GROUPE BPCE

# First update to the 2015 Registration Document filed with the Autorité des Marchés Financiers (AMF) on May 12, 2016

The 2015 Registration Document was registered with the AMF on March 15, 2016 under the number D.16-0134.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

Only the French version of the update to the Registration Document has been submitted to the AMF. It is therefore the only version legally binding.

This update to the 2015 Registration Document was filed with the AMF on May 12, 2016 in compliance with Article 212-13 of the AMF's standard regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF.

*The English version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.*

# Contents

# 1. Press release and subsequent events to the March 15, 2016 (registration date of the 2015 Registration Document)

## 1.1 Press release on April 22, 2016

# New membership of the General Management Committee

Paris, April 22, 2016

**Acting on a proposal by François Pérol, the Supervisory Board of Groupe BPCE convened a meeting on April 22, 2016 chaired by Pierre Valentin to approve the new membership of the General Management Committee and Management Board of BPCE, whose term in office will expire in 2020.**

**Chaired by François Pérol, the new General Management Committee is comprised of seven members :**

**Laurent Mignon,** Chief Executive Officer of Natixis.

**Laurent Roubin**, who joins the General Management Committee in his capacity as Chief Executive Officer, in charge of the Commercial Banking and Insurance division.

In this position he succeeds **Jean-Yves Forel**, Chief Executive Officer, who will assume responsibility for Transformation and Business Efficiency on the General Management Committee. **Jean-Yves Forel** will supervise Information Systems, processes, and payment solutions. He will also be responsible for coordinating and managing the Group's new cost-synergies program.

**Catherine Halberstadt**, Chief Executive Officer in charge of Group Human Resources and Internal Communications and of the Corporate Secretary's Office of BPCE SA.
**Marguerite Bérard-Andrieu**, who has been appointed Chief Executive Officer, assumes responsibility for Group Finance and retains her previous position in charge of Strategy, Legal Affairs division and Secretary to the Supervisory Board. Daniel Karyotis, who until now assumed responsibility for the Finance and Operations divisions, has been appointed Chief Executive Officer of Banque Populaire Massif central and, in this capacity, will oversee the plan to merge with Banque Populaire Loire et Lyonnais and Banque Populaire des Alpes.
**Jacques Beyssade**, Deputy Chief Executive Officer responsible for Risks, Compliance, and Permanent Control.
The Management Board, chaired by François Pérol, will be comprised of Marguerite Bérard-Andrieu, Catherine Halberstadt, Laurent Mignon and Laurent Roubin.

**François Pérol**, aged 52, has been Chairman of the Management Board of Groupe BPCE since its creation on August 1, 2009. He is a graduate of the HEC School of Management and of the Paris Institute of Political Science (Sciences Po), as well as a former student at the Ecole Nationale d'Administration (ENA) school for high-flying civil servants. François Pérol began his career in 1990 as an auditor in the General Inspectorate of Finance. In 1994, he was appointed *Rapporteur*, and subsequently Deputy Secretary General of the Interdepartmental Commission for Industrial Restructuring (CIRI). In 1996, he moved to the French Treasury Department to assume responsibility as the head of the Financial Markets Office. Between 1999 and 2001, he served as Secretary General of the Paris Club responsible for international negotiations with debtor countries.
In 2001, he became Assistant Director responsible for business financing and development in the French Treasury Department before being appointed, in 2002, deputy Chief of Staff to Francis Mer, Minister of the Economy, Finance and Industry in the French Government, and remained at this position in 2004 when Nicolas Sarkozy was appointed *Ministre d'Etat*, Minister of the Economy, Finance and Industry.
In 2005, he became a General Partner of the investment bank Rothschild & Cie.
In May 2007, François Pérol was appointed deputy Secretary General at the Presidency of the French Republic.

From March 2 to August 1, 2009, François Pérol served as Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne (CNCE) and Chief Executive Officer of Banque Fédérale des Banques Populaires (BFBP).

**Laurent Mignon**, aged 52, has been Chief Executive Officer of Natixis since May 2009. He was also a member of the BPCE General Management Committee prior to becoming a member of the Groupe BPCE Management Board in August 2013. Laurent Mignon is Chairman of credit insurance group Coface and Natixis Global Asset Management, as well as a member of the Board at French specialty chemicals group Arkema. He is a graduate of Paris business school HEC (Hautes Études Commerciales) and the Stanford Executive Program. He held various posts at Banque Indosuez over a period of more than ten years, from the trading floor to investment banking, then in 1996 joined Schroders Bank in London. He moved to French insurer AGF in 1997 as Chief Financial Officer and was appointed member of the Executive Committee in 1998 and subsequently Deputy CEO in charge of Banque AGF, AGF Asset Management and AGF Immobilier (real estate) in 2002. He then became Deputy CEO in charge of Life Insurance, Financial Services and Credit Insurance in 2003, and later CEO and Chairman of the Executive Committee in 2006. Between September 2007 and May 2009, Laurent Mignon was General Partner at Oddo et Cie, alongside Philippe Oddo.

**Laurent Roubin**, aged 46, has been appointed to the Management Board of Groupe BPCE and Chief Executive Officer in charge of the Commercial Banking and Insurance division. A graduate of the Ecole Centrale Paris school of engineering, of the Stanford Executive Program and holder of a post-graduate diploma (DESS) awarded by the University of Paris-Dauphine, Laurent Roubin began his career in Groupe Compagnie Bancaire in 1992 first in the group's holding company and subsequently in the risk management department of Cetelem Spain. In 1996, he joined the Banks & Financial Institutions Division of PricewaterhouseCoopers Management Consultants, of which he became Director in 2000. In 2002, he was appointed to the Management Board of the Caisse d'Epargne du Pas-de-Calais, responsible for finance and risk. In 2005, he joined Ixis Asset Management and become Director of Operations of Natixis Asset Management. In 2008, he joined the Caisse Nationale des Caisses d'Epargne to coordinate the development of the Caisses d'Epargne for major corporate and institutional accounts. In 2009, he assumed responsibility as Director of Commercial Development for the Caisses d'Epargne in BPCE. Since 2011, Laurent, Roubin served as Chairman of the Management Board of the Caisse d'Epargne Picardie.

**Jean-Yves Forel**, aged 54, has been appointed Chief Executive Officer, responsible for Transformation and Operational Excellence. A graduate of Sciences Po Grenoble with a degree in economics, he began his career in 1983 at Banque Populaire des Alpes. In 1992, after working in retail banking, he was appointed Director of Operations and subsequently, in 1995, General Manager. In 1997, he joined Banque Populaire Bretagne-Atlantique as a General Manager in charge of business development and responsible for managing the business line subsidiaries. In 2000, he was appointed Director of Business Development at Banque Fédérale des Banques Populaires, and became a member of the General Management Committee in 2001. In 2003, he moved to Natexis Banques Populaires where he was appointed to the General Management Committee and nominated Director of the banking, financial and technological services function. In 2005, he was appointed Director of the Specialized Financial Services division. In November 2006, he became a member of the Executive Management Committee and Director of the Specialized Financial Services division of Natixis. Since December 2012, Jean-Yves Forel served as a member of the Management Board and Chief Executive Officer in charge of Commercial Banking and Insurance of Groupe BPCE.

**Marguerite Bérard-Andrieu,** aged 38, has been made a member of the Management Board of Groupe BPCE and appointed Chief Executive Officer in charge of the Group Finance, Strategy, Legal Affairs divisions and Group Company Secretary. Since July 2012, she served on the General Management Committee, responsible for Strategy, Legal Affairs, the Group Company Secretary's Office and Compliance. She is also a member of the Board of Directors of SCOR. A graduate of the Paris Institute of Political Science (Sciences Po) and the University of Princeton, and a former student at the ENA school for high-flying civil servants, Marguerite Bérard-Andrieu began her career in 2004 in the General Inspectorate of Finance. From 2007 to 2010, she served as a technical advisor and, subsequently, advisor to the President of the French Republic, responsible for question related to employment and social protection. She then ran, from November 2010 to May 2012, the Office of the Minister of Labor, Employment and Health in the French government.

**Catherine Halberstadt**, aged 57, is a member of the Management Board of Groupe BPCE and Chief Executive Officer in charge of Group Human Resources and Internal Communications and of the Corporate Secretary's Office of BPCE SA. She graduated from the Clermont-Ferrand *Ecole supérieure de commerce* business school and holds a higher bookkeeping diploma in addition to a degree in law. She also studied for an MBA at the University of Kansas. She served as Chief Executive Officer of Banque Populaire du Massif Central since September 2010, after being appointed CEO of Natixis Factor. Throughout her career, she has held various positions in Banque Populaire du Massif Central as Deputy CEO, Chief Financial Officer, Director of Human Resources and Organization.

**Jacques Beyssade,** aged 52, is Deputy Chief Executive Officer responsible for Risks, Compliance, and Permanent Control and, since February 2016, a member of the General Management Committee of Group BPCE. A graduate of the Paris business school HEC, Jacques Beyssade began his career as a financial analyst for the Crédit Lyonnais in London before holding various positions in this bank in Paris and London. He was then appointed head of the Champs-Elysées Corporate Business Center and Country Manager for Korea. When the Crédit Lyonnais was taken over by Crédit Agricole – which would lead to the creation of CACIB – he assumed responsibility for the credit markets in New York and was promoted, at the end of 2005, to the position of Head of Capital Market Activities for the Asia-Pacific region. At the end of 2008, he moved to Natixis to identify and organize the management of assets managed on a run-off basis before being appointed Head of the Risks Department in 2009. Since 2015, he served as Chief Risk Officer, and member of the Executive Committee, of Groupe BPCE.

# 2. Group first quarter financial results as at March 31, 2016

## 2.1 Press release of May 10, 2016

Paris, May 10, 2016

# RESULTS[1] FOR THE FIRST QUARTER OF 2016 OF GROUPE BPCE

Good commercial performance against a background of low interest rates and adverse market conditions. Net income attributable to equity holders of the parent stable at €872m[2]

### CONTINUED GROWTH DYNAMIC PURSUED BY THE CORE BUSINESS LINES[3]

**Banque Populaire and Caisse d'Epargne retail banking network**

- Buoyant year-on-year growth in loan outstandings of **+4.2%** after 2 years of higher than market growth and growth in on-balance sheet deposits & savings **+3.0%**
- Growth in the customer base with priority targets: +157,000 principal active customers using banking services over one year

**Insurance[4]**

- Strong momentum in life insurance with gross inflows up +23% vs. Q1-15
- Growth in portfolios of non-life insurance contracts +10% vs. March 31, 2015

**Core business lines of Natixis**

- **Investment Solutions**: assets under management of €776bn at end-March 2016, oriented downward following a negative foreign exchange effect, disposal of affiliates and slight outflows (-€1bn); continued increase in margins
- **Corporate & Investment Banking**: proportion of commissions in the revenues from structured financing maintained at a high level (37% in Q1-16) and continued strong momentum in Equity derivatives
- **Specialized Financial Services**: good performance with premiums issued up +15% vs. Q1-15 (Sureties & financial guarantees), factored turnover up +10%, and strong growth in new production of real-estate leases

### RESULTS STABLE DESPITE THE ENVIRONMENT CHARACTERIZED BY LOW INTEREST RATES

- Decline in core business line revenues[5] to **€5.7bn** (-3.1%): commercial performance of retail banking limiting the negative impact of interest rates on net interest income and stability in Natixis core business lines revenues
- Tight control over operating expenses, excluding increase in the estimated contribution to the Single Resolution Fund (SRF): +0.4% vs. Q1-15 (SRF: €218m in 2016, i.e a €112m increase vs. 2015)
- Decline in the cost of risk[5] to a moderate level: €372m (-24.6%), or **24bps** (vs. 32bps in Q1-15)
- Attributable net income generated by the core business lines[2]: **€1bn** in Q1-16, -1.2% vs. Q1-15
- Attributable net income (excluding estimated increase in the SRF[6]): €680m, +5.4% vs. Q1-15

### CONTINUED STRENGTHENING OF THE BALANCE SHEET

- Common Equity Tier 1 ratio (or CET1[7]) of **13.3%** at March 31, 2016 (+**10pbs** vs. Dec. 31, 2015)
- Total capital adequacy ratio7[,8] of **17.3%** (+**30pbs** vs. Dec. 31, 2015)

[1] Q1-15 pro forma (cf. the note on methodology at the end of this press release) ; unless specified to the contrary, all changes use the same reference base of March 31, 2015
[2] Excluding non-economic and exceptional items, and after restating to account for the IFRIC 21 impact
[3] Core business lines: Commercial Banking & Insurance, Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services
[4] Entities included: CNP Assurances, Natixis Assurances, Prépar Vie (gross inflows held by the Banque Populaire and Caisse d'Epargne)
[5] Excluding non-economic and exceptional items
[6] €102m increase in net income attributable to equity holders of the parent vs. Q1-15
[7] Estimate at March 31, 2016 – CRR/CRD4 without transitional measures after deferred tax asset restatement on tax loss carryforwards

On May 8, 2016, the Supervisory Board of Groupe BPCE convened a meeting chaired by Pierre Valentin to examine the Group's financial statements for the first quarter of 2016.

François Pérol, Chairman of the Management Board of Groupe BPCE, said: "*These results reflect the resilience of our business model. Thanks to the good commercial performance achieved in its strategic business lines and the low cost of risk, Groupe BPCE has stabilized its results against a background of historically low interest rates and adverse market conditions in this first quarter of the year. We have also continued to strengthen our balance sheet structure during the quarter. The probable persistence of low interest rates over a long period has led the Group to launch an in-depth analysis regarding a new program of business transformation and operational excellence.*"

## 1. RESULTS[9] OF GROUPE BPCE FOR THE FIRST QUARTER OF 2016

Despite an adverse market environment and low interest rates, Groupe BPCE reports resilient results for the first quarter of 2016. The revenues[10] posted by the core business lines have declined by 3.1% year-on-year to 5,720 million euros. The good commercial performance of the networks made it possible to limit the increasing negative impact of low interest rates on retail banking revenues. The loan outstandings of the Banque Populaire and Caisse d'Epargne retail-banking network have risen by 16 billion euros in the space of one year, equal to an increase of 4.2%, making it possible to limit the decline in net interest income. Life and non-life insurance activities have progressed strongly, with 23% growth in gross new life fund inflows and a 10% increase in the portfolios of non-life insurance contracts. The core business lines of Natixis also stood up well.

If the estimated increased contribution to the Single Resolution Fund (SRF) is excluded, operating expenses remain under tight control. Expressed as a ratio of the gross customer loan outstandings position, the Group's cost of risk has been reduced to a moderate 24 basis points in the first quarter of 2016 against 32 basis points in the first quarter of 2015 (excluding the impact of the Heta Asset Résolution AG provision). Net income attributable to equity holders of the parent[11] remains stable compared with the first quarter of 2015, and stands at 872 million euros.

New synergies will be generated by the three mergers between regional banks launched since the beginning of the year.

Groupe BPCE is continuing to strengthen its balance sheet with a *Common Equity Tier 1* (CET1) ratio of 13.3%7 at March 31, 2016, up 10 basis points compared with December 31, 2015. The total capital adequacy ratio is equal to 17.3%[7,8], up 30 basis points compared with December 31, 2015.

### 1.1 Consolidated results[9] for the first quarter of 2016: stability in net income attributable to equity holders of the parent at 872 million euros[11]

The **net banking income**[10] of Groupe BPCE in the first quarter of 2016 stood at 5,787 million euros, representing a decline of 4.0% compared with the first quarter of 2015. The core business lines contributed 5,720 million euros to net banking income, down 3.1% compared with the first quarter of 2015.

[8] Including circa €1.6bn in Tier-2 issues completed after March 31, 2016
[9] Q1-15 pro forma (cf. the note on methodology at the end of this press release) ; unless specified to the contrary, all changes use the same reference base of March 31, 2015
[10] Excluding non-economic and exceptional items
[11] Excluding non-economic and exceptional items, and after restating to account for the IFRIC 21 impact

The Group's **operating expenses** came to 4,394 million euros, up 3.0% year-on-year. The operating expenses of the core business lines, which amounted to 3,946 million euros, have increased by 1.2%. However, if the estimated increase in the SRF contribution is excluded, the Group's operating expenses, kept under tight control, have only increased by a marginal 0.4%.

**Gross operating income**[10] stands at 1,393 million euros, down 21.0% compared with the first quarter of 2015. The contribution of the core business lines came to 1,774 million euros, down 11.6% on a year-on-year basis.

The **cost of risk**[10], which currently stands at 24 basis points[12], was reduced by a significant 24.6% in the first quarter of 2016 compared with the first quarter of 2015. It is now equal to 372 million euros. The cost of risk of the core business lines stands at 352 million euros, down by 25.6% and is also equal to 24 basis points.

**Income before tax**[10] has declined by 14.7% to 1,136 million euros in the first quarter of 2016. For the core business lines, income before tax stands at 1,524 million euros, down 4.8% compared with the first quarter of 2015.

When restated to account for the impact of IFRIC 21, and excluding non-economic and exceptional items, **net income attributable to equity holders of the parent** remains stable compared with the first quarter of 2015 and stands at 872 million euros. The corresponding metric for the core business lines has declined by 1.2% and currently stands at 1,003 million euros. The **cost/income ratio** is up 3.6 points and now stands at 70.1% for the Group as a whole. It is equal to 66.0% for the core business lines, representing a 2.9-point increase compared with the first quarter of 2015. The Group's **ROE** stands at 6.2%, a figure virtually unchanged vs. the first quarter of 2015 (-0.1 point). ROE is 10% for the core business lines, down one point compared with the first quarter of 2015.

After accounting for non-economic and exceptional items, and cancelling restatements made to account for the impact of IFRIC 21, **published net income attributable to equity holders of the parent** declined by 10.5% in the first quarter of 2016, to 578 million euros. The published net income of the core business lines is down 1.2% to stand at 883 million euros for the first quarter of this year. However, if the estimated increase in the SRF contribution is excluded, the published net income attributable to equity holders of the parent11 rose by 5.4%.

