2014

REGISTRATION DOCUMENT AND FULL-YEAR FINANCIAL REPORT

GROUPE BPCE

Bankers and insurers with a different perspective

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LABEL TRANSPARENCE
labeltransparence.com

This label recognizes the most transparent Registration Documents according to the criteria of the Annual Transparency Ranking.

2014 Registration document and full-year financial report

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.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

Only the French version of the registration document has been submitted to the AMF. It is therefore the only version that is binding in law.

The original document was filed with the Autorité des marchés financiers (AMF – French Securities Regulator) on March 18, 2015, in accordance with Article 212-13 of the AMF's General 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.

This document includes all elements of the annual financial report specified by Section I of Article L. 451-1-2 of the Code Monétaire et Financier and Article 222-3 of the AMF's General Regulations. A table allowing cross-referencing between the documents specified in Article 222-3 of the AMF's General Regulations and the corresponding sections of this document is provided on pages 521 and 522.

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1.1 Presentation of Groupe BPCE

Groupe BPCE is the second largest banking group in France[1], with its two leading brands, Banque Populaire and Caisse d'Epargne. Its 108,000 employees serve 36 millions customers, 8.9 million of whom are cooperative shareholders. The Group's companies adapt their banking business as closely as possible to the needs of individuals and regions.

With 18 Banque Populaire banks, 17 Caisses d'Epargne, Natixis, Crédit Foncier, Banque Palatine and BPCE International et Outre-mer, Groupe BPCE offers its customers an extensive range of products and services, including solutions in savings, placement, cash management, financing, insurance and investment. In keeping with its cooperative structure, the Group builds long-term relationships with its customers and helps them achieve their projects, and as such finances over 20% of the French economy.

Its full-service banking model is based on a three-tier structure:

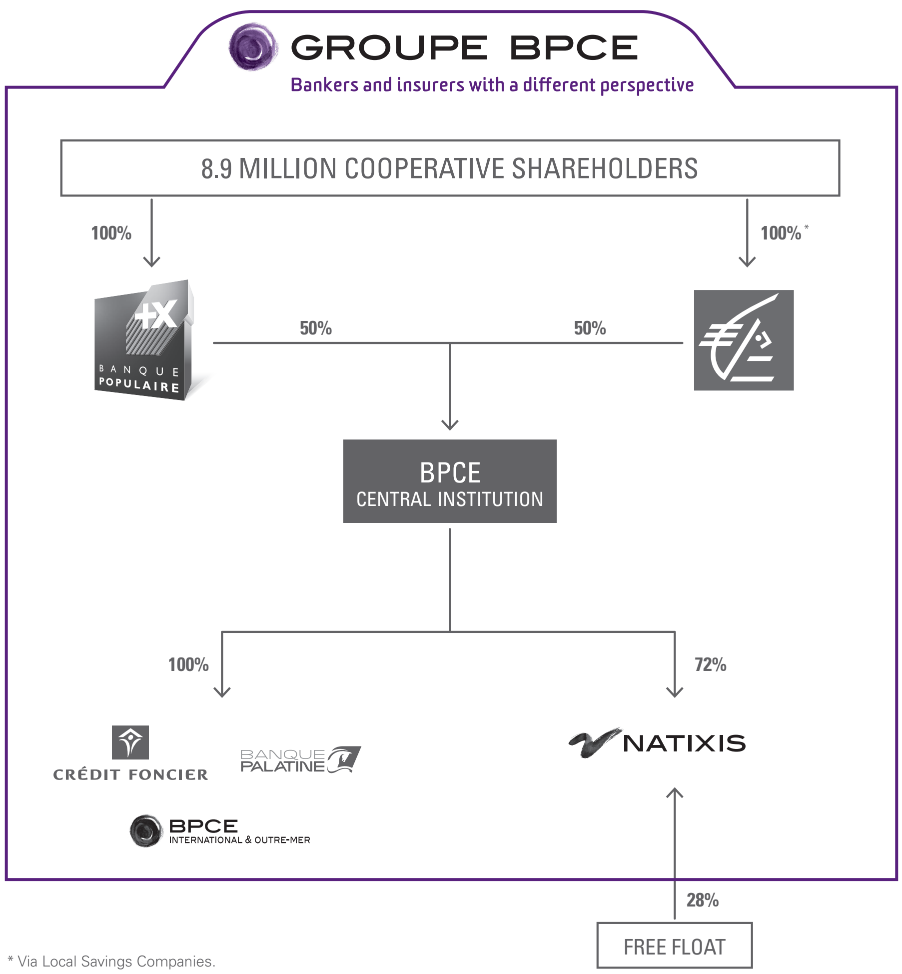
- the two cooperative networks with the Banque Populaire banks and Caisses d'Epargne, which are central players in their respective regions;
- BPCE, the central institution, responsible for the Group's strategy, control and coordination;
- the BPCE subsidiaries, including Natixis, Crédit Foncier, Banque Palatine and BPCE International et Outre-mer.

In addition, all credit institutions affiliated with BPCE are covered by a guarantee and solidarity mechanism.

The scope of affiliated entities is mainly comprised of the Banque Populaire and Caisse d'Epargne networks and Natixis.

GROUPE BPCE SIMPLIFIED ORGANIZATION CHART

ORGANIZATION CHART OF GROUPE BPCE AT DECEMBER 31, 2014



* Via Local Savings Companies.

(1) *No. 2 by market share of customer savings and customer loans (source: Banque de France Q3-2014 – all non-financial customers), No. 2 in terms of penetration rate among professional customers and individual entrepreneurs (source: Pépites CSA 2013-2014 survey).*

1.2 History of the Group

Banque Populaire banks

1878 The first Banque Populaire bank is created in Angers, by and for entrepreneurs, the goal being to pool funds to allow them to finance their projects themselves.

1917 Having achieved cooperative status, the Banque Populaire banks rapidly become major players in their regional economies, serving craftsmen, small retailers and SMEs.

1862 The Banque Populaire banks open their services to individual customers.

1998 The acquisition of Natexis provides Groupe Banque Populaire with a publicly listed vehicle.

2008 The Group strengthens its presence in the heart of France's regions with the acquisition of seven regional banks from HSBC France.

Caisses d'Epargne

1818 The first Caisse d'Epargne is founded in Paris to promote, collect and manage general public savings.

1835 The Caisses d'Epargne are recognized as "private establishments of public utility".

1895 The Caisses d'Epargne conduct operations of general public interest.

1950 The Caisses d'Epargne are awarded the status of not-for-profit credit institutions.

1999 The Caisses d'Epargne become cooperative banks, prompting Groupe Caisse d'Epargne to embark upon a multi-brand strategy with the creation and acquisition of businesses, including the takeover of Crédit Foncier in the same year, which enables the Group to further develop its real estate activities.

2003 With the acquisition of Banque Palatine (formerly Banque San Paolo), the Group establishes closer ties to corporate customers.

2004 By purchasing Ixis, the Group branches out into investment banking.

In 2006, Groupe Banque Populaire and Groupe Caisse d'Epargne took the first step towards a business combination, with the creation of their jointly-owned subsidiary, Natixis.

Groupe BPCE

2009 On July 31, 2009, the combination of Groupe Banque Populaire and Groupe Caisse d'Epargne gives rise to Groupe BPCE.

2010 "Together", Groupe BPCE's strategic plan for 2010-2013, mobilizes all Group companies with the aim of making them the preferred banking institutions of the French and of their companies.

2013 Simplification of the Group's organizational structure completed on August 6, 2013 with the buyback and subsequent cancellation by the Banque Populaire banks and Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis. The Banque Populaire banks and the Caisses d'Epargne[1] are now entirely owned by their cooperative shareholders.

Launch of the "Growing Differently" strategic plan for 2014-2017, focused on development and transformation, centered on the goal of constantly striving to better meet the expectations and needs of customers, while affirming Groupe BPCE's difference as a cooperative banking structure.

2014 On November 4, 2014, Groupe BPCE and CNP Assurances sign a memorandum of understanding laying down the terms of implementation of the renewed partnership[2] as from January 1, 2016.

(1) *Via local savings companies (LSCs).*

(2) *On February 19, 2015, Groupe BPCE and CNP Assurances announced they had reached a final agreement to renew their partnership.*

1.3 Organization of Groupe BPCE

1.3.1 Banque Populaire banks and Caisses d'Epargne

The Group has a distinctly cooperative character, with cooperative shareholders owning the Banque Populaire banks and the Caisses d'Epargne, the two networks that form the foundation of the Group's retail banking operations.

The Banque Populaire banks and the Caisses d'Epargne are credit institutions. Their governance comprises a Board of Directors for the Banque Populaire banks, and Supervisory and Management Boards for the Caisses d'Epargne.

BANQUE POPULAIRE BANKS

The Banque Populaire banks have been wholly-owned by their cooperative shareholders since August 6, 2013, the date of the buyback and subsequent cancellation by the Banque Populaire banks of the CICs held by Natixis.

Cooperative shareholders are individuals (including Banque Populaire bank employees) and legal entities. Cooperative shareholder customers play an active part in the life, ambitions and development of their bank. The cooperative shareholder base is coordinated at two levels: locally through the initiatives of each Banque Populaire bank as well as nationally through those of the Fédération Nationale des Banques Populaires. The Annual General Shareholders' Meeting provides an opportunity for cooperative shareholders to contribute to the operation of their Banque Populaire bank.

CAISSES D'EPARGNE

The Caisses d'Epargne have been wholly-owned by the local savings companies (LSCs) since August 6, 2013, the date of the buyback and subsequent cancellation by the Caisses d'Epargne of the CICs held by Natixis.

The LSCs are cooperative companies with open-ended capital stock, which is wholly owned by cooperative shareholders. Any individual or legal entity that is a customer of a Caisse d'Epargne may acquire cooperative shares in an LSC, thereby becoming a cooperative shareholder. Caisses d'Epargne employees are also entitled to become cooperative shareholders. Lastly, local and regional authorities, and French inter-municipal cooperation institutions *(Établissements publics de coopération intercommunale)* within the local savings company's territorial constituency are also entitled to become cooperative shareholders, but their shareholdings, taken together, may not exceed 20% of the capital of a given local savings company.

The local savings companies are tasked with coordinating the cooperative shareholder base, within the framework of the general objectives defined by the individual Caisse d'Epargne with which they are affiliated. Local savings companies hold Annual General Shareholders' Meetings at least once a year in order to approve the annual financial statements, and are governed by a Board of Directors elected by the Annual General Shareholders' Meeting from among the cooperative shareholders. The Board of Directors appoints a Chairman, who is responsible for representing the local savings company at the Annual General Shareholders' Meeting of the Caisse d'Epargne with which it is affiliated. Local savings companies are not authorized to carry out banking business.

CICs are securities that do not carry voting rights, but which represent economic rights attached to shares of capital. Until August 6, 2013, they entitled their owner, Natixis, to receive remuneration set by the Annual General Shareholders' Meeting of each Banque Populaire bank and Caisse d'Epargne, the amount of which depended on that bank's results for the year. Natixis also benefited from rights to net assets in proportion to its interest in the bank's capital.

1.3.2 BPCE: the central institution of Groupe BPCE

BPCE, founded by a law dated June 18, 2009, is the central institution of Groupe BPCE, a cooperative banking group. As such, it represents the credit institutions that are affiliated with it.

The affiliated institutions, within the meaning of Article 511-31 of the French Monetary and Financial Code, are:

- the 18 Banque Populaire banks and their 52 Mutual Guarantee Companies, whose sole corporate purpose is to guarantee loans issued by the Banque Populaire banks;
- the 17 Caisses d'Epargne (the share capital of which is held by 228 local savings companies[1]);
- Natixis; six Caisses Régionales de Crédit Maritime Mutuel; Banque BCP S.A.S. (France); Banque de la Réunion; Banque de Tahiti; Banque de Nouvelle-Calédonie; Banque des Antilles Françaises; Banque Palatine; Crédit Foncier de France; Compagnie de Financement Foncier; Locindus; Cicobail; Société Centrale pour le Financement de l'Immobilier (SOCFIM); BPCE International et Outre-mer; Banque de Saint-Pierre-et-Miquelon; Batimap; Batiroc Bretagne-Pays de la Loire; Capitole Finance-Tofinso; Comptoir Financier de Garantie; Océor Lease Nouméa; Océor Lease Réunion; Océor Lease Tahiti; Sud-Ouest Bail.

(1) *LSC.*

ACTIVITIES

The company's role is to guide and promote the business and expansion of the cooperative banking group comprising the Caisse d'Epargne network and the Banque Populaire network, the affiliated entities and, more generally, the other entities under its control.

The purpose of the company is:

- **to be the central institution for the Banque Populaire network and the Caisse d'Epargne network and the affiliated entities**, as provided for by the French Monetary and Financial Code. Pursuant to Articles L. 511-31 *et seq.* and Article L. 512-107 of the French Monetary and Financial Code, it is responsible for:
  - defining the Group's policy and strategic guidelines as well as those of each of its constituent networks,
  - coordinating the sales policies of each of its networks and taking all measures necessary for the Group's development, including acquiring or holding strategic equity interests,
  - representing the Group and each of its networks to assert its shared rights and interests, including before the banking sector institutions, as well as negotiating and entering into national and international agreements,
  - representing the Group and each of its networks as an employer to assert its shared rights and interests, as well as negotiating and entering into collective industry-wide agreements,
  - taking all measures necessary to guarantee the liquidity of the Group and each of its networks, and as such to determine rules for managing the Group's liquidity, including by defining the principles and terms and conditions of investment and the management of the cash flows of the entities that constitute it and the conditions under which these entities may carry out transactions with other credit institutions or investment companies, carry out securitization transactions or issue financial instruments, and performing any financial transaction necessary for liquidity management purposes,
  - taking all measures necessary to guarantee the solvency of the Group and each of its networks, including implementing the appropriate Group internal financing mechanisms and setting up a Mutual Guarantee Fund shared by both networks, for which it determines the rules of operation, the terms and conditions of use in addition to the funds provided for in Articles L. 512-12 and L. 512-86-1, as well as the contributions of affiliates for its initial allocation and reconstitution,
  - defining the principles and conditions for organizing the internal control system of Groupe BPCE and each of its networks, as well as controlling the organization, management and quality of the financial position of affiliated institutions, including through on-site checks within the scope defined in paragraph 4 of Article L. 511-31,
  - defining risk management policies and principles and the limits thereof for the Group and each of its networks, and ensuring its permanent supervision on a consolidated basis,
  - approving the Articles of Association of affiliated entities and local savings companies and any changes thereto,
  - approving the persons called upon, in accordance with Article L. 511-13, to determine the effective business orientation of its affiliated entities,
  - requesting the contributions required to perform its duties as a central institution,
  - ensuring that the Caisses d'Epargne duly fulfill the duties provided for in Article L. 512-85;
- **to be a credit institution, officially approved to operate as a bank**. On this basis, it exercises, both in France and other countries, the prerogatives granted to banks by the French Monetary and Financial Code, and provides the investment services described in Articles L. 321-1 and L. 321-2 of the above-mentioned Code; it also oversees the central banking, financial and technical organization of the network and the Group as a whole;
- **to act as an insurance intermediary**, in accordance with the regulations in force;
- **to act as an intermediary for real estate transactions**, in accordance with the regulations in force;
- **to acquire stakes**, both in France and abroad, in any French or foreign companies, groups or associations with similar purposes to those listed above or with a view to the Group's expansion, and more generally, to undertake any transactions relating directly or indirectly to these purposes that are liable to facilitate the achievement of the company's purposes or its expansion.

DIVIDEND POLICY

In 2014

The Ordinary General Shareholders' Meeting of BPCE, which met on May 16, 2014, decided that no dividends would be paid out to category A and B shareholders in respect of fiscal year 2013.

The qualification of category A and B shares is defined in point 7.2.2 of the registration document.

In 2013

The Ordinary General Shareholders' Meeting of BPCE, which met on May 24, 2013, decided that no dividends would be paid out to category A and B shareholders in respect of fiscal year 2012.

In 2012

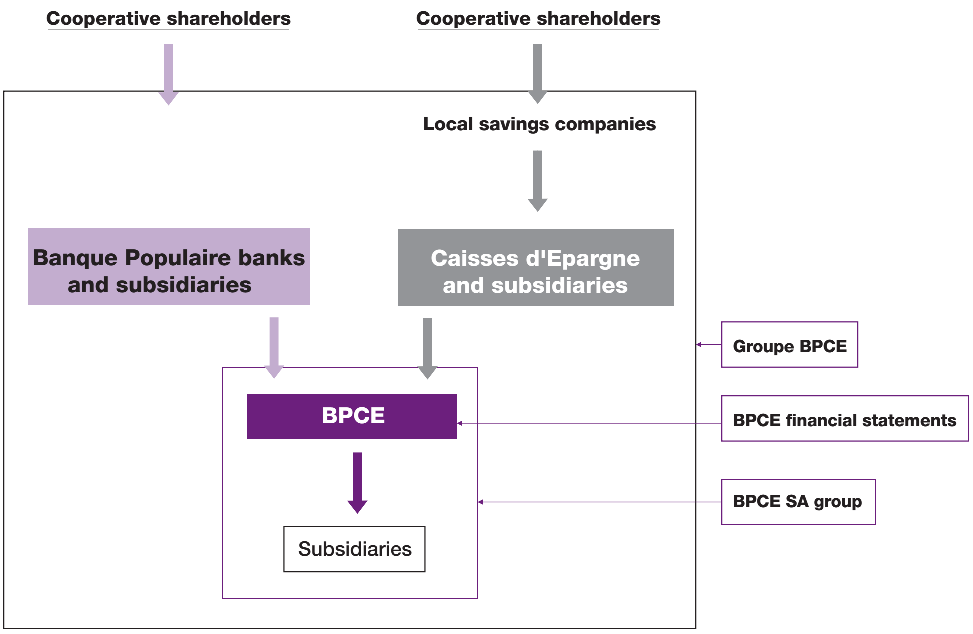
The Ordinary General Shareholders' Meeting of BPCE, which met on May 24, 2012, decided that no dividends would be paid out to category A and B shareholders in respect of fiscal year 2011.

1.3.3 Scopes of consolidation of Groupe BPCE and BPCE SA group

The scopes of consolidation of the two groups, built around the central institution, are described in the following chart.

Apart from BPCE SA group, Groupe BPCE comprises the Banque Populaire banks, the Caisses d'Epargne and their respective subsidiaries.

BPCE SA group includes BPCE and its subsidiaries. The main difference relates to the fact that the parent companies do not contribute to the results of BPCE SA group.



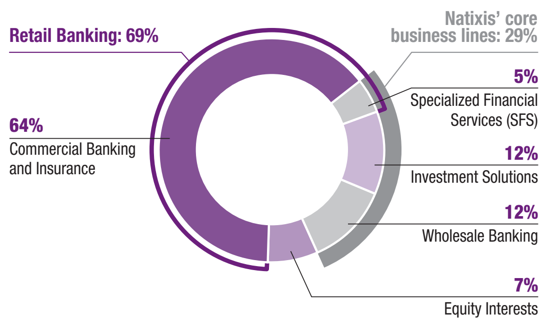
1.4 Key figures 2014

Groupe BPCE

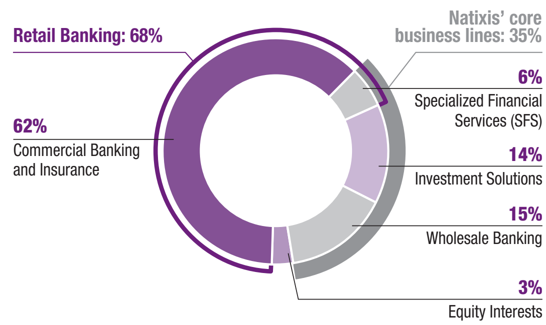
SUMMARY INCOME STATEMENT

in millions of euros	2014	2013	2012
Net banking income	23,257	22,826	21,946
Gross operating income	6,927	6,691	6,011
Income before tax	5,279	4,889	3,743
Net income attributable to equity holders of the parent	**2,907**	**2,669**	**2,147**

BUSINESS CONTRIBUTION TO GROUP NET BANKING INCOME[1] IN 2014 *(as a %)*



BUSINESS CONTRIBUTION TO GROUP INCOME BEFORE TAX[1] IN 2014 *(as a %)*

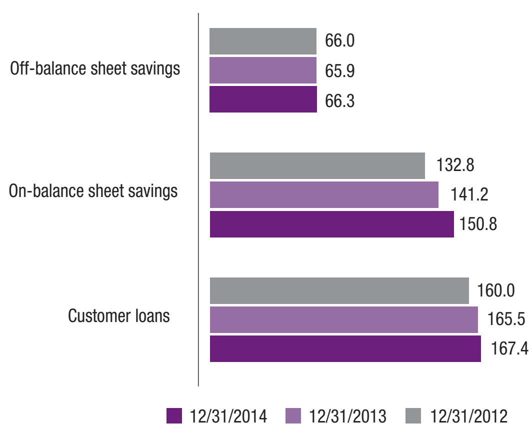


BUSINESS

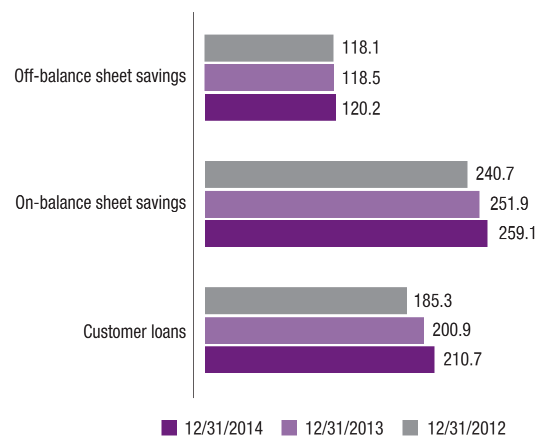
in billions of euros	12/31/2014	12/31/2013	12/31/2012
Balance sheet total	1,223.3	1,123.5	1,147.5
Customer loans (gross loan outstandings)	623.3	590.7	586.5

NETWORK ACTIVITY

BANQUE POPULAIRE BANKS *(in billions of euros)*



CAISSES D'EPARGNE *(in billions of euros)*



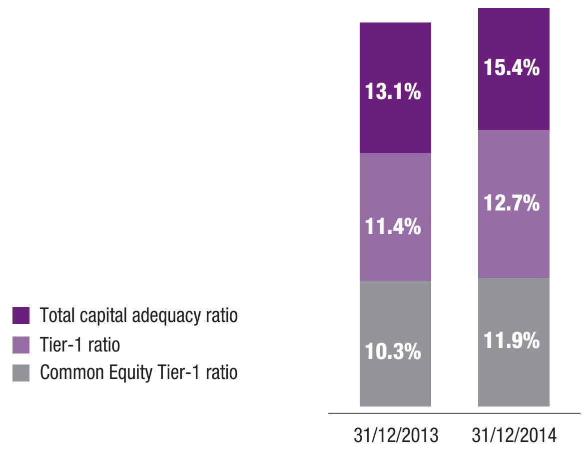
(1) *Excluding Corporate center.*

FINANCIAL STRUCTURE

in billions of euros	12/31/2014	12/31/2013
Equity attributable to equity holders of the parent	55.3	51.3
Common Equity Tier-1 capital	46.6	42.3
Tier-1 capital	50.0	46.5
Total regulatory capital	60.5	53.6

Under Basel III, taking into account CRR/CRD IV phase-in measures; 2013 data pro forma

CAPITAL ADEQUACY RATIOS



Under Basel III, taking into account CRR/CRD IV phase-in measures; 2013 data pro forma.

CREDIT RATINGS AT DECEMBER 31, 2014

The following ratings concern BPCE and also apply to Groupe BPCE.

	Standard & Poor's	Moody's	Fitch Ratings
Long-term rating	A	A2	A
Short-term rating	A-1	P-1	F1
Outlook	Negative	Negative	Stable

BPCE SA group

SUMMARY INCOME STATEMENT

in millions of euros	2014	2013	2012
Net banking income	8,779	8,425	8,084
Gross operating income	2,119	1,829	1,637
Income before tax	1,745	2,697	1,204
Net income attributable to equity holders of the parent	**724**	**1,555**	**659**

FINANCIAL STRUCTURE

in billions of euros	12/31/2014	12/31/2013	12/31/2012
Equity attributable to equity holders of the parent	21.2	21.2	24.7
Tier-1 capital	20.8	19.6	26.1
Tier-1 ratio	10.3%	11.9%	11.8%
Total capital adequacy ratio	15.5%	13.5%	11.7%

2014 data under Basel III, taking into account CRR/CRD IV phase-in measures, and 2012 and 2013 data under Basel 2.5

1.5 Contacts

www.bpce.fr “Investor relations” section

Roland Charbonnel,

Director, Group Funding and Investor Relations.

1.6 Calendar

Wednesday, May 6, 2015	After market close – Publication of the first quarter 2015 results
Friday, May 22, 2015	BPCE Annual General Shareholders’ Meeting
Thursday, July 30, 2015	After market close – Publication of the second quarter and first half 2015 results
Wednesday, November 4, 2015	After market close – Publication of the third quarter 2015 results

1.7 2014-2017 strategic plan: "Growing Differently"

Groupe BPCE's first strategic plan, "Together", was focused on the recovery and construction of the new Group. Groupe BPCE is now a major cooperative banking group, fully dedicated to its customers in the banking and insurance activities and serving economic operators.

The 2014-2017 "Growing Differently" plan is focused on development and transformation, centered on the goal of constantly striving to better meet the expectations and needs of our customers, while reaffirming the Group's cooperative dimension.

Our banking and insurance business is entering a new phase in its history, one which requires new growth models in a rapidly-changing banking and economic environment: new regulations, new technologies, new customer behaviors, the globalized economy and changing employee expectations. Groupe BPCE is a decentralized, multi-brand group with the strengths to develop these new business models.

Groupe BPCE has set four development priorities and will be implementing three levers for action.

FOUR DEVELOPMENT PRIORITIES

Creating local banks commanding leading positions in interpersonal and digital customer relations

For our customers, online banking and the physical network are complementary. Both provide the basis of a new innovative relationship model that will offer them a simple, practical and personalized experience. The banks will offer their customers a fully connected banking relationship, with customer advisors continuing to play an essential role, supported by all the modern and innovative resources of a digital enterprise. Processes will be optimized to make them more efficient, user-friendly, helpful and simple for the customer.

Customers will be able to choose how they sign contractual agreements (electronically or on paper, with or without advisor support) and will be able to track applications, which will require a commitment on turnaround times. The Group plans to make the entire product range available online. Lastly, each regional bank will adapt its network by opening different branch formats for different customers and regions.

Major projects are underway to achieve the Group's target relationship model, namely a multi-channel approach, online technology (in-branch and remote contract signing, new in-branch technology, mobile internet, etc.), modernization of the physical network, process optimization, effective use of customer data and the human resources impact of transformations, etc.

2014 achievements

66% of products and services offered by the Banque Populaire and Caisse d'Epargne networks could be subscribed for electronically at December 31, 2014

58% of customers of the Banque Populaire and Caisse d'Epargne networks had signed up for online banking at December 31, 2014

Financing our customers, establishing the Group as a major player in savings, and moving away from a "loan-based" approach to an approach based on "financing"

As far-reaching regulatory changes sweep the industry, savings inflows are again becoming a key determining factor in our lending capacity. Groupe BPCE is an important player, with outstanding savings of €596 billion[(1)] at December 31, 2014, and has ambitions to become a major player on the different market segments:

- strong ambition to win new customers in the Banque Populaire banks and Caisses d'Epargne, particularly in the private banking segment, with an annual growth target for deposits and savings received from private banking customers and a new structure for the Group's wealth management activities, drawing in particular on Banque Privée 1818;
- development of asset management on behalf of third parties at Natixis, particularly in the international market;
- strategic decision to consolidate the Caisses d'Epargne' life insurance new business within Natixis as of January 1, 2016 while remaining a long-term partner and shareholder of CNP Assurances.

This ambition goes hand-in-hand with the determination to be able to offer customers a full array of financing solutions in addition to credit offers:

- implementation of the Originate to Distribute model in Natixis' Wholesale Banking division;
- use of the SCF[(2)] by all Group companies to provide funding for their long-term loans (loans to local authorities, long-term home loans, secured export financing facilities);
- development of securitization activities in the specialized financing businesses pursued by Natixis and Crédit Foncier for home loans.

To enhance customer loyalty and increase resources, the retail banking network plans to innovate and expand its day-to-day banking offer, including electronic payment acceptance, international services, payments, value-added services, etc.

2014 achievements

Assets under management of €736 billion at December 31, 2014

+6.5% annual growth in private banking customer assets

Innovative everyday banking solutions: Dilizi digital cash register, V.me digital wallet, S-Money solution for receiving payments via a smartphone

Becoming a fully-fledged bancassurance specialist

Insurance is an integral part of Groupe BPCE's business. In order to capture the full potential of this market, the Group is working to consolidate its position as a fully-fledged bancassurance specialist.

By 2017, the plan provides for an increase in the number of individual customers with non-life, health, or provident insurance coverage. For professional

(1) On-balance sheet savings (including centralized regulated savings) and off-balance sheetsavings in the Banque Populaire and Caisse d'Epargne networks.

(2) SCF (Compagnie de Financement Foncier, the Group's société de crédit foncier – a French legal covered bonds issuer).

customers, the aim is to create a comprehensive range of insurance products and apply a distribution model drawing first and foremost on the entire sales force, with support from the technical sales teams. For business customers, efforts will focus on sales of employee health insurance and company directors' liability insurance.

The Group has created a single, comprehensive platform within Natixis providing insurance products for the customers of the Banque Populaire banks and the Caisses d'Epargne, and is extending its positioning along the insurance value chain. As part of this drive, Natixis acquired 60% of BPCE Assurances. On February 19, 2015, Groupe BPCE and CNP Assurances signed a definitive agreement to renew their partnership as of January 1, 2016. As of this date, Natixis Assurances will take over all the life insurance policies sold by the Caisse d'Epargne network, while an exclusive partnership for collective payment protection insurance will be set up with Natixis Assurances, as well as specific partnerships in individual and collective provident insurance. Groupe BPCE has confirmed its intention to remain a stable shareholder of CNP Assurances under existing shareholders' agreements.

2014 achievements

Acquisition by Natixis of 60% of BPCE Assurances in 2014 (non-life and health insurance)

Non-life, provident and health insurance premium income: +7.3% in 2014

Non-life, provident protection and health insurance portfolios: +9.3% in 2014

Stepping up the pace of the Group's international expansion

In its search for new growth drivers, Groupe BPCE aims to position itself as a global player in asset management, increase Wholesale Banking's international presence and further develop international retail banking.

Wholesale Banking will favor selective international expansion, with half of its personnel working abroad by 2017. Investment Solutions will continue its international expansion by developing its platform in the United States through investments in new expertise and access to new distribution channels, and with enhanced distribution in dynamic growth regions (Asia, Latin America, Middle East), both through organic growth and via local partnerships.

In retail banking, the Group is preparing to seize growth opportunities in the international market, notably in Sub-Saharan Africa, for limited investment amounts, and in Europe. The Group will build its capacity to support international customers through products and services for expatriates, an offer for cross-border commuters and trade finance arrangements.

2014 achievements

Wholesale Banking: +8% increase in international net banking income in 2014, including a very strong performance in North & South America

Asset Management: assets under management in the United States: +26% in 2014

Launch of Banque du Léman in Switzerland by Caisse d'Epargne Rhône Alpes, targeting cross-border commuters

The strategic plan aims to consolidate the Group's main financial ratios by:

- continuing to reinforce the Group's capital in respect of capital adequacy ratios;
- anticipating regulatory deadlines in terms of liquidity. The Group intends to further strengthen its balance sheet structure;
- setting different profitability targets for each entity, depending on their business model.

2014 achievements

Capital adequacy: Common Equity Tier-1 ratio: 12.0%[(1)] at December 31, 2014

Liquidity: LCR > 100%[(2)] since June 30, 2014

Ongoing disposals of non-core activities: listing of 58.65% of Coface's capital, residual holding in Foncia, disposal of 7%[(3)] of Nexity's capital.

TO IMPLEMENT THESE FOUR DEVELOPMENT PRIORITIES, THE GROUP IS DRAWING ON THREE MAJOR LEVERS FOR ACTION

Collective efficiency

The Group is continuing to tap the revenue and cost synergy potential generated under the "Together" plan. In particular, the "Growing Differently" strategic plan includes two new flagship programs for revenue and cost synergies:

- a program of €870 million in revenue synergies between the Banque Populaire banks, the Caisses d'Epargne and Natixis. This program capitalizes on the success of the "Natixis serving network customers" project developed in the previous plan and relates to Specialized Financial Services (consumer credit, employee benefits planning, etc.), Investment Solutions and Insurance businesses (life insurance, private banking and asset management) and Wholesale Banking businesses (fixed income products and loan syndication for SMEs and the public sector);

(1) *CRR/CRD IV without phase-in measures after restating for deferred tax assets.*

(2) *According to Groupe BPCE's interpretation of the most recently published Basel III standards.*

(3) *Disposal of 4% in December 2014 and commitment to sell 3% met on January 15, 2015.*

- a €900 million cost-cutting program that includes several components aimed at simplifying organizations and structures, the efficiency of operational processes, and the pooling of resources. Optimization and streamlining measures are ongoing for information systems, procurement and real estate. This program supports the efforts made in each Group company to ensure the strict management, or reduction, of their cost/income ratios.

2014 achievements

€198 million in addition revenues between the Banque Populaire banks, the Caisses d’Epargne and Natixis in 2014

€218 million in cost synergies

The individual talents of the men and women in the Group

The involvement of human resources in the implementation of the plan will be enhanced by giving managers a key role to play in achieving collective success. The second priority is to prepare the teams for future changes in the business activities in order to facilitate the success and personal growth of every employee (internal mobility, development of training, particularly online training, etc.). In terms of diversity, the Group’s target is for one in every four company directors to be a woman by 2017.

2014 achievements

Percentage of women among company directors: 20%

18,750 employees[1] attended virtual training classes in 2014

The assertion of Group BPCE’s essential difference as a cooperative banking group

Three major initiatives are being undertaken by the Banque Populaire banks, Crédit Coopératif, CASDEN Banque Populaire and the Caisses d’Epargne: focusing on local presence as a strategic differentiator, making customer advisors the representatives of the Group’s cooperative model and showing proof of our cooperative commitment through quality of service.

This model is based on a three-way approach involving Group employees (independence of advisors, strengthening of the role played by branch managers, etc.), customers and cooperative shareholders (active involvement in quality control groups, creation of cooperative shareholder clubs, etc.), and the institutions themselves (active involvement in local solidarity and social change, etc.).

2014 achievements

Involving employees in simplifying processes

Engaging cooperative shareholders in innovation processes (co-building)

Providing services to vulnerable customers

(1) *Number of participants (permanent and fixed-term contracts).*

1.8 Groupe BPCE's Businesses

The economic and regulatory environment in which Groupe BPCE conducts its business is described in Chapters 3 and 4 of the registration document.

1.8.1 Commercial Banking and Insurance

BANQUE POPULAIRE BANKS

The Banque Populaire banks are cooperative banks created by and for entrepreneurs, working closely with local businesses and business owners. They form the fourth largest banking network in France with 16 Banque Populaire regional banks, CASDEN Banque Populaire, which serves the staff of the French Ministry of Education, Research, and Culture, and Crédit Coopératif, a major player in the social and solidarity-based economy.

Key figures

18 Banque Populaire banks

3.9 million cooperative shareholders

9.1 million customers

3,294 bank branches + 16 e-BanquePopulaire branches

Savings deposits: €217 billion

Loans outstanding: €167 billion

Net banking income: €6.4 billion

Nearly 4 million cooperative shareholder customers

The Banque Populaire banks are wholly-owned by their cooperative shareholder customers. The Fédération Nationale des Banques Populaires provides deliberation, communication and representation for the Banque Populaire banks and their cooperative shareholders.

2014 significant events

- By deploying appropriate and effective initiatives, the Banque Populaire banks recorded a 6.2% increase in the number of individual customers holding insurance policies, and an increase of nearly 1% in the number of professional customers, while 11,750 new customers used their private banking services.
- As the leading bank for businesses[(1)] and franchise holders[(2)], the second largest bank for craftsmen, small retailers[(3)] and self-employed professionals[(4)], Banque Populaire continued to actively finance the economy. Loans outstanding rose by 1.1% to €167.4 billion, and on-balance sheet savings rose by 6.8%[(5)]. Online, telephone and mobile banking services were enhanced.
- Banque Populaire conducted an active communication campaign including a partnership with the successful TV show "The Voice" at the start of the year, the victory of the Banque Populaire VII boat in the Route du Rhum yacht race in November and in particular, changes to the brand platform, with the launch of a new slogan and a major multimedia advertising campaign at the end of the year.
- Ahead of changes to France's regional boundaries, Banque Populaire d'Alsace and Banque Populaire Lorraine Champagne merged with retroactive effect from January 1. With a balance sheet total of €21 billion, 860,000 customers, 272 branches and 2,900 employees in 9 French *départements*, Banque Populaire Alsace Lorraine Champagne is the network's second largest bank.

Individual customers

For the past several years, Banque Populaire has adopted a policy of attracting and securing the loyalty of young customers, in particular through major partnerships with student insurance specialist LMDE (La Mutuelle des Étudiants) and NRJ radio station, with constant enhancements to the NRJ Banque Pop' payment card. Young people account for nearly half of new customers. They are offered new solutions when they start working, such as the *Avance Premier Salaire* (advance payment of first salary).

Initiatives in favor of French National Education staff and civil servants were stepped up in partnership with CASDEN Banque Populaire and the ACEF (an association that facilitates savings and loans for civil servants), in the interest of establishing preferred relations with these customers.

Services

The *Affinéa* account agreement, which enables customers to choose their own banking services while providing clearer, simpler and more comprehensive online banking services, was rolled out in all the Banque Populaire banks. To boost its digital strategy, Banque Populaire enhanced the range of services available on smartphones and launched a new version of its app for tablets. Banque Populaire was the first major banking network in France to generalize the use of electronic signatures, both remotely and in branches, where both customers and advisors welcome the use of tablets. The 16 e-BanquePopulaire branches worked actively to attract new customers, notably through their availability and quality of service. Ten of these e-branches provide accessibility services for deaf and hard-of-hearing customers.

(1) Source: TNS SOFRES, "Les entreprises et les banques" (Businesses and their banks) survey, 2013.

(2) Source: 11th annual franchise survey by Banque Populaire/FFF/CSA, year-end 2014.

(3) Source: 2013-2014 CSA Pépites survey.

(4) Source: CSA survey, May 2013.

(5) Including centralized regulated savings.

Loans and credit

Outstanding loans to individual customers amounted to €94.7 billion at December 31, 2014, a 2.9% increase on the previous year. Outstanding home loans grew by 2.9% to €89.9 billion, driven in part by loan repurchases.

In consumer credit, which is essentially provided by Natixis Financement, personal loans increased by 9.1%, while revolving loans were stable. Banque Populaire launched a particularly attractive and much appreciated offer at the Paris Motor Show, which generated a 57% increase in personal loan volumes during the offer period.

Bancassurance

The Banque Populaire banks turned in a strong performance, with 20.8% of their customers holding insurance policies at the end of the year. Nearly 215,000 property and casualty insurance policies and over 91,000 provident and health insurance policies were sold. *Sécuri High-Tech*, an insurance policy for mobile devices was launched, and the health insurance policy *Assur-BP Santé* was a success.

Deposits and investments

In 2014, outstanding on-balance sheet savings increased by 2.2% to €82.1 billion. Off-balance sheet savings rose by +3.5% over the year and life insurance assets under management were up +4.1% at December 31, 2014. *Horizéo*, a new multi-investment life insurance policy launched at the end of 2013, attracted investments of nearly €260 million in 46,600 policies.

Private banking

Banque Populaire's private banking business supports nearly 310,000 customers in building, managing and transferring their wealth. The expertise of private banking advisors is tailored to the needs of professional customers, self-employed professionals and business owners in the framework of a dual professional-personal banking relationship. A new range of products and services was offered to high net worth customers in 2014. Natixis Assurances' life insurance policy *Quintessa* became a benchmark high-end policy. Discretionary portfolio management continued to grow, with arbitrage mandates in particular exceeding €1 billion in assets under management at year-end 2014. Customer satisfaction increased considerably, accompanied by an increase of nearly 5% in assets under management to €62 billion at the end of 2014.

Professional customers

With over 1 million professional customers, Banque Populaire is the bank of small businesses, and among the preferred banks for the quality of its business relations[(1)]. As a longstanding partner of the Chambers of Trade and Craft Industries *(Chambres de métiers et de l'artisanat)* and the European Investment Fund and an official partner of the French Trade Council *(Conseil du Commerce de France)*, Banque Populaire is very active among self-employed professionals and has supported farmers for the past 25 years. Outstanding loans to professional customers amounted to €46.5 billion at December 31, 2014, a 1.5% increase on the previous year.

To encourage entrepreneurship, Banque Populaire launched StartMyStory®, a free, easy-to-use software program to help entrepreneurs structure their business plan and produce a professional-quality presentation.

Banque Populaire set up a complete solution to help professionals meet the obligation for buildings that are open to the public to be accessible to persons with disabilities by the end of September 2015. The solution spans the entire process, from assessment to certification, and includes financing for renovation work carried out by qualified Handibat-approved builders. A budget of €500 million not requiring a personal guarantee has been set aside for these projects and a specific solution is available for healthcare professionals.

The network heavily promoted its complementary health insurance solutions – which become mandatory for all employees in France as of January 2016 – and retirement savings plans for professional customers, with a dedicated website and a new assessment tool to help advisors tailor the solutions they recommend to their customers' status and tax situation.

Craftsmen, small retailers and franchise holders

Banque Populaire rolled out an electronic payment assessment tool enhanced with customized solutions such as contactless small-value card payments (over 11,500 contracts signed) and an effective solution for major franchise brands. As the bank of one in four franchise holders[(2)] and a partner of the annual franchise survey, Banque Populaire is developing a customized range of products and services for franchisors and franchise holders.

Self-employed professionals

With over 132,000 self-employed professional customers, Banque Populaire is the second largest bank in France for this category of professionals. These customers benefit from specialist advisors, as well as credit, savings, payment and employee benefits planning solutions that are tailored to their requirements, and the only information website that focuses on issues important to them: *Liberal et vous*.

Farmers

Over 67,000 farmers, or 22% of French farms, have chosen Banque Populaire, which provides them with a full range of services: equipment finance, seasonal loans, farming warrants, commodities hedging and savings solutions including tax deductions on savings set aside to cover difficult periods and a website selling farm products. Over €2.5 billion in loans were granted in 2014. A newsletter has been created for these customers and Banque Populaire has further simplified its equipment finance solution, *Agrilisma*: 28 manufacturers and nearly 2,500 dealers now offer this product directly to their clients.

Corporate and institutional customers

Nearly 128,000 companies are Banque Populaire customers. They benefit from access to 150 business centers and nearly 1,000 specialized staff members. Some 200,000 companies from the social and solidarity-based economy sector have also chosen Banque Populaire. They represent a growth driver that the network intends to leverage by training specialist advisors, actively participating in major events in this sector and providing dedicated solutions.

(1) *Source: Group image survey 2014.*

(2) *Source: 11th annual franchise survey by Banque Populaire/Fédération française de la franchise/CSA/L'Express.*

Financing

Despite rather sluggish demand, outstanding medium- and long-term loans held up at €24 billion. The sharing of risk between the Banque Populaire banks helped strengthen their position among large corporates and regional intermediate-sized enterprises. *Innov&Plus*, a financing solution for innovative projects by companies with fewer than 500 employees, with preferential terms subsidized by the European Investment Fund, boosted the acquisition of new customers. A new range of loans to finance renovation work, combined with a damage insurance policy, was launched for real estate managing agents in partnership with Crédit Foncier and Compagnie Européenne des Garanties et Cautions.

Two innovations by Natixis Factor stimulated factoring business: *Créancessentiel*, which combines digital management and a no-commitment adjustable fee, and *Créancenet*, the first mobile app for managing factoring transactions.

Payment processing

The migration to SEPA credit transfers and SEPA direct debits was completed without incident. The transition was facilitated by *Turbo Suite Entreprise*, the platform created by Banque Populaire to manage multi-point, multi-profile, multi-company, multi-account, multi-bank and multi-currency payments, and its app for smartphones and tablets.

International

Banque Populaire is one of the top two French banks in terms of business customers with international activities[1]. These companies benefit from comprehensive services including the processing of trade transactions, hedging, and advice on international expansion and setting up a business overseas with the support of Pramex International, Groupe BPCE's dedicated subsidiary.

Banque Populaire is a member of the Connector network of 15 banks, covering around thirty countries. Business customers can benefit from simplified account opening procedures abroad and high-quality services in each country represented, notably in terms of cash flow management and payment processing.

Creating and transferring businesses

As the leading distributor of business start-up loans[2] and a partner of leading entrepreneur assistance networks, Banque Populaire facilitates new business start-ups and takeovers with loans not requiring personal sureties or requiring reduced financial guarantees in association with small-business Mutual Guarantee Companies (Socama) and the European Investment Fund. The Banque Populaire banks are highly active in providing advice for business transfers and they populate and share a nationwide database that centralizes information on sellers and buyers to facilitate transactions. They also publish the *Bulletin d'opportunités*, a benchmark for vendors, buyers and their advisors in terms of the volume and broad sector coverage of the companies presented.

CAISSES D'EPARGNE

Since 1818, the Caisses d'Epargne cooperative banks have combined confidence, solidarity and modernity. As part of the second largest retail banking network in France, the 17 regional Caisses d'Epargne are among the leading banks in their regions. They support all economic players and are leaders in financing the public sector, social housing and the social economy.

Key figures

17 Caisses d'Epargne

5 million cooperative shareholders

25.5 million customers

4,190 bank branches + 17 *Monbanquierenligne* online banking branches

Savings deposits: €379 billion

Loans outstanding: €211 billion

Net banking income: €7.1 billion

Nearly 5 million cooperative shareholders

The Caisses d'Epargne have nearly 5 million cooperative shareholder customers in 2014. Their capital is held in local savings companies. The Fédération Nationale des Caisses d'Epargne is the institution providing deliberation, communication and representation for the Caisses d'Epargne and their cooperative shareholders.

2014 significant events

- Caisse d'Epargne was ranked among France's 15 favorite companies[3] for the third year running.
- It also ranked among the market leaders in private banking in France, with 385,000 customers and €104 billion in assets under management.
- Caisse d'Epargne continued to finance the economy and families, with outstanding loans amounting to €211 billion, an increase of 4.9%.
- Savings deposits amounted to €379.3 billion, an increase of 2.4%.
- With nearly 900,000 fans of its various Facebook pages, 60,000 followers on Twitter and over 2.5 million videos viewed on YouTube, Caisse d'Epargne has a strong online presence.

(1) Source: TNS Sofres "Les entreprises et les banques" (Businesses and their banks) survey 2013 and internal analysis.

(2) Source: BPI France – September 2013.

(3) Source: Posternak/Ifop survey 2014.

Individual customers

In 2014 Caisse d'Epargne launched several initiatives to enhance customer loyalty and attract new customers, in particular among young people. It also produced several digital initiatives to offer its customers the best digital services.

Services

Caisse d'Epargne launched a new banking service for young people including an online digital safety deposit box and *Howizi*, an account management app that integrates services, advice and tips.

It offered its customers the digital wallet *V.me*, developed with Visa, which allows simple and secure online payments.

Loans and credit

In a contracting consumer credit market, Caisse d'Epargne strengthened its position with a dynamic strategy targeting young people: students, apprentices, young temp workers and those with fixed-term contracts. New personal loans amounted to €6.2 billion.

New home loans, which were boosted by very low interest rates, reached €18.9 billion, bringing loans outstanding to €110.5 billion, an increase of 5.7%. In an uncertain environment, Caisse d'Epargne focused on the security of projects, offering a solution including payment protection insurance, unemployment protection insurance and homeowners' insurance.

Investment solutions

Individual customer savings amounted to €311.2 billion, compared with €308.5 billion the previous year, reflecting the reduction in the overall savings rate and a clear preference for liquid, secure, tax-efficient savings products. The reduced rate of return paid on the Livret A and Livret Développement Durable (LDD) sustainable development passbook savings accounts from 1.25% to 1% on August 1 discouraged new savings inflows. However, Caisse d'Epargne outperformed the life insurance and home purchase savings schemes markets, with net inflows of €2.2 billion and €3.5 billion respectively.

It launched two new products, the *Compte sur Livret Régional*, which allows customers to allocate their savings to be used in local projects, and the *PEA-PME*, which provides tax-friendly investments in medium-sized enterprises.

Bancassurance

Caisse d'Epargne strengthened its position with nearly 1 million new insurance policies sold and 4 million outstanding provident, comprehensive home and car insurance policies and healthcare guarantees at the end of 2014, an increase of 9% on the previous year. The trial of a Google Glass application designed to simplify formalities for road accident victims – the first of its kind in the insurance industry – attracted much attention.

Private banking

With a 5.7% increase in the number of customers, the private banking business now manages over €100 billion in assets, with its success underpinned by its expertise and local presence. 650 specialized account managers work alongside customers' usual advisor. 25 dedicated Private Banking Areas have been opened in the past four years, and 200 branches boast separate private banking offices. The range of products and services includes insurance, asset management, real estate and tax optimization, providing wealth management customers with high-quality solutions that meet all their specific requirements. The European Funds Trophy 2014 Awards once again acknowledged Vega Investment Managers, a subsidiary of Natixis, which provides private banking portfolio management services.

Professional customers

Over 314,000 craftsmen, small retailers, self-employed professionals and small businesses are Caisse d'Epargne customers. The bank is actively working to develop its business with these target customers, with increased involvement by branch managers, while keeping tight control over cost of risk. New medium- and long-term loans amounted to €2.4 billion in 2014, taking outstanding loans to €9.8 billion. Commercial payment processing flows increased by 13%. *Compte Excédent Pro* accounts, which offer customers a simple and flexible way to invest their excess cash, consolidated their success with inflows of over €800 million.

Electronic payment systems continued to grow. Caisse d'Epargne launched *Dilizi*, a simple, practical and competitive mobile payment solution. By connecting a small device to their smartphone or tablet via Bluetooth, users can accept payments by bank card wherever they are.

Corporate customers

Under their commitment to finance the French economy, the Caisses d'Epargne recorded a 7.8% increase in outstanding loans to businesses, which amounted to €8.3 billion. An additional budget of €100 million at preferred rates was obtained from the European Investment Bank (EIB) and commercial payment processing flows totaled €74 billion in 2014.

Caisse d'Epargne joined forces with Natixis at the first Franco-Chinese forum organized with China Development Bank and the *Comité France-Chine*, which attracted 250 corporates and local authorities from France and China.

The range of services was enhanced to include insurance for business owners and their assets in the course of exercising their professional duties, and a payment card for meal vouchers. Term deposits amounted to €5.8 billion at year-end.

With the creation of two private equity structures, one in Lille and one in Paris, Caisse d'Epargne continued to reinforce its local private equity offering in 2014, confirming its role as the banking partner of regional firms.

In addition to being a partner of the *Centre national des jeunes dirigeants d'entreprise* (French Young Managers' Centre), the Deloitte Technology Fast 50, the newspaper *La Tribune*'s national young entrepreneur award, and the Women in the Regional Economy Awards, Caisse d'Epargne also set up a partnership with the French Ministry of Women's Rights to encourage female entrepreneurs.

Professional real estate

As the bank of choice for real estate professionals, property developers, vendors, planners, developers and investors, Caisse d'Epargne offers financing and signed agreements for all types of projects and to market the programs of its property developer customers.

Despite the fall in the number of construction permits and new housing starts, new short-term loans remained strong in 2014. In commercial real estate, medium- and long-term financing for investors was down slightly, at €680 million. 14 Caisses d'Epargne have subsidiaries that invest alongside regional developers, and they can call on Crédit Foncier's subsidiary SOCFIM to manage their investments.

Social housing and semi-public entities

The Caisses d'Epargne are the leading private banks for social housing bodies, which have traditionally been financed by deposits in Livret A passbook savings accounts. They are involved in the governance of one-third of social housing bodies as shareholders, and are themselves social housing operators. They support local public sector enterprises that provide regional development and services. This market segment was bolstered by the launch of Semop[1] structures in 2014 – a new status that enables private operators to invest and participate in the governance of general-interest projects.

The volume of new social housing starts contracted in 2014, while local public enterprises enjoyed strong levels of activity, particularly in energy. The Caisses d'Epargne allocated nearly €4 billion to free and regulated loans (PLS, PLI, PSLA[2]), some of which in partnership with Crédit Foncier. Outstanding loans to social housing managers and local public enterprises amounted to €10.2 billion. Inflows totaled €7.9 billion, including €2.7 billion invested in Livret A passbook savings accounts. A new range of term accounts that combine flexibility and returns was successfully launched. Commercial payment processing flows increased by 11%. Interest in employee savings products and service vouchers remained strong.

Habitat en Région

The Caisses d'Epargne are among the leading private operators in social housing. Their main subsidiaries Erilia, Logirem and SIA managed nearly 192,000 homes as at end-September 2014. They are all members of Habitat en Région, an organization open to all social housing operators that enables them to share progress and to benefit from effective solutions to help them fulfill their purpose. These include real estate research, construction projects, equipment, energy audits and energy-saving certifications. Habitat en Région has 28 member companies that house 432,000 people, and had over 2,500 homes under construction at the end of September 2014.

Social economy

Caisse d'Epargne supports nearly 20,000 companies and institutions in the social economy sector, where it is the leading provider of funds, with a 21% market share[3]. In a fast-changing social and solidarity-based economy, it entered into a partnership with *Mouvement des Entrepreneurs Sociaux* (MOUVES, an association of entrepreneurs in the social economy) in 2014 to support new forms of social entrepreneurship.

New loans amounted to €626 million, bringing loans outstanding to €21.7 billion, an increase of 12.7%. On-balance sheet savings deposits increased by 13.2% to €7.6 billion. The strong growth of service vouchers, long-term vehicle leasing and lease financing for medical equipment underscored customer demand for solutions to simultaneously improve cash management and lighten their balance sheet.

Protected persons

313,500 protected persons, representing a penetration rate of 37.6% on this market, are customers of Caisse d'Epargne, which provides them and their representatives with specialist advisors and bespoke solutions. The aim is to promote their independence within a secure framework, to simplify their representatives' everyday tasks, and to provide investment solutions that meet the requirements of guardianship judges. In 2014 Caisse d'Epargne entered into a partnership with Tutelle au Quotidien, which helps guardians and professionals perform their duties under the best possible conditions.

Public sector

Caisse d'Epargne is a major partner of local authorities, their organizations and public hospitals. As municipalities and inter-municipal bodies reduced their investments in the run-up to local elections, with government funding steadily declining, the Caisses d'Epargne provided €2.7 billion in new financing, in addition to that provided by Crédit Foncier. Loans outstanding stood at €33.1 billion, down 2.8% year-on-year.

Through its partnership with the European Investment Bank, Caisse d'Epargne can provide preferred rates on financing for projects targeting urban renovation in underprivileged neighborhoods, sanitation and waste water management, energy efficiency and hospital modernization and development. With its subsidiary Valoénergie, it helps its customers take advantage of Energy Savings Certificates that can fund up to 25% of public works projects.

Groupe BPCE plays a very active role in infrastructure projects, and was awarded five public-private partnership projects involving the Caisses d'Epargne in 2014, for a total of €194 million. The Caisses d'Epargne also provide local authorities with solutions that simplify their day-to-day management, including services and social benefit payment vouchers, public procurement cards, and online solutions to pay for district services.

OTHER NETWORKS IN FRANCE

Crédit Foncier

As the leading company specializing in real estate financing and services in France, Crédit Foncier works with individual customers, investors, real estate professionals, and local authorities.

Key figures

253 branches

7,000 professional real estate partners

€10.3 billion in loans issued

€6.1 billion in new covered bonds issued

Crédit Foncier's sales performance remained strong in 2014, despite a depressed real estate market, with new home loans amounting to €10.3 billion. Synergies between Crédit Foncier and Groupe BPCE grew in 2014, on both the individual customers market (long-term loans provided by the Caisses d'Epargne and the Banque Populaire banks, etc.) and in the financing of local authorities and social housing. Compagnie de Financement Foncier, a wholly-owned Crédit Foncier subsidiary, now shares its funding expertise with other Groupe BPCE institutions. In 2014, it funded nearly €6.2 billion in assets for Group entities, in line with the targets set in Groupe BPCE's "Growing Differently" strategic plan for 2014-2017.

(1) *Société d'économie mixte à opération unique – semi-public entities with a single purpose.*

(2) *Prêt locatif social (state-sponsored rental accommodation loans), prêt locatif intermédiaire (intermediate rental loans), prêt social location accession (social lease-ownership loans).*

(3) *Source: Banque de France.*

Home loans for individual customers

Crédit Foncier's missions include the financing of individual home ownership loans for new and existing properties, in particular loans for low-income families. At December 31, 2014 it held 43% market share in PAS loans for low-income families and 25%[1] in PTZ interest-free loans. These figures reflect the active role played by Crédit Foncier in implementing the real estate market recovery measures announced by the government in the summer of 2014.

In 2014's sluggish economy, Crédit Foncier's new home loans to individuals amounted to €7 billion.

Crédit Foncier is also active in rental investment financing and senior citizen financing with specific products such as reverse mortgages. Its expertise is backed by a multi-channel distribution network of 253 branches across France operating under a single brand name, "Crédit Foncier", 7,000 professional real estate partners and an online platform.

Financing real estate investors and professionals

The commercial real estate investment market recovered in 2014, gaining 25% compared with 2013, and Crédit Foncier continually adapted its solutions to meet its customers' specific requirements. Crédit Foncier is able to adapt to market requirements by assuming all roles in the financing process (financial advisor, arranger, agent and lender). Thanks to its extensive expertise, for example, Crédit Foncier structured the financing for the acquisition and renovation of the "Tour Hachette" in Paris. In a highly competitive environment, Crédit Foncier did more than maintain its position, as its new loans increased by 5% on this market compared with 2013.

Short-term financing for real estate professionals (developers, subdivision developers, vendors) is provided by Crédit Foncier's wholly-owned subsidiary, SOCFIM. In 2014 this business was strong (€1 billion in total new loans) thanks to the efforts undertaken to diversify towards managed products (student housing and retirement homes), existing properties, commercial real estate (sale off-plan and lease off-plan), as well as the arrangement of projects on behalf of Group entities. The new loan syndication business was very active, totaling nearly €500 million, shared notably with other Groupe BPCE entities.

Financing public sector entities

Crédit Foncier's activities also include financing public sector entities, either by lending to local authorities or social housing managers or by financing utilities concessionary firms. In 2014, investments made directly or indirectly by local authorities began to decline for economic and structural reasons. Social housing operators continued to invest. Crédit Foncier, acting in partnership with the Caisses d'Epargne, financed a number of regional development projects in 2014, including security upgrades on Lyon's northern ring-road, via a partnership contract.

Real estate services

Crédit Foncier Immobilier, a wholly-owned Crédit Foncier subsidiary, is developing a platform of services and advice for major real estate owners, real estate professionals, financial institutions and individuals to help enhance the value of their assets. It is a major player in its sector and offers a full range of services, from consulting to marketing, including appraisals, management and audits.

Crédit Foncier Immobilier also produces studies and forward-looking research on the property markets, which are awaited and noted with interest by professionals and by public institutions, as well as by the media, for which they are a preferred source of information.

In 2014, Crédit Foncier Immobilier ranked fourth[2] among French real estate consultancies, it employed 270 people in 17 large towns and generated revenues of €41 million.

Crédit Foncier Immobilier and its subsidiary Crédit Foncier Expertise are companies "regulated by RICS[3]". This label reflects a collective and individual undertaking to apply professional standards based on the RICS ethics and compliance code.

Financial transactions

The financial transactions business provides funding for loans granted by Crédit Foncier and Groupe BPCE's other banking networks. The purpose of Compagnie de Financement Foncier, a wholly-owned subsidiary of Crédit Foncier, is to fund mortgage and public sector lending activities by issuing covered bonds.

In 2014 Compagnie de Financement Foncier confirmed the effectiveness of its business model and its appeal to institutional investors by issuing €6.1 billion on the financial markets.

Crédit Foncier has also developed new funding methods that complement the issuance of covered bonds, in particular syndication and securitization. In May 2014, Crédit Foncier completed the first public securitization of mortgage-backed assets in France since 1995, totaling €923 million.

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(1) Source: SGFGAS.

(2) Competitors' 2013 revenues taken from the website "societe.com":
1. BNP Paribas Real Estate: €142.2 million ;
2. CBRE: €106.4 million ;
3. Jones Lang LaSalle: €95.2 million ;
4. CFI: €41 million.

(3) RICS: Royal Institution of Chartered Surveyors – a UK professional body that aims to regulate and promote the real estate profession, to maintain a level of excellence and professionalism among its members through ongoing training, and to protect customers and consumers through a strict code of ethics.

Banque Palatine

Dedicated to business banking and wealth management, Banque Palatine helps businesses and their directors achieve their personal and professional goals.

It provides its expertise to medium- and intermediate-sized enterprises, drawing on synergies across all banking businesses to provide value-added advisory services and solutions tailored to each customer.

Key figures

51 branches

12,000 corporate customers

61,000 private banking customers

Loans outstanding: €7.7 billion (outstandings at December 31, 2014 under IFRS)

Savings deposits: €16.8 billion (average in December 2014, on- and off-balance sheet)

Net banking income: €318.2 million (IFRS consolidated net banking income)

In 2014, Banque Palatine began to roll out its strategic plan – Impulsions – to continue and accelerate its success. The plan focuses on three priorities:

- **developing** its two markets. Continuing to grow on the business customer market and enhance its presence among company directors. Expanding its private banking customer base, confirming its position as the bank for company directors and wealth management customers.
- **modernizing** processes and the information system to enhance quality of service and operational efficiency.
- **securing** team support for the plan by fostering the corporate spirit.

The strategic plan is now being implemented with around forty projects focused on these three priorities.

Corporate customers

In 2014 Banque Palatine maintained robust growth on its core target market: intermediate-sized enterprises (ISEs) with revenues over €15 million.

Banque Palatine is committed to helping its customers take advantage of new opportunities, and was among the first banks to provide advance financing of the Employment Competitiveness Tax Credit (CICE). To support the international expansion of ISE customers – which is an essential growth driver for these enterprises – it accompanied a delegation of ISEs to the France-China SME forum in Chengdu. It was also invited to present its initiatives at the Trade and Investment Forum held by the European Bank for Reconstruction and Development (EBRD) in Tunis.

In a fast-changing market, Banque Palatine adapted its structured financing offer in two areas: i) developing advisory services and structuring bond issues, supported by its asset management subsidiary Palatine Asset Management (PAM) and ii) enhancing arrangement and underwriting solutions for LBOs and corporate syndication.

To further its actions, the bank showcases ISEs that are successful in France and internationally. For the third year running, it issued the *Trophées Ambitions d'Entrepreneurs* awards for ambitious entrepreneurs in partnership with iTELE, and participated in the ESMEP-ETI awards for ISEs and family-owned companies. Banque Palatine has a strong presence in the media, audio-visual and cinema segments; it renewed its support for the Directors' Fortnight in Cannes, the French Association of Audio-Visual Professionals (APA), and the French Media Assembly.

Private banking customers

The private banking business continued to attract new customers, with an increase of 20% in the target customer base.

Banque Palatine enhanced its offer with the launch of a number of new products to better serve its company director customers and wealth management customers (2 EMTN issues, 3 real estate investment trusts (SCPI), new tax optimization solutions). As of January 2014, it offered its customers the new PEA PME investment plan that enables listed and unlisted SMEs to diversify their financing sources. This savings plan allows individuals to actively finance small- and medium-sized enterprises and intermediate-sized enterprises via a range of investment solutions with advantageous tax terms.

Asset management

In 2014 Palatine Asset Management was once again awarded the Novethic SRI certification for its funds *Palatine Actions Défensives Euro*, *Gérer Multi-Factoriel Euro* and *Palatine Or Bleu*. The Novethic SRI label is awarded to socially responsible investment (SRI) funds that are managed according to environmental, social and governance criteria.

At December 31, 2014 Palatine Asset Management managed assets totaling €3.1 billion.

Other commercial banks in France

Other Groupe BPCE banks, often among the oldest in their region, contribute to their region's economic development or meet the needs of certain categories of customers, corporates, professional customers or individual customers, with dedicated savings and financing solutions and services.

Specialized bank	Description
Crédit Maritime Mutuel	A cooperative bank serving stakeholders in coastal and port cities
Affiliate and partner bank	**Description**
Banque BCP	A bank for Portuguese or Polish individual and professional customers in France
Regional banks	**Region**
Banque Chaix	Bouches-du-Rhône, Vaucluse
Banque Dupuy, de Parseval	Languedoc-Roussillon
Banque Marze	Ardèche, Drôme
Banque de Savoie	Rhône-Alpes
Crédit Commercial du Sud-Ouest	Aquitaine

OVERSEAS AND INTERNATIONAL COMMERCIAL BANKING

Groupe BPCE develops its commercial banking business outside mainland France through BPCE International et Outre-mer (BPCE IOM). International activities are a growth driver: several Banque Populaire banks and Caisses d'Epargne have cross-border activities, and some operate in the French overseas departments, such as Caisse d'Epargne Ile-de-France[(1)], Caisse d'Epargne Provence-Alpes-Corse[(2)] and BRED Banque Populaire.

BPCE International et Outre-mer (BPCE IOM)

BPCE International et Outre-mer (BPCE IOM) controls five banks in the French overseas territories, and five banks that operate in Africa, the Indian Ocean, Tunisia, Cameroon, Congo-Brazzaville, Madagascar and Mauritius. Its banks often rank among the leaders in their country.

It also holds non-controlling interests in Proparco (France), Fransabank France, BCP Maroc (Morocco), la BNDA (Mali), BCP Luxembourg[(3)] and Banca Carige (Italy). Specialized subsidiaries Ingépar and Pramex International are also part of BPCE IOM.

2014 significant events

In October, the Group embarked on a project to adapt its overseas activities in the euro zone. In 2015[(4)], Caisse d'Epargne Provence-Alpes-Corse may take over Banque de la Réunion, Banque des Antilles françaises and Banque de Saint-Pierre et Miquelon from BPCE IOM. This project would structure the Group's presence in the French overseas territories in the euro zone around the Banque Populaire banks and the Caisses d'Epargne, while capitalizing on the complementary features of Caisse d'Epargne Provence-Alpes-Corse and the banks in question and allowing BPCE IOM to focus on its international commercial banking activities, where it has ambitious growth targets, particularly in Africa.

New partnerships were set up to finance businesses in 2014: BTK in Tunisia with the EBRD and the EIB, for €40 million each; BCI in Congo-Brazzaville with the FACP, an institution funded by the World Bank and the French government; and BICEC in Cameroon, where it is involved in a project launched by the World Bank to create an electronic payment platform.

Six new branches were opened, including the first business center for corporate customers in Tunis, the 36th branch in Cameroon and the first branch in Taha'a Island (located among the Leeward Islands in Tahiti). Several innovative packages were successfully launched for young people, individuals, professionals and savers, as well as new mobile banking services in Tunisia, Cameroon, Congo and Madagascar.

The BPCE IOM network bolstered its leadership in renewable energy financing with three new projects: a solar energy power plant in Martinique, the full replacement of a wind farm on Marie-Galante Island in Guadeloupe (two facilities with energy storage systems) and a wind farm in Mauritius.

Ingépar and Pramex International

Ingépar arranges complex financing for assets overseas and in mainland France, including infrastructure, transport, industrial projects, hotels and real estate projects. In 2014, it maintained a strong level of activity in the social housing sector, with its structured loans financing nearly 1,000 homes spread between Reunion, Mayotte, French Guyana and Martinique, representing investments of around €200 million.

Pramex International is the French leader in advising medium- and intermediate-sized enterprises on setting up and doing business abroad, and the leading manager of foreign subsidiaries of these firms. With around one hundred consultants in 15 countries, it has assisted nearly 500 companies with their international growth plans. It has already partnered with Ubifrance and Bpifrance, and is now a partner of ERAI, the Rhône-Alpes region's agency that promotes the international development of its businesses.

BRED Banque Populaire

International and overseas operations involve a quarter of BRED's employees, and accounted for nearly 45% of its net income in 2014. BRED is developing a network of 76 branches in the French overseas departments, as well as subsidiaries in Polynesia and New Caledonia. It is pursuing a sustained and targeted growth strategy in the Pacific (Vanuatu and Fiji), the Horn of Africa (Djibouti) and in South-East Asian countries (Laos and Cambodia), where it is a pioneer among European banks.

INSURANCE

As a major bancassurance specialist on the French market, Groupe BPCE works with leading insurers under partnership agreements and with dedicated subsidiaries. Groupe BPCE has launched a project to bring new life insurance and provident insurance policies distributed by the Caisses d'Epargne into its new Insurance business line and began negotiations to renew its partnership with CNP Assurances covering savings, payment protection insurance and provident insurance.

2014 significant events

- Insurance is a key growth driver and all segments are expanding: life, non-life, health and provident insurance. The Insurance business's contribution to Groupe BPCE's income before tax amounted to €187 million in 2014, an increase of 5.7% on the previous year.
- In order to build a fully-fledged bancassurance activity, the Group has created a new division combining life and non-life insurance at Natixis. Groupe BPCE's transferred its 60% stake in BPCE Assurances to Natixis Assurances[(5)] and maintained its existing agreements with BPCE Assurances' other shareholders, Macif and MAIF.
- Groupe BPCE and CNP Assurances have renewed their partnership for 2016-2022. As of 2016, the Insurance business line will issue new life insurance and individual provident insurance policies sold by the Caisses d'Epargne. CNP Assurances will continue to manage policies set up before 2016 and additional payments into these policies. New partnerships are planned, including an exclusive co-insurance partnership for collective payment protection (66% CNP, 34% Natixis Assurances) for the Caisses d'Epargne, the Banque Populaire banks and Crédit Foncier; an offer from CNP Assurances covering the main collective provident insurance guarantees for Groupe BPCE's professional and

(1) Caisse d'Epargne Ile-de-France operates in Saint-Pierre-and-Miquelon.

(2) Caisse d'Epargne Provence-Alpes-Corse operates in Martinique, Guadeloupe and Reunion.

(3) 51% of BCP Luxembourg is also equally owned by Banque Populaire Alsace Lorraine Champagne and Caisse d'Epargne Lorraine Champagne-Ardenne.

(4) Subject to the consultations and authorizations required.

(5) The contribution of BPCE Assurances is now attributed to Natixis' Investment Solutions division. The minority interest in CNP Assurances, accounted for by the equity method, continues to be attributed to the Commercial Banking and Insurance business line.

corporate customers; and a targeted partnership for dependency and tenant guarantees as part of the individual provident insurance range.

- The roll-out of multi-channel distribution gathered pace in 2014: the quality of policyholder relations and services is the central focus of current projects.

Life insurance

Gross inflows increased by 32% to €13.8 billion in 2014, driven by the private banking business.

CNP Assurances – a partner of the Caisses d'Epargne with the support of Ecureuil Vie Développement – earned €8.9 billion in premium income, an increase of 33% on 2013. The portfolio includes 5.8 million policies.

Natixis Assurances manages 1.4 million policies, mainly sold by the Banque Populaire banks. It generated €4.4 billion in premium income in 2014, up 32% on 2013. Within the space of one year, *Horizéo* became the flagship product for individual customers. *Quintessa* was launched for private banking customers. Assets under management in arbitrage mandates managed by ABP Vie exceeded €1 billion, as did assets managed by Natixis Life in Luxembourg, demonstrating the Group's ability to meet the requirements of wealth management customers.

Prépar-Vie, which is dedicated to the BRED Banque Populaire network, generated €582 million in premiums, an increase of 16%, and manages over 230,500 policies.

Non-life insurance

BPCE Assurances, which is jointly owned with Macif (25%) and MAIF (15%), sold over 600,000 property and advisory provident insurance policies via the Caisses d'Epargne, Crédit Foncier and Banque BCP.

Earned premiums increased by 11% to €712 million.

Natixis Assurances, a partner of MAAF in non-life insurance as part of Assurances Banque Populaire IARD, generated premium income of €297 million in non-life insurance, up 9%. The portfolio grew by 2%, and includes over 1.1 million policies.

In individual provident insurance, premium income amounted to €194 million.

Payment protection insurance and guarantees

Natixis Assurances, the Banque Populaire banks' insurance subsidiary and partner of CNP Assurances for the Caisses d'Epargne, earned €483 million in premiums in 2014, an increase of 21%.

Compagnie Européenne de Garanties et Cautions (CEGC), a subsidiary of Natixis that issues real estate guarantees in France, generated €280 million in premium income in 2014. CEGC draws on the growth of the banking networks among real estate managers, and offers a large range of bespoke guarantees and insurance policies.

1.8.2 Corporate Banking, Investment Management, Insurance and Financial Services

NATIXIS: WHOLESALE BANKING

Wholesale Banking advises companies, institutional investors, public sector entities, private equity funds and Groupe BPCE's networks. It offers a range of financing solutions, access to the capital markets and transaction banking services, thanks to the wide-ranging expertise and recognized global research capabilities of its teams (economic, equity, credit).

Wholesale Banking operates in major financial centers and has three international platforms: North & South America, Asia-Pacific, and Europe, the Middle East and Africa (EMEA). In 2014 Natixis considerably developed the business of its major international franchises, and strengthened its three platforms with new openings and recruitments. Major transactions were executed in advisory, financing and on the capital markets.

Coverage & Advisory

Through regular, detailed, strategic dialogue with their customers, the Natixis Coverage teams establish lasting relationships and provide a bespoke global offering that draws on all of its products and services. Natixis operates in France and abroad, and also provides strategic advisory services for mergers & acquisitions, financial strategy, ratings, and primary equity market activities.

The Mergers & Acquisitions team helps customers prepare and implement disposals, acquisitions, mergers, fund-raising, restructuring, or capital defense transactions. The Financial Strategy and Ratings Advisory team helps customers determine their equity capital and debt financing strategies and assists them in the ratings process. The Primary Equity Market team provides origination and execution capabilities on the primary equity market, with a full range of services: IPOs, capital increases, share reclassifications, convertible issues, etc. In 2014, Natixis was ranked number two bookrunner on the primary equity market by number of transactions in France[1].

Several major transactions were completed in 2014, including the IPO of Coface for €957 million, the issue of convertible bonds for Alcatel Lucent (€1,149 million), capital increases for Peugeot (€1,953 million), Arkema (€350 million) and Italcementi (€500 million), the equity offering by Salini Impregilo (€513 million), and the initial public offering in New York (Nasdaq) of Cnova, a subsidiary of Casino.

The Mergers & Acquisitions team was Havas' sole financial advisor on the public share exchange offer made by Bolloré Group (€2.8 billion) and advised Jaccar on its public tender offer for Bourbon's shares (€813 million). Natixis is highly active on the mid-cap segment, where it was Mr Bricolage's financial advisor on the group's sale to Kingfisher, advisor to Lur Berri on PAI's acquisition of a stake in Labeyrie and advisor to Ceva on the entry of Temasek into its capital alongside the Management's majority holding and existing French and international investors. It was also involved in capital increases by Heurtey

(1) Source: Bloomberg – Underwriter ranking.

