the old central institutions were transferred to BPCE, including their respective stakes in Natixis, together 72%, and the retail banking subsidiaries in France and abroad.

Moody's does not rate Groupe BPCE itself as it is not a legal entity. However, Moody's assigns a bank financial strength rating (BFSR) of C- to the group's central institution and issuing vehicle, BPCE, which maps to Baa2 on the long-term scale, reflecting, on the one hand, (i) the leading position of the group in France's operating environment; and (ii) its deep entrenchment into a large and granular retail franchise, which confers good liquidity, robust asset and business diversification.

On the other hand, BPCE's C- BFSR is constrained by (i) the challenges of improving the efficiency and risk-weighted profitability of its maturing retail network; (ii) lagging post-merger initiatives, especially the integration and rationalisation of complex functions such as risk management; and (iii) the residual high risk profile stemming from Natixis.

That said, BPCE's BFSR does not fully capture the creditworthiness of the broader group, particularly the two networks (*BP* and *CE*). The BFSR only partially incorporates the strength of BPCE's parents, i.e. the affiliated *BP* and *CE* regional banks, which form the roots of the mutualist group and together hold 100% of BPCE. As such, BPCE's consolidated balance sheet captures a portion of the retail-based network: this is achieved via Natixis' 20% stakes in the *BP* and *CE*, in the form of Cooperative Investment Certificates (CICs). Hence BPCE's BFSR does not fully benefit from the creditworthiness of the two regional networks.

By contrast, BPCE's Aa3 senior debt and deposit ratings reflect Moody's opinion (i) that Groupe BPCE remains critical to France's retail-banking market; and (ii) of the full cooperative support expected from the broader group, underpinned by French banking law, and internal solidarity mechanisms and cross-guarantees, which Moody's views as very strong. There are several solidarity funds and cross-guarantees between BPCE, the *BP* regional banks, the *CE* regional banks, and other affiliated entities.

This Credit Analysis provides an in-depth discussion of credit rating(s) for Groupe BPCE and should be read in conjunction with Moody's most recent Credit Opinion and rating information available on [Moody's website](#).

BPCE's Aa3 rating incorporates a very high probability of ongoing systemic support from the government of France (Aaa, stable outlook), reinforced by the French government's €7.05 billion temporary capital injection via subscription in deeply subordinated debt and preference shares issued by BPCE, during the global financial crisis. This capital injection has been fully reimbursed since then.

BFSR Rating Drivers

BPCE's C- BFSR maps to a Baa2 Baseline Credit Assessment (BCA). BPCE's C- BFSR reflects the following:

- (i) Leading domestic retail franchise and diversified earnings and business mix, with a dominance of stable, predictable retail-based revenue
- (ii) Sound liquidity position derived from a large and "sticky retail" deposit base
- (iii) Lower profitability and efficiency metrics than its peers
- (iv) Ongoing gradual de-risking and repositioning process of Natixis
- (v) Limited domestic growth prospects in the mature French retail market

An upgrade of BPCE's BFSR would be essentially driven by (i) an improvement of its financial fundamentals, particularly in terms of efficiency and risk-weighted profitability; (ii) evidence of effective operational synergies and cost savings; and (iii) a protracted and successful recovery of Natixis.

A downgrade of BPCE's BFSR would be driven by any of the following: (i) a deterioration of the group's risk profile, particularly as a result of a failure in risk management or dramatic changes in the credit-risk environment; (ii) a negative development within Natixis or within its legacy portfolio which impairs efficiency and profitability; or (iii) a failure to bring sufficient cohesion among the group's entities.

Senior Debt and Deposit Rating Drivers

BPCE senior debt and deposit ratings are Aa3, and thus receive a total five-notch-uplift from the Baa2 BCA. This uplift falls into two categories.

- (i) The potential parental and cooperative support from its regional bank shareholders, underpinned by French banking law and the solidarity mechanisms within the group. This leads to an Adjusted BCA of Baa1, i.e. one notch higher than BPCE's standalone BCA. Moody's views Groupe BPCE's internal solidarity mechanisms as very strong. There are cross-guarantees between BPCE, the BP and CE. Also each affiliated member can rely on a central solidarity fund, as well as specific national-solidarity funds at the BP and CE network level (please refer to the group Structure section of this report for more details).

The Adjusted BCA reflects the greater creditworthiness of the group as a whole, due to its more stable revenues from the regional banks, which should remain predominant in the group's business mix going forward while contributing significantly to the group's funding and capital generation capacity. Moreover, Moody's believes this Adjusted BCA currently enjoys some upward pressure for two key reasons. Firstly, Moody's expects the group's efficiency and performance metrics, which are currently weaker than those of peers, to improve going forward. Secondly, despite some challenges notably from the merger, Moody's believes there is scope for enhancing comprehensive group-wide risk management capabilities.

- (ii) Second, BPCE's rating incorporates a very high probability of systemic support from the government of France. As such, BPCE's Aa3 senior debt rating also receives a four-notch uplift from its Adjusted BCA to reflect this potential systemic support.

In light of the above, an upgrade of the long-term debt and deposit ratings is unlikely, as it would require both an upgrade to the BCA while maintaining the current four notches of systemic support, which is an above-average level in France.

The impact of a downgrade to BPCE's standalone BFSR would depend on the strength of the Groupe BPCE and may therefore be offset by greater co-operative support, resulting in an unchanged Adjusted BCA. Although Moody's is currently conducting a global re-assessment of government support,¹ the upward pressure on BPCE's Adjusted BCA could also mitigate a potential reduction in systemic support uplift.

Recent Credit Developments

On 15 July 2011, the **European Banking Authority** (EBA) published the results of an EU-wide stress test, to which Groupe BPCE was subject, along with 90 other banks. We note that the information disclosed by Groupe BPCE as part of the EBA exercise is in line with information available to us, and as such, the ratings for Groupe BPCE are unaffected by the EBA test and related disclosures.

Groupe BPCE's core Tier 1 capital ratio at end-2012 under the EBA adverse stress scenario is projected to be 6.8%, compared to 7.8% at end-2010 per the EBA's definition. This is above the minimum 5% threshold but towards the lower end of the distribution of outcomes when compared to its rated peers which also participated in the tests. This outcome reflects a combination of factors, notably (i) almost €8 billion of cumulative impairment losses on banking book assets; (ii) almost €2 billion of cumulative gross losses on its trading book; and (iii) a 26% increase in risk-weighted assets, largely due to higher risk-weightings on securitisation positions.

Although the final capital ratio is below average, this reflects the lower starting point, and overall, the EBA tests anticipate that the group has a good capacity to resist stress. Under the adverse scenario used by the EBA, the group remains profitable, and indeed the reduction in its capital ratio of 1pp is slightly better than average and reflects higher RWAs rather than income statement losses. We note moreover the group's plans to continue to de-risk its balance sheet, in particular through the efforts of Natixis to refocus on its core activities, and the potential disposal of non-core assets, as illustrated by the recent sale of Foncia, which BPCE estimates added over 25bps to its Core Tier 1 capital ratio.

Groupe BPCE published updated information on its exposures to sovereign bonds by country. The bank notably disclosed €1.2 billion of net direct exposure to the Greek government debt, €264 million to Irish government debt, €255 million direct exposure to the Portuguese government debt and €1 billion direct exposure to the Spanish government debt, as at 30 June, 2011. Of the Greek exposure, €390 million is eligible for the private sector support plan, which was therefore written down by 21% in the first half of 2011, resulting in an impairment charge of €83mn. This leaves €836mn of longer-dated debt unimpaired.

Please also refer to Moody's Special Comments entitled "European Bank Stress Test Brings Wealth of Disclosure, but Defers Capital-Strengthening Measures" dated 18 July 2011, and "Moody's comments on individual banks included in European Stress Test", dated 29 July, 2011.