[12] Cost of risk expressed in annualized basis points on gross customer outstandings at the beginning of the period

## CONSOLIDATED RESULTS OF GROUPE BPCE FOR THE FIRST QUARTER OF 2016

| In millions of euros | **Q1-16** | **Q1-16 / Q1-15 pf** % change | **Core business lines Q1-16** | **Q1-16 / Q1-15 pf** % change |
|---|---|---|---|---|
| Net banking income * | 5,787 | -4.0% | 5,720 | -3.1% |
| Operating expenses | -4,394 | +3.0% | -3,946 | +1.2% |
| **Gross operating income *** | **1,393** | **-21.0%** | **1,774** | **-11.6%** |
| Cost of risk * | -372 | -24.6% | -352 | -25.6% |
| **Income before tax *** | **1,136** | **-14.7%** | **1,524** | **-4.8%** |
| **Net income attributable to equity holders of the parent *** | **597** | **-11.3%** | **883** | **-1.2%** |
| Restated to account for the IFRIC 21 impact | 275 | | 120 | |
| **Net income attributable to equity holders of the parent**** | **872** | | **1,003** | **-1.2%** |
| Cost/income ratio** | 70.1% | +3.6 pts | 66.0% | +2.9 pts |
| ROE** | 6.2% | -0.1 pt | 10.0% | -1 pt |
| Impact of non-economic and exceptional items on net income | -19 | | | |
| Reinstatement of the impact of IFRIC 21 | -275 | | -120 | |
| **Published net income** | **578** | **-10.5%** | **883** | **-1.2%** |

Q1-15 pro forma, cf. the note on methodology at the end of this press release

The core business lines are Commercial Banking & Insurance (with the Banque Populaire and Caisse d'Epargne retail banking networks in addition to Crédit Foncier, Banque Palatine and BPCE International), Investment Solutions, Corporate & Investment Banking and Specialized Financial Services (Natixis)

* Excluding non-economic and exceptional items

** Excluding non-economic and exceptional items and after restating to account for the IFRIC 21 impact

## 2. CONTINUED STRENGTHENING OF THE BALANCE SHEET STRUCTURE IN THE FIRST QUARTER OF 2016

### 2.1 Enhanced total capital adequacy ratio

The CET1 ratio13 of Groupe BPCE continued to improve in the first quarter of 2016 with an estimated level of 13.3% at March 31, 2016, up 10 basis points compared with December 31, 2015. This increase in the CET1 ratio is chiefly driven by retained earnings (taking account of the projected distribution of dividends), with an impact of 12 basis points since December 31, 2015 (17 basis points after restating to account for the impact of the implementation of the IFRIC 21 standard).

Groupe BPCE enjoys a total capital adequacy ratio[13] at a high level, estimated at 17.3%[14,15] at March 31, 2016, up 30 basis points compared with December 31, 2015.

Total capital increased by 1.5 billion euros in the first quarter of 2016, rising from 66.4 billion euros at December 31, 2015 to an estimated 67.9 billion euros at March 31, 2016. This growth in the Group's total capital is largely related to the increase in Tier-2 capital, which rose by 1.3 billion euros resulting from Tier-2 issues[15]. The Group's CET1 has increased by 0.4 billion euros, rising from 51.6 billion euros at December 31, 2015 to 52.0 billion euros at March 31, 2016. During the same period, additional Tier-1 capital decreased by 0.2 billion euros owing to changes in the phase-out rate, which rose from 30% in 2015 to 40% on January 1, 2016.

Risk-weighted assets remain under close control, virtually unchanged vs. December 31, 2015 at 391 billion euros.

At March 31, 2016, the leverage ratio[16] (under Basel 3) stood at 4.7% including centralized savings inflows in exposures. It remains unchanged compared with the pro-forma ratio at December 31, 2015.

### 2.2 Liquidity reserves largely covering short-term funding requirements

At March 31, 2016, liquidity reserves covered 137% of total short-term funding requirements and medium-/long-term and subordinated debt with maturities of one year or less. Liquidity reserves stood at 160 billion euros at March 31, 2016 (against 161 billion euros at December 31, 2015[17]), including 118 billion euros of available assets eligible for central bank funding (115 billion euros at December 31, 201517) and 42 billion euros in liquid assets placed with central banks (46 billion euros at December 31, 201517).

The customer loan/deposit ratio[18] of Groupe BPCE remains stable, equal to 119% at March 31, 2016.

The liquidity coverage ratio (LCR) remained higher than 110% at March 31, 2016.

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[13] CRR/CRD 4, without transitional measures after restating to account for deferred tax assets on tax loss carryforwards, pro forma to take into account the Peter J. Solomon (PJS) acquisition project
[14] The estimated ratio is 17.1% with the full deduction of deferred tax assets
[15] Including circa €1.6bn in Tier-2 issues completed after March 31, 2016
[16] Estimate at March 31, 2016 according to the rules of the delegated Act published by the European Commission on Oct. 10, 2014 – CRR/CRD 4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards, pro forma to take into account the PJS acquisition project
[17] The Dec. 31, 2015 figures include a deliberate over-centralization of regulated resources committed at end-2015 but realized in early 2016
[18] Excluding SCF (Compagnie de Financement Foncier, the Group's *société de crédit foncier* – a French legal covered bonds issuer)

## 2.3 55% of the 2016 medium-/long-term funding program completed at April 30, 2016

Groupe BPCE's ability to access major debt markets allowed it to raise medium-/long-term (MLT) resources for an aggregate total of 13.2 billion euros at April 30, 2016, equal to 55% of a 2016 funding program for a total of 24 billion euros. The average maturity at issue is 6.9 years and the average interest rate is equal to mid-swap +41 basis points. During the first four months of 2016, 54% of the medium-/long-term funding had been completed in the form of public bond issues and 46% in the form of private placements.

During the first four months of 2016, 64% of the medium-/long-term funding program had been completed in the form of unsecured bond issues, for a total of 8.4 billion euros. This total can be broken down into 6.6 billion euros in the form of senior debt and 1.8 billion euros in the form of Tier-2 subordinated debt.
Covered bond issues accounted for 36% of medium-/long-term funding, or 4.7 billion euros.

Groupe BPCE continues to raise substantial funds thanks to a greater diversification of its investor base. As a result, 35% of the unsecured bonds issued in the institutional market were placed in currencies other than the euro (notably 32% in USD).

## 3. RESULTS[19] OF THE BUSINESS LINES: GOOD COMMERCIAL PERFORMANCE

### 3.1 Commercial Banking & Insurance: continued strong commercial dynamics limit the decline in net interest income

*The Commercial Banking & Insurance business line groups together the activities pursued by the Banque Populaire and Caisse d'Epargne retail banking networks, and those of the Other Networks division comprised of the subsidiaries of BPCE International, Banque Palatine, Crédit Foncier and the minority interest in CNP Assurances.*

The Banque Populaire banks and Caisses d'Epargne continued to enjoy strong commercial dynamics in the first quarter of 2016. Loan outstandings, where the volume of new loan production has remained at a high level, stood at 400 billion euros at March 31, 2016. They have increased by 4.2% on a year-on-year basis, equal to growth of 16 billion euros, driven by home loans (+5.5%) and consumer finance (+9.8%).

Aggregate customer deposits & savings of the Banque Populaire banks and Caisses d'Epargne stood at 635 billion euros at March 31, 2016, representing year-on-year growth of 16 billion euros. This growth is largely due to the increase in on-balance sheet deposits & savings (+3.0% year-on-year) driven, in particular, by the strong increase in demand deposits (+13.3%) and the dynamic performance of regulated home savings plans (+10.0%). The reasons for this growth can also be traced to the increase in off-balance sheet deposits & savings, which rose by 2.0%, buoyed up by the continued dynamism of life insurance with life funds increasing by 2.8% over the period.

A partner of French economic life, Groupe BPCE has joined forces, via its two Banque Populaire and Caisse d'Epargne retail banking networks, with the European Investment Fund (EIF). Banque Populaire has signed a second agreement with EIF to finance growth-oriented initiatives launched by innovative companies thanks to an envelope of collateralized loans for a total of 300 million euros. Thanks to the previous agreement, Banque Populaire enabled more than 700 companies to benefit from *Innov&Plus* funding. The Caisse d'Epargne, for its part, has signed guarantee agreements with the EIF for its young and corporate customers. The first agreement (*Erasmus+)* covers the funding of loans granted to students enrolled on the Erasmus program for a total of 30 million euros. The second agreement, *InnovFin*, will make it possible to grant innovative companies loans worth 200 million euros, 50% counter-guaranteed by the EIF.

Banque Populaire has launched for the benefit of its professional customers the *CyberPlus Pro* application available for mobile phones and tablet devices, providing solutions for companies' everyday account management requirements.

A major player in providing funding for local communities, the Caisse d'Epargne has developed an internet portal entitled *Développement et Collectivités* ("Development and Local Communities") to provide local elected officials with a range of tools designed to simulate budgets and prepare the way for investments in their municipality.

Groupe BPCE is also the first banking group in Europe to become involved, in March 2016, in the "Global FinTech Challenge," an open innovation competition organized online bringing together the innovative ecosystem of young FinTech companies worldwide.

[19] Q1-15 pro forma (cf. the note on methodology at the end of this press release), unless specified to the contrary, all changes use the same reference base of March 31, 2015

## Financial results[19] for the first quarter of 2016 of the Commercial Banking & Insurance business line

The **revenues** generated by the Commercial Banking & Insurance business line for the first quarter of 2016 came to 3,802 million euros (excluding changes in provisions for home purchase savings schemes), representing a decline of 4.0% compared with the first quarter of 2015. The trend in interest rates is having an even greater negative impact on net interest income although this effect has been offset by an increase in volumes. The negative change in commission income is the result of the sharp decline in early redemption fees.

**Operating expenses** are closely managed, standing at 2,619 million euros in the first quarter of 2016, virtually unchanged compared with the first quarter of 2015 (+0.6%).

**Gross operating income** came to 1,152 million euros, down 14.4% year-on-year.

The **cost of risk**, which amounted to 268 million euros in the first quarter of 2016, has improved substantially, declining by a factor of 31.7%.

The **contribution made by the Commercial Banking & Insurance business line to the Group's income before tax** came to 959 million euros in the first quarter of 2016, down 5.2% compared with the first quarter of 2015.

**Restated to account for the impact of IFRIC 21**, income before tax stands at 1,079 million euros, down 4.9% compared with the first quarter of 2015, while the **cost/income ratio** rose by 3.5 points, to stand at 66.3%. **ROE** is equal to 10%, stable vs. the first quarter of 2015.

### 3.1.1 Banque Populaire: dynamic growth in new loan production and continued drive to attract new customers

*The Banque Populaire network comprises the 18 Banque Populaire banks, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel and the Mutual Guarantee Companies.*

- **Customer base**

The Banque Populaire retail banking network is pursuing its development strategy aimed at priority customer categories, leading to 1.5% year-on-year growth in the number of principal active customers using banking services (+49,000 customers) and a 7.6% year-on-year increase in the number of individual customers using banking services (+81,000 customers).

- **Loan outstandings**

Loan outstandings came to 174 billion euros at the end of March 2016, the result of a 3.3% increase compared with the same period last year. Home loan outstandings enjoyed 5.6% year-on-year growth. The production of new consumer loans was extremely dynamic, with growth of 28% compared with March 31, 2015, leading to 8.8% growth in outstandings. The recovery in equipment loans is gathering pace, with 19% growth in new loan production compared with same quarter last year, triggering a new recovery in outstandings (+1.0%).

- **Deposits & savings**

Deposits & savings grew by 10 billion euros on a year-on-year basis, rising to 235 billion euros at March 31, 2016 (+4.4%). On-balance sheet deposits & savings stood at

164 billion euros, equal to 5.0% growth on a 12-month rolling basis, driven by demand deposits (+11.7%) and regulated home savings plans (+9.5%). At the same time, life funds enjoyed growth of 3.1% year-on-year.

- **Insurance**

The P&C, provident & health insurance portfolio continued to expand with an 8.0% year-on-year increase for P&C insurance, and 9.3% growth for provident & health insurance.

- **Financial results**

**Net banking income** for the first quarter of 2016 stood at 1,593 million euros (excluding changes in provisions for home purchase savings schemes), down 4.0% compared with March 31, 2015. This decline is chiefly due to a 7.0% reduction in customer net interest income (excluding changes in provisions for home purchase savings schemes) and a 2.8% squeeze on commissions.

**Operating expenses** for the first quarter of 2016, which reached a total of 1,113 million euros, have increased marginally (+0.7%) compared with the first quarter of 2015.

**Gross operating income** for the first quarter of 2016 is equal to 469 million euros, down 14.7% compared with the same period in 2015.

The **cost of risk** for the first quarter of 2016, at 132 million euros, has declined by a substantial 23.6% compared with the first quarter of 2015.

**Income before tax** for the first quarter of 2016 is 5.6% down compared with the first quarter of 2015, and stands at 367 million euros.

**If restated to account for the impact of IFRIC 21**, income before tax is equal to 413 million euros, representing a decline of 5.2% compared with the first quarter of 2015, and the **cost/income ratio** stands at 67.5%, up 3.5 points compared with the first quarter of 2015.

### 3.1.2 Caisse d'Epargne: enhanced income before tax resulting from buoyant commercial activities and a sharp decline in the cost of risk

*The Caisse d'Epargne network comprises the 17 individual Caisses d'Epargne along with their subsidiaries.*

- **Customer base**

The strategy aimed at increasing the use of banking services by individual customers of the Caisse d'Epargne retail banking network was pursued during the first quarter of 2016 and led to a 2.1% growth in the number of principal active customers using banking services, i.e. an additional 108,000 customers. In the professional segment, the strategy aimed at attracting new customers led to a 3.8% increase in the number of active customers (+6,300 customers in the space of one year).

- **Loan outstandings**

Loan outstandings came to a total of 226 billion euros at March 31, 2016, representing growth of 4.9% compared with March 31, 2015. Home loan outstandings increased by 5.4% and the production of new consumer loans rose by 14% year-on-year. The recovery in equipment loans is confirmed with 31% growth in new loan production for loans granted to corporate customers, leading to a 3.5% increase in outstandings.

- **Deposits & savings**

Aggregate deposits & savings rose by 7 billion euros compared with March 31, 2015 (+1.7%) to reach a total of 400 billion euros at March 31, 2016. On-balance sheet deposits & savings came to 270 billion euros, up 1.8% compared with March 31, 2015. Demand deposit enjoyed growth of 15.1% and regulated home savings plans increased by 10.2% at the expense, however, of passbook savings accounts which saw a decline of 4.2%. With respect to off-balance sheet deposits & savings, life funds enjoyed 2.6% year-on-year growth.

- **Insurance**

The Caisse d'Epargne retail banking network boasted substantial growth in its insurance activity, leading to an 11.9% increase in its P&C/non-life portfolio and 9.2% growth in provident and health insurance contracts.

- **Financial results**

**Net banking income** for the first quarter of 2016 stood at 1,873 million euros (excluding changes in provisions for home purchase savings schemes), down 2.1% compared with the first quarter of 2015. This change is chiefly due to a 6.7% decline in customer net interest income (excluding changes in provisions for home purchase savings schemes) and a 5.4% fall in commission income.

**Operating expenses**, which came to 1,254 million euros, have increased by a marginal 0.8% compared with the first quarter of 2015.

**Gross operating income** came to 599 million euros, down 9.8% vs. the first quarter of 2015.

The **cost of risk**, which equaled 85 million euros in the first quarter of 2016, has declined by 51.6% compared with the first quarter of 2015.

**Income before tax** stands at 513 million euros, up 5.1%.

When restated to account for the impact of IFRIC 21, income before tax for the first quarter of 2016 is equal to 566 million euros, representing 4.6% growth compared with the first quarter of 2015, while the **cost/income ratio** has deteriorated by 2.4 points, to 64.8%.

### 3.1.3 Other networks

The contribution of the **Other networks** sub-division to the income before tax of Groupe BPCE came to 79 million for the first quarter of 2016, down 41.5% compared with the same period in 2015. **When restated to account for the impact of IFRIC 21**, income before tax stands at 100 million euros, down 36.9% compared with the first quarter of 2015.

- **Real estate Financing**

*Crédit Foncier is the principal entity contributing to the Real estate Financing business line.*

Crédit Foncier enjoyed buoyant commercial activity in the first quarter of 2016, notably in the segment of home loans granted to low- and middle-income households.

Aggregate new loan production came to 2.1 billion euros in the first quarter of 2016, including 1.6 billion euros for the individual customer segment and 0.5 billion euros for the public-sector facilities and real-estate investors segment.

Restated to account for exceptional items (including the CVA/DVA impact) and the cost of deeply subordinated notes set up between CFF and BPCE, **net banking income** is virtually stable (-0.5%) compared with the same period in 2015.

**Operating expenses**, which came to 138 million euros in the first quarter of 2016, have declined by 4.7% compared with the first quarter of 2015.

The **cost of risk**[20] is equal to 28 million euros for the past quarter, up by 12.4% compared with the first quarter of 2015.

Restated to account for the impact of IFRIC 21, income before tax came to 46 million euros in the first quarter of this year. The **cost/income ratio** increased by 3.7 points compared with the first quarter of 2015 and is now equal to 62.4%.

- **CNP and Others**

*The principal entity comprising the division is the minority interest in CNP Assurances, accounted for by the equity method.*

In life insurance, gross new inflows generated by the Caisses d'Epargne came to 3.5 billion euros in the first quarter of 2016, representing growth of 21.1%. The Private Banking activity contributed 64% of this total, up from 59% in the first quarter of 2015. The proportion of unit-linked contracts in gross new inflows reflects the strong commercial dynamism of the Caisses d'Epargne and stood at 17.1% at March 31, 2016.

- **BPCE International**[21]

*BPCE International represents all the international subsidiaries of Groupe BPCE, with the exception of Natixis.*

The customer deposits & savings of BPCE International enjoyed 1.7% year-on-year growth, rising to 5.3 billion euros at March 31, 2016. This growth was chiefly driven by demand deposits (+6.6%) considering that on-balance sheet deposits & savings, excluding demand deposits, have decreased marginally (-0.9%) and off-balance sheet deposits & savings have suffered a year-on-year decline of 3.4%.

Loan outstandings, which stood at 5.8 billion euros at the end of March 2016, remain stable compared with the end of March last year. Loans granted to individual customers have risen by 3.7% compared with the first quarter of 2015. Outstanding loans granted to corporate customers have fallen by 1.1%.