Petrochem (€35 million) and SOITEC (€83 million), and Nexity's convertible bond issue (€180 million).

Vanilla and structured financing

Natixis is a world-class player in aircraft and infrastructure financing. Its infrastructure platform enables investors to diversify their portfolios by providing access to this new asset class. Natixis also has a strong position in renewable energy project financing, in particular for wind and solar power.

Natixis is a leading player in real estate financing, with a full range of financing solutions in Europe and the United States.

It is one of the world's leading banks in commodity financing, covering the three major families (energy, metals and agricultural products) and targeting all players across the commodity value chain.

Natixis has been active in strategic financing and acquisitions for over 20 years. It is a market leader in France and has a strong international presence, particularly in the United States, Spain, Italy and the United Kingdom.

In association with the Capital Markets team, the Strategic Equity Transaction activity offers a unique equity engineering capability encompassing financing and derivatives, which meets all the equity needs of corporates, holding companies and funds when carrying out private transactions.

In 2014 Natixis arranged a number of major transactions, including €2.1 billion in financing for the Gemini project to build a 600 MW offshore wind farm in the Netherlands, a project bond for Axione Infrastructures in the digital infrastructure sector in Europe with a debt enhancement from the EIB, and the financing of two Boeing 777-300ER aircraft purchased by BBAM LP and leased to Cathay Pacific. Natixis also arranged €818 million in financing for the LBO of Ceva Santé Animale and played a leading role in financing Arkema's acquisition of Bostik. It arranged the financing for the first phase of the Villages Nature project and set up various facilities for energy producers and traders (Templar, Tenaska, Trafigura, etc.).

In 2014, Natixis was ranked number two bookrunner for real estate finance in the EMEA region[1], 9th mandated lead arranger (MLA) in project finance in the EMEA region, 10th MLA in the Americas and worldwide[2], 11th bookrunner for LBO financing in the EMEA region and second in France[3].

Capital markets

Natixis offers its customers a wide range of investment, financing and hedging products on the fixed income, credit, currency, commodity and equity markets. Despite the high level of volatility on the capital markets and a changing regulatory environment, Natixis posted strong sales momentum in 2014, demonstrating its ability to offer solutions tailored to customer needs.

Natixis is a key player on the primary market for euro-denominated bonds with all issuer types, with leading positions: number one bookrunner on the primary market for euro-denominated bonds with French issuers in 2014, number one bookrunner on the primary market for euro-denominated covered bonds in 2014 and fourth bookrunner on the primary market for euro-denominated bonds with financial institutions in 2014[4]. Natixis is expanding fast on the high yield market with an increasingly broad range of products, and on the green bond market. Thanks to a cross-business approach to securitization, asset and liability management, advisory and portfolio restructuring services, Natixis also offers its customers innovative, cutting-edge solutions to meet requirements related to regulatory and accounting changes, as well as issues concerning balance-sheet reduction, optimized use of resources, alternative financing research, etc. In 2014, Natixis was an active arranger on the US collateralized loan obligation (CLO) market.

In 2014, Natixis completed transactions including BPCE's first Uridashi bond issue targeted mainly at Japanese individual investors and the Sukuk bond issue (Islamic finance) for the Islamic Development Bank (IDB). In addition, it carried out several major bond transactions, including a three-tranche hybrid bond issue for EDF (€2.75 billion), a bond issue for Fiat (€850 million), the first dual tranche covered bond issue for Unicredit, a four-tranche bond issue for Etisalat (€3.4 billion), a three-tranche bond issue for Sanofi (€3 billion), a bond issue for the Kingdom of Morocco (€1 billion) and a bond issue for Wells Fargo (€1.25 billion).

On the cash equity market, Natixis set up a global business line covering the entire chain of expertise (marketing, sales, sales trading and execution). It has two specialized teams – one in flow products and another in high value-added customized products. In 2014, the teams were heavily involved in the Coface IPO, which was led by Natixis, and in market making for the shares on the secondary market, with a strong market share on Euronext.

In equity derivatives, Natixis expanded its financial engineering capabilities to include a range of products entirely focused on customer requirements. It is also a leading player in Equity Finance and was voted Best Global Borrower Group 2 by lenders in the same category[5].

Natixis' economic, credit, equity, and quantitative research teams publish daily analyses for customers and contribute to the creation of financial solutions tailored to customer needs. In 2014, Natixis developed its cross-expertise research by combining its equity, credit and economic research teams in order to offer customers cross-business expertise based on cross-sectional analyses and targeted themes. It publishes research and investment recommendations on equities, credit, fixed-income, currencies and commodities. Natixis' research is well respected and regularly wins awards. In 2014 Natixis won awards for the best credit research in the following seven areas: ABS, agencies, automobile, covered bonds, retail & consumer goods, telecommunications & media, and utilities[6].

(1) Source: Dealogic.

(2) Source: Project Finance International.

(3) Source: Thomson Reuters.

(4) Source: Dealogic – Covered Bonds, Senior Unsecured, Subordinated, Liability Management and ABS/MBS in euros.

(5) Source: Global Investor/ISF Fall 2014 – Equity Lending, Fixed Income Lending & Technology Survey 2014 "Best Global Borrower group 2, highest rated by group 2 Lenders".

(6) Source: Euromoney – Fixed Income Research Survey 2014.

Transaction banking business

Natixis offers its customers and those of Groupe BPCE a scalable and flexible Global Transaction Banking offer in France and abroad. This includes bespoke account management, cash flow and cash investment services; Trade Finance solutions to help business customers expand their import/export activities; cash management solutions with secure, multi-channel, multi-format processing; while a large network of correspondent banks around the world enable customers to carry out their international operations.

Its teams are located in the EMEA region (main cities in France, Russia, Dubai, Algeria), Asia (Hong Kong, Singapore, Shanghai) and North & South America (United States, Brazil), providing their customers with expertise in international opportunities and risk management.

NATIXIS: INVESTMENT SOLUTIONS AND INSURANCE

The Investment Solutions and Insurance division provides solutions for the individual, private banking and institutional customers of Natixis and the Groupe BPCE networks in France and abroad.

Asset Management and Private Banking

Asset management

The Investment Solutions division offers a wide range of asset management expertise drawing on a worldwide distribution platform tailored to the various specific characteristics and regulations of the markets in which it operates.

Natixis Global Asset Management (NGAM) has over twenty affiliated asset management companies that implement their own investment strategy in all the main asset classes. As the world's 16th largest asset manager[1], NGAM has strong positions in the United States and Europe and is expanding in Asia.

In a persistently difficult global economy and with volatile financial markets, the diversity of NGAM's product offering, its growing international coverage and its strong position in the United States generated very good results, with a sharp increase in assets under management to €735.5 billion at year-end 2014, a year-on-year increase of 9.4% in constant euros. Assets under management were up 10.4% in the United States and 6.5% in Europe. Net inflows amounted to €27.7 billion in 2014, compared with €13.4 billion in 2013 – the highest level since 2006.

Natixis Global Asset Management benefits from the momentum of its global distribution platform, which aims to generate inflows for its asset management companies. It operates on all five continents, with offices in over 20 countries. 2014 was a record year for this centralized platform, in terms of providing its expertise to NGAM's asset management companies throughout the world. A representative office was opened in Mexico at the end of 2014. NGAM also intends to set up business in two Latin American countries (Uruguay and Colombia) and in Canada following the acquisition of NexGen Financial in Toronto.

In France, Natixis Asset Management has 600 employees and ranks among the top European asset managers. Natixis Asset Management offers its customers (institutional investors, corporates, private banks, distributors and banking networks) innovative, high-performance tailor-made solutions, in six major areas of expertise: Fixed Income, European Equities, Investment and Client Solutions, Volatility and Structured Products (developed by Seeyond), Global Emerging and Responsible Investment (with Mirova).

In 2014, the Private Equity business joined Natixis Global Asset Management with the name NGAM Private Equity division. It covers the venture capital, growth capital and business transfer segments and also offers funds-of-funds and investment advisory services. NGAM Private Equity division had €6.1 billion in assets under management at the end of 2014.

Private banking

Natixis' Private Banking business line is entirely dedicated to providing wealth management solutions for private investors. It includes Banque Privée 1818, Vega Investment Managers and Natixis Private Banking in Luxembourg and Belgium.

The private banking business is expanding its activities via various distribution channels, including the Groupe BPCE networks, Independent Wealth Management Advisors (IWMAs), and direct customers.

In 2014, Banque Privée 1818 confirmed the strong performance of its sales partnership with the Groupe BPCE networks.

It works with Vega Investment Managers for its financial management offering in three areas: fund management, discretionary portfolio management, and fund advisory and selection. In 2014, Vega Investment Managers was named Best French Asset Manager in its category (26-40 funds rated) in the European Funds Trophy awards.

With its distribution platform, Sélection 1818, it provides a wide range of investment products (banking, insurance, international, real estate) and services for independent wealth management advisors. Sélection 1818 was named number one Banking Platform, dedicated to IWMAs, in France in 2014[2].

Private banking assets under management amounted to €24.7 billion at December 31, 2014.

Insurance

Natixis' Insurance division designs and manages a comprehensive range of life insurance, provident insurance and non-life insurance policies for individual, professional and corporate customers. Its products are distributed by Groupe BPCE's networks, primarily via the Banque Populaire banks and the Caisses d'Epargne.

The Insurance division operates in Luxembourg through its subsidiary Natixis Life, and in Lebanon through an equity stake in a subsidiary in partnership with a local private bank.

Gross life insurance inflows increased by 32%, with +14% in France, an increase well above the growth in the life insurance market as a whole (+8%)[3]. Its life insurance assets under management rose by 7% to €41.8 billion in 2014, while inflows invested in unit-linked policies accounted for 15% of the total. Provident insurance recorded a 15% rise in premium income.

The non-life insurance business posted strong growth. With total premium income of €1,060 million, property and casualty insurance grew by 9%, considerably outperforming the market (+1.5%)[4].

(1) *Source: Cerrulli ranking, 16th largest asset manager in the world, July 2014, in terms of assets under management at year-end 2013.*

(2) *Source: 2014 Gestion de Fortune ranking.*

(3) *Source: FFSA (French Federation of Insurance Companies) 2014.*

(4) *Source: FFSA 2014.*

NATIXIS: SPECIALIZED FINANCIAL SERVICES

Specialized Financial Services covers two large business line categories that share a similar industry approach and distribution challenges. These are Specialized Financing (factoring, guarantees and sureties, lease financing, consumer credit, and film and audio-visual finance), and Financial Services (payments, securities services and stock market transactions, employee savings, pensions, service vouchers and collective provident insurance).

These businesses are all key to serving the expansion of Groupe BPCE's two networks, the Banque Populaire banks and the Caisses d'Epargne.

Factoring

Natixis Factor designs and manages customer receivables solutions for companies of all sizes, including factoring and financing, loan insurance, and notification and recovery of receivables.

As the fifth largest factoring company[1] on the market, Natixis Factor generated annual revenues of €31.9 billion at December 31, 2014, an increase of 7%. This represents 2,300 new contracts in 2014, predominantly signed with customers from the Groupe BPCE networks and with brokers.

Sureties and guarantees

Compagnie Européenne de Garanties et Cautions (CEGC), an insurance company, is Natixis' guarantees and sureties platform.

It offers a wide range of products targeted at different players across the economy: individuals (joint-and-several mortgage guarantees), professionals (guarantees for business start-ups/transfers, equipment, commercial property), players in the social economy and social housing, public-private partnerships, real estate companies and professionals (builders, developers, managers of commercial and office space, real estate managers and realtors).

CEGC is ranked second[2] in the French home loan guarantees market for individual customers. In 2014 it guaranteed €19 billion in loans (down by 17% due to a high comparison base in 2013), in a market driven by loan renegotiations.

The company is joint leader[3] in the real estate management, third party management of commercial and office space, and realtor market, and has issued more than 5,000 guarantees under the Hoguet law, representing more than €6 billion. It provided guarantees on the completed construction of over 12,000 single-family homes in France, accounting for approximately 25% of the market.

CEGC also operates on the corporate market, and issued over 61,000 guarantees in 2014, an increase of more than 21%.

Created in December 2013, CEGC Conseil, a dedicated intermediation subsidiary, offers new real estate insurance products, particularly in construction insurance.

Lease financing

Natixis Lease develops and distributes a range of solutions in non-real estate and real estate leasing, long-term vehicle leasing, renewable energy financing, and operational IT leasing. It also arranges and syndicates financing for its customers.

The non-real estate leasing business was particularly active in 2014, with the launch of Front Lease, a simulation and application tool installed on advisor workstations. New non-real estate leases amounted to nearly €1.7 billion, up 1.4% on 2013.

New real estate leasing contracts amounted to circa €600 million, in a market that recorded its lowest level of activity since 2000.

With €210 million in new leases in 2014, Natixis Lease maintained a high level of renewable energy financing. Natixis Car Lease continued to roll out its offer to customers of the Banque Populaire banks and the Caisses d'Epargne and received over 5,000 orders.

Consumer credit

Natixis Financement provides renewable loans and manages repayment loans for Groupe BPCE's banking networks.

In 2014, new loans totaled €8.2 billion (nearly €1.1 billion for revolving loans and more than €7.1 billion for personal repayment loans).

Total loans outstanding amounted to €16.8 billion at December 31, 2014, a year-on-year increase of 9%. The company consolidated its ranking as the third-largest[4] French operator in the sector.

Film and audio-visual financing

Holding market-leading positions in France and Europe, Natixis Coficiné finances the full range of audio-visual professions. In 2014 Natixis Coficiné financed 13 of the 19 French films that generated over a million ticket sales, including "Beauty and The Beast" and "Babysitting". Natixis Coficiné also financed "Timbuktu", which was selected to compete at the Cannes Film Festival as well as being nominated for César and Oscar awards.

Despite the continued development of financing for cinemas, often in partnership with the Groupe BPCE networks, loan origination in 2014 improved in number but the total amount financed declined by 10%. This was due to the sharp slowdown in French cinema production investments over the past three years, since this sector accounts for the majority of Natixis Coficiné's outstandings.

After initially targeting a French customer base, Natixis Coficiné has now expanded to other markets in the European Union (Germany, Belgium, Spain, Luxembourg, the United Kingdom and more recently Scandinavian countries) and Canada.

Natixis Coficiné continued its partnership with the Cannes Film Festival's Cinéfondation, which supports filmmakers.

Employee benefits planning

Natixis Interépargne and Natixis Intertitres offer a full range of employee benefits planning products and services, including employee savings, pensions, employee share ownership plans, collective insurance and service vouchers.

In 2014, Natixis Interépargne consolidated its leading position in employee savings account administration in France, with over 3 million employee accounts under management, a market share of 28.6%[5].

Its collective savings pension plan (PERCO) offer recorded very strong growth, particularly in the corporate and institutional segments. The number of PERCO accounts increased by 23%[6] year-on-year, taking its market share in account administration to 30.7%[5].

(1) 14.1% market share – source: ASF (French Association of Specialized Finance Companies), at December 31, 2014.

(2) Source: Banque de France

(3) Source: CEGC benchmark

(4) Source: annual reports, Natixis Financement research.

(5) Source: AFG (French Asset Management Association), at June 30, 2014.

(6) At December 31, 2014.

The development of the employee savings offer for SMEs and professionals, which is distributed by the Banque Populaire and Caisses d'Epargne networks, continued in 2014, with 12,500 new agreements signed[1].

Natixis Intertitres' range of service vouchers and prepaid solutions was expanded in 2014 with the launch of the *Apetiz* meal voucher card and the *CA DO CARTE Édition Universelle* multi-brand gift card for corporates and institutional customers.

The *Chèque de Table*® and *Apetiz* meal vouchers and *CESU Domalin*® service vouchers recorded steady growth with a 7.1% increase in total amounts issued, in particular among major accounts and local authorities.

Payments

Natixis Payment Solutions designs and develops payments platforms and related service offerings.

As Groupe BPCE's single payment operator, it processes and supervises commercial and cash payment flows (transfers, direct debits, card payments, checks, etc.) for the Banque Populaire banks, the Caisses d'Epargne, and major French banking institutions, i.e. around sixty banks and financial institutions.

To consolidate its leading position in payment-related services in France and Europe, Natixis Paiements was renamed Natixis Payment Solutions in 2014.

This name change reflects its ambition to act as a provider of innovative secure payment solutions to Groupe BPCE's networks, underpinning their growth. With a market share of around 20%, ranking it among the top three payments operators in France, Natixis Payment Solutions processed 6.7 billion mass transactions in 2014. In the electronic payments sector, Natixis Payment Solutions manages over 20 million cards, and processed almost 3.6 billion card transactions in 2014.

Securities

Natixis' EuroTitres department provides custody services for retail and private banking customers, and has the leading open custody services platform in France.

While transaction volumes are steadily declining, affecting off-balance sheet savings firms across the board, Natixis manages 3.8 million securities accounts.

EuroTitres aims to provide its customers even more value by expanding its offering, while strengthening its business model. Innovation and operational efficiency are key growth drivers.

1.8.3 Equity interests

NEXITY

As the leading integrated real estate player in France, Nexity supports all aspects of its individual, corporate and local authority customers' real estate activities, providing the broadest range of expertise, products, services and solutions, including transactions, management, design, development, planning, advisory and related services.

In 2014 Nexity consolidated its position as the number two real estate manager in France[2] with the acquisition of the fifth largest player, Oralia, and as the leader on the residential real estate market, with the purchase of 75% of PERL, which specializes in reversionary ownership and bare ownership solutions.

It took the first place in the Efficient Building category of the Green Buildings Awards 2014 for Ywood Business l'Ensoleillé – the first positive-energy office complex in France.

Confirming its capacity for innovation, Nexity opened the first five *Blue Offices* in the Ile-de-France region – a new generation of hyperconnected office buildings. It also set up a car sharing service for residents of the buildings it manages. Nexity's strategy is focused on maintaining and enhancing the performance of its core businesses and on investing in the digital transformation and changes in society so it can better serve its customers.

While the French residential real estate market contracted for the fourth successive year, Nexity's annual results for 2014 were in line with its sales and financial targets, as they have been each year since 2009, confirming the robustness of its business model. In 2014 Nexity recorded 10,365 new home reservations (+2%), a commercial real estate order intake of €190 million, revenues of €2.63 billion, operating income of €184 million (with a stable operating margin compared with 2013), and a backlog of €3.3 billion, representing 19 months of revenue from development activities.

For 2015 Nexity aims to increase reservations as the French market enjoys a slight recovery, with an improvement in operating income of around 10%.

MAISONS FRANCE CONFORT

Maisons France Confort is the leading single-family home builder in France[3] with 4,400 homes delivered in 2014, and is the sector leader among first-time buyers[4].

In a depressed market, the Group continued to outperform, with new projects down by around 2.5%. It completed two acquisitions: Bermax Construction in Angoulême and Maine Construction in Le Mans.

(1) *At December 31, 2014.*

(2) *Source: Nexity.*

(3) *Source: Le Moniteur, December 2014.*

(4) *Internal source.*

The OPEN range for first-time home buyers (1,000 homes per year) was revamped in order to adapt the offering to customer expectations. A new range of fully customizable homes – *New Art* – was launched, targeting second-time buyers.

The Group is also stepping up the implementation of its growth drivers, having set up a home loan brokerage entity to help customers finance their project and developing a grouped offering with municipalities and partners. It also offers additional complementary home fittings and services, including home security and automation systems. Its renovation activity has considerable growth potential, with an offering adapted to home owners' requirements in terms of interior design, extensions and energy performance improvement.

Consolidated revenues exceeded €500 million versus €516 million in 2013, with an operating margin of over 3%, reflecting the Group's resilience.

COFACE – CREDIT INSURANCE

Coface offers credit insurance solutions around the world to protect companies against the risk of financial default by their customers. It also provides them with its analysis of risks by country, sector and company throughout the world. This analysis draws on its extensive international network.

Coface also manages, for and with the backing of the French government, guarantees intended to assist, support and secure French exports financed over the medium and long term, and French investments abroad.

Since 2011, Coface has refocused on its core business, credit insurance, and carried out a series of structural reforms which put it back on the path to operating growth. On this new basis, Coface was able to enter a new phase in its development with its listing on Compartment A of the regulated market Euronext Paris on June 27, 2014. The offering was for 91,987,426 shares, representing 58.65% of the capital and voting rights.

The offering was well received by French and international institutional investors, giving Coface a diversified shareholding structure matching its multinational profile. The Coface share was added to the SBF 120 on December 22, 2014. At December 31, 2014 and taking into account the capital increase reserved for employees completed in the third quarter, Natixis – a Groupe BPCE subsidiary – held a 41.24% stake in Coface.

Drawing on an efficient operating organization and solid financial structure, Coface is focusing its efforts on rolling out its sales strategy with the aim of generating profitable growth all around the world. This strategy is based on two major pillars: innovation and the implementation of a multi-channel distribution model.

In 2014, Coface generated consolidated revenues of €1,440.5 million, up 1.6%[1] on 2013 (stable at current scope and exchange rates). Its combined ratio (net of reinsurance) was 79.7% (claim ratio: 50.4% and cost ratio: 29.3%). Net income was €125.1 million. Restated for items linked to hybrid debt issues and non-recurring extraordinary items, net income (attributable to equity holders of the parent) increased by 23.2% to €139.9 million in 2014.

(1) *At constant scope and exchange rates.*

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2.1 Introduction

In preparing this report, BPCE referred to the Corporate Governance Code for listed companies published in December 2008 and updated in June 2013 by the *Association Française des Entreprises Privées* (AFEP – French Private Companies Association) and the *Mouvement des Entreprises de France* (MEDEF – French Business Confederation), hereinafter referred to as the AFEP-MEDEF Code, including the October 2008 recommendations on executive pay, as set out in Article L. 225-68 of the French Commercial Code.

Only certain provisions were not followed, insofar as they are not deemed to apply to BPCE's operating procedures as a cooperative Group's central institution and its equal ownership by the Banque Populaire and Caisse d'Epargne networks, which is reflected in the composition of its Board. These provisions were as follows: terms of office and the staggered renewal of Board member terms, Board member ownership of a material number of shares, and the proportion of independent directors on the Supervisory Board and its committees.

Regarding terms of office, unlike the maximum four-year term recommended in the AFEP-MEDEF Code, the statutory term of office of BPCE Supervisory Board members is six years, which reflects the Group's cooperative structure and meets the requirement that members have a more comprehensive and long-term view of BPCE's business and activities.

Similarly, renewals of BPCE Board member terms are not staggered due to the need, given how recently BPCE was established, to provide a degree of stability and balanced representation of both Groupe BPCE networks (Caisse d'Epargne and Banque Populaire).

Groupe BPCE's cooperative structure also explains why the Appointments and Remuneration Committee's recommendations regarding the appointment of Board members only concern members from outside Groupe BPCE.

Regarding a Supervisory Board member's ownership of a material number of shares, BPCE's Articles of Association take into account the fact that, in accordance with Act No. 2008-776 of August 4, 2008, Supervisory Board members are no longer required to own shares in the company. As a result, BPCE Supervisory Board members do not own a material number of shares and are not shareholders in a personal capacity, but the two categories of shareholders are represented through their appointment, which ensures that the company's interests are respected.

Concerning the proportion of independent directors on the Board and its committees, BPCE is therefore in compliance with Article L. 512-106 of the French Monetary and Financial Code, which stipulates that the representatives of cooperative shareholders proposed by the Chairmen of the Steering and Supervisory Board of the Caisses d'Epargne and the Chairmen of the Board of Directors of the Banque Populaire banks account for a majority of the Supervisory Board. As a result, the recommendations concerning the proportion of independent members cannot be applied due to the equal majority representation of the Caisses d'Epargne and Banque Populaire banks. This structure does not undermine the quality of the Board's work or discussions.

Finally, concerning the presence of employee directors on the Board, BPCE modified its Articles of Association at the Extraordinary Shareholders' Meeting of December 17, 2014 in order to set out the conditions under which the Board members representing employees are appointed. BPCE therefore complies with the provisions of the Act of June 14, 2013 related to employment security.

Furthermore, BPCE formally adheres to and implements the AFEP-MEDEF Code recommendations on company directors' pay.

STATEMENT OF COMPLIANCE WITH AFEP-MEDEF CODE RECOMMENDATIONS[1]

Board of Directors: governing body	Recommendations implemented
Board of Directors and the market	Recommendations implemented
Separation of the offices of Chairman of the Board of Directors and Chief Executive Officer	N/A
Board of Directors and strategy	Recommendations implemented
Board of Directors and Annual General Shareholders' Meeting	Recommendations implemented
Composition of the Board of Directors: guidelines	Recommendations implemented
Employee representation	Recommendations currently being implemented[1]
Minority shareholders	N/A
Independent directors	Recommendations partly implemented (not followed regarding proportion of independent directors on the Board)
Evaluation of the Board of Directors	Recommendations implemented
Board and Committee meetings	Recommendations implemented
Access to director information	Recommendations implemented
Training for directors	Recommendations implemented
Directors' terms of office	Recommendations not implemented (six-year term, no staggered terms and no ownership of a material number of shares)
Board committees	Recommendations implemented
Audit Committee	Recommendations partly implemented (not followed regarding proportion of independent directors on the committee)
Committee responsible for selection or appointments	Recommendations partly implemented (not followed regarding proportion of independent directors on the committee)
Committee responsible for pay	Recommendations partly implemented (not followed regarding proportion of independent directors on the committee)
Number of terms for company directors and directors	Recommendations implemented
Director ethics and compliance	Recommendations implemented
Director pay	Recommendations implemented
Termination of employment contract for Corporate Office	Recommendations implemented
Company Director pay	Recommendations implemented
Transparency regarding company Director pay	Recommendations implemented
Implementation of recommendations	Recommendations implemented

(1) The presence of employees on the BPCE Supervisory Board will take effect from the Annual General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014.

(1) BPCE has implemented the provisions of the AFEP-MEDEF Code, adapting them to its Management Board/Supervisory Board governance model.

2.2 Management and Supervisory Bodies

2.2.1 Supervisory Board

BPCE's Supervisory Board members took office on July 31, 2009, for a term of six years.

In accordance with Article L. 225-79-2 of the French Commercial Code, the Articles of Association were modified at the Extraordinary Shareholders' Meeting of December 17, 2014 in order to allow the appointment of two employee directors to the BPCE Supervisory Board at the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. As a result, the BPCE Supervisory Board will be made up of 10 to 19 members, including two employee representatives, with the percentage of members from each shareholder category maintained and the number of independent shareholders reduced from four to three members. This change will take effect in May 2015.

The description of the rules governing the make-up of the Supervisory Board, as set out below, does not account for these changes.

GUIDELINES

Pursuant to Article 21 of the Articles of Association, the Supervisory Board of BPCE is made up of 10 to 18 members. At December 31, 2014, it consisted of seven representatives of Category A shareholders (Caisses d'Epargne et de Prévoyance), seven representatives of Category B shareholders (Banque Populaire banks), and four independent members as defined by the AFEP-MEDEF Code[(1)].

In accordance with Article L. 2323-62 of the French Labor law, the Articles of Association also stipulate the presence of two non-voting representatives from the company's Works Council.

The Supervisory Board includes six non-voting directors acting in an advisory capacity.

The Chairman of Fédération Nationale des Caisses d'Epargne, Michel Sorbier, and the Chairman of Fédération Nationale des Banques Populaires, Dominique Martinie, who cannot be members of the Supervisory Board, are non-voting directors as of right, in accordance with Article 28.1 of BPCE's Articles of Association.

The four other non-voting directors are appointed at the Ordinary General Shareholders' Meeting. In accordance with Article 31.9 of BPCE's Articles of Association, two non-voting directors are appointed from among the candidates proposed by Category A shareholders and two non-voting directors are appointed from among the candidates proposed by Category B shareholders.

APPOINTMENT

During the company's life, and subject to co-opting, Supervisory Board members are appointed by the shareholders at the Ordinary General Shareholders' Meeting, as indicated in Article 21 of BPCE's Articles of Association, on a motion by Category A or B shareholders, depending on the category in question.

Independent members are proposed by the Appointments and Remuneration Committee to the Supervisory Board, which asks the Management Board to put their appointment to a vote at the Ordinary General Shareholders' Meeting.

Supervisory Board members hold office for a term of six years. Supervisory Board members' duties end at the close of the Ordinary General Shareholders' Meeting convened to rule on the financial statements for the past fiscal year, held during the year in which their term expires. BPCE Supervisory Board member duties will therefore end at the close of the Ordinary General Shareholders' Meeting to be held in 2015 to rule on the financial statements for the fiscal year ending December 31, 2014.

Supervisory Board members may be re-elected, subject to no limitations other than age-related limitations contained in the Articles of Association (70 years old), in accordance with Article 21 of BPCE's Articles of Association. No person may be appointed as a member of the Supervisory Board if, from the date of their appointment, they cannot complete at least half of their term before reaching the above-cited age limit. On an exceptional, transitional basis, this provision will not apply to members of the first Supervisory Board of the company who were initially appointed to the Boards of Directors and Supervisory Boards of the former central institutions of Banque Populaire banks and of Caisses d'Epargne et de Prévoyance.

GENDER EQUALITY

At December 31, 2014, BPCE had four women on its Supervisory Board out of a total of seventeen members, i.e. over 23.53%. BPCE is therefore in compliance with the provisions of the Copé Zimmermann Act of January 27, 2011, on the balanced representation of women and men on Boards of Directors and Supervisory Boards. The composition of the Board is compliant with the proportion that should have been reached by 2014 according to the law. A proportion of 40% of women will have to be reached by 2017.

INDEPENDENCE

In keeping with the corporate governance guidelines and best practices set out in the Supervisory Board's internal rules adopted on July 31, 2009, Supervisory Board members:

- take care to maintain their independence of judgment, decision and action in all circumstances. They avoid being influenced by anything that is contrary to the company's interests, which it is their duty to defend;
- undertake to avoid any conflict that may exist between their moral and material interests and those of the company. They inform the Supervisory Board of any conflict of interest that may affect them. In such case, they abstain from taking part in any discussions and decisions on the matters concerned.

(1) *A complete description of the shareholder categories is provided in paragraph 7.2.2 "Category A and B shares".*

In addition, the Supervisory Board and each of its committees include elected or co-opted independent members. The definition below is based on the AFEP-MEDEF Code recommendations. However, BPCE does not follow the AFEP-MEDEF Code recommendations concerning the proportion of independent directors on the Supervisory Board and its committees: because of Groupe BPCE's cooperative structure, the proportion of directors representing the Banque Populaire and Caisse d'Epargne networks is larger than the proportion of independent directors as defined in the AFEP-MEDEF Code (four in number).

The criteria stated below are designed to define a member's independent status. The guiding principle is that "members are independent if they have no relations of any sort with the company, its group or its management, which might compromise the free exercise of their judgment."

An independent member must not:

- be an employee or corporate officer of the company or Groupe BPCE, or an employee or director of one of the company's shareholders, and must not have been so during the previous five years;
- be a government representative, a civil servant or an employee of Société de Prise de Participation de l'État (SPPE) or any other entity in which the government has a direct or indirect controlling interest;
- be a corporate officer of a company in which the company directly or indirectly holds the office of director or in which a designated employee or a corporate officer of the company (either currently or in the last five years) holds a directorship;
- be a client (or directly or indirectly linked to a client), supplier, investment banker, or commercial banker, if the business relationship is such that it could compromise the free exercise of the members' judgment;
- have a close family link with a corporate officer of the company or its group;
- have been an auditor, accountant, or permanent or alternate Statutory Auditor of the company or of any of Groupe BPCE's companies during the last five years;
- have been a corporate officer of the company for more than 12 years; or
- receive or have received any substantial additional pay from the company or Groupe BPCE, excluding attendance fees and including participation in any stock option package or any other performance-based pay package.

The term "corporate officer" refers to any person who assumes, in the company or in any of Groupe BPCE's companies, executive management duties, i.e. any Chairman, Chairman of the Board of Directors or Management Board, member of the Management Board, Chief Executive Officer or Deputy Chief Executive Officer of the company or any of Groupe BPCE's companies, except for members of the Board of Directors or Supervisory Board, provided they do not collect any form of pay from the company or any of Groupe BPCE's companies other than the attendance fees paid by the company or their pay as Chairman or Vice-Chairman of the Supervisory Board.

The Supervisory Board may find that one or more of its members, although meeting the criteria above, should not be classified as independent given their individual situation or that of the company, with regard to their shareholdings or for any other reason.

MEMBERS

The table below lists the members of the Supervisory Board as at December 31, 2014[1].

With regard to the Chairman:

- on December 15, 2011, the Board appointed Yves Toublanc as its Chairman and Stève Gentili as its Vice-Chairman from January 1, 2012, for a two-year term ending on December 31, 2013;
- on December 11, 2013, the Supervisory Board appointed Stève Gentili as its Chairman and Yves Toublanc as its Vice-Chairman from January 1, 2014, until the Annual General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the 2014 fiscal year.

With regard to members:

- at its meeting on January 16, 2014, the Supervisory Board duly noted the resignation of Laurence Danon;
- at its meeting on April 2, 2014, the Supervisory Board appointed Catherine Colonna, managing partner of Brunswick Group, as a member of the Supervisory Board and as a member of the Appointments and Remuneration Committee, for the remainder of Laurence Danon's term;
- at its meeting on November 4, 2014, the Supervisory Board of BPCE duly noted the resignation of Catherine Colonna from her duties as a member of the Supervisory Board following her appointment by the Decree of August 14, 2014 as Ambassador Extraordinary and Plenipotentiary of the French Republic to the Italian Republic.

(1) The biographies of Supervisory Board members are available in paragraph 2.2.4.

At December 31, 2014

Office	Date of appointment/ renewal	Term of office ends in	Business address
Chairman of the Supervisory Board	**1/1/2014**	**2015**	
Stève Gentili Member of the Supervisory Board of BPCE Chairman of BRED Banque Populaire	7/31/2009	2015	BRED Banque Populaire 18, quai de la Rapée – 75604 Paris cedex 12
Vice-Chairman of the Supervisory Board	**1/1/2014**	**2015**	
Yves Toublanc Member of the Supervisory Board of BPCE Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes	7/31/2009	2015	Caisse d'Epargne Rhône Alpes 42, boulevard Eugène-Déruelle – 69003 Lyon Part-Dieu
Banque Populaire banks representatives			
Gérard Bellemon Chairman of the Board of Directors of Banque Populaire Val de France	7/31/2009	2015	Banque Populaire Val de France 9, avenue Newton – 78183 Saint-Quentin-en-Yvelines
Thierry Cahn Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne(1)	7/31/2009	2015	Banque Populaire Alsace Lorraine Champagne 3, rue François-de-Curel – 57000 Metz
Alain Condaminas Chief Executive Officer of Banque Populaire Occitane	6/27/2012	2015	Banque Populaire Occitane 33-43, avenue Georges-Pompidou – 31130 Balma
Pierre Desvergnes Chairman and Chief Executive Officer of CASDEN Banque Populaire	7/31/2009	2015	CASDEN Banque Populaire 91, cours des Roches – Noisiel – 77424 Marne-la-Vallée cedex 2
Philippe Dupont Chairman of ISODEV SA	7/31/2009	2015	ISODEV SA 192, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine
Catherine Halberstadt Chief Executive Officer of Banque Populaire du Massif Central	4/4/2012	2015	Banque Populaire du Massif Central 18, boulevard Jean-Moulin – 63000 Clermont-Ferrand
Caisses d'Epargne representatives			
Catherine Amin-Garde Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche	7/31/2009	2015	Caisse d'Epargne Loire Drôme Ardèche Espace Fauriel – 17, rue P et D Pontchardier – BP 147 42012 Saint-Étienne cedex 02
Alain Denizot Chairman of the Management Board of Caisse d'Epargne Nord France Europe	5/24/2013	2015	Caisse d'Epargne Nord France Europe 135, pont des Flandres – 59777 Euralille
Francis Henry Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne	7/31/2009	2015	Caisse d'Epargne Lorraine Champagne-Ardenne 2, rue Royale – BP 784 – 57012 Metz cedex 01
Pierre Mackiewicz Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur	7/31/2009	2015	Caisse d'Epargne Côte d'Azur 455, promenade des Anglais – BP 3297 – 06205 Nice cedex 03
Didier Patault Chairman of the Management Board of Caisse d'Epargne Ile-de-France	7/31/2009	2015	Caisse d'Epargne Ile-de-France 26, 28 rue Neuve Tolbiac – 75013 Paris
Pierre Valentin Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon	7/31/2009	2015	Caisse d'Epargne Languedoc-Roussillon 254, rue Michel Teule – BP 7330 – 34184 Montpellier cedex 4
Independent members			
Maryse Aulagnon Chairman and Chief Executive Officer of Affine Group	12/16/2010	2016	Affine 5, rue Saint-Georges – 75009 Paris
Marwan Lahoud Member of the Executive Committee of Airbus Group, Chairman of Airbus Group SAS	7/31/2009	2015	EADS 37, boulevard Montmorency – 75016 Paris
Marie-Christine Lombard Chairman of the Management Board of Géodis	12/16/2010	2016	Geodis Cap West 7/9, allée de l'Europe – 92615 Clichy cedex
Non-voting directors			
Dominique Martinie(2) Chairman of Fédération Nationale des Banques Populaires	5/19/2011	2017	Fédération Nationale des Banques Populaires 76 Avenue de France – 75013 Paris
Michel Sorbier (2) Chairman of Fédération Nationale des Caisses d'Epargne	5/19/2011	2017	Fédération Nationale des Caisses d'Epargne 5, rue Masseran – 75007 Paris
Pierre Carli Chairman of the Management Board of Caisse d'Epargne de Midi-Pyrénées	5/19/2011	2017	Caisse d'Epargne de Midi-Pyrénées 10, avenue Maxwell – BP 22306 – 31023 Toulouse cedex 1
Yves Gevin Chief Executive Officer of Banque Populaire Rives de Paris	5/24/2013	2017	Banque Populaire Rives de Paris Immeuble Sirius – 76-78, avenue de France 75204 Paris cedex 13
Alain Lacroix Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse	5/24/2013	2017	Caisse d'Epargne Provence-Alpes-Corse Place Estrangin-Pastré – 13254 Marseille cedex 06
Dominique Wein Chief Executive Officer of Banque Populaire Alsace Lorraine Champagne(1)	6/27/2012	2017	Banque Populaire Alsace Lorraine Champagne 3, rue François-de-Curel – 57000 Metz

(1) Banque Populaire d'Alsace merged with Banque Populaire Lorraine Champagne on November 27, 2014. The new Banque Populaire is called "Banque Populaire Alsace Lorraine Champagne".
(2) Non-voting director as of right.

COMPOSITION OF BOARD COMMITTEES

Audit and Risk Committee

The Audit and Risk Committee has been chaired by Marwan Lahoud since July 31, 2009, the date on which he was appointed by the Supervisory Board as an independent member.

The committee's other members were chosen for their expertise in accounting, finance and internal control:

- Thierry Cahn, Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne;
- Alain Denizot, Chairman of the Management Board of Caisse d'Epargne Nord France Europe;
- Catherine Halberstadt, Chief Executive Officer of Banque Populaire du Massif Central;
- Marie-Christine Lombard, independent member, Chairman of the Management Board of Geodis;
- Pierre Valentin, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon.

The biographies of Audit and Risk Committee members are available in paragraph 2.2.4.

The Chairman and Vice-Chairman of the Supervisory Board systematically receive the reports of the Audit and Risk Committee and may take part in the Committee's meetings if they so choose.

Appointments and Remuneration Committee

This Committee has been chaired by Maryse Aulagnon, an independent member, since January 16, 2014, the date on which the Supervisory Board accepted the resignation of Laurence Danon from her duties as a member of the Supervisory Board.

The other members of the Appointments and Remuneration Committee were selected on the basis of their expertise and professional experience:

- Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Pierre Desvergnes, Chairman and Chief Executive Officer of CASDEN Banque Populaire;
- Pierre Mackiewicz, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon.

The biographies of Appointments and Remuneration Committee members are given in paragraph 2.2.4.

2.2.2 Management Board

GUIDELINES

The Management Board consists of between two and five individuals, who may or may not be selected from among the shareholders.

The age limit for serving on the Management Board is 65. When a member reaches the age limit, they are deemed to have resigned as of the date of the next meeting of the Supervisory Board, which will decide on a replacement.

The Supervisory Board appoints the Chairman of the Management Board, who then provides it with recommendations on the other members to be appointed to the Management Board.

MEMBERS

At its meeting on November 21, 2012, the Supervisory Board appointed François Pérol as Chairman of the BPCE Management Board for a new four-year term expiring at the end of the Annual General Shareholders' Meeting convened in 2017 to approve the financial statements for the year ending December 31, 2016. As proposed by François Pérol, the Board also appointed Anne Mercier-Gallay as Chief Executive Officer, member of the Management Board in charge of Human Resources and Group Internal Communications, effective immediately, as well as Jean-Yves Forel as Chief Executive Officer, member of the Management Board in charge of Commercial Banking and Insurance and Daniel Karyotis as Chief Executive Officer, member of the Management Board in charge of Finance, Risks and Operations, both effective as of December 1, 2012.

At its meeting on February 17, 2013, the Supervisory Board, acting on the proposal of the Management Board, appointed Laurent Mignon as a new member of the BPCE Management Board, with the condition precedent that he successfully oversee the buyback and cancellation of the cooperative investment certificates (CICs), for a term expiring at the end of the Annual General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016. At its meeting on August 6, 2013, the Supervisory Board duly noted the completion of this transaction and confirmed the appointment of Laurent Mignon as a member of the Management Board effective from that date. Natixis thereby ceased to be a non-voting director as of right on the Supervisory Board of BPCE.

At December 31, 2014, the Management Board had five members: François Pérol, Jean-Yves Forel, Daniel Karyotis, Anne Mercier-Gallay and Laurent Mignon.

At December 31, 2014

François Pérol, Chairman of the Management Board
Jean-Yves Forel, member of the Management Board, Chief Executive Officer in charge of Commercial Banking and Insurance
Daniel Karyotis, member of the Management Board, Chief Executive Officer in charge of Finance, Risks and Operations
Anne Mercier-Gallay, member of the Management Board, Chief Executive Officer in charge of Human Resources and Group Internal Communications
Laurent Mignon, member of the Management Board, Chief Executive Officer of Natixis

2.2.3 BPCE Management bodies

EXECUTIVE MANAGEMENT COMMITTEE

François Pérol, Chairman of the Management Board

Jean-Yves Forel, Chief Executive Officer[1] – Commercial Banking and Insurance

Daniel Karyotis, Chief Executive Officer[1] – Finance, Risks and Operations

Anne Mercier-Gallay, Chief Executive Officer[1] – Human Resources and Group Internal Communications

Laurent Mignon, Chief Executive Officer of Natixis

Marguerite Bérard-Andrieu, Deputy Chief Executive Officer[1] – Strategy, Legal Affairs, Corporate Secretariat and Compliance

EXECUTIVE COMMITTEE

In addition to the members of the Executive Management Committee, the Executive Committee includes:

Aline Bec, Deputy Chief Executive Officer[1], Group Operations

Max Bézard, Head of Group Finance Control

Géraud Brac de la Périère, Head of Group *Inspection générale*

Christiane Butte, BPCE Corporate Secretary and Head of Group Legal Affairs

Nicolas Duhamel, Advisor to the Chairman of the Management Board, in charge of Public Affairs

Olivier Irisson, Chief Financial Officer

Cédric Mignon, Head of Development for the Caisses d'Epargne

Isabelle Maury, Chief Risk Officer

Yves Messarovitch, Head of Group Communications

Pascale Parquet, Head of Group Compliance & Security

Michel Roux, Head of Development for the Banque Populaire banks

Bruno Deletré, Chief Executive Officer of Crédit Foncier

Pierre-Yves Dréan, Chairman of the Management Board of Banque Palatine

Philippe Garsuault, Chief Executive Officer, BPCE International et Outre-mer

(1) The title of Chief Executive Officer is not governed by Article L. 225-66 of the French Commercial Code.

2

2.2.4 Directorships and Offices held by members of BPCE's Management Board in 2014

SUPERVISORY BOARD

For the Caisse d'Epargne network

Yves TOUBLANC
Born August 10, 1946

Business school graduate Mr. Toublanc held a number of senior positions in finance control and management for many years and subsequently in subsidiary management with Saint-Gobain Group and later Poliet Group. A business owner himself, he founded and has managed a group of industrial companies in the Rhône Alpes region. He is currently Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes.

Offices held at December 31, 2014

Vice-Chairman of the Supervisory Board of BPCE (January 1, 2014)
Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes (CERA)
Chairman of the Board of Directors: CE Holding Promotion, SLE de Savoie
Director: FNCE
Legal Manager: Cartogram Conseil**, Bati Yenne**, Bati Yenne II**, Bati Yenne III**, Bas de Chamoux**, Batimery**

Terms of office expired in 2014

Chairman of the Supervisory Board of BPCE (until January 1, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Chairman of the Supervisory Board of BPCE **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes (CERA)** **Chairman of the Board of Directors: CE Holding Promotion, SLE de Savoie** **Director**: FNCE **Legal Manager**: Cartogram Conseil**, Bati Yenne**, Bati Yenne II**, Bati Yenne III**, Bas de Chamoux**, Batimery**	**Chairman of the Supervisory Board of BPCE** Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes **Chairman of the Board of Directors**: CE Holding Promotion, SLE de Savoie **Legal Manager**: Cartogram Conseil**, Bati Yenne**, Bati Yenne II**, Bati Yenne III**, Bas de Chamoux**, Batimery**	**Vice-Chairman of the Supervisory Board of BPCE** Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes **Chairman of the Board of Directors**: CE Holding Promotion, SLE de Savoie **Legal Manager**: Cartogram Conseil**	**Vice-Chairman of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes** **Chairman of the Board of Directors**: CE Holding Promotion, SLE de Savoie, Caisses d'Epargne Participations **Chairman**: Chatel Participations** **Director**: Satil Rem**, Procoat ING** **Legal Manager**: Chatel Industries**, Cartogram Conseil**

**   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.

Catherine AMIN-GARDE
Born March 8, 1955

Ms. Amin-Garde holds advanced degrees in both History and European Studies. She joined Groupe Caisse d'Epargne in 1984.

She is currently a representative of the Prefect in the Drôme region and Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche.

Offices held at December 31, 2014

Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE
Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche (CELDA)
Chairman of the Board of Directors: SLE Drôme Provençale Centre
Chairman: Fondation Loire Drôme Ardèche
Director: FNCE, CE Holding Promotion, Natixis Interépargne

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche (CELDA)** **Chairman of the Board of Directors**: SLE Drôme Provençale Centre **Chairman**: Fondation Loire Drôme Ardèche **Director**: FNCE, CE Holding Promotion, Natixis Interépargne	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche** **Chairman of the Board of Directors**: SLE Drôme Provençale Centre **Chairman**: Fondation Loire Drôme Ardèche **Director**: FNCE, CE Holding Promotion, Natixis Interépargne	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche** **Chairman of the Board of Directors**: SLE Drôme Provençale Centre **Chairman**: Fondation Loire Drôme Ardèche **Director**: FNCE, CE Holding Promotion, Association Savoirs pour Réussir Drôme, Natixis Interépargne	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche** **Chairman of the Board of Directors**: SLE Drôme Provençale Centre **Chairman**: Fondation Loire Drôme Ardèche **Director**: FNCE, CE Holding Promotion, Association Savoirs pour Réussir Drôme

* *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.

Alain DENIZOT

Born October 1, 1960

With a degree in Agricultural Economics from the Institut d'Administration des Entreprises in Paris, as well as a postgraduate degree in Accounting studies, Alain Denizot began his career at Crédit du Nord, then moved to SG Warburg France, followed by Société Marseillaise de Crédit. In 1990, he joined Caisse d'Epargne Ile-de-France-Ouest as a manager, then as Head of Financial Management. In 1995, he became the member of the Management Board in charge of the Risk and Finance division, then in 1999 he became the member of the Management Board in charge of the network and development. In 2000, he joined Caisse d'Epargne de Flandre as the Chief Executive Officer and member of the Management Board in charge of the network and banking development. In 2003, he became Chief Executive Officer of Ecureuil Assurance IARD. He was appointed Chairman of the Caisse d'Epargne de Picardie Management Board at the beginning of 2008. In 2011, he joined Caisse d'Epargne Nord France Europe as Chairman of the Management Board. Before being appointed on May 6, 2013 as a member of the Supervisory Board and a member of the Audit and Risk Committee of Groupe BPCE, Alain Denizot was a statutory non-voting director.

Offices held at December 31, 2014

Member of the Supervisory Board and Audit and Risk Committee of BPCE
Chairman of the Management Board of Caisse d'Epargne Nord France Europe (CENFE)
Member of the Regional Advisory Committee of Banque Publique d'Investissement**
Chairman of the Board of Directors: Batixia
Chairman of the Supervisory Board: Immobilière Nord France Europe
Chairman: Lyderic Invest*/**
Director: Natixis Factor, FNCE, CE Holding Promotion, Habitat en Région
Permanent Representative of CENFE, Chairman: CENFE Communication, Savoirs pour Réussir en Nord Pas de Calais
Permanent Representative of CENFE, Director: Hainaut Immobilier SA, Finorpa SCR, Finorpa Financement
Permanent Representative of CENFE, Member of the Supervisory Board: IT-CE
Permanent Representative of CE Holding Promotion, Director: Habitat en Région Services
Permanent Representative of CENFE, as a Finorpa SCR Director, Director: Finovam

Terms of office expired in 2014

Member of the Supervisory Board: Ecureuil Crédit
Liquidator: Université du Groupe Caisse d'Epargne

Offices held at December 31 in previous years

2013

Member of the Supervisory Board and Audit and Risk Committee of BPCE

Chairman of the Management Board of Caisse d'Epargne Nord France Europe (CENFE)

Member of the Regional Advisory Committee of Banque Publique d'Investissement**

Chairman of the Board of Directors: Batixia

Chairman of the Supervisory Board: Immobilière Nord France Europe

Chairman: Lyderic Invest*/**

Member of the Supervisory Board: Ecureuil Crédit

Director: Natixis Factor, FNCE, CE Holding Promotion, Habitat en Région

Permanent Representative of CENFE, Chairman: CENFE Communication, Savoirs pour Réussir en Nord Pas de Calais, Finorpa SCR, Finorpa Financement

Permanent Representative of CENFE, Director: Hainaut Immobilier

Permanent Representative of CENFE, Member of the Supervisory Board: IT-CE

Permanent Representative of CE Holding Promotion, Director: Habitat en Région Services

Liquidator: Université du Groupe Caisse d'Epargne

2012

Non-voting director on the Supervisory Board of BPCE

Chairman of the Management Board of Caisse d'Epargne Nord France Europe

Chairman of the Board of Directors: Batixia

Chairman of the Supervisory Board: Immobilière Nord France Europe

Chairman: Lyderic Invest*/**

Member of the Supervisory Board: Ecureuil Crédit

Director: Natixis Factor, FNCE, CE Holding Promotion

Permanent Representative of CENFE, Chairman: CENFE Communication, Savoirs pour Réussir en Nord Pas de Calais, Finorpa SCR, Finorpa Financement

Permanent Representative of CENFE, Director: Hainaut Immobilier

Permanent Representative of CENFE, Member of the Supervisory Board: IT-CE

Permanent Representative of CE Holding Promotion, Director: Habitat en Région Services

Liquidator: Université du Groupe Caisse d'Epargne

2011

Non-voting director on the Supervisory Board of BPCE

Chairman of the Management Board of Caisse d'Epargne Nord France Europe

Chairman of the Board of Directors: Batixia

Chairman of the Supervisory Board: Immobilière Nord France Europe

Chairman: Lyderic Invest*/**

Member of the Supervisory Board: Ecureuil Crédit

Director: Natixis Factor, FNCE, CE Holding Promotion

Permanent Representative of CENFE, Chairman: CENFE Communication, Savoirs pour Réussir en Nord Pas de Calais, Finorpa SCR, Finorpa Financement

Permanent Representative of CENFE, Director: Hainaut Immobilier

Permanent Representative of CENFE, Member of the Supervisory Board: IT-CE

Permanent Representative of CE Holding Promotion, Director: Habitat en Région Services

Liquidator: Université du Groupe Caisse d'Epargne

2010

Chairman of the Management Board of Caisse d'Epargne de Picardie

Chairman: GCE SRD 007

Member of the Supervisory Board: Ecureuil Crédit, GCE Business Services, Foncia Group

Director: Natixis Factor, Compagnie de Financement Foncier, CE Participations, FNCE, Université du Groupe Caisse d'Epargne, CE Holding Promotion

Member and Chairman of the Executive Committee: Cepicinvestissement, Nsavade

Liquidator: Université du Groupe Caisse d'Epargne

Francis HENRY

Born August 7, 1946

Mr. Henry is a qualified notary with a postgraduate degree in Notarial Studies. He was a practicing notary from 1975 to 2006, and has been an honorary notary since 2006. He joined the Board of Directors of Caisse d'Epargne de Reims in 1983, and was appointed Chairman in 1985. In 1992, following the regional merger, he was appointed Chairman of the Steering and Supervisory Board of Caisse d'Epargne de Champagne-Ardenne.

In 2007, he oversaw the merger with Caisse d'Epargne de Lorraine and has since served as Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne.

Offices held at December 31, 2014

Member of the Supervisory Board of BPCE

Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne (CELCA)

Chairman of the Supervisory Board: Banque BCP in Luxembourg

Chairman of the Board of Directors: SLE Marne

Director: Crédit Foncier, CE Holding Promotion, FNCE

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board of BPCE	**Member of the Supervisory Board of BPCE**	**Member of the Supervisory Board of BPCE**	**Member of the Supervisory Board of BPCE**
Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne (CELCA)	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne**	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne**	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne**
Chairman of the Supervisory Board: Banque BCP in Luxembourg	**Chairman of the Board of Directors**: SLE Marne	**Chairman of the Board of Directors**: SLE Marne	**Chairman of the Board of Directors**: SLE Marne
Chairman of the Board of Directors: SLE Marne	**Director**: Crédit Foncier, CE Holding Promotion, FNCE	**Director**: Crédit Foncier, CE Holding Promotion, FNCE	**Director**: Crédit Foncier, CE Holding Promotion, FNCE
Director: Crédit Foncier, CE Holding Promotion, FNCE			

* *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.

Pierre MACKIEWICZ
Born June 26, 1949

An honorary hospital administrator, Mr. Mackiewicz, who has an MBA, has spent his entire career in the public hospital sector. He joined Caisse d'Epargne Côte d'Azur as a consulting advisor in 1992. In 1999, he became a founding director of a local savings company before being appointed Chairman of its Board of Directors and subsequently a member of its Steering and Supervisory Board and Audit Committee in 2000. He was appointed Chairman of the Audit Committee in 2003.

He became Vice-Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur in 2006 and was appointed Chairman in April 2009. He is also a director of FNCE, IMF CREASOL, Fondation des Caisses d'Epargne pour la Solidarité and Natixis Financement.

Offices held at December 31, 2014

Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE

Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur (CECAZ)

Vice-Chairman of the Board of Directors: SLE Nice Est Alpes Maritimes

Director: CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, Association CREASOL, Fondation des Caisses d'Epargne pour la solidarité as a qualified person.

Permanent Representative of CECAZ, Director: FNCE

Terms of office expired in 2014

Chairman of the Board of Directors: SLE Est Alpes Maritimes

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur (CECAZ)** **Chairman of the Board of Directors**: SLE Est Alpes Maritimes **Director**: CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, Association CREASOL, Fondation des Caisses d'Epargne pour la solidarité as a qualified person. **Permanent Representative of CECAZ, Director**: FNCE	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur** **Chairman of the Board of Directors**: SLE Est Alpes Maritimes **Director**: CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, Association CREASOL, Fondation des Caisses d'Epargne pour la solidarité **Permanent Representative of CECAZ, Director**: FNCE	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur** **Chairman of the Board of Directors**: SLE Est Alpes Maritimes **Director**: CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, Association CREASOL **Permanent Representative of CECAZ, Director**: FNCE	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur** **Chairman of the Board of Directors**: SLE Est Alpes Maritimes **Director**: CE Holding Promotion, Natixis Financement, Natixis Consumer Finance, Association CREASOL **Permanent Representative of CECAZ, Director**: FNCE

* *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.

Didier PATAULT

Born February 22, 1961

Chairman of the Caisse d'Epargne Ile-de-France Management Board since 2013, Didier Patault is also a member of the BPCE Supervisory Board. A graduate of the École Polytechnique and the École Nationale des Statistiques et de l'Administration Économique (ENSAE), Mr. Patault, after starting at Caisse des Dépôts et Consignations, has spent his career at Groupe BPCE since 1992.

After holding several financial and sales positions at Caisse d'Epargne des Pays du Hainaut (1992-1999), in 1999 he joined Caisse Nationale des Caisses d'Epargne as Head of Financial Activities in charge of Group development strategy in CNCE's local markets.

In 2000, he was appointed Chairman of the Management Board of Caisse d'Epargne des Pays du Hainaut, then Chairman of the Management Board of Caisse d'Epargne des Pays de la Loire (CEBPL, 2004-2008) and Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire (2008-2013).

Offices held at December 31, 2014

Member of the Supervisory Board of BPCE

Chairman of the Management Board of Caisse d'Epargne Ile-de-France (CEIDF)

Chairman of the Supervisory Board: Banque BCP (France)

Director: Natixis*, Natixis Coficiné, CE Holding Promotion

Director as a qualified person (for CEIDF): Paris Habitat – OPH

Permanent Representative of CEIDF, Director: Habitat en Région (Association), Immobilière 3F, FNCE

Permanent Representative of CEIDF, Member of the Supervisory Board: IT-CE

Terms of office expired in 2014

Member of the Supervisory Board: Caisse d'Epargne Capital (formerly GCE Capital) (until June 30, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board of BPCE **Chairman of the Management Board of Caisse d'Epargne Ile-de-France (CEIDF)** **Chairman of the Supervisory Board**: Banque BCP (France) **Member of the Supervisory Board**: GCE Capital **Director**: Natixis*, Natixis Coficiné, CE Holding Promotion **Director as a qualified person (for CEIDF)**: Paris Habitat – OPH **Permanent Representative of CEIDF, Director**: Habitat en Région (Association), Immobilière 3F, FNCE **Permanent Representative of CEIDF, Member of the Supervisory Board**: IT-CE	**Member of the Supervisory Board of BPCE** **Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire** **Chairman and Chief Executive Officer**: SODERO **Chairman of the Supervisory Board**: SODERO Gestion, BATIROC Bretagne Pays de Loire **Chairman of the Board of Directors**: SODERO Participations, SA des Marchés de l'Ouest **Member of the Supervisory Board**: GCE Capital **Director**: Natixis*, Natixis Coficiné, Mancelle Habitation, Compagnie de Financement Foncier – SCF, CE Holding Promotion **Permanent Representative of CEBPL, Director**: Pays de la Loire Développement, SEMITAN, NAPF, FNCE **Permanent Representative of CEBPL, Member of the Supervisory Board**: IT-CE (formerly GCE Technologies)	**Member of the Supervisory Board of BPCE** **Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire** **Chairman and Chief Executive Officer**: SODERO **Chairman of the Supervisory Board**: SODERO Gestion, BATIROC Bretagne Pays de Loire **Chairman of the Board of Directors**: SODERO Participations, SA des Marchés de l'Ouest **Member of the Supervisory Board**: GCE Capital **Director**: Natixis*, Natixis Coficiné, Mancelle Habitation, Compagnie de Financement Foncier – SCF, CE Holding Promotion **Permanent Representative of CEBPL, Director**: Pays de la Loire Développement, SEMITAN, NAPF, FNCE **Permanent Representative of CEBPL, Member of the Supervisory Board**: IT-CE (formerly GCE Technologies)	**Member of the Supervisory Board of BPCE** **Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire** **Chairman and Chief Executive Officer**: SODERO **Chairman of the Supervisory Board**: SODERO Gestion, BATIROC Bretagne Pays de Loire **Chairman of the Board of Directors**: SODERO Participations, SA des Marchés de l'Ouest **Member of the Supervisory Board**: GCE Capital **Director**: Natixis*, Natixis Coficiné, Mancelle Habitation, Compagnie de Financement Foncier – SCF, CE Holding Promotion **Permanent Representative of CEBPL, Director**: Pays de la Loire Développement, SEMITAN, NAPF, FNCE **Permanent Representative of CEBPL, Member of the Supervisory Board**: GCE Technologies, GCE Business Services

* *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.

Pierre VALENTIN

Born February 6, 1953

Mr. Valentin has a degree in private law and a postgraduate degree from the Institut des Assurances d'Aix-Marseille. He is an entrepreneur and began his career at Mutuelle d'Assurances du Bâtiment et des Travaux Publics in Lyon in 1978. In 1979, he set up Société Valentin Immobilier. Pierre Valentin quickly formed a long-standing commitment to the Caisse d'Epargne network. In 1984, he became a consulting advisor to Caisse d'Epargne d'Alès. In 1991, he became a consultant advisor to Caisse d'Epargne Languedoc-Roussillon. He was appointed Chairman of local savings company Vallée des Gardons in 2000. He has been a member of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon since 2000, and was Chairman of the Audit Committee from 2003 to 2006. In 2006, he became Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon and was re-elected to the position in 2009.

In 2008, he was appointed Vice-Chairman of Banque Palatine's Supervisory Board, and joined the Board of Directors of Fédération Nationale des Caisses d'Epargne. In 2010, he was appointed Chairman of the Audit Committee of Banque Palatine.

Offices held at December 31, 2014

Member of the Supervisory Board and Audit and Risk Committee of BPCE

Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon (CELR)

Chairman of the Board of Directors: SLE Vallée des Gardons

Director: CE Holding Promotion, FNCE, Natixis*, Association Maison de Santé Protestante d'Alès** (formerly Clinique Bonnefon)

Legal Manager: SCI Les Trois Cyprès**, SCI Les Amandiers**

Terms of office expired in 2014

Director: Pierre et Lise Immobilier** (until June 30, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and Audit and Risk Committee of BPCE **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon (CELR)** **Chairman of the Board of Directors**: SLE Vallée des Gardons **Director**: CE Holding Promotion, Association Maison de Santé Protestante d'Alès** (formerly Clinique Bonnefon), Pierre et Lise Immobilier**, FNCE, Natixis* **Legal Manager**: SCI Les Trois Cyprès**, SCI Les Amandiers**	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon** **Chairman of the Board of Directors**: SLE Vallée des Gardons **Vice-Chairman of the Supervisory Board**: Banque Palatine **Member of the Supervisory Board**: Banque Palatine **Director**: CE Holding Promotion, Association Maison de Santé Protestante d'Alès** (formerly Clinique Bonnefon), Pierre et Lise Immobilier**, FNCE **Legal Manager**: SCI Les Trois Cyprès**, SCI Les Amandiers**	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon** **Chairman of the Board of Directors**: SLE Vallée des Gardons **Vice-Chairman of the Supervisory Board**: Banque Palatine **Member of the Supervisory Board**: Banque Palatine **Director**: CE Holding Promotion, Association Maison de Santé Protestante d'Alès** (formerly Clinique Bonnefon), Pierre et Lise Immobilier**, FNCE **Legal Manager**: SCI Les Trois Cyprès**, SCI Les Amandiers**	**Member of the Supervisory Board of BPCE** **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon** **Chairman of the Board of Directors**: SLE Vallée des Gardons **Vice-Chairman of the Supervisory Board**: Banque Palatine **Member of the Supervisory Board**: Banque Palatine **Director**: CE Holding Promotion, Clinique Bonnefon**, Pierre et Lise Immobilier**, FNCE **Legal Manager**: SCI Les Trois Cyprès**, SCI Les Amandiers**

* *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.

For the Banque Populaire network

Stève GENTILI
Born June 5, 1949

Stève Gentili has been Chairman of BRED Banque Populaire since 1998. Until 2004, he was CEO of a major agribusiness company.

He is also Chairman of the Agence des Banques Populaires de France pour la Coopération et le Développement (ABPCD – Banque Populaire Agency for Cooperation and Development) and President of the economic organization for the summit of the Heads of State of French-speaking countries.

Offices held at December 31, 2014

Chairman of the Supervisory Board of BPCE (January 1, 2014)

Chairman of the Board of Directors of BRED Banque Populaire

Chairman of the Board of Directors: Banque Internationale de Commerce – BRED, BRED Gestion, COFIBRED, SPIG, Natixis Institutions Jour, NRJ Invest**

Director: Natixis Algérie, Natixis Pramex International Milan, BCI Mer Rouge, Bercy Gestion Finances +**, Bred Cofilease, Thales**, Prépar IARD, Promepar Gestion, BICEC, BCI-Banque Commerciale Internationale, Veolia**

Member of the Supervisory Board: Prépar-Vie

Terms of office expired in 2014

Vice-Chairman of the Supervisory Board of BPCE (until January 1, 2014)

Director: Natixis* (until February 18, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Vice-Chairman of the Supervisory Board of BPCE **Chairman of the Board of Directors of BRED Banque Populaire** **Chairman of the Board of Directors**: Banque Internationale de Commerce – BRED, BRED Gestion, COFIBRED, SPIG, Natixis Institutions Jour, NRJ Invest** **Director**: Natixis*, Natixis Algérie, Natixis Pramex International Milan, BCI Mer Rouge, Bercy Gestion Finances +**, Bred Cofilease, Thales**, Prépar IARD, Promepar Gestion, BICEC, BCI-Banque Commerciale Internationale, Veolia ** **Member of the Supervisory Board**: Prépar-Vie	**Vice-Chairman of the Supervisory Board of BPCE** **Chairman of the Board of Directors of BRED Banque Populaire** **Chairman of the Board of Directors**: Banque Internationale de Commerce – BRED, BRED Gestion, COFIBRED, SPIG, Natixis Institutions Jour, NRJ Invest** **Director**: Natixis*, Natixis Algérie, Natixis Pramex International Milan, BCI Mer Rouge, Bercy Gestion Finances +**, Bred Cofilease, Thales**, Prépar IARD, Promepar Gestion, BICEC, BCI-Banque Commerciale Internationale, Veolia**, Banca Carige **Member of the Supervisory Board**: Prépar-Vie	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of BRED Banque Populaire** **Chairman of the Board of Directors:** SPIG, Natixis Institutions Jour, Banque Internationale de Commerce-BRED, BRED Gestion, Cofibred, NRJ Invest** **Director**: Natixis*, Natixis Algérie, Natixis Pramex International Milan, BCI Mer Rouge, Thales**, Bercy Gestion Finances +**, Promépar Gestion, BRED Cofilease, Prépar IARD **Member of the Supervisory Board**: Prépar-Vie **Permanent Representative of BRED Banque Populaire, Director**: BICEC, BCI-Banque Commerciale Internationale	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of BRED Banque Populaire** **Chairman of the Board of Directors:** Natixis Pramex International, SPIG, Natixis Institutions Jour, BRED Gestion, Cofibred **Chairman of the Supervisory Board**: Banque Internationale de Commerce – BRED **Director**: Natixis*, Natixis Algérie, Natixis Pramex International Milan, Thales**, Bercy Gestion Finances +**, Promépar Gestion, BRED Cofilease, Prépar IARD **Member of the Supervisory Board**: Prépar-Vie **Permanent Representative of BRED Banque Populaire, Director**: BICEC, BCI-Banque Commerciale Internationale

* *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.

Philippe DUPONT
Born April 18, 1951

With both a Bachelor's and a Master's degree in Management from Paris-Dauphine University, Mr. Dupont was CEO of a commodities trading firm for 12 years and subsequently Chairman of the Board of Directors of Banque Populaire de la Région Ouest de Paris (BP ROP) (now Banque Populaire Val de France). He was also Chairman and CEO then Chairman of Banque Fédérale des Banques Populaires, Groupe Banque Populaire's central institution, from 1999 to 2009, and Chairman of the Management Board of Natixis* from 2006 to 2009. Philippe Dupont was Chairman of Banques Populaires Participations from July 31, 2009 to August 5, 2010 as well as Chairman of the Supervisory Board of BPCE from July 31, 2009 to January 1, 2012. He is currently Treasurer of the Fondation de France, Legal Manager of DPH Conseil** and Chairman of the Board of Directors of ISODEV SA**.

Offices held at December 31, 2014

Member of the Supervisory Board of BPCE
Chairman of the Board of Directors: ISODEV SA**
Chairman: SAS Financière ISODEV**
Treasurer: Fondation de France**
Legal Manager: SCI du 48 rue de Paris**, DPH Conseil**

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board of BPCE **Chairman of the Board of Directors**: ISODEV SA** **Chairman**: SAS Financière ISODEV** **Treasurer**: Fondation de France** **Legal Manager**: SCI du 48 rue de Paris**, DPH Conseil**	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors**: ISODEV SA** **Chairman**: SAS Financière ISODEV** **Treasurer**: Fondation de France** **Legal Manager**: SCI du 48 rue de Paris**, DPH Conseil**	**Chairman of the Supervisory Board of BPCE** **Director**: Fondation de France** **Legal Manager**: SCI du 48 rue de Paris**	**Chairman of the Supervisory Board of BPCE** **Director**: Fondation de France** **Legal Manager**: SCI du 48 rue de Paris**

**	Listed company.*

***	Non-group company.*

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FNCE: Fédération Nationale des Caisses d'Epargne.

FNBP: Fédération Nationale des Banques Populaires.

Gérard BELLEMON
Born October 1, 1954

Mr. Bellemon is a graduate of the IDRAC business school and Chairman of the Board of Directors of Banque Populaire Val de France.
He is also Chairman of two simplified joint stock companies, and a member of the Board of Directors of Natixis Assurances.

Offices held at December 31, 2014

Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE
Chairman of the Board of Directors of Banque Populaire Val de France
Director: Natixis Assurances
Chairman: SAS Suard Bellemon**, SAS SOBEGEST**

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE **Chairman of the Board of Directors of Banque Populaire Val de France** **Director**: Natixis Assurances **Chairman**: SAS Suard Bellemon**, SAS SOBEGEST**	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire Val de France** **Director**: Natixis Assurances **Chairman**: SAS Suard Bellemon**, SAS SOBEGEST** **Permanent Representative of Banque Populaire Val de France, Member of the Supervisory Board**: Assurances Banque Populaire – IARD	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire Val de France** **Director**: Natixis Assurances, Fondation Banque Populaire **Chairman**: Suard Bellemon**, SOBEGEST** **Permanent Representative of Banque Populaire Val de France, Member of the Supervisory Board**: Assurances Banque Populaire – IARD	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire Val de France** **Director**: Natixis Assurances, Fondation Banque Populaire **Chairman**: Suard Bellemon**, SOBEGEST** **Permanent Representative of Banque Populaire Val de France, Member of the Supervisory Board**: Assurances Banque Populaire – IARD

* *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.

Thierry CAHN
Born September 25, 1956

Since 2008, Mr. Cahn has been a member of the Board of Directors of Banque Fédérale des Banques Populaires, Groupe Banque Populaire's central institution, a member of the Board of Directors of Banques Populaires Participations from July 2009 to August 2010, and then a member of the BPCE Supervisory Board. He is an attorney at the Colmar Court of Appeals and Honorary Chairman of the Confédération Nationale des Avocats (CNA – French National Federation of Attorneys) and a former President of the Bar. He has been a member of the Board of Directors of Natixis since January 2013, and, since 2003, Chairman of the Board of Directors of Banque Populaire d'Alsace, which has since become Banque Populaire Alsace Lorraine Champagne on November 27, 2014.

Offices held at December 31, 2014

Member of the Supervisory Board and Audit and Risk Committee of BPCE
Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne (November 27, 2014)
Member of the Board of Directors: Natixis*

Terms of office expired in 2014

Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne (until November 18, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and Audit and Risk Committee of BPCE **Chairman of the Board of Directors of Banque Populaire d'Alsace** **Member of the Board of Directors**: Natixis*	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire d'Alsace** **Member of the Supervisory Board**: Banque Palatine	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire d'Alsace** **Member of the Supervisory Board**: Banque Palatine	**Member of the Supervisory Board of BPCE** **Chairman of the Board of Directors of Banque Populaire d'Alsace** **Member of the Supervisory Board**: Banque Palatine

* *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.

Alain CONDAMINAS
Born April 6, 1957

Alain Condaminas has a master's degree in Economics and a postgraduate degree in Financial and Banking Techniques. He joined Groupe Banque Populaire in 1984. In 1992, he joined Banque Populaire Toulouse-Pyrénées as Head of Origination supervising the Human Resources division and then Chief Operations Officer. In 2001, Alain Condaminas became Chief Executive Officer of Banque Populaire Quercy-Agenais. In 2003, he oversaw a merger with Banque Populaire du Tarn et de l'Aveyron, then a second merger in 2006 with Banque Populaire Toulouse-Pyrénées to create today's Banque Populaire Occitane. He is currently Chief Executive Officer of Banque Populaire Occitane.

Offices held at December 31, 2014

Member of the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Occitane
Director: Natixis*, Natixis Asset Management
Chairman: Fondation d'Entreprise BP Occitane
Permanent Representative of Banque Populaire Occitane, Director: i-BP, IRDI**
Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board: SOTEL**
Permanent Representative of Banque Populaire Occitane, Member of the Investment Committee: Multicroissance
Permanent Representative of Banque Populaire Occitane, Legal Manager: SNC Immocarso
Legal Manager: SCI de l'Hers**

Terms of office expired in 2014

Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors: CELAD SA** (until June 1, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board of BPCE **Chief Executive Officer of Banque Populaire Occitane** **Director**: Natixis*, Natixis Asset Management **Chairman**: Fondation d'Entreprise BP Occitane **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors**: CELAD SA** **Permanent Representative of Banque Populaire Occitane, Director**: i-BP, IRDI** **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL** **Permanent Representative of Banque Populaire Occitane, Member of the Investment Committee**: Multicroissance **Permanent Representative of Banque Populaire Occitane, Legal Manager**: SNC Immocarso **Legal Manager**: SCI de l'Hers**	**Non-voting director on the Supervisory Board of BPCE (until June 27, 2012)** **Member of the Supervisory Board of BPCE (since June 27, 2012)** **Chief Executive Officer of Banque Populaire Occitane** **Director**: Natixis*, Natixis Asset Management **Chairman**: Fondation d'Entreprise BP Occitane **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors**: CELAD SA** **Permanent Representative of Banque Populaire Occitane, Director**: i-BP, IRDI** **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL** **Permanent Representative of Banque Populaire Occitane, Member of the Investment Committee**: Multicroissance **Permanent Representative of Banque Populaire Occitane, Legal Manager**: SNC Immocarso **Legal Manager**: SCI de l'Hers**	**Non-voting director on the Supervisory Board of BPCE** **Chief Executive Officer of Banque Populaire Occitane** **Director**: Natixis Asset Management, Natixis Interépargne **Chairman**: Fondation d'entreprise Banque Populaire Occitane **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors**: CELAD SA** **Permanent Representative of Banque Populaire Occitane, Director**: i-BP, IRDI** **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL**, ABP IARD** **Permanent Representative of Banque Populaire Occitane, Legal Manager**: SNC Immocarso	**Non-voting director on the Supervisory Board of BPCE** **Chief Executive Officer of Banque Populaire Occitane** **Chairman**: GIE Carso Matériel **Director**: Natixis Asset Management, Natixis Interépargne **Permanent Representative of Banque Populaire Occitane, Vice-Chairman of the Board of Directors**: CELAD SA** **Permanent Representative of Banque Populaire Occitane, Director**: i-BP, IRDI** **Permanent Representative of Banque Populaire Occitane, Member of the Supervisory Board**: SOTEL**, ABP IARD** **Permanent Representative of Banque Populaire Occitane, Legal Manager**: SNC Immocarso

** 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.

Pierre DESVERGNES
Born November 23, 1950

After studying literature at university, Mr. Desvergnes was appointed as an administrator at the high school in Dammarie-les-Lys (Seine-et-Marne) in 1975. He became an administrative advisor for secondary and higher education in 1982, and was appointed as an accounting officer at Lycée Henri-Moissan high school in Meaux. He was appointed special advisor to Michel Gelly in 1990, and subsequently Vice-Chairman under Christian Hébrard. He has been Chairman and subsequently Chairman and Chief Executive Officer of CASDEN Banque Populaire since 2002.