¹ Please refer to our special comment "[Supported Bank Debt Ratings at Risk of Downgrade Due to New Approaches to Bank Resolution](#)", published in February 2011

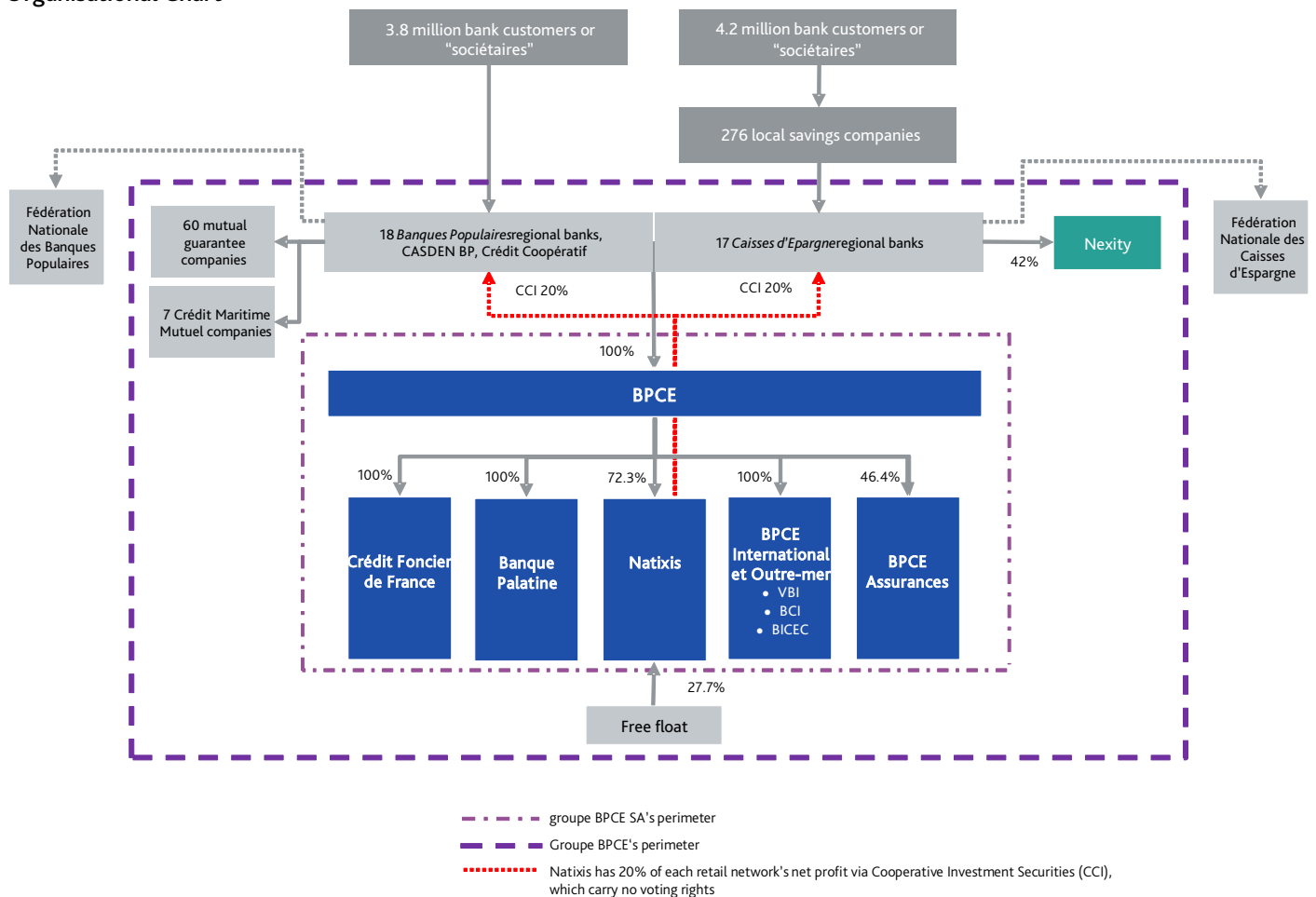
Group Structure

A mutualist structure organised around its central institution, BPCE

Groupe BPCE is a mutualist group with “*Sociétaires*” owning the two retail networks, the *Banques Populaires* regional banks (BP) and the *Caisses d'Epargne* regional banks (CE). Each network previously had its own central institution, but they now share a common central institution that they jointly own, BPCE.

EXHIBIT 1

Organisational Chart



Existence of strong internal solidarity mechanisms

Moody's views Groupe BPCE's internal solidarity mechanisms as very strong. According to the Article L.512-107-6 of the French Code *Monétaire et Financier*, BPCE is responsible for ensuring the liquidity and the solvency of its affiliated companies, and managing and organising the financial solidarity mechanism within the BP and CE networks.

The principle of the solidarity mechanism is the existence of the internal guarantees funds, accessible to each affiliated member in case of default. BPCE's support mechanism is based on three funds, totalling at least €1.1 billion together. The two historical funds of the *BP* network and the *CE* network

each contributes €450 million while the *Fonds de Garantie Mutuel* (FGM) is funded via an additional contribution from each network. Every year, the *BP*, the local *CE* and their subsidiaries must allocate to the funds 5% of their contribution to the group's consolidated earnings, up to a maximum limit of 0.3% of the group's risk-weighted assets (RWA). Overall, the total amount of the funds deposited with BPCE shall not be lower than 0.15% of the group's RWA, i.e. above €600 million as at end-December 2010.

In the case of necessary support, BPCE can require the intervention of the *BP* or the *CE* under the terms of the support mechanism before drawing on any of the three funds cited above. Notably, in the event of a local network default, the bailout must first rely on the fund of its affiliated network. If the fund cannot afford any supplemental bailout, the amount will be withdrawn from the FGM and then, if necessary, from the mutual guarantee fund of the other network. Conversely, if the at risk entity is BPCE or one of its subsidiaries, the funds would be withdrawn from the FGM until exhausted, then the *BP* and *CE* funds would be equally impacted. If both of these funds are exhausted, the parent companies are called within their capacities.

We note that this internal mechanism covers all the affiliated members of the group, which include all the *BP* and *CE* regional banks, Natixis, Crédit Foncier de France, Banque Palatine and Locindus.

Business Activities

A diversified franchise with a strong commercial banking bias towards retail and professional clients

Through its mutualist network and its subsidiaries, Groupe BPCE provides a wide range of financial products and services including corporate and investment banking, asset management, private equity and private banking, receivables management and most importantly retail commercial banking to individual, SMEs, corporates and institutional customers in France and internationally.

Business activities are organised into four segments: (i) Commercial Banking and Insurance; (ii) Corporate and Investment Banking, Investment Solutions and Specialised Financial Services (CIB, Investment Solutions and SFS); (iii) Equity Interests; and (iv) Activities Managed on a Run-off Basis; and Other Businesses (corporate centre).

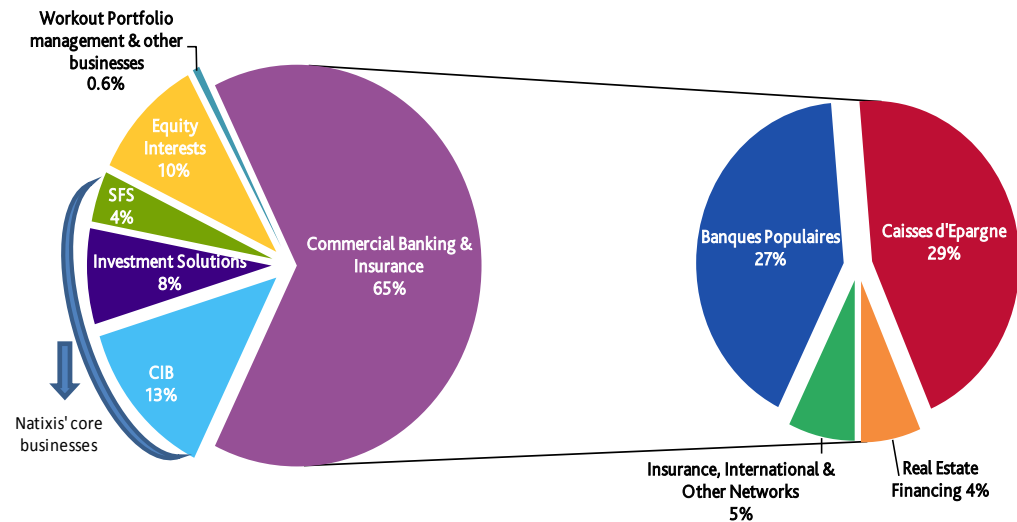
Commercial Banking and Insurance activities are mainly undertaken under the umbrella of the two co-operative networks, the *BP* and *CE* regional banks. Under the group strategy the *BP* and *CE* networks operate separately under their respective names in commercial banking. The two mutualist networks, which are at the heart of the group activities and represent the bulk of the group revenues, perform retail banking, corporate and SME lending, and insurance activities.

The group is active in life and non-life insurance through Natixis Assurances and BPCE Assurances. The group also consolidates 15.7% of CNP Assurances, a leading personal insurer in France, with a domestic market share of around 18%. Internationally, BPCE conducts business in Central and Eastern Europe, the Mediterranean basin, Central Africa and the Indian Ocean region.²

² For more details, please refer to Moody's [Company Profile published on BPCE](#).

EXHIBIT 2

Breakdown of Groupe BCPE's 2010 net banking income by business activities



Source: Company Report, FY 2010

The other networks include Crédit Foncier de France and Banque Palatine. As of 31 December 2010, the Commercial Banking and Insurance segment was the largest contributor to Groupe BPCE's results (79%) with a net income group share of €2.9 billion.

Focus on Banque Palatine

Moody's assigns a standalone bank financial strength rating (BFSR) of C- to Banque Palatine, which maps to Baa2 on the long-term scale. The bank focuses on delivering SME financing, retail banking and asset management services, with a strong mid-market bias, through a network of 51 branches. The rating reflects the bank's modest overall franchise and its sound capitalisation, but is constrained by its otherwise relatively weak financial fundamentals.