[20] Provision of €142m booked in Q1-15 for Heta Asset Resolution AG, attributed to the Corporate Center
[21] 2015 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC) in addition to a loan portfolio for a total of €531m

- **Banque Palatine**

At March 31, 2016, the customer deposits & savings[22] of Banque Palatine enjoyed 4.5% year-on-year growth driven by on-balance sheet savings to reach a total of 17.7 billion euros. The corporate customer segment grew by 6.0% reflecting the dynamic performance achieved by new demand deposit inflows. Benefiting from growth in on-balance sheet deposits (+1.8%), outstanding funds from private banking customers rose by 0.3%, thereby offsetting the slight decline in off-balance sheet deposits & savings (-0.4%).

Customer loan outstandings[22], which rose 3.5% on a year-on-year basis, stood at 8.2 billion euros at March 31, 2016. Outstanding loans granted to corporate customers enjoyed 3.4% year-on-year growth. In the private banking segment, the production of new home loans – which remained dynamic – resulted in 3.8% growth in loan outstandings in this segment.

### 3.2 Core business lines of Natixis[23,24] (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services): good performance in the first quarter of 2016 in a highly volatile market environment

The **net banking income** of the core business lines of Natixis (Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services) stood at 1,949 million euros in the first quarter of 2016, marginally down compared with the first quarter of 2015 (-0.2%).

The **operating expenses** of the core business lines of Natixis amounted to 1,327 million euros in the first quarter of 2016, up 2.6% compared with the same period in 2015.

The **gross operating income** of the core business lines of Natixis came to 622 million euros in the first quarter of the year, representing a 5.8% decline compared with the first quarter of 2015.

The **cost of risk** of the core business lines of Natixis amounted to 84 million euros in the first quarter of 2016, up by 4.9%.

The **income before tax** of the core business lines of Natixis came to 565 million euros in the first quarter of 2016, down 4.0% on a year-on-year basis.

**Restated to account for the impact of IFRIC 21**, income before tax stands at 615 million euros, down 3.9% compared with the first quarter of 2015. It can be broken down as follows:

- The **Investment Solutions division** reported **income before tax** of 269 million euros in the first quarter of 2016, up 6.0% compared with the first quarter of 2015. The Investment Solutions division accounted for 44% of the **income before tax** of the core business lines.

- In the **Corporate & Investment Banking division**, **income before tax** stood at 233 million euros in the first quarter of 2016, down 18.6%. The Corporate & Investment Banking division accounted for 38% of the **income before tax** of the core business lines.

- The **income before tax of the Specialized Financial Services (SFS) division** enjoyed growth of 12.6% in the first quarter of 2016, rising to 114 million euros.

[22] End-of-period position for loan outstandings and average position for deposits & savings
[23] The Groupe BPCE contribution figures are different from those published by Natixis
[24] Q1-15 results are presented pro forma (cf. notes on methodology)

The Specialized Financial Services division accounted for 18% of the **income before tax** of the core business lines.

Restated to account for the impact of IFRIC 21, the **cost/income ratio** of the core business lines of Natixis is equal to 65.5% in the first quarter of 2016, representing an increase of 1.9 points.

Restated to account for the impact of IFRIC 21, **ROE** was equal to 12% in the first quarter of 2016 and is down one percentage point year-on-year.

(For a more detailed analysis of the core business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com).

## NON-ECONOMIC AND EXCEPTIONAL ITEMS

| Non-economic items<br>In millions of euros | Q1-16<br>Income before tax | Q1-16<br>Net income attributable to equity holders of the parent | Q1-15 pf<br>Income before tax | Q1-15 pf<br>Net income attributable to equity holders of the parent |
|---|---|---|---|---|
| Revaluation of own debt* *(net banking income)* | 7 | 5 | -8 | -6 |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies** *(net banking income)* | -45 | -29 | 122 | 74 |
| **Total impact of non-economic items** | **-38** | **-23** | **114** | **68** |

| Exceptional items<br>In millions of euros | Q1-16<br>Income before tax | Q1-16<br>Net income attributable to equity holders of the parent | Q1-15 pf<br>Income before tax | Q1-15 pf<br>Net income attributable to equity holders of the parent |
|---|---|---|---|---|
| Banca Carige / Permanent impairment *(net banking income)* | -10 | -10 | | |
| Disposal of international assets managed on a run-off basis (CFF, ex-SCF) *(net banking income)* | -39 | -26 | -5 | -3 |
| Disposal of the entire residual equity interest in Nexity *(net banking income)* | 39 | 40 | | |
| Heta Asset Resolution AG *(cost of risk)* | | | -142 | -93 |
| **Total impact of exceptional items** | **-10** | **4** | **-147** | **-96** |
| **Total impact** | **-48** | **-19** | **-33** | **-28** |

Q1-15 results are presented pro forma (cf. notes on methodology)

* Concerns Natixis and Crédit Foncier

** Concerns Natixis and BPCE

For further details about the financial results for the 1st quarter of 2016, please consult the Investors/Results section of the corporate website [www.bpce.fr](http://www.bpce.fr).

## Notes on methodology

### *Presentation of pro forma Q1-15 quarterly results*

*The segment information has been modified as of Q1-16 after the Equity interests division was subsumed into the Corporate Center division. On September 18, 2015, BPCE International transferred to the Caisse d'Epargne Provence-Alpes-Corse the entire equity interests it held in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon. The revenues generated by these entities have been attributed retroactively to the Caisse d'Epargne sub-division. This operation has no impact on the Commercial Banking & Insurance division as a whole.*
*The retroactive application since January 1st, 2015 of the change in the accounting method whereby assets and liabilities denominated in foreign currencies are hedged by currency swaps (with the impacts of the inefficiency of hedging now being recorded in transferable capital) has led to a restatement of the 2015 quarterly reviews; this restatement has no impact on the 2015 annual result.*
*The series of financial reports for 2015 is also presented pro forma to account for the transfer of expenses from the Corporate Center division to the SFS division.*

### *Non-economic and exceptional items*

*The figures and comments contained in this presentation are based on the income statements of Groupe BPCE and its business lines restated to reflect the non-economic and exceptional accounting items listed on page 13 of this press release. A reconciliation of the restated income statement with the income statement published by Groupe BPCE is provided in an annex to this document.*
*Starting in Q1-16, the contribution to the Single Resolution Fund, booked under the operating expenses of the Corporate Center division, is no longer restated to account for exceptional items.*
*When the Q1-15 results were published, the amount booked with respect to the Group's contribution to the Single Resolution Fund was an estimate. The quarterly reviews for 2015 have been restated to take account in Q1-15 of the actual amount of the SRF contribution as calculated by the supervisory authorities. This restatement has no impact on the 2015 annual results.*

### *Restatement to account for the impact of IFRIC 21*

*The results, operating ratios and ROE after restatement to account for the impact of IFRIC 21 are computed, every quarter, on the basis of ¼ of the amount of taxes and contributions related to the IFRIC 21 interpretation.*

### *Business line performance measured under Basel 3*

*As of Q1-15, regulatory capital is allocated to Groupe BPCE business lines on the basis of 10% of their Basel 3 average risk-weighted assets.*

### *Leverage ratio*

*The leverage ratio is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures, after restating to account for deferred tax assets on tax loss carryforwards. 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. The savings and deposits centralized with the Caisse des Dépôts et Consignations has been considered in the total leverage exposure since Q1-16.*

## 2.2 Results

GROUPE BPCE

Bankers and insurers with a different perspective

**Results for the 1st quarter of 2016**

May 10, 2016

### Disclaimer

This presentation 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.

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The financial information presented in this document relating to the fiscal period ended March 31, 2016 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."

The quarterly financial statements of Groupe BPCE for the period ended March 31, 2016 approved by the Management Board at a meeting convened on May 2, 2016, were verified and reviewed by the Supervisory Board at a meeting convened on May 8, 2016.

This presentation 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 and 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 Groupe 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.

## Good commercial performance against a background of low interest rates and adverse market conditions
## Net income stable at €872m[1,2] (excluding non-economic and exceptional items)

**Commercial performance**

**Banque Populaire and Caisse d'Epargne retail banking networks**

- Buoyant growth in loan outstandings **+4.2%** year-on-year, after 2 years of higher than market growth and growth in on-balance sheet deposits & savings **+3.0%**
- Growth in the customer base with priority targets: +157,000 principal active customers using banking services over one year

**Insurance[3]**

- Strong momentum in insurance activities: gross inflows of new life funds +23% vs. Q1-15 and growth in portfolios of non-life insurance contracts +10% vs. March 31, 2015

**Investment Solutions**

- Asset management: €776bn of AuM at end-March 2016, oriented downward following a negative foreign exchange effect, disposal of affiliates and slight outflows (-€1bn); continued increase in margins

**Corporate & Investment Banking**

- Proportion of commissions in the revenues from structured financing maintained at a high level (37% in Q1-16); continued strong momentum in Equity derivatives

**Specialized Financial Services**

- Good performance: premiums issued +15% (Sureties & financial guarantees), factored turnover +10%, strong growth in new real-estate leases

**Q1-16 results**

- 3.1% decline in revenues[4] from the core business lines to **€5.7bn**: commercial performance achieved by the retail banking activities making it possible to limit the negative impact of interest rates on NII and stability in revenues posted by the core business lines of Natixis
- Tight control over operating expenses, excluding increase in the estimated contribution to the Single Resolution Fund (SRF): +0.4% vs. Q1-15 pf (SRF: €218m in 2016, +€112m vs. 2015)
- Decline in the cost of risk[4] to a moderate level: €372m (-24.6%), or **24bps** in Q1-16 (vs. 32bps[5] in Q1-15 pf)
- Net income[1,2,4] generated by the core business lines: **€1bn** in Q1-16, -1.2% vs. Q1-15 pf
- Net income[1] of Groupe BPCE (excluding the estimated increased contribution to the SRF[6]): €680m, +5.4% vs. Q1-15 pf

**Capital adequacy**

- Common Equity Tier-1 ratio[7] equal to **13.3%** (**+10bps** in Q1-16)
- Total capital adequacy ratio[7,8] of **17.3%** (**+30bps** in Q1-16)

[1] Net income attributable to equity holders of the parent [2] Restated to account for the impact of IFRIC21 [3] Entities included: CNP Assurances, Natixis Assurances, Prépar vie (gross inflows from the Banque Populaire and Caisse d'Epargne retail banking networks) [4] Excluding non-economic and exceptional items [5] Excluding the impact of the Heta Asset Resolution AG provision [6] €102m increase in net income attributable to equity holders of the parent vs. Q1-15 pf [7] Estimate at March 31, 2016, CRR/CRD4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards [8] Including circa €1.6bn in Tier-2 issues completed after March 31, 2016



## Contents

## Limited impact of non-economic and exceptional items

| Non-economic items<br>in millions of euros | Q1-16<br>Income before tax | Q1-16<br>Net income attributable to equity holders of the parent | Q1-15 pf<br>Income before tax | Q1-15 pf<br>Net income attributable to equity holders of the parent |
|---|---|---|---|---|
| Revaluation of own debt[1] *(Net Banking Income)* | 7 | 5 | -8 | -6 |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies[2] *(Net Banking Income)* | -45 | -29 | 122 | 74 |
| **Total impact of non-economic items** | **-38** | **-23** | **114** | **68** |

| Exceptional items<br>in millions of euros | T1-16<br>Income before tax | T1-16<br>Net income attributable to equity holders of the parent | T1-15 pf<br>Income before tax | T1-15 pf<br>Net income attributable to equity holders of the parent |
|---|---|---|---|---|
| Banca Carige / prolonged decline in value *(Net Banking Income)* | -10 | -10 | | |
| Disposal of international assets managed on a run-off basis (CFF, ex-SCF) *(Net Banking Income)* | -39 | -26 | -5 | -3 |
| Disposal of the total residual interest in Nexity *(Net Banking Income)* | 39 | 40 | | |
| Heta Asset Resolution AG *(Cost of risk)* | | | -142 | -93 |
| **Total impact of exceptional items** | **-10** | **4** | **-147** | **-96** |
| **Total impact** | **-48** | **-19** | **-33** | **-28** |

[1] This item concerns Natixis and Crédit Foncier [2] This item concerns Natixis and BPCE



## Q1-16 results of Groupe BPCE

### Stability in net income attributable to equity holders of the parent at €872m[1,2]

| Results<br>in millions of euros | Q1-16 | Q1-15 pf | Q1-16/Q1-15 pf<br>% change | Core business lines[3]<br>Q1-16 | Core business lines[3]<br>Q1-15 pf | Q1-16/Q1-15 pf<br>% change |
|---|---|---|---|---|---|---|
| Net banking income[1] | 5,787 | 6,029 | -4.0% | 5,720 | 5,904 | -3.1% |
| Operating expenses | -4,394 | -4,265 | 3.0% | -3,946 | -3,898 | 1.2% |
| **Gross operating income[1]** | **1,393** | **1,764** | **-21.0%** | **1,774** | **2,006** | **-11.6%** |
| Cost of risk[1] | -372 | -493 | -24.6% | -352 | -473 | -25.6% |
| **Income before tax[1]** | **1,136** | **1,332** | **-14.7%** | **1,524** | **1,600** | **-4.8%** |
| **Net income attributable to equity holders of the parent[1]** | **597** | **673** | **-11.3%** | **883** | **894** | **-1.2%** |
| Restatement of IFRIC 21 | 275 | 200 | | 120 | 121 | |
| **Net income attributable to equity holders of the parent - after IFRIC 21[2] restatement** | **872** | **873** | **-** | **1,003** | **1,015** | **-1.2%** |
| Cost / income ratio[1,2] | 70.1% | 66.5% | 3.6 pts | 66.0% | 63.1% | 2.9 pts |
| ROE[1,2] | 6.2% | 6.3% | -0.1 pt | 10% | 11% | -1 pt |
| Impact on net income of non economic and exceptional items | -19 | -28 | | | | |
| Reinstatement of IFRIC 21 | -275 | -200 | | -120 | -121 | |
| **Published net income** | **578** | **645** | **-10.5%** | **883** | **894** | **-1.2%** |

- Revenues generated by the core business lines have stood up well against a background of low interest rates and adverse market conditions: 4%[4] decline for CB&I, and stability in the revenues posted by Natixis core business lines
- Operating expenses under tight management: +0.4%, excluding the estimated increased contribution to the SRF (€218m in Q1-16 vs. €106m in Q1-15)
- Decline in the cost of risk: 24bps in Q1-16 vs. 28bps in Q4-15 and 32bps[5] in Q1-15
- Net income attributable to equity holders of the parent for the core business lines: > €1bn[2], marginally down vs. Q1-15 pf
- Net income attributable to equity holders of the parent for Groupe BPCE (excluding the estimated increased contribution to the SRF of €102m in net income attributable to equity holders of the parent): €680m, +5.4% vs. Q1-15 pf

Q1-15 presented pro forma: cf. note on methodology
[1] Excluding non-economic and exceptional items [2] Restated to account for the impact of IFRIC21 [3] Commercial Banking & Insurance, Investment Solutions, Corporate & Investment Banking and Specialized Financial Services [4] Excluding changes in provisions for home purchase savings schemes [5] Excluding the impact of the Heta Asset Resolution AG provision

# Results of Groupe BPCE
## Decline in the cost of risk to a moderate level

**Banque Populaire banks**
- Cost of risk down by 10bps vs. Q1-15

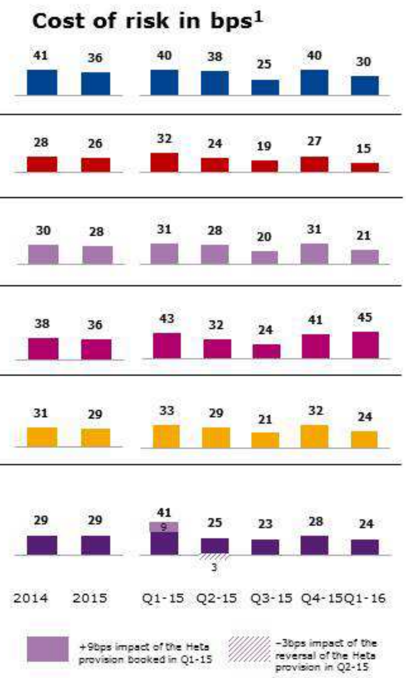
**Caisses d'Epargne**
- Cost of risk down by 17bps vs. Q1-15

**Commercial Banking & Insurance**
- Cost of risk down by 10bps vs. Q1-15 and Q4-15

**Investment Solutions, CIB, SFS**
- Improvement in the cost of risk in all business activities, except in the energy and commodities segment

**Core business lines**
- Improvement in the cost of risk of the core business lines to 24bps in Q1-16 vs. 33bps in Q1-15

**Groupe BPCE**
- Cost of risk down by 8bps vs. Q1-15 (restated to account for the Heta provision)
- Ratio of non-performing loans/gross loan outstandings: **3.6%** at March 31, 2016 vs. 3.7% at Dec. 31, 2015
- Impaired loans coverage ratio: **82.3%**[2] at March 31, 2016, +1.3pt vs. Dec. 31, 2015




[1] Cost of risk expressed in annualized basis points on gross customer outstandings at the beginning of the period [2] Coverage ratio, including guarantees related to impaired outstandings



# Contents

## Capital adequacy

### 10-basis point improvement in the CET1 ratio in Q1-16 to 13.3%[1,2]

**Change in the Common Equity Tier-1 ratio**


**Increase in Common Equity Tier 1 chiefly through retained earnings:**

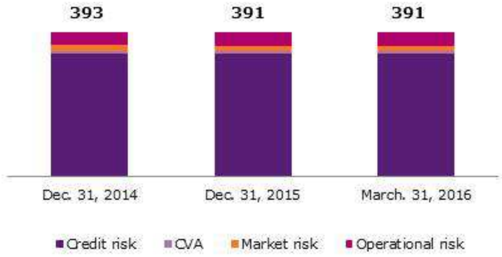
- +17bps in Q1-16 (corrected to account for the impact of IFRIC 21 implementation)
- Impact of IFRIC 21 implementation: -5bps

**Stability in risk-weighted assets**

**Leverage ratio under Basel 3[5] of 4.7% at March 31, 2016 including centralized savings inflows in exposures (unchanged from the pro forma ratio at Dec. 31, 2015)**

**Change in risk-weighted assets (in €bn)**

*(at current exchange rates)*




[1] CRR/CRD4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards and pro forma of plans to acquire PJS [2] Estimate at March 31, 2016 (pro forma of plans to acquire PJS) [3] Retained earnings, taking account of the projected distribution of dividend [4] Change in the phase-in rate from 10% in 2015 to 20% in 2016 [5] Estimate at March 31, 2016 according to the rules of the Delegated Act published by the European Commission on October 10, 2014- CRR/CRD 4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards and pro forma of plans to acquire PJS