He is Vice-Chairman of ESPER, and served as a director of Banque Fédérale des Banques Populaires, Groupe Banque Populaire's central institution, from 2004 to 2009, and of Banques Populaires Participations from July 31, 2009 to August 5, 2010.

He is currently Chairman and Chief Executive Officer of CASDEN Banque Populaire.

Offices held at December 31, 2014

Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE

Chairman and Chief Executive Officer of CASDEN Banque Populaire[(1)]

Chairman of the Board of Directors: Parnasse Finance

Director: Crédit Foncier, Banque Monétaire Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)**, Arts et Vie Association**

Permanent Representative of CASDEN Banque Populaire, Chairman: SAS Finance

Permanent Representative of CASDEN Banque Populaire, Director: Parnasse Services

Legal Manager: Inter Promo

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and the Appointments and Remuneration Committee of BPCE **Chairman and Chief Executive Officer of CASDEN Banque Populaire** **Chairman of the Board of Directors**: Parnasse Finance **Director**: Crédit Foncier, Banque Monétaire Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)** **Permanent Representative of CASDEN Banque Populaire, Chairman**: SAS Finance **Permanent Representative of CASDEN Banque Populaire, Director**: Parnasse Services **Legal Manager**: Inter Promo	**Member of the Supervisory Board of BPCE** **Chairman and Chief Executive Officer of CASDEN Banque Populaire** **Chairman of the Board of Directors**: Parnasse Finance **Director**: Crédit Foncier, Banque Monétaire Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)** **Permanent Representative of CASDEN Banque Populaire, Chairman**: SAS Finance, SAS Parnasse Espace 1, SAS Parnasse Espace 2 **Permanent Representative of CASDEN Banque Populaire, Director**: Parnasse Services **Legal Manager**: Inter Promo	**Member of the Supervisory Board of BPCE** **Chairman and Chief Executive Officer of CASDEN Banque Populaire** **Chairman of the Board of Directors**: Parnasse Finance **Director**: Crédit Foncier, Banque Monétaire Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)** **Permanent Representative of CASDEN Banque Populaire, Chairman**: SAS Finance, SAS Parnasse Espace 1, SAS Parnasse Espace 2 **Permanent Representative of CASDEN Banque Populaire, Director**: Parnasse Services **Legal Manager**: Inter Promo	**Member of the Supervisory Board of BPCE** **Chairman and Chief Executive Officer of CASDEN Banque Populaire** **Chairman of the Board of Directors**: Parnasse Finance **Director**: Crédit Foncier, Banque Monétaire Financière, Parnasse MAIF SA, Union Mutualiste Retraite (UMR)** **Permanent Representative of CASDEN Banque Populaire, Chairman**: SAS Finance, SAS Parnasse Espace 1, SAS Parnasse Espace 2 **Permanent Representative of CASDEN Banque Populaire, Director**: Parnasse Services **Permanent Representative of CASDEN Banque Populaire, Member of the Supervisory Board**: SCPI Fructi Pierre **Legal Manager**: Inter Promo

* *Listed company.*

** *Non-group company.*

(1) The office of Chairman and Chief Executive officer is subject to change in accordance with the amendments to the bylaws of CASDEN Banque Populaire submitted to the Shareholders' Meeting of May 2015.

SLE: société locale d'épargne (local savings company).

FNCE: Fédération Nationale des Caisses d'Epargne.

FNBP: Fédération Nationale des Banques Populaires.

Catherine HALBERSTADT
Born October 9, 1958

Ms. Halberstadt has a postgraduate degree in Accounting and another in Business, Administration and Finance from the École Supérieure de Commerce de Clermont-Ferrand. In 1982, she joined Banque Populaire du Massif Central, where she was Head of Human Resources, then Chief Financial Officer, Chief Operations Officer and, as of 2000, Deputy Chief Executive Officer. In 2008, Ms. Halberstadt became Chief Executive Officer of Natixis Factor.

On September 1, 2010, Catherine Halberstadt became Chief Executive Officer of Banque Populaire du Massif Central.

Offices held at December 31, 2014

Member of the Supervisory Board and Audit and Risk Committee of BPCE
Chief Executive Officer of Banque Populaire du Massif Central
Director: Natixis*, Crédit Foncier, BPI France Financement** (formerly OSEO)
Member of Audit Committee: Natixis*
Chairman of Audit Committee: BPI France Financement** (formerly OSEO)
Permanent Representative of Banque Populaire du Massif Central, Chairman: SAS Sociétariat BPMC
Permanent Representative of Banque Populaire du Massif Central, Director: i-BP, Association des Banques Populaires pour la Création d'Entreprise
Permanent Representative of Banque Populaire du Massif Central, Member: Comité des Banques d'Auvergne

Terms of office expired in 2014

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and Audit and Risk Committee of BPCE **Chief Executive Officer of Banque Populaire du Massif Central** **Director**: Natixis*, Crédit Foncier, BPI France Financement** (formerly OSEO) **Member of Audit Committee**: Natixis* **Chairman of Audit Committee**: BPI France Financement** (formerly OSEO) **Permanent Representative of Banque Populaire du Massif Central, Chairman**: SAS Sociétariat BPMC **Permanent Representative of Banque Populaire du Massif Central, Director**: i-BP, Association des Banques Populaires pour la Création d'Entreprise **Permanent Representative of Banque Populaire du Massif Central, Member**: Comité des Banques d'Auvergne	**Member of the Supervisory Board of BPCE** (since April 4, 2012) **Chief Executive Officer of Banque Populaire du Massif Central** **Director**: Natixis*, Crédit Foncier, Compagnie Européenne de Garanties et Cautions (CEGC), OSEO** **Permanent Representative of Banque Populaire du Massif Central, Chairman**: SAS Sociétariat BPMC **Permanent Representative of Banque Populaire du Massif Central, Director**: i-BP, Association des Banques Populaires pour la Création d'Entreprise **Permanent Representative of Banque Populaire du Massif Central, Member**: Comité des Banques d'Auvergne	**Chief Executive Officer of Banque Populaire du Massif Central** **Director**: Compagnie Européenne de Garanties et Cautions, OSEO** **Permanent Representative of Banque Populaire du Massif Central, Chairman**: SAS Sociétariat BPMC **Permanent Representative of Banque Populaire du Massif Central, Director**: i-BP, Association des Banques Populaires pour la Création d'Entreprise **Permanent Representative of Banque Populaire du Massif Central, Member**: Comité des Banques d'Auvergne	**Chief Executive Officer of Banque Populaire du Massif Central** **Chief Executive Officer**: Natixis Factor **Member of the Supervisory Board**: Foncia Group **Director**: OSEO** **Permanent Representative of Banque Populaire du Massif Central, Chairman**: SAS Sociétariat BPMC **Permanent Representative of Banque Populaire du Massif Central, Director**: i-BP, BICEC, Association des Banques Populaires pour la Création d'Entreprise **Permanent Representative of Banque Populaire du Massif Central, Member**: Comité des Banques d'Auvergne

* *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.

Independent members

Maryse AULAGNON
Born April 19, 1949

Ms. Aulagnon is a graduate of the École Nationale d'Administration and the Institut d'Études Politiques and holds a postgraduate degree in Economics. She held various positions within the French Embassy to the United States and the Cabinet of the French Ministries for the Budget and Industry. Subsequent posts have included Head of International Development for CGE Group (now Alcatel) and CEO of Euris.

Since 1990, she has been Chairman and Chief Executive Officer of Affine, a group that she founded. She is also an Honorary Counsel of the French Council of State and a member of the Boards of Directors of Air France-KLM and Veolia Environnement.

Offices held at December 31, 2014

Member of the Supervisory Board and Chairman of the Appointments and Remuneration Committee of BPCE – Independent member
Chairman and Chief Executive Officer of Affine R.E.*/**
Chairman of the Management Board: MAB-Finances**
Chairman of the Board of Directors: Gesfimmo SA**,
Director: Air France KLM*/**, Veolia Environnement*/**, Holdaffine**
Member of the Executive Committee: Urbismart**
Permanent Representative of Affine, Chairman: Banimmo*/**, Capucine Investissements**, Les 7 Collines**, Promaffine**
Permanent Representative of Affine, Legal Manager: Nevers Colbert**, ATIT**, Les Jardins des Quais**, Affine Sud** (formerly Brétigny),
Permanent Representative of Promaffine, Legal Manager: Lucé Parc-Leclerc**, Nanterre Terrasses 12**, Paris 29 Copernic**
Permanent Representative of ATIT, Liquidator: 2/4 Haussmann**
Permanent Representative of ATIT, Legal Manager: Parvis Lille**
Permanent Representative of MAB-Finances, Member of the Executive Committee: Target Real Estate**, Saint Etienne Molina**

Terms of office expired in 2014

Permanent Representative of MAB-Finances, Member of the Executive Committee: Concerto Développement** (until December 19, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and member of the Appointments and Remuneration Committee of BPCE – Independent member **Chairman and Chief Executive Officer of Affine R.E.*/**** **Chairman of the Management Board**: MAB-Finances** **Chairman of the Board of Directors**: Gesfimmo SA**, **Director**: Air France KLM*/**, Veolia Environnement*/**, Holdaffine** **Permanent Representative of Affine, Chairman**: Banimmo*/**, Capucine Investissements**, Les 7 Collines**, Promaffine** **Permanent Representative of Affine, Legal Manager**: Nevers Colbert**, ATIT**, Les Jardins des Quais**, Affine Sud** (formerly Brétigny), **Permanent Representative of Promaffine, Legal Manager**: Lucé Parc-Leclerc**, Nanterre Terrasses 12**, Paris 29 Copernic** **Permanent Representative of ATIT, Liquidator**: 2/4 Haussmann** **Permanent Representative of ATIT, Legal Manager**: Parvis Lille** **Permanent Representative of MAB-Finances, Member of the Executive Committee**: Concerto Développement**	**Member of the Supervisory Board of BPCE – Independent member** **Chairman and Chief Executive Officer of Affine R.E.*/**** **Chairman**: MAB-Finances** **Director**: Air France KLM*/**, Veolia Environnement*/**, Affiparis*/**, Holdaffine** **Permanent Representative of Affine, Chairman**: Banimmo**, Gesfimmo SAS**, Capucine Investissements**, Les 7 Collines**, Promaffine** **Permanent Representative of Affine, Legal Manager**: Nevers Colbert**, ATIT**, Brétigny**, Les Jardins des Quais** **Permanent Representative of Promaffine, Legal Manager**: Lucé Parc-Leclerc**, Nanterre Terrasses 12**, Paris 29 Copernic** **Permanent Representative of ATIT, Liquidator**: 2/4 Haussmann** **Permanent Representative of ATIT, Legal Manager**: Parvis Lille** **Permanent Representative of MAB-Finances, Member of the Executive Committee**: Concerto Développement**	**Member of the Supervisory Board of BPCE – Independent member** **Chairman and Chief Executive Officer of Affine */**** **Chairman**: MAB-Finances** **Director**: Air France KLM*/**, Veolia Environnement*/**, Affiparis*/**, Holdaffine** **Permanent Representative of Affine, Chairman**: Banimmo**, Gesfimmo SAS**, Capucine Investissements**, Les 7 Collines**, Promaffine** **Permanent Representative of Affine, Legal Manager**: Nevers Colbert**, ATIT**, Brétigny**, Les Jardins des Quais** **Permanent Representative of Promaffine, Legal Manager**: Bourgtheroulde de l'Église**, Lucé Parc-Leclerc**, Nanterre Terrasses 12**, Paris 29 Copernic** **Permanent Representative of ATIT, Liquidator**: 2/4 Haussmann** **Permanent Representative of ATIT, Legal Manager**: Parvis Lille** **Permanent Representative of MAB-Finances, Member of the Executive Committee**: Concerto Développement**	**Member of the Supervisory Board of BPCE –Independent member** **Chairman and Chief Executive Officer of Affine */**** **Chairman**: Promaffine**, MAB-Finances** **Director**: Air France KLM**, Affiparis*/**, Holdaffine** **Member of the Executive Committee**: Concerto Développement** **Legal Manager**: ATIT**, Transaffine**, Affinvestor** **Permanent Representative of Affine, Chairman**: Banimmo**, Affine Développement**, Capucine Investissements**, Les 7 Collines**, SIPEC** **Permanent Representative of Affine, Legal Manager:** Capucines III**, Capucines IV**, Capucines V**, Capucines VI**, Nevers Colbert** **Permanent Representative of Affine, Liquidator**: Lumière** **Permanent Representative of Promaffine, Legal Manager**: Bourgtheroulde de l'Église**, Lucé Parc-Leclerc**, Nanterre Terrasses 12**, Paris 29 Copernic** **Permanent Representative of MAB-Finances, Director**: Cour des Capucines** **Permanent Representative of ATIT, Liquidator**: 2/4 Haussmann**

Marwan LAHOUD
Born March 6, 1966

Mr. Lahoud is a former student of the École Polytechnique and a graduate of the École Nationale Supérieure de l'Aéronautique et de l'Espace. He was Chairman and Chief Executive Officer of MBDA and worked for Aérospatiale during its merger with Matra and on the creation of EADS. At EADS, renamed Airbus Group in 2014, he worked as Senior Vice-President in charge of mergers and acquisitions.

Since 2007, he has been Deputy Chief Executive Officer in charge of Corporate Strategy and Marketing and a member of the Executive Committee of Airbus Group.

Offices held at December 31, 2014

Member of the Supervisory Board and Chairman of the Audit and Risk Committee of BPCE – Independent member

Member of the Executive Committee of Airbus Group*/ (ex-EADS*/**)**

Chairman of Airbus Group SAS*/ (ex-EADS France*/**)**

Chairman: GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales), CIDEF

Chairman of the Board of Directors: IHES (Institut des Hautes Études Scientifiques)

Member of the Board of Directors: Ecole Polytechnique**

Director: Eurotradia**

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board of BPCE – Independent member **Chairman of the Audit and Risk Committee of BPCE** **Member of the Executive Committee**: EADS*/** **Chairman**: EADS France*/** **Director**: Eurotradia**	**Member of the Supervisory Board of BPCE – Independent member** **Member of the Executive Committee**: EADS*/** – Head of Corporate Strategy and Marketing **Director**: Technip*/** (independent member), Eurotradia**	**Member of the Supervisory Board of BPCE – Independent member** **Member of the Executive Committee**: EADS*/** – Head of Corporate Strategy and Marketing **Director**: Technip*/** (independent member), Eurotradia**	**Member of the Supervisory Board of BPCE – Independent member** **Member of the Executive Committee**: EADS*/** – Head of Corporate Strategy and Marketing **Director**: Technip*/** (independent member), Eurotradia**

* *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.

Marie-Christine LOMBARD
Born December 6, 1958

Ms. Lombard is a graduate of Essec. Before joining the transport industry, she occupied different positions in the banking sector, notably at Chemical Bank and Paribas in New York, Paris and Lyon.

She joined the express transport industry in 1993 as Chief Financial Officer of the French company Jet Services. In 1997, she became CEO until the company was bought out by TNT in 1999. Appointed Chairman of TNT Express France, she transformed the company into one of TNT Group's top-performing subsidiaries. In 2004, she was appointed Chairman and CEO of the whole of TNT's Express division. Marie-Christine Lombard was appointed Chief Executive Officer of TNT Express when it became an independent listed company in May 2011.

She has been Chief Executive Officer of Geodis since October 24, 2012 and was appointed Chairman of the Management Board on December 17, 2013. She is also Chairman of Lyon Ville de l'Entrepreneuriat, a network that supports the creation, acquisition and transfer of businesses in the Greater Lyon region.

Offices held at December 31, 2014

Member of the Supervisory Board and Audit and Risk Committee of BPCE – Independent member
Chairman of the Management Board: Geodis SA**
Member of the Board of Directors: VINCI**
Member of the Appointments and Governance Committee: VINCI**
Director and member of the Steering Committee: TLF**

Terms of office expired in 2014

Member of the Supervisory Board: Groupe Keolis SAS** (until February 26, 2014)
Member of the Executive Committee: Fondation EMLYON Entrepreneurs pour le Monde** (until September [1,] 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Supervisory Board and Audit and Risk Committee of BPCE – Independent member **Chairman of the Management Board**: Geodis SA** **Member of the Supervisory Board**: Groupe Keolis SAS** **Member of the Executive Committee**: Fondation EMLYON Entrepreneurs pour le Monde** **Director and member of the Steering Committee**: TLF**	**Member of the Supervisory Board of BPCE – Independent member** **Chief Executive Officer**: Geodis SA** **Member of the Supervisory Board**: Groupe Keolis SAS**	**Member of the Supervisory Board of BPCE – Independent member** **Chief Executive Officer**: TNT Express N.V.*/** **Member of the Management Board**: TNT Group Amsterdam*/**	**Member of the Supervisory Board of BPCE – Independent member** **Chief Executive Officer**: TNT Express Division** **Member of the Management Board**: TNT Group Amsterdam*/** **Member of the Supervisory Board**: Metro AG*/**

* *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.

Non-voting directors

Pierre CARLI
Born August 21, 1955

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées (CEMP)
Chairman of the Supervisory Board: Capitole Finance-Tofinso, Midi 2I, Sotel**,
Chairman of the Board of Directors: Midi Foncière, IDEI Association**, Midi Épargne, Ecureuil Immo, Fondation d'Entreprise Espace Ecureuil
Chairman: SOREPAR SAS
Vice-Chairman of the Board of Directors: IRDI**
Vice-Chairman of the Supervisory Board: PROMOLOGIS**
Vice-Chairman: Regional Committee (Midi-Pyrénées) of the Fédération Bancaire Française**
Director: FNCE, Midi Capital, BPCE Achats, Groupe Promo Midi, CE Holding Promotion
Member of the Supervisory Board: Ecureuil Service SAS
Member of the Board of Directors: Fondation Caisse d'Epargne pour la solidarité
Permanent Representative of CEMP, Member of the Supervisory Board: CE Syndication Risque, IT-CE, TOFINSO INVESTISSEMENT
Permanent Representative of CEMP, Member of the Board of Directors: Association EDENIS** (formerly Promo Accueil), Fondation d'Entreprise du Toulouse Football Club**
Non-voting director: SEMECCEL**
Permanent Representative of Midi Foncière: SAINT-EXUPERY MONTAUDRAN**
Permanent Representative of SOREPAR, Member of the Board of Directors: SEM OPPIDEA**
Permanent Representative of CEMP, Director: Association Habitat en Région, SEM Tourisme**

Terms of office expired in 2014

Non-voting director: Sem TOURISME** (until June 20, 2014)

Offices held at December 31 in previous years

2013

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées (CEMP)
Chairman of the Supervisory Board: Capital Finance Tofinso, Midi 2I**, Sotel**
Chairman of the Board of Directors: Midi Foncière, IDEI Association**, Midi Épargne, Ecureuil Immo
Chairman: Sorepar
Vice-Chairman of the Board of Directors: IRDI**
Vice-Chairman of the Supervisory Board: Promologis
Director: FNCE, Midi Capital, BPCE Achats, Groupe Promo Midi, CE Holding Promotion
Member of the Supervisory Board: Ecureuil Service SAS
Permanent Representative of CEMP, Member of the Supervisory Board: CE Syndication Risque, IT-CE, Tofinso Investissement
Permanent Representative of CEMP, Member of the Board of Directors: Association EDENIS** (formerly Promo Accueil), Fondation d'Entreprise du Toulouse Football Club**
Non-voting director: SEM Tourisme**, SEMECCEL**
Permanent Representative of Midi Foncière: Saint-Exupéry Montaudran**
Permanent Representative of SOREPAR, Member of the Board of Directors: SEM OPPIDEA

2012

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées (CEMP)
Chairman of the Supervisory Board: Capital Finance Tofinso, Midi 2I**, Sotel**
Chairman of the Board of Directors: Midi Foncière, IDEI Association**, Midi Épargne
Chairman: Sorepar
Vice-Chairman of the Board of Directors: IRDI**
Vice-Chairman of the Supervisory Board: Promologis
Director: FNCE, Midi Capital, BPCE Achats, Groupe Promo Midi, CE Holding Promotion, Coface SA
Member of the Supervisory Board: Ecureuil Service SAS
Permanent Representative of CEMP, Member of the Supervisory Board: CE Syndication Risque, IT-CE, Tofinso Investissement
Permanent Representative of CEMP, Member: Association Promo Accueil**, Fondation d'Entreprise du Toulouse Football Club**
Non-voting director: SEM Tourisme**, SEMECCEL**
Permanent Representative of Midi Foncière: Saint-Exupéry Montaudran**

2011

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées
Chairman of the Supervisory Board: Capital Finance Tofinso, Midi 2I** Sotel**
Chairman of the Board of Directors: Midi Foncière, GIE Ecureuil Multicanal, IDEI Association**
Chairman: Midi Épargne, Sorepar
Vice-Chairman of the Board of Directors: IRDI**
Vice-Chairman of the Supervisory Board: Promologis
Director: Coface, FNCE, Midi Capital, BPCE Achats, Groupe Promo Midi, CE Holding Promotion
Member of the Supervisory Board: Ecureuil Service SAS
Permanent Representative of CEMP, Member of the Supervisory Board: CE Syndication Risque, GCE Business Services, Tofinso Investissement
Non-voting director: SEM Tourisme**, SEMECCEL**, SMAT**
Permanent Representative of Midi Foncière: Saint-Exupéry Montaudran**
Permanent Representative of CEMP, Member: Association Promo Accueil**

2010

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Midi-Pyrénées
Chairman and Chief Executive Officer: Promo Gestion
Chairman of the Supervisory Board: Capital Finance Tofinso, Ecureuil Service, Midi 2I**, Sotel**
Chairman of the Board of Directors: Midi Foncière
Chairman: Midi Épargne, Sorepar
Vice-Chairman of the Board of Directors: IRDI**
Vice-Chairman of the Supervisory Board: Promologis
Director: Coface, FNCE, Midi Capital, BPCE Achats, CE Holding Promotion, Groupe Promo Midi,
Member of the Supervisory Board: Banque Privée 1818, GCE Car Lease
Permanent Representative of CEMP, Member of the Supervisory Board: CE Syndication Risque, GCE Business Services, Tofinso Investissement, Ecureuil Lease
Non-voting director: SEM Tourisme**, SEMECCEL**, SMAT**
Permanent Representative of Midi Foncière: Saint-Exupéry Montaudran**
Permanent Representative of CEMP, Member: Association Promo Accueil**

Yves GEVIN
Born September 2, 1958

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Rives de Paris
Chairman and Chief Executive Officer: Sud Participations
Chairman of the Board of Directors – Director: TURBO SA
Member of the Supervisory Board: Naxicap Partners
Director: Compagnie Européenne de Garanties et Cautions (CEGC)
Permanent Representative of Banque Populaire Rives de Paris, Chairman: Sociétariat Banque Populaire Rives de Paris
Permanent Representative of Banque Populaire Rives de Paris, Director: i-BP, BP Développement

Terms of office expired in 2014

Director: Natixis Private Equity (until the end of June 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Non-voting director on the Supervisory Board of BPCE **Chief Executive Officer of Banque Populaire Rives de Paris** **Chairman and Chief Executive Officer**: Sud Participations **Chairman**: Sociétariat Banque Populaire Rives de Paris **Member of the Supervisory Board**: Naxicap Partners **Director**: Compagnie Européenne de Garanties et Cautions (CEGC), Natixis Private Equity **Permanent Representative of Banque Populaire Rives de Paris, Director**: i-BP	**Non-voting director on the Supervisory Board of BPCE** **Chief Executive Officer of Banque Populaire Rives de Paris** **Chairman and Chief Executive Officer**: Sud Participations **Chairman**: Sociétariat Banque Populaire Rives de Paris **Director**: Compagnie Européenne de Garanties et Cautions (CEGC), Natixis Private Equity, Fédération Nationale de Banques Populaires (FNBP) **Permanent Representative of Banque Populaire Rives de Paris, Director**: i-BP, BP Développement	**Chairman of the Management Board**: Foncia Group **Chairman**: Foncia Holding, Cabinet Docher **Chairman of the Board of Directors**: Foncia Switzerland (until January 30, 2012) **Director**: Compagnie Européenne de Garanties et Cautions (CEGC)	**Chairman of the Management Board**: Foncia Group **Chairman**: Foncia Holding, Cabinet Docher **Chairman of the Board of Directors**: Foncia Switzerland **Director**: Compagnie Européenne de Garanties et Cautions (CEGC), Natixis Bleichroeder **Permanent Representative of Foncia Group, Director**: Natixis Assurances

* *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.

Alain LACROIX
Born March 25, 1953

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse (CEPAC)
Chairman of the Supervisory Board: Sogima, Logirem
Member of the Management Board: Proxipaca Finance
Director: Erilia, Natixis Global Asset Management, Natixis Asset Management, FNCE, Habitat en Région** (association), CE Holding Promotion
Full member of the Strategy Committee: Averroes**
Member of the Supervisory Board: GCE Capital
Member of the Executive Board: UPE 13
Elected member: CCIMP**
Permanent Representative of CEPAC, Chairman of the Board of Directors: BPCE Trade
Permanent Representative of CEPAC, Chairman of the Management Board: CEPAC Investissement et Développement
Permanent Representative of CEPAC, Member of the Supervisory Board: IT-CE, GCE Syndication Risque
Permanent Representative of CEPAC, Member of the Management Board: Primaveris
Permanent Representative of CEPAC, Director: SAMENAR, PROENCIA

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013

Non-voting director on the Supervisory Board of BPCE

Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse (CEPAC)

Chairman of the Supervisory Board: Sogima, Logirem

Member of the Management Board: Proxipaca Finance

Director: Erilia, Natixis Global Asset Management, Natixis Asset Management, FNCE, Habitat en Région** (association), CE Holding Promotion

Full member of the Strategy Committee: Averroes**

Member of the Supervisory Board: GCE Capital

Member of the Executive Board: UPE 13

Elected member: CCIMP**

Permanent Representative of CEPAC, Chairman of the Board of Directors: BPCE Trade

Permanent Representative of CEPAC, Chairman of the Management Board: CEPAC Investissement et Développement

Permanent Representative of CEPAC, Member of the Supervisory Board: IT-CE, GCE Syndication Risque

Permanent Representative of CEPAC, Member of the Management Board: Primaveris

Permanent Representative of CEPAC, Director: SAMENAR, PROENCIA

2012

Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse (CEPAC)

Chairman of the Supervisory Board: Sogima, Logirem

Member of the Management Board: Proxipaca Finance

Director: Erilia, Natixis Global Asset Management, Natixis Asset Management, Natixis Financement, Natixis Consumer Finance, FNCE, Habitat en Région** (association)

Full member of the Strategy Committee: Averroes**

Member of the Supervisory Board: GCE Capital

Member of the Executive Board: UPE 13

Elected member: CCIMP**

Permanent Representative of CEPAC, Chairman of the Board of Directors: BPCE Trade

Permanent Representative of CEPAC, Chairman of the Management Board: CEPAC Investissement et Développement

Permanent Representative of CEPAC, Member of the Supervisory Board: IT-CE, GCE Syndication Risque

Permanent Representative of CEPAC, Member of the Management Board: Primaveris

Permanent Representative of CEPAC, Director: SAMENAR, PROENCIA, Habitat Guyanais

2011

Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse (CEPAC)

Chairman of the Supervisory Board: Sogima, Logirem

Member of the Management Board: Proxipaca Finance

Member of the Supervisory Board: GCE Capital

Director: Natixis Global Asset Management, Natixis Asset Management, Natixis Financement, Natixis Consumer Finance, FNCE, Erilia

Full member of the Strategy Committee: Averroes**

Member of the Executive Board: UPE 13

Elected member: CCIMP**

Permanent Representative of CEPAC, Chairman of the Board of Directors: BPCE Trade

Permanent Representative of CEPAC, Chairman of the Management Board: Viveris

Permanent Representative of CEPAC, Member of the Supervisory Board: GCE Business, GCE Garanties Entreprises, GCE Syndication Risque, IT-CE

Permanent Representative of CEPAC, Member of the Management Board: Primaveris

Permanent Representative of CEPAC, Director: SAMENAR, PROENCIA

2010

Chairman of the Management Board of Caisse d'Epargne Provence-Alpes-Corse (CEPAC)

Chairman of the Supervisory Board: Sogima

Vice-Chairman of the Supervisory Board: Logirem

Member of the Management Board: Proxipaca Finance

Member of the Supervisory Board: GCE Capital

Director: Natixis Global Asset Management, Natixis Asset Management, Natixis Financement, Natixis Consumer Finance, FNCE, Erilia

Full member of the Strategy Committee: Averroes**

Member of the Executive Board: UPE 13

Elected member: CCIMP**

Legal Manager: Py et Rotja**

Permanent Representative of CEPAC, Chairman of the Supervisory Board: Viveris Management

Permanent Representative of CEPAC, Chairman of the Management Board: Viveris

Permanent Representative of CEPAC, Member of the Supervisory Board: GCE Business, GCE Garanties Entreprises, GCE Syndication Risque

Permanent Representative of CEPAC, Member of the Management Board: Primaveris

Permanent Representative of CEPAC, Director: SAMENAR, PROENCIA

Dominique MARTINIE
Born December 19, 1947

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chairman of the Board of Directors of Banque Populaire du Massif Central
Chairman of the Board of Directors of Fédération Nationale des Banques Populaires (FNBP)
Chairman of the Board of Directors: BCI (CONGO)
Chairman: BENAC (SAS)
Vice-Chairman: THEA (SAS)
Director: Natixis Assurance, BPCE IOM, BP Développement (SA), Institut Français de Mécanique Avancée, Université d'Auvergne (foundation)

Terms of office expired in 2014

Chairman: Fondation d'Entreprise des BP (until June 5, 2014)
Director: Natixis Private Equity (until September 23, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Chairman of the Board of Directors of Banque Populaire du Massif Central **Chairman of the Board of Directors of Fédération Nationale des Banques Populaires (FNBP)** **Chairman of the Board of Directors**: BCI (CONGO) **Chairman**: Fondation d'entreprise des BP, BENAC (SAS) **Vice-Chairman**: THEA (SA) **Director**: Natixis Assurance, Natixis Private Equity, BPCE IOM, BP Développement (SA), Institut Français de Mécanique Avancée, Université d'Auvergne (foundation)	**Chairman of the Board of Directors of Banque Populaire du Massif Central** **Chairman of the Board of Directors**: BCI (CONGO) **Chairman**: Fondation d'entreprise des BP, BENAC (SAS) **Vice-Chairman**: THEA (SA) **Director**: Natixis Assurance, Natixis Private Equity, BPCE IOM, BP Développement (SA), Institut Français de Mécanique Avancée, Université d'Auvergne (foundation)	**Chairman of the Board of Directors of Banque Populaire du Massif Central** **Vice-Chairman of the Board of Directors of Fédération Nationale des Banques Populaires (FNBP),** THEA (SA) **Chairman of the Board of Directors**: BCI (CONGO) **Chairman**: Fondation d'entreprise des BP, BENAC (SAS) **Director**: Natixis Assurance, Natixis Private Equity, BPCE IOM, BP Développement (SA), Institut Français de Mécanique Avancée, Université d'Auvergne (foundation)	**Chairman of the Board of Directors of Banque Populaire du Massif Central** **Vice-Chairman of the Board of Directors of Fédération Nationale des Banques Populaires (FNBP),** THEA (SA) **Chairman of the Board of Directors**: BCI (CONGO) **Chairman**: Fondation d'entreprise des BP **Director**: Natixis Assurance, Natixis Private Equity, BPCE IOM, BP Développement (SA), Institut Français de Mécanique Avancée, Université d'Auvergne (foundation)

* *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.

Michel SORBIER
Born June 21, 1942

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chairman of the Steering and Supervisory Board of Caisse d'Epargne d'Auvergne et du Limousin
Chairman of the Board of Directors: SLE Limoges Ville
Chairman of Fédération Nationale des Caisses d'Epargne (FNCE)
Director: CE Holding Promotion
Non-voting director: Crédit Foncier
Legal Manager: SCI de la Rampe**

Terms of office expired in 2014

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Offices held at December 31 in previous years

2013	2012	2011	2010
Non-voting director on the Supervisory Board of BPCE	**Non-voting director on the Supervisory Board of BPCE**	**Non-voting director on the Supervisory Board of BPCE**	**Non-voting director on the Supervisory Board of BPCE**
Chairman of the Steering and Supervisory Board of Caisse d'Epargne d'Auvergne et du Limousin	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne d'Auvergne et du Limousin**	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne d'Auvergne et du Limousin**	**Chairman of the Steering and Supervisory Board of Caisse d'Epargne d'Auvergne et du Limousin**
Chairman of the Board of Directors: SLE Limoges Ville	**Chairman of the Board of Directors**: SLE Limoges Ville	**Chairman of the Board of Directors**: SLE Limoges Ville	**Chairman of the Board of Directors**: SLE Limoges Ville
Chairman of Fédération Nationale des Caisses d'Epargne (FNCE)	**Chairman of Fédération Nationale des Caisses d'Epargne (FNCE)**	**Chairman of Fédération Nationale des Caisses d'Epargne (FNCE)**	**Chairman of Fédération Nationale des Caisses d'Epargne (FNCE)**
Director: CE Holding Promotion	**Director**: CE Holding Promotion	**Director**: CE Holding Promotion	**Director**: GCE Courtage, CE Holding Promotion
Non-voting director: Crédit Foncier	**Non-voting director**: Crédit Foncier	**Non-voting director**: Crédit Foncier	**Non-voting director**: Crédit Foncier
Legal Manager: SCI de la Rampe**	**Legal Manager**: SCI de la Rampe**		**Legal Manager**: SCI de la Rampe**

* *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.

Dominique WEIN
Born May 20, 1955

Offices held at December 31, 2014

Non-voting director on the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Alsace Lorraine Champagne (November 27, 2014)
Chairman of the Board of Directors: Critel Télésurveillance
Vice-Chairman: Fondation Banque Populaire
Director: BPCE International et Outre-mer, Compagnie Européenne de Garanties et Cautions, Fondation Banque Populaire, Banque des Antilles Françaises, GIE BPCE Achats, Luxequipbail sa, Socama Lorraine, BPCE Domaines
Legal Manager: SCI François de Curel
Co-Legal Manager: Segimlor, Cofilor
Member of the Law, Economy and Management Collegium at the Université de Lorraine
Treasurer: Georgia Tech
Permanent Representative of Banque Populaire Alsace Lorraine Champagne, Chairman: Sociétariat Banque Populaire Lorraine Champagne, Euro Capital
Permanent Representative of Banque Populaire Alsace Lorraine Champagne, Legal Manager: SNC Locagare
Permanent Representative of Banque Populaire Alsace Lorraine Champagne, Director: Socama Champagne, i-BP
Permanent Representative of Banque Populaire Alsace Lorraine Champagne, Associate Member: Regional Chamber of Commerce and Industry for the Lorraine Region

Terms of office expired in 2014

Chief Executive Officer of Banque Populaire Lorraine Champagne (until November 27, 2014)
Chairman of the Board of Directors: Turbo SA (until May 13, 2014)
Chairman of the Board of Directors and Director: Fructifrance Immobilier (until December 3, 2014)

Offices held at December 31 in previous years

2013

Non-voting director on the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Lorraine Champagne
Chairman of the Board of Directors: Turbo SA, Fructifrance Immobilier, Critel
Vice-Chairman: Fondation Banque Populaire
Director: BPCE International et Outre-mer, Compagnie Européenne de Garanties et Cautions, Fondation Banque Populaire, Banque des Antilles Françaises, GIE BPCE Achats, Luxequipbail sa, Socama Lorraine, Fructifrance Immobilier, BPCE Domaines
Legal Manager: SCI François de Curel
Co-Legal Manager: Segimlor, Cofilor
Member of the Law, Economy and Management Collegium at the Université de Lorraine
Treasurer: Georgia Tech
Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: Sociétariat Banque Populaire Lorraine Champagne, Euro Capital
Permanent Representative of Banque Populaire Lorraine Champagne, Legal Manager: SNC Locagare
Permanent Representative of Banque Populaire Lorraine Champagne, Director: Socama Champagne, i-BP
Permanent Representative of Banque Populaire Lorraine Champagne, Associate Member: Regional Chamber of Commerce and Industry for the Lorraine Region

2012

Non-voting director on the Supervisory Board of BPCE
Chief Executive Officer of Banque Populaire Lorraine Champagne
Chairman of the Board of Directors: Turbo SA, Fructifrance Immobilier, Critel
Director: BPCE International et Outre-mer, Compagnie Européenne de Garanties et Cautions, Natixis Paiements, Fondation Banque Populaire, Banque des Antilles Françaises, GIE BPCE Achats, Luxequipbail, Socama Lorraine, Fructifrance Immobilier, BPCE Domaines
Legal Manager: SCI François de Curel
Co-Legal Manager: Segimlor, Cofilor, Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: Sociétariat Banque Populaire Lorraine Champagne, Euro Capital
Permanent Representative of Banque Populaire Lorraine Champagne, Legal Manager: SNC Locagare, SCI Espace Charlemagne
Permanent Representative of Banque Populaire Lorraine Champagne, Director: Socama Champagne, i-BP

2011

Chief Executive Officer of Banque Populaire Lorraine Champagne
Chairman of the Board of Directors: Fructifrance Immobilier, Critel
Director: BPCE International et Outre-mer, Compagnie Européenne de Garanties et Cautions, Natixis Paiements, Fondation Banque Populaire, BPCE Domaines, Luxequipbail, Socama Lorraine, Fructifrance Immobilier
Legal Manager: SCI François de Curel
Co-Legal Manager: Segimlor, Cofilor
Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: Sociétariat Banque Populaire Lorraine Champagne, Euro Capital
Permanent Representative of Banque Populaire Lorraine Champagne, Legal Manager: SNC Locagare, SCI Espace Charlemagne
Permanent Representative of Banque Populaire Lorraine Champagne, Director: Socama Champagne, i-BP

2010

Chief Executive Officer of Banque Populaire Lorraine Champagne
Chairman of the Board of Directors: Fructifrance Immobilier
Director: BPCE International et Outre-mer, Compagnie Européenne de Garanties et Cautions, Natixis Paiements, Fructifrance Immobilier
Legal Manager: SCI François de Curel
Co-Legal Manager: Segimlor, Cofilor
Permanent Representative of Banque Populaire Lorraine Champagne, Chairman: Sociétariat Banque Populaire Lorraine Champagne
Permanent Representative of Banque Populaire Lorraine Champagne, Legal Manager: SNC Locagare

Management Board

François PÉROL
Born November 6, 1963

Mr. Pérol is a graduate of the HEC business school and the Institut d'Études Politiques in Paris and alumnae of the École Nationale d'Administration. He began his career in 1990 as an Inspector General in the French Finance Ministry (Inspection générale des finances). In 1994, he became Deputy Secretary General of France's interministerial committee on industrial restructuring (CIRI). In 1996, he was appointed to the French Treasury as Head of the Financial Markets Office.

From 1999 to 2001, he was Secretary General of the Club de Paris responsible for International Debt Negotiations. He was Deputy Head of Corporate Financing and Development at the Treasury in 2001 and in 2002 was appointed Deputy Head of the cabinet of Francis Mer, Minister for the Economy, Finance and Industry, then Deputy Head of the cabinet of Nicolas Sarkozy, Minister of State and Minister for the Economy, Finance and Industry in 2004.

In 2005, he became a managing partner at Rothschild & Cie.

In May 2007, he was appointed Deputy Secretary General to the President of the French Republic.

From March 2 to July 31, 2009, François Pérol was Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne and Chief Executive Officer of Banque Fédérale des Banques Populaires.

On July 31, 2009, he became Chairman of the Management Board of Groupe BPCE and his appointment was renewed on November 21, 2012. He is also Chairman of the Board of Directors of Natixis and Crédit Foncier.

Offices held at December 31, 2014

Chairman of the BPCE Management Board
Chairman of the Board of Directors: Natixis*, Crédit Foncier
Company Chairman: CE Holding Promotion
Association Chairman: Groupement Européen des Caisses d'Epargne, Fédération Bancaire Française** (FBF)
Director: CNP Assurances*, Sopassure, Natixis*, Crédit Foncier, CE Holding Promotion
Permanent Representative of BPCE Maroc, Director: Banque Centrale Populaire*

Terms of office expired in 2014

Vice-Chairman: Fédération Bancaire Française** (until August 31, 2014)
Permanent Representative of BPCE, Legal Manager: SCI Ponant + (until December 3, 2014)

Offices held at December 31 in previous years

2013	2012	2011	2010
Chairman of the BPCE Management Board **Chairman of the Board of Directors**: Natixis*, Crédit Foncier **Chairman**: CE Holding Promotion, Groupement Européen des Caisses d'Epargne **Vice-Chairman**: Fédération Bancaire Française** **Director**: CNP Assurances*, Sopassure, Natixis*, Crédit Foncier, CE Holding Promotion, Musée d'Orsay** (until September 21, 2013) **Permanent Representative of BPCE, Legal Manager**: SCI Ponant + **Permanent Representative of BPCE Maroc, Director**: Banque Centrale Populaire*	**Chairman of the BPCE Management Board** **Chairman of the Board of Directors**: Natixis*, Crédit Foncier **Chairman**: CE Holding Promotion, Groupement Européen des Caisses d'Epargne **Director**: CNP Assurances*, Sopassure, Natixis*, Crédit Foncier, Musée d'Orsay** **Permanent Representative of BPCE, Legal Manager**: SCI Ponant + **Permanent Representative of BPCE Maroc, Director**: Banque Centrale Populaire* **Member of the Executive Committee**: Fédération Bancaire Française**	**Chairman of the BPCE Management Board** **Chairman of the Board of Directors**: Natixis*, BPCE International et Outre-mer, Crédit Foncier **Chairman**: CE Holding Promotion **Vice-Chairman of the Board of Directors**: Crédit Immobilier et Hôtelier (CIH) **Director**: CNP Assurances*, Sopassure, Natixis*, BPCE International et Outre-mer, Crédit Foncier, Crédit Immobilier et Hôtelier (CIH), Musée d'Orsay** **Permanent Representative of BPCE, Legal Manager**: SNC Bankeo, SCI Ponant + **Member of the Executive Committee**: Fédération Bancaire Française**	**Chairman of the BPCE Management Board** **Chairman of the Board of Directors**: Natixis*, BPCE International et Outre-mer, Crédit Foncier, Fondation des Caisses d'Epargne pour la Solidarité **Chairman of the Supervisory Board**: Foncia Group **Chairman**: CE Holding Promotion **Chairman of the Executive Committee**: Fédération Bancaire Française** **Vice-Chairman of the Board of Directors**: Crédit Immobilier et Hôtelier (CIH) **Director**: CNP Assurances*, Sopassure, Natixis*, BPCE International et Outre-mer, Crédit Foncier, Crédit Immobilier et Hôtelier (CIH), Musée d'Orsay**

* *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.

Jean-Yves FOREL

Born May 17, 1961

Mr. Forel is a graduate of the Institut d'Études Politiques de Grenoble and holds a Bachelor's degree in Economics. He began his career in 1983 at Banque Populaire des Alpes. Having worked at the branch, he was appointed Chief Operations Officer in 1992 and then Director in 1995. In 1997, he joined Banque Populaire Atlantique as Director. He was responsible for Development as well as subsidiaries dedicated to Group business lines. In 2000, he was appointed Head of Development for Banque Fédérale des Banques Populaires, and became a member of the Executive Management Committee in 2001. In 2003, he joined Natexis Banques Populaires, where he was a member of the Executive Management Committee and Head of the Banking, Financial and Technological Services department. In 2005, he became Head of Specialized Financial Services. In November 2006, he was named a member of the Executive Management Committee and Head of Specialized Financial Services at Natixis (providing Wholesale Banking, Investment Solutions and Specialized Financial Services for Groupe BPCE).

At its November 21, 2012, meeting, BPCE's Supervisory Board appointed Jean-Yves Forel as a member of the BPCE Management Board and Chief Executive Officer*** in charge of Commercial Banking and Insurance, effective December 1, 2012.

Offices held at December 31, 2014

Member of the Management Board of BPCE, Chief Executive Officer in charge of Commercial Banking and Insurance

Chairman and Chief Executive Officer: Sopassure

Chairman of the Supervisory Board: Banque Palatine

Chairman of the Board of Directors: BPCE International et Outre-mer

Director: Crédit Foncier, CNP Assurances*, Sopassure

Permanent Representative of BPCE, Director: Ecureuil Vie Développement

Offices currently held under Natixis:

Chairman and Chief Executive Officer: Natixis Algérie

Director: Natixis Coficiné, Média Consulting & Investment, Partecis

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Management Board of BPCE – Commercial Banking and Insurance **Chairman and Chief Executive Officer**: Sopassure **Chairman of the Supervisory Board**: Banque Palatine **Chairman of the Board of Directors**: BPCE International et Outre-mer **Director**: Crédit Foncier, CNP Assurances*, Sopassure **Permanent Representative of BPCE, Director**: Ecureuil Vie Développement ***Offices currently held under Natixis:*** **Chairman and Chief Executive Officer**: Natixis Algérie **Director**: Natixis Coficiné, Média Consulting & Investment, Partecis	**Member of the Management Board of BPCE – Commercial Banking and Insurance** **Chairman of the Supervisory Board**: Banque Palatine **Chairman of the Board of Directors**: BPCE International et Outre-mer **Director**: CNP Assurances*, Sopassure, Crédit Foncier **Permanent Representative of BPCE, Director**: Ecureuil Vie Développement ***Offices currently held under Natixis:*** **Director**: Natixis Algérie, Natixis Coficiné, Média Consulting & Investment, CACEIS, Partecis, Algiers Business Centers, CONECS **Vice-Chairman of the Board**: Association Française des Sociétés Financières (ASF) **Permanent Representative of Natixis, Director**: SICOVAM Holding	**Chairman of the Board of Directors**: Natixis Financement, Compagnie Européenne de Garanties et Cautions, Natixis Factor, Natixis Interépargne, Natixis Lease, Natixis Consumer Finance, Natixis Paiements, Novacrédit **Chairman**: Natixis Consumer Finance IT **Vice-Chairman of the Board of Directors**: Titres Cadeaux SAS **Director**: Natixis Algérie, Natixis Coficiné, Média Consulting & Investment, CACEIS, Partecis, Algiers Business Centers, Albiant-IT **Permanent Representative of Natixis, Director**: Natixis Altaïr IT Shared Services, SICOVAM Holding	**Chairman of the Board of Directors**: Natixis Paiements, Natixis Financement, Compagnie Européenne de Garanties et Cautions, Natixis Interépargne, Natixis Lease, Natixis Factor, Natixis Consumer Finance, Novacrédit **Vice-Chairman of the Board of Directors**: Titres Cadeaux SAS **Director**: CACEIS, Partecis Algiers Business Centers, Natixis Coficiné Média Consulting & Investment **Permanent Representative of Natixis, Director**: Natixis Altaïr IT Shared Services, SICOVAM Holding

* *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.

Daniel KARYOTIS

Born February 9, 1961

Mr. Karyotis is a graduate of the Institut d'Études Politiques and the Centre de Perfectionnement à l'Analyse Financière, with an advanced degree in Financial and Economic Analysis. He is also a member of the Société Française des Analystes Financiers (SFAF – French Society of Financial Analysts). After beginning his career in the financial markets with Société Générale, he joined Standard & Poor's where he covered the banking sector. He then joined Caisse d'Epargne Champagne-Ardenne (CECA), where he held various management positions from 1992 to 1997. Chief Executive Officer of Caisse d'Epargne du Pas-de-Calais and member of its Management Board from 1998 to 2001, in January 2002 he was appointed Chairman of the Management Board of CECA. At Groupe Caisse d'Epargne, he was appointed Director and Vice-Chairman of La Compagnie 1818, as well as Director of Banque Palatine and GCE Immobilier. He was appointed Chairman of the Banque Palatine Management Board in February 2007.

At its November 21, 2012 meeting, BPCE's Supervisory Board appointed Daniel Karyotis as a member of the BPCE Management Board and Chief Executive Officer*** in charge of Finance, Risks and Operations, effective December 1, 2012.

Offices held at December 31, 2014

Member of the Management Board in charge of Finance, Risks and Operations

Deputy Chief Executive Officer: CE Holding Promotion

Member of the Board of Directors: Nexity*

Permanent Representative of BPCE, Director: Natixis*, Crédit Foncier, CE Holding Promotion

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Management Board of BPCE – Finance, Risks and Operations **Deputy Chief Executive Officer**: CE Holding Promotion **Member of the Board of Directors**: Nexity* **Permanent Representative of BPCE, Director**: Natixis*, Crédit Foncier, CE Holding Promotion	**Member of the Management Board of BPCE – Finance, Risks and Operations** **Director**: Coface SA **Permanent Representative of BPCE, Director**: Crédit Foncier	**Chairman of the Management Board of Banque Palatine** **Chairman of the Supervisory Board**: Palatine Asset Management **Director**: Coface, Acxior Corporate Finance **Permanent Representative of Banque Palatine, Member of the Supervisory Board**: GCE Capital **Permanent Representative of Banque Palatine, Director**: OCBF**, Palatine Etoile 9	**Chairman of the Management Board of Banque Palatine** **Chairman of the Supervisory Board**: Palatine Asset Management **Vice-Chairman of the Board of Directors**: Eurosic* **Director**: Coface **Permanent Representative of Banque Palatine, Member of the Supervisory Board**: GCE Capital **Permanent Representative of Banque Palatine, Director**: OCBF**

* *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.

Anne MERCIER-GALLAY
Born October 8, 1961

Anne Mercier-Gallay is a graduate of the Institut d'Études Politiques in Paris and the Institut d'Administration des Entreprises in Paris and holds a postgraduate degree in Corporate Management and a degree in law. She joined the Crédit Mutuel-CIC Group in 1987, where she was responsible for occupation and skills forecasting, before joining the HSBC Crédit Commercial de France group as Head of Human Resources in 1999. In 2001, she joined Groupe Caisse d'Epargne as Head of Senior Management Recruitment and Development, before moving to SNCF in 2005 as Head of Senior Executives and the Group's corporate university. In January 2008, Anne Mercier-Gallay became Head of Human Resources, Communication and Sustainable Development at Monoprix, as well as a member of its Executive Committee.

On September 19, 2011, she was appointed Chief Executive Officer*** in charge of Human Resources and Group Internal Communications, and member of the Management Board.

At its November 21, 2012 meeting, the Supervisory Board of BPCE renewed her term and appointed her as a member of the BPCE Management Board and Chief Executive Officer*** in charge of Group Human Resources and Internal Communications.

Offices held at December 31, 2014

Member of the Management Board of BPCE in charge of Group Human Resources and Internal Communication

Chairman: HHC (HUBERT HEMARD CONSEIL)** (1)

Director: Crédit Foncier, Caisse Générale de Prévoyance (CGP)

Permanent Representative of BPCE, Director: Natixis Interépargne

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Management Board of BPCE – Group Human Resources and Internal Communications **Director**: Crédit Foncier, Caisse Générale de Prévoyance (CGP) **Permanent Representative of BPCE, Director**: Natixis Interépargne	**Member of the Management Board of BPCE – Group Human Resources and Internal Communications** **Director**: Crédit Foncier **Permanent Representative of BPCE, Director**: Natixis Interépargne	**Member of the Management Board of BPCE – Group Human Resources** **Permanent Representative of BPCE, Director**: Natixis Interépargne	**Chairman**: Centre de Formation Cézanne** (Groupe Monoprix)

* *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.

(1) Term of office expired on January 15, 2015.

Laurent MIGNON

Born December 28, 1963

Laurent Mignon has been CEO of Natixis since May 14, 2009.

A graduate of the HEC business school and Stanford Executive Program, Laurent Mignon worked in several divisions of Banque Indosuez over more than ten years, including positions on the trading floor and in investment banking. In 1996, he joined Schroeders in London before moving to AGF in 1997 as Chief Financial Officer, where he was appointed a member of the Executive Committee in 1998. In 2002, he was successively appointed Head of Investment, Banque AGF, AGF Asset Management and AGF Immobilier, and in 2003 he was given responsibility for the Life Insurance and Financial Services division and for Credit Insurance. Between September 2007 and May 2009, he was a managing partner at Oddo et Cie.

At its August 6, 2013 meeting, the Supervisory Board of BPCE appointed him as a member of the BPCE Management Board.

Offices held at December 31, 2014

Member of the Management Board of BPCE

Chief Executive Officer of Natixis*

Chairman of the Board of Directors: Natixis Global Asset Management, COFACE SA*

Director: Arkema*/**, Lazard Ltd*/**

Terms of office expired in 2014

-

Offices held at December 31 in previous years

2013	2012	2011	2010
Member of the Management Board of BPCE **Chief Executive Officer of Natixis*** **Chairman of the Board of Directors**: Natixis Global Asset Management, COFACE SA (formerly SAS Coface Holding) **Director**: Arkema*/**, Lazard Ltd*/**	**Permanent Representative of Natixis, non-voting director as of right on the Supervisory Board of BPCE** **Chief Executive Officer of Natixis*** **Chairman of the Board of Directors**: Natixis Global Asset Management **Chairman**: SAS Coface Holding **Director**: Sequana*/**, Arkema*/**, Lazard Ltd*/**	**Permanent Representative of Natixis, non-voting director as of right on the Supervisory Board of BPCE** **Chief Executive Officer of Natixis*** **Chairman of the Board of Directors**: Natixis Global Asset Management **Chairman**: SAS Coface Holding **Director**: Sequana*/**, Arkema*/**, Lazard Ltd*/** **Permanent Representative of Natixis, Director**: Coface	**Permanent Representative of Natixis, non-voting director as of right on the Supervisory Board of BPCE** **Chief Executive Officer of Natixis*** **Chairman of the Board of Directors**: Natixis Global Asset Management **Chairman**: SAS Coface Holding **Director**: Sequana*/**, Arkema*/**, Lazard Ltd*/** **Permanent Representative of Natixis, Director**: Coface

* *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.

2.3 Role and operating rules of governing bodies

2.3.1 Supervisory Board

DUTIES AND POWERS

The Supervisory Board performs the duties attributed to it by law. It carries out all checks and controls it deems appropriate and may request any documents it regards as expedient in fulfilling its mission.

The Supervisory Board:

- receives a report from the Management Board on the company's business activities once every quarter;
- checks and controls the parent company and consolidated financial statements prepared and presented by the Management Board within three months of the end of the accounting period, along with a written report on the company and subsidiary positions and their activities during the past year;
- presents its comments on the Management Board's report and the year's financial statements at the Ordinary General Shareholders' Meeting.

In accordance with the law, the following transactions cannot be performed by the Management Board without prior authorization from the Supervisory Board, acting by simple majority of its present or represented members:

- disposal of buildings by type and total or partial disposals of equity interests (it being specified that the Board set the annual amount for disposals of buildings by type at €100 million and the amount for total or partial disposals of equity interests at €100 million; the Board's authorization for these transactions is not required if the previous limits were not exceeded);
- the provision of company property as collateral.

In addition to these powers, the Supervisory Board has powers to do the following:

Own powers:

- appoint the Chairman of the Management Board;
- appoint the other members of the Management Board, based on proposals by the Chairman of the Management Board;
- set the method and amount of pay received by each Management Board member;
- grant the status of Chief Executive Officer to one or more members of the Management Board on the proposal of the Chairman of the Management Board, and withdraw said status as applicable;
- propose the appointment of the Statutory Auditors at the Annual General Shareholders' Meeting;
- decide to move the registered office within the same *département* or to an adjacent *département*, subject to that decision being ratified at the next Ordinary General Shareholders' Meeting.

Decisions subject to a simple majority vote:

The following operations proposed by the Management Board must receive the prior authorization of the Supervisory Board, acting by simple majority of its present or represented members:

- approval of the policy and strategic guidelines of Groupe BPCE and each of the networks;
- authorization of acquisitions and sales of equity interests in the networks for an amount greater than €100 million;
- authorization of any operation[1] proposed by BPCE that is part of its strategic plan and is carried out by BPCE or its subsidiaries for an amount greater than €100 million;
- authorization of any transaction[2] proposed by BPCE that is not part of the BPCE strategic plan, regardless of the transaction amount;
- approval of the company's annual budget and definition of the rules for calculating contributions due from affiliated institutions;
- authorization of regulated agreements pursuant to the French Commercial Code;
- approval of Groupe BPCE's internal solidarity mechanisms;
- approval of the national and international agreements involving each of the networks and Groupe BPCE as a whole;
- approval of the general criteria that must be met by the directors of Groupe BPCE's affiliated institutions, including age limits, which cannot exceed:
  - 65 for Chief Executive Officers or members of the Management Board, or
  - 70 for Chairmen of Boards of Directors and Steering and Supervisory Boards, bearing in mind that no one may be appointed Chairman of a Board of Directors or a Steering and Supervisory Board if he cannot, on the date of first appointment, complete at least half the term as Chairman before reaching this age limit; however, the age limit remains 68 for offices currently held on the date of the Supervisory Board meeting that approved the age limit set in this paragraph;
- authorizations for the directors of affiliated institutions as well as their termination and all other dismissals as set out in Article L. 512-108 of the French Monetary and Financial Code;
- approval of the creation or elimination of a Banque Populaire bank or Caisse d'Epargne, including through the merger of two or more Banque Populaire banks or two or more Caisses d'Epargne;
- examination and approval of the main risk limits relating to Groupe BPCE and each network, as defined by the Management Board; regular examinations and checks on Groupe BPCE's risks, any changes therein and the systems and

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(1) *Refers to any proposed investment or divestment, contribution, merger, spin-off, restructuring, joint venture or partnership by the company or its subsidiaries, and the negotiation or signing of any national or international agreements on behalf of the Caisses d'Epargne, the Banque Populaire banks and related entities and, in each instance, any related or ancillary operations.*

(2) *Same as above.*

procedures used to control them; examination of the activity and results of internal control, and the main conclusions of audits performed by the Group's *Inspection générale* division;

- appointment of BPCE's representatives to the Natixis Board of Directors. Representatives from the Caisses d'Epargne and from the Banque Populaire banks will be of identical number and will hold at least the majority of seats together;
- adoption of the Board's internal rules as set out in Chapters 2.2 to 2.5.

Decisions subject to a qualified majority vote (12 of 18 members)(1):

The following operations proposed by the Management Board are subject to the prior authorization of the Supervisory Board and a favorable vote from at least 12 of its 18 present or represented members:

- any decision to subscribe for or acquire (or any agreement binding the company therein), by any means (including by transfer of assets to the company), securities or rights of any type whatsoever, be they issued by a company or any other entity, and representing an investment or contribution, directly or indirectly, of greater than 1 billion;
- any decision to transfer (or any agreement binding the company therein), by any means, securities or rights of any type whatsoever held by the company and representing for the company a divestment of more than 1 billion;
- any decision by the company to issue capital shares or shares giving immediate or eventual access to the company's capital, with the shareholders' preemptive rights waived;
- any decision to submit to the Annual General Shareholders' Meeting any changes to the Articles of Association with regard to the company that change the terms of governance;
- any merger, demerger, spin-off, or related decision involving the company;
- any decision to appoint the Chairman or remove the Chairman of the company's Management Board from office;
- any decision relating to the listing of the shares of the company or one of its main direct or indirect subsidiaries for trading on a regulated market;
- any decision to approve the disposal of securities.

INTERNAL RULES

The internal rules of the Supervisory Board, adopted at the Board meeting on July 31, 2009, form the Supervisory Board's Governance Charter, which sets its internal operating procedures, notably with respect to ensuring governing bodies interact efficiently and operate smoothly.

The internal rules enhance the work done by Supervisory Board members, by promoting the application of corporate governance principles and best practices in the interests of ethics and efficiency.

Their purpose is also to supplement the Articles of Association, notably by:

- specifying the procedures for convening Supervisory Board and Supervisory Board committee meetings, as well as the rules under which they are to deliberate;
- specifying those instances requiring the Board's prior approval in accordance with the law, which appear in Article 27.1 of the company's Articles of Association;
- specifying those instances requiring the Board's prior approval for significant transactions ("Important Decisions" and "Key Decisions"), which appear in Articles 27.3 and 27.4 of the company's Articles of Association;
- specifying the Board's reporting rules;
- specifying the duties of the various committees, for which they serve as the internal rules;
- specifying the professional secrecy and confidentiality obligations binding the members of the Supervisory Board and its committees;
- defining the penalties applying in the event that members of the Supervisory Board or of a committee fail to comply with any of their obligations.

ACTIVITIES

In accordance with Article 25.1 of the Articles of Association, the Supervisory Board meets as often as the company's interests, laws and regulations require and at least once every quarter in order to examine the Management Board's quarterly report. Board meetings may be convened by its Chairman, its Vice-Chairman or by one half of its members, and take place in the registered offices or in any other place stated in the notice of meeting.

In accordance with Article L. 823-17 of the French Commercial Code, the Statutory Auditors are invited to Board meetings examining full-year and half-year financial statements.

The BPCE Supervisory Board met 10 times between January 1 and December 31, 2014. In 2014, the average attendance rate for Supervisory Board members was 93.72%. In addition to issues routinely discussed (quarterly Management Board reports, regulated agreements, approvals of company directors and various items presented for information purposes), the main issues dealt with at Supervisory Board meetings were as follows:

Governance – Internal operating procedures of the Board

- approval of the Supervisory Board Chairman's report;
- determination of Management Board member pay (fixed and variable components, pension and provident insurance);
- monitoring of pay policy guidelines for persons belonging to the "regulated population" within BPCE as well as Groupe BPCE's credit institutions, pursuant to Article 266 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces regulation 97-02 of the French Banking and Financial Regulation Committee (CRBF);
- acknowledgment of Laurence Danon's resignation as an independent member of the Supervisory Board and appointment of Catherine Colonna, managing partner of Brunswick Group, as an independent member of the Supervisory Board;
- acknowledgment of Catherine Colonna's resignation as an independent member of the Supervisory Board following her appointment by the Decree of August 14, 2014 as Ambassador Extraordinary and Plenipotentiary of the French Republic to the Italian Republic;

(1) The Extraordinary Shareholders' Meeting of December 17, 2014 changed this majority to 13 of 19 members. This change will take effect from the Annual General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014.

- monitoring of the policy on employment and wage equality;
- approval of changes to BPCE's Articles of Association linked to governance.

Strategic operations

- authorization of BPCE's and MURACEF's sale of BPCE Assurances to Natixis Assurances;
- authorization to continue discussions begun with regard to the possible sale of all interests held by BPCE International et Outre-mer (BPCE IOM) in the Banque de la Réunion, the Banque des Antilles Françaises and the Banque de Saint-Pierre-et-Miquelon to the Caisse d'Epargne Provence-Alpes-Corse (CEPAC);
- authorization to enter into a memorandum of understanding that provides details on the methods for implementing the proposed renewed partnership between CNP Assurances and Groupe BPCE;
- approval in principle of the merger of Banque Populaire d'Alsace into Banque Populaire Lorraine Champagne;
- authorization of Natixis' sale of 51% of its holdings in Coface;
- authorization of BPCE's sale of 24.5% of Volksbank România's (VBRO) share capital to Banca Transilvania;
- authorization of BPCE's sale of all shares held in the Foncia Group (18% of Foncia Holding's share capital, 1.9% of Foncia Group's share capital and all bonds) to Bridgepoint and Eurazeo;
- authorization of BPCE's sale of 4% of Nexity's share capital and voting rights by way of an accelerated book-building process limited to institutional investors.

Finance

- presentation of BPCE's annual financial statements for the year ended December 31, 2013;
- presentation of BPCE's 2014 quarterly and first half-year financial statements;
- approval of the 2015 budget;
- review of impacts relating to Basel III;
- review and monitoring of the quality of assets and of European stress tests carried out by the European Central Bank (ECB) and the European Banking Authority (EBA);
- review and monitoring of Groupe BPCE's solvency and liquidity ratios;
- authorization of the internal securitization transaction with Natixis, the Banques Populaires banks and the Caisses d'Epargne.

Audit – Compliance – Risks

- monitoring of the *Autorité de contrôle prudentiel et de résolution* (ACPR – the French prudential supervisory authority for the banking and insurance sector) reports and enquiries;
- risk monitoring: monitoring of consolidated risks, review of the impact of the situation in Europe on the Group, forward-looking approach to risk, monitoring of the Group's market and credit limits;
- approval of the Supervisory Board Chairman's report on internal control;
- review of the reports on the operation of internal control prepared pursuant to Article 258 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02, and on the measurement and monitoring of risks, prepared pursuant to Article 262 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02; work of the *Inspection générale* division, annual compliance report (annual control report of the investment services compliance officer (RCSI), report on the annual check control program, report on credit risks), update on accounting risks;
- management of the independence and fees of Statutory Auditors;
- updating of the Group's Recovery and Restructuring Plan;
- reporting on the call for tenders related to the renewal of the mandate of Groupe BPCE's Statutory Auditors.

Depending on the type of matters submitted to the Supervisory Board, discussions were held and decisions made on the basis of the reports presented by the relevant Board committees.

2.3.2 Specialized committees

The Supervisory Board has instituted two specialized committees in charge of preparing its decisions and making recommendations. Their duties, resources and make-up are set out in the Supervisory Board's internal rules.

As far as possible, and depending on applicable circumstances, any discussion by the Supervisory Board that falls within the remit of a committee created by it is preceded by the referral of the matter to said committee, and a decision may only be made after that committee has issued its recommendations or motions.

The purpose of such consultation with committees is not to delegate to them powers that are allocated to the Supervisory Board by law or the Articles of Association, nor is it to reduce or limit the Management Board's powers.

Whenever it is necessary to consult with a committee, the Chairman of that committee receives from the Management Board, within a reasonable time frame (given the circumstances), all of the items and documents that enable the committee to carry out its work and formulate its opinions, recommendations and proposals relating to the Supervisory Board's planned discussion.

Committee members are chosen by the Supervisory Board based on a proposal made by the Chairman of the Board from among its members. They may be dismissed by the Supervisory Board.

The term of office of committee members coincides with their term of office as Supervisory Board members. The renewal of both terms of office may take place concomitantly.

Each committee consists of at least three and at most seven members.

The Supervisory Board may also appoint a person from outside Groupe BPCE or a non-voting director to any of these committees.

On each of the committees, a Chairman is in charge of organizing the work. The Chairman of each committee is appointed by the Supervisory Board.

AUDIT AND RISK COMMITTEE

Duties

The Audit and Risk Committee assists the Supervisory Board in verifying and reviewing the financial statements and the Management Board's report on the company's business.

It monitors the quality of information provided to shareholders and, more generally, fulfills the duties set out in the French Commercial Code, the French Monetary and Financial Code, and by the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02.

The Audit and Risk Committee monitors:

The preparation of financial information

In this respect, its duties include:

- reviewing the quarterly, half-year and annual consolidated financial statements of the company and Groupe BPCE, as well as the parent company financial statements, which are presented to it by the Management Board prior to their review by the Supervisory Board;
- verifying that the information provided is clear;
- reviewing the scope of consolidated companies and supporting evidence thereof;
- assessing the appropriateness of accounting methods adopted in preparing the company's individual financial statements and the consolidated financial statements of the company and Groupe BPCE;
- reviewing the draft of the Supervisory Board Chairman's report on internal control and risk management procedures as regards preparing and processing accounting and financial information;
- reviewing the prudential and accounting impacts of any significant acquisition by the company or Groupe BPCE.

The efficiency of internal control and risk management systems

In this respect, its duties include:

- assessing the quality of the internal controls performed by the company and Groupe BPCE, including the consistency and completeness of systems for measuring risk monitoring and management; proposing additional action in this area as required; examining annual reports relating to the measurement and supervision of risk, and the conditions in which internal controls are performed within Groupe BPCE;
- reviewing the total risk exposure of the company's and Groupe BPCE's activities, based on the reporting submitted;
- formulating opinions on Groupe BPCE's broad policies in terms of risk and compliance, specifically on the risk limits reflecting risk tolerance as presented to the Board;
- proposing to the Board the materiality criteria and thresholds mentioned in Article 98 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02. These are the criteria and thresholds used to identify incidents that must be brought to the Board's attention;
- ensuring that the pay policy is in line with risk management targets;
- ensuring that Groupe BPCE's *Inspection générale* division is independent, and authorized to request or access, all items, systems, or information required for the successful completion of its duties;
- reviewing the annual schedule of the Group's *Inspection générale* division;
- ensuring that the findings of audits performed by the ACPR and the Group's *Inspection générale* division, whose summaries regarding the company and Groupe BPCE's entities are disclosed to it, are addressed;
- reviewing the follow-up letters sent by the ACPR and issuing an opinion on the draft replies to these letters.

The statutory audit of the annual and consolidated financial statements, as well as the Statutory Auditors' independence

In this respect, its duties include:

- ensuring that the "Framework for Statutory Auditor Assignments at Groupe BPCE", approved by BPCE's Supervisory Board on June 27, 2012 and which defines the rules and principles aimed at guaranteeing Statutory Auditor independence in Groupe BPCE companies, is respected and updated;
- issuing recommendations on the Statutory Auditor selection procedure, and on the Statutory Auditors proposed for appointment at the Annual General Shareholders' Meeting;
- ensuring that the Statutory Auditors are independent, specifically by reviewing fees that are paid to them by Group companies as well as to any network to which they might belong and, by monitoring, on a quarterly basis, any services that do not fall within the strict framework of the statutory audit, when the cumulative amount paid to a single Statutory Auditor's network for services to a single Group company reaches or exceeds 50,000 during the fiscal year;
- reviewing the Statutory Auditors' work schedule, the results of their audits and recommendations, and any follow-up action.

Activities

The Audit and Risk Committee met seven times between January 1 and December 31, 2014. The average attendance rate at these meetings was 97.62%.

The main issues that it addressed were as follows:

Finance

- presentation of BPCE's annual financial statements for the year ended December 31, 2013 and review of the 2015 Budget;
- presentation of BPCE's 2014 quarterly and first half-year financial statements;
- monitoring of the quality of assets and of European stress tests carried out by the European Central Bank (ECB) and the European Banking Authority (EBA);
- review and monitoring of Groupe BPCE's solvency and liquidity ratios;
- monitoring of the management of intra-group capital adequacy ratio requirements;
- review of the impacts of Basel III;
- review of the internal securitization transaction with Natixis, the Banques Populaires banks and the Caisses d'Epargne.

Audit – Compliance – Risks

- follow-up of the Autorité de contrôle prudentiel et de résolution (ACPR – the French prudential supervisory authority for the banking and insurance sector) reports and enquiries;
- analysis and follow-up of the Supervisory Board Chairman's report on internal control;
- analysis of the reporting on internal control prepared pursuant to Article 258 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02, and on the measurement and monitoring of risks, prepared pursuant to Article 262 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02: work carried out by the *Inspection générale* division, annual compliance report (annual report of the investment services compliance officer (RCSI), report on the annual check control program, report on credit risks), update on accounting risks;
- review of the work of the Compliance and Security division;
- review of the work of the Group's *Inspection générale* division;
- review of the work of the Group Risk Management division, particularly the review of Group risk supervision mechanisms (monitoring of consolidated risks, review of the impact of the situation in Europe on the Group, forward-looking approach to risk, monitoring of the Group's market and credit limits);
- follow-up and updating of the Group and BPCE business continuity plan;
- regular reporting on assets managed in run-off of Natixis and Triton;
- regular reporting on Crédit Foncier's business;
- review of the threshold criteria on asset-liability management risks (Article 98 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02);
- follow-up of the work performed by the Statutory Auditors, and review of their independence and fees;
- follow-up of the call for tenders process for the renewal of the mandate of Groupe BPCE's Statutory Auditors;
- review of the anti-money laundering system;
- review and updating of the Group's Recovery and Restructuring Plan.

APPOINTMENTS AND REMUNERATION COMMITTEE

Duties

The Appointments and Remuneration Committee assists the Supervisory Board on the following matters:

Appointment

The committee makes proposals and recommendations to the Supervisory Board on:

- the choice of members of the Supervisory Board and non-voting directors, who come from outside Groupe BPCE, it being stipulated that Supervisory Board members from inside Groupe BPCE are put before the Board in keeping with the company's Articles of Association and Article L. 512-106 of the French Monetary and Financial Code.

Its duties also include:

- making proposals to the Board for the appointment of the Chairman of the company's Management Board;
- coordinating the Supervisory Board's evaluation process, which is performed either by itself or under any other appropriate internal or external procedure. In this respect, it proposes any necessary updates to the company's corporate governance (the Board's internal rules). An external evaluation procedure was conducted in 2011;
- examining the draft of the Chairman's corporate governance report.

Pay

The Appointments and Remuneration Committee is in charge of formulating proposals to the Supervisory Board concerning:

- the pay levels and methods applied to members of the company's Management Board, including benefits in kind, provident insurance and retirement plans;
- the pay of the Chairman of the Supervisory Board and possibly the Vice-Chairman;
- the allocation of attendance fees among members of the Supervisory Board and committees, and the total amount of attendance fees submitted for approval at the company's Annual General Shareholders' Meeting.

Furthermore, the Appointments and Remuneration Committee:

- gives its opinion to the Board on the policy for granting stock options or similar securities, and on the list of recipients;
- is informed of Groupe BPCE's pay policy, particularly the policy regarding the main company directors of affiliated institutions;
- reviews and issues opinions on the insurance policies taken out by the company covering the liability of company directors;
- gives an opinion to the Board about the section of the annual report addressing these issues.

Activities

The Appointments and Remuneration Committee met five times between January 1 and December 31, 2014. The average attendance rate at these meetings was 96%.

The main issues addressed by the Appointments and Remuneration Committee in 2014 were as follows:

- steering of the selection process for an independent member of the Supervisory Board (person from outside Groupe BPCE);
- change in the method for allocating attendance fees among members of the Supervisory Board;
- remuneration of the Chairman and the Vice-Chairman of the Supervisory Board;
- levels and terms of fixed and variable pay for Management Board members (review of solvency and liquidity criteria, definition of terms for deferred portions, definition of qualitative and qualitative criteria);
- pay policy for persons belonging to the "regulated population" within BPCE as well as Groupe BPCE's credit institutions;
- changes in the regulated population in 2014 following new EBA rules;
- changes to fixed pay for the Management Board and of the variable pay system for 2015;

- report on credit institutions' internal control of policy and practices governing the pay of executive body members and persons whose professional activities have a material impact on the corporate risk profile in 2013, pursuant to Article 266 of the Decree of November 3, 2014 concerning the internal control of banking sector companies, which replaces CRBF regulation 97-02;
- Supervisory Board Chairman's report on internal control (governance section);

In 2015, BPCE will comply with the provisions of the French Commercial Code and the French Monetary and Financial Code regarding the distinction between Board committees and the division of duties between these two committees.