Banque Palatine's global local currency (GLC) deposit ratings are Aa3/P-1. Moody's assessment of a very high probability of co-operative group and systemic support results in a five-notch uplift in the bank's long-term GLC deposit rating from its Baa2 standalone credit strength. Banque Palatine's long-term ratings currently carry a stable outlook, reflecting the stable outlook of its parent company, BPCE (Aa3/P-1/C-, stable outlook).

Banque Palatine is now 100% directly owned by BPCE and benefits from the strong solidarity mechanisms prevailing within Groupe BPCE (as an affiliated member).

The business line **CIB, Investment Solutions and SFS** represents Natixis' core activities. Under CIB activities, Natixis offers a range of financing and capital market products and services including advisory, origination, structuring and distribution facilities to companies, institutional investors, insurance groups and banks. The bank has key expertise in structured finance, especially in aircraft finance, project finance, commodities and structured export credit, and pursues its development in Capital Markets (Equity and Fixed Income). We note positively that the group has phased out non-strategic CIB businesses, such as some shipping exposures and selective geographical activities, corporate financing in Germany and LBOs in non-core markets, including the US.

The bulk of the Investment Solutions business stems from asset management activities, through Natixis Global Asset Management, which has a large international “multi-boutique franchise” and is one of the largest asset managers in Europe, with €533 billion assets under management (AuM) as at end-June 2011. The Investment Solutions business also includes insurance, private equity and private banking activities.

Under Specialised Financial Services (SFS) activities, Natixis performs various banking services such as factoring, leasing, consumer finance, sureties and financial guarantees, employee benefit planning, payments and Securities Services. Some of these activities are offered to the group's retail networks, and are increasingly connected and leveraged with the networks as part of the strategic re-orientation of the group.

The **Workout portfolio management** unit includes contributions made by the legacy portfolios of Natixis (*Gestion Active des Portefeuilles Cantonnés* or GAPC) which are mostly guaranteed by BPCE. **Equity Interests** contains the group's participations which are considered non-core, such as Natixis' interest in credit insurer Coface (A2/P-1, stable outlook) and the remaining part of Natixis Private Equity, the majority of which was sold to AXA Private Equity in September 2010. The segment also includes a participation in Nexity, a specialised real estate company.

Key Issues

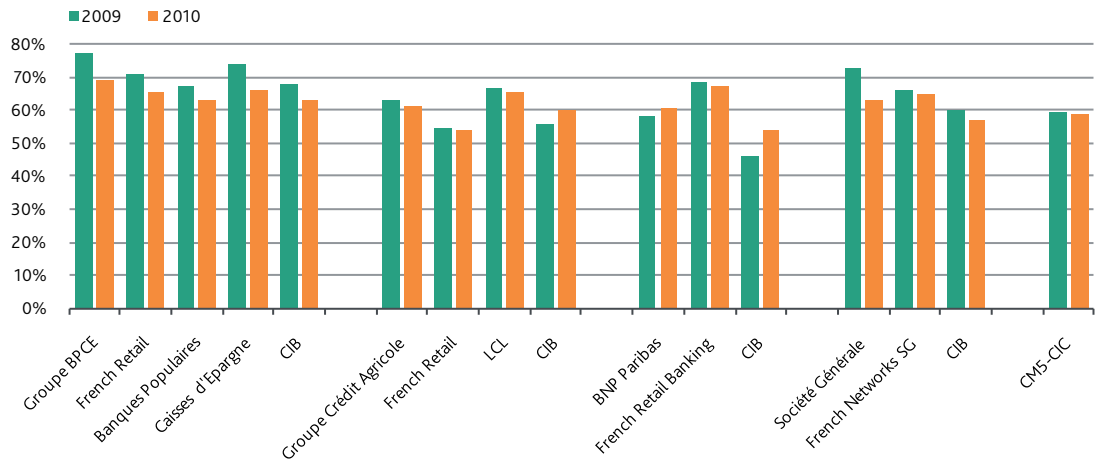
Achieving expected synergies from the networks and Natixis, and further improving operational efficiencies proves challenging

We believe that the group has still large operational efficiencies to achieve. Given its unique mutualist structure, with two separate networks, Groupe BPCE duplicates many services, processes, departments and IT systems. Since the creation of BPCE, the group has sought to eliminate such duplication and to move towards a more integrated and cohesive group. Notably, BPCE aims at further leverage Natixis' products and expertise with its twin network but also release some synergies between the two networks themselves.

As announced in the group's 2013 strategic plan (published in February 2010), BPCE expects to generate €810 million in revenue synergies and €1 billion in cost synergies by 2013. As of end-June 2011, the group has already achieved more than one third of this plan, through €424 million in revenue synergies and €564 million in annualised cost synergies. These were derived mainly through (i) the merger of GCE Paiements and Natixis Paiements to create a dedicated player into the field of payment activities, (ii) the consolidation of leasing activities within Natixis (acquisition of Cicobail by Natixis from Crédit Foncier de France), (iii) the creation of *BPCE Achats* with the aim to optimise the operational purchases of the group, and (iv) the achievement of the transfer of CE regional banks to a unique IT platform.

EXHIBIT 3

Cost-to-Income ratio BPCE vs. French peers



Source: Company reports

These actions are helping improve efficiency, as seen through lower cost-to-income ratios (please refer to exhibit 3), even though these remain higher than some competitors. This can be explained by a historical backlog in terms of harmonisation of industrial processes and IT systems, which is more acute at CE level than at BP level.

Limited growth prospects in a mature domestic market will motivate international expansion

Due to the historical mutualist roots of its two networks, Groupe BPCE's activities are largely concentrated in France compared to other French peers. The group has sizeable market shares in France, particularly in retail deposits and mortgages as well as in corporate and SME lending. Although BPCE's positioning appears to be relatively strong in a highly concentrated domestic market which exhibits high barriers to entry, the French banking market is very mature and growth prospects are limited.

Aside from the group's challenges regarding restoring profitability and efficiency (see previous section), we believe that, from a long-term perspective, the group lacks growth drivers because of its narrow geographical scope. To avoid a gradual erosion of its profitability, the group has planned to dedicate around €1 billion over the next three years to develop its overseas franchise. Although BPCE already has an international presence in retail and commercial banking activities – particularly in Africa (Cameroon, Congo, together with recent acquisitions in Mali and Madagascar), in Central & Eastern Europe (through its VBI stake) and in Italy (15% stake in Banca Carige) – overall, its international exposure is limited.

Natixis itself is more geographically diversified, with strategic platforms in the US, Japan and in emerging markets, in particular in the Middle-East and Asia, where Natixis leverages its expertise in commodities financing and capital markets. While still limited, Natixis' presence in Asia is key for the group, to develop a regional footprint and expand its CIB activities with large corporate clients and financial institutions. As stated in the group's 2010-2013 strategic plan, the group will likely expand its CIB presence in Asia. Although this could be positive from a franchise perspective where Natixis has a competitive edge, Moody's is cautious about the risks of such an approach.

Legacy exposures to structured finance assets – albeit reduced – could further weigh on profitability

BPCE is still materially exposed, via Natixis' legacy portfolio (GAPC), to the US structured finance assets. In August 2009, BPCE announced that it would guarantee in large part this portfolio in order to support Natixis's standalone capital position. At end-December 2010, the legacy portfolio amounted to a notional of €32.7 billion (vs. €40.6 billion in Q4-2009), excluding US agencies, and a net book value of €27.2 billion (vs. €34.9 billion in year-end 2009). BPCE was heavily impacted by structured finance-related write-downs, which all together have accounted – as per Moody's calculation – to about €6 billion before tax since the beginning of the global financial crisis in 2007. Those write-downs were against an array of credit market assets, including CDOs of US leverage loans and CDOs of US sub-prime RMBS.

We acknowledge the substantial de-risking achieved by the group regarding this legacy portfolio, with RWAs reducing to €14.5 billion at end-June 2011 from approximately €30 billion at end-June 2009. Part of this reduction was attributable to the disposal of the bulk of complex credit derivatives to an external third party, and which resulted in a reduced risk profile.

Additionally, a non-negligible portion of the legacy portfolio is still covered by monoline insurers. In an environment whereby monoline insurers may yet face pressure, Natixis could face further provisions of value adjustments on those hedged assets, which comprise CDO, CLO, RMBS and CMBS underlying assets. Under Moody's stress-test scenario analysis, the GAPC portfolio could still weigh on BPCE's fundamentals, although capital buffers appear adequate.

Basel III future capital requirements will pose some challenges to the group

We believe that Groupe BPCE will be materially impacted by the changes in capital requirements announced by the Basel Committee (the so-called Basel 2.5 and Basel 3 proposals). BPCE's regulatory capital ratios would likely deteriorate due to more extensive capital deductions from Core Tier 1, notably in respect of insurance subsidiaries, minority interests and deferred tax assets. Groupe BPCE has estimated that these developments will together reduce its Common Equity Tier 1 ratio by around 105bp, without taking into account the positive benefits of moving to the Basel 2 advanced approach for certain portfolios, future retained earnings, and potential changes to the balance sheet. In addition, BPCE's Tier 1 capital has a substantial component of hybrid capital instruments, which would gradually be reduced over time.