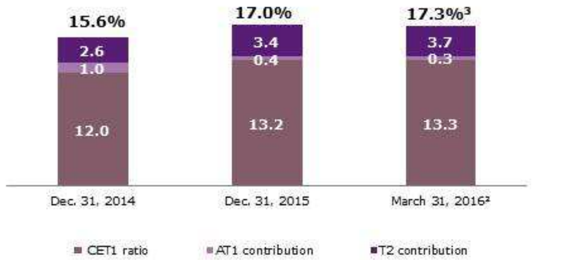
## Capital adequacy

### Total capital adequacy ratio up 30bps in Q1-16 at 17.3%[1,2]

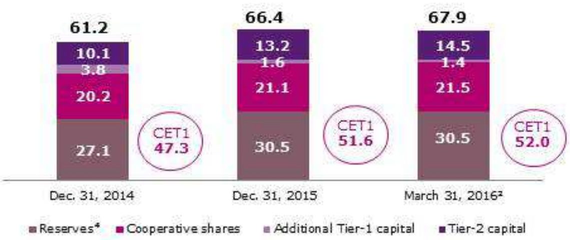
**€1.5bn rise in total capital during Q1-16**

- CET1: +€0.4bn
- AT1: -€0.2bn (change in the phase-out rate which was increased from 30% in 2015 to 40% on January 1st, 2016)
- Tier 2: +€1.3bn taking into account T2 issues during this quarter[5]

**Capital adequacy ratios[1] (as a %)**




**Total capital (in €bn)**




[1] CRR/CRD4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards (DTA) [2] Estimate at March. 31, 2016 (pro forma to take into account the PJS acquisition project) [3] The estimated ratio is 17.1% with the complete deduction of DTA [4] Reserves net of prudential restatements [5] Including circa €1.6bn in Tier-2 issues completed after March 31, 2016

## Liquidity
### Liquidity reserves represent 137% of short-term funding plus MLT and subordinated debt maturing in ≤ 1 year

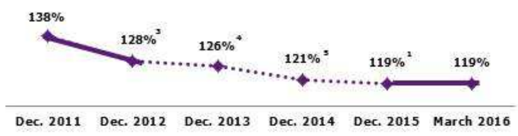
**Liquidity reserves[1] (in €bn) and short-term funding**

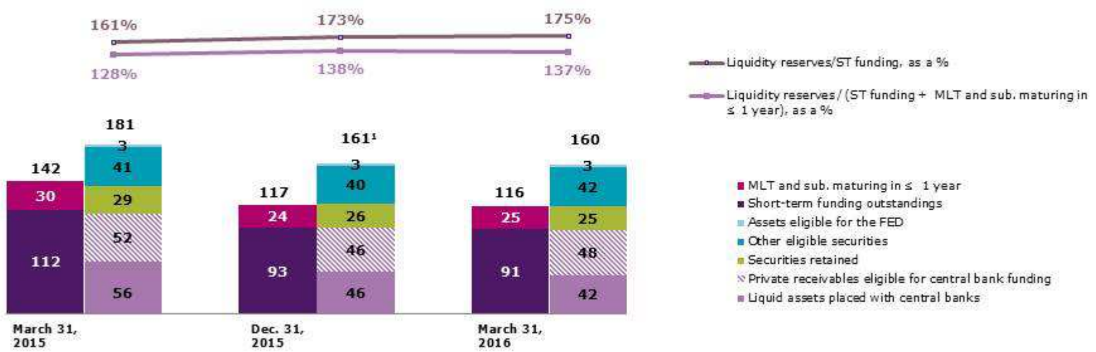
**Liquidity reserves: €160bn at March 31, 2016**

- **€42bn** in liquid assets placed with central banks
- **€118bn** of assets available for central bank funding
- Reserves equivalent to **137%** of total short-term funding and MLT and subordinated debt maturing within 1 year

**LCR > 110% at March 31, 2016**

**Group customer loan/deposit ratio[2]**




[1] The figures for December 31, 2015 include a deliberate over-centralization of regulated resources committed at the end of 2015, but completed at the very beginning of 2016 [2] Excluding SCF (Compagnie de Financement Foncier, the Group's *société de crédit foncier* – a French legal covered bonds issuer) [3] Change in method on Dec. 31, 2012 related to modifications in the definition of customer classifications; previous periods not restated [4] Change in method on Dec. 31, 2013 following the adoption of new netting agreements between financial receivables and payables; previous periods not restated [5] Change in method on Dec. 31, 2014 following the transfer of subordinated debt issues to the network customers from the Shareholders' equity item to the Customer deposits item on the cash balance sheet

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## Liquidity
### 55% of the 2016 medium-/long-term capital market funding plan already completed at April 30, 2016

**55% of the 2016 MLT capital market funding plan already completed at April 30, 2016**

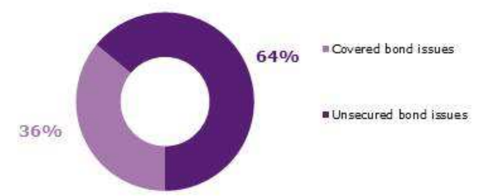
- €13.2bn raised out of a €24bn plan
- Average maturity at issue: 6.9 years
- Average rate: mid-swap + 41bps
- 54% public issues and 46% private placements

**Unsecured bond issues: €8.4bn raised**

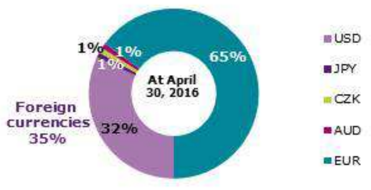
- Senior debt: €6.6bn
- Tier 2: €1.8bn

**Covered bond issues: €4.7bn raised**

**MLT funding plan completed at April 30, 2016**




**Diversification of the investor base**
(for unsecured bond issues in the institutional market)

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## Contents





## Results of the business lines
Commercial Banking & Insurance

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **3,771** | **3,951** | **-4.6%** |
| Net banking income[1] | 3,802 | 3,962 | -4.0% |
| **Banque Populaire banks[1]** | 1,593 | 1,660 | -4.0% |
| **Caisses d'Epargne[1]** | 1,873 | 1,914 | -2.1% |
| Other networks [1] | 336 | 388 | -13.4% |
| Operating expenses | -2,619 | -2,604 | 0.6% |
| **Gross operating income** | **1,152** | **1,347** | **-14.4%** |
| Cost of risk | -268 | -393 | -31.7% |
| **Income before tax** | **959** | **1,012** | **-5.2%** |
| Restatement of IFRIC 21 | 120 | 123 | |
| **Income before tax after IFRIC 21 restatement** | **1,079** | **1,135** | **-4.9%** |
| Cost/income ratio[2] | 66.3% | 62.8% | 3.5 pts |
| ROE[2,3] | 10% | 10% | - |

Q1-15 results are presented pro forma: cf. note on methodology
[1] Excluding provisions for home purchase savings schemes [2] Restated to account for the impact of IFRIC21 [3] After tax

# Results of the business lines

## Commercial Banking & Insurance: decline in NII limited by continued good commercial dynamism

Unless specified to the contrary, all changes are vs. March 31, 2015

### Commercial activities of the BP and CE networks

- Loan outstandings up by 4.2% (+€16bn)
  - Growth driven by home loans (+5.5%) and consumer loans (+9.8%)
  - Volume of new loan production remained high
- +€16bn in deposits & savings collected by the BP and CE networks in the space of one year
  - On-balance sheet deposits & savings: +3.0%; strong growth in demand deposits (+13.3%) and dynamic performance put up by regulated home savings plans (+10.0%)
  - Off-balance sheet deposits & savings: +2.0%, continued dynamism enjoyed by life insurance, life funds +2.8%

### Net banking income: -4.0%[1] vs. Q1-15 pf

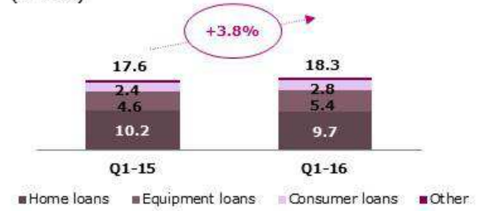
- Stronger negative impact of interest rates on NII; effect partially offset by higher volumes
- Strong decline in early redemption fees

### Operating expenses: stable

### Contribution of the Commercial Banking & Insurance division to income before tax[2]: €1.1bn, -4.9% vs. Q1-15 pf

**Deposits & savings and loan outstandings[3,4] (in €bn)**


**New loan production by the BP and CE networks (in €bn)**




[1] Excluding changes in provisions for home purchase savings schemes [2] Restated to account for the impact of IFRIC21 [3] Life funds and BPCE bonds placed in the retail networks in 2016 presented in outstandings (end of period); 2015 outstandings have been restated accordingly [4] Q1-15 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises, and Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC)



# Results of the business lines

## Banque Populaire banks: dynamic growth in new loan production and continued drive to attract new customers

Unless specified to the contrary, all changes are vs. March 31, 2015

### Customer base

- Principal active customers using banking services: +49,000, +1.5%
- Individual customers using banking services and insurance: +81,000, +7.6%

### Loan outstandings: +3.3%

- Home loans: outstandings +5.6%
- Consumer loans: outstandings +8.8%, new loan production +28%
- Equipment loans: outstandings +1.0%, new loan production +19%

### Deposits & savings: +€10bn

- On-balance sheet deposits & savings: €164bn (+5.0%), positive momentum driven by demand deposits (+11.7%) and regulated home savings plans (+9.5%)
- Life insurance: life funds +3.1%

### Non-life insurance

- P&C/non-life portfolio: +8.0%
- Provident & health insurance portfolio: +9.3%

### Net banking income: -4.0%[1] vs. Q1-15 pf

- Customer net interest income: -7.0%[1] vs. Q1-15 pf
- Commissions: -2.8% vs. Q1-15 pf

### Cost of risk: -23.6% vs. Q1-15 pf

### Income before tax[2]: -5.2% vs. Q1-15 pf

**Deposits & savings and loan outstandings (in €bn)**


**Contribution to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | 1,582 | 1,655 | -4.4 % |
| Net banking income excl. home purchase savings schemes | 1,593 | 1,660 | -4.0 % |
| Operating expenses | -1,113 | -1,105 | 0.7 % |
| **Gross operating income** | 469 | 550 | -14.7 % |
| Cost of risk | -132 | -172 | -23.6 % |
| **Income before tax** | 367 | 389 | -5.6 % |
| Restatement of IFRIC 21 | 46 | 47 | |
| **Income before tax after IFRIC 21 restatement** | 413 | 436 | -5.2 % |
| Cost/income ratio[2] | 67.5% | 63.9% | 3.5pts |

[1] Excluding changes in provisions for home purchase savings schemes [2] Restated to account for the impact of IFRIC21

# Results of the business lines

## Caisses d'Epargne: enhanced income before tax resulting from buoyant commercial activities and a sharp decline in the cost of risk

Unless specified to the contrary, all changes are vs. March 31, 2015

### Customer base

- Principal active customers using banking services: +108,000, +2.1%
- Active professional customers: +6,300, +3.8%

### Loan outstandings: +4.9%

- Home loans: outstandings +5.4%
- Consumer loans: outstandings +10.4%, new loan production +14%
- Equipment loans: outstandings +3.5%, new loan production +31% for loans granted to corporate customers

### Deposits & savings: +€7bn

- On-balance sheet deposits & savings: €270bn (+1.8%), growth in demand deposits (+15.1%) and regulated home savings plans (+10.2%) at the expense of passbook savings accounts (-4.2%)
- Life insurance: life funds +2.6%

### Non-life insurance

- P&C/non-life portfolio: +11.9%
- Provident & health insurance portfolio: +9.2%

### Net banking income: -2.1%[1] vs. Q1-15 pf

- Customer net interest income: -6.7%[1] vs. Q1-15 pf
- Commissions: -5.4% vs. Q1-15 pf

### Cost of risk: -51.6% vs. Q1-15 pf

### Income before tax[4]: +4.6% vs. Q1-15 pf

**Deposits & savings and loan outstandings[2,3]** (in €bn)


**Contribution to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **1,853** | **1,908** | **-2.9 %** |
| Net banking income excl. home purchase savings schemes | 1,873 | 1,914 | -2.1 % |
| Operating expenses | -1,254 | -1,245 | 0.8 % |
| **Gross operating income** | **599** | **663** | **-9.8 %** |
| Cost of risk | -85 | -175 | -51.6 % |
| **Income before tax** | **513** | **488** | **5.1 %** |
| Restatement of IFRIC 21 | 54 | 53 | |
| **Income before tax after IFRIC 21 restatement** | **566** | **541** | **4.6 %** |
| Cost/income ratio[4] | 64.8% | 62.4% | 2.4pts |

[1] Excluding changes in provisions for home purchase savings schemes [2] Life funds and BPCE bonds placed in the retail networks in 2016 presented in outstandings (end of period); 2015 outstandings have been restated accordingly [3] Q1-15 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises, and Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC) [4] Restated to account for the impact of IFRIC21



# Results of the business lines

## Other networks / Real estate Financing[1]

Unless specified to the contrary, all changes are vs. March 31, 2015

### Dynamic commercial activity

- Aggregate new loan production of €2.1bn in Q1-16, of which €1.6bn for the individual customer segment, and €0.5bn for the public-sector facilities and real-estate investors segment
- Buoyant level of commercial activity in the 1st quarter of 2016, notably in the sector promoting home-ownership among low-income families

### Net banking income: -0.5% vs. Q1-15 pf

**(change restated to account for exceptional items, including the CVA/DVA impact and the cost of deeply subordinated notes within Groupe BPCE)**

### Operating expenses: -4.7% vs. Q1-15 pf

### Cost/income ratio excluding exceptional items and cost of deeply subordinated notes: -2.5 pts, 61.6% in Q1-16 vs. 64.1% in Q1-15 pf

### Cost of risk[2]: +12.4% vs. Q1-15 pf

### Income before tax[3]: €46m in Q1-16

**Loan outstandings [4] (in €bn) – Core business lines**


**Contribution to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16 / Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **197** | **219** | **-10.0%** |
| Operating expenses | -138 | -145 | -4.7% |
| **Gross operating income** | **59** | **74** | **-20.3%** |
| Cost of risk | -28 | -25 | 12.4% |
| **Income before tax** | **31** | **51** | **-39.1%** |
| Restatement of IFRIC 21 | 15 | 17 | |
| **Income before tax after IFRIC 21 restatement** | **46** | **67** | **-31.4%** |
| Cost/income ratio[3] | 62.4% | 58.7% | 3.7 pts |

[1] Principal entity contributing to the business line: Crédit Foncier [2] Provision of €142m booked in Q1-15 for Heta Asset Resolution AG, attributed to the Corporate Center [3] Restated to account for the impact of IFRIC21 [4] Outstandings under management, estimation as of March 31, 2016

## Results of the business lines

### Other networks / CNP and others, BPCE International and Banque Palatine

Unless specified to the contrary, all changes are vs. March 31, 2015

**CNP and others[1]**

- Life insurance:
  - Gross new inflows from the Caisses d'Epargne of €3.5bn in Q1-16 (+21.1%); the private banking segment accounted for 64% of gross inflows in Q1-16 vs. 59% in Q1-15
  - Share of unit-linked contracts in gross new inflows: 17.1% at March 31, 2016

**BPCE International[2]**

- Deposits & savings: +1.7%
  - Demand deposits +6.6%, on-balance sheet deposits & savings (excl. demand deposits) -0.9%, and off-balance sheet items -3.4%
- Loan outstandings: stable
  - Individual customers: +3.7%
  - Corporate customers: -1.1 %

**Banque Palatine**

- Deposits & savings: +4.5%, buoyed up by new on-balance sheet inflows
  - Corporate customers: +6.0%, dynamic new inflows driven by demand deposits
  - Private banking customers: +0.3%, growth in on-balance sheet items (+1.8%) offsetting a decline in off-balance sheet items (-0.4%)
- Loan outstandings: +3.5%
  - Corporate customers: +3.4%
  - Private banking customers: +3.8%, production of new real-estate loans remains dynamic

**Business activity indicators**

| in billions of euros | March 31, 2016 | Q1-16 / Q1-15 % change |
|---|---|---|
| **BPCE International[2]** | | |
| Deposits & savings | 5.3 | 1.7% |
| Loan outsandings | 5.8 | = |
| **Banque Palatine[3]** | | |
| Deposits & savings | 17.7 | 4.5% |
| Loan outsandings | 8.2 | 3.5% |

**Contribution of the "Other networks" sub-division to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Income before tax** | **79** | **136** | **-41.5%** |
| Restatement of IFRIC 21 | 20 | 23 | |
| **Income before tax after IFRIC 21 restatement** | **100** | **158** | **-36.9%** |

[1] Principal entity contributing to the business line: minority interest in CNP Assurances (accounted for by the equity method) [2] 2015 figures presented pro forma to account for the transfer, to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC), in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon along with the transfer of a portfolio of loans for a consideration of €531m [3] Position at end-December 2015 for loan outstandings and average December 2015 position for deposits & savings



## Results of the business lines

### Core business lines of Natixis: Investment Solutions, Corporate & Investment Banking, and Specialized Financial Services

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **1,949** | **1,953** | **-0.2%** |
| Investments solutions | 825 | 823 | 0.1% |
| Corporate & Investment Banking | 782 | 806 | -3.1% |
| Specialized Financial Services | 343 | 324 | 5.9% |
| Operating expenses | -1,327 | -1,294 | 2.6% |
| **Gross operating income** | **622** | **660** | **-5.8%** |
| Cost of risk | -84 | -80 | 4.9% |
| **Income before tax** | **565** | **588** | **-4.0%** |
| Restatement of IFRIC 21 | 51 | 52 | |
| **Income before tax after IFRIC 21 restatement** | **615** | **641** | **-3.9%** |
| Cost/income ratio[1] | 65.5% | 63.6% | 1.9 pt |
| ROE[1,2] | 12% | 13% | -1 pt |

Contribution figures ≠ figures published by Natixis
Q1-15 results are presented pro forma: cf. notes on methodology
[1] Restated to account for the impact of IFRIC21 [2] After tax

## Results of the business lines

### Core business lines of Natixis: good performance in Q1-16 despite a very volatile environment

**Investment Solutions: income before tax +6%[1] vs. Q1-15 pf**

- Increased margins and limited outflows in Q1-16 in Asset Management
- Enhanced contribution from insurance: 20% of the division's net revenues (vs. 17% in Q1-15)