2.3.3 Management Board

In accordance with Article 18 of BPCE's Articles of Association, the Management Board has the broadest powers to act under all circumstances in the company's name, within the corporate purpose and subject to decisions requiring prior authorization, in accordance with the law or the Articles of Association governing the Supervisory Board and Annual General Shareholders' Meetings.

In particular, the Management Board shall:

- perform duties as the company's central institution as specified by law, and, if applicable, after receiving prior authorization from the Supervisory Board, as specified by these Articles of Association;
- exercise all banking, financial, administrative and technical powers;
- approve the appointment of executive management within the company's main direct and indirect subsidiaries;
- appoint the person or persons tasked with provisional management or control functions for an affiliated institution in the event that the Supervisory Board decides to dismiss persons mentioned in Article L. 512-108 of the French Monetary and Financial Code;
- decide, in an emergency, to suspend one or more executive managers responsible for an affiliated credit institution as a protective measure;
- use the Group's internal solidarity mechanisms, notably by calling on the guarantee and solidarity funds of the Networks and the Group;
- approve the Articles of Association of affiliated institutions and local savings companies and any changes thereto;
- determine the rules relating to the pay received by executive managers responsible for affiliated credit institutions including any contingent pay and benefits granted to such individuals on or after termination of employment;
- issue general internal directives to affiliated institutions, to ensure the purposes defined in Article L. 511-31 of the French Monetary and Financial Code.

The Management Board is required to comply with the limitations on powers pursuant to Articles 27.1, 27.2, 27.3 and 27.4 of BPCE's Articles of Association, which set out the duties of the Supervisory Board.

The Chairman of the Management Board represents the company in its dealings with third parties.

On the recommendation of the Chairman of the Management Board, the Supervisory Board may grant the same power of representation to one or more Management Board members, who shall then bear the title of Chief Executive Officer. The Chairman of the Management Board and the Chief Executive Officer or Officers, if any, are authorized to appoint a special representative to deputize them in respect of part of their powers.

With the authorization of the Supervisory Board, the members of the Management Board may, on the recommendation of the Chairman of the Management Board, divide management tasks between them. However, in no event may this division have the effect of removing the Management Board's capacity as a collegial management body.

Once every three months, the Management Board shall present a written report to the Supervisory Board on the company's performance. Within three months of the end of each accounting period, the Management Board shall complete the parent company financial statements and present them to the Supervisory Board for verification and control. The Board will also submit the consolidated financial statements within this same period.

2.3.4 Annual General Shareholders' Meetings

The provisions governing the participation of shareholders at the Annual General Shareholders' Meeting (Article 30 of BPCE's Articles of Association) are as follows:

1° Annual General Shareholders' Meetings are called and convened in accordance with regulations in force.

Annual General Shareholders' Meetings take place in the registered offices or in any other place specified in the notice of the meeting.

The Ordinary General Shareholders' Meeting called to approve the annual financial statements of the previous fiscal year convenes within five months of the end of the fiscal year.

2° Only the Category "A" shareholders, the Category "B" shareholders and the owners of ordinary shares are entitled to take part in the Annual General Shareholders' Meetings.

Their participation is subject to the registration of the shares in the name of the Shareholder by the third business day preceding the Annual General Shareholders' Meeting at twelve midnight, Paris time, in the registered share accounts maintained by the company.

3° If the shareholder cannot personally attend the Annual General Shareholders' Meeting, he may select one of the following three options:

- to grant a proxy to another shareholder or, if the shareholder is a natural person, to his spouse; or

- to vote by absentee ballot; or
- to send a power of attorney to the company without designating a representative.

4° Annual General Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice-Chairman. In the absence of both, Annual General Shareholders' Meetings are chaired by a member of the Supervisory Board specially appointed for this purpose by the Supervisory Board. Failing this, the Annual General Shareholders' Meeting itself elects its Chairman.

The Annual General Shareholders' Meeting appoints its officers.

The duties of scrutineer are performed by two consenting shareholders representing, themselves or as proxies, the greatest number of shares. The officers of the Annual General Shareholders' Meeting appoint a Secretary who may be selected outside the shareholders' ranks.

A register of attendance is kept in accordance with regulations in force.

5° The Ordinary General Shareholders' Meeting convened on first notice may validly transact business if the shareholders present or represented own at least one-fifth of the voting shares. The Ordinary General Shareholders' Meeting convened on second notice may validly transact business regardless of the number of shareholders present or represented.

Resolutions of the Ordinary General Shareholders' Meeting are carried by majority vote of the shareholders present or represented, including the shareholders who have voted by absentee ballot.

The Ordinary General Shareholders' Meeting called to approve the financial statements for the past fiscal year is consulted on the components of pay due or granted for the fiscal year ended to the Chairman of the Management Board and to each member of the Management Board.

It is consulted on the overall budget for pay of any kind paid during the fiscal year ended to the company's executive managers and to persons referred to in Article L. 511-71 of the French Monetary and Financial Code, whose professional activities have a material impact on the company's or the Group's risk profile.

The Ordinary General Shareholders' Meeting may, in accordance with Article L. 511-78 of the French Monetary and Financial Code, decide to raise the variable pay to an amount greater than the fixed pay amount, up to a limit of double the fixed pay, for the company's executive managers, as well as for persons referred to in Article L. 511-71 of said Code whose professional activities have a material impact on the company's or the Group's risk profile. This resolution was carried by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders who have voted by absentee ballot. If at least half of shareholders are not present or represented, the Annual General Shareholders' Meeting shall decide with a three-quarters majority.

6° The Extraordinary Shareholders' Meeting convened on first notice may validly transact business only if the shareholders present or represented own at least one-fourth of shares with voting rights.

The Extraordinary Shareholders' Meeting, convened on second notice, may validly transact business only if the shareholders present or represented own at least one-fifth of shares with voting rights.

The resolutions of the Extraordinary Shareholders' Meeting are carried by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders who have voted by absentee ballot.

7° Copies or extracts of the minutes of the Annual General Shareholders' Meeting are validly certified by the Chairman of the Supervisory Board, by the Vice Chairman, a member of the Management Board, or by the Secretary of the Annual General Shareholders' Meeting.

8° Ordinary and Extraordinary Shareholders' Meetings exercise their respective powers in accordance with regulations in force.

2.4 Rules and principles governing the determination of pay and benefits

2.4.1 Pay policy[1]

MEMBERS OF THE SUPERVISORY BOARD

At the July 31, 2009 Combined General Meeting, the total amount of attendance fees payable by BPCE was set at €600,000. This pay is detailed in section 2.4.2 "Pay, benefits in kind, loans, guarantees and attendance fees received by BPCE company directors".

At its meeting of February 19, 2014, the Supervisory Board modified the breakdown of attendance fees between members of the Supervisory Board.

Aside from the Chairman, who receives annual fixed pay, Supervisory Board members are paid in the form of attendance fees.

Pay of Stève Gentili, Chairman of the Supervisory Board as of January 1, 2014

- annual fixed pay: €120,000[2];
- attendance fees: €0.

Attendance fees paid to Supervisory Board members

Yves Toublanc, Vice-Chairman of the Supervisory Board as of January 1, 2014:

- fixed annual attendance fees: €80,000;
- attendance fees paid for each meeting attended, up to a limit of nine meetings during the fiscal year: €1,500;

Other Supervisory Board members:

- fixed annual attendance fees: €8,200;
- attendance fees paid for each meeting attended, up to a limit of nine meetings during the fiscal year: €1,200;

Additional Pay of Supervisory Board members

Marwan Lahoud, Chairman of the Audit and Risk Committee:

- fixed annual attendance fees: €19,700;
- attendance fees paid for each meeting attended, up to a limit of seven meetings during the fiscal year: €2,400.

Other members of the Audit and Risk Committee:

- fixed annual attendance fees: €1,500;
- attendance fees paid for each meeting attended, up to a limit of seven meetings during the fiscal year: €1,000.

Maryse Aulagnon, Chairman of the Appointments and Remuneration Committee:

- fixed annual attendance fees: €9,260;
- attendance fees paid for each meeting attended, up to a limit of seven meetings during the fiscal year: €1,320.

Other members of the Appointments and Remuneration Committee:

- fixed annual attendance fees: €1,500;
- attendance fees paid for each meeting attended, up to a limit of seven meetings during the fiscal year: €600.

Pay of non-voting directors

Pursuant to Article 28.3 of the Articles of Association, the Supervisory Board has decided to compensate non-voting directors by making a deduction from the attendance fees allocated to Supervisory Board members at the Annual General Shareholders' Meeting.

Non-voting directors receive:

- fixed annual attendance fees: €4,000;
- attendance fees paid for each meeting attended, up to a limit of six meetings during the fiscal year: €600.

MEMBERS OF THE MANAGEMENT BOARD

In accordance with Article 19 of BPCE's Articles of Association and on the recommendation of the Appointments and Remuneration Committee, the Supervisory Board approved the pay of the Chairman and Members of the Management Board, as well as the criteria used to determine the amount of variable pay granted to Management Board members in respect of 2014, at its February 19, 2014 meeting.

(1) *The figures presented in this chapter are gross amounts.*

(2) *Stève Gentili sought to restrict the remuneration of the Chairman of the Supervisory Board from €400,000 to €120,000.*

Pay received by the Chairman and Members of the Management Board was as follows:

François Pérol:

- fixed pay: €550,000;
- variable pay: target at 150%, with a maximum of 200%;
- annual housing allowance: €60,000 (for information purposes: François Pérol has waived this allowance).

Anne Mercier-Gallay:

- fixed pay: €500,000;
- variable pay: target at 80%, with a maximum of 100%.

Daniel Karyotis:

- fixed pay: €500,000 (this fixed portion includes a housing allowance);
- variable pay: target at 80%, with a maximum of 100%.

Jean-Yves Forel:

- fixed pay: €500,000;
- variable pay: target at 80%, with a maximum of 100%.

Laurent Mignon:

Laurent Mignon is not paid for his duties as a member of the BPCE Management Board. The pay that he receives is for his duties as Chief Executive Officer of Natixis.

The following criteria were used for determining variable pay:

- the criterion for triggering variable pay is to keep the Group's Core Tier-1 ratio at €35.8 billion, representing 9% of RWA at June 30, 2012 + the sovereign buffer at June 30, 2012 (EBA method). No variable portion is paid if this criterion is not met;
- quantitative criteria account for 60% of variable pay. These quantitative criteria are defined as follows:
  - net income attributable to equity holders of the parent, calculated after neutralizing the impact of the revaluation of own debt, accounts for 30% of variable pay. If the target for this criterion as set by the Supervisory Board is reached, Management Board members would be entitled to receive the entire 30%[1],
  - the Group's cost/income ratio, calculated with neutralization of the impact of revaluation of own debt, accounts for 20% of variable pay. If the target for this criterion as set by the Supervisory Board is reached, Management Board members would be entitled to receive the entire 20%[1],
  - the Group's net banking income, calculated after neutralizing the impact of the revaluation of own debt, accounts for 10% of variable pay. If the target for this criterion as set by the Supervisory Board is reached, Management Board members would be entitled to receive the entire 10%[1];
- qualitative criteria account for 40% of variable pay. These criteria comprise the following duties:
  - commercial development,
  - human resources,
  - scarce resources,
  - governance.

With regard to the terms of payment for variable pay in respect of 2010:

- deferred for a fraction representing 70%, in 2012, 2013 and 2014 (23.33% each year), for François Pérol;
- the deferred portion, calculated after neutralizing the impact of the revaluation of own debt, is indexed to the change in net income attributable to equity holders of the parent, assessed as a rolling average over the last three calendar years preceding the allocation year and the payment year, without taking into account calendar years prior to 2010;
- the deferred portion shall not apply in the event of retirement or death, or in special situations assessed by the Board (the variable portion would then be paid at the same time as the event);
- payment of the deferred portion is contingent upon attaining a Group Return on Equity (ROE) at least equal to 4% during the fiscal year before payment falls due.

With regard to the terms of payment for variable pay in respect of 2011:

- deferred for a fraction representing 60%, in 2013, 2014 and 2015 (20% each year), for François Pérol;
- the deferred portion, calculated after neutralizing the impact of the revaluation of own debt, is indexed to the change in net income attributable to equity holders of the parent, assessed as a rolling average over the last three calendar years preceding the allocation year and the payment year, without taking into account calendar years prior to 2010;
- the deferred portion shall not apply in the event of retirement or death, or in special situations assessed by the Board (the variable portion would then be paid at the same time as the event);
- payment of the deferred portion is contingent upon attaining a Group Return on Equity (ROE) at least equal to 4% during the fiscal year before payment falls due.

With regard to the terms of payment for variable pay in respect of 2012:

- deferred for a fraction representing 60%, in 2014, 2015 and 2016 (20% each year), for François Pérol;
- deferred for a fraction representing 50%, in 2014, 2015 and 2016 (16.66% each year), for Anne Mercier-Gallay;
- the deferred portion, calculated after neutralizing the impact of the revaluation of own debt, is indexed to the change in net income attributable to equity holders of the parent, assessed as a rolling average over the last three calendar years preceding the allocation year and the payment year;
- the deferred portion shall not apply in the event of retirement or death, or in special situations assessed by the Board (the variable portion would then be paid at the same time as the event);
- payment of the deferred portion is contingent upon attaining a Group Return on Equity (ROE) at least equal to 4% during the fiscal year before payment falls due.

With regard to the terms of payment for variable pay in respect of 2013:

- deferred for a fraction representing 60%, in 2015, 2016 and 2017 (20% each year), for François Pérol;
- deferred for a fraction representing 50%, in 2015, 2016 and 2017 (16.66% each year), for Daniel Karyotis, Jean-Yves Forel and Anne Mercier-Gallay;

(1) *The Supervisory Board has specified the precise levels expected for these quantitative objectives which are not disclosed for confidentiality reasons.*

- the deferred portion, calculated after neutralizing the impact of the revaluation of own debt, is indexed to the change in net income attributable to equity holders of the parent, assessed as a rolling average over the last three calendar years preceding the allocation year and the payment year;
- the deferred portion shall not apply in the event of retirement or death, or in special situations assessed by the Board (the variable portion would then be paid at the same time as the event);
- payment of the deferred portion is contingent upon attaining a Group Return on Equity (ROE) at least equal to 4% during the fiscal year before payment falls due.

With regard to the terms of payment that will be applied to the variable pay in respect of 2014:

- deferred for a fraction representing 60%, in 2016, 2017 and 2018 (20% each year), for François Pérol;
- deferred for a fraction representing 50%, in 2016, 2017 and 2018 (16.66% each year), for Daniel Karyotis, Jean-Yves Forel and Anne Mercier-Gallay;
- the deferred portion, calculated after neutralizing the impact of the revaluation of own debt, is indexed to the change in net income attributable to equity holders of the parent, assessed as a rolling average over the last three calendar years preceding the allocation year and the payment year;
- the deferred portion shall not apply in the event of retirement or death, or in special situations assessed by the Board (the variable portion would then be paid at the same time as the event);
- payment of the deferred portion is contingent upon attaining a Group Return on Equity (ROE) at least equal to 4% during the fiscal year before payment falls due.

The terms of payment for the variable pay in respect of 2014 were approved by the Supervisory Board on February 18, 2015.

In accordance with the Article L. 511-73 of the French Monetary and Financial Code, the BPCE Annual General Shareholders' Meeting will be consulted in 2015 on the budget for all types of remuneration paid during the previous fiscal year to members of the Management Board and by other BPCE employees whose professional activities have a material impact on the company's or the Group's risk profile.

In accordance with the AFEP-MEDEF recommendations, the BPCE Annual General Shareholders' Meeting will be consulted in 2015 on the components of pay due or granted for the fiscal year ended to each company director.

In accordance with Article L. 511-78 of the French Monetary and Financial Code, the approval of the BPCE Annual General Shareholders' Meeting will be required in 2015 in order to implement variable pay for the Chairman of the Management Board that may, in 2015, exceed 100% of the fixed pay component.

2.4.2 Pay, benefits in kind, loans, guarantees and attendance fees received by BPCE company directors

The figures shown below comply with the rules and guidelines for determining pay and benefits adopted by the BPCE Supervisory Board and detailed in section 2.4.1, "Pay Policy".

STATEMENT OF PAY, STOCK OPTIONS AND SHARES GRANTED TO EACH COMPANY DIRECTOR FROM JANUARY 1 TO DECEMBER 31, 2014 (TABLE 1)

		Total pay due in respect of the period (fixed and variable) (Table 2)	Total pay received during the period (fixed and variable) (Table 2)	Valuation of multi-year variable pay received during the year (1)	Value of stock options allocated during the year (Table 4)	Valuation of performance shares granted during the year (Table 6)
	2013	€1,446,286.00	€1,065,282.00	€0	€0	€0
François Pérol	**2014**	**€1,407,150.00**	**€1,275,381.00**	**€0**	**€0**	**€0**
	2013	€934,618.00	€542,724.00	€0	€0	€0
Daniel Karyotis	**2014**	**€918,266.00**	**€721,243.00**	**€0**	**€0**	**€0**
	2013	€934,896.00	€526,002.00	€0	€0	€0
Jean-Yves Forel	**2014**	**€917,366.00**	**€720,343.00**	**€0**	**€0**	**€0**
	2013	€931,997.00	€636,380.00	€0	€0	€0
Anne Mercier-Gallay	**2014**	**€913,022.00**	**€757,595.00**	**€0**	**€0**	**€0**
	2013	€1,766,470.00(2)	€1,759,599.00	€0	€0	€0
Laurent Mignon(2)	**2014**	**€1,981,512.00**	**€2,037,762.00**	**€0**	**€0**	**€0**

(1) *No multi-year variable pay or bonus share plan during the 2014 fiscal year; except for Laurent Mignon, by Natixis, for his duties as Chief Executive Officer of Natixis.*

(2) *Laurent Mignon receives remuneration from Natixis, a company controlled by BPCE, within the meaning of Article L. 233-16 of the French Commercial Code, for his duties as Chief Executive Officer of Natixis. On November 6, 2013, Laurent Mignon received 90 bonus shares valued at €350, and on July 31, 2014, he received 31,955 performance shares valued at €160,000.*

STATEMENT OF PAY OF BPCE COMPANY DIRECTORS (TABLE 2)

Amounts due in respect of 2013(1): all pay granted on a *pro rata* basis in respect of duties performed in 2013, regardless of the date of payment.

Amounts paid in 2013(2): all remuneration actually paid and received in 2013 (due in 2010 and paid in 2013 + due in 2011 and paid in 2013 + due in 2012 and paid in 2013 + due in 2013 and paid in 2013) in respect of duties performed during the period.

Amounts due in respect of 2014(1): all remuneration granted on a *pro rata* basis in respect of duties performed in 2014, regardless of the date of payment.

Amounts paid in 2014(2): all remuneration actually paid and received in 2014 (due in 2010 and paid in 2014 + due in 2011 and paid in 2014 + due in 2012 and paid in 2014 + due in 2013 and paid in 2014 + due in 2014 and paid in 2014) in respect of duties performed during the period.

PAY STATEMENT: MR. FRANÇOIS PÉROL

Chairman of the Management Board	Fiscal year 2013		Fiscal year 2014	
	Amount due(1)	Amount paid(2)	Amount due(1)	Amount paid(2)
Base pay	-	-	-	-
Corporate Office	€550,000.00	€550,000.00	€550,000.00	€550,000.00
Variable pay	€890,994.00(a)	€509,990.00(b)	€851,858.00(c)	€720,089.00(d)
Multi-year variable pay(f)	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing(e) and other benefits)	€5,292.00	€5,292.00	€5,292.00	€5,292.00
Attendance fees	€0	€0	€0	€0
Other pay	-	-	-	-
TOTAL	**€1,446,286.00**	**€1,065,282.00**	**€1,407,150.00**	**€1,275,381.00**

(a) Variable pay in respect of 2013, of which €356,398 (40%) paid in 2014 and the balance (60%) deferred over three years in equal shares of €178,199. For 2015, the final amount paid will be €190,762 (after application of the indexing factor).
(b) Amount paid in 2013 for variable pay in respect of 2012 (€225,028), for the deferred portion of variable pay in respect of 2011 (€92,746) and for the deferred portion of variable pay in respect of 2010 (€192,217).
(c) Variable remuneration in respect of 2014, of which €340,743 (40%) paid in 2015 and the balance deferred (60%) over three years in equal shares of €170,372.
(d) Amount paid in 2014 for variable pay in respect of 2013 (€356,398), for the deferred portion of variable pay in respect of 2012 (€102,950), for the deferred portion in respect of 2011 (€84,861) and for the deferred portion in respect of 2010 (€175,880).
(e) François Pérol has waived his annual housing allowance since 2010.
(f) No multi-year variable pay or bonus share plan during the 2014 fiscal year.

PAY STATEMENT: MR. DANIEL KARYOTIS

Member of the Management Board, Chief Executive Officer – Finance, Risks and Operations	Fiscal year 2013		Fiscal year 2014	
	Amount due(1)	Amount paid(2)	Amount due(1)	Amount paid(2)
Base pay	-	-	-	-
Corporate Office	€500,000.00	€500,000.00	€500,000.00(a)	€500,000.00(a)
Variable pay	€431,997.00(b)	€23,103.00(c)	€413,022.00(d)	€215,999.00(e)
Multi-year variable pay(f)	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing, and other benefits)	€2,621.00	€2,621.00	€5,244.00	€5,244.00
Attendance fees	€0	€17,000.00	€0	€0
Other pay	-	-	-	-
TOTAL	**€934,618.00**	**€542,724.00**	**€918,266.00**	**€721,243.00**

(a) The housing allowance (€64,959.16 for 2013 and €66,000.00 for 2014) is included in fixed pay received as a corporate officer.
(b) Variable pay in respect of 2013, of which €215,999 (50%) paid in 2014 and the balance deferred (50%) over three years in equal shares of €72,000. For 2015, the final amount paid will be €77,076 (after application of the indexing factor).
(c) Amount paid in 2013 for variable pay in respect of 2012 (€23,103).
(d) Variable remuneration in respect of 2014, of which €206,511 (50%) paid in 2015 and the balance deferred (50%) over three years in equal shares of €68,837.
(e) Amount paid in 2014 for variable pay in respect of 2013 (€215,999).
(f) No multi-year variable pay or bonus share plan during the 2014 fiscal year.

PAY STATEMENT: MR. JEAN-YVES FOREL

Member of the Management Board, Chief Executive Officer – Commercial Banking and Insurance	Fiscal year 2013		Fiscal year 2014	
	Amount due[(1)]	Amount paid[(2)]	Amount due[(1)]	Amount paid[(2)]
Base pay	-	-	-	-
Corporate Office	€500,000.00	€500,000.00	€500,000.00	€500,000.00
Variable pay	€431,997.00[(a)]	€23,103.00[(b)]	€413,022.00[(c)]	€215,999.00[(d)]
Multi-year variable pay[(e)]	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing, and other benefits)	€2,899.00	€2,899.00	€4,344.00	€4,344.00
Attendance fees	€0	€0	€0	€0
Other pay	-	-	-	-
TOTAL	**€934,896.00**	**€526,002.00**	**€917,366.00**	**€720,343.00**

(a) *Variable pay in respect of 2013, of which €215,999 (50%) paid in 2014 and the balance deferred (50%) over three years in equal shares of €72,000. For 2015, the final amount paid will be €77,076 (after application of the indexing factor).*
(b) *Amount paid in 2013 for variable pay in respect of 2012 (€23,103).*
(c) *Variable remuneration in respect of 2014, of which €206,511 (50%) paid in 2015 and the balance deferred (50%) over three years in equal shares of €68,837.*
(d) *Amount paid in 2014 for variable pay in respect of 2013 (€215,999).*
(e) *No multi-year variable pay or bonus share plan during the 2014 fiscal year.*

PAY STATEMENT: MS. ANNE MERCIER-GALLAY

Member of the Management Board, Chief Executive Officer – Group Human Resources and Internal Communications	Fiscal year 2013		Fiscal year 2014	
	Amount due[(1)]	Amount paid[(2)]	Amount due[(1)]	Amount paid[(2)]
Base pay	-	-	-	-
Corporate Office	€500,000.00	€500,000.00	€500,000.00	€500,000.00
Variable pay	€431,997.00[(a)]	€136,380.00[(b)]	€413,022.00[(c)]	€257,595.00[(d)]
Multi-year variable pay[(e)]	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing, and other benefits)	€0	€0	€0	€0
Attendance fees	€0	€0	€0	€0
Other pay	-	-	-	-
TOTAL	**€931,997.00**	**€636,380.00**	**€913,022.00**	**€757,595.00**

(a) *Variable pay in respect of 2013, of which €215,999 (50%) paid in 2014 and the balance deferred (50%) over three years in equal shares of €72,000. For 2015, the final amount paid will be €77,076 (after application of the indexing factor).*
(b) *Amount paid in 2013 for variable pay in respect of 2012 (€136,380).*
(c) *Variable remuneration in respect of 2014, of which €206,511 (50%) paid in 2015 and the balance deferred (50%) over three years in equal shares of €68,837.*
(d) *Amount paid in 2014 for variable pay in respect of 2013 (€215,999) and for the deferred portion of variable pay in respect of 2012 (€41,596).*
(e) *No multi-year variable pay or bonus share plan during the 2014 fiscal year.*

PAY STATEMENT: MR. LAURENT MIGNON[(a)]

Member of the Management Board – Chief Executive Officer of Natixis	Fiscal year 2013		Fiscal year 2014	
	Amount due[(1)]	Amount paid[(2)]	Amount due[(1)]	Amount paid[(2)]
Base pay	-	-	€0	€0
Corporate Office	N/A	N/A	€0	€0
Variable pay	N/A	N/A	€0	€0
Multi-year variable pay[(b)]	N/A	N/A	€0	€0
Exceptional pay	N/A	N/A	€0	€0
Benefits in kind (company car, housing, and other benefits)	N/A	N/A	€0	€0
Attendance fees	N/A	N/A	€0	€0
Other pay[(c)]	€1,766,470.00	€1,759,599.00	€1,981,512.00	€2,037,762.00
TOTAL [(c)]	**€1,766,470.00**	**€1,759,599.00**	**€1,981,512.00**	**€2,037,762.00**

(a) *Laurent Mignon is not paid for his duties as a member of the BPCE Management Board.*
(b) *No multi-year variable pay or bonus share plan during the 2014 fiscal year.*
(c) *Laurent Mignon receives pay from Natixis, a company controlled by BPCE, within the meaning of Article L. 233-16 of the French Commercial Code, for his duties as Chief Executive Officer of Natixis. On November 6, 2013, Laurent Mignon received 90 bonus shares valued at €350, and on July 31, 2014, he received 31,955 performance shares valued at €160,000.*

STATEMENT OF ATTENDANCE FEES AND OTHER PAY RECEIVED BY BPCE NON-EXECUTIVE DIRECTORS FROM JANUARY 1 TO DECEMBER 31, 2014 (TABLE 3)

Rules for the awarding of attendance fees

Article 6 of the Finance Act for 2013 changed the methods for assessing income tax and social security charges on attendance fees received on or after January 1, 2013 by directors and members of the Supervisory Boards of French limited liability companies (sociétés anonymes).

Attendance fees received on or after January 1, 2013 remain subject to the progressive income tax scale as before, but must now include:

- a mandatory flat-rate withholding tax, serving as income tax, at a rate of 21%. This deduction gives entitlement to a tax credit applicable to the income tax calculated using the progressive scale for the year the attendance fees were received;
- social security charges withheld at source, at rates applicable on the date of the levy (15.5% since January 1, 2013, including a CSG (*contribution sociale généralisée* – general social security tax) of 5.1% deductible from taxable income for the year of the payment).

The amounts presented here do not include these withholding taxes.

Other pay

Other pay consists of total attendance fees received by each non-executive director in respect of his duties on the Boards of Group companies during the period in question.

Each attendance fee payment relates to the non-executive director's presence at Board meetings, and is calculated on the basis of the total budget set by each company's Annual General Shareholders' Meeting.

	Fiscal year 2013		Fiscal year 2014	
	Amount due(1)	Amount paid(2)	Amount due(3)	Amount paid(4)
Mr. Stève Gentili (Chairman of the Supervisory Board since January 1, 2014)				
Annual fixed pay			€120,000	€120,000
BPCE director attendance fees	€90,500.04	€92,000.04	€0	€6,000
Other pay	€20,000	€24,287	N/A	€1,295.82
Mr. Yves Toublanc (Vice-Chairman of the Supervisory Board since January 1, 2014)				
Annual fixed pay	€400,000	€400,000	NA	NA
BPCE director attendance fees	N/A	N/A	€93,500	€93,500
Other pay	€3,000	€3,000	€2,400	€2,400
CAISSES D'EPARGNE REPRESENTATIVES				
Ms. Catherine Amin-Garde				
BPCE director attendance fees	€22,000	€23,000	€23,500	€34,500
Other pay	€4,800	€7,500	€6,000	€6,000
Mr. Bernard Comolet (until May 6, 2013)				
BPCE director attendance fees	€11,500	€25,500	N/A	N/A
Other pay	N/A	N/A	N/A	N/A
Alain Denizot				
BPCE director attendance fees	€20,666.67	€12,166.67	€27,500	€41,000
Other pay	€4,200	€4,200	€5,400	€5,400
Mr. Francis Henry				
BPCE director attendance fees	€18,000	€19,000	€19,000	€28,000
Other pay	€10,800	€12,300	€13,300	€12,300
Mr. Pierre Mackiewicz				
BPCE director attendance fees	€22,000	€23,000	€22,300	€33,300
Other pay	€7,500	€12,000	€6,300	€6,300
Mr. Didier Patault				
BPCE director attendance fees	€18,000	€19,000	€19,000	€28,000
Other pay	€32,200	€35,650	€32,300	€32,300
Mr. Pierre Valentin				
BPCE director attendance fees	€26,500	€27,000	€27,500	€41,000
Other pay	€29,625	€53,125	€22,400	€22,400
BANQUE POPULAIRE BANKS REPRESENTATIVES				
Mr. Gérard Bellemon				
BPCE director attendance fees	€22,000	€23,000	€23,500	€34,500
Other pay	€6,300	€9,900	€7,200	€7,200
Mr. Thierry Cahn				
BPCE director attendance fees	€25,500	€27,000	€27,500	€40,000
Other pay	€20,000	€29,500	€22,000	€22,000
Mr. Alain Condaminas				
BPCE director attendance fees	€18,000	€19,000	€19,000	€28,000
Other pay	€34,552	€50,004	€34,972	€34,972
Mr. Pierre Desvergnes				
BPCE director attendance fees	€21,000	€22,000	€22,900	€33,900
Other pay	€6,000	€6,000	€7,500	€6,000

	Fiscal year 2013		Fiscal year 2014	
	Amount due(1)	**Amount paid(2)**	**Amount due(3)**	**Amount paid(4)**
Mr. Philippe Dupont				
BPCE director attendance fees	€17,000	€18,000	€19,000	€27,000
Other pay	€0	€0	€0	€0
Ms. Catherine Halberstadt				
BPCE director attendance fees	€26,500	€27,000	€27,500	€41,000
Other pay	€36,600	€46,500	€39,500	€39,500
INDEPENDENT MEMBERS				
Ms. Maryse Aulagnon				
BPCE director attendance fees	€19,500	€23,000	€34,860	€43,360
Ms. Laurence Danon (until January 16, 2014)				
BPCE director attendance fees	€33,000	€33,000	N/A	€16,500
Mr. Marwan Lahoud				
BPCE director attendance fees	€47,000	€48,000	€48,900	€72,400
Ms. Marie-Christine Lombard				
BPCE director attendance fees	€21,000	€21,000	€26,500	€37,500
Ms. Catherine Colonna (from April 2 to August 25, 2014)				
BPCE director attendance fees	N/A	N/A	€7,642	€7,642
NON-VOTING DIRECTORS				
Natixis represented by Laurent Mignon (until July 11, 2013)				
BPCE director attendance fees	€5,834	€9,500	N/A	€1,334
Other pay	€0	€0	N/A	N/A
Mr. Michel Sorbier (FNCE)				
BPCE director attendance fees	€9,000	€9,500	€9,400	€13,900
Other pay	€6,000	€7,500	€7,500	€7,500
Mr. Pierre Carli				
BPCE director attendance fees	€7,500	€9,000	€8,800	€11,800
Other pay	€3,300	€16,960	€1,800	€13,800
Mr. Alain Lacroix				
BPCE director attendance fees	€4,500	€0	€9,400	€14,817
Other pay	€24,359.29	€39,442.58	€11,972	€11,972
Mr. Yves Gevin				
BPCE director attendance fees	€9,000	€0	€9,400	€18,400
Other pay	€3,300	€5,700	€4,200	€4,200
Mr. Raymond Oliger (FNBP) (until March 12, 2014)				
BPCE director attendance fees	€8,000	€9,000	€2,800	€6,300
Other pay	€11,414	€22,466	€9,000	€9,000
Mr. Dominique Martinie (FNBP) (since March 12, 2014)				
BPCE director attendance fees	N/A	N/A	€7,200	€7,200
Other pay	N/A	N/A	€6,300	€12,300
Mr. Dominique Wein				
BPCE director attendance fees	€9,000	€9,500	€9,400	€13,900
Other pay	€1,500	€13,600	€600	€9,100
Mr. Gils Berrous (until February 17, 2013)				
BPCE director attendance fees	€0	€4,000	N/A	N/A
Other pay	N/A	€3,779.53	N/A	N/A
TOTAL PAY	**€1,197,950.96**	**€1,355,580.78**	**€906,646**	**€1,160,692.82**

(1) Amounts due in respect of 2013: all amounts owed in respect of 2013, regardless of the date of payment.
(2) Amounts paid in respect of 2013: all amounts paid and received in 2013 (due in 2012 and paid in 2013 and due in 2013 and paid in 2013) excluding withholding taxes (amounts actually received by members include withholding taxes).
(3) Amounts due in respect of 2014: all amounts owed in respect of 2014, regardless of the date of payment.
(4) Amounts paid in respect of 2014: all amounts paid and received in 2014 (due in 2013 and paid in 2014 and due in 2014 and paid in 2014) excluding withholding taxes (amounts actually received by members include withholding taxes).
N/A Not applicable.

2.4.3 Stock options

(Table 4)

Stock options allocated to company directors during the 2014 fiscal year

Name of company director	Grant date	Type of option	Value of options	Number of options granted	Strike price	Exercise period

No stock options were granted during the 2014 fiscal year.

(Table 5)

Stock options exercised by company directors during the 2014 fiscal year

Name of company director	Number and date of plan	Number of options exercised during the year	Strike price

No stock options were exercised during the 2014 fiscal year.

(Table 6)

Performance shares allocated to company directors during the 2014 fiscal year (bonus shares associated with performance criteria)

Name of company director	Date of plan	Number of shares granted	Value of shares	Vesting date	End of lock-up period	Performance conditions
Laurent Mignon(1)	7/31/2014	31,955	€160,000	8/1/2018	8/1/2018	Yes

(1) Performance shares granted by Natixis and by any Natixis Group company to Laurent Mignon for his duties as Chief Executive Officer of Natixis.

(Table 7)

Performance shares available for vesting by company directors during the 2014 fiscal year (bonus shares associated with performance criteria)

Name of company director	Number and date of plan	Number of shares vested	Vesting conditions

No performance shares were available for vesting by company directors during the 2014 fiscal year (no award of this type of share).

(Table 8)

Past grants of stock options and bonus shares during the 2014 fiscal year

Name of company director	Grant date	Type of option	Number of options granted	Strike price after adjustment	Start of option exercise period	Expiry date

No stock options or bonus shares were granted during the 2014 fiscal year.

(Table 9)

Stock options exercised by the 10 non-executive director employees who exercised the most options during the 2014 fiscal year

Name of non-executive director employee	Number and date of plan	Number of options granted and exercised during the 2014 fiscal year	Weighted average price

No stock options were granted to or exercised by BPCE employees during the 2014 fiscal year.

(Table 10)

Past bonus share allocation to employees during the 2014 fiscal year

Name of company director	Date of Natixis' Annual General Shareholders' Meeting	Date of Natixis' Board of Directors meeting	Total number of bonus shares granted	Share acquisition date	Date of end of custody period	Number of shares	Total number of shares canceled or lapsed	Bonus shares allocated remaining at period end
Laurent Mignon[(1)]	5/21/2013	7/31/2014	31,955	8/1/2018	8/1/2018	31,955	0	31,955

(1) Past grants of bonus shares by Natixis and by any Natixis Group company to Laurent Mignon for his duties as Chief Executive Officer of Natixis.

2.4.4 Post-employment benefits: company directors

(Table 11)

Name of company director	Term of office		Employment contract	Supplementary pension plan	Pay or benefits due or potentially due as a result of the termination of or a change in duties	Compensation related to a non-compete clause
	Start (or reappointment)	**End**				
François Pérol Chairman of the Management Board	11/21/2012	2017	NO	CGP, IPRICAS	YES	NO
Daniel Karyotis Member of the Management Board Chief Executive Officer – Finance, Risks and Operations	12/1/2012	2017	NO	CGP, IPRICAS, Groupe BPCE executive director pension	YES	NO
Jean-Yves Forel Member of the Management Board Chief Executive Officer – Commercial Banking and Insurance	12/1/2012	2017	YES[(1)]	CGP, IPRICAS Natixis pension guarantee	YES	NO
Anne Mercier-Gallay Member of the Management Board Chief Executive Officer – Group Human Resources and Internal Communications	11/21/2012	2017	NO	CGP, IPRICAS	YES	NO
Laurent Mignon[(2)] Member of the Management Board Chief Executive Officer of Natixis	8/6/2013	2017	NO	N/A	NO	NO

(1) Pre-existing employment contract with Natixis when the term of office began, which was suspended for the duration of the term.
(2) As a member of the BPCE Management Board, Laurent Mignon does not have benefits.

COMMENTS ON THE SUPPLEMENTARY PENSION PLANS

CGP: Supplementary defined-contribution pension plan for all BPCE employees and by extension applicable to company directors.

IPRICAS: Supplementary defined-contribution pension plan for all BPCE employees and by extension applicable to company directors.

Natixis pension guarantee: Defined-benefit pension plan governed by Article L. 137-11 of the French Social Security Code for some Natixis employees.

This plan is an extension of the "Banque Populaire pension guarantee", following the creation of Natixis, which has the following characteristics:

Banque Populaire Chief Executive Officers may receive a "pension guarantee". This pension guarantee is a supplementary pension plan, and the vesting of rights under the plan is subject to the employee finishing his career with the company (Article L. 137-11 of the French Social Security Code). Subscribers to the plan are persons who are or have been Chief Executive Officers of Banque Populaire banks.

Participants, if they fell within the aforementioned category for at least seven years and ended their career with the Banque Populaire network in order to receive a full state pension by age 65 at the latest, shall receive a supplementary pension (pension guarantee) which is equal to the difference between:

- 50% of their benchmark pay, which is equal to average gross pay including benefits in kind in the two calendar years before stopping work and is capped at an amount set by BPCE, which is currently 370,000. During retirement, this amount is adjusted in the same way as AGIRC points; and

- any pension income from other sources (statutory and supplementary group pensions), along with any pay received from the Group if the person resumes work after retirement.

This supplementary pension, once liquidated, may be paid to the person's spouse or former spouse from whom they are divorced providing the former spouse has not remarried, at a rate of 60%.

The 50% rate applies to those persons who have qualified as plan members since July 1, 2004. The rate for other plan members is 70%, falling to 60% from their 70th birthday.

The "BPCE pension guarantee" scheme was closed to new entrants starting on July 1, 2014 and harmonized with the supplementary scheme for Chairmen of the Caisses d'Epargne Management Board (see below).

The "Natixis pension guarantee" uses the same pension calculation method as the "Banque Populaire pension guarantee", with the exception of the benchmark pay, which is currently 389,700 and indexed to AGIRC points.

Jean-Yves Forel retained his membership in this plan when he was appointed as a member of BPCE's Management Board.

Groupe BPCE executive director pension: pension plan governed by Article L. 137-11 of the French Social Security Code.

Until June 30, 2014, Chairmen of the Management Board of Caisses d'Epargne, Members of the Management Board of the former CNCE, and the Chief Executive Officers of Crédit Foncier, Banque Palatine and BPCE IOM could benefit from a supplementary defined benefit pension plan entitling them to additional retirement income based on their salary.

Until June 30, 2014, Banque Populaire Chief Executive Officers could benefit from a differential defined benefit pension plan.

Effective July 1, 2014, these two pension schemes were harmonized under a single supplementary pension plan, which is also closed to new entrants and whose main characteristics are as follows.

To benefit from this plan, the beneficiary must meet all of the criteria below on the day of their departure:

- they must end their career within Groupe BPCE. This condition is met when beneficiaries are Group employees on the day before the determination of their pension under the social security pension plan following voluntary retirement;
- prove they have held an executive director position for a period at least equal to the required minimum (seven years) on the date of the determination of their pension under the social security pension plan.

Beneficiaries who meet the above conditions shall be entitled to a yearly annuity equal to 15% of a benchmark pay equal to their average annual pay in the three highest-paid years during the five calendar years preceding the date of the determination of their pension under the social security pension plan.

Annual pay means the total of the following types of pay received in respect of the year in question:

- fixed pay, excluding benefits in kind or bonuses related to duties;
- variable pay – not exceeding 100% of fixed pay – and defined as the total variable amount paid, including the portion that may have been deferred over several years and subject to attendance and performance requirements in respect of the regulations on variable pay in credit institutions.

The yearly annuity is capped at four times the annual ceiling for social security.

This supplementary pension, once liquidated, may be paid to the person's spouse or former spouse from whom they are divorced providing the former spouse has not remarried, at a rate of 60%.

This plan, which is funded entirely by the Group, is covered by two insurance policies taken out with the Quatrem and Allianz insurance companies.

SUPPLEMENTS

Supplementary pension plans governed by Article L. 137-11 of the French Social Security Code are managed pursuant to section 23.2.6 of the AFEP-MEDEF Code in the revised version it published in June 2013. They are compliant with the principles set out governing the capacity of beneficiaries, the overall setting of base pay, the seniority conditions, the progressive increase in potential rights depending on seniority, the reference period recognized for calculating benefits, and the prevention of artificially inflated pay.

PAY OR BENEFITS DUE OR POTENTIALLY DUE AS A RESULT OF THE TERMINATION OF OR A CHANGE IN DUTIES

Members of BPCE's Management Board may receive:

- **compensation for involuntary termination of their term of office**: in the event their term of office is involuntarily terminated for reasons other than serious misconduct, change of position within the Group or retirement, members of the Management Board may be paid compensation equal to no less than 12 months of pay (fixed and variable pay) and no more than 24 months, awarded to those with 12 years of seniority within the Group; this indemnity, which may not be combined with the retirement indemnity or with benefits from a defined-benefit retirement plan and subject to the employee finishing their career with the company, shall not be paid in the event that the Group generates a negative net income in the last financial year preceding the termination of the relevant corporate office, nor in the event that the member of the Management Board did not obtain at least 33.33% of the maximum variable pay during the last three years of the then current term of office;
- **compensation in the event the term of office is not renewed**: payment is not automatic. However, the Supervisory Board, acting on the basis of an opinion issued by the Appointments and Remuneration Committee, may decide to pay an office termination indemnity, after taking into consideration the circumstances in which the term of office has not been renewed and the former company director's past career within the Group. Such non-renewal shall not be followed by retirement or by a transfer within Groupe BPCE. The amount of this indemnity may not be higher than the indemnity paid in the event of dismissal;
- **retirement bonuses**: members of BPCE's Management Board may receive, based on a Supervisory Board decision, compensation equal to no less than six months' pay and no more than 12 months' (awarded to those with 10 years of seniority), with no minimum requirement for seniority within the Group; this indemnity, which may not be combined with compensation for involuntary termination of their term of office, shall not be paid in the event that the Group generates a negative net income in the last financial year preceding the termination of the relevant corporate mandate, nor in the event that the member of the Management Board did not obtain at least 33.33% of the maximum variable pay during the last three years of the then current term of office.

2.4.5 Procedure for enforcing policies and practices related to pay covered by Articles L. 511-71 to L. 511-88 of the French Monetary and Financial Code

Information on the policies and practices related to pay of members of the executive body and persons whose professional activities have a material impact on the corporate risk profile will be the subject of a report published on the BPCE web site prior to the Annual General Shareholders' Meeting in accordance with the same terms applicable to the registration document.

2.5 Potential conflicts of interest

2.5.1 Members of the Supervisory Board

INTEGRITY OF MEMBERS

In accordance with the internal rules of BPCE's Supervisory Board, Supervisory Board members must perform their duties with loyalty and professionalism.

They must not take any initiatives intended to damage the company's interests, and they must act in good faith in all circumstances.

Furthermore, all members of the Supervisory Board and its committees, as well as anyone who may be invited to attend their meetings, are held to an obligation of professional secrecy, as provided for in Article L. 511-33 of the French Monetary and Financial Code, and to an obligation of discretion regarding their discussions, as well as regarding any confidential information or information presented as confidential by the Chairman of the meeting, as provided for in Article L. 225-92 of the French Commercial Code.

The Chairman of the Board reiterates that the proceedings of a meeting are confidential whenever regulations or the interests of the company or Groupe BPCE may require it. The Chairmen of each Board committee proceed in the same fashion.

The Chairman of the Board or one of its committees shall take the measures necessary to ensure the confidentiality of discussions and may require all persons taking part in a meeting to sign a confidentiality agreement.

If a member of the Board or one of its committees fails to comply with an obligation, in particular the obligation of confidentiality, the Chairman of the Supervisory Board shall refer the matter to the Board in order to issue a warning to said member, independently of any measures taken under the applicable legal, regulatory or statutory provisions. Said member shall be given advance notice of the penalties being considered, and shall be able to present observations to the Supervisory Board.

Finally, Supervisory Board members:

- undertake to devote the necessary time and attention to their duties;
- must attend all of the meetings of the Supervisory Board and the committees of which they are members, unless this is impossible;
- shall stay informed about the company's business lines, activities, issues and values;
- shall endeavor to maintain the level of knowledge they need to fulfill their duties;
- must request and make every effort to obtain, within an appropriate time, the information which they consider they need to be able to hold informed discussions at Supervisory Board meetings.

CONFLICTS OF INTEREST

To the company's knowledge:

- there are no potential conflicts of interest between the duties of the Supervisory Board members with regard to the issuer and other private duties or interests. If required, the Supervisory Board's internal rules govern the conflicts of interest of any member of the Supervisory Board;
- there is no arrangement or agreement with an individual shareholder, client, supplier, or other, under which any of the Supervisory Board's members has been selected;
- there are no family ties between the Supervisory Board members;
- no restriction, other than legal, is accepted by any of the Supervisory Board members regarding the disposal of their equity interest in the company.

DECLARATION OF NON-CONVICTION

To the company's knowledge, to date, no member of BPCE's Supervisory Board has been convicted of fraud in the last five years. To the company's knowledge, to date, no member of BPCE's Supervisory Board has been declared bankrupt or in liquidation, or had assets put in receivership, in the last five years.

2.5.2 Members of the Management Board

INDEPENDENCE AND INTEGRITY

Members of the Management Board may hold other offices subject to laws and regulations in force. A Management Board member may not perform duties similar to those of Chief Executive Officer or Deputy Chief Executive Officer within a Caisse d'Epargne or a Banque Populaire bank.

CONFLICTS OF INTEREST

To the company's knowledge:

- there are no conflicts of interest between any duties of Management Board members with respect to the issuing entity and their private interests or other duties;
- there are no family ties between Management Board members.

At the filing date of this document, no member of the Management Board was linked to BPCE or any of its subsidiaries by a service contract providing for benefits.

DECLARATION OF NON-CONVICTION

To the company's knowledge, to date, no member of the Management Board has, for at least the previous five years, been convicted of fraud, associated with bankruptcies, receiverships or liquidations, convicted of a crime or subject to an official public sanction handed down by statutory or regulatory authorities, or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer.

2.6 Chairman's report on internal control and risk management procedures for the year ended December 31, 2014

Dear Shareholders,

In addition to the management report and in accordance with Article L. 225-68 of the French Commercial Code, this report contains information on:

- the composition of the Supervisory Board and implementation of the principle of balanced representation of women and men, the conditions governing the preparation and organization of the Supervisory Board's work during the year ended December 31, 2014 and the principles and rules governing the determination of all types of pay and benefits granted to corporate officers, which are discussed in Chapters 2.1, 2.2, 2.3 and 2.4 of this document;
- internal control and risk management procedures adopted by BPCE;
- internal control procedures for the preparation and processing of accounting and financial information.

This report was completed under my authority on the basis of available documentation about internal control and risk management within Groupe BPCE.

The section covering internal control and risk management was presented to the Audit and Risk Committee on February 13, 2015; and the governance section was presented to the Appointments and Remuneration Committee on February 18, 2015 and subsequently approved by the Supervisory Board during its meeting on February 18, 2015.

The external Statutory Auditors will issue a specific report, appended to their report on the annual financial statements, containing their observations on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and attesting to the provision of other information as required under Article L. 225-235 of the French Commercial Code.

INTRODUCTION

Since August 4, 2009, when BPCE became operational, the governance of the internal control system has rested with the Management Board and the Supervisory Board.

The Management Board defines and implements the organization and resources to ensure the proper assessment and management of risks in a comprehensive and optimal manner. Its control framework is appropriate to the financial position and strategy of BPCE and Groupe BPCE. It is responsible for risk management and reports to the Supervisory Board on these activities. It regularly monitors the implementation of policies and strategies defined for all kinds of risks. Together with the heads of the Group's control functions, it keeps the Audit and Risk Committee and Supervisory Board regularly informed of the main items and main conclusions drawn from the analysis and monitoring of risks associated with the activities and results of Groupe BPCE.

The Supervisory Board oversees the management of the principal risks incurred, approves the main risk limits and appraises the internal control system in accordance with the regulatory framework. To this end, the Board is supported by an Audit and Risk Committee in charge of preparing its decisions and formulating recommendations. The duties, resources, make-up and activity of this Committee in 2014 are detailed in the section of this report on corporate governance.

2.6.1 Internal control provisions

Groupe BPCE's internal control system is structured in accordance with the legal and regulatory requirements of all texts governing the Group and its activities (particularly the French Monetary and Financial Code and Decree A-2014-11-03 on internal control), and with the governance framework and principles (charters and standards) established within the Group.

Groupe BPCE's internal control structure is based on four principles:

Comprehensiveness of the control scope

The internal control system covers all risks and all Group businesses and activities, including those that are outsourced. It is continually adapted in the event that new businesses are consolidated or the types of risks incurred change.

Suitability of controls to the types of risk incurred and auditability of controls

Suitability of controls implies:

- systems, methods and tools for measuring and monitoring risks that result in substantial investment;
- resources, particularly human resources, that are appropriate and sufficient in terms of both quantity and quality.

Auditability implies:

- the existence of organizational charts, job descriptions and clear delegation of authority;
- the existence of complete, specific operating procedures that cover all activities, describe control types and responsibilities in detail, and are readily available;
- the definition of reporting lines, alert mechanisms and accountability.

Independence of controls and separation of duties between those that incur risk and those that monitor it

At all levels and for all activities carried out by Groupe BPCE's businesses, the offices involved in performing internal control are organized under terms that guarantee:

- the distinction between front-office and back-office duties;
- the existence of two levels of permanent controls;
- the distinction between periodic and permanent controls.

Although first-level controls are primarily the responsibility of the operating divisions and support functions, permanent second-level controls and internal audit are provided by independent central functional divisions, whose managers, as defined by Articles 16-17 and 28-29 of Decree A-2014-11-03 on internal control, report to the executive managers as defined by Article 10 of the same regulation.

Consistency of the internal control system – process-based operations

Standards are laid down by BPCE in accordance with its legal responsibilities and requirements for supervision on a consolidated basis set by Decree A-2014-11-03 on internal control, and are intended to ensure a consistent, consolidated approach to risks. Process-based operations contribute to this as well: the permanent and control duties located within the Banque Populaire banks, Caisses d'Epargne, subsidiaries and other affiliates, subject to the banking supervision regulatory framework, have a strong functional link, as part of the consolidated control processes, to the relevant BPCE central control divisions: the Group Risk Management division, Group Compliance and Security division and Group *Inspection générale* division. This functional link is described in the various control department charters.

This type of organization is duplicated in the Group's businesses, which themselves are parent companies.

The other central duties that contribute to permanent control (Accounting Review, IT System Security and, to a certain extent, Human Resources and Legal Affairs) are also organized by department.

2.6.2 General organization

AT THE GROUP LEVEL

Like the central institution, the Group control system relies on three levels of controls, in accordance with banking regulations and sound management practices: two levels of permanent controls and one level of periodic control, as well as the establishment of consolidated control processes in accordance with provisions approved by BPCE's Management Board.

PARTICIPANTS IN THE CONTROL SYSTEM

Permanent hierarchical control (Level One)

Permanent hierarchical control (Level One) is the first link in internal control and is performed by the operating or support services under the supervision of their line management.

These services' responsibilities include:

- checking compliance with risk limits, as well as transaction processing procedures and their compliance;
- reporting operational risk incidents observed and establishing the business indicators necessary for the evaluation of operational risks;
- supporting account balances arising from activity in the accounts concerned by transactions initiated in these departments.

Depending on the situations and activities, these first-level controls are performed, jointly if applicable, by a special middle-office type control unit or accounting control entity, or otherwise by the operational staff themselves.

First-level controls are reported formally to the relevant permanent control divisions or offices.

Permanent control by dedicated entities (Level Two)

Permanent second-level controls within the meaning of Article 13 of Decree A-2014-11-03 on internal control are performed by entities dedicated exclusively to this duty, such as the Group Compliance and Security division and the Group Risk Management division.

Other central offices contribute to the permanent control system: the Group Finance division, responsible for accounting control, the Legal Affairs division, the Operations business line responsible for information system security, and the Group Human Resources division responsible for certain issues affecting the pay policy.

Periodic control (Level Three)

Periodic control within the meaning of Article 17 of Decree A-2014-11-03 on internal control is performed by the Group's *Inspection générale* division and implemented by the audit process across all entities and activities, including permanent control.

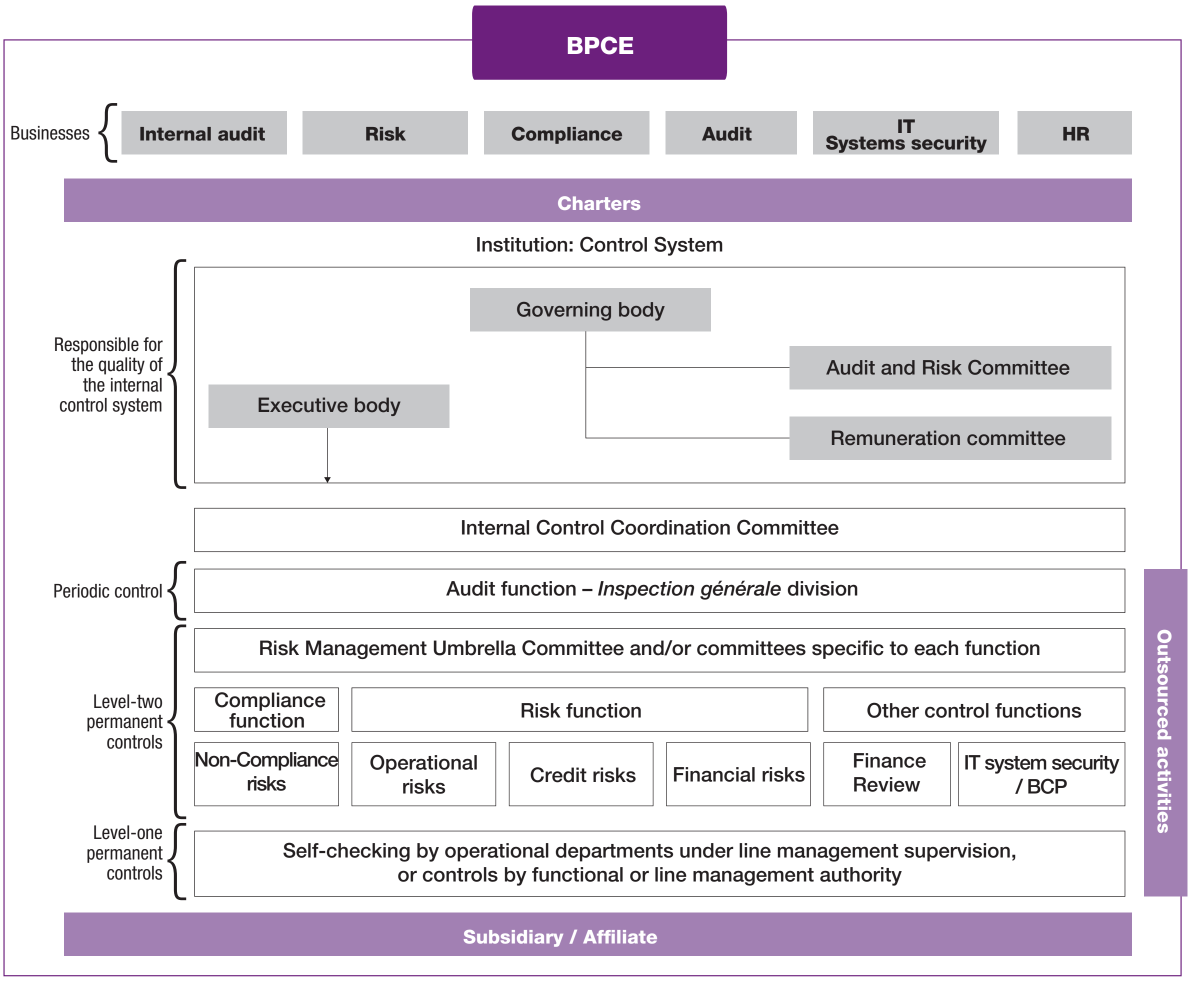
DEPARTMENTS

Integrated permanent and periodic control processes have been implemented within Groupe BPCE. Three permanent and periodic control divisions are established within the central institution, which manages these departments: the Group Risk Management division and the Group Compliance and Security division for permanent controls, and the Group *Inspection générale* division for periodic controls. The permanent and periodic control offices, which are located at affiliates and subsidiaries subject to banking supervision, have a strong functional link, as consolidated control departments, to BPCE's corresponding central control divisions and a hierarchical link to their entity's executive body (see audit department). This link includes approval of the appointment and dismissal of managers responsible for permanent or periodic control at affiliates and direct subsidiaries; reporting, disclosure and alert obligations; standards implemented by the central institution and laid down in a body of standards; and the definition or approval of control plans. These links have been formally defined in charters covering each department. The entire system was approved by the Management Board on December 7, 2009 and presented to the Audit Committee on December 16, 2009. It has also been presented to the Supervisory Board of BPCE.

As mentioned above, the system also includes the Accounting Review, IT System Security and, to a certain extent, the Human Resources and Legal Affairs departments.

ORGANIZATION OF GROUPE BPCE'S INTERNAL CONTROL SYSTEM

ORGANIZATION OF GROUPE BPCE'S INTERNAL CONTROL SYSTEM



Internal Control Coordination Committee

The Chairman of the central institution's Management Board is responsible for ensuring the consistency and effectiveness of permanent controls.

A Group Internal Control Coordination Committee (CCCIG), chaired by the Chairman of the Management Board or his representative, meets periodically.

This committee has responsibility for dealing with all issues relating to the consistency and effectiveness of the Group internal control system, as well as the results of risk management and internal control work and follow-up work.

Its responsibilities include:

- keeping executive management regularly updated about developments in the Group control framework;
- highlighting areas of emerging or recurring risk, arising from developments in business, changes in the operating environment or the state of the control systems;
- reporting significant failures to executive management;
- examining the methods for implementing the principal regulatory changes and their potential implications on the control framework and tools;
- ensuring that findings from controls are properly taken into account, reviewing remedial measures decided, prioritizing them and monitoring their implementation;
- deciding measures to be implemented to reinforce the level of security for the Group, and coordinating, where necessary, initiatives developed by the permanent control functions of the central institution.

Committee members include the Management Board member in charge of Finance, Risks and Operations, Heads of periodic control (the Group's *Inspection générale* division) and permanent control offices (Group Risk Management division, Group Compliance and Security division), the Group Head of IT System Security (RSSI), and the person within the Group Finance division who is responsible for overseeing the accounting review process. The member of the Management Board in charge of Commercial Banking and Insurance is a standing member. If applicable, this committee may hear reports from operational managers about measures taken by them to apply recommendations made by internal and external control bodies.

Group Risk Management Committee: Umbrella Committee

Its scope covers the entire Group (central institution, networks and all subsidiaries).

It sets the broad risk policy, decides on the global ceilings and limits for Groupe BPCE and for each institution, validates the delegation limits of other committees, examines the principal risk areas for Groupe BPCE and for each institution, reviews consolidated risk reports, and approves risk action plans for the measurement, supervision and management of risk, as well as Groupe BPCE's principal risk standards and procedures. It monitors limits (Decree A-2014-11-03 on internal control, Art. 226), particularly when global limits are likely to be reached (Decree A-2014-11-03 on internal control, Art. 229).

Global risk limits are reviewed at least once a year and presented to the Audit and Risk Committee (Decree A-2014-11-03 on internal control, Art. 224). The Group Risk Management Committee proposes criteria and thresholds to the Audit and Risk Committee for identifying incidents to be brought to the attention of the supervisory body (Decree A-2014-11-03 on internal control, Art. 98 and 244). It notifies the Audit and Risk Committee twice a year of the conditions under which the limits set were observed (Decree A-2014-11-03 on internal control, Art. 252).

At the same time, several committees are intended either to define shared methodological standards for measurement, control, reporting and consolidation for all risks within the Group, or to make decisions about risk projects with an IT component.

Committees specific to each department

Credit Risk/Commitment committees

Several kinds of committees were established to manage credit risk for the full Group scope, meeting at varying frequencies depending on their roles (ex-post or decision-making analysis) and their scope of authority.

Financial Risk committees

The Group has also established decision-making and supervisory committees for both market and ALM risk. The frequency of their meetings is tailored to institutional and Group needs.

Furthermore, these Financial committees are more specifically dedicated to standardizing the body of accounting and financial information within the Group and to controlling this information, as well as defining the Group's communication strategy with regard to the financial community, along with the methods to be implemented to promote the Group's reputation in the markets.

Operational Risk Committee

This committee meets quarterly and includes Groupe BPCE's various business lines, which contribute to the consolidated risk map (Compliance, Risk, IT System Security, Business Continuity and Accounting Review). Its purpose is to approve the operational risk mapping and action plans throughout the Group, and to perform consolidated monitoring of the level of losses, incidents, and alerts, including reports made to the ACPR under Article 98 of Decree A-2014-11-03 on internal control.

2.6.3 Periodic control

STRUCTURE AND ROLE OF THE GROUP'S *INSPECTION GÉNÉRALE* DIVISION

Duties

In accordance with the central institution's responsibilities and because of collective solidarity rules, the Group's *Inspection générale* division has the task of periodically checking that all Group institutions are operating correctly, and it provides company directors with reasonable assurance as to their financial strength.

In this capacity, it ensures the quality, effectiveness, consistency and proper operation of their permanent control framework and the management of their risks. The scope of the Group's *Inspection générale* division covers all risks, institutions and activities, including those that are outsourced.

Its main objectives are to evaluate and report to the executive and governing bodies of Groupe BPCE and entities on:

- the quality of the financial position;
- the actual level of risk incurred;
- the quality of organization and management;
- the consistency, suitability and effectiveness of risk measurement and management systems;
- the reliability and integrity of accounting and management information;
- compliance with laws, regulations and rules applicable to Groupe BPCE or each company;
- the effective implementation of recommendations made following previous audits and by regulators.

The Group's *Inspection générale* division reports to the Chairman of the Management Board, and performs its work independently of the operational and permanent control divisions.

Representation in governance bodies and Group Risk Management Committees

To fulfill its role and effectively contribute to promoting a control culture, the Group's Head of Internal Audit participates as a non-voting director on the central institution's key committees involved in risk management.

The Head of Internal Audit is a member of the Group Internal Control Coordination Committee and is a standing member of BPCE's Audit and Risk Committee, the Natixis Audit Committee, and the Audit Committees of Groupe BPCE's main subsidiaries (BPCE IOM, Crédit Foncier, and Banque Palatine).

Scope of activity

To fulfill its role, the Group's *Inspection générale* division establishes and maintains an up-to-date Group audit scope inventory, which is defined in coordination with the internal audit teams of the Group's institutions.

It ensures that all institutions, activities and related risks are covered by full audits, performed with a frequency defined according to the overall risk level of each institution or activity, and in no event less than once every four years for banking activities.

In this regard, the Group's *Inspection générale* division takes into account not only its own audits, but also those performed by the supervisory authorities and the internal audit divisions.

The annual audit program for the Group's *Inspection générale* division is approved by the Chairman of the Management Board. It is also examined by the Group Audit and Risk Committee. This Committee ensures that the audit program provides satisfactory coverage of the Group's audit scope over several years and may recommend any measures to this effect. It reports on its work to the Supervisory Board of BPCE.

Reporting

The assignments completed by the Group's *Inspection générale* division result in the formulation of recommendations prioritized by order of importance. These are monitored on a regular basis, at least every six months.

The Group's *Inspection générale* division reports its findings to the company directors of the audited entities and to their supervisory body. It also reports to the Chairman of the Management Board of BPCE, to BPCE's Audit and Risk Committee and to the Supervisory Board of BPCE. It provides these bodies with reports on the implementation of its main recommendations and those of the ACPR. It ensures that remedial measures decided as part of the internal control system, in accordance with Article 26 of Decree A-2014-11-03 on internal control, are executed within a reasonable timeframe, and can refer matters to the Audit and Risk Committee if measures are not executed.

It coordinates the timetable for drafting regulatory reports.

Relationship with the central institution's permanent control divisions

The Group's Head of Internal Audit maintains regular discussions within the central institution and exchanges information with unit heads within their audit scope and, more specifically, with divisions responsible for second-level control.

The division heads must expediently notify the Head of Internal Audit of any failure or major incident brought to their attention. The Head of Internal Audit, along with Head of Group Risk Management, and Head of Group Compliance and Security, must expediently inform each other of any audit or disciplinary procedure initiated by the supervisory authorities, or more generally of any external audit brought to their attention.

Activities in 2014

The *Inspection générale* division completed its audit plan as scheduled for the most part. It made a significant contribution to the Asset Quality Review (AQR) project, carried out at the request of the European Central Bank (ECB), to conduct a thorough review of the quality of the assets held by the Group's entities. Furthermore, it contributed to stress tests aimed at measuring the Group's resilience under various scenarios proposed by the European regulatory body.

It also conducted half-yearly monitoring of the implementation of its own recommendations and those of the ACPR, which are intended to promote, if necessary, the escalation of alerts to the Audit and Risk Committee, pursuant to Article 26 of Decree A-2014-11-03 on internal control.

AUDIT DEPARTMENT

Organization of the Audit department

Groupe BPCE's *Inspection générale* division oversees all audit processes. Its operating procedures – aimed at achieving consolidated supervision and optimal use of resources – are set out in a charter approved by BPCE's Management Board on December 7, 2009.

The objective of this organization is to ensure coverage of all Group operational or support function units within the shortest possible timeframe, as well as to achieve effective coordination with entities' internal audit divisions.

The internal audit divisions of affiliates and directly-owned subsidiaries have a strong functional link to the Group's *Inspection générale* division and a hierarchical link to their entity's executive body.

This strong functional link is established through the following rules:

- the appointment or dismissal of internal audit directors of the affiliates or direct subsidiaries are subject to the prior approval of the Group Head of Internal Audit;
- the existence of a single Group Audit Charter within Groupe BPCE. It sets out the purpose, powers, responsibilities and general organization of the internal audit process in the overall internal control system and is applied to all Group companies monitored on a consolidated basis; this charter is broken down into thematic standards (audit resources, audit of the sales network, audits, follow-up of recommendations, etc.);
- the Group's *Inspection générale* division ensures that the entities' internal audit divisions have the necessary resources to perform their duties; the budget and staff levels of these departments are set by the executive body of the affiliates and subsidiaries, in conjunction with the Group's *Inspection générale* division;
- the entities' internal audit departments use audit methods defined by the Group's *Inspection générale* division that are drawn up in consultation with them;
- multi-year and annual programs of the Group institutions' internal audit divisions are approved with the agreement of the Group's *Inspection générale* division and consolidated by this same division; the Group's *Inspection générale* division is kept regularly informed of their implementation and of any changes to the scope;
- the institutions' internal audit reports are transmitted to the Group's *Inspection générale* division as and when they are issued;
- audit reports from regulatory authorities relating to entities, related follow-up letters and answers to those letters, and sanction procedures are transmitted to the Group's *Inspection générale* division when they are received or issued, if sent directly to the institution;
- the Group's *Inspection générale* division is notified as soon as possible of the start of audits performed by regulators on entities and subsidiaries, as well as any proceedings against them;
- the annual reports of the entities prepared pursuant to Articles 258 to 264 of Decree A-2014-11-03 on internal control are sent to the Group's *Inspection générale* division, which forwards them to the supervisory authorities.

This type of organization is duplicated in the subsidiaries and affiliates which are parent companies.

The rules governing how the internal inspection business line is managed between Natixis and the central institution are part of Groupe BPCE's audit process.

Given the scope and nature of the activities of the audit function, the Group's *Inspection générale* division and Natixis' *Inspection générale* share coverage of the audit scope. They each conduct audits. A Coordination Committee meets regularly and involves both *Inspection générale* divisions. It is responsible for all issues related to the operation of internal audit between the central institution and Natixis group.

Activities in 2014

BPCE's *Inspection générale* division continued its overhaul of audit standards and methodology which began in August 2009, based on best practices. In particular, it implemented the updated "recommendations" standard, which was reviewed in 2013 to include an alert mechanism on compliance with schedules established for monitoring the implementation of the recommendations. Furthermore, a quality review procedure was also implemented over the course of 2014. The aim of this procedure is to define uniform rules for assessing the organization and work of the audit divisions in the various Groupe BPCE entities.

At the same time, the operational implementation of the shared recommendation follow-up tool ("Reco!") is complete as of the end of 2014 for all Groupe BPCE entities, and now includes a series of reports intended to leverage the data used. In addition, the preparation and updating of audit guides initiated in 2010 was continued to provide a body of uniform guidelines covering the most commonly audited areas. Complemented by appendices and a set of documents, these audit guidelines are primarily accessible via the intranet for the Group's audit department and/or the Group *Inspection générale*'s shared server and are regularly updated.

The alignment of Natixis' Internal Audit department methods with those of Groupe BPCE's *Inspection générale* division has also been completely finalized, both in terms of harmonizing ratings and assessing recommendation follow-up as well as synchronizing respective annual macro-timetables within a shared scope of auditable units, while relying on a consistent risk assessment approach, the joint preparation of audit plans, and the joint establishment of fields of investigation/audit standards.

2.6.4 Risk monitoring and measurement

GROUPE BPCE RISK MANAGEMENT DIVISION

2014 was marked by the Comprehensive Assessment, an exceptional evaluation that provided a broad and in-depth review of the Group's major asset classes. This assessment does not call into question the existing accounting provision system; it is used to verify that Groupe BPCE's credit portfolios are managed prudently and appropriately.

The Groupe BPCE Risk Management division measures, monitors and manages risk, excluding compliance risks, in accordance with the Decree of November 3, 2014 on internal control.

It ensures that the risk management system is efficient, complete and consistent, and that the level of risk taken is consistent with the guidelines of the activity (particularly goals and resources), of the Group and its institutions, including the Risk Management process.

As part of its functions, the Risk Management division:

- helps draw up risk policy on a consolidated basis, examines overall risk limits, takes part in discussions on capital allocation, and ensures that portfolios are managed in accordance with these limits and allocations;
- helps the Management Board identify emerging risks, the accumulation of risk and other adverse developments, and devise strategy and determine risk appetite; performs stress tests with the goal of identifying areas of risk and the Group's resilience under various predetermined shock scenarios;
- defines and implements standards and methods for consolidated risk measurement, risk mapping, risk-taking approval, risk control and reporting, and compliance with laws and regulations;
- assesses and controls the level of risk on a Group scale;
- is responsible for permanent supervision, including detecting and resolving limit breaches, and centralized forward-looking risk reporting on a consolidated basis;
- is responsible for second-level control of certain processes for preparing financial information and implements a Group system of second-level permanent risk control that covers subjects related to governance, organization, the work of risk management processes and the roll-out of standards;
- manages risk information systems in close coordination with IT departments, while defining the standards to be applied for the measurement, control, reporting and management of risks. The Risk Management division is responsible for permanent second-level controls of the reliability of risk information systems;
- maintains strong functional links with the Risk Management department by participating in the work of local risk management committees or receiving the results of their work, coordinating the department and providing support to all new company directors or Heads of Risk Management.

MAIN TYPES OF RISK

Credit risk

Organization

Risk measurement relies on rating systems adapted to each category of customer and transaction, of which the Groupe BPCE Risk Management division is responsible for defining and controlling performance.

Decisions are made at Groupe BPCE – subject to regulatory ceilings, a system of internal ceilings and limits, relating to major groups (a company composed of its subsidiaries) – on a consolidated basis, and a principle of counter-analysis involving the Risk Management function, with a right of appeal that may result in submission to the higher-level Credit Committee. Decision-making in each Groupe BPCE entity is carried out within the framework of delegation procedures.

The Risk Management division measures and monitors compliance with regulatory ceilings at the Group level for the BPCE Group Risk Management Committee, in accordance with regulation No. 93-05 of December 21, 1993 relating to the control of large risk exposures. Monitoring of compliance with internal ceilings and limits is regularly checked by the Group Risk Management Committee and the Group Audit and Risk Committee.

Within Groupe BPCE, an internal rating methodology shared by both networks (specific to each customer segment) is applied for individual and professional retail customers, as well as for the corporate, "central banks and other sovereign exposures", "central administrations", "Public-sector and similar debt" and "financial institutions".

Risk monitoring within Groupe BPCE focuses on the quality of information, which is necessary for proper risk assessment, on the one hand, and the level of and trend in risks taken on the other. Compliance with the application of standards and quality of data is managed through monitoring established in all asset classes for which applications are shared by both the Banque Populaire and Caisse d'Epargne networks. In conjunction with the consolidated Risk Management and Modeling department, the supervision teams analyze portfolios to help identify the main concentrations of risk.

The different levels of control within Groupe BPCE operate under the supervision of the Risk Management division, which is also responsible for consolidated summary reporting to the various decision-making bodies.

Sensitive matters (cases on the watchlist) and the provisioning policy for the main risks shared by several entities (including Natixis) are regularly examined by the Group Watchlist and Provisions Committee.

Activities in 2014

Within the framework of the Group Credit Committee, the Groupe BPCE Risk Management division renewed the Group's limits for counterparties in the banking, corporate, regional public authority and investment sectors, as well as for real estate professionals and commodities traders.

In order to supplement its credit risk monitoring system, Groupe BPCE implemented several risk management policies in the Group's key structural segments: home loan, consumer loan, real estate professional, and LBO policies. The existing sector policy system, which is intended to define recommendations on sectors to which the Group's institutions have the most sensitive exposure, is complete and is subject to annual review.

The Group's watchlist monitoring process was also expanded to include banking and sovereign asset classes alongside existing asset classes in order to ensure consistency in provisioning for the main doubtful loans shared by several entities. The loans on the performing loan watchlist are also subject to closer supervision.