During Q2-2011, BPCE announced the disposal of its majority stakes in Foncia (98%), a French residential property manager and Eurosic (52%), a commercial real estate investment trust. These actions had a positive impact of over 25 basis points on Groupe BPCE's Core Tier 1 in July 2011.

Analysis of Rating Considerations

Moody's assigns a standalone BFSR of C- to BPCE, which maps to Baa2 on the long-term scale. This rating reflects BPCE's second-largest retail market share in France, built on its two universal networks. Furthermore, the group can rely on its subsidiary Natixis, which delivers CIB, asset management and other diversified financial services (e.g. payments, leasing, consumer finance). The reliance on Natixis also facilitates an integrated manufacturing platform for dedicated and specialised products to the rest of the group.

Conversely, BPCE's C- BFSR is constrained by (i) the challenges of improving the efficiency and risk-weighted profitability of its mature retail network; (ii) delayed post-merger initiatives, especially the integration and rationalisation of complex functions such as risk management; and (iii) the relatively

high risk profile of Natixis. In particular, the structured finance assets carried on Natixis' books, which are guaranteed by BPCE, continue to pose potential tail risks.

Discussion of Qualitative Rating Drivers

Franchise Value

Significant footprint in the domestic market

Groupe BPCE is the second-largest banking player in France behind Groupe Crédit Agricole, with high market shares in retail banking: 21% in mortgage loans and 22% in domestic deposits. Under the group strategy, the *BP* and *CE* networks operate separately under their respective names in commercial banking. However, both are highly complementary in terms of positioning, as each network has its own particular expertise and franchise. The *BP* network benefits from strong market positions in France, with a particular focus on professional clients and SMEs, due to a diversified product suite. The *CE* network mainly serves households, due to the group's real-estate and mortgage-finance focus, and the widely recognised brand name of *Crédit Foncier de France* and its leading position in covered bond issuance.

Groupe BPCE has several international retail banking businesses, particularly in Northern and Sub-Saharan Africa, but the group's exposure to emerging markets is more modest than for some French and European peers. Considering the recent North African political unrest and the risks it could pose going forward, we note that BPCE's exposures to this region remain extremely limited. The three largest exposures stem from the 60% interest in *Banque Tuniso-Koweitienne* and Natixis' presence in Algeria and Egypt.

The group's minor foray into growing and under-banked markets has not yet yielded obvious opportunities. Nonetheless, Moody's believes that BPCE had achieved a good degree of geographical diversification over recent years, notably through Natixis, and mainly in the Western hemisphere. However, we note that its strategic plan favours cross-selling with Groupe BPCE's clients, mostly in France and Europe.

Through its 72% stake in Natixis, the group is well positioned in corporate and investment banking both in France and Europe, with solid market positions in corporate lending and several specific structured finance activities (particularly commodities and aircraft finance). Natixis also benefits from leading market positions in a range of sophisticated financial services. For instance, Natixis ranks in the world's top 15 asset managers via a "multi-boutique franchise". We believe that this multi-specialist approach across a wide suite of dedicated competencies represents Natixis' core strength which, under more benign market conditions, has material potential.

Focus on Natixis

The D+ BFSR (stable outlook) assigned to Natixis, maps to Baa3 on the long-term scale. The rating incorporates the bank's second-tier positioning in its core corporate and investment banking activities coupled with its strong franchise in asset management and solid market positions in some specific structured finance activities (particularly in commodities and aircraft finance). The rating also reflects the bank's strategic decision via its "New Deal" plan to maintain diversified revenue sources and focus on less capital-intensive and on mostly client-driven activities in order to strengthen synergies and increase focus with clients of its majority shareholder BPCE. The D+ BFSR also incorporates the bank's restored profitability prospects, thanks notably to the guarantee provided by BPCE on Natixis' highest-risk assets from 30 June 2009.

Natixis' Global Local Currency (GLC) and Foreign Currency Deposit ratings are at the level of Aa3/P-1 (stable outlook), reflecting:

- i. Natixis' Baa3 BCA;
- ii. Moody's assessment of the "full support" expected from BPCE, derived from Natixis' legal affiliation to the mutualist group, and its access to the solidarity mechanisms and cross-guarantees prevailing within the mutualist group;
- iii. The strategic importance of Natixis for Groupe BPCE as its CIB arm and financial services provider;
- iv. Moody's assessment of the "very high" probability of systemic support for the enlarged Groupe BPCE in the event of need.

These elements result in a six-notch uplift for Natixis' GLC and Foreign Currency Deposit Ratings of Aa3/P-1, from a Baseline Credit Assessment of Baa3.

Increased earnings stability through reduced risk profile

Moody's considers Groupe BPCE's earnings base to be relatively stable, as earnings largely derive from domestic retail and commercial banking activities which are, by nature, relatively stable. The most volatile earnings stem from Natixis' CIB activities as well as from the legacy portfolio (GAPC activities). Natixis is fully consolidated within Groupe BPCE's accounts. That said, Natixis' CIB activities generally only accounts for 13% of Groupe BPCE's net banking income as at end-December 2010.

Through its four-year strategic plan initiated in 2010, the group's risk profile has been reduced through the deleverage of the GAPC assets, and through Natixis' reorientation towards its core strengths and refocus on cross-selling with the group's clients. We note positively that Natixis has achieved a relatively diversified business mix. In 2010, more than 54% of Natixis' net banking income derived from non-CIB activities, particularly from asset management, insurance, factoring, leasing, payments and securities services activities, which historically exhibited more stable earnings than CIB activities.

Risk Positioning

Risk management has exhibited significant improvements but there is scope for further enhancement

Despite material improvements in the two former groups (GBP and GCE), we believe that BPCE's risk management still has room for improvement. In particular, the ongoing integration and development of a group-wide risk-management architecture takes time, and remains a key challenge

for Groupe BPCE. In particular, until the formal merger in 2009, Natixis operated largely independently from its former major shareholders BFBP and CNCE (historically 35% owned by each group).

We acknowledge the rapid implementation of a centralised risk management function following the merger. Moody's believes that the merger was positive from a risk-management standpoint, as it enables enhanced group-wide risk-management capabilities (including a single platform, group-wide risk culture and risk governance).

The group's central risk-management function has been reorganised and is now under the central institution's responsibility. A harmonisation of risk management has been undertaken across the group, thereby facilitating a stronger integration and supervision of subsidiaries (such as Natixis, Crédit Foncier de France and Banque Palatine) as well as the two networks.

We note that BPCE has recently taken steps to address key challenges: (i) the harmonisation of IT platforms; (ii) the improvement of some affiliates' reporting processes; (iii) the improvement of the methodologies underlying the Basel II/III calculations (including the implementation of the Internal Ratings Based (IRB) method for the CE retail exposures); and (iv) a further reinforcement of the tie-up and oversight of Natixis from BPCE. We expect further integration and supervision of the group's subsidiaries, especially Natixis.

That said, in our view, there are still some shortfalls linked to IT constraints and our assessment of Natixis' risk oversight. The risk-management function has been awarded material resources, independence and a high stature within the organisation, signalling that BPCE's management conferred increased importance to this issue.

As regards credit risk, although the group is mostly exposed to retail customers, we note that the largest exposures are to large corporates which arise from the consolidation of Natixis. In terms of industry concentration, BPCE is mostly exposed to the real estate sector due to its strong focus on the French housing market, via exposures on retail mortgages, Crédit Foncier de France and Nexity. Although on the whole we believe the market is generally sound, this above-average exposure to real estate could be an area of concern for BPCE. As mentioned into our recent Special Comment about the French housing market,³ we see signs of overheating in this market. Our most likely near-term scenario is a slowdown in house price growth or a moderate correction, which we believe French banks are adequately positioned to absorb.

However, an adverse stress scenario would be credit negative for the French banks, as higher levels of loss given defaults are unlikely to be offset by any significant increase in margins, given the competitive market in which they operate. Such a scenario would expose BPCE to higher-than-average potential risks, given the group's large exposure to the French housing market.

Market risk, as expressed by VaR, is relatively low compared to the group's core capital, although such measures do not always capture tail risks in trading activity. Although we believe Natixis has exited its riskiest positions, or placed them in a run-off mode, Groupe BPCE is still exposed to market volatility. Operational risks are also material within this business as demonstrated by the 2008 trading loss. Within the regional banks' retail networks, managing interest-rate risk is the main ALM objective, which is contained by limits and appears to be well monitored. The definition and implementation of appropriate market-risk management tools notably includes clear policies, limits and stresses. Consolidated measures of market risk continue to progress at Natixis and within the group.