**Corporate & Investment Banking: income before tax -19%[1] vs. Q1-15 pf**

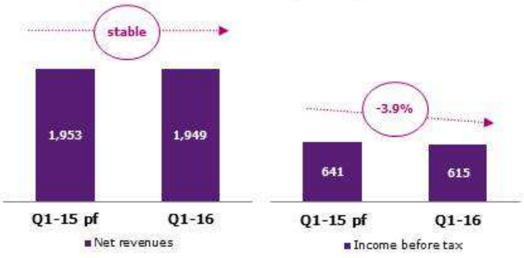
- Net banking income decline limited to 2% in Q1-16 (excl. CVA/DVA)
  - Good performance achieved by Equity derivatives (+6%) and Fixed income activities stood up well
- In geographical terms, strong growth in business activities in Asia (FI and Structured financing): +42% year-on-year
- O2D strategy: continued improvement in the profitability of risk-weighted assets, net revenues/risk-weighted assets ratio has risen to 4.7% in Q1-16 vs. 4.2% in Q1-15

**SFS: income before tax +13%[1] vs. Q1-15 pf**

- Revenues: +6% vs. Q1-15 pf driven by the Specialized financing business
- Gross operating income: +12% vs. Q1-15 pf
- Cost of risk under tight management

**Contribution of the core business lines of Natixis to income before tax[1]: €615m, -3.9% vs. Q1-15 pf**

**Change in the core business line net revenues and income before tax[1] – (in €m)**




**Contribution to income before tax[1]** (as a %)


[1] Restated to account for the impact of IFRIC21



## Results of the business lines

### IS: successful completion of first steps in rolling out life insurance products in the Caisse d'Epargne network; enhanced margins and net outflows limited to €1bn in Asset management

**Asset management**

- Increase in margins in both the United States and Europe thanks to improvements in the product mix and dynamism maintained for the "Alternative" strategies
- Adaptability of the business model: 6% decline in revenues year-on-year in the US with a 5% reduction in expenses over the same period
- Positive new inflows in Europe +€8bn (including €4.6bn in money market funds); outflows of more than €8bn in the US, chiefly for fixed-income products (-€6bn)

**Insurance**

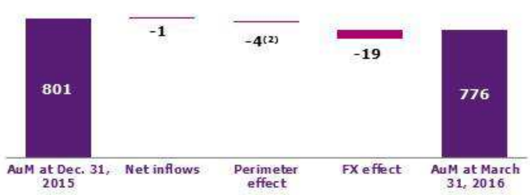
- Global turnover: €1.8bn, +20%[1] vs. Q1-15
- Life insurance[1]
  - AuM: €45bn at end-March 2016 (+4% year-on-year), of which 18.3% in unit-linked policies
  - Net new fund inflows: €0.6bn (+44% year-on-year) of which 36% in unit-linked policies,
  - Turnover: +24% vs. Q1-15
- P&C and provident insurance
  - P&C insurance: turnover +9% vs. Q1-15, combined ratio of 90.9%
  - Provident & payment protection insurance: turnover +10% vs. Q1-15

**Net revenues: stable vs. Q1-15 pf**

- Increased Asset management margins driven in particular by DNCA in Europe
- Strong growth in all Insurance market segments

**Income before tax: +6%[3] vs. Q1-15 pf**

**Asset management: AuM** (in €bn)




**Contribution to Group results**

| **Results** in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | 825 | 823 | 0.1% |
| Operating expenses | -590 | -583 | 1.2% |
| **Gross operating income** | 234 | 240 | -2.6% |
| Cost of risk | 0 | -1 | - |
| **Income before tax** | 258 | 244 | 5.7% |
| Restatement of IFRIC 21 | 11 | 10 | |
| **Income before tax after IFRIC 21 restatement** | 269 | 254 | 6.0% |
| Cost/income ratio[3] | 70.2% | 69.6% | 0.6 pt |

[1] Excluding the reinsurance treaty with CNP [2] Divestment of Snyder Capital Management and CGM, in the form of an MBO [3] Restated to account for the impact of IFRIC21

# Results of the business lines

## Corporate & Investment Banking: good resilience of key franchises in a very difficult business environment in Q1-16; Equity continued to perform very well

### Financing activities

- Structured financing
  - New loan production: €4.5bn in Q1-16, i.e. +3% vs. Q1-15 (excluding Global Energy & Commodities, which saw a decline of more than 50% in new production over the same period)
  - Dynamic performance by the Aircraft business, notably in Asia
  - Proportion of commissions in net revenues remains high at 37% in Q1-16, stable vs. Q1-15
- Commercial banking
  - New loan production: €3.0bn in Q1-16, or –21% vs. Q1-15

### Capital markets

- Equity
  - Net revenues: slight contraction -2% vs. Q1-15 despite the adverse market conditions
  - Good performance achieved by Equity derivatives: revenues +6% year-on-year, boosted by the continued development of the Solutions activity, which enjoyed 62% growth in the space of one year
- FIC-T (Foreign Exchange, Interest Rate, Commodities & Treasury)
  - Revenues: +13% vs. Q4-15 et -8% vs. Q1-15
  - Fixed income activities stood up well (stable year-on-year) driven by the Interest Rate and FX activities, which put up a strong performance, notably in Asia
  - GSCS[1]: revenues +7% in Q1-16 vs. Q1-15, while the level of business activities declined sharply for syndicated operations (NBI -28% year-on-year) in a sluggish primary equity market

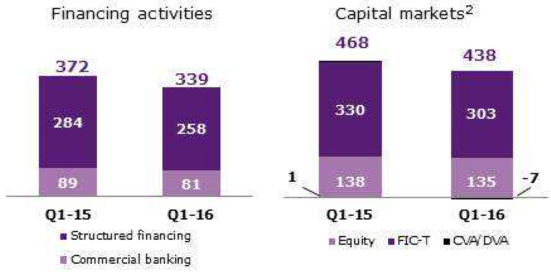
**Net revenues: -3% vs. Q1-15 pf (-2% excl. CVA/DVA)**

**Operating expenses: +4% vs. Q1-15 pf**

- Expanded role played by international platforms

**Income before tax: -19%[3] vs. Q1-15 pf**

**Change in net revenues** (in €m)




**Contribution to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **782** | **806** | **-3.1%** |
| Operating expenses | -512 | -492 | 4.0% |
| **Gross operating income** | **270** | **314** | **-14.1%** |
| Cost of risk | -71 | -65 | 9.6% |
| **Income before tax** | **202** | **253** | **-20.2%** |
| Restatement of IFRIC 21 | 31 | 33 | |
| **Income before tax after IFRIC 21 restatement** | **233** | **286** | **-18.6%** |
| Cost/income ratio[3] | 61.5% | 57.0% | 4.5 pts |

[1] Global Structured Credit Solutions [2] Capital market revenues: total excluding CVA/DVA [3] Restated to account for the impact of IFRIC21



# Results of the business lines

## Specialized Financial Services: strong performance in specialized financing and continued strengthening of earning capacity

### Specialized financing

- Sureties & financial guarantees
  - Written premiums +15% vs. Q1-15, with strong dynamics in the professional and individual customer markets
- Leasing
  - New loan production: +72% in Q1-16, driven by the strong growth in business activities with Groupe BPCE's retail banking networks, notably in the area of real-estate leasing
- Factoring
  - Factored revenues: +10% with an improvement in average financed outstandings and an expansion in the product range

### Financial services

- Employee benefit schemes
  - Dynamic performance achieved by service vouchers with 6% growth in the number of *Chèque de table*® vouchers issued in Q1-16 vs. Q1-15
- Payments
  - Number of electronic banking transactions: +10% vs. Q1-15
  - Cards in circulation: +2% vs. Q1-15

**Net revenues: +6% vs. Q1-15 pf**

- Growth buoyed by the Specialized financing business (+11% vs. Q1-15)
- Slight decline in Financial services

**Gross operating income: +12% vs. Q1-15 pf**

**Income before tax: +13%[1] vs. Q1-15 pf, also thanks to a tight management of the cost of risk**

**Contribution to Group results**

| Results in millions of euros | Q1-16 | Q1-15 pf | Q1-16/ Q1-15 pf % change |
|---|---|---|---|
| **Net banking income** | **343** | **324** | **5.9%** |
| Operating expenses | -225 | -218 | 3.1% |
| **Gross operating income** | **118** | **105** | **11.7%** |
| Cost of risk | -13 | -14 | -9.7% |
| **Income before tax** | **105** | **91** | **15.1%** |
| Restatement of IFRIC 21 | 9 | 10 | |
| **Income before tax after IFRIC 21 restatement** | **114** | **101** | **12.6%** |
| Cost/income ratio[1] | 63.4% | 64.7% | -1.3 pt |

[1] Restated to account for the impact of IFRIC21

## Contents





## Conclusion

### Positive growth dynamic pursued by the core business lines

- Loan outstandings[1]: +€16bn (+4.2%) year-on-year, making it possible to limit the decline in NII
- Strong growth in life and non-life insurance
- Very strong resistance put up by the core business lines of Natixis

### Net income stable despite the environment characterized by low interest rates

- Revenues generated by the core business lines: -3.1% vs. Q1-15 pf
- Tight control over operating expenses, excluding the estimated increase in the SRF contribution : +0.4% vs. Q1-15 pf
- Decline in the cost of risk to a moderate level: 24bps vs. 32bps[2] in Q1-15 pf
- Net income of €872m[3], stable vs. Q1-15 pf

### New synergies to be generated by the 3 mergers between regional banks launched since the beginning of the year

### Continued strengthening of the balance sheet

- CET1 ratio equal to 13.3%[4] (+10bps vs. Dec. 31, 2015)
- Overall capital adequacy ratio of 17.3%[4,6] (+30bps vs. Dec. 31, 2015)
- Leverage ratio of 4.7%[5] (stable vs. Dec. 31, 2015 pro forma ratio)

[1] Banque Populaire and Caisse d'Epargne retail banking networks [2] Excluding the impact of the Heta Asset Resolution AG provision [3] Excluding non-economic and exceptional items and after restatement to account for IFRIC21 [4] Estimate at March 31, 2016 – CRR / CRD 4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards and pro forma of the PJS acquisition project [5] Estimate at March 31, 2016 according to the rules of the delegated Act published by the European Commission on Oct. 10, 2014 – without CRR/CRD 4 transitional measures after restating to account for deferred tax assets on tax loss carryforwards [6] Including circa €1.6bn in Tier-2 issues completed after March 31, 2016

GROUPE BPCE

Bankers and insurers with a different perspective

# Results for the 1st quarter of 2016

May 10, 2016

## Annexes

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### Organizational structure of Groupe BPCE


* Indirectly through Local Savings Companies.



## Annex – Consolidated results of Groupe BPCE
### Notes on methodology

**Presentation of pro forma Q1-15 quarterly results**

- The segment information has been modified as of Q1-16 after the Equity interests division was subsumed into the Corporate center division.
- On September 18, 2015, BPCE International transferred to the Caisse d'Epargne Provence-Alpes-Corse the entire equity interest it held in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon. The revenues generated by these entities have been attributed retroactively to the Caisse d'Epargne sub-division. This operation has no impact on the Commercial Banking & Insurance division as a whole.
- The retroactive application since January 1st, 2015 of the change in the accounting method whereby assets and liabilities denominated in foreign currencies are hedged by currency swaps (with the impacts of the inefficiency of hedging now being recorded in transferable capital) has led to a restatement of the 2015 quarterly reviews; this restatement has no impact on the 2015 annual result.
- The series of financial reports for 2015 is also presented pro forma to account for the transfer of expenses from the Corporate Center division to the SFS division.

**Non-economic and exceptional items**

- The figures and comments contained in this presentation are based on the income statements of Groupe BPCE and its business lines restated to reflect the non-economic and exceptional accounting items listed on page 6. A reconciliation of the restated income statement with the income statement published by Groupe BPCE is provided in an annex to this document.
- Starting in Q1-16, the contribution to the Single Resolution Fund, booked under the operating expenses of the Corporate center division, is no longer restated to account for exceptional items.
- When the Q1-15 results were published, the amount booked with respect to the Group's contribution to the Single Resolution Fund was an estimate. The quarterly reviews for 2015 have been restated to take account in Q1-15 of the actual amount of the SRF contribution as calculated by the supervisory authorities. This restatement has no impact on the 2015 annual results.

**Restatement to account for the impact of IFRIC 21**

- The results, cost/income ratios and ROE restated to account for the impact of IFRIC 21 are computed, every quarter, on the basis of ¼ of the amount of taxes and contributions related to the IFRIC 21 interpretation.

**Business line performance measured under Basel 3**

- As of Q1-15, regulatory capital is allocated to Groupe BPCE business lines on the basis of 10% of their Basel 3 average risk-weighted assets.

**Leverage ratio**

- The leverage ratio is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures, after restating to account for deferred tax assets on tax loss carryforwards. 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. The savings and deposits centralized with the Caisse des Dépôts et Consignations has been considered in the total leverage exposure since Q1-16.

# Annex - Groupe BPCE

## Quarterly income statement: reconciliation of consolidated data (excluding non-economic and exceptional items) to published consolidated data

| **Results** in millions of euros | Q1-16 excl. non-economic and exceptional items | Revaluation of own debt | Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | Banca Carige / Permanent impairment | Disposal of international assets managed on a run-off basis (CFF, ex-SCF) | Disposal of the entire residual interest in Nexity | Provision Heta Asset Resolution AG | Q1-16 published |
|---|---|---|---|---|---|---|---|---|
| **Net banking income** | 5,787 | 7 | -45 | -10 | -39 | 39 | | 5,739 |
| Operating expenses | -4,394 | | | | | | | -4,394 |
| **Gross operating income** | 1,393 | 7 | -45 | -10 | -39 | 39 | | 1,345 |
| Cost of risk | -372 | | | | | | | -372 |
| **Income before tax** | 1,136 | 7 | -45 | -10 | -39 | 39 | | 1,088 |
| **Net income attributable to equity holders of the parent** | 597 | 5 | -29 | -10 | -26 | 40 | | 578 |

| **Results** in millions of euros | Q1-15 pf excl. non-economic and exceptional items | Revaluation of own debt | Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | Banca Carige / Permanent impairment | Disposal of international assets managed on a run-off basis (CFF, ex-SCF) | Disposal of the entire residual interest in Nexity | Provision Heta Asset Resolution AG | Q1-15 pf published |
|---|---|---|---|---|---|---|---|---|
| **Net banking income** | 6,029 | -8 | 122 | | -5 | | | 6,138 |
| Operating expenses | -4,265 | | | | | | | -4,265 |
| **Gross operating income** | 1,764 | -8 | 122 | | -5 | | | 1,873 |
| Cost of risk | -493 | | | | | | -142 | -635 |
| **Income before tax** | 1,332 | -8 | 122 | | -5 | | -142 | 1,299 |
| **Net income attributable to equity holders of the parent** | 673 | -6 | 74 | | -3 | | -93 | 645 |



# Annex - Groupe BPCE

## Income statement: reconciliation of pro-forma consolidated data to published consolidated data

| in millions of euros | Groupe BPCE Q1-15 pub | Groupe BPCE Final SRF contribution adjustment | Groupe BPCE Foreign currency swaps | Groupe BPCE Q1-15 pf | Commercial Banking & Insurance Q1-15 pub | Commercial Banking & Insurance | Commercial Banking & Insurance Q1-15 pf | Investment Solutions, Corporate & Investment Banking, SFS Q1-15 pub | Investment Solutions, Corporate & Investment Banking, SFS Transfer of expenses from the Corporate center | Investment Solutions, Corporate & Investment Banking, SFS Q1-15 pf | Equity interests Q1-15 pub | Equity interests Transfer to the Corporate center division | Equity interests Q1-15 pf | Corporate center Q1-15 pub | Corporate center Final SRF contribution adjustment | Corporate center Transfer of expenses | Corporate center Foreign currency swaps | Corporate center Transfer of the Equity interests division | Corporate center Q1-15 pf |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net banking income | 6,191 | | -53 | 6,138 | 3,951 | | 3,951 | 1,953 | | 1,953 | 227 | -227 | | 60 | | | -53 | 227 | 234 |
| Operating expenses | -4,318 | 53 | | -4,265 | -2,604 | | -2,604 | -1,292 | -2 | -1,294 | -179 | 179 | | -243 | 53 | 2 | | -179 | -367 |
| Gross operating income | 1,873 | 53 | -53 | 1,873 | 1,347 | | 1,347 | 661 | -2 | 660 | 48 | -48 | | -183 | 53 | 2 | -53 | 48 | -133 |
| Cost of risk | -635 | | | -635 | -393 | | -393 | -80 | | -80 | -3 | 3 | | -159 | | | | -3 | -162 |
| Net gains or losses on other assets | 3 | | | 3 | 3 | | 3 | 0 | | 0 | 0 | | | 0 | | | | | 0 |
| Income before tax | 1,299 | 53 | -53 | 1,299 | 1,012 | | 1,012 | 590 | -2 | 588 | 50 | -50 | | -354 | 53 | 2 | -53 | 50 | -301 |
| Income tax | -548 | | 20 | -528 | -380 | | -380 | -194 | 1 | -194 | -15 | 15 | | 42 | | -1 | 20 | -15 | 46 |
| Non-controlling interests | -125 | -1 | | -126 | -6 | | -6 | -126 | 0 | -126 | -24 | 24 | | 32 | -1 | 0 | | -24 | 6 |
| Net income attributable to equity holders of the parent | 626 | 52 | -33 | 645 | 626 | | 626 | 269 | -1 | 268 | 12 | -12 | | -280 | 52 | 1 | -33 | 12 | -249 |

| in millions of euros | Groupe BPCE Q2-15 pub | Groupe BPCE Final SRF contribution adjustment | Groupe BPCE Foreign currency swaps | Groupe BPCE Q2-15 pf | Commercial Banking & Insurance Q2-15 pub | Commercial Banking & Insurance | Commercial Banking & Insurance Q2-15 pf | Investment Solutions, Corporate & Investment Banking, SFS Q2-15 pub | Investment Solutions, Corporate & Investment Banking, SFS Transfer of expenses from the Corporate center | Investment Solutions, Corporate & Investment Banking, SFS Q2-15 pf | Equity interests Q2-15 pub | Equity interests Transfer to the Corporate center division | Equity interests Q2-15 pf | Corporate center Q2-15 pub | Corporate center Final SRF contribution adjustment | Corporate center Transfer of expenses | Corporate center Foreign currency swaps | Corporate center Transfer of the Equity interests division | Corporate center Q2-15 pf |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net banking income | 6,058 | | 23 | 6,081 | 3,888 | | 3,888 | 2,023 | | 2,023 | 196 | -196 | | -49 | | | 23 | 196 | 171 |
| Operating expenses | -3,929 | | | -3,929 | -2,448 | | -2,448 | -1,244 | -2 | -1,246 | -167 | 167 | | -70 | | 2 | | -167 | -235 |
| Gross operating income | 2,129 | | 23 | 2,152 | 1,440 | | 1,440 | 779 | -2 | 777 | 29 | -29 | | -119 | | 2 | 23 | 29 | -65 |
| Cost of risk | -398 | | | -398 | -359 | | -359 | -59 | | -59 | -4 | 4 | | 25 | | | | -4 | 21 |
| Net gains or losses on other assets | 79 | | | 79 | -7 | | -7 | 0 | | 0 | 82 | -82 | | 5 | | | | 82 | 87 |
| Income before tax | 1,897 | | 23 | 1,920 | 1,138 | | 1,138 | 732 | -2 | 730 | 120 | -120 | | -90 | | 2 | 23 | 120 | 54 |
| Income tax | -583 | | -9 | -591 | -417 | | -417 | -239 | 1 | -238 | -9 | 9 | | -17 | | -1 | -9 | -9 | -36 |
| Non-controlling interests | -161 | | | -161 | -3 | | -3 | -150 | 0 | -150 | -5 | 5 | | -3 | | 0 | | -5 | -8 |
| Net income attributable to equity holders of the parent | 1,053 | | 14 | 1,067 | 715 | | 715 | 343 | -1 | 343 | 105 | -105 | | -111 | | 1 | 14 | 105 | 9 |