Finally, the control of the review of major risks incurred by networks was strengthened as part of the ex-post system. In addition, subsidiaries Crédit Foncier, Banque Palatine and BPCE IOM's delegations were reviewed.

Market risk

Organization

The Risk Management division works in the areas of risk measurement, definition and monitoring of limits, and monitoring of market risks:

- risk measurement:
  - determining the principles of market risk measurement, which are then validated by the various appropriate Risk Management committees,
  - implementing the tools needed to measure risk on a consolidated basis,
  - producing risk measurements, including those corresponding to market operational limits, or ensuring that they are produced as part of the risk process,
  - determining policies for adjusting values or delegating them to the Risk Management divisions of the institutions involved, and centralizing the information,
  - ensuring second-level validation of management results and cash valuation methods;
- defining and monitoring limits:
  - examining the limit framework and setting limits (global limits and, where necessary, operational limits) adopted by the various appropriate Risk Management committees, as part of the comprehensive risk process,
  - examining the list of authorized products within the institutions involved and the conditions to be complied with, and submitting them for approval to the appropriate Market Risk Committee,
  - examining requests for investments in financial products, in new capital market products or activities, by the banking institutions involved via the New Market Product Committee,
  - harmonizing processes for managing the trading book compartments and medium- to long-term portfolios of the Banque Populaire and Caisse d'Epargne networks (monitoring indicators, definition of indicator limits, monitoring and control process and reporting standards);
- market risk supervision:
  - consolidating Group risk mapping,
  - carrying out or overseeing daily supervision of positions and risks with respect to allocated limits (overall and operational limits), organizing the decision-making framework for limit breaches and ensuring or overseeing the permanent supervision of limit breaches and their resolution,
  - preparing the consolidated scorecard for the various decision-making bodies.

Activities in 2014

In 2014, in banking, the bond portfolio framework was finalized for the entire Group with the setting of limits for credit spread stress tests, by sector and overall (sovereign, corporate, covered bonds). It is also subject to limits in terms of diversification and concentration (country, sector, issuer and level of participation). A monthly risk monitoring report, produced by the central institution, is provided to all Group institutions.

In coordination with the Finance division, the Risk Management division contributed to the definition of a balance sheet segmentation standard for all Group institutions in 2013, which was rolled out in 2014.

In a changing regulatory environment, the Risk Management division carried out several defining projects for the Group:

- prudent valuation: development of methodologies for measuring Additional Value Adjustments (AVAs) under the "core" approach to ensure that the portfolio is prudently valuated, i.e. that the value of the instruments following the unwinding or hedging of positions under normal market conditions is defined with a confidence level of 90%. The estimate of this impact has been incorporated into the Group's COREP statements since September 30, 2014, ahead of the deadline set by regulation (March 31, 2015).

- French law on the separation and regulation of banking activities (the French Banking Act or FBA): the mapping of the market activities carried out in 2014 for Groupe BPCE concluded that there were 35 internal units subject to an exception, excluding sound and prudent cash management, within the meaning of law no. 2013-672 of July 26, 2013 on the separation and regulation of banking activities. At the level of Groupe BPCE, a set of Group standards (the "FBA indicators") was developed by finance and risk workshops. These standards define the FBA indicators to be calculated for each internal unit according to their classification within the meaning of Article L. 511-47 of the French Monetary and Financial Code, along with the methods for calculating (frequency, methodology, tools, etc.), producing, analyzing and consolidating them.

Interest rate, liquidity and foreign exchange risk

Organization

The Groupe BPCE Risk Management division forms part of the system for managing structural balance sheet risks (liquidity, interest rate, and foreign exchange risks), ensuring second-level controls. In particular, the following points are subject to controls or critical reviews:

- the list of identified risk factors and balance sheet risk mapping;
- the parameters of the prepayment model;
- run-off distribution agreements;
- definition of instruments authorized to cover balance sheet risks;
- monitoring indicators (in particular, stress tests and regulatory indicators), and the rules and frequency of reporting to the ALM Committee;
- control standards relating to procedures for setting limits and managing limit breaches, and to the monitoring of action plans;
- quantitative models for liquidity (run-off of passbook savings accounts, and regulated home savings plans and accounts), interest rates and exchange rates as well as models for the home savings provision (rate model, behavioral models, etc.).

The Risk Management division examines requests for ALM (asset and liability management) limits defined by the ALM Committee. The Group Risk Standards and Methods Committee validates controls to be carried out by the ALM Risk Management department. More specifically, the Risk Management division controls:

- the measurement of indicators calculated in accordance with the standards established by the ALM Committee;
- the observation of limits on the basis of the required information reported;
- the implementation of action plans to reduce risks in order to bring them back within operational limits.

All of these duties are the responsibility of each entity's risk management department for its own scope and the Groupe BPCE Risk Management division on a consolidated level. Each entity documents controls in a second-level control report that includes:

- the quality of the risk supervision system;
- observation of limits and monitoring of corrective action plans in the event of limit breaches;
- and analysis of changes in the balance sheet and risk indicators.

The validation teams of the Risk Management division examine the quantitative models developed by the Finance division for managing liquidity and provisions, and present the findings of their review to the Group ALM Committee, the ACPR and the Statutory Auditors.

Activities in 2014

As part of its management and monitoring system for structural balance sheet risks, the Group Risk Management division:

- helped update Group ALM standards and Group ALM risk standards;
- reviewed liquidity risk limits;
- finalized the deployment of second-level controls for BPCE SFH (Groupe BPCE's housing loan company), a covered bond-issuing entity;
- continued to define and implement controls related to collateral provided as a guarantee in refinancing systems. The Risk Management division also coordinated the development of first-level and second-level control guidelines for collateral under funding arrangements. These guidelines apply to all Group institutions;
- contributed to the validation of Group internal methodology standards and functional specifications, as well as the calculation of Basel III ratios, i.e. the LCR (Liquidity Coverage Ratio) and the NSFR (Net Stable Funding Ratio) 1-month and 1-year liquidity ratios. Detailed controls are carried out at each reporting date, especially with regard to liquidity reserves;
- rolled out the new Group AML tool for use within the Banque Populaire and Caisse d'Epargne networks. This tool offers expanded control capabilities for the Risk Management process (simulation of run-off distribution and alternative rate scenarios, for example) and automatically supplies data to its automated reporting system;
- carried out a review of the rate model and behavioral models of regulated home savings plans in the savings phase used for home savings provisioning.

Operational risks

Organization

The Groupe BPCE Risk Management division contributes to the operational risk management policy. To this end, it:

- defines and updates operational risk standards applicable to all Group institutions;
- carries out and updates risk mapping based on uniform evaluation standards across the entire Group;
- rolls out and controls the implementation of the operational risk monitoring and management system;
- manages the operational risk, incidents and losses data collection tool, and assists institutions with the approval and use of the tool;
- ensures the escalation of significant incidents (particularly Article 98 of Decree A-2014-11-03 on internal control) to the Group's management bodies;
- issues recommendations and monitors remedial action plans relevant to major incidents;
- contributes to permanent risk supervision by preparing consolidated summary reports for submission to various bodies;
- coordinates the Operational Risk process through national operational risk days and theme-based working groups.

Activities in 2014

The Key Risk Indicators incorporated into the new operational risk management tool were subject to reinforced assessment and monitoring in 2014. This system for measuring changes in the risk profiles of institutions complements the assessment of the Group's exposure to operational risks.

Also during the year, a project to overhaul COREP regulatory reporting within the framework of Basel III was carried out and a review of internal reports was conducted.

The coordination of the Operational Risk process largely continued over the course of the year through the organization of several national risk days dedicated to the process, and discussions and visits to greatly reinforced institutions for support and to share methods and best practices.

Finally, the training program for operational risk heads and officers was also reinforced during the year with the implementation of internal training provided to new entrants.

Underwriting risks related to insurance activities

Organization

The Groupe BPCE Risk Management division, in collaboration with the Commercial Banking and Insurance division, ensures the effective implementation and operation of the insurance risk monitoring processes (including underwriting risk) within the principal insurance companies in which the Group is the major shareholder, namely: Natixis Assurances (including BPCE Assurances), *Compagnie Européenne de Garanties et de Cautions* (CEGC), Prépar-Vie and Coface.

In this context, the principle of subsidiarity applies, with controls carried out first by the insurance companies, then at the level of the Risk divisions of the parent companies of the companies (Natixis and BRED Banque Populaire) and then by Groupe BPCE's Risk Management division.

Activities in 2014

The main activities carried out with the department in 2014 concerned stress tests conducted in the interest of better incorporating ORSA processes as well as insurance-banking interaction:

- development of a Group-wide approach incorporating stress levels to be applied for all companies;
- establishment of detailed financial assumptions in EIOPA format for the ORSA exercise as instructed by the ACPR;
- analysis of results and recommendations on a cross-functional basis;
- identification of areas where insurance and banking interact, with a particular focus on major insurance risks and the interaction of the various regulations in view of their significant evolution (Basel III, Solvency II, Financial Conglomerates Directive).

CROSS-BUSINESS RISK ANALYSIS

In addition to the monitoring of risks both individually and by category performed by the risk management departments as outlined above, the Groupe BPCE Risk Management division consolidates the Group's risks, calculates credit risk-weighted assets (excluding Natixis), produces regulatory reports (COREP credit statements, large exposures, etc.) and internal scorecards and conducts risk assessments aimed at providing a written map of the Group's risk profile by activity (map of risk-weighted assets, of credit and counterparty risk by customer segment, of market risk, of structural balance sheet risk and of operational risk).

It also conducts or coordinates cross-business risk analyses at the Group level and, if needed, for the entities, as well as prospective risk analyses aimed at identifying economic risk factors (known and emerging; international, national and regional) and their potential impacts for the Group.

It develops internal credit risk measures on the level of counterparties and operations, used to calculate risk-weighted assets and in credit decisions, as well as risk measures on the basis of portfolios (statistical collective provisions, etc.). It reviews and validates risk models developed internally.

Finally, it coordinates internal and external solvency stress tests aimed at measuring the Group's sensitivity to a series of risk factors and its resilience in the face of a severe shock, and presents the impacts as cost of risk.

Activities in 2014

As part of its consolidated risk monitoring system, the Group Risk Management division produces cross-business analyses for various committees (Group Risk Management Committee, Group Audit and Risk Committee, Supervisory Board):

- the quarterly Group consolidated risk scorecard was enhanced by scopes with a more detailed overview on certain portfolios and risk measurements;
- prospective risk analyses, in-depth and multi-risk analyses of home loan portfolios and Professional customers were produced and off-balance sheet commitments were mapped.

2014 was also characterized by the operational transition, occurring after over two years of developments, to the new regulatory requirements under Basel III on solvency, large exposures and contributions to the leverage framework and to FINREP. The year was also marked by the steering of the EBA/ECB 2014 stress tests and the calculation of the cost of risk under baseline and adverse scenarios.

Work was carried out to keep the credit risk models operational, with a focus on the retail customer models used by the Banque Populaire and Caisse d'Epargne networks.

Finally, the Risk Management division took part in various studies proposed by supervisory bodies aimed at better assessing the comparability of credit models.

Permanent controls

Organization

Based on a strong functional link to its affiliates which are parent companies, the Group Risk Management division:

- is responsible for second-level control of certain processes for preparing financial information;
- implements a Group system of second-level permanent risk control that covers subjects related to governance, risks, organization, the work of Risk functions and the roll-out of standards.

To carry out its responsibilities, the Group Risk Management division rolls out and uses a half-yearly report drawn up by the Group institutions, aimed at ensuring that the various components of the local systems used by the risk management process are properly rolled out and operational to a satisfactory level, particularly with respect to banking regulations and the Group Risk Management Charter. The findings of this report improve operational efficiency and optimize best practices within Groupe BPCE.

At the same time, the central institution developed a Group-level permanent control tool in close collaboration with the institutions from the various networks. The Risk Management division uses this tool to implement, centralize and operate the second-level permanent controls carried out by the local risk divisions. This permanent control tool, which allows for the centralized monitoring of the various types of risk (credit, financial, operational and cross-business steering) with regard to the institutions, reinforces the system used by the Risk Management division.

Quarterly permanent controls of the most sensitive activities of the Groupe BPCE Risk Management division round out these efforts.

Activities in 2014

In 2014, the Groupe BPCE Risk Management division carried out several defining projects to reinforce the Group's second-level permanent control tool, namely:

- half-yearly summaries of all of the risk committees of Banque Populaire and Caisse d'Epargne institutions, for the purpose of sharing best practices and detecting potential areas of risk;
- enhancement, over the second half of 2014, of second-level permanent control half-yearly reports submitted by the Risk Management division to the directors and Heads of Risk Management for Banque Populaire banks and Caisses d'Epargne;
- finer granularity of indicators and an upgrade to the Group's permanent control tool, with the support of pilot institutions for each business line process (credit, operational and financial risk), in accordance with the new regulatory requirements;
- expansion of permanent controls over the Groupe BPCE Risk Management division's own activities, based on the procedures deemed to be most sensitive;
- an overhaul of the permanent control tool used to follow up on the Lagarde recommendations that was the result of a review of the Group's management compartments, now extended to institutions without a trading room.

2.6.5 Compliance

The Compliance office takes part in Groupe BPCE's permanent control activities. It is organized as a department that encompasses all compliance offices, as defined in Groupe BPCE's Compliance Charter, that exist within Group companies and that have dedicated resources.

These companies include all the BPCE affiliates, the direct and indirect subsidiaries of these affiliates, EIGs, direct and indirect subsidiaries of BPCE and BPCE itself. Subsidiaries are all companies over which affiliates or BPCE directly or indirectly have sole or joint control, and which as a result form part of the scope of consolidation.

GROUP COMPLIANCE OBJECTIVES AND ORGANIZATION

Objectives of the function

The Compliance department conducts second-level permanent controls which, in accordance with Article 11 of the Decree of November 3, 2014 relating to the internal control of companies in the banking, payment services and investment services sector, subject to the supervision of the ACPR (French Prudential Supervisory Authority). This duty includes ensuring that the operations and internal procedures of Group companies comply with laws, regulations, professional standards and internal standards applicable to banking, financial and insurance activities, in order to:

- prevent the risk of non-compliance, defined in Article 10-p of the above-mentioned Decree as "the risk of legal, administrative or disciplinary sanction, material financial loss or reputational damage arising from non-compliance with directly applicable national or European provisions on banking or finance activities, whether said provisions are of a legislative or regulatory nature or they relate to professional standards and ethics or instructions from executive managers made in accordance with guidelines established by the supervisory body";
- safeguard Groupe BPCE's image and reputation with its customers, employees and partners;
- represent Groupe BPCE before the regulatory authorities and national and international professional organizations in all its areas of expertise.

As part of this effort, the Compliance office performs all tasks that support the compliance of transactions carried out by Groupe BPCE companies, affiliates (including the Caisse d'Epargne and Banque Populaire parent companies) and subsidiaries, ensuring that the interests of its customers, employees and partners are respected at all times.

The Compliance office is responsible for ensuring the effectiveness and consistency of all compliance controls, with each operational or control office retaining responsibility for the compliance of its activities and operations.

Group Compliance: organizational principles

To ensure its independence, the Compliance office, which is separate from the other internal control functions, must be independent of all functions performing commercial, financial and accounting transactions.

Dedicated compliance teams form a Compliance division, which reports hierarchically to the Chairman of the Management Board or to the Chief Executive Officer of each Groupe BPCE institution. Where the Compliance Officer does not report to the Chairman of the Management Board or the Chief Executive Officer, he reports to the Head of Risk Management. In such case, the Head of Risk Management and Compliance reports hierarchically to the Chairman of the Management Board or the Chief Executive Officer.

For Group entities with the status of credit institution or investment company under French law, the Compliance Officer's name is given to the Office of the General Secretariat of the ACPR by BPCE, and the supervisory body, Board of Directors or Steering and Supervisory Board is informed of his identity.

Role assigned to BPCE by the Act of June 18, 2009

Article 1 of the Act that established BPCE gave the central institution responsibility for organizing internal control. The article states that the central institution is in charge of:

"defining the principles and conditions for organizing the internal control system of Groupe BPCE and each of its networks, as well as controlling the organization, management and quality of the financial position of affiliated institutions, including through on-site checks within the scope defined in paragraph 4 of Article L. 511-31." (source: Article 512-107 of the French Monetary and Financial Code).

Given the scope of Groupe BPCE, several levels of intervention and responsibility have been identified in the compliance process, in line with the Group's organizational structure:

- BPCE as a central institution for its activities;
- its affiliates, including the Caisse d'Epargne and Banque Populaire parent companies;
- its subsidiaries, including Natixis.

Organizational principles at the BPCE level (as a company and central institution)

The organization of the Group Compliance and Security division (DCSG) complies with the principles set by the above-mentioned Decree of November 3, 2014, the general regulations of the *Autorité des marchés financiers* (AMF – French financial markets authority), and by the Act that established BPCE.

DCSG performs its duties independently from operational divisions as well as from other internal control divisions, though it does work with them. DCSG includes five divisions with Compliance activities:

- ethical compliance, including BPCE's investment services compliance officers (RCSIs) and compliance of BPCE as a company;
- financial security, including BPCE's Tracfin officers;
- insurance compliance;
- banking compliance;
- coordination of the process and permanent control.

The head of DCSG is the head of permanent non-compliance risk controls within the meaning of Article 28 of the above-mentioned Decree of November 3, 2014, at the level of both the central institution and Groupe BPCE.

DCSG oversees all compliance and security processes. To this end, it helps guide and motivate the Compliance Officers of the affiliates and subsidiaries, including Natixis. The Compliance Officers appointed by the various affiliates, including the Caisse d'Epargne and Banque Populaire parent companies, and direct subsidiaries covered by the regulatory system of banking and financial supervision, have a strong functional link with DCSG.

DCSG conducts any necessary initiatives to strengthen compliance throughout Groupe BPCE, including within the BPCE company. As such, it sets out standards, shares best practices and coordinates working groups consisting of departmental representatives.

Promoting a culture of risk management and taking into account the legitimate interests of customers is also achieved through employee training.

As a result, DCSG:

- puts together the training materials used by the Compliance function and manages interaction with the Group Human Resources division (DRHG);
- trains Compliance staff, mainly through specialized annual seminars (financial security, ethics and compliance, banking compliance, and coordination of permanent compliance controls);
- trains Compliance Officers through appropriate courses.

Within the BPCE company, compliance is handled by a dedicated team in the Ethics and Compliance division.

Company-level organizational principles

Among affiliates, particularly the Caisse d'Epargne and Banque Populaire parent companies, and among direct subsidiaries like Natixis, the Compliance Officer reports hierarchically to the Chairman of the Management Board, the Chief Executive Officer or the Head of Risk Management and Compliance.

The standard organization of a division or entity in charge of Compliance includes at least two units specializing in each area (see below "Main duties in each business area") relating to:

- ethical compliance, with the investment services compliance officer (RCSI);
- financial security, with the Tracfin (French anti-money laundering unit, which reports to the French Ministry of the Economy, Finance and Industry) officer(s) and reporting officer(s).

The division or entity in charge of Compliance also designates one or more employees to be DCSG's intermediary in the following areas:

- banking compliance;
- insurance compliance;
- permanent compliance control.

Each Group entity has its own systematic prior approval process for new products and material changes to existing products within the meaning of Article 35 of the above-mentioned Decree of November 3, 2014.

Products marketed by a single company fall within the scope of this approval process. As required, for the launch of all new products, the company's Compliance office meets with DCSG if necessary.

With regard to employee training, the division or entity in charge of compliance:

- contributes to training initiatives undertaken by BPCE;
- signs up employees for BPCE seminars;
- supplements training provided by Compliance on a local basis.

As stated in Groupe BPCE's Internal Control Charter, the other offices in charge of permanent control (Accounting Review, Head of IT System Security, Business Continuity Plan/BCP Officer) may be placed under the functional supervision of a permanent control officer, such as the Compliance Officer.

MAIN AREAS OF NON-COMPLIANCE RISK

Main duties in each business area

The main duties of Groupe BPCE's Compliance function lie in the following areas:

With regard to Compliance

FINANCIAL MARKET ETHICS AND COMPLIANCE WITH PROFESSIONAL STANDARDS

This includes the ethical aspect of financial activities, as defined by the AMF general regulations and, more broadly, the prevention of conflicts of interest, ensuring the primacy of customer interests, compliance with market rules and professional standards in the banking and financial sectors, and regulations and internal standards regarding business ethics. It includes oversight of investment departments and the operating procedures of investment services compliance officers (RCSIs).

FINANCIAL SECURITY

This includes the prevention and monitoring of financial crimes, including the prevention of money laundering, the prevention of terrorist financing, compliance with embargoes and the prevention of internal and external fraud. It also encompasses the operating procedures of Tracfin officers.

BPCE's involvement in the fight against money laundering and terrorist financing

As the central institution for the Banque Populaire banks and Caisses d'Epargne since August 2009, BPCE plays a central role in defining and implementing Groupe BPCE's anti-money laundering standards and procedures. Since the merger of the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d'Epargne et de Prévoyance, the new Group's scope of activity has evolved, while at the same time regulations have been considerably reinforced with the enactment into French law of the third European directive on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing (Directive 2005/60/EC of the European Parliament and of the Council of October 26, 2005, enacted into national law by ministerial order 2009-104 of January 30, 2009).

Following a revision to the recommendations of the Financial Action Task Force (FATF) in 2012, a fourth European directive was put to vote at the European Parliament. Within the framework of market initiatives, BPCE is monitoring and anticipating the directive's implementation.

The prevention of money laundering and terrorist financing within Groupe BPCE is achieved through:

- its corporate culture;
- its organizational structure;
- specialized processes;
- the supervision of operations by company directors.

Corporate culture

This culture, promoted across all levels of the company, is built on:

- principles governing relationships with customers that avert risk and formalize KYC for each institution;
- a harmonized, biannual training regime for Groupe BPCE employees, which was further reinforced in 2013 with the implementation of specialized training for the Financial Security process;
- a regular stream of information and coordination aimed at staff regarding the risk of money laundering and terrorist financing.

Organizational structure

In accordance with Groupe BPCE's charters, all of the institutions have a division or unit dedicated to financial security. Within the Group Compliance and Security division of the central institution of Groupe BPCE, a specialized department coordinates processes related to the prevention of money laundering and terrorist financing, namely though two committees tasked with defining the financial security strategy for the entire Group, proposing and validating the various standards and guidelines and ensuring consistency across all of the decisions made at each project level. This department also provides regulatory watch and oversight of relevant transactions, and ensures that the risk of money laundering and terrorist financing is taken into account when new commercial products and services are approved by BPCE.

Specialized processes

In accordance with regulations on the organization of internal control at credit institutions and investment companies, the institutions have detection methods adapted to the classification of risky or atypical transactions. These can be used, if needed, to conduct closer analysis and to submit the required reports to the authorities as promptly as possible. In 2013, computerized profiling tools were harmonized across the two main networks (Banque Populaire and Caisse d'Epargne). With respect to compliance with restrictive measures related to international sanctions, Group institutions are kept informed by BPCE's Group Financial Security department and are equipped with screening tools that generate alerts on both customers (asset freezes on certain individuals or entities) and international flows (asset freezes and countries subject to European and/or US embargoes).

Supervision of operations

Internal reports on the prevention of money laundering and terrorist financing are submitted to company directors and governing bodies, as well as to the central institution.

The Group Financial Security department also conducts close monitoring of the institutions' activities in this area through regular meetings.

INSURANCE COMPLIANCE

This covers compliance with all legislative and regulatory areas concerning insurance brokers in their capacity as distributors of insurance products. In this regard, it includes disseminating standards and transposing them in information systems, implementing approval processes for new products distributed in the Group, monitoring sales processes and professional ethics, creating and updating training modules, as well as approving content, advertisements, and documents intended for the networks and training activities.

BANKING COMPLIANCE

This covers compliance with all other laws and regulations in the banking and financial field, and includes the coordination of regulatory watch activities across all Group companies, the dissemination of standards, the implementation of processes for approving new products distributed in the Group and the content of compliance training.

COORDINATION OF THE COMPLIANCE AND PERMANENT CONTROL PROCESS

This covers the preparation of reporting documents for regulators and internal reporting documents, preparation for committees coordinated by or involving Compliance, and Compliance management meetings. Non-compliance risks are incorporated in the risk mapping coordinated by the Group Risk Management division. In coordination with the risk management department, permanent control covers the implementation of non-compliance risk management, and oversight of the results of permanent controls that cover non-compliance risks including the management of risks related to outsourcing essential services.

Compliance is also the main contact for the AMF, the joint AMF-ACPR unit for coordinating controls on marketing, the *Commission Nationale de l Informatique et des Libertés* (CNIL – France's Commission on Personal Data Protection), the Directorate-General for Anti-Trust Policy, Consumer Affairs and Fraud Control (DGCCRF), and equivalent foreign authorities. The Compliance department interacts with the ACPR and equivalent foreign authorities on matters within its remit.

As a second-level permanent compliance control office, the Compliance department maintains close relations with all offices involved in performing internal controls within Groupe BPCE: the *Inspection générale* division, Risk Management division, IT System Security division and Accounting Review division.

DCSG ensures permanent compliance control of BPCE IOM, as delegated by BPCE IOM.

With regard to other permanent control areas

SECURITY AND BUSINESS CONTINUITY

The BPCE Security and Business Continuity division is part of the Group's Compliance and Security division, and performs its tasks independently of operational divisions. These tasks involve:

- security of staff and property:
  - overseeing the security of Groupe BPCE's staff and property, and coordinating the department,
  - overseeing compliance with legal and regulatory provisions relating to the security of staff and property,
  - participating in Groupe BPCE's internal and external bodies;
- business continuity:
  - managing Group business continuity and coordinating the Group business continuity department,
  - implementing the BPCE business continuity plan and coordinating Group crisis management,
  - managing the implementation of the Group Business Continuity Plans (BCPs), and keeping them operational,
  - ensuring compliance with regulatory provisions governing business continuity,
  - participating in Groupe BPCE's internal and external bodies,
  - managing information security within Groupe BPCE.

Activities in 2014

With regard to anti-money laundering, in-person training for the Financial Security department was established and the Group's procedural framework was updated. A review of the entire system (classification of risk, due diligence rules configured in the applications, and permanent control standards) is currently underway.

In life insurance, a new Financial Competence Questionnaire covering all securities was adopted. In payment protection insurance, new provisions were made for compliance with the "Moscovici and Hamon laws" ahead of the publication of the implementing decrees. The concept of "equivalence of guarantees" remains to be specified and harmonized industry-wide.

The convergence project for the Group's permanent control steering tool, Pilcop, continued for the Banque Populaire banks. The various existing permanent control standards, which cover all of the control functions, were updated and enhanced. Institutions also scored their non-compliance risks.

With respect to the security of persons and property, efforts were mainly focused on developing tools to monitor security incidents.

Extensive work was carried out in relation to suppliers' business continuity. Standards for services for which a framework must be provided during the contract signing phase were established. Operational provisions and tools were also put in place to monitor actions taken to ensure business continuity.

Customer protection

Customers' trust and the Group's reputation is strengthened when the products and services it sells comply with regulations and the information it supplies is reliable. To maintain this trust, the Compliance division puts customer protection at the heart of its activities. Through its activities, it ensures that the interests of customers—both existing and prospective—are protected.

Procedural framework

All new products, services, distribution channels and sales materials that fall within Compliance's area of expertise obtain prior approval from this office. In this way, the Compliance division ensures that applicable regulatory requirements are followed and that the targeted customers – and the public at large – receive information in a clear and fair manner.

Compliance also coordinates the approval of national sales challenges, ensures that conflicts of interest are managed properly and guarantees the primacy of customer interests.

A priority for the Group

Protecting customers is a constant priority for Groupe BPCE's Compliance function. Accordingly, DCSG and the compliance divisions of the Banque Populaire banks and Caisses d'Epargne work in close collaboration. Their interactions are essential to maintaining the quality of the Group's systems and preventing, as much as possible, the risks associated with selling products.

To comply with the recent regulatory requirements on access to banking services and vulnerable customers, working groups have been formed and Group-wide standards have been written up. This approach is identical to the one taken with respect to consumer credit.

Training initiatives

The Group's employees regularly receive training on matters associated with customer protection as a means of maintaining service quality at required levels. Recently, an e-learning module was rolled out for training on access to banking services and vulnerable customers.

Investment services

In 2014, the MiFID directive, which was enacted into national law in 2007, was updated to a new version known as MiFID II. This directive makes structural changes to the financial markets and considerably reinforces protection for customers. The framework for the payment of distributors of financial products, known as inducements, has significant implications for Groupe BPCE's economic model (prohibition on retrocessions for discretionary management transactions, justification of payment for investment advisors, etc.).

Analyses were carried out by DCSG. This led to the drafting of specifications, which are currently used in collaboration with the Group's strategic marketing to implement these requirements.

The European directive and European regulation dealing with market abuse were also updated. With an expanded and reinforced scope of supervision over atypical transactions, the new regulatory framework imposes numerous adjustments. Provisions regarding persons with access to inside information and subject to conflicts of interest were reinforced within the Group, and the Compliance office is coordinating the roll-out of a suspicious transaction analysis tool that will be shared across all of the concerned entities.

The second-level permanent control standards were thoroughly streamlined to enhance the application of the control results.

Working together to stop improper behavior

Insults, irritation, threats and improper behavior directed against professionals in contact with customers are increasing across all areas of activity.

This observation is shared among the employees on the banking networks, making it a major challenge for the Group companies.

Improper behavior may be defined as a failure to observe standards of decency or as a lack of respect for others, regardless of whether or not it constitutes criminal behavior. It may indicate dissatisfaction with customer relations, as well as a lack of courtesy toward others.

To take action against improper behavior, Groupe BPCE has taken on a comprehensive approach to assess and analyze incidents in which it occurs. A series of preventive and remedial actions, including training, better work organization, alert mechanisms and more, is being implemented to strengthen security and improve relationships with customers.

Internal and external fraud prevention

In 2014, Group institutions received a framework procedure devised by a national taskforce on internal fraud, along with communication, training (e-learning) and detection tools.

With respect to external fraud, the following measures have been put in place:

- alerts are escalated by the Financial Security function;
- information on recipients of transfers identified as fraudulent has been integrated with the international flow screening tool, helping to prevent unlawful transfers.

A national taskforce was launched in 2014 with the objective of coordinating the existing tools used by the institutions.

All of the relevant tools were authorized by CNIL, France's commission on personal data protection.

2.6.6 Other permanent control functions

MANAGEMENT OF LEGAL RISK

Duties

The Corporate Secretariat – Legal Affairs division (SGDJ) is responsible for the prevention and management of legal risks and Group-level legal risks. It is also involved in the prevention of reputational risks. In this regard, it helps to manage the legal risks arising from the activities of the central institution and Group entities.

To this end it provides legal and regulatory oversight, information, assistance and advice for the benefit of all Group institutions.

Together with the Group Compliance and Security division, it is also involved in ensuring the consistency and effectiveness of controls on non-compliance risks relating to laws and regulations specific to banking and finance activities.

Finally, SGDJ represents Groupe BPCE with respect to the regulatory authorities as well as national and international organizations in all its fields of expertise.

SGDJ exercises its role independently of the Operational divisions.

Organization

SGDJ is in permanent contact with the Legal Affairs divisions of Group institutions on all matters relating to the aforementioned duties. It ensures ongoing dialogue and interaction between the Group's legal officers, and maintains up-to-date documentation for their benefit. SGDJ coordinates the Group's legal and litigation policy. In this regard, it oversees all legal risk management processes.

With the exception of the special case of Natixis, for which there is a direct functional link, the Legal department operates mainly through coordination between the central institution and the various affiliates or subsidiaries.

Activities in 2014

Work carried out in 2014 focused mainly on:

- participating in projects related to Banque Populaire and Caisse d'Epargne governance;
- contributing to the Sales Process Validation Committee (CVPC) and to the Review and Validation Committee for New Groupe BPCE Products (CEVANOP);

- regulations applicable to cooperative shares;
- monitoring and studying the impacts of new laws and regulations, particularly the enactment into national law of the CRD IV Directive, the Consumer Protection Act ("Hamon Act"), the Social and Solidarity-Based Economy Act and the draft Payment Services Directive (PSD 2);
- the complete renewal of the Boards of directors of local savings companies (LSCs) and the steering and Supervisory Boards of the Caisses d'Epargne, planned for 2015;
- observation of gender equality rules;
- contribution to divestment projects (DV Holding, VBRO, Foncia and 7% of the share capital of Nexity);
- contribution to the strategic real estate plan;
- contribution to industry-wide initiatives around the European banking union.

Organization details

In May 2010, the Corporate Secretariat and the legal office were merged into a single division, thereby entrusting to one and the same person the responsibility for providing secretariat services for BPCE's bodies and the Group Legal Affairs division.

The Corporate Secretariat – Legal Affairs division is organized around four departments: the purpose of this organization is to have a legal office capable of fulfilling its duty to provide legal advice to BPCE as an entity, and to act as a Legal Affairs division for the Group's various components, with the aim of ensuring maximum security.

The duties of the "Commercial Banking and Insurance law" department include a regulatory watch and participation in industry working groups, such as the Fédération Bancaire Française (FBF – French Banking Federation), charged with preparing, negotiating and explaining all new texts applicable to the profession with regard to their implementation within the Group. This division is also responsible for defining and drafting legal standards applicable to the Group's banks and products sold, in response to changes in these texts. Likewise, it provides legal advice and assistance to the Group in the fields of banking law and insurance law. Lastly, it manages strategic disputes for the Group, handles criminal cases and coordinates litigation on a national level.

The "Corporate" department handles a number of complementary activities. It provides advice with respect to intra-group acquisition, divestment and restructuring transactions and works in close collaboration with BPCE's Strategy division. On competition-related matters, it provides advice to help anticipate and ensure the proper application of competition rules, and it manages legal action. It also acts on legal matters pertaining to real estate, IT and new technology and intellectual property through the monitoring and protection of brands and communication activities. Finally, the Corporate department monitors, analyses and contributes to the operational implementation of texts dealing with prudential matters and the European banking union.

The "Governance and Company Life" department first and foremost handles the operation of BPCE's bodies in accordance with the highest standards of governance, as well as ensuring that the Group applies these standards. Its duties also cover the area of corporation law. It also handles the institutional management of the Group's organizations and entities (including the Caisse d'Epargne and Banque Populaire networks), thereby covering oversight, disclosure, support and advice in matters of institutional and company life (including plans to establish and restructure entities). Finally, this division is also responsible for handling ACPR and ECB matters, relationships with authorities and the control of the credit institution policy.

The "Information Systems – Legal Documentation and Support" department provides applications and helpful documents to the Group, monitors important texts and distributes them within the Group.

IT SYSTEM SECURITY

Duties

The Group IT System Security (SSI) division (DSSI-G) defines, implements and develops Group IT system policies. It provides continuous and consolidated monitoring of information system security, along with technical and regulatory monitoring. It initiates and coordinates Group projects aimed at reducing risks in its field.

Within its remit, DSSI-G represents Groupe BPCE with respect to banking industry groups and to public authorities.

For the purposes of permanent control, the DSSI-G has regular contact with the Risk Management, Compliance and Inspection divisions of the central institution.

The central institution's Head of IT System Security is a member of the Group IT System Security division and, as such, ensures the security of the central institution's information system (SI Fédéral) and of BPCE's information system.

Organization

Groupe BPCE has established a groupwide information system security department. It includes the Head of IT System Security (RSSI), who coordinates the department, and the Heads of IT System Security for all of the institutions.

The heads of IT System Security for parent company affiliates, direct subsidiaries and EIGs are functionally linked to the Group's Head of IT System Security. This functional link is achieved through coordinated actions. This functional link means that:

- the Group's Head of IT System Security is notified of the appointment of any heads of IT system security;
- the Group's IT system security policy is applied within the institutions, and each IT system security policy must be transmitted to the Group's Head of IT System Security prior to approval by Executive Management, the Board of Directors, or the Management Board;
- a report on the institutions' compliance with the Group's IT system security policy, ongoing control, risk level, primary incidents, and actions is submitted to the Group Head of IT System Security.

Activities in 2014

The Group's IT system security policy (PSSI-G) incorporates the Group's security requirements. It comprises the Information System Security Charter, 430 rules categorized into 19 subject areas and 3 organizational instruction documents[(1)]. It is revised annually according to an ongoing process of improvement. Its 2014 review led to the creation of the "Protection of sensitive electronic payment data" category implementing the PCI-DSS standard, which will be submitted for approval by BPCE'S Executive Management Committee in 2015 and then distributed.

In 2014, compliance with the Group IT system security policy was evaluated across the Group's main IT systems (BPCE, i-BP, IT-CE, T2S Africa, T2S Outre-mer, T2S Pacifique, Banque des Mascareignes, Banque Malgache de l'Océan Indien, Banque Tuniso-Koweitienne, BRED Banque Populaire CASDEN Banque Populaire and Crédit Coopératif). An initial evaluation was conducted in 2011.

(1) Operating procedures of the Groupe BPCE IT System Security department, information system security permanent control, classification of sensitive IS assets.

To improve the Group's knowledge of IT risks, a methodology coordinating the information system security approaches with that of the business lines, with regard to risk mapping, was defined. It was applied to the "check" process in 2011, to the "consumer credit" process in 2013 and to the "electronic funds", "cash", "international payment instruments", "transfers and direct debits" and "notes" processes in 2014. In 2015, this methodology will be incorporated into the Group operational risk mapping framework and deployed across all institutions for the most sensitive processes.

At the same time, information system security permanent control standards were rolled out in 2013 through the Pilcop tool, at 16 Group institutions (BPCE, i-BP, IT-CE, T2S Africa, T2S Outre-mer, T2S Pacifique, Banque des Mascareignes, Banque Malgache de l'Océan Indien (BMOI), Banque Tuniso-Koweitienne (BTK), BRED Banque Populaire, CASDEN Banque Populaire, Crédit Coopératif, Crédit Foncier, Banque Palatine, Natixis and S-money). In 2014, it was deployed across the other Group institutions. These standards, which form the foundation of second-level permanent controls for the Group, are periodically reviewed according to an ongoing process of improvement. The review carried out in 2014 resulted in the finalization of the 2013 standards, covering all of the rules of the Group's IT system security policy categorized as critical or very critical. These finalized standards will be implemented within the Group starting in 2015.

In conjunction with Natixis, the Group reinforced the system used to review access rights to cross-business information systems (Natixis and BPCE) granted to the institutions. This new system, which was tested in two institutions in 2014, will be introduced across the entire Group in 2015 to cover the most sensitive applications.

In an effort to address increasingly sophisticated cyber-security attacks, at a time when the Group's information systems are increasingly open to the outside, in 2014 the Group established a cyber-security alert system named VIGIE. Its tasks are mainly to conduct ongoing monitoring of incidents encountered within the Group and in the banking sector and to develop tools to detect atypical flows and behaviors, initially targeted at online banking and payment instruments.

DSSI-G also contributed its security expertise to several Group projects so that security would be taken into account earlier (new Group network, etc.).

An addition to the common resource for the entire Group to raise employees' awareness of ISS was established and provided to Group institutions.

Finally, the Group's IT System Security Committee, the Group's IT System Security supervisory body chaired by the Group's Head of IT System Security, met six times during 2014.

Within BPCE's scope, the massive user authorization project defined in 2010 was continued. This project will ultimately provide BPCE with a database of the rights granted to users, helping to better manage and trace authorizations and to control their reliability. Work on the "user rights revision" section began in December 2013, reviewing access rights to technical resources and 14 sensitive applications. Work on the "authorization management" section is currently underway and production will be launched in early 2015 to cover the most sensitive applications.

DSSI-G coordinated security assessments on the strength of passwords and the *SI Sûreté* (IT System Security) application.

DSSI-G educated employees about smartphone security.

Lastly, in accordance with the Group Information System Security Charter, BPCE's IT System Security Committee met once during the year.

2.6.7 Controls of accounting and financial reporting quality

ROLES AND RESPONSIBILITIES IN PREPARING AND PROCESSING ACCOUNTING AND FINANCIAL INFORMATION

Within Groupe BPCE, the preparation and processing of financial and accounting information falls under the responsibility of the Finance office. In the central institution, this office is coordinated by the Group Finance division, consisting of the Finance division, Group Strategic Finance Control and Banking Activities division, Group Accounting division and the Group Tax department.

The main rules that govern the Finance office within Groupe BPCE are defined by the "Finance Duties Framework," approved by BPCE's Management Board on November 2, 2010 and essentially relate to:

- rules for preparing and processing accounting and financial information;
- organizational rules for the Finance office within the Group and for the Group Finance division within the central institution;
- the principles and terms of relationships established between the Group Finance division and the Finance offices of Group institutions as well as other outside parties (other offices within BPCE, AMF, Statutory Auditors, etc.).

General principles of responsibility within Groupe BPCE

The production of accounting and financial information, and controls to ensure its reliability, are performed by the Finance offices of accounting entities included in the Group's scope of consolidation.

Each entity has the resources to ensure the quality of accounting and financial data, including by ensuring compliance with standards applicable to Groupe BPCE, ensuring consistency with the individual financial statements prepared by its decision-making body, and reconciling accounting figures with management figures.

Each entity prepares, on a monthly or quarterly basis, financial statements and regulatory information required at the local level, along with reporting documents for the Group Finance division.

The Group Finance division is responsible for preparing and reporting accounting and financial data at the Group level. It collects all accounting and financial information produced by accounting entities within Groupe BPCE's scope of consolidation. It also consolidates and checks these data, to enable their use for the purposes of Group management and communication to third parties (control bodies, investors, etc.).

In addition to consolidating accounting and financial information, the Group Finance division has broad control duties:

- it coordinates asset-liability management by defining the Group's ALM rules and standards and ensuring they are properly applied;
- it manages and controls Groupe BPCE's balance sheet ratios and structural risks;
- it defines accounting standards and principles applicable to Groupe BPCE and ensures they are properly applied;
- it coordinates the steering and reporting of the Group's financial performance in accordance with strategic plan objectives;
- it manages the Pillar II approach and related matters within the Group;
- it monitors the financial planning of Group entities and capital transactions;
- it ensures the reliability of accounting and financial information disseminated outside Groupe BPCE.

Primary offices contributing to the preparation and communication of accounting and financial data and their responsibilities

The main offices involved in preparing and publishing accounting and financial information are Accounting, Finance Control, Investor Relations and the Group Risk Management division for calculating the capital adequacy ratio.

ACCOUNTING

The Accounting office is in charge of preparing parent company and consolidated financial statements.

Within Groupe BPCE, each entity's accounting office has responsibility, with respect to Groupe BPCE and the supervisory authorities, for its individual financial statements, any consolidated financial statements, and regulatory reports.

Within BPCE, accounting duties for the consolidated financial statements are performed by the Group Accounting division, the head of which reports to the Chief Executive Officer in charge of Finance, Risks and Operations. For parent company financial statements, accounting duties are performed by the Accounting and Banking activities department, which reports to the Head of Group Strategic Finance Control and Banking Activities division. In this area, the main duties are:

For the Group Accounting division:

- preparing the consolidated financial statements of Groupe BPCE and BPCE, ensuring the Group's compliance with regulatory ratios;
- coordinating the accounting process within the Group;
- providing a regulatory watch as regards French and IFRS accounting standards applied by Groupe BPCE in coordination with shareholder institutions, BPCE subsidiaries and the Statutory Auditors;
- acting as the interface between the regulatory authorities (the European Central Bank and the ACPR) and affiliated institutions, in accordance with Article L. 512-107 of the French Monetary and Financial Code, and ensuring that the affiliated institutions comply with regulatory standards and management ratios;
- representing the Group with respect to industry bodies (*Autorité des Normes Comptables*, European Banking Federation, etc.).

In addition, the Group Accounting division assists the business lines of the Group Finance division in managing financial information systems projects, and contributes to preserving single and community financial standards both for all duties of the Group Finance division and for shareholder institutions.

For the Accounting and Banking Activities department (Group Strategic Finance Control and Banking Activities division):

- providing accounting services and producing BPCE's regulatory statements;
- managing BPCE's procedures and budget planning;
- handling accounts receivable and the payment of BPCE invoices and those of certain subsidiaries whose accounts are kept by the central institution;
- providing back office accounting treatment with respect to cash management, securities issues, investments and for the financial management of BPCE and its issuing subsidiaries.

FINANCE CONTROL

The Group Strategic Finance Control and Banking Activities division is in charge of preparing management information.

Within Groupe BPCE, each entity's Finance Control office is in charge of operational coordination, and has responsibility for producing management information within the entity and for the central institution.

Within BPCE, the function is performed by the Group Strategic Finance Control and Banking Activities division, the head of which reports to the Chief Executive Officer responsible for Finance, Risk and Operations. Its main duties are as follows:

- coordinating the steering of the financial planning, budget and multi-year rolling forecast process;
- coordinating the steering of commercial performance in support of the Commercial Banking and Insurance division;
- managing solvency matters and coordinating the Pillar II approach within the Group;
- coordinating capital management, allocating Group shareholders' equity and liquidity;
- analyzing the performance of Groupe BPCE, its business lines and accounting entities, especially during the publication of each quarterly results;
- coordinating and steering approaches for the analysis of the Group's operating costs.
- monitoring BPCE subsidiaries financially and administratively;
- helping prepare the Group strategic and financial plans;
- coordinating the Finance Control process within Groupe BPCE.

INVESTOR RELATIONS

The Investor Relations function is responsible for information published through presentations to financial analysts and institutional investors on the BPCE website, and for registration documents and their updates filed with the AMF and also available on the BPCE website.

Within BPCE, the function is performed by the Group Funding and Investor Relations division (Finance division), the head of which reports to the Chief Financial Officer. Its duties in this area are as follows:

- coordinating and preparing presentations of Groupe BPCE's quarterly results, financial structure and business development, to enable third parties to form an opinion on its financial strength, profitability and outlook;
- coordinating and preparing the presentation of regulated financial information (registration document and its quarterly updates) filed with the AMF while including contributions from other BPCE offices;

- organizing relations with rating agencies by coordinating with the other rated entities of Groupe BPCE;
- organizing and maintaining relationships with credit investors likely to hold and/or acquire debt instruments (short, medium or long term) issued by BPCE or Natixis.

PRODUCTION PROCESSES FOR CONSOLIDATED ACCOUNTING AND FINANCIAL DATA

General system

The central institution prepares the consolidated financial statements of Groupe BPCE and its individual company financial statements.

For this purpose, BPCE's Group Finance division has prepared consolidation standards designed to guarantee the reliability of the process. This set of standards is based on the following core principles:

- defining and disseminating accounting policies for Groupe BPCE, including analyzing and interpreting new texts issued during the period, both for French GAAP and international (IFRS) accounting standards;
- regular training of accounting teams within the consolidated entities to promote the use of best practices throughout Groupe BPCE.

In addition, within Groupe BPCE, the institutions publishing financial statements on a consolidated basis under IFRS are:

- among the network banks, all of the Banque Populaire banks and Caisses d'Epargne (versus only six Caisses d'Epargne in 2013);
- its principal subsidiaries are: Natixis, Crédit Foncier, Banque Palatine, BPCE IOM and Nexity.

In 2014, the Group Finance division continued its efforts on accounting standardization and the streamlining of working methods for the production of consolidated accounting and financial data, while adapting them to organic and regulatory changes, in particular:

- the application if Basel III requirements, imposing stricter reporting obligations, more frequent financial reporting and shorter reporting deadlines;
- the finalization of the project to reduce reporting times and secure the reporting process ("Tempo" project), designed to make the production of accounting and supervisory information more reliable;
- the continuation, at the Banque Populaire banks that are part of the "i-BP" IT community, of efforts to overhaul the accounting architecture ("Semaphore" project);
- the implementation of the "trust-based relationship" protocol between three Groupe BPCE institutions and the tax authorities (DGFIP – the Public Finances Directorate General). This protocol, introduced on a trial basis in conjunction with several French companies (BPCE is the only candidate bank to have signed on), aims to provide companies with enhanced legal security by offering them the reporting assistance of the tax authorities. Ultimately, this protocol should benefit the Group's other institutions through the use of solutions approved by the tax authorities.

Preparation process for consolidated accounting and financial data

Data consolidation takes place quarterly based on the financial statements of each Group entity. Data from the entities are entered into a central database where consolidation adjustments are then carried out.

The organization of the consolidation system is based on a combined solution for the Group's business lines:

- in Commercial Banking and Insurance: information is communicated on an individual basis to ensure a more detailed view of the contribution of the accounting entities to Groupe BPCE's results. Preparation of consolidated financial statements is based on monitoring of the individual accounting data of Group institutions under IFRS. The system is based on a single consolidation tool specific to these entities, and for all sub-consolidation work. This ensures internal consistency as regards scopes, charts of accounts, accounting treatment and analysis;
- in Wholesale Banking, Investment Solutions and Specialized Financial Services: Natixis has a consolidation tool that produces an IFRS consolidation package, ensuring the consistency of data from the banking and insurance scopes and giving a transparent overview of its subsidiaries. For the production of Group financial statements, Natixis submits a consolidation package that represents its consolidated financial statements;
- for Equity interests (Nexity in particular): the accounting entities are for the most part consolidated on the basis of packages that represent their consolidated financial statements.

The system as a whole feeds into a central consolidation tool, which has archiving and security procedures including daily back-up of the consolidation database. System restoration tests are regularly carried out.

CONTROL PROCESS FOR ACCOUNTING AND FINANCIAL DATA

General system

Groupe BPCE's internal control system contributes to the management of all types of risk and enhances the quality of accounting information.

It is organized in accordance with legal and regulatory requirements, including those arising from the Decree of November 3, 2014 relating to internal control and texts governing BPCE. It concerns all Group companies, which are monitored on a consolidated basis.

The system is governed by the Group's Internal Control Charter, approved on April 7, 2010 by the BPCE Management Board. This charter sets out the principles, defines the scope of application and details the participants and their role in ensuring that the internal control system of each company and Groupe BPCE works properly.

The Group's Internal Control Charter, which sets the general principles, has been supplemented by charters organizing periodic control duties (internal audit) and permanent control duties (risk, compliance, IT system security and finance) in the accounting and financial reporting quality control system.

Application of the control framework with regard to accounting and financial data

The control of accounting and financial reporting quality is defined in the set of standards and documents pursuant to the requirements of the Decree of November 3, 2014 concerning internal control, particularly Article 11c), which requires the *"verification of accounting and financial reporting quality, related to information addressed to either the executive managers or the supervisory body, whether submitted to the supervisory and control authorities or appearing in documents intended for publication."*

Within the institutions

Reflecting the decentralized nature of Groupe BPCE, internal control procedures are tailored to the organization of each consolidated entity. In all cases, these procedures include three levels of controls:

- a basic level, i.e. "first-level controls" (control), relating to operational departments and integrated into accounting treatment procedures;
- an intermediate level, i.e. "second-level controls" (accounting and financial review or permanent control), organized and executed under the responsibility of a specialist audit office within the Finance divisions dedicated to carrying out accounting and regulatory reviews. This office performs independent controls on accounting treatment procedures to ensure the reliability and completeness of financial statements in conjunction with permanent controls functions;
- an upper level, i.e. "third-level controls" (audit), involving periodic controls organized under the authority of the local internal audit department or the Group's *Inspection générale* division, or controls performed by parties external to Groupe BPCE (particularly Statutory Auditors and the *Autorité de contrôle prudentiel et de résolution*).

Within the central institution

COORDINATION OF THE "ACCOUNTING AND REGULATORY REVIEW" PROCESS

Within the central institution, the Group Finance division coordinates the permanent system for accounting and financial reporting (regulatory statements) as part of an accounting and regulatory review process, the rules of which are specified in the Accounting and Regulatory Review Charter.

Within the Group Finance division, this process is coordinated by the Financial Review division. The division head, a standing member of the Group Internal Control Coordination Committee, has been granted normative powers over the process.

In conjunction with the shareholder institutions and Group subsidiaries, the Financial Review division maintains a strong functional link between the offices within the Group institutions and that of the central institution. This is to guarantee the quality of the Group's accounting and regulatory reporting.

Its main duties are to:

- facilitate sharing of best practices within a special-purpose committee (Auditors' Committee) and working groups;
- organize the drafting and distribution of the set of standards and documents for the process;
- coordinate the reporting system for the process with the central institution;
- work closely with the Group's Statutory Auditors on the statutory system within Groupe BPCE, while ensuring, on behalf of the Audit and Risk Committee, the independence of the Statutory Auditors (monitoring compliance with the selection procedure, review of the fees paid by Groupe BPCE and the type of duties performed by the Statutory Auditors within Groupe BPCE, etc.).

CONTROL OF THE CENTRAL INSTITUTION'S ACCOUNTING AND FINANCIAL INFORMATION PRODUCTION SYSTEM

Besides coordinating the Accounting and Regulatory Review process, the Financial Review division is also tasked with:

- second-level control of the accounting work and in particular financial and regulatory statements published under the responsibility of the Group Finance division;
- the coordination of cross-business internal control measures to make the production of the Group Finance division more reliable in conjunction with the other control offices.

In addition to the self-checking and external control procedures performed in the entities responsible for preparing individual or consolidated financial statements, the quality of accounting and financial controls is verified by:

- the Group Accounting division, which coordinates the system for producing accounting and financial information. For this purpose:
  - as part of its responsibility for standardizing accounting practices at the Group level, it produces parent company and consolidated financial statements under French GAAP and IFRS,
  - it regularly examines the regulatory statements of the Banque Populaire banks, the Caisses d'Epargne and the Caisses de Crédit Maritime before they are transmitted to the ACPR (consistency checks and analyses carried out by a dedicated team),
  - for consolidated financial statements, this team validates and verifies that the scope of consolidation is compliant with accounting principles in force, and performs various controls on data received on a quarterly basis, through consolidation packages. These controls are supplemented by analytical reviews and consistency controls of the main aggregates in the financial statements, as well as an analysis of changes in equity and deferred tax assets and liabilities during the period through individual and consolidated tax reconciliations;
- the Group's Statutory Auditors, which work on a panel basis and base their opinions partly on the conclusions of each consolidated entity's Statutory Auditors, particularly regarding compliance with the Group's standards as laid down by BPCE, and partly on the effectiveness of local internal control procedures. To make the certification process as efficient as possible, the "Framework for Statutory Auditor Assignments at Groupe BPCE" requires that each entity in the scope of consolidation has at least one representative of the Group's Statutory Auditors on its panel;
- Groupe BPCE's *Inspection générale* division as part of its assignments at Group institutions.

Finally, under the Decree of November 3, 2014 relating to internal control, Groupe BPCE's *Inspection générale* division presents to the Audit and Risk Committee and the Supervisory Board an annual report summarizing Group internal control, in coordination with the Group Risk Management divisions and the Group Compliance and Security division. On the basis of detailed questionnaires, this report assesses internal control procedures, particularly in the accounting and financial fields.

In 2014, the Group Finance division enhanced and harmonized its control framework:

- with respect to controls on compliance with accounting regulations, the Group Finance division uses the permanent control monitoring tool (PILCOP) to collect the results of the controls carried out by the Review department. This framework will be expanded to the results of the controls on statements addressed to the supervisory authorities;
- with respect to the control framework for statements addressed to the supervisory authorities, the Accounting and Regulatory Review department has taken on a multi-year project covering all Group companies aimed at reinforcing the set of standards and documents by updating and creating control guides covering all of the SURFI, COREP and FINREP classifications. This project will be supplemented by the establishment of a training program

for the department in 2015 and dealing with the regulatory statements and their review;

- with respect to the statutory audit, the Group Finance division carried out a Group-level call for tenders for the upcoming renewal of the mandates of the Statutory Auditors, who sign off on the BPCE and Natixis financial statements. For the other Group companies, it also updated the list of statutory auditor networks approved by the central institution. Activities carried out in relation to this call for tenders led – for the following six years – to streamlining the audit system used at the Group and to the formalization of 20 general qualitative and financial commitments obtained from the approved Statutory Auditors.

ROLE OF SUPERVISORY BODIES IN ACCOUNTING AND FINANCIAL DISCLOSURE

Once per quarter, the BPCE Management Board finalizes the consolidated financial statements and presents them to the Supervisory Board for verification and control purposes.

Individual financial statements are prepared once per year, in accordance with regulations in force.

The Supervisory Board of BPCE checks and controls the individual and consolidated financial statements prepared by the BPCE Management Board and presents its observations about the financial statements for the fiscal year at the Ordinary General Shareholders' Meeting. For this purpose, the Supervisory Board has set up a specialist committee in charge of preparing its decisions and formulating recommendations: the Audit and Risk Committee.

Details on this committee's duties, including monitoring the process for preparing financial information, the statutory audit of the annual and consolidated financial statements, as well as the Statutory Auditors' independence, are defined in paragraph 2.3.2 "Specialized committees".

The Finance Committee consists of executives of both networks and aims to address the most important issues. In addition, BPCE's Management Board assigns the Group Finance division the task of organizing the process of coordinating, disclosing, and forming a decision on the financial and accounting information through the Finance office's supervisory bodies, organized around three types of bodies:

- coordination and reporting bodies: these comprise key managers from the Finance office or key managers from each business line department with Finance duties (Finance Control, Accounting, Cash Management, Asset-Liability Management, Accounting and Regulatory Review and Taxation);
- temporary bodies that manage and coordinate time-limited projects;
- permanent bodies.

In order to ensure the transparency and security of the system, these bodies are formally governed by regulations that define the operation, organization, composition, and role of each committee, along with the rules for reporting on the discussions held by these committees. The Group Finance division's committees always involve representatives from the shareholder institutions and, if applicable, Groupe BPCE's subsidiaries.

The Group Management and Accounting Standards and Methods and Oversight Committee is chaired by the Chief Financial Officer, in charge of Finance, Risks and Operations. Its main duties are to validate:

- the regulatory framework and management standards needed for Group oversight;
- strategic accounting guidelines and Groupe BPCE's framework of accounting standards, including Groupe BPCE's choices, where options are given by the texts;
- working standards on accounting and regulatory review (Group Review Standards), as part of the internal control system for accounting and regulatory reporting.

2.7 Statutory Auditors' report on the report of the Chairman of the Supervisory Board

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France. Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), on the report prepared by the Chairman of the Supervisory Board of BPCE.

For the year ended December 31, 2014

BPCE

50 avenue Pierre Mendès France 75013 Paris

Share capital: €155,742,320

To the Shareholders,

In our capacity as Statutory Auditors of BPCE and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-68 of the French Commercial Code for the fiscal year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-68 of the French Commercial Code, relating in particular to corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that the report includes the other information required by Article L. 225-68 of the French Commercial Code, it being specified that we are not responsible for verifying the authenticity of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform procedures to assess the authenticity of the information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information set out in the Chairman's report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the financial and accounting information on which the information presented in the Chairman's report is based and of the existing documentation;
- familiarizing ourselves with work done to prepare this information and with existing documentation;
- determining whether any material weakness in internal control relating to the preparation and processing of accounting and financial information noted during our audit are properly reported in the Chairman's report.

On the basis of this work, we have nothing to report on the information concerning the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L. 225-68 of the French Commercial Code.

Other information

We confirm that the report of the Chairman of the Supervisory Board sets out the other information required by Article L. 225-68 of the French Commercial Code.

As required by law, we verified that the information relating to investments and controlling interests was presented to you in the management report.

Paris La Défense and Neuilly-sur-Seine, March 18, 2015

The Statutory Auditors

KPMG Audit	PricewaterhouseCoopers Audit	Mazars
Department of KPMG S.A.		
Jean-Francois Dandé	Anik Chaumartin	Michel Barbet-Massin
Marie-Christine Jolys	Agnès Hussherr	Jean Latorzeff

2.8 Recovery and Restructuring Plan

On July 31, 2014, BPCE's Supervisory Board approved the Group's Recovery and Restructuring Plan for 2014.

This plan takes into account the measures set out by the Financial Stability Board for systemically important financial institutions, by the European directive on the recovery and resolution of banks and investment firms and by the French law on the separation and regulation of banking activities.

The objective of the Recovery and Restructuring Plan is to identify measures to restore the Group's financial solidity in the event it deteriorates significantly.

The plan presents the options available to the Group to establish a crisis management system. It assesses the relevance of the different options in various crisis scenarios and identifies the difficulties to be taken into account when implementing each option.

The Recovery and Restructuring Plan is mainly based on the:

- Group's organization and the specific implications of its cooperative status;
- identification of the Group's critical duties;
- capital and liquidity management systems;
- analysis of financial crisis scenarios;
- mapping of the main entities and an analysis of their contribution in terms of solvency, liquidity and profitability;
- identification of the options that will have a significant impact on the recovery of the Group's financial situation;
- preventative monitoring of leading indicators on the financial and economic situation;
- establishment of the organizational structures needed to implement the recovery.

The plan will be kept up to date and approved by the Supervisory Board.

This system is monitored and coordinated by a permanent office at BPCE. This office reports to the Strategy division in coordination with the Group Finance division, the Risk Management division and the Legal Affairs division. It operates in close cooperation with the Group Audit and Risk Committee.

The Recovery and Restructuring Plan is updated annually.

Natixis' presence in the US led the Group to provide US authorities with a plan to resolve its activities in the US. The plan presents various resolution scenarios that may be applied under US regulations. The plan includes a public section that may be accessed on the Federal Deposit Insurance Corporation website at: http://www.fdic.gov/regulations/reform/resplans/.

2.9 Persons responsible for auditing the financial statements

2.9.1 Statutory Audit system

Within the Group, the main rules that govern Statutory Audit system and aim to guarantee Statutory Auditor independence in Groupe BPCE companies are defined in the "Framework for Statutory Auditor Assignments at Groupe BPCE," approved by BPCE's Supervisory Board on June 27, 2012.

Applicable to all Group businesses this framework primarily defines:

- the rules governing the selection of Statutory Auditors for the Group and its entities;
- the rules governing the services that may be provided by Statutory Auditors (or their networks);
- the role of Audit Committees with respect to monitoring the system.

On the choice of Statutory Auditors, in order to harmonize and ensure the consistency of the Statutory Audit system, the BPCE Management Board designated, based on the recommendation of the Group Audit and Risk Committee, a list of "Statutory Auditor networks approved by the central institution". This list includes four networks, including the three networks of which the central institution's Statutory Auditors are members.

In terms of control, the Group Audit and Risk Committee ensures that Groupe BPCE complies with the above-mentioned framework and reviews all services provided by Statutory Auditors to Group businesses. This role primarily involves:

- an annual review of fees and the types of services rendered. The central institution is notified of services rendered by the Statutory Auditors, which appear on the income statement of each company;
- quarterly supervision of services not related to the audit. The central institution is notified of the amount of commitments for these services whenever they are greater than or equal to €50,000.

To this end, the Group Audit and Risk Committee relies on the work of the Accounting and Regulatory Revision function. A Group review standard on the control of the independence of Statutory Auditors specifies the role of this function in this area and the main procedures it must implement. The work carried out within this framework is presented to each company's Audit Committee and, on a consolidated basis, to the Group Audit and Risk Committee.

2.9.2 Statutory Auditors of BPCE

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 December 31, 2014, the Statutory Auditors were:

PricewaterhouseCoopers Audit	KPMG Audit	Mazars
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	Département de KPMG SA 1, cours Valmy 92923 Paris-La Défense Cedex	61, rue Henri-Regnault 92075 Paris-La Défense Cedex

PricewaterhouseCoopers Audit (672006483 RCS Nanterre), KPMG Audit (775726417 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 CEBP (whose name was changed to BPCE following its Combined General Meeting of July 9, 2009) of July 2, 2009, voting under the conditions of quorum and majority applicable to an Ordinary General Shareholders' Meeting, decided to appoint PricewaterhouseCoopers Audit for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ending December 31, 2014.

PricewaterhouseCoopers Audit is represented by Ms. Anik Chaumartin and Ms. Agnès Hussherr.

Alternate: Étienne Boris, 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 2015, convened to approve the financial statements for the year ending December 31, 2014.

KPMG AUDIT

The Annual General Shareholders' Meeting of CEBP (whose name was changed to BPCE following its Combined General Meeting of July 9, 2009) of July 2, 2009, voting under the conditions of quorum and majority applicable to an Ordinary General Shareholders' Meeting, decided to appoint KPMG Audit, a division of KPMG SA, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ending December 31, 2014.

KPMG Audit is represented by Ms. Marie-Christine Jolys and Mr. Jean-François Dandé.

Alternate: Isabelle Goalec, residing at 1, cours Valmy, 92923 Paris La Défense Cedex, for a period of six fiscal years, i.e. until the Ordinary General Shareholders' Meeting to be held in 2015, convened to approve the financial statements for the year ending December 31, 2014.

MAZARS

The Annual General Shareholders' Meeting of BPCE of May 24, 2013, voting under the conditions of quorum and majority applicable to an Ordinary General Shareholders' Meeting, decided 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 and Mr. Jean Latorzeff.

Alternate: 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.

2.9.3 Remuneration of Statutory Auditors

As part of its duties defined by the "Framework for Statutory Auditor Assignments at Groupe BPCE" approved by the Supervisory Board on June 27, 2012, the Group Audit and Risk Committee ensures that the Statutory Auditors are independent, specifically by carrying out a detailed review of fees paid by the Group to them and the network to which they belong.

Furthermore, in accordance with AMF instruction 2006-10, Statutory Auditors' fees are published in the registration document, specifying the following:

- fees paid to the Statutory Auditors of BPCE SA group;
- fees paid to the Statutory Auditors of Groupe BPCE.

FEES PAID TO THE STATUTORY AUDITORS OF BPCE SA GROUP

The following fees were paid to the Statutory Auditors responsible for auditing BPCE's financial statements, together with their networks, in respect of the 2013 and 2014 fiscal years:

	PwC				Mazars				KPMG				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
in thousands of euros[(1)]	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
AUDIT																
Statutory audit, review of parent company and consolidated financial statements[(2)]	5,924	6,085	57%	63%	4,103	4,268	69%	79%	6,747	7,094	73%	82%	16,773	17,447	65%	73%
- Issuer	494	563			488	552			493	549			1,475	1,664		
- Subsidiaries	5,430	5,522			3,615	3,716			6,254	6,545			15,298	15,783		
Other due diligence procedures and services directly linked to the Statutory Auditors' duties[(3)]	1,559	1,002	15%	10%	1,225	1,032	20%	19%	2,315	1,331	25%	15%	5,099	3,365	20%	14%
- Issuer	795	653			780	640			1,028	914			2,603	2,207		
- Subsidiaries	764	349			445	392			1,287	417			2,496	1,158		
Subtotal	**7,483**	**7,087**	**72%**	**73%**	**5,328**	**5,300**	**89%**	**98%**	**9,062**	**8,425**	**98%**	**97%**	**21,872**	**20,812**	**85%**	**87%**
Change (%)	***6%***				***1%***				***8%***				***5%***			
Services provided by the network to fully consolidated subsidiaries																
- Legal, tax, payroll	1,181	1,719			198	113			65	158			1,444	1,990		
- Other	1,676	882			469	14			146	129			2,291	1,025		
Subtotal[(4)]	**2,857**	**2,601**	**28%**	**27%**	**667**	**127**	**11%**	**2%**	**211**	**287**	**2%**	**3%**	**3,735**	**3,015**	**15%**	**13%**
TOTAL	**10,340**	**9,688**	**100%**	**100%**	**5,995**	**5,427**	**100%**	**100%**	**9,273**	**8,712**	**100%**	**100%**	**25,607**	**23,827**	**100%**	**100%**
Change (%)	***7%***				***10%***				***6%***				***7%***			

Comments:

(1) Amounts relating to services provided appear on the income statement for the reporting year, notably including unrecoverable VAT and, where applicable, before being deducted from equity.

(2) Includes services provided by independent experts or members of the Statutory Auditor's network upon whom the Statutory Auditor may call in the course of certifying the financial statements.

(3) Other due diligence procedures and services directly linked to the Statutory Auditors' duties and carried out upon the Group's request, including due diligence carried out as part of financial transactions as well as analyses and controls prior to evaluation by the European Central Bank (ECB) of the risks and quality of banking assets (Asset Quality Review).

(4) Other services essentially involve duties carried out upon the request of Natixis SA and its subsidiaries and mainly concern the provision of services and/or advising on tax-related matters, due diligence reviews related to financial transactions and performing reviews of internal control system.

FEES PAID TO THE STATUTORY AUDITORS OF GROUPE BPCE

Fees in respect of duties carried out by the Statutory Auditors for the whole of Groupe BPCE (including Statutory Auditors not belonging to the same network as those responsible for auditing BPCE's financial statements) in respect of the 2013 and 2014 fiscal years were as follows:

	Statutory Auditors (and their networks) responsible for auditing BPCE's financial statements[5]								Other Statutory Auditor networks				Total			
	BPCE SA group				Other Groupe BPCE Entities											
in thousands of euros[1]	Amount		%		Amount		%		Amount		%		Amount		%	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT																
Statutory audit, review of parent company and consolidated financial statements[2]	16,773	17,447	65%	73%	9,300	12,684	95%	96%	10,900	11,442	49%	73%	36,973	41,572	64%	79%
Other due diligence procedures and services directly linked to the Statutory Auditors' duties[3]	5,099	3,365	20%	14%	514	475	5%	4%	5,013	1,869	22%	12%	10,626	5,709	18%	11%
Subtotal	**21,872**	**20,812**	**85%**	**87%**	**9,814**	**13,159**	**100%**	**100%**	**15,913**	**13,311**	**71%**	**85%**	**47,599**	**47,281**	**82%**	**90%**
Change (%)	***5%***				***-25%***				***20%***				***1%***			
Services provided by the network to fully consolidated subsidiaries																
- Legal, tax, payroll	1,444	1,990				6			1,017	893			2,461	2,889		
- Other	2,291	1,025			15				5,608	1,369			7,914	2,394		
Subtotal[4]	**3,735**	**3,015**	**15%**	**13%**	**15**	**6**			**6,625**	**2,262**	**29%**	**15%**	**10,375**	**5,283**	**18%**	**10%**
TOTAL	**25,607**	**23,827**	**100%**	**100%**	**9,829**	**13,165**	**100%**	**100%**	**22,538**	**15,573**	**100%**	**100%**	**57,974**	**52,564**	**100%**	**100%**
Change (%)	***7%***				***-25%***				***45%***				***10%***			

Comments:

(1) Amounts relating to services provided appear on the income statement for the reporting year, notably including unrecoverable VAT and, where applicable, before being deducted from equity.

(2) The reduction in audit fees (-25%) for "Other Groupe BPCE Entities" is mainly due to the change in the method of consolidation for Nexity, which is now accounted for by the equity method (-€3.7 million).

(3) Other due diligence procedures and services directly linked to the Statutory Auditors' duties and carried out upon the Group's request, including due diligence carried out as part of financial transactions as well as analyses and controls prior to evaluation by the European Central Bank (ECB) of the risks and quality of banking assets (Asset Quality Review) for €3.8 million as well as fees related to the Coface IPO for €1.5 million.

(4) Other services essentially involve duties carried out upon the request of Natixis SA and its subsidiaries and mainly concern support efforts related to the launch of the Life and Provident offer by Natixis Assurance on the Caisse d'Epargne network (following renegotiation of the agreements with CNP) as of January 1, 2016 for €5.2 million as well as the provision of services and/or advising on tax-related matters, due diligence reviews related to financial transactions and performing reviews of internal control systems.

(5) PwC, Mazars and KPMG.

2

3 RISK MANAGEMENT

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This "Risk Management" chapter presents the types of risk factors to which Groupe BPCE may be exposed, their scale and the impact that these risks could have on the results and assets of Groupe BPCE, as well as the measures in place to protect against them.

In addition to the risks related in particular to the macroeconomic environment or the structure of Groupe BPCE, the following risks are discussed: credit and counterparty risks, market risks, operational risks and structural asset-liability management risks (overall interest rate, liquidity and foreign exchange risks).

This chapter details the main insurance policies taken out by Groupe BPCE, the legal proceedings currently in progress and the risks related to insurance activities.

In accordance with the Financial Stability Board recommendations, Groupe BPCE's sensitive exposures are described in detail in section 3.7 of this chapter.

The purpose of the Pillar III report included in this chapter is to present detailed information regarding Groupe BPCE's capital and risk management as well as quantitative information relating to the calculation of capital adequacy ratios under Pillar I.

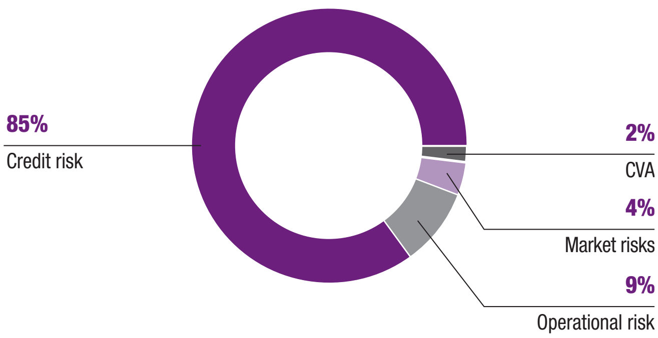
This chapter also complies with regulation No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and Directive No. 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive IV – CRD IV).

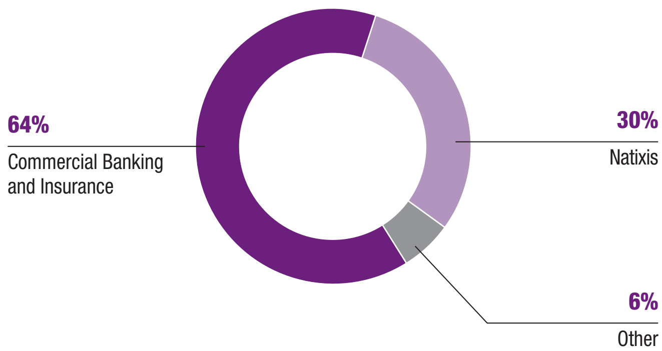
Certain information presented in this chapter is mandatory under IFRS 7 and is thus covered by the opinions of the Statutory Auditors on the consolidated financial statements. This information is flagged by the statement "Information provided in respect of IFRS 7".

3.1 Groupe BPCE's main risks

3.1.1 Main risks

BREAKDOWN OF RISK-WEIGHTED ASSETS AT DECEMBER 31, 2014





Credit concentration risk: Groupe BPCE's credit concentration risk is mainly measured by monitoring major risks arising from individual concentrations and by monitoring internal Group ceilings. No counterparty exceeds these regulatory ceilings and no counterparty concentration risk exceeds the Group's internal ceilings, which are much lower than the regulatory ceilings.

Sector risks are monitored at the Group level for the most sensitive sectors. Their monitoring is subject to recommendations issued to the Group's entities in question by the Group Risk Management division.

Most of Groupe BPCE's country risk is concentrated in its domestic market, France and, to a lesser extent, the European Union. The Group is particularly vigilant regarding risks associated with peripheral European countries and geopolitical risks borne by certain countries (see Chapter 3.2.7 "Credit and counterparty risk").

Market risk: the monitoring and analysis of market risk indicators are carried out at various position aggregation levels, which provides an overview of total exposure and risk consumption by risk factor. VaR and stress indicators remained at very low levels during 2014 (VaR of €8.9 million at end-2014) (see Chapter 3.2.10 "Market risks").