³ Please refer to Moody's Special Comment entitled "[French Banks: Ability to Absorb Moderate house Price Correction, but Risks Increase](#)", published in June 2011.

Discussion of Quantitative Rating Drivers

Profitability

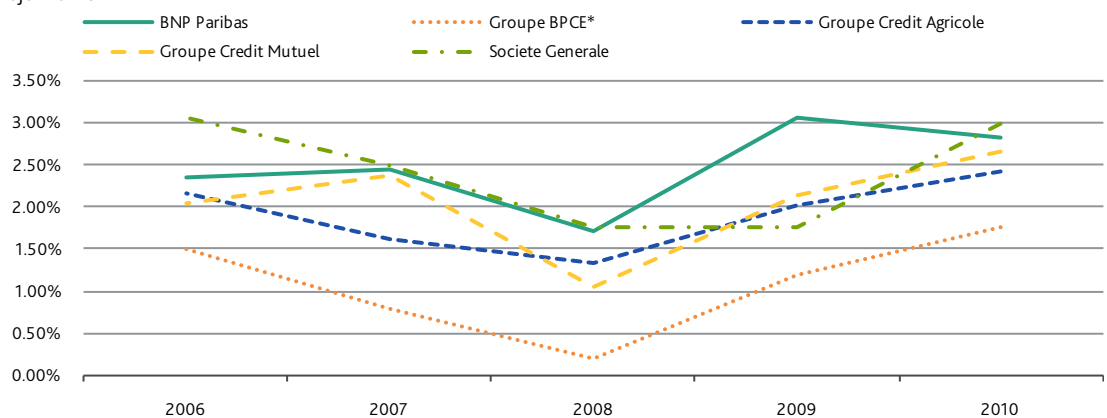
Weak profitability – albeit recovering – is BPCE's main challenge

Groupe BPCE's profitability indicators strongly recovered in 2010, after two years of poor results, mainly impacted by the losses from Natixis' discontinued activities. That said, Groupe BPCE's pre-provision income as a percentage of average RWAs remains low compared to some other French banks at 1.7% in 2010, while net income as a percentage of average risk-weighted assets returned to positive territory at around 1%.

EXHIBIT 4

Pre-Provision Income % Risk Weighted Assets

Major Banks



Source: Moody's

* Figures from 2006 to 2008 are aggregated risk-weighted figures of Groupe Banque Populaire and Groupe Caisse d'Épargne

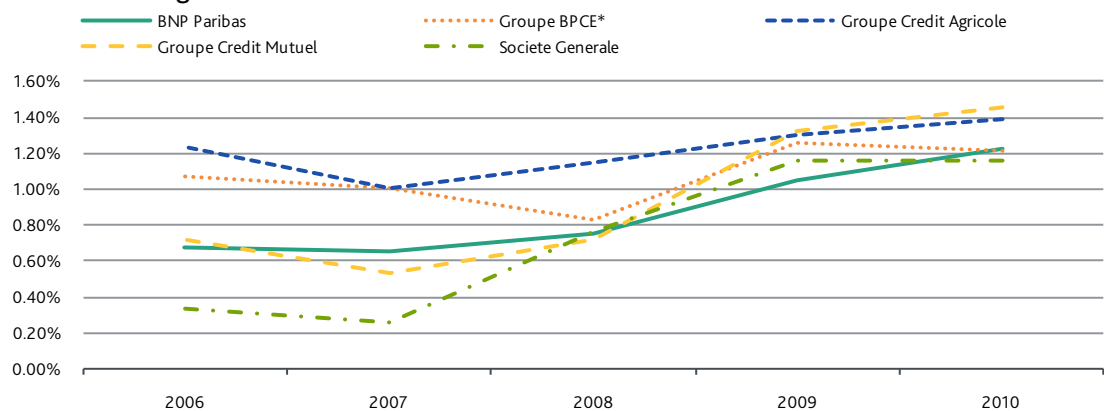
Historically, Groupe BPCE's profitability has lagged behind that of French competitors. This below-average profitability can be explained by the multiple challenges the group has faced in recent years:

- (i) Natixis' exposures to US structured-finance assets weighed heavily on the profitability of two former groups (GBP and GCE) during the global financial crisis. From 2009, the new group had to manage Natixis' de-risking plan and its refocus on core client activities in the period 2009-2010. Natixis' restructuring also constrained the group's profitability in recent years.
- (ii) The creation of the group and the merger of the old central institutions have been implemented rapidly during H2-2009. However, this major event absorbed time and resources, and generated duplicating effects and costs at inception. The benefits of the measures taken by the group to achieve the planned synergies are gradually starting to be realised, but will not fully materialise in the near future. The rationalisation of the group and implementation of cost reductions are still ongoing and will continue to weigh on BPCE's 2011 profitability;
- (iii) Groupe BPCE's profitability and margins were structurally lower than those of peers due to the group's strong concentration to France. The French market is a very mature banking market with strong domestic competitive pressure and low margins. BPCE's main competitors are more geographically diversified and benefit from their presence in higher-growth economic areas.

We note that BPCE's net interest margin compared well with those of its peers in the past years, thanks mainly to its lower reliance on market funding (see Liquidity section). However, considering

the group's predominant focus on domestic retail mortgages, we believe that margins could come under pressure going forward. Given an intense competitive environment, coupled with a dynamic rebound of the French housing market from H2-2009, boosted by very low interest rates, the group has been quite competitive as regards mortgage loan underwriting during the 2009-2010 period. In an effort to boost client retention and to attract new customer deposits,⁴ BPCE, and in particular the CE network, displayed an above-average mortgage loan production growth in 2010 and 2011, with outstanding housing loans through the twin networks rising 11% in the year to end-June 2012. As highlighted in our recent Special Comment about the French housing market,⁵ we caution that French banks have locked in low spreads on their recent housing loan production. Likewise this phenomenon may constrain BPCE's margins going forward.

EXHIBIT 5

Net interest Margin

* Figures from 2006 to 2008 are aggregated risk-weighted figures of Groupe Caisse d'Epargne and Groupe Banque Populaire
Source: Moody's

Additionally, Moody's expects profitability to remain broadly stable or soften slightly in the coming quarters, due to (i) potential pressure on margins in retail banking due to higher regulated savings rates and low spreads on new mortgage production; and (ii) a potential normalisation in impairment charges at Natixis, which remain cyclically low, in our view.

That said, these trends could be compensated by further synergies and Natixis's restored operating performance, as seen in 2010 and in the first half of 2011. We believe that the regional networks will continue to be the main drivers of the group's profitability, and Moody's expects that the underlying earnings capacity of both the BP and CE networks will help BPCE to restore its revenue stream. Overall, we view positively BPCE's ability to leverage the strengths of its diversified business model that should provide more sustainable, long-term recurring earnings.

Liquidity*Sound liquidity position favoured by large domestic retail deposits*

Liquidity management, which is carried out at group level, is satisfactory. Previously conducted within the former groups of GBP and GCE, Groupe BPCE implemented a new centralised ALM function with the merger, whereby group committees are responsible for identifying both gaps and limits, as well as defining common rules of ALM across the group. BPCE, as the group's central institution, is responsible for ensuring the liquidity and solvency of all its affiliates.

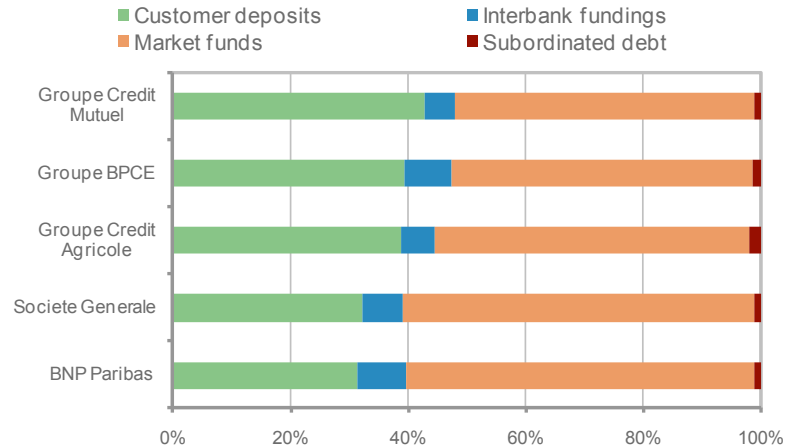
⁴ French banks tend to use mortgages as a flagship product to attract new clients and particularly deposits.

⁵ Please refer to Moody's Special Comment entitled "[French Banks: Ability to Absorb Moderate house Price Correction, but Risks Increase](#)", published in June 2011.

Groupe BPCE's benefits from its ample deposit base, and particularly its historical market share in regulated saving accounts, notably the *Livret A*, via the CE network. Although the generalisation of the distribution of *Livret A* passbook accounts has been opened to all domestic banks from January 2009,⁶ we note that the CE regional banks' client retention rate remain quite resilient. Natural outflows in the CE regional banks have been compensated by inflows in the BP network. As at end-December 2010, outstanding deposits under *Livret A* accounts increased to €79.6 billion, vs. €78.8 billion at year-end 2009.