# Annex - Groupe BPCE

## Income statement: reconciliation of pro-forma consolidated data to published consolidated data

| in millions of euros | Groupe BPCE | | | | Commercial Banking & Insurance | | Investment Solutions, Corporate & Investment Banking, SFS | | | Equity interests | | | Corporate center | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3-15 pub | Final SRF contribution adjustment | Foreign currency swaps | Q3-15 pf | Q3-15 pub | Q3-15 pf | Q3-15 pub | Transfer of expenses from the Corporate center | Q3-15 pf | Q3-15 pub | Transfer to the Corporate center division | Q3-15 pf | Q3-15 pub | Final SRF contribution adjustment | Transfer of expenses | Foreign currency swaps | Transfer of the Equity interests division | Q3-15 pf |
| Net banking income | 5,740 | | 35 | 5,775 | 3,859 | 3,859 | 1,821 | | 1,821 | 233 | -233 | | -172 | | | 35 | 233 | 95 |
| Operating expenses | -3,832 | | | -3,832 | -2,400 | -2,400 | -1,190 | -3 | -1,193 | -172 | 172 | | -69 | | 3 | | -172 | -238 |
| **Gross operating income** | 1,908 | | 35 | 1,943 | 1,459 | 1,459 | 630 | -3 | 628 | 60 | -60 | | -241 | | 3 | 35 | 60 | -143 |
| Cost of risk | -353 | | | -353 | -255 | -255 | -47 | | -47 | -6 | 6 | | -45 | | | | -6 | -51 |
| Net gains or losses on other assets | -2 | | | -2 | -3 | -3 | 0 | | 0 | 2 | -2 | | 0 | | | | 2 | 2 |
| **Income before tax** | 1,615 | | 35 | 1,650 | 1,253 | 1,253 | 590 | -3 | 587 | 56 | -56 | | -284 | | 3 | 35 | 56 | -190 |
| Income tax | -565 | | -13 | -579 | -444 | -444 | -198 | 1 | -197 | -10 | 10 | | 87 | | -1 | -13 | -10 | 63 |
| Non-controlling interests | -112 | | | -112 | -5 | -5 | -126 | 0 | -126 | -9 | 9 | | 28 | | 0 | | -9 | 19 |
| **Net income attributable to equity holders of the parent** | 937 | | 22 | 959 | 804 | 804 | 265 | -1 | 264 | 37 | -37 | | -169 | | 1 | 22 | 37 | -108 |

| in millions of euros | Groupe BPCE | | | | Commercial Banking & Insurance | | Investment Solutions, Corporate & Investment Banking, SFS | | | Equity interests | | | Corporate center | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4-15 pub | Final SRF contribution adjustment | Foreign currency swaps | Q4-15 pf | Q4-15 pub | Q4-15 pf | Q4-15 pub | Transfer of expenses from the Corporate center | Q4-15 pf | Q4-15 pub | Transfer to the Corporate center division | Q4-15 pf | Q4-15 pub | Final SRF contribution adjustment | Transfer of expenses | Foreign currency swaps | Transfer of the Equity interests division | Q4-15 pf |
| Net banking income | 5,879 | | -5 | 5,874 | 3,673 | 3,673 | 2,082 | | 2,082 | 190 | -190 | | -65 | | | -5 | 190 | 119 |
| Operating expenses | -4,170 | -53 | | -4,223 | -2,583 | -2,583 | -1,359 | -2 | -1,361 | -165 | 165 | | -64 | -53 | 2 | | -165 | -279 |
| **Gross operating income** | 1,709 | -53 | -5 | 1,651 | 1,090 | 1,090 | 723 | -2 | 721 | 25 | -25 | | -129 | -53 | 2 | -5 | 25 | -160 |
| Cost of risk | -445 | | | -445 | -297 | -297 | -88 | | -88 | -5 | 5 | | 22 | | | | -5 | 17 |
| Net gains or losses on other assets | -7 | | | -7 | -2 | -2 | -1 | | -1 | -1 | 1 | | -4 | | | | -1 | -4 |
| **Income before tax** | 1,312 | -53 | -5 | 1,254 | 742 | 742 | 676 | -2 | 674 | 15 | -15 | | -121 | -53 | 2 | -5 | 15 | -162 |
| Income tax | -527 | | 2 | -525 | -289 | -289 | -221 | 1 | -220 | -8 | 8 | | -10 | | -1 | 2 | -8 | -17 |
| Non-controlling interests | -159 | 1 | | -158 | 0 | 0 | -188 | 0 | -187 | -12 | 12 | | 21 | 1 | -1 | | -12 | 10 |
| **Net income attributable to equity holders of the parent** | 626 | -52 | -3 | 570 | 453 | 453 | 268 | -1 | 267 | -5 | 5 | | -110 | -52 | 1 | -3 | -5 | -170 |



# Annex – Groupe BPCE

## Quarterly income statement per business line

| in millions of euros | Commercial Banking & Insurance | | Investment Solutions, CIB and SFS | | Core businesses | | | Corporate center | | Groupe BPCE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1-16 | Q1-15 pf | Q1-16 | Q1-15 pf | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | Q1-16 | Q1-15 pf | % |
| Net banking income | 3,771 | 3,951 | 1,949 | 1,953 | 5,720 | 5,904 | -3.1% | 19 | 234 | 5,739 | 6,138 | -6.5% |
| Operating expenses | -2,619 | -2,604 | -1,327 | -1,294 | -3,946 | -3,898 | 1.2% | -448 | -367 | -4,394 | -4,265 | 3.0% |
| **Gross operating income** | **1,152** | **1,347** | **622** | **660** | **1,774** | **2,006** | **-11.6%** | **-429** | **-133** | **1,345** | **1,873** | **-28.2%** |
| Cost / income ratio | 69.4% | 65.9% | 68.1% | 66.2% | 69.0% | 66.0% | 3.0 pts | ns | ns | 76.6% | 69.5% | 7.1 pts |
| Cost of risk | -268 | -393 | -84 | -80 | -352 | -473 | -25.6% | -19 | -162 | -372 | -635 | -41.5% |
| **Income before tax** | **959** | **1,012** | **565** | **588** | **1,524** | **1,600** | **-4.8%** | **-436** | **-301** | **1,088** | **1,299** | **-16.2%** |
| Income tax | -327 | -380 | -188 | -194 | -515 | -574 | -10.2% | 100 | 46 | -415 | -528 | -21.4% |
| Non-controlling interests | -4 | -6 | -122 | -126 | -125 | -132 | -5.2% | 30 | 6 | -95 | -126 | -24.3% |
| **Net income attributable to equity holders of the parent** | **629** | **626** | **255** | **268** | **883** | **894** | **-1.2%** | **-305** | **-249** | **578** | **645** | **-10.5%** |

# Annex – Groupe BPCE
## Quarterly income statement

| in millions of euros | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| | Groupe BPCE | | | | |
| Net banking income | 6,138 | 6,081 | 5,775 | 5,874 | 5,739 |
| Operating expenses | -4,265 | -3,929 | -3,832 | -4,223 | -4,394 |
| **Gross operating income** | **1,873** | **2,152** | **1,943** | **1,651** | **1,345** |
| Cost / income ratio | 69.5% | 64.6% | 66.4% | 71.9% | 76.6% |
| Cost of risk | -635 | -398 | -353 | -445 | -372 |
| **Income before tax** | **1,299** | **1,920** | **1,650** | **1,254** | **1,088** |
| **Net income attributable to equity holders of the parent** | **645** | **1,067** | **959** | **570** | **578** |



# Annex – Groupe BPCE
## Consolidated balance sheet

| ASSETS in millions of euros | March 31, 2016 | Dec. 31, 2015 | LIABILITIES in millions of euros | March 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|---|---|
| Cash and amounts due from central banks | 59,407 | 71,119 | Amounts due to central banks | 5 | 0 |
| Financial assets at fair value through profit or loss | 175,457 | 174,412 | Financial liabilities at fair value through profit or loss | 147,553 | 142,904 |
| Hedging derivatives | 17,969 | 15,796 | Hedging derivatives | 22,412 | 18,659 |
| Available-for-sale financial assets | 97,017 | 95,984 | Amounts due to banks | 75,019 | 77,040 |
| Loans and receivables due from credit institutions | 108,536 | 96,208 | Amounts due to customers | 508,530 | 499,711 |
| Loans and receivables due from customers | 638,146 | 617,465 | Debt securities | 222,401 | 223,413 |
| Remeasurement adjustment on interest-rate risk hedged portfolios | 9,470 | 7,522 | Remeasurement adjustment on interest-rate risk hedged portfolios | 1,338 | 1,301 |
| Held-to-maturity financial assets | 10,552 | 10,665 | Tax liabilities | 927 | 1,240 |
| Tax assets | 5,772 | 6,107 | Accrued expenses and other liabilities | 56,263 | 53,699 |
| Accrued income and other assets | 59,013 | 55,383 | Liabilities associated with non-current assets held for sale | 0 | 9 |
| Non-current assets held for sale | 0 | 22 | Technical reserves of insurance companies | 72,819 | 59,562 |
| Investments in associates | 3,738 | 3,666 | Provisions | 5,561 | 5,665 |
| Investment property | 1,940 | 2,020 | Subordinated debt | 18,664 | 18,139 |
| Property, plant and equipment | 4,626 | 4,710 | **Consolidated equity** | **65,519** | **65,193** |
| Intangible assets | 1,085 | 1,102 | Equity attributable to equity holders of the parent | 57,941 | 57,632 |
| Goodwill | 4,283 | 4,354 | Non-controlling interests | 7,578 | 7,561 |
| **TOTAL ASSETS** | **1,197,011** | **1,166,535** | **TOTAL LIABILITIES** | **1,197,011** | **1,166,535** |

## Annex – Financial structure
### Statement of changes in shareholders' equity

| in millions of euros | Equity attributable to equity holders of the parent |
|---|---|
| **December 31, 2015** | **57,632** |
| Distributions | 0 |
| Capital increase (cooperative shares) | 397 |
| Income | 578 |
| Remuneration of super-subordinated notes (TSSDI) | -26 |
| Issue and redemption of super-subordinated notes (TSSDI) | -350 |
| Changes in gains & losses directly recognized in equity | -253 |
| Impact of acquisitions and disposals on non-controlling interests (minority interests) | -9 |
| Other | -28 |
| **March 31, 2016** | **57,941** |



## Annex - Commercial Banking & Insurance
### Quarterly income statement per business line

| | Banque Populaire banks | | | Caisses d'Epargne | | | Other networks | | | Commercial Banking & Insurance | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in millions of euros | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % |
| Net banking income | 1,582 | 1,655 | -4.4% | 1,853 | 1,908 | -2.9% | 336 | 388 | -13.4% | 3,771 | 3,951 | -4.6% |
| Operating expenses | -1,113 | -1,105 | 0.7% | -1,254 | -1,245 | 0.8% | -251 | -254 | -1.2% | -2,619 | -2,604 | 0.6% |
| **Gross operating income** | **469** | **550** | **-14.7%** | **599** | **663** | **-9.8%** | **85** | **133** | **-36.5%** | **1,152** | **1,347** | **-14.4%** |
| Cost / income ratio | 70.4% | 66.8% | 3.6 pts | 67.7% | 65.2% | 2.5 pts | 74.8% | 65.6% | 9.2 pts | 69.4% | 65.9% | 3.5 pts |
| Cost of risk | -132 | -172 | -23.6% | -85 | -175 | -51.6% | -52 | -45 | 14.1% | -268 | -393 | -31.7% |
| **Income before tax** | **367** | **389** | **-5.6%** | **513** | **488** | **5.1%** | **79** | **136** | **-41.5%** | **959** | **1,012** | **-5.2%** |
| Income tax | -132 | -146 | -9.4% | -180 | -194 | -7.5% | -16 | -40 | -61.7% | -327 | -380 | -14.0% |
| Non-controlling interests | 0 | -2 | -94.8% | 0 | -1 | -56.1% | -3 | -3 | -12.1% | -4 | -6 | -42.9% |
| **Net income attributable to equity holders of the parent** | **235** | **241** | **-2.6%** | **333** | **293** | **13.7%** | **61** | **92** | **-33.7%** | **629** | **626** | **0.5%** |

# Annex - Commercial Banking & Insurance
## Quarterly income statement

| in millions of euros | Commercial Banking & Insurance Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| Net banking income | 3,951 | 3,888 | 3,859 | 3,673 | 3,771 |
| Operating expenses | -2,604 | -2,448 | -2,400 | -2,583 | -2,619 |
| **Gross operating income** | **1,347** | **1,440** | **1,459** | **1,090** | **1,152** |
| Cost / income ratio | 65.9% | 63.0% | 62.2% | 70.3% | 69.4% |
| Cost of risk | -393 | -359 | -255 | -397 | -268 |
| **Income before tax** | **1,012** | **1,136** | **1,253** | **742** | **959** |
| **Net income attributable to equity holders of the parent** | **626** | **715** | **804** | **453** | **629** |

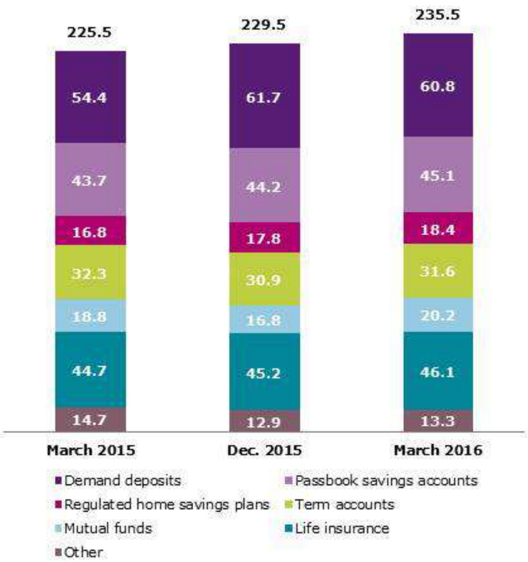


# Annex - Commercial Banking & Insurance
## Quarterly income statement: Banque Populaire banks and Caisses d'Epargne

| in millions of euros | Banque Populaire banks Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| Net banking income | 1,655 | 1,646 | 1,663 | 1,543 | 1,582 |
| Operating expenses | -1,105 | -1,052 | -1,037 | -1,091 | -1,113 |
| **Gross operating income** | **550** | **594** | **626** | **452** | **469** |
| Cost / income ratio | 66.8% | 63.9% | 62.4% | 70.7% | 70.4% |
| Cost of risk | -172 | -164 | -109 | -179 | -132 |
| **Income before tax** | **389** | **440** | **527** | **276** | **367** |
| **Net income attributable to equity holders of the parent** | **241** | **281** | **336** | **172** | **235** |

| in millions of euros | Caisses d'Epargne Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| Net banking income | 1,908 | 1,837 | 1,796 | 1,751 | 1,853 |
| Operating expenses | -1,245 | -1,172 | -1,145 | -1,247 | -1,254 |
| **Gross operating income** | **663** | **665** | **651** | **504** | **599** |
| Cost / income ratio | 65.2% | 63.8% | 63.8% | 71.2% | 67.7% |
| Cost of risk | -175 | -138 | -106 | -149 | -85 |
| **Income before tax** | **488** | **525** | **542** | **359** | **513** |
| **Net income attributable to equity holders of the parent** | **293** | **327** | **336** | **210** | **333** |

## Annex - Commercial Banking & Insurance
Banque Populaire network: customer deposits & savings (in €bn)




| | % change Q1-16/Q1-15 |
|---|---|
| Demand deposits | +11.7% |
| Passbook savings accounts | +3.1% |
| Regulated home savings plans | +9.5% |
| Term accounts | -2.0% |
| Mutual funds | +7.4% |
| Life insurance | +3.1% |
| Other | ns |
| **Total deposits & savings** | **+4.4%** |

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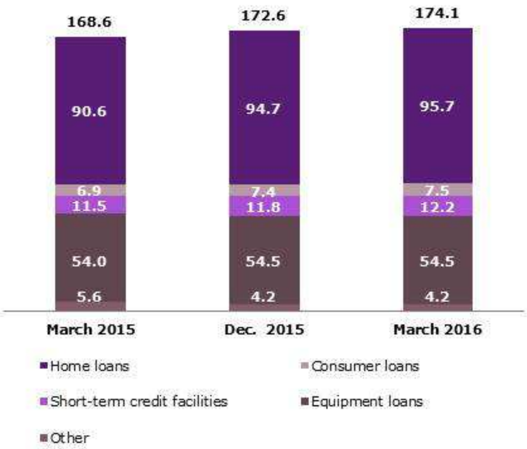
## Annex - Commercial Banking & Insurance
Banque Populaire retail network: customer loan outstandings (in €bn)




| | % change Q1-16/Q1-15 |
|---|---|
| Home loans | +5.6% |
| Consumer loans | +8.8% |
| Short-term credit facilities | +5.8% |
| Equipment loans | +1.0% |
| Other | ns |
| **Total loans** | **+3.3%** |

