

## Press Release

**Groupe BPCE will be in a position to comply, by June 30, 2012, with the new 9% minimum capital adequacy ratio fixed by the European Banking Authority.**

Paris, October 27, 2011

From the moment of its inception, Groupe BPCE has taken steps to strengthen its capital adequacy. In the space of two years, the group's Core Tier 1 ratio has risen from 6.4%<sup>1</sup> in June 2009 to 8.6%<sup>1</sup> in June 2011, equal to an increase of 220 basis points. Over the same period, the group's Core Tier 1 capital has increased by a total of 11.3 billion euros<sup>2</sup>.

The goal fixed by the European Banking Authority of achieving a Core Tier 1 ratio of 9% under Basel 2.5 rules in June 2012 coincides perfectly with the group's own objectives, and represents a continuation of the strategy followed over the past two years. This target includes a safety cushion of 1 billion euros<sup>3</sup>, corresponding to the haircut on the group's exposure to European sovereign debt as calculated by the European Banking Authority. This limited haircut reflects the group's low exposure to the debt of the euro zone's peripheral states.

To achieve this target, the group must increase its Core Tier 1 ratio by approximately 80 basis points<sup>3 4</sup>. This will represent an increase in equivalent Tier 1 capital of 3.4 billion euros<sup>3</sup> in one year.

As in the past, the group's capital adequacy will be strengthened chiefly by the appropriation to reserves of undistributed earnings and by the continued, regular issue of cooperative shares, without there being any need to call on public funds.

Attaining this objective will be facilitated by the general adoption, scheduled for December 31, 2011 of the internal model approach<sup>5</sup> for the calculation of the risk-weighted exposure of all the group's retail banking activities. In this way, the group will be aligning its practices with those of all the other major French banking groups.

### **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'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 36 million customers and enjoys a strong presence in France with 8,000 branches, 117,000 employees and more than 8 million cooperative shareholders.*

---

### **BPCE Press Contact**

Terence de Cruz: 33-1 40 39 64 30  
Email: [presse@bpce.fr](mailto:presse@bpce.fr)- [www.bpce.fr](http://www.bpce.fr)

### **BPCE Investor Relations**

Roland Charbonnel: 33-1 58 40 69 30  
Email: [investor.relations@bpce.fr](mailto:investor.relations@bpce.fr)



---

<sup>1</sup> Basel 2 Core Tier 1 ratio "excluding floor."

<sup>2</sup> Before the reimbursement of 3 billion euros to the French State.

<sup>3</sup> Provisional figure provided for indicative purposes.

<sup>4</sup> After inclusion of CRD3 ("Capital requirements directive," or the European Union directive on the capital of banking institutions) and of the safety cushion related to exposure to European sovereign debt calculated by the European Banking Authority.

<sup>5</sup> Subject to approval granted by the French banking regulator, the Prudential Supervision Authority (*Autorité de Contrôle Prudentiel*).