EXHIBIT 6

Funding breakdown



Source: Moody's

Along with its mutualist competitors, BPCE exhibits a relatively well-balanced mix of funding with customer deposits representing almost 40% of total funding as at year-end 2010. That said, market funding remains a key component of the group's liquidity needs in common with other large French banks. The group has a long-term funding programme of €33 billion in 2011, of which 40% is derived from senior unsecured debt. BPCE had achieved 77% of its long-term funding programme as of 25 July, 2011, with debt raised at an average maturity of 4.6 years. Also, BPCE had €28 billion of short-term senior unsecured debt outstanding as of mid-April 2011, while Natixis had €58 billion of short-term debt outstanding. We note positively the group's funding diversification and, in particular, its ability to successfully place a substantial quantity of covered bonds, notably via Crédit Foncier de France, a well established European covered bond issuer.

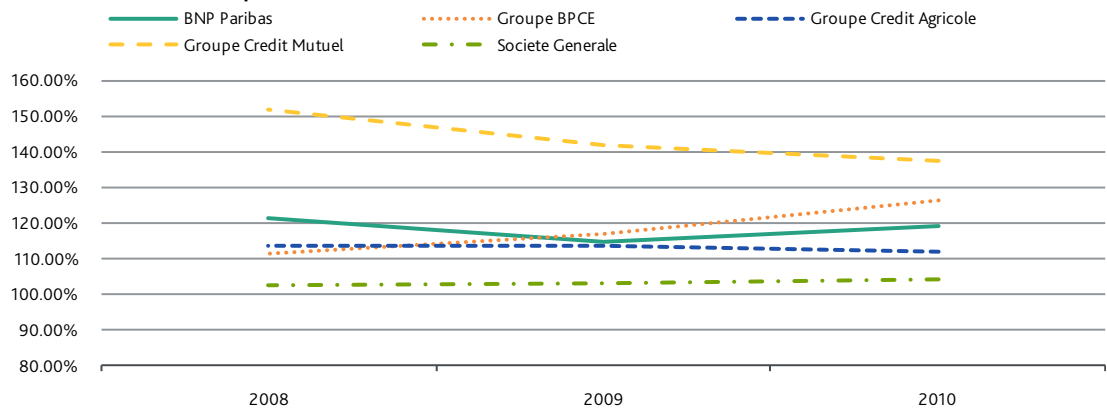
From a balance sheet perspective, Groupe BPCE's liquidity is structurally penalised by its sizeable loan book. The loan-to-deposit ratio rose to 126% as at year-end 2010, up from 111% in 2008, illustrating the dynamic commercial strategy of the group in recent years. Consequently, the group's liquidity ratio⁷ appears weaker than that those of French peers.

⁶ Please refer to Moody's special comment entitled "[Debate over the Livret A highlights importance of deposits funding](#)" published in January 2011

⁷ Moody's liquidity ratio is measured as market funds minus liquid assets as a proportion of total assets. The lower the ratio, the better is the liquidity position of the bank.

EXHIBIT 7

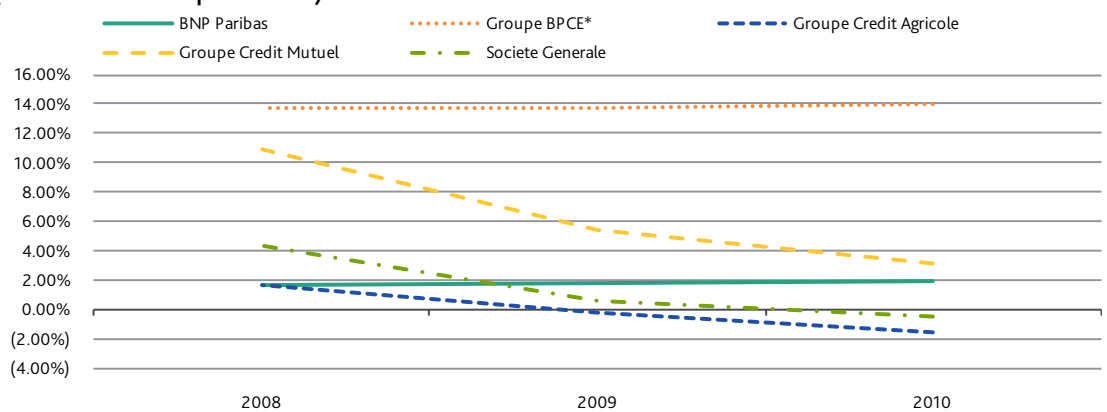
Gross Loans / Total Deposits



* 2008 Figures are aggregated figures of Groupe Banque Populaire and Groupe Caisse d'Epargne
Source: Moody's

EXHIBIT 8

(Market funds - Liquid Assets)/ Total Assets



2008 Figures are aggregated figures of Groupe Banque Populaire and Groupe Caisse d'Epargne
Source: Moody's

In common with other French banks, one of the key challenges for BPCE is to re-intermediate part of its financial savings onto the balance sheet. In anticipation of Basel III future liquidity requirements, banks are likely to favour the sale of balance sheet products. French banks' retail clients generally have sizeable savings (including life insurance and money market mutual fund products) which are off-balance sheet (these savings represent over €200 billion for BPCE as at end-March 2011).

Overall, we view BPCE's liquidity position as robust in light of the group's large deposit base.

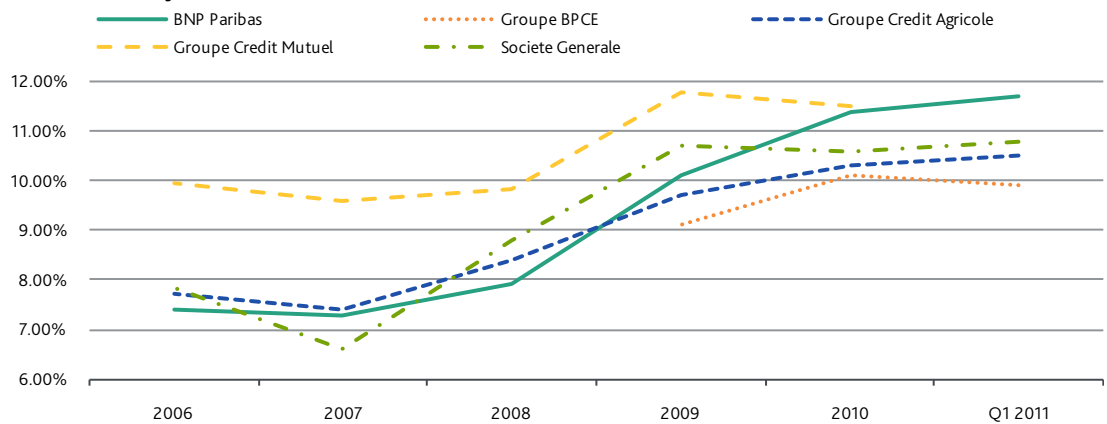
Capital Adequacy

Adequate solvency sustained by a reduced risk profile

With a core Tier 1 ratio of 8.5% at end-June 2011, in our view, Groupe BPCE's capital adequacy is satisfactory. We note positively that BPCE has fully reimbursed the state aid received, the last repayment having been paid back during Q1-2011. For reference, BPCE received €7.05 billion in temporary state aid from the French government, via the issuance of preference shares and deeply subordinated bonds (*titres super subordonnés* or TSS) from the former central institutions. Excluding

Dexia, BPCE was the last French bank to repay state aid. Given its high cost, BPCE clearly prioritised the repayment of this state aid, initially scheduled to be completed by 2013. The bank gradually repaid this through internal capital generation and also through selective asset disposals, as illustrated by the agreement signed with Crédit du Nord for the sale of Société Marseillaise de Crédit (SMC) in June 2010.

EXHIBIT 9

Tier 1 ratio - Major Banks

Source: Moody's

On a relative basis, BPCE's solvency appears weaker than some major French banks. However, the group is adversely affected by the slow implementation of the IRB method for the CE retail exposures. The eventual transition is expected by BPCE to add about 60bp to the Core Tier 1 ratio, which would largely close this gap. Commercial banking activities, including retail activities, account for the majority of the group's RWAs (70% as at end-June 2011).

Additionally, we positively note the reduced risk profile of the group, in particular the efforts made at Natixis level in recent years. Natixis, including its GAPC, now accounts for less than a third of the group's RWAs (€104 billion as at end-June 2011, excluding Cooperative Investment Certificates' impact).

Overall we regard BPCE's capitalisation as satisfactory given the bank's risk profile. Under our stress-test scenario, BPCE is able to absorb further losses stemming from Natixis' loan portfolio and GAPC assets in the context of its capitalisation, with a Core Tier 1 ratio of 8.5%, a Tier 1 ratio of 10.2% and absolute Tier 1 capital of €41.4 billion as of end-June 2011.