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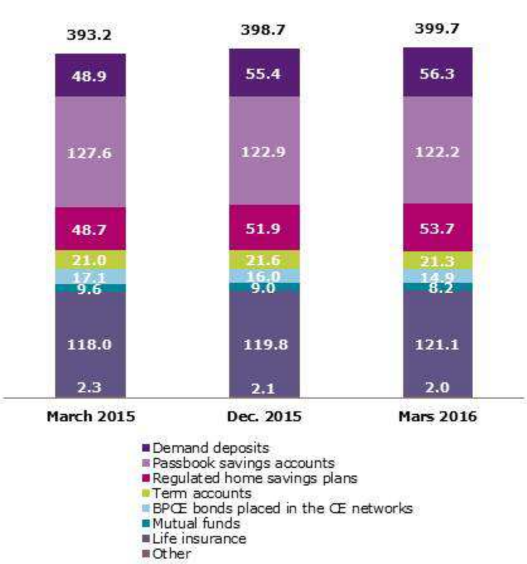
# Annex - Commercial Banking & Insurance

## Caisse d'Epargne retail network: customer deposits & savings[1,2] (in €bn)



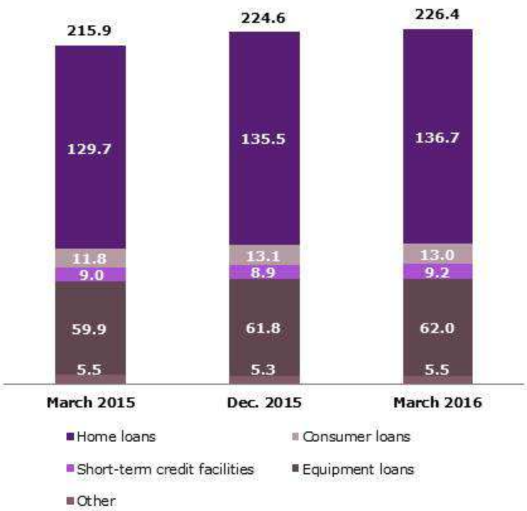

| | % change Q1-16/Q1-15 pf |
|---|---|
| Demand deposits | +15.1% |
| Passbook savings accounts | -4.2% |
| Regulated home savings plans | +10.2% |
| Term accounts | +1.4% |
| BPCE bonds placed in the CE network | -13.2% |
| Mutual funds | -14.4% |
| Life insurance | +2.6% |
| Other | ns |
| **Total deposits & savings** | **+1.7%** |

[1] Life funds and BPCE bonds placed in the retail networks in 2016 presented in outstandings (end of period); 2015 outstandings have been restated accordingly [2] Q1-15 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interest held by BPCE International in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC)



# Annex - Commercial Banking & Insurance

## Caisse d'Epargne retail network: customer loan outstandings[1] (in €bn)




| | % change Q1-16/Q1-15 pf |
|---|---|
| Home loans | +5.4% |
| Consumer loans | +10.4% |
| Short-term credit facilities | +2.6% |
| Equipment loans | +3.5% |
| Other | ns |
| **Total loans** | **+4.9%** |

[1] Q1-15 figures presented pro forma to account for the transfer in Q3-15 of the entire equity interests held by BPCE International et Outre-mer (BPCE IOM) in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC)

## Annex - Commercial Banking & Insurance

Quarterly income statement - Other networks

| in millions of euros | Other networks | | | | |
|---|---|---|---|---|---|
| | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
| Net banking income | 388 | 405 | 401 | 380 | 336 |
| Operating expenses | -254 | -224 | -219 | -245 | -251 |
| **Gross operating income** | **133** | **181** | **182** | **135** | **85** |
| Cost / income ratio | 65.6% | 55.2% | 54.5% | 64.5% | 74.8% |
| Cost of risk | -45 | -56 | -39 | -69 | -52 |
| **Income before tax** | **136** | **170** | **185** | **107** | **79** |
| **Net income attributable to equity holders of the parent** | **92** | **107** | **132** | **71** | **61** |



## Annex – Investment Solutions, Corporate & Investment Banking, and SFS

Quarterly income statement per business line

| in millions of euros | Investment Solutions | | | Corporate & Investment Banking | | | Specialized Financial Services | | | Investment Solutions, Corporate & Investment Banking and Specialized Financial Services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % | Q1-16 | Q1-15 pf | % |
| Net banking income | 825 | 823 | 0.1% | 782 | 806 | -3.1% | 343 | 324 | 5.9% | 1,949 | 1,953 | -0.2% |
| Operating expenses | -590 | -583 | 1.2% | -512 | -492 | 4.0% | -225 | -218 | 3.1% | -1,327 | -1,294 | 2.6% |
| **Gross operating income** | **234** | **240** | **-2.6%** | **270** | **314** | **-14.1%** | **118** | **105** | **11.7%** | **622** | **660** | **-5.8%** |
| Cost / income ratio | 71.6% | 70.8% | 0.8 pt | 65.5% | 61.0% | 4.4 pts | 65.7% | 67.5% | -1.8 pt | 68.1% | 66.2% | 1.9 pt |
| Cost of risk | 0 | -1 | - | -71 | -65 | 9.6% | -13 | -14 | -9.7% | -84 | -80 | 4.9% |
| **Income before tax** | **258** | **244** | **5.7%** | **202** | **253** | **-20.2%** | **105** | **91** | **15.1%** | **565** | **588** | **-4.0%** |
| Income tax | -87 | -76 | 13.5% | -65 | -85 | -22.6% | -36 | -33 | 10.0% | -188 | -194 | -2.9% |
| Non-controlling interests | -63 | -61 | 2.5% | -39 | -48 | -18.5% | -20 | -17 | 18.9% | -122 | -126 | -3.4% |
| **Net income attributable to equity holders of the parent** | **109** | **107** | **1.9%** | **97** | **120** | **-19.3%** | **49** | **42** | **17.6%** | **255** | **268** | **-5.1%** |

# Annex – Investment Solutions, Corporate & Investment Banking, and SFS

## Quarterly income statement

| in millions of euros | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| | Investment Solutions, Corporate & Investment Banking and Specialized Financial Services | | | | |
| Net banking income | 1,953 | 2,023 | 1,821 | 2,082 | 1,949 |
| Operating expenses | -1,294 | -1,245 | -1,193 | -1,361 | -1,327 |
| **Gross operating income** | **660** | **777** | **628** | **721** | **622** |
| Cost / income ratio | 66.2% | 61.6% | 65.5% | 65.4% | 68.1% |
| Cost of risk | -80 | -59 | -47 | -66 | -84 |
| **Income before tax** | **588** | **730** | **587** | **674** | **565** |
| **Net income attributable to equity holders of the parent** | **268** | **343** | **264** | **287** | **255** |



# Annex – Investment Solutions, Corporate & Investment Banking, and SFS

## Quarterly income statement

| in millions of euros | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| | Investment Solutions | | | | |
| Net banking income | 823 | 846 | 840 | 1,006 | 825 |
| Operating expenses | -583 | -576 | -569 | -648 | -590 |
| **Gross operating income** | **240** | **270** | **271** | **357** | **234** |
| Cost / income ratio | 70.8% | 68.1% | 67.7% | 64.5% | 71.6% |
| Cost of risk | -1 | 0 | 3 | 1 | 0 |
| **Income before tax** | **244** | **277** | **278** | **364** | **258** |
| **Net income attributable to equity holders of the parent** | **107** | **129** | **120** | **139** | **109** |

## Annex – Investment Solutions, Corporate & Investment Banking, and SFS
Quarterly income statement

| in millions of euros | Corporate & Investment Banking | | | | |
|---|---|---|---|---|---|
| | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
| Net banking income | 806 | 842 | 665 | 742 | 782 |
| Operating expenses | -492 | -459 | -416 | -494 | -512 |
| **Gross operating income** | **314** | **383** | **250** | **248** | **270** |
| Cost / income ratio | 61.0% | 54.5% | 62.5% | 66.6% | 65.5% |
| Cost of risk | -65 | -40 | -36 | -57 | -71 |
| **Income before tax** | **253** | **348** | **217** | **205** | **202** |
| **Net income attributable to equity holders of the parent** | **120** | **165** | **102** | **100** | **97** |



## Annex – Investment Solutions, Corporate & Investment Banking, and SFS
Quarterly income statement

| in millions of euros | Specialized Financial Services | | | | |
|---|---|---|---|---|---|
| | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
| Net banking income | 324 | 335 | 315 | 334 | 343 |
| Operating expenses | -218 | -211 | -209 | -218 | -225 |
| **Gross operating income** | **105** | **125** | **107** | **116** | **118** |
| Cost / income ratio | 67.5% | 62.8% | 66.2% | 65.4% | 65.7% |
| Cost of risk | -14 | -20 | -15 | -10 | -13 |
| **Income before tax** | **91** | **105** | **92** | **105** | **105** |
| **Net income attributable to equity holders of the parent** | **42** | **48** | **42** | **48** | **49** |

# Annex - Corporate center
## Quarterly income statement

| in millions of euros | Q1-15 pf | Q2-15 pf | Q3-15 pf | Q4-15 pf | Q1-16 |
|---|---|---|---|---|---|
| | Corporate center | | | | |
| Net banking income | 234 | 171 | 95 | 119 | 19 |
| Operating expenses | -367 | -236 | -238 | -279 | -448 |
| **Gross operating income** | **-133** | **-65** | **-143** | **-160** | **-429** |
| Cost of risk | -162 | 21 | -51 | 17 | -19 |
| **Income before tax** | **-301** | **54** | **-190** | **-162** | **-436** |
| **Net income attributable to equity holders of the parent** | **-249** | **9** | **-108** | **-170** | **-305** |

**Impact of non-economic and exceptional items:**

- Q1-16 Net income attributable to equity holders of the parent: main items, with a total impact of -€19m
  - >Revaluation of own debt: +€5m
  - >Revaluation of monetary assets associated with deeply subordinated notes denominated in foreign currencies: -€29m
  - >Permanent depreciation of equity interest in Banca Carige : -€10m
  - >Disposal of international assets managed on a run-off basis (CFF, ex-SCF): -€26m
  - >Disposal of the entire residual equity interest in Nexity : +€40m
- Q1-15 Net income attributable to equity holders of the parent: main items, with a total impact of -€28m
  - >Revaluation of own debt: -€6m
  - >Revaluation of monetary assets associated with deeply subordinated notes denominated in foreign currencies : +€74m
  - >Disposal of international assets managed on a run-off basis (CFF, ex-SCF): -€3m
  - >Provisions booked for Heta Asset Resolution AG: -€93m

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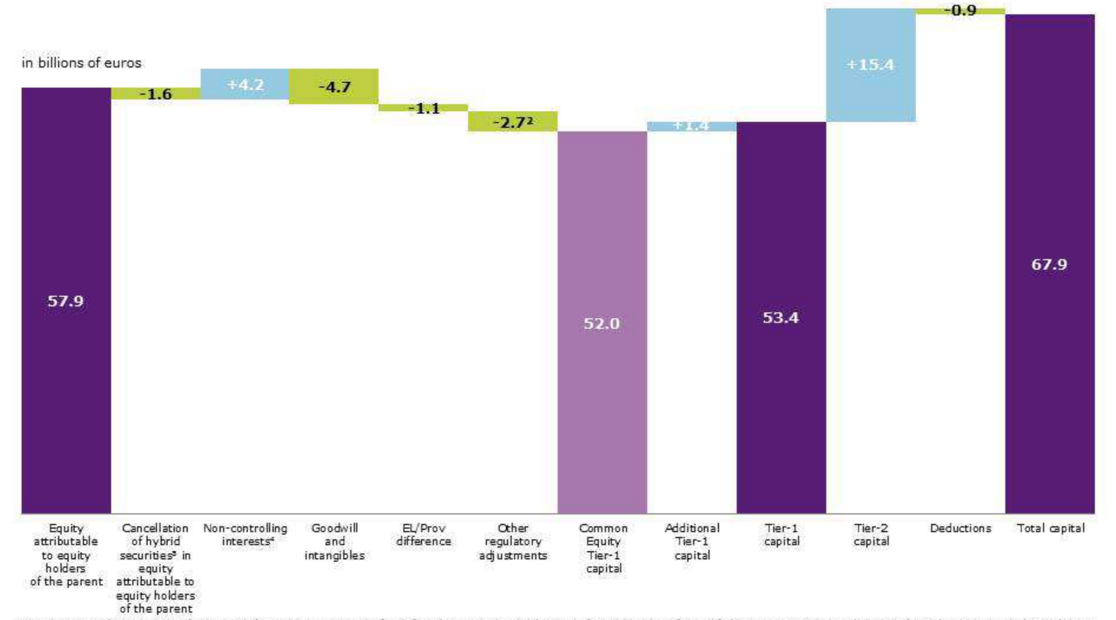
# 3. Risk management

## 3.1 Capital adequacy

### Annex – Financial structure

Reconciliation of shareholders' equity to total capital[1]




[1] CRR / CRD4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards and pro forma of plans to acquire PJS [2] Includes €0.4bn with respect to Prudent Valuation Adjustments [3] BPCE super-subordinated notes classified under 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

May 10, 2016 Results for the 1st quarter of 2016 38

### Annex – Financial structure

Prudential ratios and credit ratings

| | March 31, 2016 [1] | Dec. 31, 2015 | Dec. 31, 2014 pf |
|---|---|---|---|
| Total risk-weighted assets | €391bn | €391bn | €393bn |
| Common Equity Tier-1 capital | €51.6bn | €50.9bn | €46.6bn |
| Tier-1 capital | €52.8bn | €52.2bn | €50.0bn |
| Total capital | €65.9bn | €65.8bn | €60.5bn |
| Common Equity Tier-1 ratio | 13.2% | 13.0% | 11.9% |
| Tier-1 ratio | 13.5% | 13.3% | 12.7% |
| Total capital adequacy ratio | 16.9% | 16.8% | 15.4% |

| LONG-TERM CREDIT RATINGS (MAY 10, 2016) | |
|---|---|
| FitchRatings | A<br>outlook stable |
| Moody's | A2<br>outlook stable |
| R&I | A<br>outlook stable |
| Standard & Poor's | A<br>outlook stable |

[1] Estimate taking account of transitional measures provided for by CRR / CRD4 ; subject to the provisions of article 26.2 of regulation (UE) n° 575/2013

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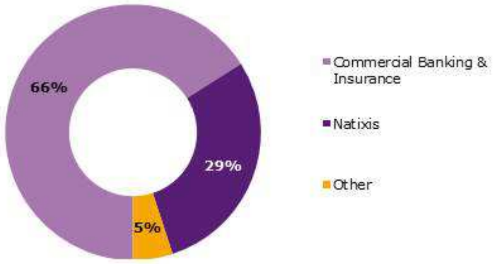
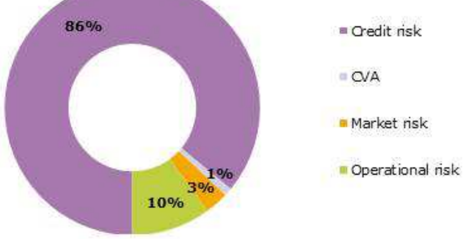
# Annex - Financial structure
## Breakdown of risk-weighted assets at March 31, 2016



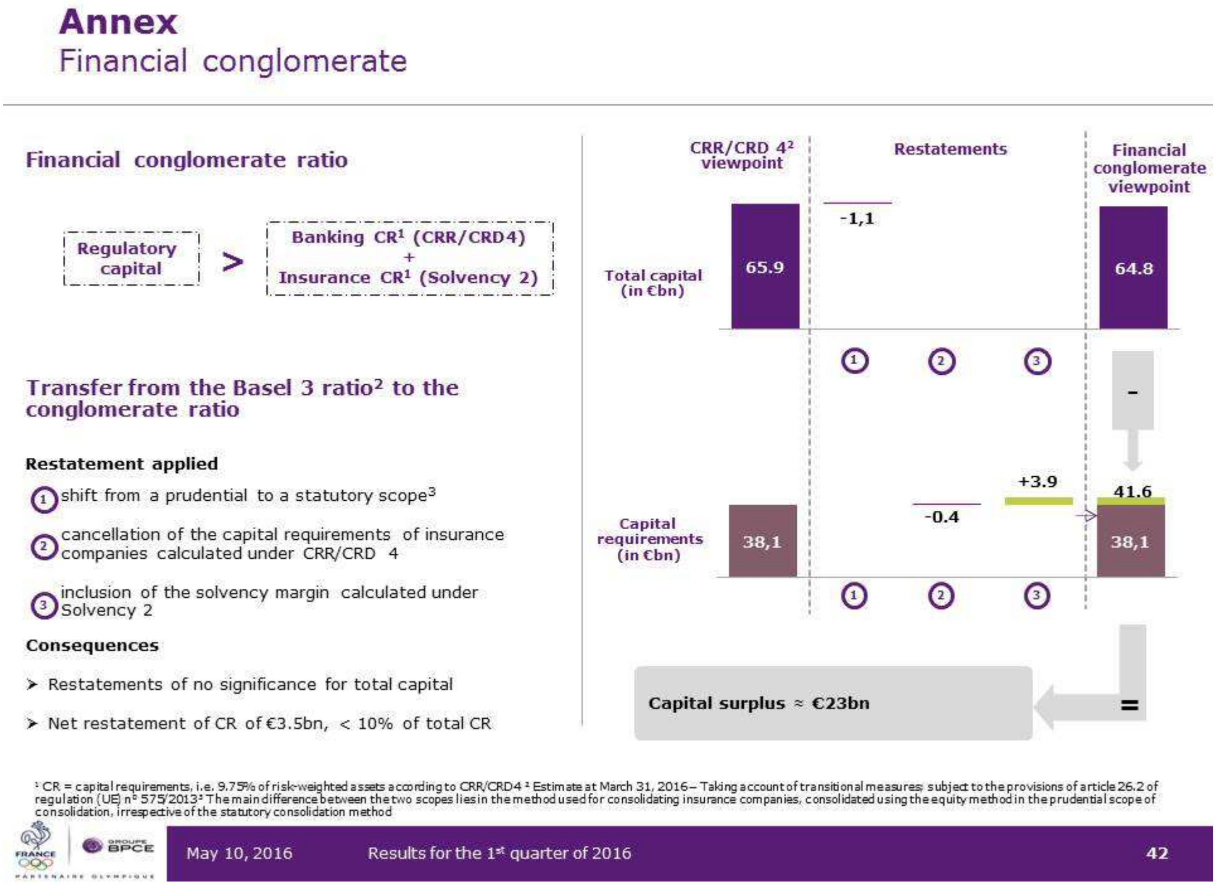






# Annex
## Leverage ratio[1]

| in billions of euros | March 31, 2016 | Dec. 31, 2015 pf[5] | Dec. 31, 2015 |
|---|---|---|---|
| **Tier-1 capital** | 53.4 | 53.2 | 53.2 |
| **Balance sheet total** | **1,197.0** | **1,166.5** | **1,166.5** |
| Prudential restatements | -83.6 | -68.6 | -68.6 |
| **Prudential balance sheet total[2]** | **1,113.4** | **1,097.9** | **1,097.9** |
| Adjustments related to exposure to derivatives[3] | -60.2 | -48.1 | -48.1 |
| Adjustments related to security financing operations[4] | -8.9 | -12.7 | -12.7 |
| Adjustment related to savings inflows centralized at the Caisse des Dépôts et Consignations | - | - | -65.7 |
| Off-balance sheet (financing and guarantee commitments) | 87.3 | 89.4 | 89.4 |
| Regulatory adjustments | -5.6 | -5.5 | -5.5 |
| **Total leverage exposure** | **1,126.1** | **1,121.1** | **1,055.4** |
| **Leverage ratio[1]** | **4.7%** | **4.7%** | **5.0%** |