Liquidity, interest rate and foreign exchange risk: during 2014, Groupe BPCE continued to improve its liquidity position. The Group in particular raised considerable medium- and long-term funds on the market, allowing it to extend its market liabilities. This funding program was accompanied by increased diversification of funding sources. Finally, a share of surplus liquidity was used to increase deposits with central banks and portfolios of central bank-eligible available assets, particularly in anticipation of the entry into force of the new regulatory liquidity ratios. On June 30, 2014 the Group's LCR exceeded 100% (ahead of the target set in the strategic plan which aimed for January 1, 2015), its customer loan-to-deposit ratio was 121% and the Group achieved a high level of liquidity reserves (see Chapter 3.3 "Liquidity, interest rate and foreign exchange risks").

Operational risk: considering Groupe BPCE's business lines, failures due to errors in procedure management, external and customer fraud, and products and commercial practices are the three main categories that trigger operating losses (see Chapter 3.2.11 "Operational risk").

3.1.2 Risk factors

The banking and financial environment in which Groupe BPCE operates is exposed to numerous risks which obliges it to implement an increasingly demanding and strict policy to control and manage these risks.

Some of the risks to which Groupe BPCE is exposed are set out below. This is not a comprehensive list of all of the risks faced by Groupe BPCE while carrying out its business or considering the environment in which it operates. The risks presented below, as well as other risks which are not currently known or not considered significant by Groupe BPCE, could have a material adverse impact on its business, financial position and/or results.

RISKS RELATING TO MACROECONOMIC CONDITIONS, THE FINANCIAL CRISIS AND STRICTER REGULATORY REQUIREMENTS

Recent economic and financial conditions in Europe have had and may continue to have an impact on Groupe BPCE and the markets in which it operates

European markets have recently experienced significant disruptions that have affected economic growth. Initially originating from concerns regarding the ability of certain euro zone countries to refinance their debt, these disruptions have created uncertainty more generally regarding the short-term economic outlook of countries in the European Union, as well as the credit quality of certain sovereign euro zone issuers. There has also been an indirect impact on financial markets in Europe and worldwide.

While the impact of the crisis on Groupe BPCE's sovereign bond holdings has been limited, Groupe BPCE has been indirectly affected by the repercussions of the crisis on most countries in the euro zone, including the Group's domestic market. France's sovereign rating was downgraded by certain credit rating agencies in 2011, 2012 and 2013, in some cases resulting in the automatic downgrading of the credit ratings of French commercial banks, including those of the Groupe BPCE entities. More recently, anti-austerity sentiment has led to political uncertainty in certain European countries.

If economic or market conditions in France or elsewhere in Europe were to deteriorate further, Groupe BPCE's markets of operation could be more significantly disrupted, and its business, results and financial position could be adversely affected.

Legislation and regulatory measures in response to the global financial crisis may materially impact Groupe BPCE and the financial and economic environment in which the Group operates

Legislation and regulations have recently been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the global financial crisis, the impact of the new measures could substantially change the environment in which Groupe BPCE and other financial institutions operate.

The measures that have been or may be adopted include more stringent capital and liquidity requirements, taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership in private equity funds and hedge funds), new ring-fencing requirements relating to certain activities, enhanced prudential standards applicable to large non-U.S. banks, restrictions on the types of entities permitted to tarde in swaps, restrictions on certain types of financial products such as derivatives, mandatory write-down or conversion into equity of certain debt instruments, and the creation of new regulatory bodies or enhancement of resources used by existing regulatory bodies, including the transfer of certain supervisory functions to the European Central Bank (ECB). Some of these new measures are proposals that are under discussion and that are subject to revision and interpretation, notably for the purpose of complying with each country's national prudential framework. As a result of some of these measures, Groupe BPCE has reduced, and may further reduce, the size of certain activities in order to comply with the new requirements. These measures may also increase compliance costs, which may lead to a decrease in revenues and consolidated income in the relevant activities, the reduction or sale of certain operations and asset portfolios, and impairment losses.

Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on the part of legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures may have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty surounding the new legislative and regulatory measures, it is not possible to predict what impact they will have on Groupe BPCE.

Groupe BPCE is subject to significant regulation in France and in several other countries around the world where it operates; regulatory measures and changes could adversely affect Groupe BPCE's business and results

Groupe BPCE entities are subject to several supervisory and regulatory schemes in each of the jurisdictions in which they operate. Non-compliance could lead to significant intervention by regulatory authorities, fines, public reprimand, reputational damage, manadatory suspension of operations or, in extreme cases, withdrawal of their operating license. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities, a trend that may pick up in the current financial environment. The business and results of Group entities may be materially impacted by the policies and actions of various regulatory authorities in France, other European Union or non-euro zone governments and international organizations. Such constraints may limit the ability of Group entities to expand their businesses or to pursue certain activities. The nature and impact of future changes in such policies and regulatory measures are unpredictable and are beyond the Group's control. Such changes may include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;

- general changes in government or regulatory policies liable to significantly influence investor decisions, in particular in markets where Groupe BPCE operates;
- general changes in regulatory requirements, notably prudential rules relating to the regulatory capital adequacy framework, such as the amendments being made to the regulations implementing the Basel III requirements;
- changes in internal control rules and procedures;
- changes in the competitive environment and prices;
- changes in financial reporting rules;
- expropriation, nationalization, price controls, foreign exchange controls, confiscation of assets and changes in legislation relating to foreign ownership rights; and
- any adverse changes in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Groupe BPCE.

RISKS RELATING TO THE STRUCTURE OF GROUPE BPCE

On November 13, 2013, Groupe BPCE unveiled its strategic plan for 2014-2017, which includes a certain number of initiatives, in particular four investment priorities: (i) creating a new innovative model aimed at ensuring the best offline and online customer relations; (ii) changing the Group's financing models with the aim of making the Group a major provider of savings and investment solutions for its customers; (iii) becoming a fully-fledged bancassurance specialist, and (iv) stepping up the pace of the Group's international expansion. As part of the strategic plan, Groupe BPCE has announced a number of financial targets, which are based on assumptions but which in no way constitute a projection or forecast of expected earnings. Groupe BPCE's actual earnings are likely to vary (and may vary considerably) from these targets for a number of reasons, including the occurrence of one or more of the risk factors described in this chapter.

In the event of a disagreement between the Banque Populaire banks and the Caisses d'Epargne, the business or operations of BPCE may be subject to significant disruptions

The mechanism for the appointment of members of the Supervisory Board and of the Management Board of BPCE, as well as the implementation of various corporate governance measures is set forth in a protocol originally dated June 24, 2009 (the "BPCE Protocol"). Of the 18 members of the BPCE Supervisory Board, seven were nominated by the Caisses d'Epargne, seven by the Banque Populaire banks, and four are outside directors. In addition, the BPCE Protocol (and BPCE's bylaws) call for certain decisions deemed essential to be approved by 12 out of 18 members of the Supervisory Board. These "essential decisions" include the removal of the Chairman of the Management Board; any purchase of equity interests, other investments or divestitures involving an amount greater than €1 billion; any increase in BPCE's authorized capital with a waiver of preferential subscription rights; any merger or spin-off transactions to which BPCE is a party; any proposal to BPCE's shareholders to amend BPCE's bylaws, corporate governance or the rights of holders of preference shares; and any other decision involving a significant change to the Supervisory Board's functions that would affect the rights of holders of BPCE preference shares. Neither the BPCE Protocol nor BPCE's bylaws contain a mechanism for definitively resolving any disagreement. In the event of a deadlock, the Management Board may be unable to obtain Supervisory Board approval to proceed with planned actions. The business of BPCE or Groupe BPCE may therefore be subject to significant disruptions in the event that the Banque Populaire banks and the Caisses d'Epargne are unable to resolve any differences concerning the Group's development.

RISK FACTORS RELATING TO THE BANKING SECTOR AND GROUPE BPCE ACTIVITIES

Groupe BPCE is exposed to numerous risk categories associated with banking activities

The four main risk categories associated with Groupe BPCE's activities are presented below. The following risk factors refer to or provide detailed examples of these various types of risk (including the impact of the most recent financial crisis) and describe certain additional risks to which Groupe BPCE is exposed.

- **Credit risk.** Credit risk is the risk of financial losses that may result in a counterparty being unable to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial group or a commercial company, a government and its various entities, an investment fund or an individual. Credit risk arises from lending activities as well as from other activities in which Groupe BPCE is exposed to the risk of counterparty default (trading activities, capital market activities, derivatives trading and settlement). Credit risk may also arise from Groupe BPCE's factoring activities, even though this risk is associated with the credit of the counterparty's customer and not with the counterparty itself. See paragraph 3.2.7 of this chapter.
- **Market and liquidity risks.** Market risk is the risk of losses due mainly to unfavorable changes in market variables. These variables include, but are not limited to, exchange rates, bond prices and interest rates, security and commodity prices, derivative prices, financial instrument credit spreads and the prices of other types of assets, such as real estate assets for example.

Liquidity is also a key component of determining market risk. If a listed instrument or a transferable asset is not very liquid or not liquid at all it can no longer be marketed at its estimated value (as was the case recently for certain assets classes due to market disruptions). Insufficient liquidity may be due to restricted access to financial markets, unexpected cash or capital requirements or regulatory restrictions.

Market risk may affect trading books and long-term investment securities. For long-term investment securities, this risk includes:

- risk relating to Asset and Liability Management, *i.e.* the risk of losses due to asset-liability mismatch in banking portfolios or insurance activities; this risk is mainly determined by the interest rate risk;
- risk relating to investment activities, which is directly related to changes in the value of assets invested in security portfolios, and which may be recorded in the income statement or directly in equity; and
- risk from other activities, such as real estate, which is indirectly affected by changes in the value of marketable assets which are held as part of ordinary activities.

See paragraphs 3.2.10 and 3.3 of this chapter.

- **Operational risk.** Operational risk is the risk of losses due to inadequacies or weaknesses in internal procedures, or external incidents, whether deliberate, inadvertent or of a natural cause. Internal processes include, but are not limited to, human resources and information systems, risk management and internal control mechanisms (including fraud prevention). External incidents include floods, fire, storms, earthquakes and terrorist acts. See paragraph 3.2.11 of this chapter.
- **Insurance risk.** Insurance risk is the risk to profits of any difference between expected and actual claims. Depending on the insurance products involved, risk varies based on changes in macroeconomic factors, customer behavior, public health policy, pandemics, accidents and natural disasters (such as earthquakes, storms, industrial accidents, terrorist acts or acts of war). See paragraph 3.6 of this chapter.

BPCE and its subsidiary, Natixis, must maintain high credit ratings in order not to affect their profitability

Credit ratings are important in terms of the liquidity of BPCE and its affiliates which are active in the financial markets, in particular Natixis Wholesale Banking. A ratings downgrade may affect the liquidity and competitive position of BPCE or Natixis, increase funding costs, limit access to capital markets and trigger clauses in some bilateral contracts for trading, derivatives and collateralized funding transactions. BPCE and Natixis' non-securitized long-term funding cost is directly linked to their respective credit spreads (the rate differential beyond government-issued securities rates with the same maturity that is paid to bond investors), which in turn are heavily dependent on their ratings. An increase in credit spreads may materially raise BPCE and Natixis' funding cost. Shifts in credit spreads are permanent, correlated to the market and sometimes subject to unforeseen and highly volatile changes. Credit spreads are also the result of the markets' perception of the issuer's solvency. Moreover, credit spreads may be the result of changes in the cost of purchasing credit default swaps on some BPCE or Natixis bonds. This cost may also depend on the credit quality of these bonds and a number of other factors over which BPCE and Natixis have no control.

Any increase in provisions or any losses beyond the level of provisions that have already been booked may have an adverse effect on Groupe BPCE's results or financial position

With respect to their lending activities, Groupe BPCE entities record provisions for doubtful receivables, which are booked in its income statement under "cost of risk". The overall level of provisions is decided based on historical losses, the volume and types of loans granted, market practices, loan arrears, economic conditions or other factors that reflect the recovery rate of various loans. Although Groupe BPCE entities aim to record sufficient provisions, their lending activities may lead them to increase these provisions for losses on loans in the event of an increase in non-performing assets, a deterioration in economic conditions which may trigger an increase in counterparty defaults and bankruptcy, or for any other reason. Any significant increase in provisions for losses or a significant change in Groupe BPCE's risk of loss estimates for its unimpaired loan portfolio, or any change in accounting standards, or any losses in excess of provisions recorded for the loans in question, may have an unfavorable impact on Groupe BPCE's results and financial position.

Groupe BPCE's ability to attract and retain skilled employees is paramount to the success of its business and failing to do so may materially affect its performance

Groupe BPCE's employees are one of its most important resources and competition to attract qualified personnel is fierce in many sectors of the financial services industry. Groupe BPCE's results depend on its ability to attract new employees and retain and motivate existing employees. Changes to the economic environment (in particular tax and other measures aimed at limiting the pay of banking sector employees) may compel the Group to transfer its employees from one unit to another, or reduce the workforce of its entities; these transfers may cause temporary disruption due to the time required for employees to adapt to their new functions and prevent Groupe BPCE from benefiting from growth opportunities or potential efficiency gains.

European regulatory and legislative initiatives governing pay may have a significant impact on Groupe BPCE's Wholesale Banking activities

Regulatory and legislative initiatives currently under review in Europe may materially change the pay structure and amounts paid to certain employees. If they are adopted in their current form, these initiatives would ban the payment of cash bonuses exceeding the fixed pay of the employees in question (or exceeding twice the amount of employees' pay, subject to shareholder approval), and limit share bonuses. The potential impact of these initiatives is difficult to foresee. They could lead to a significant increase in the fixed pay expectations of qualified employees, in which case Groupe BPCE's cost base would become a lot less flexible. This would reduce net income during phases of market correction compared to the net income that could be achieved with a pay structure with a higher variable component. Moreover, due to these initiatives, it may become even harder to attract qualified employees in these activities.

Future events may vary compared to Management assumptions, on which the financial statements of Groupe BPCE entities are based, which in the future may expose it to unexpected losses

According to current IFRS standards and interpretations, Groupe BPCE entities must base their financial statements on certain estimates, in particular accounting estimates relating to the determination of provisions for doubtful loans and receivables, provisions for potential claims and litigation, and the fair value of certain assets and liabilities. If the values used for these estimates prove to be materially inaccurate, in particular in the event of sharp or unexpected shifts in the markets, or if the methods used to calculate these values are modified due to future changes in IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

Market fluctuations and volatility expose Groupe BPCE, in particular its subsidiary Natixis, to material losses on its trading and investment activities

With respect to its trading and investment activities, Natixis takes positions in the bond, currency, commodity and equity markets, as well as in unlisted securities, real estate assets and other kinds of assets (this is also true of other Groupe BPCE entities, but to a lesser extent). Volatility on these markets and other market segments (*i.e.* the scale of fluctuations in price over a set period on a specific market, regardless of the levels of these markets) may have an unfavorable impact on its market positions. Volatility may also trigger losses on trading and hedging products used by Natixis, including swaps, futures, options and structured products, if these are lower or higher than Natixis' estimates.

As Natixis holds assets or has net long positions on these markets, any market correction would lead to losses due to a decrease in the value of these positions. Conversely, as Natixis has disposed of assets which it does not own or on which it held net short positions on these markets, any rebound on the latter may expose it to losses due to measures taken to hedge these positions by buying on a rising market. Natixis may, on occasion, implement a trading strategy involving a long position in one asset and a short position in another, from which it intends to generate gains on the change in the relative value of both assets. However, if the relative value of both assets change in the same direction, or to an extent not anticipated by Natixis, or for which no hedging transaction had been set up, the company could record a loss on its arbitrage positions. These losses, if material, could have a negative impact on Natixis' and Groupe BPCE's results and financial position.

Groupe BPCE's revenues from brokerage activities and other activities that generate fee and commission income may decrease in the event of market downturns

A market downturn is liable to result in a drop in the volume of trades that Groupe BPCE carries out on behalf of its customers and, as a result, in a decline in net banking income from these activities. Moreover, asset management fees that Groupe BPCE invoices to its customers are generally calculated based on the value or performance of the portfolios. Thus a downturn in the markets that results in a decline in the value of these portfolios or which increases the amount of outflows would lead to a decrease in income from asset management and private banking activities.

Irrespective of market fluctuations, the underperformance of Groupe BPCE's asset management activity could lead to a decrease in assets under management (in particular the acquisition of mutual funds) and other fees, premiums or other management income received by Groupe BPCE.

A prolonged decline in the markets may reduce the liquidity of assets and make their disposal more difficult. Such a situation may lead to material losses

In some of Groupe BPCE's activities, a prolonged decline in asset prices may bring down the level of activity or reduce liquidity on the market in question. Such a situation would expose Groupe BPCE to material losses if it is unable to rapidly close out its potentially loss-making positions. This is particularly true of assets that are intrinsically illiquid. Certain assets which are not traded on exchanges or regulated markets, such as interbank derivatives, are usually marked-to-model rather than marked-to-market. Given the challenge of monitoring the change in the price of these assets, Groupe BPCE may incur unexpected losses.

Changes in interest rates may have an unfavorable impact on Groupe BPCE's net banking income and results

Revenues net of interest earned by Groupe BPCE during a given period have a material influence on the net banking income and profitability for this period. Moreover, significant changes in credit spreads, such as the widening of spreads recently observed, may have an impact on Groupe BPCE's operating income. Interest rates are highly sensitive to various factors that may be outside the control of Groupe BPCE entities. Changes in market interest rates may have an impact on the interest rate applied to interest-bearing assets, contrary to those of interest rates paid on interest-bearing liabilities. Any unfavorable trends in the yield curves may trigger a decline in net interest income from lending activities. Moreover, rises in interest rates at which short-term financing is available and maturity mismatches may have a negative impact on Groupe BPCE's profitability. An increase in high interest rates and credit spreads, particularly if these changes are rapid, may contribute to a less favorable environment for certain banking services.

Changes in exchange rates may have a material impact on Groupe BPCE's results

Groupe BPCE entities carry out a large share of their activities in currencies other than the euro, in particular the US dollar, and changes in the exchange rate may affect their net banking income and results. The fact that Groupe BPCE records costs in currencies other than the euro only partly offsets the impact of changes in the exchange rate on net banking income. Natixis is particularly exposed to fluctuations between the euro and US dollar, as a major share of its net banking income and operating income is generated in the United States. As part of its risk management policy, BPCE and its subsidiaries enter into transactions to hedge their exposure to exchange rate risk. However, these transactions may not fully offset the unfavorable impact of exchange rate fluctuations on operating income or even, under certain assumptions, may amplify their effect.

Any interruption or failure of the information systems belonging to Groupe BPCE or a third party may trigger a shortfall and lead to losses

As is the case for the majority of its competitors, Groupe BPCE is highly dependent on communication and information systems, as a large number of increasingly complex transactions are processed in the course of its activities. Any failure, interruption or malfunction in these systems may cause errors or interruptions in the systems used to manage the customer accounts, general accounts, deposits, transactions and/or to process loans. For example, if Groupe BPCE's information systems were to malfunction, even for a short period, it would be unable to meet its customers' needs in time and could thus lose transaction opportunities. A temporary failure in Groupe BPCE's information systems despite back-up systems and contingency plans could also generate substantial information recovery and verification costs, or even a shortfall in its proprietary activities if, for example, such a failure were to occur during the implementation of a hedging transaction. The inability of Groupe BPCE's systems to adapt to an increasing number of transactions may also limit its ability to develop its activities.

Groupe BPCE is also exposed to the risk of disruption or operational failure of one of its clearing agents, foreign exchange markets, clearing houses, depositories or other financial intermediaries or external service providers that it uses to carry out or simplify its securities transactions. As interconnectivity with its customers continues to grow, Groupe BPCE may also become increasingly exposed to the risk of the operational malfunction of its customers' information systems. Groupe BPCE cannot guarantee that such failures or interruptions in its own systems or in third party systems will not occur or that, if they do occur, they will be adequately resolved.

Unforeseen events may cause an interruption in BPCE's activities and trigger material losses and additional costs

Unforeseen events, such as a serious natural disaster, a pandemic, attacks or any other emergency situation may cause an abrupt interruption in activities at Groupe BPCE entities and trigger material losses, if the Group is not covered, or not sufficiently covered, by an insurance policy. These losses could relate to material assets, financial assets, market positions or key personnel. Moreover, such events may also disrupt the infrastructure of Groupe BPCE or that of a third party with which Groupe BPCE carries out its activities and may also trigger additional costs (relating in particular to the cost of relocating the affected personnel) and increase Groupe BPCE's costs (especially insurance premiums). Following such an event, Groupe BPCE may be unable to insure certain risks, which would lead to an increase in Groupe BPCE's overall risk.

Groupe BPCE may be vulnerable to political, macroeconomic and financial environments or to specific circumstances in countries in which it operates

Certain Groupe BPCE entities are exposed to country risk, which is the risk that economic, financial, political or social conditions in a foreign country may affect their financial interests. Natixis, in particular, operates worldwide, including in parts of the world that are developing, commonly referred to as emerging markets. In the past, many countries classified as emerging markets have experienced serious economic and financial instability, in particular devaluations of their local currencies, currency exchange and capital controls, and weak or negative economic growth. Groupe BPCE's activities and income from transactions and trades outside the European Union and the United States, despite being limited, are exposed to risk of loss due to unfavorable political, economic and legal developments, in particular currency fluctuations, social instability, changes in government or central-bank policies, expropriation, nationalization, asset confiscation and changes to the law governing property rights.

The failure or inadequacies of Groupe BPCE's policies, procedures and risk management strategies may expose it to unidentified or unexpected risks which may trigger material losses

Groupe BPCE's risk management policies and procedures may not be effective enough to limit its exposure to all types of market environments or all kinds of risks, including risks that Groupe BPCE was unable to identify or anticipate. Furthermore, the risk management techniques and strategies adopted by Groupe BPCE do not guarantee an actual lowering of risk in all market environments. These techniques and strategies may prove ineffective against certain types of risk, in particular risks that Groupe BPCE had not already identified or anticipated. Some of the indicators and quantitative tools used by Groupe BPCE to manage risk are based on the observation of past market performance. To measure risk exposure, Groupe BPCE's heads of risk management carry out an analysis, in particular a statistical analysis, of these observations. There is no guarantee that these tools or indicators are capable of foreseeing future exposure to risk. For example, this exposure to risk may be due to factors that Groupe BPCE may not have sufficiently anticipated or correctly assessed in its statistical models or due to unexpected or unprecedented shifts in the market. This would decrease Groupe BPCE's ability to manage its risks. As a result, losses to which Groupe BPCE is subject may be higher than those anticipated based on the historical average. Moreover, Groupe BPCE's quantitative models cannot factor in all risks. Some risks are subject to a more qualitative analysis that may be insufficient and thus expose Groupe BPCE to material unexpected losses. In addition, while no material issue has been identified to date, the Group's risk management systems are subject to the risk of operational failure, including fraud.

Groupe BPCE's hedging strategies do not eliminate all risk of loss

Groupe BPCE may incur losses if any of the various hedging instruments or strategies that it uses to hedge various kinds of risks to which it is exposed proves ineffective. Many of these strategies are based on the observation of past market performance and the analysis of historical correlations. For example, if Groupe BPCE holds a long position in an asset, it may hedge the risk by taking a short position in another asset whose past performance offsets the change in the long position. However, it is possible that this hedge is only partial, that the strategies do not hedge all future risks or do not effectively decrease risk in all market environments. Any unexpected swings in the market, such as those seen on the international financial markets since the second half of 2007, may also decrease the effectiveness of these hedging strategies. Moreover, the accounting recognition of gains and losses from ineffective hedges may increase the volatility of results published by Groupe BPCE.

Groupe BPCE may encounter difficulties in identifying, implementing and incorporating its policy governing acquisitions or joint ventures

Although acquisitions are not a major part of Groupe BPCE's current strategy, the Group may nonetheless consider acquisition or partnership opportunities in the future. Although Groupe BPCE carries out an in-depth analysis of any companies which it may acquire or joint ventures into which it may enter, in general it is impossible to carry out an exhaustive appraisal. As a result, Groupe BPCE may have to assume initially unforeseen commitments. Similarly, the results of the acquired company or joint venture may prove disappointing and the expected synergies may not be realized in whole or in part, or the transaction may even give rise to higher-than-expected costs. Groupe BPCE may also encounter difficulties with the consolidation of a new entity. The failure of an announced acquisition or failure to consolidate a new entity or joint venture may place a material strain on Groupe BPCE's profitability. This situation may also lead to the departure of key personnel. In the event that Groupe BPCE is obliged to offer financial incentives to its employees in order to retain them, this situation may also lead to an increase in costs and a decline in profitability. Joint ventures expose Groupe BPCE to additional risks and uncertainties in that it may depend on systems, controls and persons that are outside its control and may, in this respect, see its liability incurred, suffer losses or damage to its reputation. Moreover, conflicts or disagreements between Groupe BPCE and its joint venture partners may have a negative impact on the targeted benefits of the joint venture.

Increased competition both in France (where the majority of Groupe BPCE's entities are based) and abroad may weigh on net banking income and profitability

Groupe BPCE's main business lines operate in a highly competitive environment both in France and other parts of the world where it is present. Groupe BPCE is in competition with other entities based on a number of factors including the execution of transactions, product and service offerings, innovation, reputation and price. Groupe BPCE is also subject to heightened competition due to sector consolidation and the arrival of new entrants on the market. Consolidation has created a certain number of companies, in particular in the European financial services sector which, like Groupe BPCE, can offer a wide range of products and services ranging from insurance, loans and deposits to brokerage, investment banking and asset management. If Groupe BPCE is unable to adjust to the competitive conditions in France or in its other major markets by offering a range of attractive and profitable products and services, it may lose market share in certain key business lines or incur losses in some or all of its activities. Moreover, a slowdown in the global economy or the economic environment of Groupe BPCE's main markets is likely to enhance competitive pressure, in particular through greater pricing pressure and a slowdown in business volume for Groupe BPCE and its competitors. New and more competitive players, which are subject to separate or more flexible regulations or to other requirements in terms of capital adequacy ratios, may also enter the market. These new entrants may also be able to offer more competitive products and services. Technological advances and the growth of e-commerce have made it possible for non-custodians to offer products and services that were traditionally banking products, and for financial institutions and other companies to provide electronic and internet-based financial solutions, including electronic securities trading. These new entrants may put downward pressure on the price of Groupe BPCE's products and services or affect Groupe BPCE's market share.

The financial solidity and performance of other financial institutions and market players may have an unfavorable impact on Groupe BPCE

Groupe BPCE's ability to execute transactions may be affected by the financial solidity of other financial institutions and market players. Financial institutions are closely interconnected as a result, notably, of their trading, clearing, counterparty and financing operations. A default by a sector player, or even mere rumors or concerns regarding one or more financial institutions or the financial industry in general, has already led to a general contraction in market liquidity in the past and may lead to losses or further defaults in the future. Groupe BPCE is exposed to several financial counterparties, which in turn exposes it to a potential insolvency risk if a set of counterparties or Groupe BPCE customers were to default on their commitments. This risk would be exacerbated if the assets held as collateral by Groupe BPCE could not be sold, or if their selling price would not cover all of Groupe BPCE's exposure to loans or derivatives in default.

Moreover, fraud or malicious acts committed by financial sector participants may have a material adverse effect on financial institutions due in particular to the interconnection of institutions which operate on the financial markets.

Losses that may arise from the above-mentioned risks could significantly impact Groupe BPCE's results.

3.2 Pillar III

3.2.1 Regulatory framework

Regulatory monitoring of credit institutions' capital is based on regulations defined by the Basel Committee.

These regulations were reinforced following the introduction of Basel III, with an increase in the level of regulatory capital requirements and the introduction of new risk categories.

These new Basel III recommendations were reflected in the EU directive 2013/36/EU (Capital Requirements Directive – CRD IV) and regulation No. 575/2013 (Capital Requirements Regulation – CRR) of the European Parliament and of the Council. All EU credit institutions are subject to compliance with the prudential requirements set out in these texts.

These new regulations took effect on January 1, 2014. For comparison, the figures presented below as at 12/31/2013 are pro forma phased-in Basel III figures.

Credit institutions subject to the CRD are thus required to continuously observe:

- the Common Equity Tier-1 ratio (CET1);
- the Tier-1 ratio, *i.e.* CET1 plus additional Tier-1 capital (AT1);
- the total capital adequacy ratio, *i.e.* Tier-1 plus Tier-2 capital;
- in addition to capital buffers at the regulator's national discretion, which include:
  - a capital conservation buffer,
  - a countercyclical capital buffer,
  - a buffer for systemically important financial institutions,
  - and the systemic risk buffer.

The ratios are equal in terms of relationship between capital and the sum of:

- credit and dilution risk-weighted assets;
- capital requirements for the prudential supervision of market risk and operational risk, multiplied by 12.5.

They are subject to a phase-in calculation aimed at gradually transitioning from Basel 2.5 to Basel III rules. These phase-in measures cover:

- changes in capital ratios before buffers: the minimum Common Equity Tier-1 ratio was 4% in 2014, before being increased to 4.5% in subsequent years. Similarly, the Tier-1 ratio was 5.5% in 2014, and was increased to 6% in subsequent years. And finally, the total capital adequacy ratio must be at least 8%;
- changes in capital buffers: these will be gradually implemented from fiscal year 2016 until 2019;
- the incorporation of new components:
  - the new regulation eliminated the majority of the prudential filters and in particular those relating to unrealized capital gains and losses on equity instruments and available-for-sale debt securities. A phase-in application was nevertheless implemented. In 2014 unrealized capital gains were still excluded from Common Equity Tier-1 and will be gradually integrated in subsequent years. Capital losses were integrated as from 2014,
  - the capped or excluded share of non-controlling interests will gradually be deducted from each capital tier in 20% increments each year as from 2014,
  - deferred tax assets (DTA) depending on future taxable income and related to tax loss carry forwards will gradually be deducted in 10% increments as from 2015,
  - DTA depending on future taxable income and related to temporary differences will gradually be deducted in 20% increments as from 2014, for the share exceeding the common allowance for equity interests of more than 10%. In 2014, the remaining 80% was still accounted for in accordance with the CRD III directive; the items covered by the allowance were weighted at 250%,
  - Common Equity Tier-1 instruments held in equity interests of more than 10% will be gradually deducted: the residual amount of the share exceeding the allowance, applicable to DTAs as referred to in the previous point, is deducted using the same methods as in the point above. In 2014, the remaining 80% was still accounted for in accordance with the CRD III directive (50% deducted from Tier-1 and 50% from Tier-2); the items covered by the allowance were weighted at 250%,
  - hybrid debt instruments eligible to be included in capital under Basel II, and which are no longer eligible under the new regulation, may under certain conditions be eligible for the grandfathering clause. In accordance with this clause, they are gradually excluded over an eight year period, with a 10% decrease each year. In 2014, 80% of the total stock declared at December 31, 2013 was recognized, then 70% in 2015 and so forth in subsequent years. The unrecognized share may be included in the lower equity tier if it meets the relevant criteria.

Credit institutions must comply with prudential requirements which are based on three pillars that form an indivisible whole:

PILLAR I

Pillar I sets minimum requirements for capital. It aims to ensure that banking institutions hold sufficient capital to provide a minimum level of coverage for their credit risk, market risk and operational risk. The bank can use standardized or advanced methods to calculate its capital requirement.

PILLAR II

This establishes a process of prudential supervision that complements and strengthens Pillar I.

It consists of:

- analysis by the bank of all of its risks, including those already covered by Pillar I;
- calculation by the bank of the amount of economic capital it needs to cover these risks;
- comparison by the banking supervisor of its own analysis of the bank's risk profile with the analysis conducted by the bank, in order to adapt its choice of prudential measures where applicable, which may take the form of capital requirements exceeding the minimum requirements or any other appropriate technique.

PILLAR III

Pillar III is concerned with establishing market discipline through a series of reporting requirements. These requirements – both qualitative and quantitative – are intended to improve financial transparency in the assessment of risk exposure, risk assessment procedures and capital adequacy.

On December 20, 2013, the European Commission adopted implementing regulation (EU) No. 1423/2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions.

3.2.2 Scope

PRUDENTIAL SCOPE

Groupe BPCE is subject to a consolidated regulatory reporting requirement from the European Central Bank (ECB), the European supervisory authority. Pillar III is therefore prepared on a consolidated basis.

The prudential scope of consolidation is established based on the statutory scope of consolidation. The main difference between these two scopes lies in the consolidation method for insurance companies, which are accounted for under the equity method within the prudential scope, regardless of the statutory consolidation method.

The following insurance companies are accounted for under the equity method within the prudential scope of consolidation:

- CNP Assurances*;
- Surassur;
- Muracef;
- Coface;
- Natixis Assurances;
- Compagnie Européenne de Garanties et de Cautions;
- Prépar-Vie;
- Prépar-IARD;
- Caisse Garantie Immobilière du Bâtiment*;
- Parnasse Garanties*.

* *Also accounted for under the equity method in the statutory consolidation scope.*

TRANSITION FROM ACCOUNTING BALANCE SHEET TO PRUDENTIAL BALANCE SHEET

The table below shows the transition from an accounting balance sheet to a prudential balance sheet for Groupe BPCE at December 31, 2014.

Assets at 12/31/14 *(in millions of euros)*	**BPCE statutory scope**	**Prudential restatements**	**BPCE prudential scope**
Cash and amounts due from central banks	79,028	34	79,062
Financial assets at fair value through profit or loss	229,300	(9,859)	219,441
– *o/w securities portfolio*	*88,017*	*(10,024)*	*77,993*
– *o/w loan book*	*10,865*		*10,865*
– *o/w repurchase agreements*	*63,699*	*202*	*63,901*
– *o/w derivative financial instruments*	*66,719*	*(37)*	*66,682*
Hedging derivatives	16,396	(1)	16,395
Available-for-sale financial assets	86,984	(44,377)	42,607
Loans and receivables due from credit institutions	103,744	(1,368)	102,376
Loans and receivables due from customers	610,967	611	611,578
Revaluation difference on interest rate risk-hedged portfolios	9,622		9,622
Held-to-maturity financial assets	11,195	(3,650)	7,545
Current tax assets, deferred tax assets	6,457	(119)	6,338
Accrued income and other assets	53,853	(8,494)	45,359
Assets held for sale	209		209
Investments in associates	4,091	3,166	7,257
Investment property	1,998	(1,263)	735
Property, plant and equipment	4,737	(69)	4,668
Intangible assets	1,112	(232)	880
Goodwill	3,605	(462)	3,143
TOTAL	**1,223,298**	**(66,083)**	**1,157,215**

Liabilities at 12/31/14 *(in millions of euros)*	**BPCE statutory scope**	**Prudential restatements**	**BPCE prudential scope**
Amount due to central banks	2		2
Financial liabilities at fair value through profit or loss	198,598	(184)	198,414
– *o/w trading securities portfolio*	*39,264*		*39,264*
– *o/w loans and repurchase agreements*	*775*		*775*
– *o/w portfolio measured under the market value option*	*93,070*	*(122)*	*92,948*
– *o/w derivative financial instruments*	*65,489*	*(62)*	*65,427*
Hedging derivatives	21,582		21,582
Amounts due to credit institutions	85,701	(2,474)	83,227
Amounts due to customers	473,540	506	474,046
Debt securities	250,165	2,879	253,044
Revaluation difference on interest rate risk-hedged portfolios	1,629		1,629
Current tax liabilities, deferred tax liabilities	694	(261)	433
Accrued expenses and other liabilities	50,278	(7,754)	42,524
Liabilities associated with non-current assets held for sale	106		106
Insurance companies' technical reserves	57,111	(57,041)	70
Provisions	5,608	(139)	5,469
Subordinated debt	15,606	(601)	15,005
Equity attributable to equity holders of the parent	**55,290**	**(10)**	**55,280**
Share capital and additional paid-in capital	*20,581*	*0*	*20,581*
Retained earnings	*30,937*	*(9)*	*30,928*
Unrealized or deferred gains and losses	*865*		*865*
Net income for the period	*2,907*	*(1)*	*2,906*
Non-controlling interests (minority interests)	7,388	(1,004)	6,384
TOTAL	**1,223,298**	**(66,083)**	**1,157,215**

3

3.2.3 Composition of regulatory capital

REGULATORY CAPITAL

Regulatory capital is determined in accordance with regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms.

It is divided into three categories: Common Equity Tier-1, Additional Tier-1 capital and Tier-2 capital. Deductions are made from these categories.

These categories are broken down according to decreasing degrees of solidity and stability, duration and degree of subordination.

in millions of euros	12/31/2014 Basel III phased-in	12/31/2013 Basel III phased-in*
Share capital and additional paid-in capital	20,581	20,011
Retained earnings	30,928	28,419
Income	2,906	2,669
Gains and losses recognized directly in equity	865	240
Consolidated equity attributable to equity holders of the parent	**55,280**	**51,339**
Perpetual deeply subordinated notes classified as equity	(4,060)	(4,531)
Consolidated equity attributable to equity holders of the parent excluding perpetual deeply subordinated notes classified as equity	**51,220**	**46,808**
Non-controlling interests (minority interests)	4,847	5,355
Deductions	(4,846)	(5,343)
– *o/w goodwill*	*(3,966)*	*(4,339)*
– *o/w other intangible assets*	*(880)*	*(1,004)*
Prudential restatements	(4,634)	(4,507)
Common Equity Tier-1	**46,587**	**42,314**
Additional Tier-1 capital	3,382	4,179
Tier-2 capital	**49,969**	**46,493**
Tier-2 capital	10,568	7,147
TOTAL REGULATORY CAPITAL	**60,537**	**53,640**

* *Phased-in: after taking into account phase-in measures.*

The breakdown of regulatory capital by category as required by implementing regulation No. 1423/2013 is published at the following address: http://www.bpce.fr/en/Investors/Regulated-information/Regulatory-publication.

COMMON EQUITY TIER-1 (CET1)

Core capital and deductions

Common Equity Tier-1 consists of the following:

- share capital;
- reserves, including revaluation differences and gains or losses recognized directly in equity;
- issue or merger premiums;
- retained earnings;
- net income attributable to equity holders of the parent;
- unrealized gains and losses recognized directly in equity;
- non-controlling interests of banking or related subsidiaries for the share after eligibility caps in CET1.

The following deductions are made:

- treasury shares held and stated at their carrying amount;
- intangible assets, including set-up costs and goodwill;
- deferred tax assets and liabilities depending on future taxable income;
- prudential filters arising from Articles 32, 33, 34 and 35 of the CRR: gains or losses on cash flow hedges, gains from transactions in securitized assets, own credit risk, additional value corrections;
- negative amounts arising from an inadequate provision for expected losses (in this calculation performing loans are clearly separated from loans in default);
- equity interests in eligible banking, financial and insurance institutions according to the rules on allowances for these holdings and the phase-in period.

Changes in Common Equity Tier-1

in millions of euros	CET1
12/31/2013	**42,314**
Cooperative share issues	1,726
Income net of proposed dividend payout	2,520
Other items	27
12/31/2014	**46,587**

Breakdown of non-controlling interests (minority interests)

in millions of euros	Non-controlling interests
Carrying amount (prudential scope) – 12/31/2014	**6,384**
Perpetual deeply subordinated notes classified as non-controlling interests	(784)
Ineligible non-controlling interests	(164)
Proposed dividend payout	(311)
Caps on eligible non-controlling interests	(161)
Other items	(117)
Prudential amount – 12/31/2014	**4,847**

ADDITIONAL TIER-1 CAPITAL (AT1)

Additional Tier-1 capital includes:

- subordinated instruments issued in compliance with the restrictive eligibility criteria set forth in Article 52 of the CRR;
- issue premiums related to these instruments.

The following deductions are made:

- interests in eligible banking, financial and insurance institutions according to the rules on allowances for these holdings and the phase-in period.

Main characteristics of additional Tier-1 capital

AT1 capital predominantly consists of non-innovative or innovative capital instruments, with progressive dividend yields on innovative capital instruments.

Additional Tier-1 capital

in millions of euros	12/31/2014 Basel III phased-in	12/31/2013 Basel III phased-in
Ineligible AT1 capital instruments subject to grandfathering clause*	3,876	4,269
AT1 instruments issued by financial institutions in which the Group holds more than 10%	(40)	(40)
Phase-in adjustments applicable to AT1 capital	(453)	(50)
ADDITIONAL TIER-1 CAPITAL (AT1)	**3,382**	**4,179**

* *Amount after the application of phase-in measures, i.e. 80% of deeply subordinated note outstandings.*

Changes in AT1 capital

in millions of euros	AT1 capital
12/31/2013	**4,179**
Redemptions	(394)
Phase-in adjustments	(403)
12/31/2014	**3,382**

Issues of deeply subordinated notes at December 31, 2014

Capital instruments issued by BPCE, whose outstandings totaled €4,060 million at December 31, 2014, are recorded under Shareholders'equity in the financial statements. Capital instruments issued by Natixis and subscribed for by third parties, whose outstandings totaled €784 million at December 31, 2014, are recorded under non-controlling interests in the financial statements.

Issuer	Issue date	Currency	Amount in millions *(original currency)*	Net amount *(in millions of euros)*	Net prudential amount *(in millions of euros)*
BPCE	07/30/2004	USD	200	143	114
BPCE	10/06/2004	EUR	368	368	295
BPCE	10/12/2004	EUR	80	80	64
NATIXIS	01/25/2005	EUR	156	156	125
BPCE	01/27/2006	USD	300	214	171
BPCE	02/01/2006	EUR	350	350	280
NATIXIS	10/18/2007	EUR	349	349	279
BPCE	10/30/2007	EUR	509	509	407
NATIXIS	03/28/2008	EUR	150	150	120
NATIXIS	04/30/2008	USD	186	129	103
BPCE	08/06/2009	EUR	52	52	42
BPCE	08/06/2009	EUR	374	374	300
BPCE	08/06/2009	USD	444	309	247
BPCE	08/06/2009	USD	134	93	74
BPCE	10/22/2009	EUR	750	750	600
BPCE	03/17/2010	EUR	818	818	655
TOTAL				**4,844**	**3,876**

A detailed breakdown of debt instruments recognized as AT1 capital, as required by implementing regulation No. 1423/2013, is published at the following address: http://www.bpce.fr/en/Investors/Regulated-information/Regulatory-publication.

TIER-2 CAPITAL

Tier-2 capital consists of:

- subordinated instruments issued in compliance with the restrictive eligibility criteria according set forth by Article 63 of the CRR;
- issue premiums related to Tier-2 items;
- the amount arising from a surplus provision for expected losses (in this calculation performing loans are clearly separated from loans in default).

The following deductions are made:

- interests in eligible banking, financial and insurance institutions according to the rules on allowances for these holdings and the phase-in period.

Tier-2 capital

in millions of euros	12/31/2014 Basel III phased-in	12/31/2013 Basel III phased-in
Eligible Tier-2 capital instruments	11,201	7,174
Ineligible Tier-2 capital instruments subject to grandfathering clause*	87	87
Tier-2 instruments issued by financial institutions in which the Group holds more than 10%	(1,174)	(164)
Phase-in adjustments applicable to Tier-2 capital	453	50
TIER-2 CAPITAL	**10,568**	**7,147**

* *Amount after the application of phase-in measures, i.e. 80% of deeply subordinated note outstandings.*

Changes in Tier-2 capital

in millions of euros	Tier-2 capital
12/31/2013	**7,147**
Redemption of subordinated notes	(686)
Prudential discount	(1,627)
New subordinated note issues	6,185
Phase-in deductions and adjustments	(605)
Foreign exchange effect	154
12/31/2014	**10,568**

Issues of subordinated notes at December 31, 2014

Issuer	Issue date	Maturity	Currency	Amount in millions *(original currency)*	Amount *(in millions of euros)*	Net prudential amount *(in millions of euros)*
NATIXIS	09/06/2002	09/06/2022	EUR	20	20	20
NATIXIS	11/29/2002	11/29/2027	EUR	46	46	46
NATIXIS	01/09/2003	01/09/2033	EUR	53	53	53
BPCE	02/14/2003	02/14/2015	EUR	418	418	10
CFF	03/06/2003	03/06/2023	EUR	10	10	10
NATIXIS	04/01/2003	01/09/2033	EUR	7	7	7
NATIXIS	04/04/2003	04/04/2015	EUR	77	77	5
NATIXIS	06/01/2003	03/31/2018	EUR	10	10	6
BPCE	07/04/2003	07/04/2015	EUR	450	450	46
BPCE	12/12/2003	12/12/2015	EUR	147	147	28
BPCE	02/20/2004	02/20/2016	EUR	308	308	70
BPCE	07/09/2004	07/09/2016	EUR	481	481	146
BPCE	10/08/2004	10/08/2016	EUR	498	498	176
BPCE	12/17/2004	12/17/2016	EUR	252	252	99
BPCE	12/20/2004	01/28/2015	EUR	45	45	1
BPCE	02/18/2005	02/18/2017	EUR	498	498	213
BPCE	06/20/2005	08/23/2015	EUR	59	59	8
BPCE	07/08/2005	07/08/2017	EUR	211	211	106
BPCE	09/21/2005	09/21/2017	EUR	203	203	111
BPCE	10/03/2005	11/29/2015	EUR	51	51	9
BPCE	12/12/2005	01/05/2016	EUR	42	42	9
BPCE	05/23/2006	07/22/2016	EUR	73	73	23
BPCE	10/23/2006	11/04/2016	EUR	61	61	23
CRÉDIT COOPÉRATIF	11/17/2006	11/17/2016	EUR	40	40	15
NATIXIS	12/15/2006	12/15/2021	EUR	500	500	493
NATIXIS	12/22/2006	01/20/2017	EUR	495	495	208
BPCE	02/19/2007	03/13/2017	EUR	70	70	31
NATIXIS	05/31/2007	05/31/2022	EUR	100	100	100
BPCE	06/25/2007	07/10/2017	EUR	79	79	40
BPCE	11/04/2007	12/07/2017	EUR	90	90	53
BPCE	12/28/2007	01/28/2018	EUR	54	54	33
BRED	06/18/2008	06/18/2018	EUR	186	186	129
BPCE	02/13/2009	02/13/2019	EUR	546	546	450
BPCE	07/18/2013	18/07/2023	EUR	1,000	1,000	1,000
BPCE	10/22/2013	10/22/2023	USD	1,500	1,240	1,240
BPCE	01/21/2014	07/21/2024	USD	1,500	1,240	1,240
BPCE	04/16/2014	04/16/2029	GBP	750	966	966
BPCE	07/08/2014	07/08/2026	EUR	1,000	1,000	1,000
BPCE	07/11/2014	07/11/2024	USD	800	661	661
BPCE	07/25/2014	06/25/2026	EUR	350	350	350
BPCE	07/25/2014	06/25/2026	EUR	525	525	525
BPCE	09/15/2014	03/15/2025	USD	1,250	1,033	1,033
BPCE	09/30/2014	09/30/2024	EUR	410	410	410
TOTAL					**14,604**	**11,201**

A detailed breakdown of debt instruments recognized as Tier-2 capital, as required by implementing regulation No. 1423/2013, is published at the following address: http://www.bpce.fr/en/Investors/Regulated-information/Regulatory-publication.

3

3.2.4 Regulatory capital requirements and risk-weighted assets

In accordance with regulation No. 575/2013 (CRR) of the European Parliament and of the Council, credit risk exposure can be measured using two approaches:

- the "standardized" approach, based on external credit ratings and specific risk weightings according to Basel categories of exposure;
- the "internal ratings based" (IRB) approach, based on the financial institution's internal ratings system;
- the IRB approach consists of two categories:
  - the Foundation IRB approach, for which banks use only their probability of default estimates,
  - the Advanced IRB approach, for which banks use all their internal component estimates: probability of default, loss given default, exposure at default and maturity.

The methodology applied for internal ratings based approaches is described in greater detail in section 3.2.7 "Credit and counterparty risk".

In addition to requirements related to counterparty risk in market transactions, the directive of June 26, 2013 provides for the calculation of an additional charge to hedge against the risk of loss associated with the counterparty's credit quality. Capital requirements for the CVA (Credit valuation adjustment) are calculated using the Standardized Approach.

REGULATORY CAPITAL REQUIREMENTS AND RISK-WEIGHTED ASSETS

Regulatory capital requirements for credit risk and counterparty risk

The table below complies with the CRR format, presenting capital requirements for credit and counterparty risks, before the CVA and after the application of risk mitigation techniques. As a result, reconciliation with the breakdown of credit and counterparty risks presented in section 3.2.7 is not possible.

	12/31/2014 Basel III phased-in		12/31/2013 Basel III phased-in	
in millions of euros	Risk-weighted assets (RWA)	Capital requirements	Risk-weighted assets (RWA)	Capital requirements
Credit risk: standardized approach				
Central governments and central banks	8,926	714		-
Regional governments and local authorities	13,972	1,118		-
Public sector entities	1,765	141		-
Multilateral development banks	1	0		-
International organizations	-	-		-
Institutions	3,496	280		-
Corporates	63,074	5,046		-
Retail customers	7,136	571		-
Exposures secured by mortgage on immovable property	21,688	1,735		-
Exposures in default	5,792	463		-
Exposures associated with particularly high risk	31	2		-
Exposures in form of covered bonds	189	15		-
Exposures to institutions and corporates with a short-term credit assessment	371	30		-
Collective investments undertakings	1,883	151		-
Equities	47	4		-
Other items	5,740	459		-
Securitization positions	12,784	1,023		-
Subtotal: standardized approach	**146,895**	**11,752**	**144,676**	**11,574**
Credit risk: IRB approach				
Central governments and central banks	913	73		-
Institutions	10,027	802		-
Corporates	69,278	5,542		-
Retail customers	51,966	4,157		-
Equities	42,115	3,369		-
Securitization positions	2,149	172		-
Other non credit-obligation assets	8,528	682		-
Subtotal: IRB approach	**184,976**	**14,798**	**197,206**	**15,776**
Risk linked to contribution to central counterparty default fund	**508**	**41**	**1,735**	**139**
TOTAL RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS FOR CREDIT AND COUNTERPARTY RISK	**332,379**	**26, 590**	**343,616**	**27,489**

Regulatory capital requirements for CVA

in millions of euros	12/31/2014 Basel III phased-in		12/31/2013 Basel III phased-in	
	Risk-weighted assets (RWA)	Capital requirements	Risk-weighted assets (RWA)	Capital requirements
CVA risk under standardized approach	8,436	675	9,408	753
TOTAL RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS FOR CVA	**8,436**	**675**	**9,408**	**753**

Regulatory capital requirements for market risks

in millions of euros	12/31/2014 Basel III phased-in		12/31/2013 Basel III phased-in	
	Risk-weighted assets (RWA)	Capital requirements	Risk-weighted assets (RWA)	Capital requirements
Interest rate risk	3,205	256	6,516	521
Equity risk	414	33	1,132	91
Exchange rate risk	2,466	197	1,471	118
Key commodity risk	932	75	1,500	120
Market risk using the standardized approach	**7,016**	**561**	**10,619**	**850**
Market risk using the IRB approach	**9,723**	**778**	**7,876**	**630**
TOTAL RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS FOR MARKET RISKS	**16,740**	**1,339**	**18,495**	**1,480**

Regulatory capital requirements for operational risk

in millions of euros	12/31/2014 Basel III phased-in		12/31/2013 Basel III phased-in	
	Risk-weighted assets (RWA)	Capital requirements	Risk-weighted assets (RWA)	Capital requirements
Operational risk: standardized approach	35,324	2,826	37,871	3,030
TOTAL RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS FOR OPERATIONAL RISK	**35,324**	**2,826**	**37,871**	**3,030**

3.2.5 Capital adequacy ratios at December 31, 2014

The methods used by Groupe BPCE to calculate risk-weighted assets are described in section 3.2.4, "Regulatory capital requirements and risk-weighted assets".

REGULATORY CAPITAL AND BASEL III CAPITAL ADEQUACY RATIOS

in millions of euros	12/31/2014 Basel III phased-in	12/31/2013 Basel III phased-in
Common Equity Tier-1 (CET1)	46,587	42,314
Additional Tier-1 capital (AT1)	3,382	4,179
TOTAL TIER-1 CAPITAL	**49,969**	**46,493**
Tier-2 capital (T2)	10,568	7,147
TOTAL REGULATORY CAPITAL	**60,537**	**53,640**
Credit risk exposure	332,379	343,616
Settlement/delivery risk exposure	8	7
Market risk exposure	16,740	18,495
Operational risk exposure	35,324	37,871
CVA risk exposure	8,436	9,408
TOTAL BASEL III RISK EXPOSURE	**392,887**	**409,397**
Capital adequacy ratios		
Common Equity Tier-1 ratio	11.9%	10.3%
Tier-1 ratio	12.7%	11.4%
Total capital adequacy ratio	15.4%	13.1%

MANAGEMENT OF CAPITAL ADEQUACY

Changes in Groupe BPCE's capital adequacy under Basel III between 2012 and 2014

Groupe BPCE has considerably improved its capital adequacy since 2012. Its Common Equity Tier-1 ratio of 8.9%[(1)] at end-2012 reached 12.0%[(2)] at end-2014, an improvement of some 310 basis points.

This improvement in the Group's capital adequacy since 2012 comes from the strengthening of Common Equity Tier-1 capital, thanks in large part to retained earnings (around +100 basis points over two years), and cooperative share inflows in the Banque Populaire and Caisse d'Epargne networks (around +90 basis points over two years). Moreover, the Group demonstrated its solid management of risk-weighted assets (an additional +120 basis points over two years) and of its risk profile. At €393 billion at end-December 2014, risk-weighted assets decreased by €49 billion over the period, attributable to optimization measures taken by the Group.

Changes in Groupe BPCE's capital adequacy under Basel III during 2014 (with phase-in measures)

Groupe BPCE's capital adequacy was strengthened during 2014: the Common Equity Tier-1 ratio, which takes into account phase-in provisions set out in CRR/CRD IV, reached 11.9% at December 31, 2014, thus improving on the Basel III pro forma ratio of 10.3% at December 31, 2013.

The Common Equity Tier-1 ratio improved by 160 basis points during 2014, on the back of:

- a €4.3 billion rise in Common Equity Tier-1, driven by retained earnings and cooperative share inflows in both networks (with an impact on capital of €1.6 billion in 2014);
- strict management of risk-weighted assets at €393 billion at end-2014. The Group has reduced its risk profile by €16 billion since the end of 2013, primarily thanks to the decrease in risk-weighted assets at Natixis and the impact of listing 58.65% of Coface's share capital.

Moreover, the change in consolidation method applied to the Group's stake in Nexity following the disposal of two blocks of shares (4% and 3%) in December 2014 had a positive impact of 23 basis points on the Group's Common Equity Tier-1 ratio.

The Tier-1 ratio improved on end-2013 to 12.7% at end-2014, with the increase in the Common Equity Tier-1 ratio offsetting the exercise of a €0.4 billion call option on a Tier-1 line. Finally, the total capital adequacy ratio, which reached 15.4% at end-2014, benefited from Tier-2 issues carried out during 2014 for a total of €6.2 billion.

Excluding the CRR/CRD IV phase-in measures and restated for deferred tax assets, the Common Equity Tier-1 ratio was 12.0% at December 31, 2014.

(1) Ratio pro forma of CIC buyback and Basel III (without phase-in measures and restated for deferred tax assets).

(2) CRR/CRDIV ratio without phase-in measures and restated for deferred tax assets (11.7% without phase-in measures).

ECB stress tests: confirmation of Groupe BPCE's financial strength

The asset quality review (AQR) and stress tests conducted by the European Central Bank (ECB) and the European Banking Authority (EBA) confirmed Groupe BPCE's financial strength. The impact of the AQR was very limited at -29 basis points. Projected by the ECB to the end of 2016, the Common Equity Tier-1 ratio stood at 7.0% in the adverse stress scenario(1), leaving a comfortable 150 basis point margin relative to the 5.5% threshold set by the ECB and EBA.

Groupe BPCE: a Global Systemically Important Bank (G-SIB)

In 2014, in line with the new regulatory requirement, Groupe BPCE published indicators relating to Global Systemically Important Banks. This exercise determined the initial Common Equity Tier-1 surcharge, which will come into force on January 1, 2016 with phase-in measures over four years. This overload will be equivalent to 1% of risk-weighted assets for Groupe BPCE.

Capital allocation measures and capital adequacy supervision

The Group implemented specific actions plans in 2014 aimed at ensuring the capital adequacy of its networks and its subsidiaries. For example, BPCE granted redeemable subordinated loans to CASDEN Banque Populaire and Crédit Coopératif for €200 million and €75 million, respectively.

In accordance with the "Memorandum of Understanding on Groupe BPCE's solvency support mechanism" entered into in 2013 by the Banque Populaire banks, the Caisses d'Epargne and BPCE, a bonus of almost €5.6 million was paid.

OUTLOOK

In 2015, all of Groupe BPCE will continue working to achieve the goal of enhancing its financial strength, as set forth in the 2014-2017 strategic plan, and to prepare to meet the next regulatory deadlines.

As of January 1, 2015, European banks must publish a leverage ratio, another measure presented under the Basel III accord. The minimum requirement, not yet officially decided, may be set at 3%. With a leverage ratio of 4.5%(2) at end-2014, the Group is confident in its ability to meet the new requirements.

Finally, 2015 should see the regulatory resolution and bail-in framework begin to take shape in Europe (BRRD) and internationally (FSB). Other complementary indicators, in addition to the capital adequacy and leverage ratios, should begin to enter into force or into consultation, such as the minimum requirement for own funds and eligible liabilities (MREL) and total loss-absorbing capacity (TLAC).

3.2.6 Groupe BPCE risk governance

The Group Risk Management Committee, chaired by the Chairman of the Management Board, met six times during fiscal year 2014 and reviewed the adequacy of Groupe BPCE's risk supervision mechanisms.

This review found that the coverage of credit, financial and operational risks was satisfactory and some additional measures were implemented during the 2014 fiscal year.

The Group's risk mapping was also reviewed.

More generally, the committee validated the Group's risk policies and limit system.

All of this work was carried out in line with the Group's risk appetite as outlined in the "Risk appetite" paragraph in Chapter 3.2.6 of this registration document and strictly in line with the Group's strategy as described in Chapter 1 of this same document.

GROUPE BPCE RISK MANAGEMENT DIVISION

The Groupe BPCE Risk Management division measures, monitors and manages risks, excluding compliance risks, pursuant to the Ministerial Order of November 3, 2014 governing internal control.

It ensures that the risk management system is efficient, complete and consistent, and that risk-taking is consistent with the guidelines for the business (particularly in terms of targets and resources), the Group and its entities (including the Risk Management function).

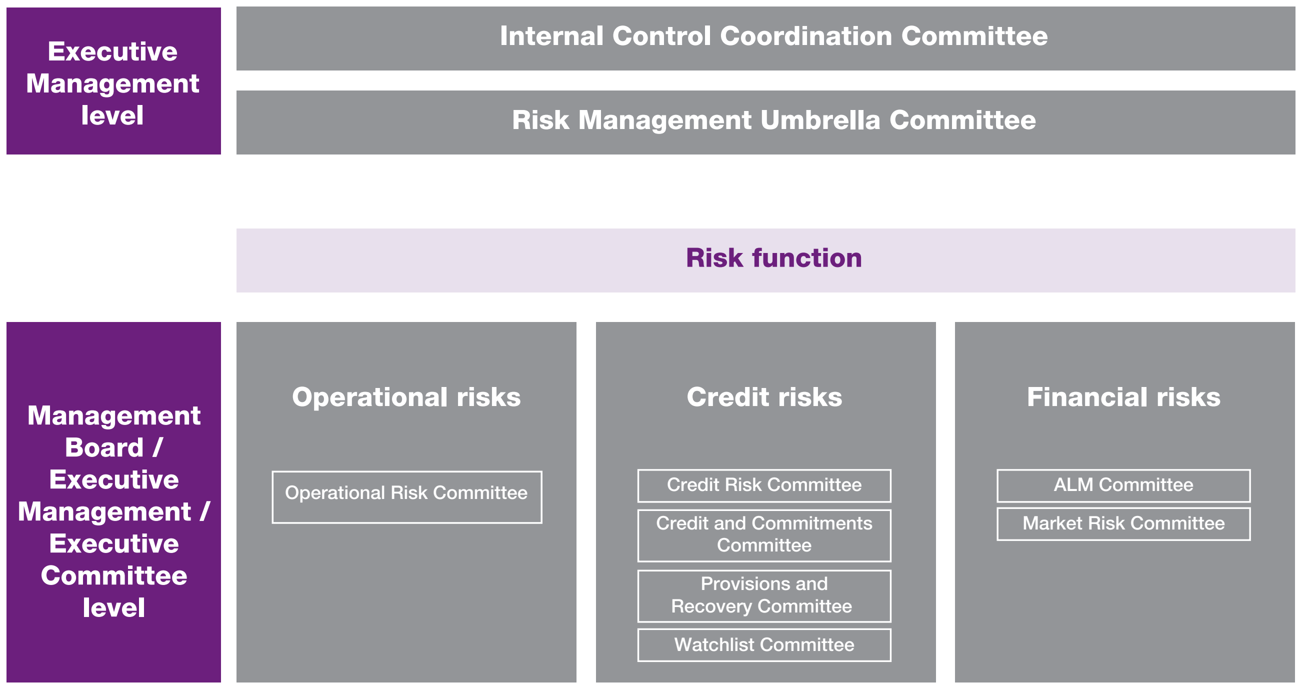
The Head of Group BPCE Risk Management, who is a member of BPCE's Executive Board, has a strong functional link with the Heads of Risk Management of the Group's entities. This strategic positioning notably enables risk controls to be performed objectively due to the independence of all operational functions from the Risk function within the Group's entities; promotes a culture of risk management and the application of shared risk management standards; and ensures that managers are given independent, objective and comprehensive information on the Group's risk exposures and on any possible deterioration in its risk profile.

Groupe BPCE places a strong focus on efficient organization aimed at managing risk at the Group's entities, which is applied to all business lines, financing, customer segments, markets and regions where it operates. The governance structure is based on a series of committees coordinated by the Risk Management division plays a pervading role.

(1) Assumptions determined by the ECB and EBA.

(2) According to the rules of the Delegated Act published by the European Commission on 10/10/2014 – without CRR/CRDIV phase-in measures and restated for deferred tax assets.

STANDARD ORGANIZATION OF RISK GOVERNANCE WITHIN A GROUP INSTITUTION



COMPREHENSIVE ASSESSMENT

On October 23, 2013, the ECB published the general terms and conditions of the comprehensive assessment of banks.

This assessment was conducted in preparation for the implementation of the Single Supervisory Mechanism (SSM), which as of November 4, 2014 placed the main euro zone banks (120 total, including 13 French banks) under the supervisory authority of the European Central Bank.

The assessment, which took twelve months, was carried out in cooperation with the relevant national authorities, including the *Autorité de contrôle prudentiel et de résolution* (ACPR – the French Prudential Supervisory and Resolution Authority) for France.

The assessment was based on three closely-related pillars:

- **the prudential assessment of the main qualitative and quantitative risks** (including liquidity, leverage and financing risks);
- **the Asset Quality Review** (AQR): the adequacy of asset valuations and guarantees as well as provisions, with three aims:
  - to assess the adequacy of provisions for credit exposure,
  - to determine the appropriate value for guarantees received as collateral for exposures,
  - to value portfolios of complex instruments and high-risk assets;
- **stress tests**: the examination of the resilience of bank balance sheets in extreme crisis scenarios.

The results of the AQR and stress tests carried out by the European Central Bank and the European Banking Authority, published on October 27, 2014, confirmed Groupe BPCE's financial strength.

At -29 basis points, the impact of the asset quality review was very limited and represents less than 0.1% of the Group's total balance sheet assets, confirming the adequacy of accounting provisions. For the most part, this impact was prudential. The Group maintained a conservative provisioning policy from the beginning of 2014, in line with the conclusions of the asset quality review. The AQR also demonstrated the Group's robustness in a very severe stress scenario, notably including the assumption of a strong drop in real estate prices (28% over three years).

RISK MANAGEMENT FUNCTION AND CORPORATE RISK CULTURE

The Groupe BPCE Risk Management division oversees the Group's Risk Management functions dedicated to the management of credit, financial and operational risks. It ensures that the risk policies of the affiliates and subsidiaries comply with those of Groupe BPCE.

The Risk Management departments of the Banque Populaire banks and Caisses d'Epargne Risk Management have a strong functional link with Groupe BPCE's Risk Management division. This strong functional link is enhanced for subsidiaries subject to the banking supervision regulatory framework. The subsidiaries in question include Natixis, Crédit Foncier, Banque Palatine and BPCE International et Outre-mer. The Risk Management departments of subsidiaries not subject to the banking supervision regulatory framework have a functional reporting link with Groupe BPCE's Risk Management division.

Group institutions are responsible for defining, monitoring and managing their risk levels, as well as producing reports and data to be sent to the central institution's Risk Management division, while ensuring the quality, reliability and completeness of the data used to control and monitor risks at the company level and on a consolidated basis, in line with Group risk standards and policies.

To carry out their various projects, the Group's institutions rely on the Group Risk Management Charter. The charter specifies that each institution's supervisory body and executive managers promote the risk management culture at all levels of their organization, and that the Risk Management function coordinates the promotion of the risk management culture to all employees, in partnership with all of the other functions.

More specifically, to coordinate cross-business projects, the Groupe BPCE Risk Management division relies on its Permanent Control and Risk Coordination department, whose purpose is to provide permanent control of risks incurred by the Group's institutions, independent of the compliance risks that fall within the scope of the Group Compliance & Security division. The division also handles day-to-day coordination of the entire system, which relies on a strong functional link between the institutions' Risk Management divisions and Groupe BPCE's Risk Management division. The Risk Management division contributes to the effective coordination of the Risk Management function and manages the Group's overall risk monitoring through National Risk Days, regular audio conferences, visits to the entities and support for new Heads of Risk Management.

The Group's risk culture is also enhanced by improving regulatory knowledge and expertise in the networks, among other initiatives.

Finally, the risk division organizes annual risk training programs.

RISK APPETITE

Groupe BPCE's risk appetite approach is an extension of its "Growing Differently" strategic plan that is applied to the risk governance structure, including the Risk Management Umbrella Committee. This governance (decision-making committees organized by type of risk) enables the Group to manage and monitor its risk exposures.

Risk-taking is defined by Executive Management and is broken down within the Group for each business line, entity, activity, or even each product, for which both individual and collective risk are supervised and diversification criteria determined.

The determination of Groupe BPCE's risk appetite aims to avoid major pockets of concentration and to optimize capital allocation.

This risk appetite:

- is defined as the acceptable level of risk by type of risk by business line and by entity that the Group is prepared to take in terms of its strategic objectives;
- is expressed by quantitative or qualitative criteria: limits, workout management, targets on certain key indicators, risk/return ratios and risk profiles by type of risk (credit, market, return, solvency, leverage and liquidity), breakdown by network, entity, sector, business line, instrument, etc.;
- is in line with projects carried out as part of the recovery and resolution plan that all banking groups must submit to the supervisor and the relevant authorities.

FORBEARANCE AT GROUPE BPCE

The European Banking Authority (EBA) published a standard on October 21, 2013 that must be implemented by credit institutions. This standard outlines the additional financial information that must be included with Financial Reporting (FINREP) with two new indicators: Forbearance and Non-Performing Exposure – NPE/Performing Exposure – PE.

This information:

- is in addition to information already provided regarding default and impairment;
- was requested for the credit file review – part of the asset quality review – before the introduction of the European Central Bank's Single Supervisory Mechanism on November 4, 2014. This information was provided for the production of FINREP reporting based on data as at September 30, 2014;
- required IT developments to automate the process and dynamically manage changing statuses of customers in financial difficulty over time.

3.2.7 Credit and counterparty risk

ORGANIZATION OF CREDIT AND COUNTERPARTY RISK MANAGEMENT

Risk measurement relies on rating systems adapted to each category of customer and transaction. The Group Risk Management division is responsible for defining and controlling the performance of these rating systems.

Ratings policy

The Risk Management division's aim is to bring all Group's entities into line with a shared rating system, as ratings are one of the fundamentals used to assess risk.

Risk monitoring

The different levels of control within Group BPCE operate under the supervision of the Group Risk Management division, which is also responsible for consolidated summary reporting to the various authorities, in particular the Group Watchlist and Provisions Committee.

Risk monitoring is based on the quality of data and exposure. It is managed using indicators for each asset class.

Ceilings and limits

The Risk Management division measures and monitors compliance with these regulatory ceilings for the Group Risk Management Committee. The system of internal ceilings, which are a level below the regulatory ceilings, is applied to all Group entities. A Group limits system has also been established for the major asset classes and for the main counterparty groups in each asset class.

The internal ceilings and Group limits systems are subject to regular reporting to the authorities.

Finally, sector-based risk monitoring is carried out through mechanisms which are based on recommendations for Group entities, in certain sensitive sectors.

RISK MEASUREMENT AND INTERNAL RATINGS

Rating system

Rating system models are developed based on historical data on observed defaults and losses. They are used to measure credit risks to which Groupe BPCE is exposed, expressed as a Probability of Default (PD) within one year, as a percentage of Loss Given Default (LGD) and as Credit Conversion Factors (CCF) depending on the characteristics of the transactions. The models are generally built and validated based on internal historical data from as far back as possible, in accordance with prudence and representativeness constraints (affected portfolios and economic conditions).

These risk parameters are then used to calculate capital requirements, once they have been validated by the supervisor in compliance with regulatory requirements.

Under the IRB approach, all ratings of all counterparties bearing credit risk are recorded. For counterparties in default, all flows (collections, deterioration, write-offs) for the period are archived. Using this information, validity tests are carried out for each risk parameter on sub-groups of homogenous assets.

All three credit risk parameters are subject to backtesting each year in order to verify the performance of the rating system. Backtesting aims to measure the overall performance of models and in particular the discriminating power of the rating system, *i.e.* that the lowest-rated counterparties default more often than the highest-rated counterparties, and the predictive and prudent nature of the parameters. The average of estimated and observed values is calculated over several years using the information available for each model. Observed default rates are then compared with estimated default rates for each rating. Ratings are checked for their applicability throughout the economic cycle. More specifically, for portfolios with low default rates (large corporates, banks, sovereigns and specialized financing), a detailed analysis is carried out using additional indicators such as severity differences, adjustments to agency ratings and changes in ratings before default. A more qualitative analysis is also performed. Country risk is assessed based on sovereign ratings and on the definition, for each country, of a rating that limits the rating that can be given to non-sovereign counterparties.

The scope of loss given default values is consistent with the values observed, *i.e.* limited exclusively to exposures at default. Estimated values therefore cannot be directly compared with LGD values measured in the outstanding portfolio. The average of estimated and observed values is calculated over several years using the information available for each model. Actual collections are compared with estimated collections. The downtrend in LGD rates is also verified.

Internal rating system governance

The internal governance of rating systems is centered on the development, validation, monitoring and decisions to alter these systems. The Groupe BPCE Risk Management division works in total independence throughout the Group (Banque Populaire and Caisse d'Epargne network, Natixis, Crédit Foncier and subsidiaries) to carry out regulatory reviews of models for credit risks, counterparty risks, and structural balance sheet risks. To carry out this governance, the Risk division relies on a map of the various models used within the Group.

The internal validation procedure for new models or for changes to existing models is broken down into three steps:

- a validation review carried out independently of the entities that worked on the model: this review, which meets a list of qualitative and quantitative criteria, focuses mainly on the model's intrinsic characteristics (methodology, assumptions, performance and robustness) and may be extended upstream/downstream to data quality, implementation within systems and operational integration. In conclusion, the review offers an opinion on the validity of the models and the related parameters used to calculate risk-weighted assets for credit and counterparty risk, or used for the management of liquidity risk. It is accompanied, where necessary, by recommendations;

- validation by the Group Modeling Committee, made up of statisticians (modeling and validation specialists) and business line specialists, which is tasked with performing a technical review of the model;
- validation by the Group Risk Standards and Methods Committee of the implementation of required changes, particular in terms of processes and operational adaptation. These changes are submitted, where applicable, to the ACPR for prior approval in accordance with commission delegated regulation No. 529/2014 on changes to internal ratings-based models used to determine capital requirements.

After the completion of this governance process, internal control reports and statements of decisions are made available to Group management and supervisors.

Internal Ratings-Based Approaches

Groupe BPCE has complete systems for rating its customers using either the Foundation IRB or Advanced IRB approaches depending on the network and the customer segment.

For retail customers, uniform internal ratings-based methods and the application of dedicated central ratings allow credit risks to be measured within the Banque Populaire and Caisse d'Epargne network. This measurement is based on a counterparty's Probability of Default (PD) within one year (drawing in particular on account activity), the Loss Given Default rate (LGD) and the Credit Conversion Factor (CCF) associated with each counterparty contract. Using statistical techniques, these parameters are automatically attributed, in compliance with regulatory principles.

For other segments (companies, large corporates, banks, sovereigns and specialized financing), the rating system rests on two pillars. The first pillar is based on quantitative and qualitative assessments of the counterparty's creditworthiness – this helps the sales teams award the rating, which is systematically validated by risk managers. The second pillar is a system which automatically assigns LGD and CCF parameters according to the characteristics of the transactions, with adjustments mainly based on statistical approaches, supplemented by qualitative analysis where necessary.

Standardized approach

When the Group does not have an internal model, it must estimate capital requirements based on corresponding parameters according to the conditions of the standardized approach. These are based in particular on the credit valuations (ratings) estimated by rating agencies recognized by the supervisor as meeting ECAI (External Credit Assessment Institutions) requirements, in particular Moody's, Standard & Poor's and FitchRatings.

When an external credit rating directly applicable to a given exposure is required and exists for the issuer or for a specific issuance program, the procedures used to determine the weighting are applied in accordance with Article 139 of Capital Requirements Regulation (CRR) No. 575/2013 on regulatory capital requirements applicable to credit institutions and investment firms.

Concerning fixed-income securities (bonds), short-term external ratings of the specific issue take precedence over external ratings of the issuer. If there are no external ratings for the issue, the issuer's long-term external rating is taken into account for senior debt only, except in the specific case of exposure to institutions for which the weighting is deduced from the credit quality rating of the government of the country in which it is established.

Current situation

Customer segment	Banque Populaire network	Caisse d'Epargne network	Subsidiaries Crédit Foncier/ Banque Palatine/ BPCE IOM	Natixis	BPCE
Central banks and other sovereign exposures	IRBF	Standardized	Standardized	IRBA	IRBF
Central administrations	IRBF	Standardized	Standardized	IRBA	IRBF
Public sector and similar entities	Standardized	Standardized	Standardized	Standardized	Standardized
Financial institutions	IRBF	Standardized	Standardized	IRBA/Standardized	IRBF
Corporates (Rev.* > €3 m)	IRBF/Standardized	Standardized	Standardized	IRBA	Standardized
Retail customers	IRBA	IRBA	Standardized	Standardized	

* Rev.: revenues.

Fiscal year 2014 saw major changes relating to the use of internal models to calculate capital requirements. These mainly included the entry into force of CRR/CRD IV and the continuation of the Basel Committee and the European Banking Authority's RWA benchmarking exercises. The implementation of the Single Supervisory Mechanism is also likely to lead to changes in conditions for authorizing new internal models within Groupe BPCE as well as for the use of existing models.