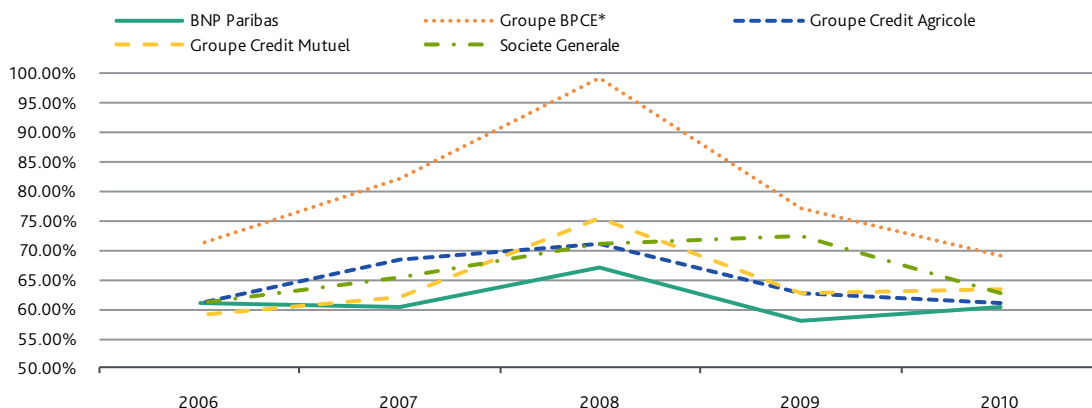
Efficiency

Achieving planned synergies and cost reductions is BPCE's top priority to bridge the efficiency gap

As explained above, the group still has to address further integration and synergies internally and continue to improve its efficiency, particularly within the twin networks and Natixis. The recent results for the first half of 2011 show that the group appears to be on target to address this key challenge. Despite the progress made, Groupe BPCE's efficiency is weak, with a cost-to-income ratio of 69% at year-end 2010, albeit improved from over 100% in 2008 (as calculated by Moody's).

EXHIBIT 10

Cost-to-Income Ratio



* Figures from 2006 to 2008 are aggregated figures of Groupe Banque Populaire and Groupe Caisse d'Epargne

Source: Moody's

This reflects to a certain extent the business mix of the group, as well as the historic structural inefficiency inherited from Natixis and the CE network.

In the medium term, BPCE's efficiency should further benefit from the post-merger savings schedule engaged in the context of the 2010-2013 strategic plan, which includes the "New Deal" plan launched at Natixis. The group aims at a closer integration of some of Natixis activities within its parent BPCE. As such, Natixis intends to significantly enhance its operating efficiency and control its costs. Given the recovery at Natixis in 2010, we expect efficiency to improve materially.

Asset Quality

High level of asset quality overall

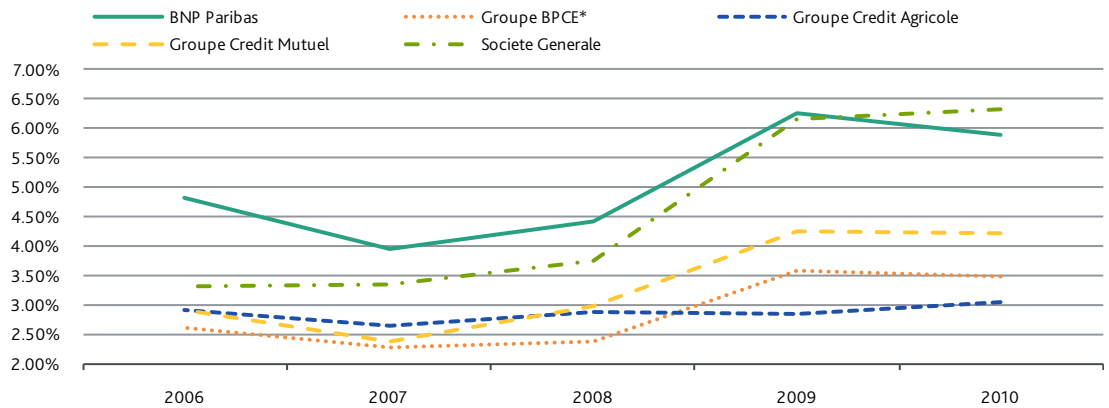
Groupe BPCE's asset quality strongly improved in 2010. The bank's asset quality indicators sharply deteriorated during the first half of 2009, as a result of further depreciation and provisioning of Natixis' legacy assets (GAPC assets) as well as higher provisioning levels on specific business sector (real estate and LBOs in particular).

On the back of improved macro-economic environment and market conditions, BPCE's asset quality indicators recovered significantly in 2010. Groupe BPCE's cost of risk remains low compared to peers, as illustrated by an annualized charge of 32bps in 2Q11 (excluding Greek bond impairments)⁸, reflecting the low risk profile of domestic retail activities.

⁸ Annualised basis points on gross customer loan outstanding at the beginning of the period.

EXHIBIT 11

Problem Loans % Gross Loans

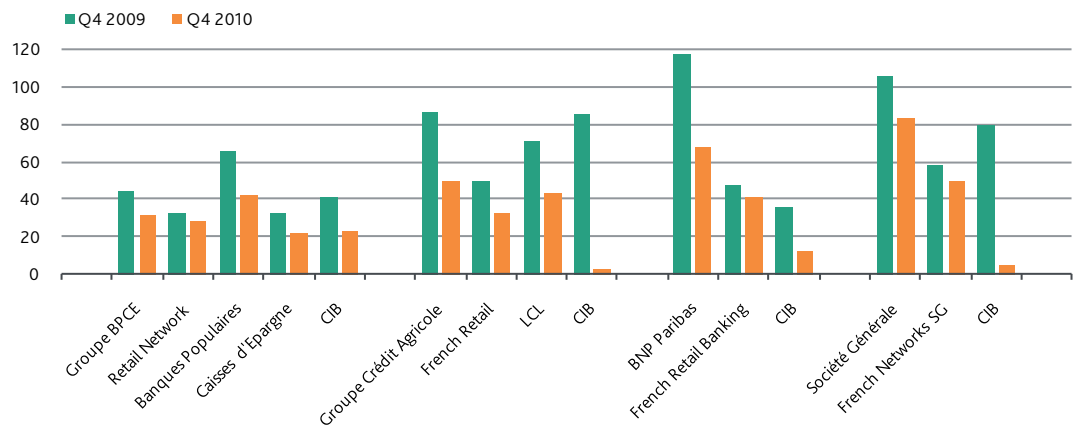


* Figures from 2006 to 2008 are aggregated figures of Groupe Banque Populaire and Groupe Caisse d'Epargne
 Source: Moody's

Looking at each business lines, BPCE's asset quality is high and improving in all segments. Asset quality in the BP network is structurally lower due to the strong focus on SMEs and professionals.

EXHIBIT 12

Cost of Risk BPCE vs. French peers



Source: Moody's

While we expect a deterioration of macroeconomic conditions in the euro zone, and as France is expected to come under increasing pressure from financial markets to tighten fiscal policy earlier than planned, we believe that BPCE's cost of risk peaked in 2009. Although asset-quality indicators will certainly not revert to pre-crisis levels, we expect them to stabilise in the coming years.

Discussion of Support Considerations

Given Groupe BPCE's position as the second largest retail and commercial bank in France, Moody's continues to assess the probability of systemic support for the group in the event of need as very high. Currently systemic support accounts for a four-notch uplift and cooperative support accounts for a one-notch uplift. Combining both forms of support, BPCE receives a five-notch uplift for the Aa3 deposit and debt ratings from the Baa2 BCA. However, we caution that Moody's is currently reassessing the appropriate level of systemic support for European financial institutions. Please refer to our special comment "[Supported Bank Debt Ratings at Risk of Downgrade Due to New Approaches to Bank Resolution](#)", published in February 2011.

Notching Considerations

Ratings for BPCE's senior subordinated obligations are notched off its fully-supported long-term GLC deposit rating. Moody's assigns a rating of A1 (with stable outlook) to these senior subordinated obligations.

The ratings for the bank's hybrid obligations are notched off the adjusted BCA of Baa1 according to "Moody's Guidelines for Rating Bank Hybrid Securities and Subordinated Debt" released on 17 November 2009. For more details about the ratings on BPCE hybrid securities please refer to Moody's press release published on 25 February 2010, which fully describes our latest rating action on BPCE.

EXHIBIT 13

Mapping the BFSR to the Baseline Credit Assessment (BCA)

The discussions of qualitative and quantitative rating drivers presented in this report forms the analytical basis for assigning a Bank Financial Strength Rating (BFSR) of “C-” to BPCE.

BFSRs are Moody's opinions on the intrinsic safety and soundness of a bank enterprise and, in effect, address the susceptibility of a particular institution to financial distress.