[1] Estimate at March 31, 2016 according to the rules of the Delegated Act published by the European Commission on October 10, 2014 - CRR/CRD4 without transitional measures after restating to account for deferred tax assets on tax loss carryforwards and pro forma of plans to acquire PJS [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] Inclusion of the effects of offsetting applicable to derivatives according to the rules of the Delegated Act [4] Inclusion of adjustments applicable to security financing operations according to the rules of the Delegated Act [5] Not including adjustments with respect to centralized savings deposits



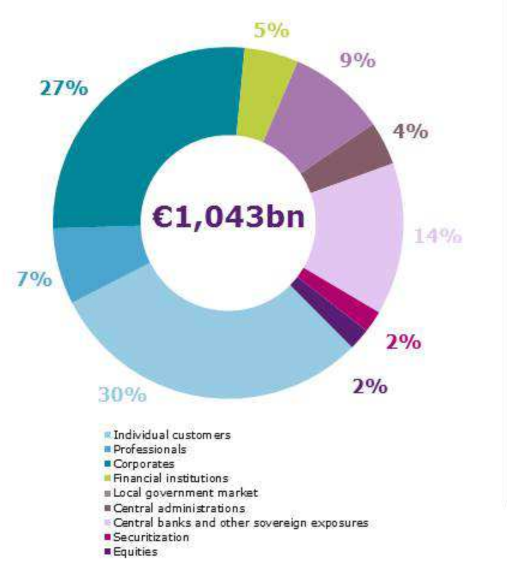

## 3.2 Indicator data for global systemically important banks (G-SIBs)

Indicators related to global systemically important banks (G-SIBs), as of December 31, 2015, have been published on the Groupe BPCE website on April 29, 2016 and are available at the following address :
http://www.bpce.fr/en/Investors/Regulated-information/Regulatory-publication

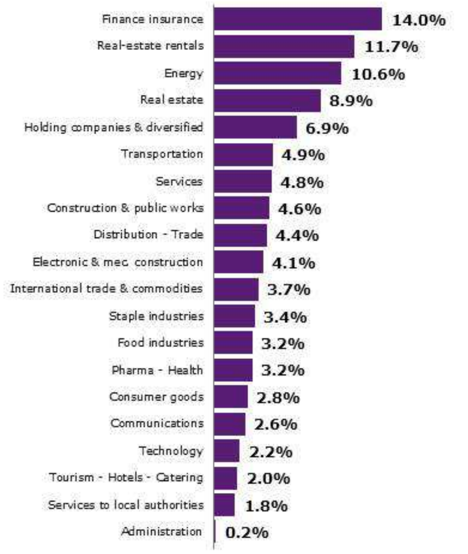
## 3.3 Breakdown of commitments

# Annex – Risks
## Breakdown of commitments as at March 31, 2016

### Breakdown of commitments per counterparty




### Breakdown of commitments to Corporates per economic sector

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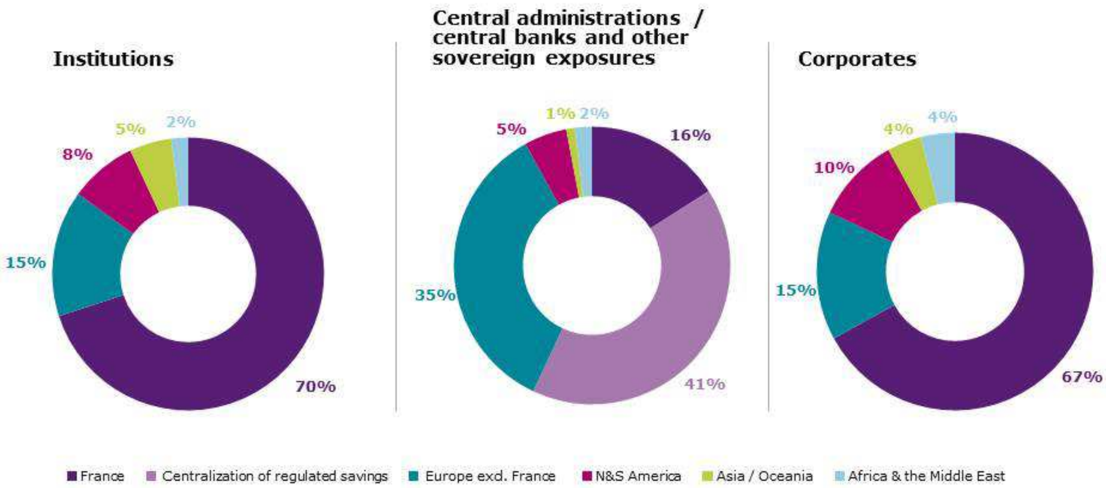
# Annex – Risks
## Geographical breakdown of commitments as at March 31, 2016




May 10, 2016 Results for the 1st quarter of 2016 59

## 3.4 Non performing loans

### Annex – Risks
Groupe BPCE: non-performing loans and impairment

| in millions of euros | March 31, 2016 | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|---|
| **Gross outstanding customer loans** | **650,299** | **629,775** | **623,256** |
| O/w non-performing loans | 23,160 | 23,098 | 22,919 |
| **Non-performing/gross outstanding loans** | **3.6%** | **3.7%** | **3.7%** |
| Impairment recognized[1] | 12,152 | 12,310 | 12,289 |
| **Impairment recognized/non-performing loans** | **52.5%** | **53.3%** | **53.6%** |
| **Coverage rate, including guarantees related to impaired outstandings** | **82.3%** | **81.0%** | **80.9%** |

[1] Including collective impairment

May 10, 2016 Results for the 1st quarter of 2016 57

# 4. Governance

## New composition of the Management Board and the Executive Management Committee

At its meeting of April 22, 2016, as proposed by François Pérol, Chairman of the Management Board, BPCE's Supervisory Board approved the new composition of the BPCE Executive Management Committee and Management Board, with terms lasting until the General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2019.

The Management Board consists of:

- François Pérol, Chairman of the Management Board,
- Marguerite Bérard-Andrieu, member of the Management Board, Chief Executive Officer in charge of Group Finance, Strategy, Legal Affairs and Group Company Secretary
- Catherine Halberstadt, member of the Management Board in charge of Group Human Resources, Group Internal Communications and the Corporate Secretariat of BPCE SA,
- Laurent Mignon, Chief Executive Officer of Natixis,
- Laurent Roubin, member of the Management Board in charge of Commercial Banking and Insurance.

Marguerite Bérard-Andrieu's term begins on May 2, 2016. Laurent Roubin's term begins on May 17, 2016.

The new composition of the Executive Management Committee is as follows:

In addition to the members of the Management Board,

- Jean-Yves Forel, Chief Executive Officer in charge of Transformation and Operational Excellence, beginning on May 17, 2016. He will oversee information systems, processes and payment instruments. He will also be responsible for coordinating and steering the new cost cutting and group synergies plan,

- Jacques Beyssade, Deputy Chief Executive Officer in charge of Risk Management, Compliance and Permanent Control.

The offices held by Marguerite Bérard-Andrieu and Laurent Roubin are outlined below.

**Marguerite Bérard-Andrieu (appointed April 22, 2016 – effective May 2, 2016)**
Born December 31, 1977

Ms. Bérard-Andrieu is a graduate of the Institut d'Études Politiques in Paris and Princeton University, and an alumna of the École Nationale d'Administration. She began her career in 2004 as an Inspector General in the French Finance Ministry (Inspection Générale des Finances). From 2007 to 2010, she served as a technical advisor and, subsequently, advisor to the President of the French Republic, with responsibility for employment and social protection issues. She then ran the Office of the Minister of Labor, Employment and Health in the French government from November 2010 to May 2012. Since July 2012, she has been the member of the Executive Management Committee responsible for Strategy, Legal Affairs, the Corporate Secretariat for the Group's bodies and Compliance. She is also a director at SCOR and HAVAS */**.

**Offices held at May 12, 2016**

**Member of the Management Board of BPCE, Chief Executive Officer in charge of Group Finance, Strategy, Legal Affairs and Group Company Secretary**
**Chairman of the Board of Directors:** S-Money, Issoria
**Chairman:** Issoria, S-Money
**Deputy Chief Executive Officer:** CE Holding Promotion
**Director:** BPCE IOM, Natixis Coficiné, Maisons France Confort*/**, SCOR*/**, Havas */**
**Permanent Representative of BPCE, Director:** Coface SA*, Banque Palatine, Crédit Foncier, Natixis *

**Terms of office expired at May 12, 2016**

-

**Offices held at December 31 in previous years**

| 2015 | 2014: | 2013 | 2012 |
|---|---|---|---|
| **Deputy Chief Executive Officer*** in charge of Strategy, Legal Affairs, Corporate Secretariat and Compliance, and Member of the Executive Management Committee of BPCE.**<br>**Chairman of the Board of Directors:** S-Money, Issoria<br>**Chairman:** Issoria, S-Money<br>**Director:** BPCE IOM, Natixis Coficiné, Maisons France Confort*/**, SCOR*/**<br>**Permanent Representative of BPCE, Director:** Coface SA*, Banque Palatine | **Deputy Chief Executive Officer*** in charge of Strategy, Legal Affairs, Corporate Secretariat and Compliance, and Member of the Executive Management Committee of BPCE.**<br>**Chairman of the Board of Directors:** S-Money, Issoria<br>**Chairman:** Issoria, Issoria International Trading, S-Money<br>**Director:** BPCE IOM, Natixis Coficiné, Maisons France Confort */**<br>**Permanent Representative of BPCE, Director:** Coface SA*, Banque Palatine<br>**Permanent Representative of CE Holding Promotion, Director:** Nexity* | **Deputy Chief Executive Officer*** in charge of Strategy, Legal Affairs, Corporate Secretariat and Compliance, and Member of the Executive Management Committee of BPCE.**<br>**Chairman of the Board of Directors:** S-Money, BPCE Domaines<br>**Chairman:** Issoria, Issoria International Trading, S-Money, BPCE Domaines<br>**Director:** BPCE IOM, Natixis Coficiné, Maisons France Confort */**<br>**Permanent Representative of BPCE, Director:** Coface SA* (formerly SAS Coface Holding)<br>**Permanent Representative of BPCE, Member of the Supervisory Board:** Banque Palatine<br>**Permanent Representative of CE Holding Promotion, Director:** Nexity* | **Deputy Chief Executive Officer*** in charge of Strategy, Legal Affairs, Corporate Secretariat and Compliance, and Member of the Executive Management Committee of BPCE.**<br>**Chairman of the Board of Directors:** Meilleurtaux, S-Money<br>**Chairman:** Oterom Holding, S-Money<br>**Director:** BPCE IOM, Natixis Coficiné<br>**Permanent Representative of BPCE, Chairman of the Board of Directors:** BPCE Domaines<br>**Permanent Representative of BPCE, Chairman:** Issoria, Issoria International Trading<br>**Permanent Representative of BPCE, Director:** SAS Coface Holding<br>**Permanent Representative of BPCE, Member of the Supervisory Board:** Banque Palatine<br>**Permanent Representative of BPCE, Member of the Supervisory Board:** FLCP<br>**Permanent Representative of CE Holding Promotion, Director:** Nexity*<br>**Permanent Representative of GCE Participations, Director:** Demain SA |

* *Listed company.*
** *Non-group company.*
*** *The title of Chief Executive Officer is not governed by Article L. 225-66 of the French Commercial Code.*
*SLE: Société locale d'épargne (local savings company).*
*FNCE: Fédération Nationale des Caisses d'Epargne.*
*FNBP: Fédération Nationale des Banques Populaires.*

**Laurent Roubin (appointed April 22, 2016 – effective May 17, 2016)**
Born **November 2, 1969**

Mr. Roubin is a graduate of École Centrale Paris and the Stanford Executive Program, with a postgraduate degree from Université Paris-Dauphine. He began his career in 1992 at the Compagnie Bancaire group, first at the parent company and then at Cetelem Spain's Risk Management division. In 1996, he joined the Banks and Financial Institutions division at PricewaterhouseCoopers Management Consultants, of which he became a director in 2000. In 2002, he was appointed as the member of the Management Board of Caisse d'Epargne du Pas-de-Calais in charge of finance and risk. In 2005, he joined Ixis Asset Management and became Chief Operating Officer of Natixis Asset Management. He joined Caisse Nationale des Caisses d'Epargne in 2008 to lead development for the Caisses d'Epargne among large corporates and institutional clients. In 2009, he served as Head of Business Development for the Caisses d'Epargne at BPCE. Since 2011, Mr. Roubin has been Chairman of the Management Board of Caisse d'Epargne Picardie.

**Offices held at May 12, 2016**

**Member of the Management Board of BPCE in charge of Commercial Banking and Insurance** (effective May 17, 2016)
**Chairman of the Management Board of Caisse d'Epargne Picardie** (term of office expires on May 17, 2016)
**Chairman:** Triton, Picardie Foncière, NSAVADE, Picardie Mezzanine,
**Chairman of the Supervisory Board** CE Capital, Caisse d'Epargne Développement
**Member of the Supervisory Board:** IT-CE, Palatine Asset Management, SIA Habitat, Seventure Partners, Alliance Entreprendre
**Director:** Banque Privée 1818, Coface SA*, FNCE, BPCE-IT

**Terms of office expired at May 12, 2016**

-

**Offices held at December 31 in previous years**

| **2015** | **2014** | **2013** | **2012** |
|---|---|---|---|
| **Chairman of the Management Board of Caisse d'Epargne de Picardie**<br>**Chairman:** Triton, Picardie Foncière, NSAVADE, Picardie Mezzanine,<br>**Chairman of the Supervisory Board** CE Capital, Caisse d'Epargne Développement<br>**Member of the Supervisory Board:** IT-CE, Palatine Asset Management, SIA Habitat, Seventure Partners, Alliance Entreprendre<br>**Director:** Banque Privée 1818, Coface SA*, FNCE, BPCE-IT | **Chairman of the Management Board of Caisse d'Epargne de Picardie**<br>**Chairman:** Triton, Picardie Foncière (formerly CEPICINVESTISSEMENT), NSAVADE, CE Capital (formerly GCE Capital), Alliance Entreprendre<br>**Member of the Supervisory Board:** IT-CE, Palatine Asset Management, SIA Habitat, Seventure Partners, Alliance Entreprendre<br>**Director:** Banque Privée 1818, Coface SA*, FNCE | **Chairman of the Management Board of Caisse d'Epargne de Picardie**<br>**Chairman:** Triton, CEPICINVESTISSEMENT, NSAVADE<br>**Member of the Supervisory Board:** IT-CE, Palatine Asset Management, SIA Habitat, Seventure Partners<br>**Director:** Banque Privée 1818, Coface SA*, FNCE, GCE Capital | **Chairman of the Management Board of Caisse d'Epargne de Picardie**<br>**Chairman:** Triton, CEPICINVESTISSEMENT, NSAVADE<br>**Member of the Supervisory Board:** IT-CE, Palatine Asset Management, SIA Habitat<br>**Director:** Banque Privée 1818 |

*Listed company.*
** *Non-group company.*
*SLE: Société locale d'épargne (local savings company).*
*FNCE: Fédération Nationale des Caisses d'Epargne.*
*FNBP: Fédération Nationale des Banques Populaires.*

# 5. Statutory auditors

## 5.1 Statutory auditors

The 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, 2016, the Statutory Auditors were:

| PricewaterhouseCoopers Audit | Deloitte & Associés | Mazars |
|---|---|---|
| 63, rue de Villiers<br>92208 Neuilly-sur-Seine Cedex | 185, avenue Charles-de-Gaulle<br>92524 Neuilly-sur-seine Cedex | 61, rue Henri-Regnault<br>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 Agnès Hussherr and Nicolas Montillot.

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 & ASSOCIÉS**

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 Jean-Marc Mickeler and Sylvie Bourguignon.

Substitute: 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 Mr. Michel Barbet-Massin.

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. Additional information

## 6.1 Documents on display

This document is available from the website www.bpce.fr under the heading "Investor Relations" or from the Autorité des marchés financiers (AMF) 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

# 7. Person responsible for the update to the Registration Document

François Pérol

Chairman of the BPCE Management Board

## 7.1 Statement by the person responsible

Having taken all reasonable care to ensure that such is the case, to the best of my knowledge, all of the information contained in the present update to the 2015 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 2015 Registration Document and its update in their entirely.

Paris, May 12, 2016

François Pérol

Chairman of the BPCE Management Board

# 8. Cross-reference table

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**BPCE**

A French limited company (*Société Anonyme*)
governed by a Management and Supervisory Board
with a capital of €155,742,320

**Registered office :**

50, avenue Pierre Mendès-France
75 201 Paris Cedex 13
Tel.: 33 (0) 1 58 40 41 42
Paris Trade and Companies Register N°493 455 042