Internal rating scale

Internal counterparty rating	S&P rating
1	AAA to AA+
2	AA to A+
3	A to A-
4	BBB+
5	BBB to BBB-
6	BB+ to BB
7	BB-
8	B+ to B
9	B- to CCC+
10	CCC and lower

QUANTITATIVE DISCLOSURES

The transition from Basel II to Basel III requires a new breakdown of exposures in order to show exposures measured under the advanced approach and those measured under the standardized approach in a single classification (see the "Terminology" section of this chapter). Also, to enable comparisons between accounting treatments at December 31, 2013 and at December 31, 2014, a Basel III calculation is applied to the data at December 31, 2013 for risk-weighted assets, and the data at December 31, 2014 are presented pro forma of the new customer segmentation.

The tables below present credit and counterparty risks after the application of risk mitigation techniques, including CVA. The exposures used are based on Groupe BPCE's internal risk mapping categories, not on the categories in which the guarantors are classified. As a result, reconciliation with the breakdown of capital requirements and risk-weighted assets presented in section 3.2.4 is not possible.

The internal rating scale was also expanded from six to ten notches.

Breakdown of the loan portfolio by gross exposure categories

Information provided in respect of IFRS 7.

	12/31/2014					12/31/2013		
	Total			Average over 4 quarters		Total		
in millions of euros	Exposure	EAD	RWA	Exposure	EAD	Exposure	EAD	RWA
Central banks and other sovereign exposures	158,576	158,566	8,682	149,066	149,041	146,458	146,427	9,237
Central administrations	41,802	41,300	1,013	41,726	39,280	38,904	38,297	656
Public sector and similar entities	96,435	92,297	21,408	96,179	91,926	97,664	92,774	22,104
Financial institutions	55,480	52,260	20,506	59,431	57,271	54,755	51,921	22,833
Corporates	269,169	229,385	136,882	265,873	223,944	263,567	220,503	145,358
Retail customers	376,300	357,007	77,439	372,735	357,704	366,647	347,600	73,160
Equities	15,598	15,596	44,077	16,448	16,443	14,222	14,220	45,127
Securitization	25,057	24,846	16,550	23,530	23,344	21,941	21,815	21,635
Other assets	14,268	14,268	14,268			12,922	12,922	12,922
TOTAL	**1,052,686**	**985,524**	**340,824**			**1,017,079**	**946,479**	**353,031**

Groupe BPCE's total gross exposures exceeded €1,052 billion at December 31, 2014, up 3.5% over the fiscal year, driven by the main asset classes. Corporate and retail customers remained predominant and accounted for 61% of gross exposure and almost 63% of risk-weighted assets. Central banks and other sovereign exposures as well as central administrations accounted for 19.0% of gross exposure and just 2.8% of risk-weighted assets. Finally, securitization outstandings increased over the fiscal year, driven by new low-weighted positions, whereas risk-weighted assets decreased greatly due to disposals in workout portfolios (and in particular positions weighted at 1,250%).

Breakdown of the loan portfolio by approach

Information provided in respect of IFRS 7.

	12/31/2014					
	Standardized			IRB		
in millions of euros	Exposure	EAD	RWA	Exposure	EAD	RWA
Central banks and other sovereign exposures	72,851	72,851	8,275	85,725	85,715	406
Central administrations	22,604	22,104	600	19,199	19,195	414
Public sector and similar entities	96,083	91,949	21,198	352	348	210
Financial institutions	19,834	19,286	5,461	35,647	32,974	15,045
Corporates	98,561	87,386	67,286	170,608	141,999	69,596
Retail customers	78,766	65,216	25,468	297,534	291,790	51,971
Equities	3,113	3,111	1,961	12,485	12,485	42,116
Securitization	12,441	12,230	12,980	12,615	12,615	3,570
Other assets	5,740	5,740	5,740	8,528	8,528	8,528
TOTAL	**409,993**	**379,874**	**148,969**	**642,693**	**605,649**	**191,855**

Change in risk-weighted assets by effect

in millions of euros	
Credit risks (pro forma Basel III) – 12/31/2013	**353.0**
Scope effect (Coface, Nexity)	(5)
Securitizations managed on a run-off basis	(5.5)
Changes in methodology and models	(7.1)
Organic changes	5.4
Credit risks (pro forma Basel III) – 12/31/2014	**340.8**

Breakdown of gross exposure by category and approach with distinction between credit and counterparty risk (excluding other assets)

Information provided in respect of IFRS 7.

	12/31/2014							12/31/2013		
	Standardized		IRB		Total		Total	Total		Total
in millions of euros	Credit risk	Counterparty risk	Credit risk	Counterparty risk	Credit risk	Counterparty risk	Exposure	Credit risk	Counterparty risk	Exposure
Central banks and other sovereign exposures	72,851		83,129	2,596	155,981	2,596	158,576	145,682	776	146,458
Central administrations	22,577	27	15,464	3,735	38,041	3,762	41,802	36,198	2,706	38,904
Public sector and similar entities	95,081	1,002	258	94	95,339	1,096	96,435	96,073	1,591	97,664
Financial institutions	6,611	13,223	16,379	19,267	22,990	32,490	55,480	27,246	27,509	54,755
Corporates	93,378	5,183	157,180	13,428	250,559	18,610	269,169	250,078	13,489	263,567
Retail customers	78,760	6	297,530	4	376,290	10	376,300	366,609	38	366,647
Equities	3,113		12,485		15,598		15,598	14,222		14,222
Securitization	12,228	213	9,530	3,085	21,758	3,299	25,057	20,397	1,544	21,941
TOTAL	**384,599**	**19,654**	**591,956**	**42,209**	**976,555**	**61,863**	**1,038,418**	**956,504**	**47,654**	**1,004,158**

The percentage of counterparty risk out of total gross exposure was relatively low (6.0%). A majority of counterparty risk is carried by the financial institutions segment (52.5%).

Breakdown by region (gross exposure) – excluding retail customers, equities, securitization and other asset classes

Information provided in respect of IFRS 7.

in millions of euros	12/31/2014 France	Europe (excl. France)	North & South America	Asia/Oceania	Africa and the Middle East	Total	12/31/2013 Total
Central banks and other sovereign exposures	81,326	41,505	34,403	200	1,142	158,576	146,458
Central administrations	26,416	12,454	888	332	1,712	41,802	38,904
Public sector and similar entities	87,997	4,030	2,481	1,814	112	96,435	97,664
Financial institutions	17,148	25,017	7,607	3,808	1,901	55,480	54,755
Corporates	180,728	41,438	27,794	10,409	8,800	269,169	263,567
TOTAL	**393,615**	**124,444**	**73,173**	**16,564**	**13,667**	**621,463**	**601,348**

The vast majority of the Group's gross risk exposure remained in Europe (83.4%), including a significant concentration in its historic market of France (63.3%). This trend applies to the main asset classes.

Gross exposure to European countries receiving aid packages was not significant at the Group level, at around €0.4 million (banking book), down slightly over the year.

Breakdown by sector type (gross exposure) – corporate asset class

in millions of euros	12/31/2014 Corporates	12/31/2013 Corporates
Finance insurance	38,253	38,142
Real estate rental	28,202	26,713
Energy	24,170	20,866
Real estate	23,139	23,411
Holding companies and diversified	16,833	18,564
Services	12,449	11,267
Distribution – Trade	12,059	11,961
Transportation	11,820	11,010
Construction	11,424	11,679
International commodities trade	10,145	9,362
Electrical and mechanical construction	9,596	9,303
Staple industries	8,511	7,648
Food	8,055	8,657
Consumer goods	7,320	7,601
Pharma – Health	7,307	6,837
Media	5,269	6,239
Tourism – Hotels – Catering	4,791	4,623
Technology	4,560	4,088
Utilities	4,536	4,880
Administration	920	1,318
Other	19,810	19,398
TOTAL	**269,169**	**263,567**

Concentration by borrower[1]

Information provided in respect of IFRS 7.

	12/31/2014		12/31/2013	
	Breakdown (gross amounts relative to total large risks)	Weighting relative to capital (gross amounts/ large risk capital)	Breakdown (gross amounts relative to total large risks)	Weighting relative to capital (gross amounts/ large risk capital)
Largest borrower	4.1%	9.9%	2.6%	5.6%
Top 10 borrowers	21.9%	52.5%	18.2%	39.1%
Top 50 borrowers	56.2%	134.5%	57.1%	122.5%
Top 100 borrowers	78.8%	188.5%	83.4%	178.9%

The weighting of the 100 largest borrowers does not show any particular concentration.

Exposures by credit quality using the standardized and IRB approach

Information provided in respect of IFRS 7.

The credit quality scale used for the Central banks, Central administrations, Public sector and similar entities, Financial institutions, Corporates and Retail Customers categories is broken down in the table below.

The mapping of this scale is as follows:

- standardized approach: based on weighting, exposure category, and payment in arrears (a payment in arrears is systematically given a rating of 10), after taking guarantees into account;
- IRB: on the basis of mapping conducted on the final rating by rating scale.

(1) Excluding central banks, other sovereign exposures and central administrations.

		12/31/2014				12/31/2013			
	External	1 – Standardized		2 – IRB		1 – Standardized		2 – IRB	
in millions of euros	rating[(1)]	Exposure[(2)]	EAD	Exposure[(2)]	EAD	Exposure[(2)]	EAD	Exposure[(2)]	EAD
CENTRAL BANKS AND OTHER SOVEREIGN EXPOSURES	1	71,665	71,665	84,702	84,702	87,416	87,416	57,620	57,620
	2	-	-	159	159	-	-	224	224
	3	-	-	2	2	-	-	14	14
	4	-	-	-	-	-	-	-	-
	5	-	-	465	465	-	-	386	386
	6	1,186	1,186	23	23	423	423	302	302
	7	-	-	-	-	-	-	-	-
	8	-	-	345	335	-	-	41	11
	9	-	-	-	-	-	-	-	-
	10	-	-	8	8	-	-	9	9
Total excl. non-performing		**72,851**	**72,851**	**85,704**	**85,693**	**87,840**	**87,840**	**58,596**	**58,565**
Non-performing		0	0	21	21	1	1	21	21
CENTRAL ADMINISTRATIONS	1	17,731	17,231	14,895	14,894	16,508	15,954	15,560	15,560
	2	759	759	2,895	2,895	195	195	1,497	1,460
	3	3,431	3,431	1,196	1,196	3,161	3,161	958	958
	4	-	-	-	-	-	-	-	-
	5	510	510	131	130	449	449	67	67
	6	115	115	11	11	379	363	10	10
	7	-	-	8	7	-	-	-	-
	8	57	57	5	5	52	52	5	5
	9	-	-	-	-	-	-	-	-
	10	-	-	27	27	-	-	33	33
Total excl. non-performing		**22,604**	**22,104**	**19,168**	**19,165**	**20,744**	**20,175**	**18,130**	**18,092**
Non-performing		0	0	31	31	0	0	30	30
PUBLIC SECTOR AND SIMILAR ENTITIES	1	10,026	9,717	108	107	13,877	13,326	583	583
	2	48,323	46,287	75	75	40,754	38,724	684	684
	3	4,052	3,892	2	2	2,048	1,987	251	227
	4	1,727	1,686	16	16	726	710	4	4
	5	6,420	6,197	42	39	8,383	7,833	63	61
	6	8,250	7,737	43	43	12,245	11,606	215	201
	7	1,604	1,544	0	0	3,747	3,521	20	19
	8	14,905	14,168	62	61	13,345	12,610	52	51
	9	260	241	-	-	186	181	19	16
	10	276	269	-	-	379	367	-	-
Total excl. non-performing		**95,843**	**91,739**	**347**	**343**	**95,690**	**90,865**	**1,889**	**1,847**
Non-performing		241	210	5	5	85	62	0	0
FINANCIAL INSTITUTIONS	1	9,664	9,646	1,000	968	994	994	896	868
	2	3,672	3,663	9,039	8,039	1,896	1,691	19,754	18,767
	3	3,956	3,919	15,395	14,896	2,171	2,159	15,583	15,180
	4	342	337	3,317	3,229	258	257	2,443	2,365
	5	397	378	4,131	3,598	517	510	4,121	3,683
	6	1,686	1,235	1,309	1,106	2,520	2,362	1,502	1,293
	7	0	0	207	152	271	271	288	207
	8	108	106	238	117	105	105	220	128
	9	0	0	131	60	-	-	49	13
	10	-	-	517	445	-	-	735	652
Total excl. non-performing		**19,824**	**19,283**	**35,284**	**32,611**	**8,734**	**8,349**	**45,590**	**43,158**
Non-performing		10	3	363	363	22	6	409	409
CORPORATES	1	772	767	3,315	2,565	1,804	1,752	7,432	3,526
	2	6,563	6,232	17,580	14,640	4,843	4,424	17,553	14,159
	3	2,824	2,460	24,394	16,830	3,211	2,910	24,949	18,345
	4	3,874	3,683	11,672	9,346	3,626	3,150	16,390	13,098
	5	9,146	7,958	40,289	32,722	11,201	9,633	36,172	29,473
	6	39,393	35,367	42,181	37,958	30,770	26,417	34,772	30,691
	7	8,764	7,903	10,255	9,177	8,563	7,495	9,844	8,971
	8	19,766	18,153	11,897	10,325	23,312	21,683	12,235	10,670
	9	1,400	1,283	1,574	1,350	1,354	1,246	2,129	1,875
	10	720	671	594	558	737	683	519	500
Total excl. non-performing		**93,222**	**84,478**	**163,751**	**135,471**	**89,420**	**79,394**	**161,994**	**131,309**
Non-performing		5,339	2,908	6,857	6,527	5,059	2,964	7,094	6,836
RETAIL CUSTOMERS	1	12,301	11,709	-	-	3,828	3,605	-	-
	2	-	-	50,485	49,465	-	-	54,745	53,664
	3	0	0	42,250	41,580	14,528	13,882	35,398	34,748
	4	46	45	55,130	54,303	4,245	4,107	52,055	51,181
	5	27,175	26,481	46,364	45,548	19,123	18,757	37,998	37,296
	6	32,472	21,378	34,366	33,646	30,294	19,591	28,948	28,244
	7	1,404	1,366	23,037	22,473	1,039	1,005	25,982	25,397
	8	30	29	13,616	13,243	47	46	21,341	20,755
	9	183	182	10,936	10,772	173	172	10,921	10,721
	10	1,752	1,723	11,326	11,102	1,399	1,380	11,967	11,725
Total excl. non-performing		**75,363**	**62,912**	**287,510**	**282,132**	**74,678**	**62,544**	**279,355**	**273,732**
Non-performing		3,403	2,304	10,024	9,658	3,241	2,252	9,373	9,071
Total excl. non-performing		**379,707**	**353,367**	**591,763**	**555,415**	**377,105**	**349,167**	**565,554**	**526,703**
Non-performing		**8,993**	**5,426**	**17,300**	**16,605**	**8,409**	**5,286**	**16,927**	**16,368**
TOTAL		**388,699**	**358,793**	**609,064**	**572,020**	**385,514**	**354,452**	**582,481**	**543,071**

(1) Standard & Poor's rating.
(2) Gross exposure.

Measuring credit quality using the standardized approach and the IRB approach shows more than 46% of gross exposures to be low-risk (between AAA and A-). More than 88% of exposures are between AAA and BB-.

Exposures by credit quality using the IRBF approach – Central banks and other sovereign exposures, Central administrations, Public sector and similar entities, Financial institutions and Corporates asset classes

	12/31/2014							
IRBF(1) *in millions of euros*	**External rating(2)**	**Exposure**	**o/w balance sheet**	**o/w off-balance sheet**	**EAD**	**EL**	**RWA**	**Average RW(3)**
CENTRAL BANKS AND OTHER SOVEREIGN EXPOSURES	1	25,615	25,615	-	25,615	-	-	0%
	2	-	-	-	-	-	-	
	3	-	-	-	-	-	-	
	4	-	-	-	-	-	-	
	5	450	450	-	450	0	69	15%
	6	-	-	-	-	-	-	
	7	-	-	-	-	-	-	
	8	-	-	-	-	-	-	
	9	-	-	-	-	-	-	
	10	-	-	-	-	-	-	
Total excl. non-performing		**26,065**	**26,065**	**0**	**26,065**	**0**	**69**	**0%**
Non-performing		-	-	-	-	-	-	
CENTRAL ADMINISTRATIONS	1	11,802	11,796	5	11,801	0	8	0%
	2	976	976	-	976	0	78	8%
	3	1,023	1,023	-	1,023	0	123	12%
	4	-	-	-	-	-	-	
	5	22	22	-	22	0	3	15%
	6	-	-	-	-	-	-	
	7	8	3	5	7	0	7	111%
	8	-	-	-	-	-	-	
	9	-	-	-	-	-	-	
	10	0	0	0	0	0	1	257%
Total excl. non-performing		**13,832**	**13,820**	**10**	**13,829**	**0**	**221**	**2%**
Non-performing		0	0	-	0	0	-	
PUBLIC SECTOR AND SIMILAR ENTITIES	1	98	97	1	97	0	9	9%
	2	73	69	1	73	0	12	17%
	3	1	1	-	1	0	0	32%
	4	16	3	-	16	0	8	51%
	5	42	20	22	39	0	27	68%
	6	42	20	4	42	1	52	124%
	7	0	0	-	0	0	1	217%
	8	60	9	1	60	2	99	165%
	9	-	-	-	-	-	-	
	10	-	-	-	-	-	-	
Total excl. non-performing		**332**	**218**	**29**	**328**	**2**	**207**	**63%**
Non-performing		5	5	0	5	2	-	
FINANCIAL INSTITUTIONS	1	354	248	-	354	0	88	25%
	2	2,333	1,337	695	2,329	0	455	20%
	3	2,545	1,102	779	2,466	1	819	33%
	4	326	69	135	290	0	167	58%
	5	835	226	584	760	2	612	81%
	6	583	211	308	504	3	405	80%
	7	190	0	190	143	0	55	38%
	8	20	14	6	19	0	27	146%
	9	16	2	14	12	0	20	167%
	10	501	224	277	432	18	861	199%
Total excl. non-performing		**7,703**	**3,434**	**2,988**	**7,308**	**25**	**3,509**	**48%**
Non-performing		25	25	-	25	11	-	
CORPORATES(4)	1	44	40	4	43	0	7	16%
	2	1,648	879	194	1,563	1	264	17%
	3	3,329	2,776	515	3,137	1	543	17%
	4	1,748	991	753	1,530	2	682	45%
	5	7,029	4,827	2,164	6,381	15	4,244	67%
	6	23,422	20,180	3,170	22,420	104	14,506	65%
	7	5,306	3,988	1,293	4,930	56	5,387	109%
	8	6,122	4,635	1,427	5,637	133	7,610	135%
	9	570	459	108	536	27	941	176%
	10	247	196	49	231	23	490	212%
Total excl. non-performing		**49,464**	**38,970**	**9,677**	**46,410**	**361**	**34,674**	**71%**
Non-performing		2,398	1,916	480	2,224	964	7	
Total IRBF excl. non-performing		**97,396**	**82,507**	**12,704**	**93,940**	**388**	**38,679**	
Total IRBF non-performing		**2,428**	**1,946**	**480**	**2,253**	**977**	**7**	
TOTAL IRBF		**99,824**	**84,453**	**13,184**	**96,193**	**1,366**	**38,686**	

(1) *The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.*
(2) *Standard & Poor's rating.*
(3) *Weighted by EAD.*
(4) *Excluding specialized financing calculated by weighting.*

IRBF[(1)] *in millions of euros*	12/31/2013							
	External rating[(2)]	Exposure	o/w balance sheet	o/w off-balance sheet	EAD	EL	RWA	Average RW[(3)]
CENTRAL BANKS AND OTHER SOVEREIGN EXPOSURES	1	16 039	16 039	-	16 039	-	-	0 %
	2	-	-	-	-	-	-	
	3	-	-	-	-	-	-	
	4	-	-	-	-	-	-	
	5	361	361	-	361	0	55	15 %
	6	-	-	-	-	-	-	
	7	-	-	-	-	-	-	
	8	-	-	-	-	-	-	
	9	-	-	-	-	-	-	
	10	-	-	-	-	-	-	
Total excl. non-performing		**16 401**	**16 401**	**-**	**16 401**	**0**	**55**	**0 %**
Non-performing		-	-	-	-	-	-	
CENTRAL ADMINISTRATIONS	1	10 309	10 307	1	10 309	0	1	0 %
	2	920	920	0	920	0	73	8 %
	3	811	811	-	811	0	98	12 %
	4	-	-	-	-	-	-	
	5	6	6	-	6	0	1	15 %
	6	8	8	-	8	0	8	99 %
	7	-	-	-	-	-	-	
	8	-	-	-	-	-	-	
	9	-	-	-	-	-	-	
	10	11	11	-	11	1	29	257 %
Total excl. non-performing		**12 064**	**12 062**	**1**	**12 064**	**1**	**210**	**2 %**
Non-performing		0	0	-	0	0	-	
PUBLIC SECTOR AND SIMILAR ENTITIES	1	141	141	1	141	0	6	4 %
	2	104	104	-	104	0	12	9 %
	3	248	140	101	225	1	131	58 %
	4	4	4	-	4	0	2	48 %
	5	58	52	7	57	0	43	76 %
	6	200	141	53	188	1	184	98 %
	7	15	14	1	14	0	16	110 %
	8	42	21	0	42	1	59	140 %
	9	19	6	13	16	1	35	215 %
	10	-	-	-	-	0	0	0 %
Total excl. non-performing		**832**	**622**	**175**	**792**	**4**	**487**	**60 %**
Non-performing		0	0	-	0	0	-	
FINANCIAL INSTITUTIONS	1	81	79	-	81	0	7	8 %
	2	2 640	1 636	702	2 614	0	572	22 %
	3	3 202	1 886	559	3 194	1	1 131	35 %
	4	216	138	45	203	0	139	68 %
	5	1 031	324	698	953	2	739	78 %
	6	690	306	383	588	4	597	102 %
	7	251	0	251	186	0	75	41 %
	8	37	19	18	28	1	45	161 %
	9	3	-	3	1	0	3	195 %
	10	707	429	278	637	28	1 332	209 %
Total excl. non-performing		**8 858**	**4 817**	**2 937**	**8 485**	**38**	**4 640**	**55 %**
Non-performing		48	48	-	48	22	-	
CORPORATES[(4)]	1	222	202	20	220	0	9	4 %
	2	1 821	1 318	275	1 683	0	286	17 %
	3	8 289	7 886	367	8 205	5	2 186	27 %
	4	1 699	708	839	1 360	1	650	48 %
	5	6 645	4 606	2 023	6 074	16	4 042	67 %
	6	15 784	12 829	2 863	14 913	98	11 817	79 %
	7	5 050	3 922	1 113	4 724	55	5 107	108 %
	8	6 764	4 880	1 831	6 182	151	8 614	139 %
	9	756	577	173	705	36	1 269	180 %
	10	295	236	57	283	28	602	213 %
Total excl. non-performing		**47 326**	**37 163**	**9 560**	**44 348**	**390**	**34 582**	**78 %**
Non-performing		2 473	1 948	521	2 306	1 001	19	
Total IRBF excl. non-performing		**85 481**	**71 064**	**12 672**	**82 090**	**434**	**39 974**	
Total IRBF non-performing		**2 521**	**1 996**	**521**	**2 354**	**1 022**	**19**	
TOTAL IRBF		**88 002**	**73 061**	**13 194**	**84 444**	**1 456**	**39 993**	

(1) The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.
(2) Standard & Poor's rating.
(3) Weighted by EAD.
(4) Excluding specialized financing calculated by weighting.

Specialized financing exposures calculated by weighting using the IRB approach

in millions of euros	12/31/2014			12/31/2013		
Weighting	**Gross exposure**	**RWA**	**EL**	**Gross exposure**	**RWA**	**EL**
0%	2.1	-	1.1			
50%	-	-	-			
70%	-	-	-	0.3	0.2	0.0
90%	10.0	9.0	0.1	10.9	9.8	0.1
115%	-	-	-			
250%	0.0	0.0	0.0			
TOTAL	**12.1**	**9.0**	**1.1**	**11.1**	**10.0**	**0.1**

Exposures by credit quality using the IRB approach – Central banks and other sovereign exposures, Central administrations, Public sector and similar entities, Financial institutions and Corporates asset classes

IRBA[(1)] *in millions of euros*	12/31/2014 External rating[(2)]	Average PD rate[(2)]	Exposure	o/w balance sheet	o/w off-balance sheet	Average CCF	EAD	EL	Average LGD	RWA	Average RW[(3)]
CENTRAL BANKS AND OTHER SOVEREIGN EXPOSURES	1	0.00%	59,087	56,530	-		59,087	-	7%	-	0%
	2	0.01%	159	144	-		159	0	26%	3	2%
	3	0.02%	2	1	-		2	0	37%	0	11%
	4		-	-	-		-	-		-	
	5	0.03%	15	15	-		15	0	37%	1	7%
	6	0.04%	23	-	-		23	0	47%	1	5%
	7		-	-	-		-	-		-	
	8	1.31%	345	332	13	20%	335	2	47%	306	91%
	9		-	-	-		-	-		-	
	10	22.23%	8	8	-		8	1	59%	26	338%
Total excl. non-performing		**0.01%**	**59,639**	**57,031**	**13**	**20%**	**59,629**	**3**	**7%**	**338**	**1%**
Non-performing			21	21	-		21	21	0%	-	
CENTRAL ADMINISTRATIONS	1	0.00%	3,093	668	420	100%	3,093	0	7%	0	0%
	2	0.01%	1,919	150	125	100%	1,919	0	24%	18	1%
	3	0.02%	173	137	3	100%	173	0	37%	20	12%
	4		-	-	-		-	-		-	
	5	0.03%	109	41	16	96%	108	0	67%	42	39%
	6	1.34%	11	11	-		11	0	9%	3	28%
	7		-	-	-		-	-		-	
	8	1.31%	5	5	0	100%	5	0	47%	6	123%
	9		-	-	-		-	-		-	
	10	22.23%	26	26	1	100%	26	4	68%	103	392%
Total excl. non-performing		**0.12%**	**5,336**	**1,038**	**564**	**100%**	**5,335**	**4**	**16%**	**193**	**4%**
Non-performing			31	31	-		31	31	0%	-	
PUBLIC SECTOR AND SIMILAR ENTITIES	1	0.00%	10	3	-		10	-	8%	-	0%
	2	0.26%	2	2	-		2	0	29%	0	17%
	3	0.05%	1	0	-		1	0	27%	0	8%
	4	0.24%	0	0	-		0	0	15%	0	13%
	5	0.64%	0	0	-		0	0	15%	0	17%
	6	7.62%	1	1	-		1	0	27%	1	106%
	7		-	-	-		-	-		-	
	8	3.73%	1	0	-		1	0	31%	1	110%
	9		-	-	-		-	-		-	
	10		-	-	-		-	-		-	
Total excl. non-performing		**0.78%**	**15**	**6**	**-**		**15**	**0**	**14%**	**3**	**17%**
Non-performing			0	0	-		0	-	0%	0	
FINANCIAL INSTITUTIONS	1	0.05%	646	55	40	20%	614	3	29%	149	24%
	2	0.03%	6,705	1,179	97	20%	5,710	1	15%	1,403	25%
	3	0.08%	12,850	3,521	715	41%	12,430	2	22%	4,411	35%
	4	0.22%	2,991	322	182	71%	2,939	2	30%	1,923	65%
	5	0.51%	3,296	1,575	1,056	57%	2,839	6	39%	2,012	71%
	6	1.60%	726	367	159	22%	602	7	70%	1,181	196%
	7	2.25%	17	2	9	20%	10	0	65%	29	303%
	8	3.25%	218	35	150	20%	99	3	79%	259	263%
	9	5.03%	115	30	83	20%	49	2	83%	126	259%
	10	12.46%	17	13	4	20%	13	1	67%	42	314%
Total excl. non-performing		**0.20%**	**27,581**	**7,098**	**2,497**	**46%**	**25,303**	**26**	**25%**	**11,536**	**45%**
Non-performing			338	338	-		338	301	0%	-	
CORPORATES[(4)]	1	0.19%	3,272	1,810	1,065	30%	2,522	3	14%	66	3%
	2	0.03%	15,932	6,454	7,329	61%	13,077	51	32%	1,448	11%
	3	0.09%	21,065	4,541	12,757	42%	13,693	4	31%	3,143	23%
	4	0.21%	9,923	3,554	5,248	60%	7,816	5	30%	2,528	32%
	5	0.50%	33,260	16,889	13,583	49%	26,341	30	26%	9,369	36%
	6	1.67%	18,749	10,417	6,826	55%	15,528	91	28%	9,145	59%
	7	2.40%	4,950	2,869	1,606	56%	4,246	25	28%	2,917	69%
	8	4.21%	5,775	3,321	2,223	51%	4,688	42	22%	3,201	68%
	9	7.64%	1,004	597	331	51%	814	14	25%	778	96%
	10	13.81%	347	306	38	48%	327	10	21%	319	98%
Total excl. non-performing		**0.94%**	**114,277**	**50,757**	**51,006**	**51%**	**89,051**	**275**	**28%**	**32,916**	**37%**
Non-performing			4,457	3,593	769	80%	4,302	1,523	0%	1,991	
Total IRBA excl. non-performing			**206,848**	**115,930**	**54,080**		**179,333**	**308**		**44,985**	
Total IRBA non-performing			**4,847**	**3,983**	**769**		**4,691**	**1,876**		**1,991**	
TOTAL IRBA			**211,694**	**119,912**	**54,849**		**184,025**	**2,184**		**46,975**	

(1) The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.
(2) Standard & Poor's rating.
(3) On performing (including sensitive) and non-rated EADs.
(4) Weighted by EAD.

IRBA[1] *in millions of euros*	External rating[2]	Average PD rate[2]	Exposure	o/w balance sheet	o/w off-balance sheet	Average CCF	EAD	EL	Average LGD	RWA	Average RW[3]
	12/31/2013										
CENTRAL BANKS AND OTHER SOVEREIGN EXPOSURES	1	0.00%	41,580	40,868	-		41,580	-	7%	-	0%
	2	0.01%	224	186	-		224	0	27%	4	2%
	3	0.02%	14	14	-		14	0	17%	0	2%
	4		-	-	-		-	-		-	0%
	5	0.03%	24	-	-		24	0	37%	1	3%
	6	0.04%	302	300	-		302	0	47%	32	10%
	7		-	-	-		-	-		-	
	8	1.31%	41	3	39	20%	11	0	47%	11	100%
	9		-	-	-		-	-		-	
	10	22.23%	9	9	-		9	1	57%	31	329%
Total excl. non-performing		**0.01%**	**42,195**	**41,380**	**39**	**20%**	**42,164**	**1**	**8%**	**78**	**0%**
Non-performing			21	21	-		21	21		-	
CENTRAL ADMINISTRATIONS	1	0.00%	5,251	2,467	452	100%	5,251	0	8%	1	0%
	2	0.01%	577	15	233	84%	540	0	25%	13	2%
	3	0.02%	147	114	14	100%	147	0	18%	10	7%
	4		-	-	-		-	-		-	
	5	0.03%	61	40	19	100%	61	0	37%	12	19%
	6	0.03%	3	3	0	100%	3	0	37%	1	32%
	7		-	-	-		-	-		-	
	8	1.31%	5	5	-		5	0	47%	5	121%
	9		-	-	-		-	-		-	
	10	22.23%	22	22	-		22	3	57%	74	341%
Total excl. non-performing		**0.08%**	**6,065**	**2,665**	**718**	**95%**	**6,028**	**3**	**10%**	**116**	**2%**
Non-performing			30	30	-		30	30		-	
PUBLIC SECTOR AND SIMILAR ENTITIES	1	0.00%	441	33	44	100%	441	-	8%	-	0%
	2	0.03%	560	3	-		560	0	29%	41	7%
	3	4.13%	2	1	0	20%	2	0	30%	1	63%
	4	0.27%	0	0	-		0	0	15%	0	16%
	5	0.17%	6	5	1	100%	6	0	33%	1	21%
	6	3.00%	28	10	3	21%	26	0	35%	28	110%
	7	4.11%	7	6	-		7	0	29%	7	101%
	8	9.43%	9	8	1	68%	9	0	34%	14	153%
	9		-	-	-		-	-		-	
	10		-	-	-		-	-		-	
Total excl. non-performing		**0.21%**	**1,054**	**66**	**49**	**95%**	**1,051**	**1**	**20%**	**92**	**9%**
Non-performing			3	0	-		3	-		6	
FINANCIAL INSTITUTIONS	1	0.02%	816	206	41	31%	787	2	26%	175	22%
	2	0.02%	17,114	3,813	54	20%	16,153	1	37%	2,891	18%
	3	0.09%	12,380	2,992	685	43%	11,986	3	25%	5,406	45%
	4	0.26%	2,226	448	200	68%	2,162	2	31%	1,578	73%
	5	0.49%	3,090	1,134	1,332	73%	2,729	6	43%	2,148	79%
	6	1.55%	812	425	164	35%	705	6	54%	1,344	191%
	7	2.32%	36	5	19	20%	21	0	52%	38	182%
	8	3.30%	183	71	104	20%	100	3	91%	268	267%
	9	4.86%	46	3	43	20%	12	1	100%	38	321%
	10	9.28%	28	12	15	20%	16	1	89%	76	480%
Total excl. non-performing		**0.14%**	**36,733**	**9,109**	**2,657**	**57%**	**34,673**	**26**	**33%**	**13,961**	**40%**
Non-performing			361	361	-		361	224		-	
CORPORATES[4]	1	0.84%	7,209	2,001	5,000	22%	3,306	2	19%	259	8%
	2	0.04%	15,752	5,152	8,081	60%	12,496	5	33%	1,921	15%
	3	0.11%	18,663	3,340	11,463	43%	12,143	4	31%	2,928	24%
	4	0.24%	12,676	5,294	6,621	55%	9,724	7	30%	3,090	32%
	5	0.55%	29,526	14,874	12,293	50%	23,398	33	28%	9,545	41%
	6	1.70%	18,976	10,750	7,202	55%	15,766	72	30%	9,792	62%
	7	2.42%	4,792	3,010	1,350	59%	4,245	25	29%	2,822	66%
	8	4.33%	5,471	3,196	2,083	53%	4,488	44	24%	3,230	72%
	9	8.27%	1,372	950	379	47%	1,170	29	34%	1,452	124%
	10	21.89%	224	200	23	74%	218	13	30%	299	137%
Total excl. non-performing		**1.04%**	**114,661**	**48,767**	**54,496**	**49%**	**86,954**	**234**	**29%**	**35,338**	**41%**
Non-performing			4,618	4,345	185	51%	4,527	1,522	1%	1,880	
Total IRBA excl. non-performing			**200,707**	**101,986**	**57,959**		**170,870**	**265**		**49,585**	
Total IRBA non-performing			**5,033**	**4,757**	**185**		**4,943**	**1,797**		**1,885**	
TOTAL IRBA			**205,741**	**106,743**	**58,143**		**175,813**	**2,062**		**51,470**	

(1) *The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.*
(2) *Standard & Poor's rating.*
(3) *On performing (including sensitive) and non-rated EADs.*
(4) *Weighted by EAD.*

Exposures by credit quality using the IRBA approach – retail customers

IRBA(1) *in millions of euros*	12/31/2014 External rating(2)	Average PD rate(3)	Exposure	o/w balance sheet	o/w off-balance sheet	Average CCF	EAD	EL	Average LGD	RWA	Average RW(4)
EXPOSURES GUARANTEED BY A MORTGAGE ON A REAL ESTATE ASSET (EXCL. SMES)	1		-	-	-		-	-		-	
	2	0.07%	31,460	30,585	875	61%	31,115	3	15%	934	3%
	3	0.15%	27,396	26,843	552	57%	27,157	7	15%	1,471	5%
	4	0.32%	38,935	38,108	827	56%	38,574	20	15%	3,633	9%
	5	0.70%	18,197	17,757	440	58%	18,011	20	15%	2,893	16%
	6	1.49%	8,259	7,922	338	61%	8,128	18	15%	2,088	26%
	7	3.17%	8,867	8,420	447	65%	8,709	41	14%	3,448	40%
	8	6.98%	3,265	3,106	158	62%	3,204	34	14%	1,925	60%
	9	14.94%	3,054	3,004	50	58%	3,032	67	14%	2,385	79%
	10	37.85%	2,162	2,134	29	59%	2,150	118	15%	1,747	81%
Total excl. non-performing		**1.57%**	**141,594**	**137,879**	**3,715**	**59%**	**140,081**	**327**	**15%**	**20,524**	**15%**
Non-performing			1,954	1,946	8	16%	1,947	828	0%	474	
EXPOSURES GUARANTEED BY A MORTGAGE ON A REAL ESTATE ASSET (OF WHICH SMES)	1		-	-	-		-	-		-	
	2		-	-	-		-	-		-	
	3		-	-	-		-	-		-	
	4		-	-	-		-	-		-	
	5	0.54%	8,300	8,160	140	53%	8,235	7	15%	867	11%
	6	2.13%	10,535	10,360	175	51%	10,450	41	15%	2,564	25%
	7	3.73%	3,554	3,452	103	52%	3,505	20	15%	1,237	35%
	8	6.47%	3,331	3,245	87	50%	3,288	32	15%	1,544	47%
	9	11.33%	2,756	2,706	49	53%	2,733	45	14%	1,595	58%
	10	29.26%	3,001	2,928	73	48%	2,963	130	15%	2,011	68%
Total excl. non-performing		**5.73%**	**31,478**	**30,851**	**627**	**52%**	**31,175**	**275**	**15%**	**9,818**	**31%**
Non-performing			1,497	1,492	5	0%	1,492	668	0%	306	
REVOLVING EXPOSURES	1		-	-	-		-	-		-	
	2	0.07%	2,149	517	1,632	71%	1,680	1	42%	34	2%
	3	0.15%	1,572	385	1,188	75%	1,270	1	43%	51	4%
	4	0.30%	1,496	406	1,090	72%	1,190	2	43%	86	7%
	5	0.68%	1,641	729	912	80%	1,456	5	44%	201	14%
	6	3.48%	835	373	462	66%	680	9	38%	197	29%
	7	3.05%	720	308	412	85%	657	9	40%	254	39%
	8	6.51%	267	138	129	90%	254	7	37%	153	60%
	9	13.82%	357	227	130	94%	350	19	35%	300	86%
	10	34.04%	247	186	61	92%	242	30	37%	264	109%
Total excl. non-performing		**2.66%**	**9,283**	**3,268**	**6,016**	**75%**	**7,778**	**81**	**41%**	**1,540**	**20%**
Non-performing			250	241	10	10%	242	163	0%	53	
OTHER EXPOSURES TO RETAIL CUSTOMERS (OF WHICH SMES)	1		-	-	-		-	-		-	
	2		-	-	-		-	-		-	
	3		-	-	-		-	-		-	
	4		-	-	-		-	-		-	
	5	0.54%	8,178	6,960	1,217	79%	7,918	9	21%	1,051	13%
	6	2.35%	10,178	8,823	1,354	81%	9,922	57	22%	2,309	23%
	7	3.65%	3,821	3,175	645	79%	3,684	30	22%	955	26%
	8	6.32%	4,792	3,959	832	75%	4,586	69	23%	1,353	30%
	9	11.02%	2,739	2,338	401	76%	2,644	65	22%	859	32%
	10	27.34%	4,484	3,898	586	74%	4,331	275	23%	1,916	44%
Total excl. non-performing		**6.58%**	**34,192**	**29,152**	**5,035**	**78%**	**33,084**	**504**	**22%**	**8,443**	**26%**
Non-performing			4,232	3,897	335	16%	3,950	2,516	0%	1,204	
OTHER EXPOSURES TO RETAIL CUSTOMERS (EXCL. SMES)	1		-	-	-		-	-		-	
	2	0.06%	16,876	16,014	862	76%	16,671	2	14%	406	2%
	3	0.13%	13,282	12,676	606	79%	13,153	3	16%	669	5%
	4	0.27%	14,700	14,027	673	76%	14,539	6	16%	1,216	8%
	5	0.60%	10,047	9,478	569	79%	9,928	11	17%	1,487	15%
	6	1.65%	4,558	4,112	446	79%	4,465	17	20%	1,181	26%
	7	2.94%	6,075	5,278	797	80%	5,918	36	20%	1,708	29%
	8	6.51%	1,961	1,709	252	80%	1,911	27	20%	634	33%
	9	14.35%	2,031	1,930	101	82%	2,013	66	22%	915	45%
	10	36.37%	1,432	1,367	65	75%	1,415	113	23%	812	57%
Total excl. non-performing		**1.86%**	**70,963**	**66,592**	**4,370**	**78%**	**70,013**	**281**	**16%**	**9,030**	13%
Non-performing			2,090	2,021	69	9%	2,027	1,150	0%	580	
Total IRBA excl. non-performing			**287,510**	**267,742**	**19,764**		**282,132**	**1,467**		**49,355**	
Total IRBA non-performing			**10,024**	**9,597**	**427**		**9,658**	**5,325**		**2,616**	
TOTAL IRBA			**297,534**	**277,339**	**20,191**		**291,790**	**6,792**		**51,971**	

(1) *The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.*
(2) *Standard & Poor's rating.*
(3) *On performing (including sensitive and non-rated EADs).*
(4) *Weighted by EAD.*

						12/31/2013					
IRBA[1] *in millions of euros*	External rating[2]	Average PD rate[3]	Exposure	o/w balance sheet	o/w off-balance sheet	Average CCF	EAD	EL	Average LGD	RWA	Average RW[4]
EXPOSURES GUARANTEED BY A MORTGAGE ON A REAL ESTATE ASSET (EXCL. SMES)	1		-	-	-		-	-		-	
	2	0.07%	32,237	31,050	1,187	62%	31,782	3	14%	908	3%
	3	0.16%	23,248	22,587	661	58%	22,973	6	15%	1,298	6%
	4	0.32%	36,328	35,183	1,144	59%	35,860	18	15%	3,371	9%
	5	0.71%	17,623	16,977	645	60%	17,367	19	15%	2,781	16%
	6	1.51%	8,288	7,790	498	63%	8,106	19	15%	2,055	25%
	7	3.24%	8,566	7,897	669	67%	8,344	41	14%	3,268	39%
	8	7.06%	3,353	3,089	264	66%	3,262	35	14%	1,876	58%
	9	15.30%	2,865	2,783	82	60%	2,833	65	14%	2,172	77%
	10	38.36%	2,012	1,976	36	58%	1,997	110	15%	1,542	77%
Total excl. non-performing		**1.60%**	**134,520**	**129,333**	**5,187**	**62%**	**132,525**	**317**	**15%**	**19,271**	**15%**
Non-performing			1,720	1,712	8	6%	1,712	692	0%	387	
EXPOSURES GUARANTEED BY A MORTGAGE ON A REAL ESTATE ASSET (OF WHICH SMES)	1		-	-	-		-	-		-	
	2		-	-	-		-	-		-	
	3		-	-	-		-	-		-	
	4		-	-	-		-	-		-	
	5	0.42%	4,478	4,382	96	59%	4,438	3	15%	377	9%
	6	1.56%	7,102	6,945	157	59%	7,038	22	15%	1,205	17%
	7	2.14%	5,111	4,993	118	52%	5,054	16	14%	1,024	20%
	8	5.07%	6,720	6,500	220	53%	6,617	49	14%	1,997	30%
	9	11.38%	2,611	2,532	79	54%	2,575	41	14%	1,171	45%
	10	28.74%	3,267	3,171	97	50%	3,219	130	14%	1,535	48%
Total excl. non-performing		**6.19%**	**29,290**	**28,523**	**767**	**55%**	**28,941**	**262**	**14%**	**7,309**	**25%**
Non-performing			1,391	1,386	5	5%	1,386	582	-	278	
REVOLVING EXPOSURES	1		-	-	-		-	-		-	
	2	0.07%	2,090	500	1,589	73%	1,653	0	41%	33	2%
	3	0.15%	1,469	365	1,104	75%	1,193	1	43%	48	4%
	4	0.30%	1,430	392	1,038	73%	1,148	2	42%	81	7%
	5	0.67%	1,624	727	897	81%	1,453	5	43%	197	14%
	6	1.65%	495	204	291	81%	439	3	40%	105	24%
	7	3.02%	734	312	422	86%	673	9	39%	253	38%
	8	6.47%	280	145	135	90%	267	7	37%	158	59%
	9	13.80%	375	235	140	93%	366	19	35%	311	85%
	10	34.47%	259	196	63	91%	253	32	37%	276	109%
Total excl. non-performing		**2.67%**	**8,756**	**3,077**	**5,679**	**77%**	**7,447**	**78**	**41%**	**1,462**	**20%**
Non-performing			207	196	11	26%	199	137	0%	44	
OTHER EXPOSURES TO RETAIL CUSTOMERS (OF WHICH SMES)	1		-	-	-		-	-		-	
	2		-	-	-		-	-		-	
	3		-	-	-		-	-		-	
	4		-	-	-		-	-		-	
	5	0.40%	2,382	2,015	367	80%	2,308	2	20%	243	11%
	6	1.49%	5,854	5,043	810	81%	5,702	120	22%	999	18%
	7	2.11%	4,561	3,934	627	83%	4,451	21	22%	1,032	23%
	8	5.09%	6,939	5,719	1,219	78%	6,676	79	23%	1,818	27%
	9	10.98%	1,915	1,566	349	79%	1,843	47	22%	589	32%
	10	26.63%	3,760	3,272	488	75%	3,636	225	23%	1,541	42%
Total excl. non-performing		**6.90%**	**25,411**	**21,549**	**3,859**	**79%**	**24,617**	**493**	**22%**	**6,222**	**25%**
Non-performing			3,217	2,935	282	13%	2,973	1,664	0%	855	
OTHER EXPOSURES TO RETAIL CUSTOMERS (EXCL. SMES)	1		-	-	-		-	-		-	
	2	0.06%	20,418	19,615	803	76%	20,229	2	13%	458	2%
	3	0.13%	10,682	10,167	515	81%	10,582	2	16%	561	5%
	4	0.27%	14,298	13,757	541	77%	14,172	6	15%	1,151	8%
	5	0.56%	11,892	11,162	729	78%	11,730	12	18%	1,671	14%
	6	2.05%	7,208	6,387	820	70%	6,959	93	21%	1,703	24%
	7	2.76%	7,010	6,262	747	82%	6,874	39	19%	1,937	28%
	8	5.81%	4,049	3,548	500	77%	3,933	49	20%	1,258	32%
	9	13.28%	3,155	2,931	223	77%	3,104	92	21%	1,315	42%
	10	32.84%	2,668	2,470	197	75%	2,619	186	22%	1,380	53%
Total excl. non-performing		**2.45%**	**81,378**	**76,300**	**5,077**	**77%**	**80,202**	**481**	**17%**	**11,433**	**14%**
Non-performing			2,838	2,794	44	18%	2,802	1,532	0%	772	
Total IRBA excl. non-performing			**279,355**	**258,783**	**20,569**		**273,732**	**1,631**		**45,697**	
Total IRBA non-performing			**9,373**	**9,022**	**351**		**9,071**	**4,607**		**2,335**	
TOTAL IRBA			**288,728**	**267,805**	**20,920**		**282,803**	**6,237**		**48,031**	

(1) The "gross exposure" column includes both credit and counterparty risks. The "balance sheet" and "off-balance sheet exposure" columns relate only to credit risk.
(2) Standard & Poor's rating.
(3) On performing (including sensitive and non-rated EADs).
(4) Weighted by EAD.

Exposure to counterparty risk relating to derivatives and repos transactions

in millions of euros	12/31/2014 Standardized	12/31/2014 IRB	12/31/2014 Total	12/31/2013 Standardized	12/31/2013 IRB	12/31/2013 Total
Derivatives						
Central banks and other sovereign exposures		271	271		67	67
Central administrations	3	2,159	2,162	7	2,189	2,196
Public sector and similar entities	997	94	1,090	629	553	1,181
Financial institutions	10,520	11,586	22,106	1,334	17,556	18,889
Corporates	3,686	8,444	12,131	1,206	8,051	9,258
Retail customers	6	4	10	12	3	15
TOTAL	**15,213**	**22,558**	**37,770**	**3,188**	**28,419**	**31,607**
Repos						
Central banks and other sovereign exposures		2,325	2,325		709	709
Central administrations	23	1,576	1,600	15	495	510
Public sector and similar entities	6		6		410	410
Financial institutions	2,703	7,681	10,384	104	8,515	8,620
Corporates	1,496	4,983	6,480	195	4,037	4,232
Retail customers				23		23
TOTAL	**4,228**	**16,566**	**20,794**	**337**	**14,166**	**14,503**

CREDIT RISK MITIGATION TECHNIQUES

Information provided in respect of IFRS 7.

Credit risk mitigation techniques are widely used within the Group and are divided into real sureties and personal guarantees.

Definition of sureties

A real surety is collateral or an equivalent pledge that reduces the credit risk on an exposure given the right of the establishment that is subject to this risk, in the event of default or any other specific credit event relating to the counterparty, to liquidate, hold, or obtain the transfer or gain ownership of certain amounts or assets.

A personal guarantee is a collateral that reduces the credit risk on an exposure, due to the commitment provided by a third party to pay a set amount in the event of counterparty default or any other specific event.

Accounting method using the standardized or IRBA approach

Under the standardized approach, personal guarantees and real sureties are taken into account, subject to their eligibility, using an enhanced weighting of the guarantee portion of the exposure. Real sureties such as cash or liquid collateral are deducted from the gross exposure.

Under the IRBF approach, real sureties are taken into account, subject to their eligibility, by decreasing the Loss Given Default applicable to the transactions. Personal guarantees are taken into account, subject to their eligibility, by substituting a third party's PD with that of a guarantor.

Under the IRBA approach for retail customers, personal guarantees and real sureties are taken into account, subject to their eligibility, by decreasing the Loss Given Default applicable to the transactions in question.

Conditions for the incorporation of sureties

Articles 207 to 210 of Capital Requirements Regulation (CRR) No. 575/2013 set out the conditions for the proper incorporation of sureties, in particular:

- the borrower's credit quality and the instrument's value are not significantly positively correlated. Debt securities issued by the borrower are not eligible;
- the surety is duly documented and accompanied by a strict procedure authorizing rapid debt collection;
- the bank has duly documented procedures in place, that are adapted to the various types and amounts of instruments used;
- the bank sets the market value of the instrument and restates it where necessary, in particular when this market value deteriorates significantly.

Risk diversification

The Risk division is governed by regulatory ceilings, internal ceilings and individual limits. Group entities are furthermore subject to individual limits, sometimes sector, and geographic limits.

Providers of sureties

The Caisse d'Epargne network mainly uses the services of Compagnie Européenne de Garanties et de Cautions (CEGC), *Fonds de garantie à l'accession sociale à la propriété* (FGAS) and, to a lesser extent, Crédit Logement (a financial institution and a subsidiary of most of the main French banking networks). These institutions are specialized in guaranteeing bank loans, especially home loans.

CEGC has received an A rating from Standard & Poor's, with a negative outlook.

FGAS offers guarantees from the French government for secured loans. Loans with FGAS guarantees granted before December 31, 2006 are given a 0% weighting and loans granted guarantees after that date have a risk weighting of 15%.

Crédit Logement has a long-term Aa3 rating from Moody's, with a stable outlook.

The Banque Populaire network has traditionally used Mutual Guarantee Companies, particularly SOCAMA (which guarantee craftsman loans), in addition to the real sureties used. It also turns to CASDEN Banque Populaire to back loans to civil servants of the French national education system, Crédit Logement and recently CEGC.

For home loans, the Banque Populaire and Caisse d'Epargne networks also use several mutual insurers, such as MGEN, Mutuelle de la Gendarmerie, etc.

Banque publique d'investissement (BPI – formerly Oséo) continues to be used for professional and corporate customers.

Valuation and management of instruments comprising real sureties

The revaluation tool for real-estate guarantees has been made available to both networks.

The Banque Populaire network currently uses the tool for the revaluation of real estate guarantees, business assets and pledged assets for all risk segments.

At the Banque Populaire network, in addition to real estate guarantees, real sureties also taken into account by the revaluation tool are pledges of vehicles, pledges of materials and equipment, pleasure craft mortgage loans, and pledges of business assets.

The Caisse d'Epargne network uses the tool for the revaluation of guarantees against homes for all risk segments.

The Caisse d'Epargne network has two kinds of real sureties that are primarily taken into account (residential mortgages and guarantees from Mutual Guarantee Companies), as these represent the majority of real sureties (or with equivalent effect) received. An enhanced valuation process has been implemented for guarantees above certain amounts.

Personal and physical guarantees by category of exposure

	12/31/2014				
	Personal guarantees		Physical guarantees		
in millions of euros	Total personal guarantees	o/w credit derivatives	Total physical guarantees	o/w real	o/w financial
Central banks and other sovereign exposures	-	-	-	-	-
Central administrations	712	-	79	71	-
Public sector and similar entities	2,425	-	21	21	-
Financial institutions	2,107	-	1,174	1,172	2
Corporates	18,261	-	15,833	11,572	4,261
Retail customers	121,308	-	74,522	73,950	573
TOTAL	**144,813**	**-**	**91,628**	**86,786**	**4,835**

The total amount of personal guarantees increased significantly during the fiscal year, from €129.9 billion at December 31, 2013 to almost €145 billion at end-2014. The total amount of physical guarantees was up slightly during the fiscal year, increasing from €89.4 billion at end-2013 to €91.6 billion at end-2014.

TERMINOLOGY

Central banks and other sovereign exposures: regulated savings centralized at the Caisse des dépôts et consignations, deferred tax assets and reserves.

Central administrations: receivables from sovereigns, central administrations and similar bodies, multilateral development banks and international organizations.

Public sector and similar entities: receivables from national public institutions, local authorities or other public sector entities, including private social housing.

Financial institutions: receivables from regulated credit institutions and similar bodies, including clearing houses.

Corporate: other receivables, in particular from large corporates, SMEs, ISEs, insurance companies, funds, etc.

Retail customers: receivables from individual customers, very small enterprises, professional customers and individual entrepreneurs.

Exposure to retail customers is also broken down into a number of categories: residential mortage-backed exposures (excl. SMEs), residential mortgage-backed exposures (incl. SMEs), renewable exposures, other exposures to retail customers (incl. SMEs) and other exposures to retail customers (excl. SMEs).

Securitizations: receivables related to securitization transactions.

Equities: exposures representing investments in associates.

Other assets: this category includes all assets other than those whose risk relates to third parties (fixed assets, goodwill, residual values on lease financing agreements, etc.).

EAD (Exposure At Default): this is the amount owed by the customer at the effective default date. It is the sum of the remaining principal, past due payments, accrued interest not yet due, fees and penalties.

RWA (Risk-weighted assets): the calculation of credit risks is further refined using a more detailed risk weighting that incorporates counterparty default risk and receivables default risk.

PD (Probability of default): the likelihood that a given counterparty will ultimately default.

LGD (Loss given default): the loss that the bank can expect to incur in the event of default.

CR: capital requirement.

CCF: credit conversion factor.

3.2.8 Securitization transactions

PRUDENTIAL REQUIREMENTS

Prudential requirements relating to securitization positions are governed by Articles 242 to 266 of the Capital Requirements Regulation (CRR) No. 575/2013 and are distinct from conventional loan transactions. Two methods are used by the Group to measure the risk exposure of securitization transactions: the standardized approach and the internal ratings based approach with specific weighting categories.

MANAGEMENT OF SECURITIZATION WITHIN GROUP BPCE

Banking book EAD amounted to just over €25 billion at December 31, 2014 (up €3 billion year-on-year), i.e. 2.3% of Group outstandings, consisting predominantly of Natixis and positions carried by BPCE SA arising from the transfer of a portfolio of home loan and public asset securitizations from Crédit Foncier in September 2014.

This increase in EAD can be primarily attributed to Natixis' portfolio of continuing operations. In fiscal year 2014, risk-weighted assets declined by more than €5 billion due to disposals in run-off portfolios (notably positions with a risk weight of 1250%).

Trading book EAD increased by €700 million, with risk-weighted assets stable on the back of a higher-quality average risk weighting.

Outstandings from the former scope of GAPC (workout portfolio management) and BPCE are managed under a run-off method where positions are gradually amortized but still managed (including disposals) in order to safeguard the Group's interests by actively reducing positions under acceptable pricing conditions.

Crédit Foncier's securitization positions, which boast solid credit quality, were sold to BPCE at their actual value, with no impact on the Group's consolidated financial statements (over 90% of the securitization portfolio was transferred to BPCE on September 25, 2014). These exposures are recognized in loans and receivables ("L&R") and do not present a significant risk of loss upon completion, as confirmed by the external audit carried out at the time of the transfer. This audit confirmed the robustness of the quarterly internal stress test carried out and the credit quality of the securitization portfolio, which mostly includes investment grade European RMBS.

Exposures contained in Natixis' GAPC (Workout portfolio management) division were greatly reduced during the first half of 2014, and the residual positions at end-June 2014 were transferred to the Wholesale Banking business line, thus closing GAPC.

The various relevant portfolios are subject to specific monitoring within the entities and subsidiaries as well as by the central institution. Depending on the scope involved, dedicated management or steering committees regularly review the main positions and management strategies.

Within the central institution, the Risk Management division carries out regular reviews of securitization exposures (quarterly mapping), changes in the structure of portfolios, risk-weighted assets and potential losses. Regular assessments of potential losses are discussed by the Umbrella Committee, as are disposal opportunities.

At the same time, dedicated teams carry out *ad hoc* investigations into the likely effect of risk factors including changes in default and recovery rates on potential losses and changes in RWA.

Finally, the Risk Management division controls risks associated with sensitive securitization positions by identifying rating downgrades and monitoring changes in exposures (valuation, detailed analysis). Major exposures are systematically submitted to the quarterly Group Watchlist and Provisions Committee to determine the appropriate level of provisioning.

BREAKDOWN OF SECURITIZATION ACTIVITIES

For purposes of comparison between accounts at December 31, 2013 and at December 31, 2014, a pro forma Basel III calculation was applied to RWA at December 31, 2013.

Breakdown of total outstandings

BREAKDOWN OF OUTSTANDINGS BY TYPE OF SECURITIZATION

	Banking book			
	12/31/2014		12/31/2013	
in millions of euros	Outstandings	EAD	Outstandings	EAD
Conventional securitization	23,735	23,524	21,941	21,815
Synthetic securitization	1,322	1,322	0	0
TOTAL	**25,057**	**24,846**	**21,941**	**21,815**

	Trading book			
	12/31/2014		12/31/2013	
in millions of euros	Outstandings	EAD	Outstandings	EAD
TOTAL	**2,344**	**2,344**	**1,596**	**1,596**

Outstandings were up over the fiscal year, driven by new transactions by Natixis' Wholesale Banking activity. Natixis notably originated synthetic securitizations in 2014.

BREAKDOWN OF EAD BY RISK WEIGHT CATEGORY – BANKING BOOK UNDER THE IRB APPROACH

	12/31/2014				12/31/2013			
	Banking book under the IRB approach		Trading book		Banking book under the IRB approach		Trading book	
in millions of euros	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization
7% to 10%	6,141	0			4,014	0	5	0
12% to 18%	1,327	129	59	0	1,126	0	101	0
20% to 35%	2,320	238	2,259	0	1,655	135	1,034	83
40% to 75%	98	40	16	0	239	273	82	0
100%	16	0	0	0	21	2	6	7
150%	0	0			0	6		
200%	0	0			0	0		
225%	0	0			0	219		
250%	9	0			61	0	89	0
300%	0	0			0	1		
350%	0	0			0	0	6	0
425%	13	0	10	0	11	0	2	0
500%	0	0			0	0		
650%	1	0			0	0		
750%	0	0			0	0		
50%	0	0			0	0		
1,250% including capital deduction	350	27	0	0	554	101	8	173
Transparency method	74	143			0	0		
Regulatory formula method	1,690	0			181	71		
TOTAL	**12,038**	**578**	**2,344**	**0**	**7,863**	**807**	**1,333**	**263**

BREAKDOWN OF EAD BY RISK WEIGHT CATEGORY – BANKING BOOK UNDER THE STANDARDIZED APPROACH

	12/31/2014	12/31/2013
in millions of euros	Securitization	Securitization
20%	4,461	5,273
40%	191	142
50%	3,295	3,011
100%	2,416	3,104
225%	1	
350%	1,465	1,068
650%		
1,250%	226	274
Transparency method	175	274
TOTAL	**12,230**	**13,146**

Banking book securitization

BREAKDOWN OF INVESTOR SECURITIZATION OUTSTANDINGS

	12/31/2014				12/31/2013			
	Banking book				Banking book			
	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization
in millions of euros	EAD	EAD	RWA	RWA	EAD	EAD	RWA	RWA
Balance sheet exposure	14,547	316	13,424	148	15,471	862	19,316	875
Off-balance sheet exposure	3,716	261	1,367	257	1,847	48	318	5
TOTAL	**18,262**	**577**	**14,791**	**405**	**17,317**	**910**	**19,634**	**880**

BREAKDOWN OF INVESTOR SECURITIZATION OUTSTANDINGS BY PRINCIPAL CATEGORY OF UNDERLYING ASSETS

as a percentage	12/31/2014	12/31/2013
RMBS	55%	60%
CDO	23%	19%
ABS	18%	17%
Other	4%	4%
TOTAL	**100%**	**100%**

BREAKDOWN OF INVESTOR SECURITIZATION OUTSTANDINGS BY RATING

	12/31/2014		12/31/2013	
as a percentage	Equivalent rating Standard & Poor's	Banking book	Equivalent rating Standard & Poor's	Banking book
Investment grade	AAA	20%	AAA	27%
	AA+	3%	AA+	6%
	AA	11%	AA	1%
	AA-	5%	AA-	6%
	A+	5%	A+	8%
	A	20%	A	14%
	A-	6%	A-	3%
	BBB+	0%	BBB+	5%
	BBB	5%	BBB	8%
	BBB-	8%	BBB-	7%
Non investment grade	BB+	1%	BB+	3%
	BB	2%	BB	2%
	BB-	4%	BB-	1%
	B+	0%	B+	0%
	B	1%	B	2%
	B-	0%	B-	1%
	CCC+	0%	CCC+	0%
	CCC	1%	CCC	0%
	CCC-	0%	CCC-	0%
	CC	1%	CC	1%
	C	0%	C	0%
Not rated	Not rated	5%	Not rated	4%
Default	D	0%	D	0%
TOTAL		**100%**		**100%**

BREAKDOWN OF ORIGINATOR SECURITIZATION OUTSTANDINGS

	12/31/2014				12/31/2013			
	Banking book				Banking book			
	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization
in millions of euros	EAD	EAD	RWA	RWA	EAD	EAD	RWA	RWA
Balance sheet exposure	1,318		89		35	71	29	234
Off-balance sheet exposure	76		27					
TOTAL	**1,394**		**117**		**35**	**71**	**29**	**234**

BREAKDOWN OF SPONSOR SECURITIZATION OUTSTANDINGS

	12/31/2014				12/31/2013			
	Banking book				Banking book			
in millions of euros	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization
	EAD	EAD	RWA	RWA	EAD	EAD	RWA	RWA
Balance sheet exposure	2,054		227		18		2	
Off-balance sheet exposure	2,558		343		3,464		559	
TOTAL	**4,612**		**571**		**3,482**	**0**	**561**	**0**

Trading book securitization

BREAKDOWN OF INVESTOR AND SPONSOR SECURITIZATION OUTSTANDINGS

	12/31/2014				12/31/2013			
	Trading book				Trading book			
	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization	Securitization	Resecuritization
in millions of euros	EAD	EAD	RWA	RWA	EAD	EAD	RWA	RWA
Investor	1,937	0	530		1,163	256	517	27
Sponsor	407	0	65		171	7	44	7
TOTAL	**2,344**	**0**	**595**		**1,333**	**263**	**561**	**34**

BREAKDOWN OF INVESTOR AND SPONSOR SECURITIZATION OUTSTANDINGS BY PRINCIPAL CATEGORY OF UNDERLYING ASSETS

as a percentage	12/31/2014	12/31/2013
Type of underlying assets	Trading book	Trading book
ABS	50%	57%
Other	4%	4%
CDO	33%	38%
RMBS	13%	0%
TOTAL	**100%**	**100%**

BREAKDOWN OF INVESTOR AND SPONSOR SECURITIZATION POSITIONS BY RATING

	12/31/2014		12/31/2013	
as a percentage	Equivalent rating Standard & Poor's	Trading book	Equivalent rating Standard & Poor's	Trading book
Investment grade	AAA	71%	AAA	54%
	AA+	3%	AA+	1%
	AA	18%	AA	13%
	AA-	0%	AA-	0%
	A+	1%	A+	4%
	A	5%	A	6%
	A-	1%	A-	2%
	BBB+	0%	BBB+	1%
	BBB	0%	BBB	1%
	BBB-	0%	BBB-	0%
Non investment grade	BB+	0%	BB+	6%
	BB	1%	BB	0%
	BB-	0%	BB-	0%
	B+	0%	B+	0%
	B	0%	B	0%
	B-	0%	B-	0%
	CCC+	0%	CCC+	0%
	CCC	0%	CCC	0%
	CCC-	0%	CCC-	2%
	CC	0%	CC	5%
	C	0%	C	1%
Not rated	Not rated	0%	Not rated	3%
Default	D	0%	D	0%
TOTAL		**100%**		**100%**

TERMINOLOGY

Conventional securitization: this consists of the transfer to investors of financial assets such as loans or receivables, transforming these loans into financial securities issued on the capital market by means of special purpose vehicles.

Synthetic securitization: in a synthetic transaction, ownership of the asset is not transferred but the risk is transferred to a financial instrument, the credit derivative.

Resecuritization: a securitization in which the credit risk associated with a portfolio of underling assets is divided into tranches and for which at least one of the underlying asset exposures is a securitization position.

Tranche: a fraction of the credit risk set out contractually and which is associated with an exposure or exposures.

Securitization position: exposure to a securitization transaction or arrangement.

Liquidity line: the securitization position resulting from a financing agreement with the aim of ensuring the punctuality of payment flows to investors.

Originator: either an entity which, on its own or through related entities, was directly or indirectly involved in the original agreement which created the obligations of the debtor or potential debtor and which gave rise to the securitization transaction or arrangement; or an entity that purchases a third party's on-balance sheet exposures and then securitizes them.

Sponsor: an entity, other than the originator, that establishes and manages an asset-backed commercial paper program, or other securitization operation or arrangement that purchases exposures from third-party entities.

Investor: all of the securitization positions invested in by the Group in which it does not act as originator or sponsor. These are mainly tranches acquired in programs initiated or managed by external banks.

3.2.9 Risk related to equities for the banking book

Non-trading books with equity risk consist mainly of listed equities, unlisted equities and mutual fund or hedge fund shares.

For investments in funds, a specific monitoring process was implemented in the Banque Populaire and Caisse d'Epargne networks as well as the subsidiaries (excluding Natixis), which now benefit from:

- an online tool for the monitoring, control and management of requests for investments in funds, used by entities' Finance and Risk Management divisions (audit trail of opinions of the various parties involved in the investment request process);
- total risk exposure and global sum management by asset management company.

RISK-WEIGHTED OUTSTANDINGS IN THE EQUITY CATEGORY

in millions of euros	Outstandings at 12/31/2014	Outstandings at 12/31/2013
150%	21	368
190%	2,981	2,805
290%	3,756	1,731
370%	5,749	6,698
Other weightings	3,092	2,620
TOTAL	**15,598**	**14,222**

3.2.10 Market risk

MARKET RISK MANAGEMENT

Risk monitoring

The Risk Management division is responsible for the control of market activities within Groupe BPCE, which is subject to regular review by the Group Market Risk Committee.

Within the scope of the trading book, market risk is monitored daily by measuring Group Value at Risk (VaR) and using global and historic stress tests. The proprietary VaR calculation system developed by Natixis is used by the Group. This system provides a tool for the measurement, monitoring and control of market risk on a consolidated level and at the level of the Caisse d'Epargne and Banque Populaire network and BPCE subsidiaries on a daily basis and taking account of correlations between the various portfolios. There are certain specifics within Groupe BPCE, in particular:

- given the significance of its capital market activities, Natixis' risk management is specifically adapted to this entity;
- for the Banque Populaire banks, only BRED Banque Populaire has a capital markets business. It conducts daily monitoring of its Central Treasury division and trading floor activities and the management of stable surplus funds using 99% 1-day value-at-risk, sensitivity and stress scenario indicators;
- for the Caisses d'Epargne and BPCE subsidiaries, daily monitoring of trading book activities is based on supervision by the Risk Management division of 99% 1-day value-at-risk, stress tests and compliance with regulatory limits.

All limits (operational indicators, VaR, and stress tests) are monitored daily by the institutions' Risk Management divisions. If applicable, breaches may lead to a management decision concerning the position in question (close, hedge, hold, etc.).

For the banking portfolio, monitoring is broken down by asset class: bonds, securitizations, private equity and UCITS. Specific monitoring of the bonds portfolio is carried out on a monthly basis using in particular credit spread stress tests and risk premium monitoring.

The Group's single treasury and central bank collateral management pool is subject to daily monitoring of risks and economic results for all of its activities, which are mainly related to the banking portfolio. In particular, a 99% 1-day Monte Carlo VaR is calculated and analyzed by risk factor. Compliance with operational limits in terms of sensitivity to rates, both overall and by time buckets, as well as by counterparty, is monitored daily. Supervision of this activity also includes specific stress scenarios as well as exposure limits per operator (for both individual and cumulative transactions processed per day).

Monitoring of the workout portfolio

The scope of the workout portfolio decreased dramatically during 2014:

- Natixis: the winding-up of GAPC was carried out at the end of June 2014, in line with the target announced in 2013. Outstanding risk-weighted assets in the workout portfolio were transferred to Wholesale Banking;
- Crédit Foncier: over 90% of the securitization portfolio was transferred to BPCE at September 25, 2014 (see Chapter 3.2.3). Residual outstandings after disposal stood at €100 million at December 31, 2014, and do not present a significant risk of loss upon completion;

- Caisse d'Epargne network: Natixis Asset Management is still responsible for managing the workout portfolio of the former Caisse Nationale des Caisses d'Epargne's proprietary activities. Risk delegation was defined by BPCE for the management carried out by Natixis Asset Management, which presents disposals carried out and portfolio monitoring in terms of profit and loss and market forecasts at BPCE monthly Management Committee meetings. A risk review is conducted by the Risk Management division at meetings of the Group Market Risk Committee.

MARKET RISK MEASUREMENT METHODS

Information provided in respect of IFRS 7.

The market risk monitoring system relies on three types of indicators used to manage activity, on an overall basis and by similar activity, by focusing on more directly observable criteria, including:

- sensitivity to variations in the underlying instrument, variation in volatility or to correlation, nominal amounts, and diversification indicators. The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR limits and stress tests;
- daily assessment of global market risk measurement through a 99% 1-day VaR;
- stress tests to measure potential losses on portfolios in extreme market conditions. The Group system relies on comprehensive stress tests and specific stress tests for each activity.

Specific reports to the business line concerned are sent daily to the relevant operators and managers. The Group Risk Management division also provides a weekly report summarizing all of the Group's market risk, with a detailed breakdown for Natixis and BRED Banque Populaire.

Moreover, for Natixis, a global market risk report is published daily to the central institution, covering the scope of BPCE's guarantee.

Finally, a consolidated review of Groupe BPCE's market risks, relating to VaR calculations, and hypothetical and historical stress scenarios, is presented to the Group Market Risk Committee, in addition to risk reporting performed for the entities.

Sensitivities

The monitoring and control of compliance with sensitivity limits are carried out daily by the institutions' Risk Management divisions. If a limit is breached, an alert procedure is triggered in order to define the measures required for a return within operational limits.

VaR

Market risk is also monitored and assessed *via* synthetic VaR calculations, which determine potential losses from each activity at a given confidence level (99%) and holding period (one day). For calculation purposes, changes in market parameters that determine portfolio values are modeled using statistical data.

All decisions relating to risk factors using the internal calculation tool are revised regularly by committees involving all of the relevant participants (Risk Management division, Front Office and Results department). Quantitative and objective tools to measure the relevance of risk factors are also used.

VaR is based on digital simulations, using a Monte Carlo method which takes into account possible non-linear portfolio returns based on the different risk factors. It is calculated and monitored daily for all of the Group's trading books, and a VaR limit defined on a global level and per activity. The calculation tool generates 10,000 scenarios, which provides satisfactory precision levels. For certain complex products which account for a minor share of the trading books, their inclusion in the VaR is obtained by using sensitivities. VaR backtesting is carried out on approved scopes and confirms the overall robustness of the model used. Extreme risks, which are not recognized by the VaR, are processed using stress tests in place within the Group.

This internal VaR model used by Natixis was approved by the ACPR in January 2009. Natixis thus uses the VaR to calculate capital in respect of market risks for approved scopes.

Stress tests

Global stress tests are calculated daily and fall under three categories:

- historic stress tests reproduce changes in market parameters observed during past crises, their impacts on current positions and P&Ls. They can be used to assess the exposure of the Group's activities to known scenarios. Eleven historic stress tests have been in place since 2010;
- hypothetical stress tests consist in simulating changes in market parameters in all activities on the basis of plausible assumptions concerning the dissemination of an initial shock. These shocks are based on scenarios defined according to economic criteria (real estate crisis, economic crisis, etc.), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East, etc.) or other factors (bird flu, etc.). The Group has had six theoretical stress tests since 2010;
- specific stress tests calculated on a daily basis in management tools have been rolled out across all areas and are subject to alerts. They are set on the basis of the same severity standard and are aimed at identifying the main loss areas by portfolio.

Groupe BPCE also set up a bond stress test in June 2012. It was calibrated using a mixed hypothetical and historical approach for the duration of the European sovereign crisis (second half of 2011). Shocks are defined over a three month period, and are broken down by sector (sovereign, financial, corporate). This stress test is regularly reviewed by the Group Market Risk Committee.

MARKET RISK MEASUREMENT QUANTITATIVE DATA – GROUPE BPCE SCOPE

Breakdown of VaR (99% – 1-day) – Groupe BPCE

in millions of euros	12/31/2014	12/31/2013
Interest rate risk	6.2	9
Credit risk	5.2	8
Equity risk	3.5	2
Exchange rate risk	1.7	2
Commodity risk	0.7	1
Netting	*(8.4)*	*(15)*
GROUPE BPCE VAR	**8.9**	**7.4**

Consolidated VaR for Groupe BPCE's trading scope (99% one-day Monte Carlo VaR) amounted to €8.9 million as of December 31, 2014, up €1.5 million over the fiscal year. Risk within this scope was weak in 2014, with a maximum VaR of €10.2 million reached on January 17, 2014, and an average of €7.5 million over the year.

Stress test results

MAIN HYPOTHETICAL STRESS TESTS

	12/31/2014					
in millions of euros	Fall in stock market indices	Increase in interest rates	Default by a bank	Commodities	Emerging market crisis	Default by an influential corporation
Natixis trading	**(90)**	**(3)**	**(77)**	**11**	**(7)**	**(15)**
Natixis Wholesale Banking	(90)	(3)	(77)	11	(7)	(15)
BRED trading	**(2)**	**(4)**	**(20)**	**(10)**	**(1)**	**(1)**
Trading floor	(2)	(5)	(21)	(10)	(2)	(2)
Financial management	0	1	1	0	0	0
BPCE trading subsidiaries	**0**	**0**	**0**	**0**	**0**	**0**
OVERALL TRADING BOOK	**(92)**	**(7)**	**(97)**	**1**	**(8)**	**(16)**

The most sensitive hypothetical stress test is the default by a bank(1), mainly within Natixis' Wholesale Banking scope.