The BFSR array of ratings is not on Moody's traditional rating scale (Aaa, Aa, etc.). However, there is a useful method for translating BFSRs to Moody's traditional scale – the baseline credit assessment, which, in effect measures a bank's standalone default risk assuming there is no systemic or other external support.

BPCE's “C-” BFSR maps to a baseline credit assessment of Baa2; however, considering external support factors, its deposit ratings are Aa3.

BFSR/Baseline Credit Assessment Mapping for Groupe BPCE

BFSR	Baseline Credit Assessment (BCA)
A	Aaa
A-	Aa1
B+	Aa2
B	Aa3
B-	A1
C+	A2
C	A3
C-	Baa1
C-	Baa2
D+	Baa3
D+	Ba1
D	Ba2
D-	Ba3
E+	B1
E+	B2
E+	B3
E	Caa1
E	Caa2
E	Caa3

Company Annual Statistics

Groupe BPCE	2010' A	2009' A	2008' A
ASSETS			
Cash and Balances with Central Bank	24,143.00	13,069.00	19,167.00
Loans due from banks and other financial institutions	140,546.00	146,448.00	155,270.00
Allowance for impairment losses on Financial Institutions	383.00	--	--
Allowance for impairment losses on Financial Institutions	343.00	--	--
Allowance for impairment losses on Financial Institutions	40.00	--	--
Loans and receivables due from credit institutions - other	140,929.00	146,448.00	155,270.00
Securities and Investments	244,767.00	269,417.00	373,202.00
Financial Assets held for trading	130,734.00	156,259.00	256,671.00
Other financial assets designated at fair value through profit or loss (FVTPL)	36,789.00	38,454.00	48,059.00
Financial Investments/ Investment Securities	77,244.00	74,704.00	68,472.00
Available for sale securities	68,057.00	65,853.00	59,305.00
Investment securities (held to maturity)	9,187.00	8,851.00	9,167.00
Fair value of hedging derivative financial instruments / Portfolio hedge valuation adjustment (IFRS)	7,511.00	6,481.00	5,402.00
Fair value of derivative financial instruments (IFRS)	7,511.00	6,481.00	5,402.00
Fair value of derivative financial instruments - Hedging (IFRS)	7,511.00	6,481.00	5,402.00
Loans and advances to Customers (Gross) - Net of Allowance for Loan Losses	562,565.00	517,440.00	512,363.00
Loans to Customers (Gross)	573,807.00	528,301.00	521,446.00
Allowance for loan losses	11,242.00	10,861.00	9,083.00
Property, plant and equipment, net	5,084.00	5,379.00	5,119.00
Property, plant and equipment - Total	11,301.00	11,446.00	10,878.00
Property, plant and equipment	11,301.00	11,446.00	10,878.00
Accumulated depreciation	6,217.00	6,067.00	5,759.00
Investments in associates and joint ventures	2,425.00	2,329.00	2,104.00
Goodwill and other intangible assets	7,094.00	7,637.00	9,435.00
Goodwill - net	5,160.00	5,670.00	7,409.00
Goodwill - gross	5,134.00	6,980.00	7,409.00
Goodwill - allowance for impairment	(26.00)	1,310.00	--
Other intangible assets - net	1,934.00	1,967.00	2,026.00
Other intangible assets - gross	3,734.00	3,584.00	3,439.00
Other intangible assets - allowance for impairment	1,800.00	1,617.00	1,413.00
Other assets - Total	54,307.00	60,602.00	61,617.00
Other insurance-related assets	1,932.00	464.00	521.00
Other insurance-related assets - other	1,932.00	464.00	521.00
Investment properties	2,793.00	2,465.00	2,586.00
Assets held for sale and discontinued operations	43.00	--	--
Prepaid expenses	537.00	516.00	466.00
Deferred tax assets	4,728.00	5,464.00	5,136.00
Current tax assets	958.00	1,711.00	1,360.00

Groupe BPCE	2010' A	2009' A	2008' A
Accrued and deferred items	12,933.00	17,908.00	15,908.00
Other assets	30,383.00	32,074.00	35,640.00
Total Assets	1,048,442.00	1,028,802.00	1,143,679.00
LIABILITIES			
Due to Customers	393,992.00	367,717.00	371,053.00
Current and demand accounts	88,135.00	96,821.00	83,161.00
Savings accounts	204,762.00	202,728.00	203,990.00
Other Deposits	101,095.00	68,168.00	83,902.00
Due to Banks and other Financial Institutions	105,592.00	115,944.00	137,099.00
Deposits from Banks	13,008.00	14,947.00	16,283.00
Due to Central bank	490.00	214.00	843.00
Securities sold under agreements to repurchase (Repurchase Agreements)	45,644.00	31,348.00	39,181.00
Interbank Term Deposits/Certificates of deposit	46,450.00	69,435.00	80,792.00
Fair value of derivative financial instruments used for hedging / Portfolio hedge valuation adjustments (IFRS)	7,135.00	4,648.00	6,215.00
Fair value of derivative financial instruments used for hedging (IFRS)	7,135.00	4,648.00	6,215.00
Derivative liabilities - hedging (IFRS)	7,135.00	4,648.00	6,215.00
Trading liabilities	110,318.00	127,818.00	207,943.00
Trading liabilities - Trading derivatives	80,354.00	98,468.00	179,745.00
Trading liabilities - Others	29,964.00	29,350.00	28,198.00
Other financial liabilities at fair value through profit and loss	50,132.00	55,249.00	65,933.00
Other financial liabilities designated at fair value through profit and loss - Debt securities	48,869.00	52,714.00	61,955.00
Other financial liabilities at fair value through profit and loss - Deposits	1,263.00	2,535.00	3,978.00
Senior Bonds, Notes and Other Long-term Borrowings	222,890.00	204,410.00	207,834.00
Certificated liabilities/Bonds issued	136,313.00	124,755.00	135,505.00
Other long-term debt	86,577.00	79,655.00	72,329.00
Subordinated Debt	--	--	--
Other subordinated debt	--	--	--
Debt securities - hybrids	--	--	--
Other liabilities - Total	93,171.00	90,241.00	90,369.00
Insurance/Funds Management liabilities	45,506.00	41,573.00	38,104.00
Other Insurance/Funds Management liabilities (Accrued income/premium receivable)	45,506.00	41,573.00	38,104.00
Income tax liabilities	753.00	1,706.00	1,610.00
Provision for income tax	365.00	815.00	356.00
Deferred tax liabilities	388.00	891.00	1,254.00
Liabilities for post-retirement benefits	--	--	--
Accrued expenses	7,261.00	8,600.00	4,210.00
Other accrued expenses	7,261.00	8,600.00	4,210.00
Accounts payable	24,903.00	23,046.00	27,646.00
Reserves	4,791.00	5,285.00	5,042.00
Reserves - other	4,791.00	5,285.00	5,042.00
Other liabilities	9,957.00	10,031.00	13,757.00

Groupe BPCE	2010' A	2009' A	2008' A
Subordinated Debt (IFRS)	13,847.00	14,981.00	22,022.00
Subordinated notes (IFRS)	13,847.00	14,981.00	22,022.00
Other subordinated debt (IFRS)	--	--	--
Minority interest - liability	--	--	--
Total Liabilities	997,077.00	981,008.00	1,108,468.00
CAPITAL/SHAREHOLDER'S EQUITY			
Minority interest	3,980.00	3,806.00	3,698.00
Minority interests - Other	3,980.00	3,806.00	3,698.00
Common shares	26,819.00	26,589.00	20,179.00
Retained earnings - Total	21,049.00	18,230.00	13,212.00
Retained earnings	17,409.00	17,693.00	15,059.00
Retained earnings - Other	3,640.00	537.00	(1,847.00)
Hybrid equity credit	--	--	--
Accumulated other comprehensive income	(483.00)	(831.00)	(1,878.00)
Additional minimum pension liability adjustment	--	--	--
Unrealized gains /(losses) on securities	(483.00)	(831.00)	(1,878.00)
Unrealised (losses) on securities	(483.00)	--	--
Total Capital / Shareholders' Equity	51,365.00	47,794.00	35,211.00
Total Liabilities, Mezzanine and Shareholders' Equity	1,048,442.00	1,028,802.00	1,143,679.00

Moody's Related Research

Credit Opinions:

- » [BPCE](#)
- » [Natixis](#)
- » [Credit Foncier de France](#)
- » [Banque Palatine](#)
- » [Locindus](#)
- » [Coface](#)

Company Profile:

- » [BPCE, April 2011 \(132298\)](#)

Banking System Outlook:

- » [France, September 2010 \(125604\)](#)

Banking Statistics:

- » [Groupe BPCE](#)

Special Comments:

- » [French Banks: Ability to Absorb Moderate House Price Correction, but Risks Increase, June 2011 \(133954\)](#)
- » [Debate over the Livret A highlights importance of deposits funding, January 2011 \(130674\)](#)

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

Report Number: 134554

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