MAIN HISTORICAL STRESS TESTS

	12/31/2014					
in millions of euros	1987 stock market crash	2008 Lehman crisis	2008 corporate crisis	2007 Federal Reserve subprime action	1994 bond market crash	September 11, 2001
Natixis trading	**(83)**	**(61)**	**(59)**	**(49)**	**(31)**	**(31)**
Natixis Wholesale Banking	(83)	(61)	(59)	(49)	(31)	(31)
BRED trading	**2**	**(2)**	**(3)**	**6**	**(10)**	**4**
Trading floor	0	(3)	(2)	8	(9)	6
Financial management	1	1	0	(2)	(1)	(2)
BPCE trading subsidiaries	**0**	**0**	**0**	**0**	**0**	**0**
OVERALL TRADING BOOK	**(81)**	**(63)**	**(62)**	**(43)**	**(41)**	**(27)**

The largest historical scenario at December 31, 2014 was the 1987 stock market crash(2). The stress impact was still fairly low, however.

(1) Assumption of default by a bank: assumption of increased credit spreads with a separate shock between corporate and financial spreads (greater increase in financial spreads), fall in stock market indices, rise in index volatility and increase in interest rates.

(2) Reproduces the market variations following the October 1987 stock market crash: sharp decline in stock market indices (particularly in the US indices) and steep drop in interest rates.

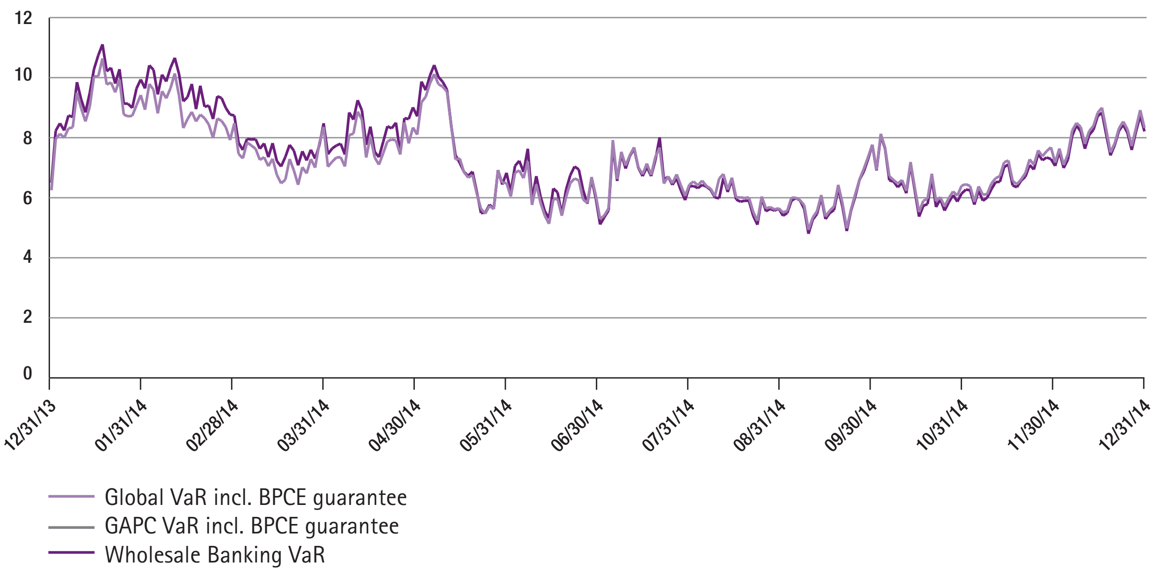
Change in risk-weighted assets by effect

in millions of euros	
Market risk (pro forma Basel III) – 12/31/2013	**18.5**
Change in IRC	0.7
Interest rate risk	(3.3)
Exchange rate risk	0.5
Other	0.3
Market risk (pro forma Basel III) – 12/31/2014	**16.7**

Groupe BPCE's market risks are mainly borne by Natixis, whose market risk measurement quantitative data is provided below.

MARKET RISK MEASUREMENT QUANTITATIVE DATA – NATIXIS SCOPE

Change in Natixis VaR including the BPCE guarantee



The 99% 1-day VaR level for Natixis' trading portfolios averaged €7.2 million. It peaked at €10.6 million on January 17, 2014, recorded a low of €4.9 million on September 10, 2014 and stood at €8.3 million at December 31, 2014.

The chart above shows the trading book historical VaR between December 31, 2013 and December 31, 2014 for both the global scope and GAPC after taking into account the BPCE guarantee, as well as historical VaR for the Wholesale Banking scope.

The main highlights included the closing of the GAPC on June 30, 2014 and the transfer of residual positions to Wholesale Banking's run-off activities.

Breakdown of global trading VaR by scope

Information provided in respect of IFRS 7.

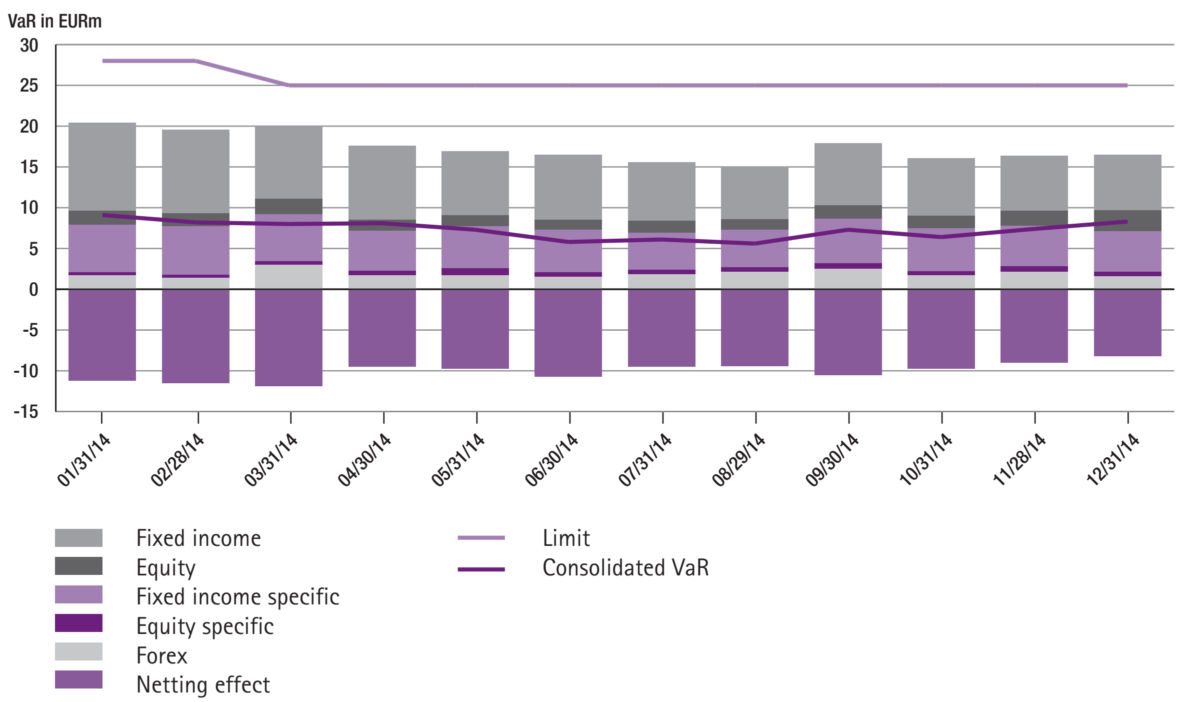
The table below presents VaR figures after taking into account the BPCE guarantee:

Natixis trading scope *in millions of euros*	**Limit**	**VaR after taking into account the BPCE guarantee 12/31/2014**
Natixis	**25**	**8.3**
Wholesale Banking	**25**	**8.2**
o/w		
Market solutions	18	8.1
Equity Markets	8	2.1
Fixed Income	16	7.8
Debt Platform	2.5	0.6
Commodities	2.5	0.7
Run-off activities	5	1.2

3

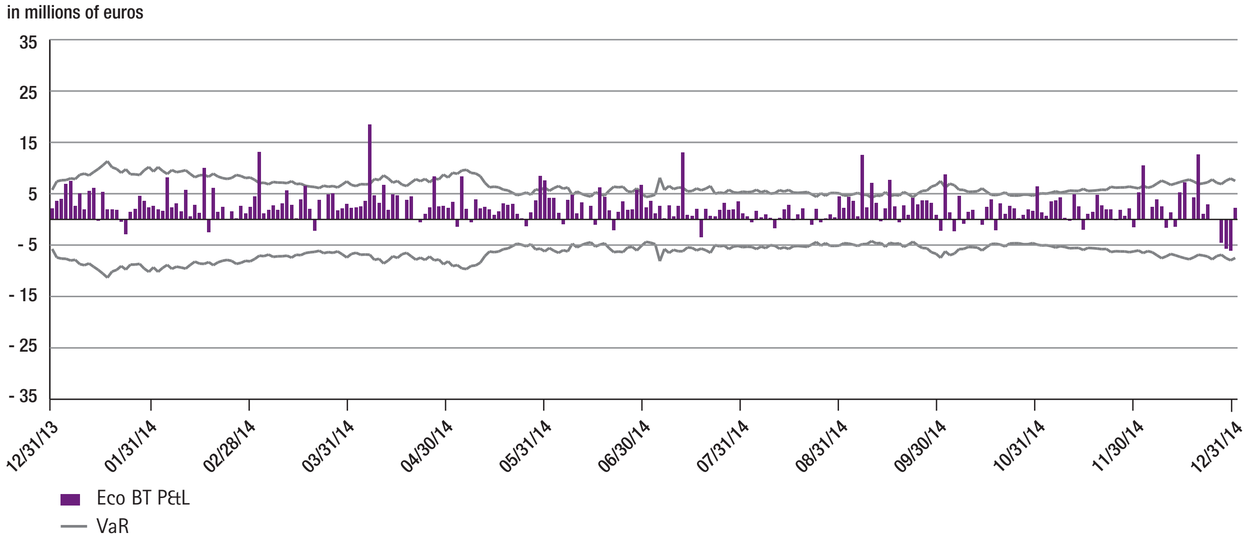
Breakdown by type of risk and netting effect

The breakdown of Value at Risk by risk approach highlights the monthly contribution of the main risks as well as the effects of netting on VaR. Interest rate risk remained predominant throughout the year compared with equity risk, foreign exchange risk and specific interest rate risk.



Natixis backtesting on the regulatory scope

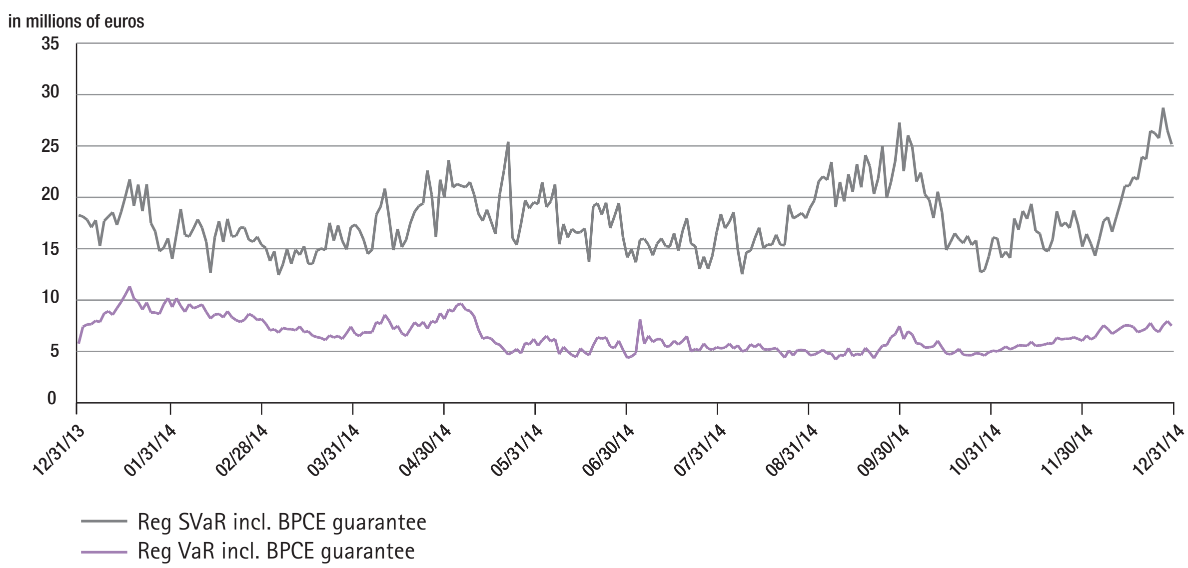
The chart below takes into account backtesting (comparison of loss potential *ex-post* as estimated ex-ante by VaR with actual losses recognized in income) on the regulatory scope, and tests the robustness of the VaR indicator:



Natixis stressed VaR

The 99% 1-day regulatory stressed VaR level averaged €17.8 million. It peaked at €28.7 million on December 29, 2014 and stood at €25.2 million at December 31, 2014.

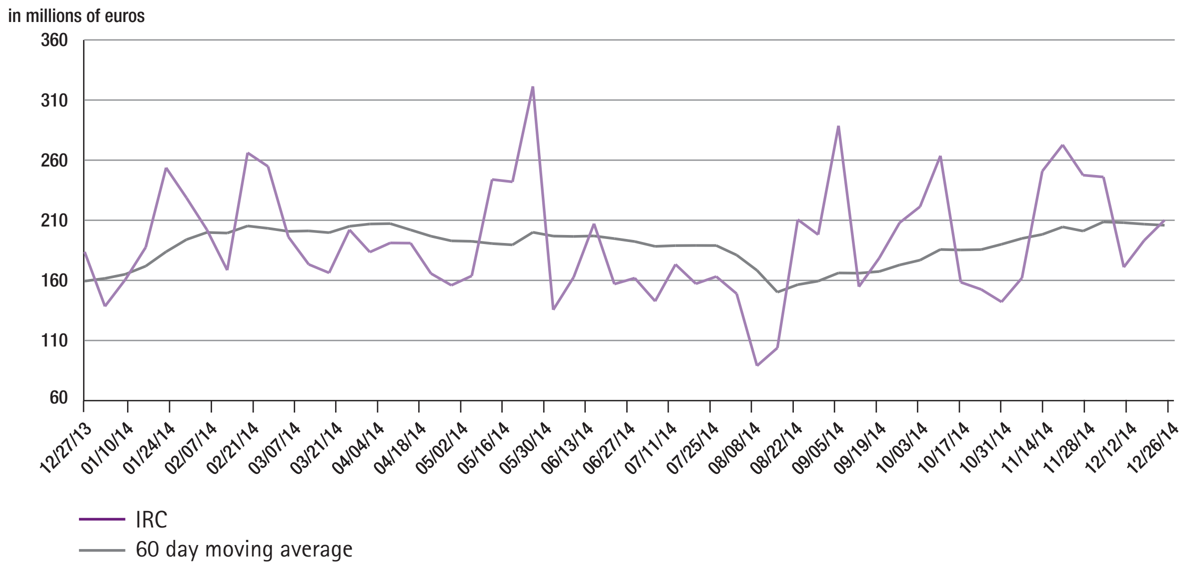
CHANGE IN REGULATORY OUTPUT AND STRESSED VAR AFTER TAKING INTO ACCOUNT THE BPCE GUARANTEE



IRC indicator

This indicator is based on the regulatory scope. Natixis' IRC level averaged €192 million. It peaked at €321 million on May 31, 2014 and stood at €193 million at December 26, 2014.

IRC INDICATOR

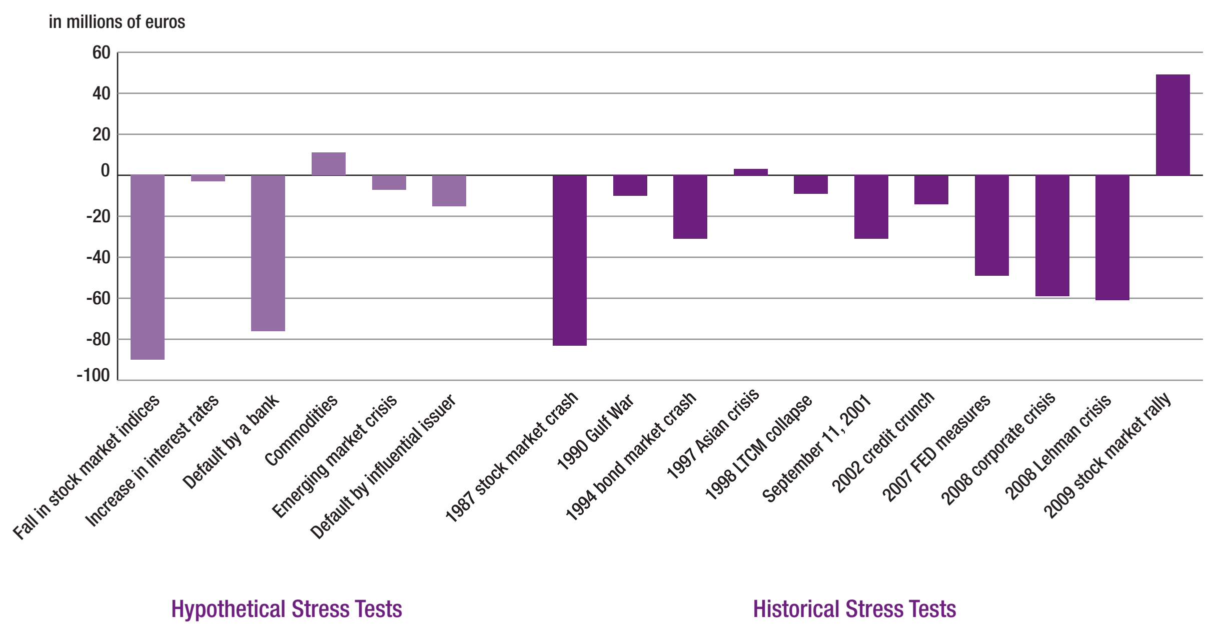


Natixis stress test results

Information provided in respect of IFRS 7.

Comprehensive stress tests levels were slightly down compared to 2013 with, at December 31, 2014, an average level of -€27.9 million. The hypothetical stress test, which reproduces a fall in market indices, gives the maximum level of losses (-€90 million at December 31, 2014).

COMPREHENSIVE STRESS TESTS AT DECEMBER 31, 2014 (INCLUDING THE BPCE GUARANTEE)



TERMINOLOGY

Interest rate risk: the risk borne by the holder of a receivable or a debt relating to subsequent changes in interest rates.

Exchange rate risk: the risk relating to receivables and debts in foreign currencies, which lies in the risk of changes in exchange rates relative to the national currency.

Risk of change in the share price: risk relating to the price of the position held in a given financial asset.

Value at Risk (VaR): risk measurement that quantifies potential losses from a financial investment in monetary terms; a probability of occurrence threshold (confidence interval) and a time horizon are imposed on this measurement.

Stress test: risk measurement that calculates the monetary loss associated with a stress scenario by simulating extreme economic and financial conditions.

3.2.11 Operational risk

ORGANIZATION OF OPERATIONAL RISK MANAGEMENT

The Risk Management division's Operational Risk unit identifies, manages and monitors operational risks and contributes to the reduction of Groupe BPCE's losses by ensuring that the operational risk management system is reliable and efficient. Within this framework, the Operational Risk unit manages the Operational Risk function and focuses its work on three key duties:

- assessment and prevention of operational risks;
- drawing up operational risk policies for each working method and business line procedure;
- permanent operational risk control.

OPERATIONAL RISK STEERING

Operational risk steering within the Group is coordinated at two levels:

- at the level of each Group entity, the Operational Risk Management Committee can be combined with the Non-Compliance Risk Management Committee to form a Compliance and Operational Risk Management Committee, or it can be incorporated in the Umbrella Committee, at the entity's discretion. The committee decides on the implementation of a risk management policy and ensures the relevance and effectiveness of operational risk management procedures. It monitors the level of risk and validates and oversees action plans to reduce their exposure. It reviews recorded incidents and controls monitoring of corrective measures decided. Lastly, it reviews the contribution of the Risk Management function to permanent controls. The committee meets at least once every six months;
- at the level of Groupe BPCE, the Group Operational Risk Management Committee meets on a quarterly basis. This committee convenes the various relevant business lines (Compliance, Information System Security, BCP and Financial Audit) and reports to the Group Risk Management Committee. Its main duties are:
  - to validate the general map of operational risks at the Group level,
  - to monitor Group areas of risk,
  - to validate action plans,
  - to prepare consolidated reports of losses, incidents and alerts.

MAPPING

The operational risk management system relies on a mapping process which is updated annually by all Group entities. Mapping allows the Group to identify and prioritize the most sensitive processes and adapt action plans aimed at reducing risk exposure.

INCIDENT ALERT PROCEDURE

The alert procedure for serious incidents has been extended to the entire scope of Groupe BPCE. The aim of this system is to enhance and reinforce the system for collecting loss data within the Group.

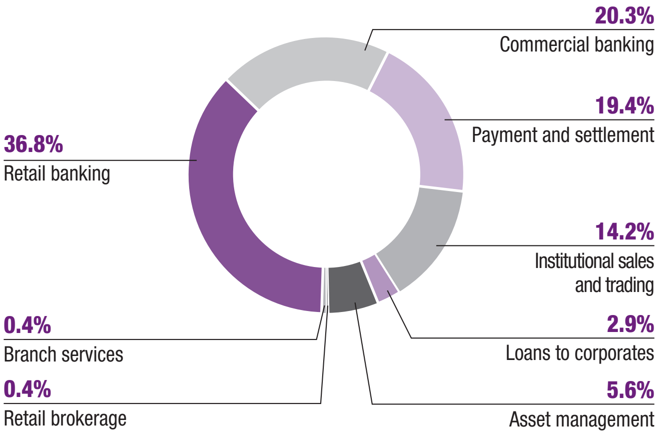
An operational risk incident is deemed to be serious when the potential financial impact at the time the incident is detected is over €150,000 (€1 million for Natixis). Operational risk incidents with a material impact on the image and reputation of the Group or its subsidiaries are also deemed to be serious.

This procedure therefore encompasses material operational risks within the meaning of Article 98 of the decree of November 3, 2014, for which the minimum threshold is set at 0.5% of Tier-1 Common Equity.

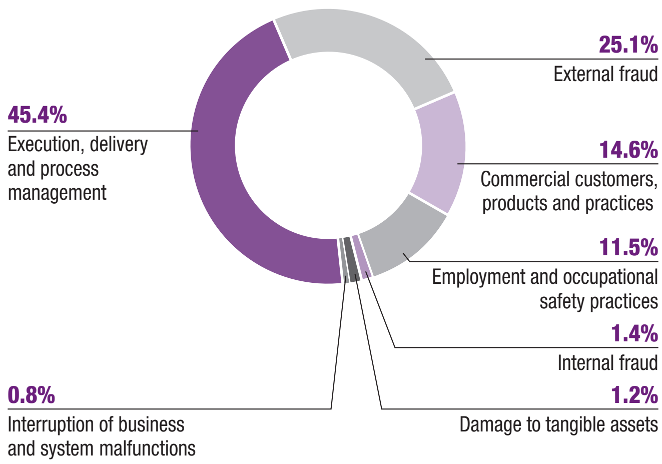
CHANGE IN LOSSES

The Group's gross operational losses were down almost 20% in 2014 compared to 2013.

BREAKDOWN OF GROSS LOSSES BY BASEL BUSINESS LINE



BREAKDOWN OF GROSS LOSSES BY BASEL BUSINESS CATEGORY



More than 75% of Groupe BPCE's losses were distributed among the following three business lines:

- retail banking (36.8%);
- commercial banking (20.3%);
- payment and settlement (19.4%).

OPERATIONAL RISK MITIGATION TECHNIQUE

Group insurance policies are overseen at the Group level, providing the networks and subsidiaries with broad coverage of their insurable risks. Group insurance coverage is contracted from leading insurance companies. In addition, the Group has set up its own captive insurance company.

A description of insurable risk coverage is provided in Chapter 3.4 of this document.

3.3 Liquidity, interest rate and foreign exchange risks

Like all credit institutions, Groupe BPCE is exposed to structural liquidity, interest rate and foreign exchange risks. These risks are closely monitored by the Group and its institutions to secure immediate and future income, ensure that balance sheets are balanced and promote the Group's development.

Governance

Information provided in respect of IFRS 7.

Groupe BPCE's Audit Committee and Supervisory Board are consulted in terms of general ALM policy and are informed of major decisions taken regarding liquidity, interest rate and foreign exchange management. The implementation of the chosen policy is entrusted to the Group Asset and Liability Management Committee.

Each year, Groupe BPCE's Supervisory Board validates the main lines of the ALM policy, *i.e.* the principles of market risk measurements and the degree of risk accepted. It also reviews the status of the limits system each year.

Each quarter, BPCE Group's Audit Committee is informed of the Group's position through Management reports containing the main risk indicators.

The Group Asset and Liability Management Committee, chaired by the Chairman of BPCE's Management Board, ensures the operational implementation of the defined policy, the management of the structure and the functioning of the risk management system. This committee sets in particular the rules and limits governing the management of the three major risk categories applicable at the consolidated level and to each institution, as well as the main guidelines in terms of funding policy, allocation of liquidity to the business lines and management of risk indicators. It regularly monitors the risk indicators and changes to the main structural balance sheet aggregates of the Group and its main institutions.

The structural liquidity, interest rate and foreign exchange risk management policy is also jointly implemented by the Asset-Liability Management function (oversight of funding plan implementation, management of liquidity reserves, cash management, calculation and monitoring of the various risk indicators) and the Risk Management function (validation of the control framework, validation of models and agreements, controls of compliance with rules and limits). The Group Finance division and the Group Risk Management division are responsible for adapting this framework to their respective functions.

The adaptation of the operational management framework within each institution is subject to validation by the Board of Directors, the Steering Board and/or the Supervisory Board. Dedicated operational committees within each institution oversee the implementation of the funding strategy, balance sheet management and the management of liquidity, interest rate and foreign exchange risks for the institution, in line with rules and limits set at the Group level. The implementation of the framework at each institution relies on an asset-liability management tool used by both the Banque Populaire and Caisse d'Epargne networks.

3.3.1 Liquidity and funding risk

Structural liquidity risk is defined as the risk of the Group not having sufficient funds to meet its commitments or to settle or offset a position due to market conditions within a specified period and at a reasonable cost. This could occur, for example, in the event of massive withdrawals of customer deposits or an overall crisis of confidence on the markets.

OBJECTIVES AND POLICIES

Information provided in respect of IFRS 7.

The main aim of the Group's liquidity risk management framework is to always be in a position to cope with a prolonged, highly intense liquidity crisis while monitoring cost control, promoting the balanced development of the business lines and complying with regulations in force.

To this end, the Group relies on three mechanisms:

- supervision of each business line's liquidity consumption, predominantly by maintaining a balance between growth in the credit segment and customer deposit inflows;
- centralized management of funding aimed primarily at supervising the use of short-term funding, spreading out the maturity dates of medium- and long-term funds and diversifying sources of liquidity;
- the constitution of liquidity pools.

In addition to these measures, a coherent set of indicators, limits and management rules are combined in a centralized framework of standards and rules. These indicators and rules allow for the measurement and consolidated management of liquidity risk.

OPERATIONAL LIQUIDITY RISK MANAGEMENT

Information provided in respect of IFRS 7.

Liquidity risk management is carried out at the consolidated Group level and at each entity. Liquidity risk is assessed differently over the short, medium and long term:

- in the short term, it involves assessing an institution's ability to withstand a crisis;
- in the medium term, liquidity is measured in terms of cash requirements;
- in the long term, it involves monitoring the institution's asset-liability mismatch level.

Consequently, BPCE has defined a set of indicators and limits:

- one-day and one-week liquidity gap indicators measure the Group's very short-term funding requirements. These gaps are subject to limits at both the Group level and within each institution;
- stress scenarios measure the Group's ability to meet its commitments and continue its regular commercial activities during a crisis depending on short-term funding volumes, medium- and long-term debt maturities and liquidity reserves. This includes internal stress test indicators aimed at ensuring short-term liquidity security beyond the one-month horizon required by regulations. These stress tests, based on bank- and/or market-specific scenarios, are broken

down into various levels of stress in order to forecast the impact on the Group's liquidity position. Adaptation of liquidity stress rules to all business lines takes assumptions unique to each activity into account;

- the customer loan/deposit ratio is a relative measurement of the Group's autonomy with respect to the financial markets;
- the Group's market coverage measures its overall dependence to date on funds from bond and money markets. The contribution of the institutions to this coverage is managed by a liquidity budget system. These budgets are reviewed on an annual basis and govern the maximum liquidity consumption for each entity in line with the Group's budget process;
- the liquidity gap, which compares the amount of remaining liabilities with remaining assets over a ten-year period, enables the Group to manage medium- and long-term debt maturities and anticipate its funding requirements. It is governed by limits at the Group level and within each institution;
- measurement of resource diversification, allowing the Group to avoid excessive dependence on a single creditor;
- the pricing policy, which ensures the performance of liquidity allocation.

The definition of these indicators and any associated limits are included in a body of consolidated standards that is reviewed and validated by the decision-making bodies of the Group and its institutions.

CENTRALIZED FUNDING MANAGEMENT

Information provided in respect of IFRS 7.

The Group Finance division organizes, coordinates and supervises the funding of Groupe BPCE on the markets.

The short-term funding of Groupe BPCE is carried out by a single treasury and central bank collateral management team, created following the merger of the BPCE and Natixis cash management teams. This integrated treasury team is capable of managing the Group's exposition more efficiently, particularly in periods of liquidity pressure. The Group has access to short-term market funding through its two main issuers: BPCE and its subsidiary Natixis.

For medium and long-term funding requirements (more than one year), in addition to deposits from customers of the Banque Populaire and Caisse d'Epargne networks, which are the primary source of funding, the Group also issues bonds through two main operators:

- BPCE (either directly as BPCE or through BPCE SFH, which issues *obligations de financement de l'habitat* or OH, a category of secured bond backed by French legislation); and
- Compagnie de Financement Foncier, a subsidiary of Crédit Foncier, which issues covered bonds known as *obligations foncières* or OF, also backed by French legislation.

Note that BPCE is also responsible for the medium and long-term funding activities of Natixis, which is no longer a regular issuer in the markets, and of Crédit Foncier.

BPCE has short-term funding programs (certificates of deposit, Euro Commercial Paper and US Commercial Paper) and medium- and long-term funding programs (Medium Term Notes (or MTN), Euro Medium Term Notes (or EMTN), US MTN, AUD MTN and a securitized bond program, backed by the home loans of the Banque Populaire and Caisse d'Epargne networks).

All of the Group's assets and liabilities are subject to internal liquidity pricing, for which the principles are decided by the Group's Asset and Liability Management Committee and aim to take into account changes in market liquidity costs and asset/liability matching.

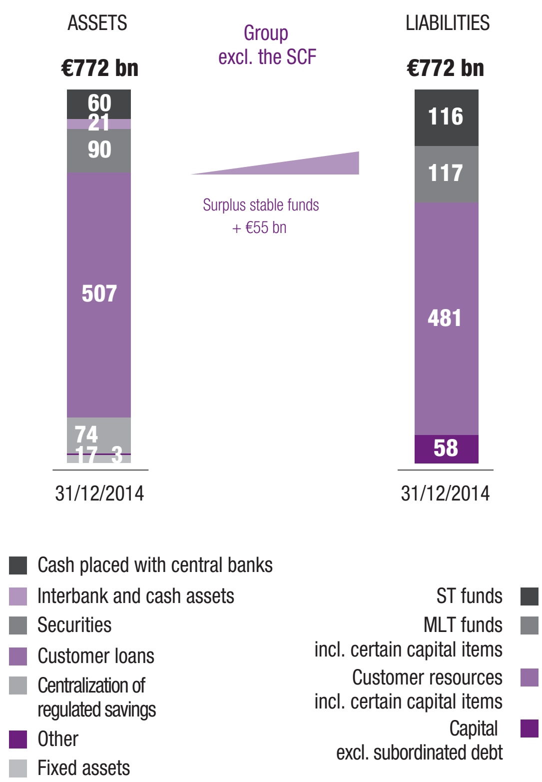
CHANGES IN INDICATORS IN 2014

Group cash balance sheet

The cash balance sheet provides a liquidity analysis of the Group's balance sheet. Starting with the Group's accounting balance sheet, the following main restatements are carried out:

- the transition from the Group's consolidated accounting balance sheet to a prudential balance sheet by accounting for the Group's insurance entities using the equity method;
- the withdrawal of the short-term deposits of certain financial sector customers collected by Natixis as part of its brokerage activities and the corresponding deposits in the central bank;
- the netting of derivative financial instrument accounts (including hedging derivatives) and accrued accounts recognized in balance sheet assets under the heading "other";
- the netting of securities portfolios, securities and other financial instrument repurchase agreements and securities debt netted under the "securities" heading;
- the transfer to customer deposits of Group debt securities placed with customers.

The resulting cash balance sheet for the Group scope excluding the SCF[1] is presented below.



(1) Excluding SCF (Compagnie de Financement Foncier, the Group's société de crédit foncier – a French covered bond issuer) due to the nature of the company's activity.

Groupe BPCE's cash balance sheet excluding the SCF contribution highlights the main balance sheet aggregates by identifying, in particular:

- the financing requirements of the business (customer loans, centralization of regulated passbook savings accounts and tangible and intangible Group assets) for a total of €601 billion at December 2014;
- stable Group funds composed of customer deposits, medium- and long-term funds and equity and similar items, for a total of €656 billion;
- a surplus of €55 billion reflecting surplus customer funds and, in the medium and long term, the funding requirements of the retail business line which is mainly invested in liquid assets to contribute to the liquidity pool;
- short-term funds, mainly invested in liquid assets (central bank deposits, interbank assets, debt securities).

Customer loan-to-deposit ratio

Information provided in respect of IFRS 7.

The Group's customer loan/deposit ratio[1] was 121% at December 31, 2014, down five points compared with December 31, 2013.

Encumbered assets

in millions of euros	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets	**247,475**		**909,741**	
Equity instruments	21,431	21,431	28,160	33,607
Debt securities	64,545	66,978	53,197	44,497
Other assets	161,499		828,384	

in millions of euros	Fair value of the encumbered guarantee received or encumbered own debt securities issued	Fair value of the guarantee received or own debt securities issued for encumbering
Guarantees received	**107,172**	**86,982**
Equity instruments	21,029	32,977
Debt securities	86,143	45,509
Other guarantees received	0	8,496
Own debt securities issued, other than own covered bonds or own asset-backed securities	**0**	**0**

in millions of euros	Corresponding liabilities, contingent liabilities or securities loaned	Assets, guarantees received and own debt securities issued, other than own covered bonds or own encumbered asset-backed securities
Encumbered assets/guarantees received and related liabilities	**337,471**	**354,647**

At December 31, 2014, total balance sheet assets and encumbered guarantees received from Groupe BPCE totaled €354,647 million. These can be broken down by type and source of costs:

- securities transactions, including in particular securities lending and repurchase agreement, for a total of €193,148 million;
- encumbered receivables in operations other than covered bond asset pool vehicles, such as Central bank refinancing or other market operations, for a total of €40,365 million;
- encumbered receivables securing covered bond vehicles (BPCE SFH, GCE CB, BP CB, SCF and Natixis Pfandbriefbank), for a total of €103,502 million;
- assets encumbered by the payment of margin calls on derivative positions, for a total of €17,632 million.

Liquidity reserves

Information provided in respect of IFRS 7.

Liquidity reserves include cash placed with central banks and available securities and receivables eligible for central bank funding. Management of liquidity reserves, composed of deposits with central banks and the most liquid assets, allows the Bank to adjust its cash position. Loan securitization, which transforms less liquid assets into liquid or available securities, is another method of strengthening this liquidity reserve.

(1) *Excluding SCF (Compagnie de Financement Foncier, the Group's société de crédit foncier – a French covered bond issuer).*

The table below presents changes in the liquidity reserve:

in billions of euros	12/31/2014	12/31/2013
Cash placed with central banks	61	29
Private receivables eligible for central bank funding	52	53
Securities retained	28	26
Other eligible securities	28	28
Assets eligible for the FED	3	2
TOTAL	**172**	**138**

At December 31, 2014, liquidity reserves covered 148% of the Group's short-term funding (€116 billion at December 31, 2014 compared with €97 billion at December 31, 2013). The hedging rate was 142% at December 31, 2013[1].

Liquidity gaps

Information provided in respect of IFRS 7.

The Group's liquidity gap complies with internal limits.

in billions of euros	01/01/2015 to 12/31/2015	01/01/2016 to 12/31/2018	01/01/2019 to 12/31/2022
Gaps	8.6	8.9	20.5

Strategy and funding conditions in 2014

Information provided in respect of IFRS 7.

The Group's priority in terms of medium- and long-term funding in the markets is to ensure that sources of funding are properly diversified, in terms of types of investors, vehicles, geographic regions and currencies.

As part of its 2014 medium- and long-term funding program maturity, Groupe BPCE raised a total amount of €41.4 billion, with an average issue period of 6.6 years: BPCE's medium- and long-term funding pool raised €35.2 billion with an average maturity of 6.0 years and €6.1 billion were raised by Crédit Foncier's medium- and long-term funding pool with an average maturity of 9.9 years.

Unsecured bonds accounted for 71% of the €41.4 billion raised in 2014; covered bonds accounted for 29% with an amount of €11.9 billion (€5.5 billion BPCE SFH, €6.1 billion Compagnie de Financement Foncier and €0.3 billion Natixis Pfandbriefbank).

The Group's emphasis on diversification was highlighted this year by the following issues:

Yankee market

- Tier-2 issue of $1.5 billion with a ten and a half year term as part of the US MTN program (144A and Reg S formats) on January 13, 2014 mainly to US investors (68%).
- Unsecured senior issue of $1.35 billion with a five year term as part of the US MTN program (3(a)(2) and Reg S formats) on July 7, 2014 mainly to US (71%) and Asian (18%) investors.

Sterling market

- Tier-2 issue of £750 million with a 15 year term on April 9, 2014 mainly to UK investors (83%).

Kangaroo market

- Unsecured senior issue of AUD275 million (around €185 million) with a four year term, on April 11, 2014 mainly to Australian and New Zealand (40%) and Asian (49%) investors.

Samurai market

- Unsecured senior issue of JPY70 billion (around €500 million) with three year and five year terms on July 3, 2014 to Japanese investors (100%).

The breakdown by currency of unsecured issues from BPCE's medium- and long-term single treasury and central bank collateral management division (excluding inter-network loans) is a good indicator of the diversity of the Group's medium- and long-term funding sources. The breakdown of these 2014 issues by currency is as follows: 52% in euros and 48% in other currencies (33% in US dollars, 6% in pound sterling, 4% in yen, 1% in Swedish krona, 1% in Australian dollars, 1% in Swiss francs and 2% in other currencies). The change compared with 2013 was major, when the breakdown for the same scope was as follows: 70% in euros and 30% in other currencies (18% in US dollars, 8% in yen, 2% in pound sterling, 1% in Swiss francs and 1% in other currencies). In value terms, this corresponds to twice the amount from issues in currencies other than the euro in 2014 (an equivalent of €13.5 billion) than in 2013 (an equivalent of €6.2 billion).

The vast majority of medium- and long-term funding raised in 2014 was at a fixed rate. In general, the fixed rate is swapped to a floating rate as part of the Group's interest rate risk management policy.

(1) Ratio following the adoption of new netting agreements between financial receivables and payables. Change in method on December 31, 2014 following the transfer of subordinated debt issues to the network customers from the Shareholders' equity item to the Customer deposit item on the cash balance sheet.

Regulatory liquidity ratio

BPCE's one-month regulatory liquidity ratio is calculated on a monthly basis. This ratio was at 194% at December 31, 2014 (112% at December 31, 2013), *versus* a minimum requirement of 100%.

Basel ratios: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)

Groupe BPCE closely monitors the work of the various regulatory authorities in terms of liquidity risk management; in particular by attending consultations and meetings organized by European authorities as well as by French and European professional organizations.

The Group is also continuing its work on the implementation of a one-year Basel liquidity ratio, *i.e.* the Net Stable Funding Ratio (NSFR); which will come into force on January 1, 2018.

Groupe BPCE's LCR, the one-month liquidity ratio, has exceeded 100% since June 30, 2014, ahead of the 2014-2017 strategic plan target which was to reach 100% by January 1, 2015. Note that the minimum regulatory requirement, which will rise to 100% at January 1, 2018, will be just 60% at October 1, 2015.

In 2013, the Group defined the main mechanisms relating to the orientation of its commercial activities, the optimization of liquidity portfolio management and the calibration of the funding program required over the medium to long term to reach this objective. It continued to implement these mechanisms in 2014.

3.3.2 Structural interest rate risk

Information provided in respect of IFRS 7.

OBJECTIVES AND POLICIES

Structural interest rate risk (or overall interest rate risk) is defined as the risk incurred in the event of change in interest rates due to all balance sheet and off-balance sheet transactions, except for – if applicable – transactions subject to market risks. This risk is an intrinsic component of the business and of credit institutions' profitability.

The objective of the Group's interest rate risk management mechanism is to monitor the transformation of interest rates applicable to its institutions in order to contribute to the growth of the Group and the business lines while evening out the impact of any unfavorable rate changes on the value of the Group's banking portfolios and future income.

INTEREST RATE RISK OVERSIGHT AND MANAGEMENT SYSTEM

Structural interest rate risk is controlled by a system of indicators and limits defined by the Group Asset and Liability Management Committee. It measures structural risks on the balance sheet, excluding any kind of independent risk (trading, own accounts, etc.). The indicators used are divided into two approaches: a static approach that only takes into account on-balance sheet and off-balance sheet positions at a set date and a dynamic approach which includes commercial and financial expectations. They can be classified into two sets:

- gap indicators that compare the amount of exposures to liabilities with that of exposures to assets on the same rate index and over different maturities. These indicators are used to validate the main balance sheet aggregates to ensure the sustainability of the financial results achieved. Gaps are calculated based on contractual debt schedules and the results of the common behavioral models for various indexes as well as for the fixed rate;
- sensitivity indicators measure the change in the net present value of a portfolio or a projected interest margin where there are differences between the change in the market interest rate and the central scenario established quarterly by the Group's economists. In addition to the Basel II regulatory indicator on the sensitivity of the balance sheet's net present value to interest-rate shocks of +/-200 basis points, the Group has introduced sensitivity indicators on the net interest margin of all of its commercial banking activities. These indicators aim to estimate the sensitivity of its institutions' results to interest rate uncertainties, business forecasts (new business and customer behavior) and sales margin.

Instruments authorized to hedge this risk are strictly vanilla (non-structured), excluding any sale of options and favoring accounting treatment that does not impact the Group's consolidated results.

CHANGES IN INDICATORS IN 2014

Interest rate gaps

Most of the Group's interest rate gap is carried by Commercial Banking and Insurance and primarily by the networks. This gap is relatively stable over time and complies with internal limits.

in billions of euros	01/01/2015 to 12/31/2015	01/01/2016 to 12/31/2018	01/01/2019 to 12/31/2022
Gaps (at a fixed-rate)*	(10.2)	(13.4)	(4.6)

* *The indicator takes into account all asset and liability positions and the floating-rate positions until the next interest rate fixing date.*

Sensitivity indicators

The sensitivity of the net present value of the Group's balance sheet to 200 basis point drops or increases in interest rates is much lower than the 20% regulatory limit. Groupe BPCE is sensitive to interest rate cuts with an indicator of -4.8% at December 31, 2014, close to the 2013 rate of -2.91%.

For network activities, the change in the projected one-year net interest margin calculated under four scenarios (increase in rates, decrease in rates, steepening of the curve, flattening of the curve) compared to the central scenario showed, at December 31, 2014, a flattened yield curve (+50 basis points for short-term rates and -50 basis points for long-term rates) to be the least favorable scenario with expected losses of €109 million year-on-year.

3.3.3 Structural exchange rate risk

Structural exchange rate risk is defined as the risk of a realized or unrealized loss due to an unfavorable fluctuation in foreign currency exchange rates. Its management distinguishes between the structural exchange risk policy and the management of operational exchange rate risk.

EXCHANGE RATE RISK OVERSIGHT AND MANAGEMENT SYSTEM

For Groupe BPCE (excluding Natixis), exchange rate risk is monitored using regulatory indicators (measuring corresponding capital adequacy requirements by entity). The residual exchange rate positions held by the Group (excluding Natixis) are not material because virtually all foreign currency assets and liabilities are match-funded in the same currency.

As regards international trade financing transactions, risk-taking must be limited to counterparties in countries with freely-translatable currencies, on the condition that translation can be technically carried out by the entities' information systems.

Natixis' structural exchange rate positions on net investments in foreign operations funded by buying currency forwards are tracked on a quarterly basis by its Asset and Liability Management Committee in terms of sensitivity as well as solvency. The resulting risk indicators are submitted to the Group Asset and Liability Management Committee on a quarterly basis.

CHANGES IN INDICATORS IN 2014

For the period ended December 31, 2014, Groupe BPCE, subject to regulatory capital requirements for exchange rate risk, had an exchange rate position that increased to €2,422 million, with €197 million for exchange rate risk. The exchange rate position is mainly carried by with Natixis.

3.4 Insurance of insurable risks

At January 1, 2014, BPCE had subscribed, for its own account and on behalf of its subsidiaries (with the exception of Natixis for the insurance coverage described below in points A. a, b and c) and the Banque Populaire and Caisse d'Epargne network, the following main insurance programs:

A. A combined "Global Banking (Damages to Valuables and Fraud)" & "Professional Liability" policy with a total indemnity capacity of €152.5 million per year of insurance, of which:

a) €20 million per year, combined "Fraud/Professional Civil Liability" insurance available subordinate to the amounts guaranteed set out in b) and/or c) below;

b) €37.5 million per claim and per year, solely reserved for "Global Banking" risk;

c) €30 million per claim and per year, solely reserved for "Professional Civil Liability" risk;

d) €65 million per claim and per year, combined "Global Banking/ Professional Civil Liability" insurance available in addition to or after use of the amounts guaranteed set out in b) and/or c) above.

The maximum amount that can be paid out for any one claim under this arrangement is €103.5 million under the "Professional Civil Liability" guarantee and €105.5 million under the "Global Banking" guarantee in excess of the applicable deductibles.

B. "Regulated Intermediation Liability" (in three areas: Financial Intermediation, Insurance Intermediation, Real Estate Transactions/Management) with a total maximum payout of €10 million per claim and per year.

C. "Operating Civil Liability" covering €75 million per claim, as well as a "Subsidiary Owner Civil Liability"/"Post Delivery – Reception Civil Liability" guarantee extension for up to €30 million per claim and per year of insurance.

D. "Company Directors Civil Liability" for up to €200 million per claim and per year of insurance.

E. "Property Damage" to "Headquarter Buildings & Similar" and to their content (including IT equipment) and the consecutive losses in banking activities, for up to €250 million per claim.

F. "Intangible IT Damage" (losses of data where no physical damage has occurred to the equipment storing the data) & consecutive losses in banking activities, for up to €65 million per claim and per year of insurance.

This coverage extends to the whole world, for initial risk or umbrella risk, subject to certain exceptions, mainly in terms of "Professional Civil Liability" where the guarantee does not cover permanent institutions based in the United States (where coverage is taken up locally by Natixis' US operations).

All the insurance policies mentioned above were taken out with reputable, creditworthy insurance companies and in excess of the deductibles and Groupe BPCE's risk-retention capacity.

3.5 Legal risks

3.5.1 Legal and regulatory issues and constraints

Outstanding legal risks at December 31, 2014 likely to have a negative influence on the Group's assets, were subject to provisions in line with the Group's best estimate based on available information.

To date, there are no other governmental, legal or arbitration procedures of which the Group is aware that are likely to have, or have had during the past twelve months, any significant effect on the financial position or profitability of either the company or the Group.

Tax legislation and its application in France and in countries where Groupe BPCE operates are likely to have a significant impact on Groupe BPCE's profits

As a multinational banking group that carries out large and complex international transactions, Groupe BPCE (particularly Natixis) is subject to tax legislation in a large number of countries throughout the world, and globally structures its activity in order to optimize its effective tax rate. Changes in tax laws or their application by the relevant authorities in these countries could significantly impact Groupe BPCE's profits. Groupe BPCE has established management methods with the aim of creating value based on the synergies between and sales capacities of its various entities. Groupe BPCE also works to structure financial products sold to its clients with the aim of maximizing their tax benefits. The structure of Groupe BPCE's intra-group transactions and of financial products sold by Groupe BPCE are based on its own interpretations of applicable tax regulations and laws, generally based on opinions given by independent tax experts and occasionally, as needed, on approval or specific interpretations from the tax authorities. It is possible that in the future tax authorities may question some of these interpretations, following which Groupe BPCE could be subject to tax re-assessments.

Groupe BPCE is exposed to legal risks which are liable to weaken its financial position and the results of its operations

Groupe BPCE and some of its current or former employees, may be involved in various forms of litigation, in particular proceedings of a civil, administrative or criminal nature. The vast majority of these proceedings relate to the normal course of the Group's business. In recent years, proceedings launched against intermediaries such as banks and financial advisors by investors and regulatory authorities have increased, in particular due to the deterioration in the economic environment and market conditions. These lawsuits and proceedings have increased the risk of losses or damage to the reputation of Groupe BPCE and other financial institutions.

Due to their nature, it is difficult to foresee the outcome of litigation, regulatory proceedings and other adversarial proceedings involving Groupe BPCE entities, in particular cases opened by various types of claimants, cases for which compensation claims are for unspecified or undetermined amounts, or cases characterized by unusual proceedings.

Reputational risk could unfavorably impact Groupe BPCE's profitability and commercial outlook

Various aspects may increase reputational risk for Groupe BPCE entities and damage their commercial outlook. Groupe BPCE's reputation may be harmed by the use of inappropriate means to promote and market its products and services, or the inadequate management of potential conflicts of interest, legal and regulatory requirements, competition issues, compliance issues, money laundering laws, information security policies and sales and trading practices (including methods for disclosing information to customers). Its reputation could also be harmed by inappropriate employee behavior, fraud or malpractice committed by financial sector participants to which BPCE is exposed, any decrease, restatement or correction of financial results, or any legal or regulatory action with a potentially unfavorable outcome. Any damage to Groupe BPCE's reputation, or to that of its entities, could be accompanied by a decrease in business that is likely to weigh on its results and financial situation.

3.5.2 Legal and arbitration proceedings – BPCE

DOUBL'O, DOUBL'O MONDE FCP MUTUAL FUNDS

Entities involved: certain Caisses d'Epargne summoned individually, asset management companies, Natixis subsidiaries and BPCE for the class action lawsuit by Collectif Lagardère

Certain clients have held mediation proceedings with the former Caisse d'Epargne Group's mediator or the AMF's mediator.

AMF proceeding

The decision dating April 19, 2012 by the AMF's Enforcement Committee which, in accordance with the opinion of its rapporteur, considered that the "statute of limitations was effective on October 30, 2008, the date on which the controls were carried out".

The AMF filed an appeal against this decision with the French Council of State.

In a ruling dated March 28, 2014, the French Council of State rejected the appeal of the AMF's Board. This ruling closed the proceeding.

Civil proceedings

Individual summons of Caisses d'Epargne:

Individual legal actions have also been initiated against certain Caisses d'Epargne.

Several rulings have been handed down in civil courts, the majority of which were in favor of the Caisses d'Epargne.

Lagardère class action:

Collectif Lagardère launched legal action against Caisse d'Epargne Participations (now BPCE) in August 2009 to obtain compensation for the losses caused by its alleged failures to fulfill its information, advisory and warning obligations for the sale of Doubl'o and Doubl'o Monde mutual fund shares by the Caisses d'Epargne.

These resulted in one legal proceeding before the magistrate's court of the 7th arrondissement in Paris and two legal proceedings before the Paris Court of First Instance.

A ruling given by the magistrate's court of the 7th arrondissement in Paris on September 6, 2011 declared the plaintiffs' action inadmissible due to a lack of standing against BPCE.

In two rulings dated June 6, 2012, the Paris Court of First Instance declared the plaintiffs' and voluntary participants' action against BPCE admissible and referred the case to a pre-trial hearing on September 12, 2012. A provision of €1,100,000 was booked at the end of September 2012.

On September 12, 2012 the cases were dismissed due to a lack of due diligence by the plaintiffs. The proceeding was reinstated and referred to a pre-trial hearing on September 4, 2013.

The other individual proceedings only concerned three clients.

Criminal action

On September 18, 2013, Caisse d'Epargne Loire Drôme Ardèche was found guilty by the Lyon Court of Appeal of misleading advertising relating to the Doubl'o mutual fund in its "Doubl'Ô Monde" leaflet. Caisse d'Epargne Loire Drôme Ardèche has withdrawn its appeal.

PAYMENT PROTECTION INSURANCE

Only entity involved since December 8, 2009: Caisse d'Epargne Ile-de-France

Proceeding

French consumer protection organization UFC-Que Choisir questioned the legality of payment protection insurance offered to customers by insurers and banks when taking out real estate loans. CNP Assurances, CNCE and the Caisses d'Epargne were summoned before the Paris Court of First Instance on May 18, 2007 by UFC-Que Choisir, which is claiming that a share of the return on these policies be returned to the borrowers. UFC-Que Choisir is seeking that CNP Assurances and the former Groupe Caisse d'Epargne be ordered to pay €5,053,193.83. The average claim by customers of Groupe Caisse d'Epargne is €1,000, the highest being €10,027 and the lowest €112. The former Groupe Caisse d'Epargne acted in total compliance with regulations governing collective insurance policies taken out with insurance companies, in particular with market leader CNP Assurances, which it offers to its own clients, which thus benefit from the negotiation of the collective price if they choose this kind of policy.

The compensation received by the former Groupe Caisse d'Epargne in return for investing in these policies is not, as has been suggested, a share in their profits but rather a commission paid by the insurer. This commission corresponds to Groupe BPCE's remuneration for its role in selling insurance policies. The former Groupe Caisse d'Epargne carries out a certain number of tasks on behalf of the insurer due to the nature of its relationship with the subscribing customer: distribution of the insurance product, management of the contract during its lifetime and handling formalities in the event of a claim.

Events

The Paris Court of First Instance, in its ruling dated December 8, 2009, declared:

- the voluntary participation of UFC in support of the claims of the main plaintiff admissible;
- the forced participation claims put forth by the main plaintiff and UFC against the Caisses d'Epargne other than Caisse d'Epargne Ile-de-France (CEIDF) inadmissible;
- the voluntary participation of ten CEIDF customers admissible;
- the participation of all other policyholders inadmissible.

The pre-trial judge decided on November 7, 2011 to reject the plaintiffs' request for a stay of proceedings.

The judicial proceedings resumed before the Paris Court of First Instance.

This case will be argued on the merits before a panel of judges on March 17, 2015.

CHECK IMAGING EXCHANGE COMMISSIONS

Industry-wide case brought by Banques Populaires Participations (BP Participations) and Caisses d'Epargne Participations (CE Participations) and now by BPCE following the merger-absorption of BP Participations and CE Participations by BPCE

On March 18, 2008, BFBP and CNCE received, as was the case for other banks on the marketplace, a notice of grievance from the French anti-trust authority. The banks are accused of having established and mutually agreed on the amount of the check imaging exchange commission, as well as related check commissions.

The anti-trust authority delivered its decision on September 20, 2010 to fine the banks found guilty (€90.9 million for BPCE). These banks (except for the Banque de France) lodged an appeal.

On February 23, 2012, the Paris Court of Appeals overruled the anti-trust authority's decision and the €90.9 million fine paid by BPCE was refunded.

On March 23, 2012, the anti-trust authority launched an appeal of the Court of Appeals' ruling.

A hearing has been scheduled for March 17, 2015 before the Commercial division of the Court of Cassation.

STRUCTURED LOANS

Certain local authorities, holding loans for which the interest rates were at first reduced and then subject to a structured formula based on changes in the exchange rates of certain currencies, expressed concern over the current change in parities. Some of them have taken the issue to court. Proceedings in progress have not, however, put an end to discussions aimed at finding a negotiated solution to this dispute.

3.5.3 Legal and arbitration proceedings – Natixis

Like many banking groups, Natixis and its consolidated subsidiaries are involved in litigation before the courts and can be investigated by regulatory authorities.

The financial consequences, assessed at December 31, 2014, of litigation deemed likely to, or which has in the recent past had a material impact on Natixis' financial situation and/or that of Natixis and its consolidated subsidiaries as a whole, their profitability or their business, have been included in Natixis' consolidated financial statements.

The most significant disputes are described below. Their inclusion in the list does not indicate that they will necessarily have an impact on Natixis and/or its consolidated subsidiaries. The other disputes are deemed not liable to have a material impact on Natixis' financial situation or profitability and/or that of Natixis and its consolidated subsidiaries as a whole, or have not reached a stage where it can be determined whether they will have such an impact.

JERRY JONES ET AL. *VERSUS* HARRIS ASSOCIATES LP

In 2004, three shareholders (Jerry Jones et al.) acting for and on behalf of three investment funds (Oakmark Fund, Oakmark Equity and Income Fund and Oakmark Global Fund) filed a complaint against Harris Associates LP, a wholly-owned subsidiary of Natixis Global Management, before the United States District Court for the Northern District of Illinois. The plaintiffs alleged that Harris Associates LP billed services to these three funds at an excessively high rate in light of applicable regulations. These proceedings are among numerous legal claims initiated in recent years against investment advisors. Harris Associates LP and the plaintiffs filed a motion for summary judgment.

In 2007, the judge accepted all aspects of the Harris Associates LP's petition and rejected that of the plaintiffs. The plaintiffs appealed against this decision. In 2008, a bench trial at the Court of Appeals for the Seventh Circuit confirmed the District Court's ruling in favor of Harris Associates LP. The plaintiffs (i) requested a rehearing of the appeal by the entire Court of Appeals, which it rejected, then (ii) filed an appeal with the United States Supreme Court for the decision to reject the appeal to be revoked. The Supreme Court agreed to hear the plaintiffs' motion.

In a ruling dated March 30, 2010, the US Supreme Court referred the case to the Court of Appeals for the Seventh Circuit so that the Court can determine whether the District Court's ruling in favor of Harris Associates LP should be overturned or upheld.

CLASS ACTIONS IN THE UNITED STATES RELATING TO MUNICIPAL GUARANTEED INVESTMENT CONTRACTS

Since March 2008, Natixis and Natixis Funding have been named among the defendants in a number of class actions filed with the courts of New York, Washington DC and California by and for a number of states, counties and municipalities issuing bonds. The actions concern alleged collusion between suppliers and brokers of municipal derivatives in price fixing and bid-rigging from 1992 to today. The various plaintiffs have also named some 30-plus other US and European banks and brokers as defendants. Some plaintiffs seek to certify a class of all state, local and municipal government entities, independent government agencies and private entities that purchased municipal derivatives from the defendants or through brokers from 1992 to the present, and to recover damages that result from the alleged anticompetitive activities. Most of these actions have been consolidated in the United States District Court for the Southern District of New York under the name of In Re: Municipal Derivatives Antitrust Litigation.

These various requests for damages and interest are the result of investigations being conducted in the United States by the US Internal Revenue Service (the "IRS"), the Antitrust division of the Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC") and state district attorneys.

The class actions, in which Natixis Funding is one of the 13 suppliers or brokers of derivatives, is ongoing, with the applications to dismiss the requests of the claimants having been rejected in March 2010.

The trials of the municipalities, acting individually against the 40 defendants, (including Natixis Funding and Natixis) will also continue, with the motions to dismiss the requests of the claimants having been rejected in April 2010.

The defendants responded to all the complaints filed by the class action and the other plaintiffs. The parties entered the phase of discovery and the certification of legal proceedings as a class action.

MADOFF AFFAIR

Outstanding Madoff assets, net of insurance, were estimated at €415 million at December 31, 2014, and were fully provisioned at this time. The effective impact of this exposure will depend on both the extent of recovery of assets invested in Natixis' name and the outcome of the measures taken by the bank, primarily legal. With this in mind, Natixis has appointed law firms to assist it in these recovery efforts. Moreover, in 2011, a dispute emerged over the application of the insurance policy for professional liability in this case; a ruling on the merits took place in early 2015 confirming the application of the insurance policies, for the full amount covered, of the losses incurred by Natixis as a result of the Madoff fraud.

Irving H. Picard, the trustee for the liquidation of Bernard L. Madoff Investments Securities LLC ("BMIS") filed a complaint in the United States Bankruptcy Court for the Southern District New York, against several banking institutions, including $400 million in claims against Natixis. Natixis is disputing the complaints lodged against it and intends to take the necessary measures to defend itself and safeguard its rights. The case is still in progress.

Furthermore, the trustees for the liquidation of Fairfield Sentry Limited and Fairfield Sigma Limited have initiated a large number of proceedings against investors who had previously received payment from these funds in respect of share redemptions (over 200 proceedings were filed in New York). Certain Natixis entities are involved as defendants in some of these lawsuits. Natixis considers these lawsuits to be completely groundless and intends to defend itself vigorously.

COORDINATED FILING OF CRIMINAL COMPLAINTS BY ADAM

In March 2009, a preliminary inquiry was ordered by the Paris public prosecutor's office following a complaint by minority shareholders of Natixis coordinated by the French minority shareholders' association ADAM (Association de Défense des Actionnaires Minoritaires). As the plaintiffs are filing a civil action in a criminal proceeding, a judicial inquiry has been opened and is still ongoing.

COMMUNE OF SANARY-SUR-MER

In August 2011, the Commune of Sanary-sur-Mer in France filed a complaint against Natixis and other defendants before the Administrative Tribunal of Toulon seeking the joint and several payment of €83 million for the loss of the Commune's planned investments and the loss of future contributions to its budget following the abandonment of the planned construction of a local casino/hotel complex. Regarding the construction project, Natixis had already committed to issuing a bank guarantee of completion in the amount of €20 million. All of the claims filed by the Commune of Sanary-sur-Mer were dismissed in a ruling handed down by the Administrative Tribunal of Toulon on April 12, 2013. The Commune of Sanary-sur-Mer has appealed this ruling.

NATIXIS ASSET MANAGEMENT (FORMERLY CDC GESTION) – EMPLOYEE PROFIT-SHARING

In 2012, a complaint was filed against Natixis Asset Management before the Paris District Court (Tribunal de Grande Instance de Paris) by 187 former employees of CDC Gestion (current name Natixis Asset Management). The purpose of the complaint is the legal recognition of their rights to the common law profit-sharing schemes from 1989 to 2001.

Following the administrative priority preliminary rulings raised by Natixis Asset Management on the interpretation of the French Labor Code, on August 1, 2013 the Constitutional Council declared unconstitutional the first paragraph of Article L. 442-9 of the French Labor Code in its version prior to Law No. 2004-1484 of December 30, 2005 and considered that employees of companies whose share capital is predominantly held by public entities cannot call for a profit-sharing scheme to be applicable to them in respect of the period during which the provisions declared unconstitutional were in force. The case is still in progress before the Paris District Court.

In September 2014, the Paris District Court delivered a verdict in favor of Natixis Asset Management and dismissed all the applications by employees. The latter have appealed this ruling before the Paris Court of Appeal.

MMR

In 2007, Ixis Corporate & Investment Bank (the predecessor of Natixis) issued EMTNs (Euro Medium Term Notes) indexed to a fund that invested in the Bernard Madoff Investment Securities fund. Renstone Investments Ltd (the apparent predecessor of MMR Investment Ltd) is alleged to have subscribed, *via* a financial intermediary acting as the placement agent, for these bonds in the amount of $50 million.

In April 2012, MMR Investment Ltd filed a joint claim against Natixis and the financial intermediary, claiming not to have received the bonds, despite having paid the subscription price to the financial intermediary. The claim pertains firstly to the restitution of the subscription price of the bonds and secondly to the invalidity of the subscription, due in particular to lack of consent.

Natixis considers this claim to be groundless.

SEEM

In January 2013, Natixis was served a compulsory summons by the company SEEM. This summons seeks to require Natixis, jointly and severally with Cube Energy SCA, to pay compensation amounting to some €23 million for the alleged breach by Cube Energy SCA of its duty of loyalty to its partner, SEEM. Natixis is confident that this matter will have a positive outcome for itself and the companies in its Group.

HERMÈS

On June 21, 2013, a complaint was filed against Natixis as well as other defendants before the Commercial Court of Paris by Hermès seeking to cancel the equity swaps on Hermès shares. The parties withdrew their respective claims in 2014 following an agreement between Hermès and LVMH.

UNION MUTUALISTE RETRAITE

In June 2013, Union Mutualiste Retraite filed three complaints against AEW Europe in relation to the acquisition and management of two real estate portfolios in Germany between 2006 and 2008. The amounts claimed by the Union Mutualiste Retraite equal €93 million. The case is in progress.

SECURITIZATION IN THE UNITED STATES

Natixis faced legal proceedings for residential mortgage-backed security (RMBS) transactions executed between 2001 and mid-2007.

Natixis considers that the negligence of which it is accused is without grounds and/or that the proceedings initiated against it are outside the statute of limitations.

EDA SELCODIS

In June 2013, EDA Selcodis filed a complaint against Compagnie Européenne de Garanties et de Cautions for the sudden termination of commercial relations following the refusal of Compagnie Européenne de Garanties et de Cautions to grant EDA Selcodis a guarantee. The amounts claimed by EDA Selcodis equal €32 million. In November 2013, EDA Selcodis filed a joint complaint against Natixis, BRED and CEGC for unlawful agreements for which EDA Selcodis is requesting that each entity pay a sum of €32 million.

Compagnie Européenne de Garanties et de Cautions considers all of these claims to be unfounded.

MPS FOUNDATION

In June 2014, the directors of the Italian MPS Foundation (Fondazione Monte dei Paschi di Sienna), filed a complaint against 11 banks, including Natixis, which had granted it funding in 2011 following a request by the previous executive managers, on the basis that the financing that was granted was contrary to the provisions set out in the articles of association of the MPS Foundation which state that it cannot hold receivables for an amount that exceeds 20% of its assets. Damages sought from the banks by the MPS Foundation total €285 million.

The first hearing will take place before the Court of Sienna in May 2015.

3.5.4 Dependence

BPCE is not dependent upon any specific patents, licenses, industrial procurement contracts, or commercial or financial agreements.

3.6 Technical insurance risks

Insurance risk is the risk to profits of any difference between expected and actual claims. Depending on the insurance products involved, risk varies based on changes in macroeconomic factors, customer behavior, public health policy, pandemics, accidents and natural disasters (such as earthquakes, industrial accidents, terrorist acts or acts of war). The Credit Insurance activity is also exposed to credit risk.

Insurance risk management requires a solid comprehension of technical insurance risks in order to meet commitments to insurers and policyholders. Particular attention must also be paid to the financial risks borne through assets held to back commitments.

In addition to protecting the balance sheet and income statement of insurance companies, the aim is to guarantee the solvency and liquidity of the insurance companies.

To this end, the Group's companies have set up a system to measure, report and oversee risks, in compliance with regulatory requirements under Solvency I. At the same time, they are currently implementing the new Solvency II directive.

The preparatory stage is tested at the Group level and within each company to ensure the application of solvency phase-in requirements (prudential reporting, risk management system, pre-application report, issue of country-specific templates).

The Group created an Insurance Risk function in 2011. This meets the requirements set out in the Financial Conglomerates directive (FICOD) and its transposition in France by the November 3, 2014 decree governing the supervision of financial conglomerates, through the cross-divisional Group insurance risk monitoring system. At the same time, this system ensures the operational and regulatory interoperability between the banking and insurance sectors.

3.6.1 Natixis Assurances

In the first quarter of 2014, Natixis Assurances purchased a 60% interest in BPCE Assurances, which sells non-life and liability insurance (automotive, comprehensive home insurance, legal protection), provident insurance (personal accident insurance), health insurance and non-bank insurance producst.

However, as Natixis Assurances predominantly sells savings products, the main risks resulting from insurance policies are of a financial nature:

RISK OF NO LONGER BEING ABLE TO MEET THE MINIMUM CONTRACTUAL RATE OF RETURN IN THE EVENT OF A DECLINE IN INTEREST RATES

To deal with this risk, ABP Vie (a subsidiary of Natixis Assurances) has only sold policies without a minimum guaranteed rate in recent years: more than 90% of the policies have a 0% minimum guaranteed rate. The minimum guaranteed rate averages 0.19%.

RISK OF POLICY REDEMPTIONS IN THE EVENT OF AN INCREASE IN INTEREST RATES

Natixis Assurances has identified the segment of the insured population that presents a high risk of policy redemption, based on the key criteria of age, fiscal seniority and amount of capital. For these policyholders, Natixis Assurance has hedged the risk of interest rate increases and has limited the scope covered by such policies to approximately a quarter of its assets. Against this backdrop, it has hedged its portfolio with cap policies and has also subscribed for variable-rate bonds.

The liability adequacy test carried out in accordance with IFRS 4 showed that insurance liabilities measured under local standards, for the year ended December 31, 2014, were greater than the fair value of these liabilities, taking into account the redemption option incorporated in the policies.

FINANCIAL RISK IN THE EVENT OF AN INCREASE IN INTEREST RATES

The sensitivity of net equity to variations in interest rates is mitigated by the fair value classification of about €3.4 billion in fixed income securities in the held-to-maturity category.

For securities in other categories, the sensitivity analysis carried out at end-December 2014 showed that a 1-point increase in bond yields would have a negative impact of -€86.1 million on equity (taking into account the variation attributable to policyholders and taxation), *i.e.* 5.9% of equity.

MARKET RISK

Natixis Assurances is subject to variations in the value of its financial assets. Management of financial risks involves defining a strategic allocation taking into account liability commitments, regulatory constraints (particularly in terms of non-concentration) and commercial requirements. Thus, allocation ranges are defined for each type of asset.

According to the sensitivity analysis carried out at end-December 2014:

- a 10% drop in the stock market would have a negative impact of -€20 million on equity (after taking into account the variation attributable to policyholders and taxation), *i.e.* 1.4% of equity;
- a 10% drop in the real estate market would have a negative impact of -€6.6 million on equity (after taking into account the variation attributable to policyholders and taxation), *i.e.* 0.4% of equity.

Also, Natixis Assurances fully reinsures the guaranteed minimum payment on unit-linked policies.

CREDIT RISK

The monitoring and management of counterparty risk is carried out in compliance with Natixis' standards and internal limits, as determined by the Credit Risk Committee, as well as the regulatory constraints imposed on insurance companies. Thus, 73% of the fixed-income portfolio is invested in securities rated higher than A-.

PROVIDENT INSURANCE BUSINESS

Mortality and morbidity risks are limited by the implementation of a pricing structure appropriate for the policyholders in question and guarantees insured, the use of experience tables and the upstream practice of medical history-based selection of new policyholders.

Natixis Assurances uses reinsurance to limit its exposure to the risk of dispersion of capital guaranteed upon death, personal accidents and loss of autonomy, as well as the frequency of claims for cessation of work, invalidity and loss of autonomy. A reinsurance treaty in the event of epidemics or pandemics has also been put in place in order to limit exposure to the increase in deaths that would ensue.

The annual reinsurance plan seeks to diversify reinsurers and to deal only with parties having a high-quality rating. No reinsurance treaty is entered into or renewed with parties that are non-investment grade (rating of BB+ to D-). In practice, the rating of reinsurers with which Natixis Assurances deals is between AA and BBB+. The reinsurers that Natixis Assurances works with have a low issuer risk, and the risk of concentration in a given counterparty is limited since Natixis uses several reinsurers.

NON-LIFE INSURANCE ACTIVITY

This business is susceptible to three risks:

- Mispricing risk: a portfolio monitoring policy was implemented whereby each policy is given a score based on its track record over three years. Factored in are types of claims, number of claims, their cost and other variables specific to the activity in question (degree of liability, bonuses/penalties for motor insurance, for instance). Corrective measures can range from increasing premiums to terminating the policy upon expiry. This monitoring policy also contributes to detecting potential risks arising from large claims, and to arranging adequate reinsurance coverage;
- Reserve risk: for each inventory, the technical and reinsurance department conducts an actuarial assessment of the reserves for claims to be paid (those already known and claims yet to be filed). The assessment is based on methods that are widely recognized by the profession and required by the regulator;
- Catastrophe risk: catastrophe risk is the exposure to an event of significant magnitude generating a multitude of claims (storm, risk of civil liability, etc.). More often than not there is little possibility of pooling this risk on a national scale, or the risk is severe enough to threaten the company's solvency. This risk is therefore reinsured either through the government in the event of a natural disaster or an attack, for example, or through private reinsurers, specifically in the event of a storm or a civil liability claim, or through reinsurance pools.

To safeguard against this risk, the company decided to opt for a 200-year return period. Priorities are adapted in step with the development of the business.

CONCENTRATION OF RISKS

The nature of insured risks associated with reinsurance coverage does not create any particular exposure in terms of concentrated insurance risks.

3.6.2 Coface

Through its activities, Coface is exposed to two main types of risk. The first is the technical risk constituted by the risk of losses on Coface's portfolio of insurance policies. The second is the financial risk related to the risk of losses arising from adverse changes in interest rates, exchange rates or the market value of securities or real estate investments. Coface has implemented tools designed to control these risks and to ensure they remain within conservative limits.

TECHNICAL RISK

Credit risk concerns the risk of loss generated by the portfolio of insurance policies. Coface manages credit risk through various procedures, which cover the validation of policy terms relating to the products, pricing, the monitoring of credit risk coverage and portfolio diversification. A distinction is traditionally made between frequency risk and peak risk:

- frequency risk represents the risk of a sudden and significant increase in past due payments from a multitude of debtors. This risk is measured for each region and country by monitoring the instantaneous loss ratio[(1)] and the monthly indicator that breaks down the changes in domestic/export credit by DRA (Debtor Risk Assessment) and business sector, by acceptance rate on the DRA scale or by product line (sureties, single risks). Missed payments are analyzed weekly by the Group Management Board and monthly by Coface's Arbitration Committee. The loss ratios for the various underwriting regions are also monitored at the consolidated level for Coface;
- peak risk represents the risk of abnormally high losses recorded for the same debtor or group of debtors, or of an accumulation of losses for the same country. Hedging peak risk is the main aim of the reinsurance of the French Insurance Company for Foreign Trade (COFACE).

In addition to weekly and monthly monitoring at the level of each region and country, Coface has implemented a system based on:

- the centralization of provisions for claims exceeding a certain amount per debtor (currently €0.5 million for all Coface arbitration centers) which are then subject to a *post mortem* analysis aimed at improving the performance of the information, arbitrage and collection activities;
- at the risk underwriting level, monitoring which beyond a certain level of outstanding risk based on the DRA triggers the validation and setting of a global sum by Coface's arbitrage division; and
- a risk evaluation system by the DRA covering all debtors.

(1) The instantaneous loss ratio is a weekly indicator that reproduces the change in the loss ratio. It is monitored for each region and each country and is reported on weekly by Coface, particularly so that underwriters can monitor the change in their portfolio and detect any deterioration in order to introduce corrective actions as early as possible.

DIVERSIFICATION OF THE CREDIT RISK PORTFOLIO

Coface maintains a diversified credit risk portfolio, in order to minimize the risk of a default by a debtor, a slowdown in a particular sector of activity or an adverse event in a given country having a disproportionate impact on Coface's overall claims rate. Furthermore, insurance policies include clauses for the adjustment of credit limits during the term of the contract. Moreover, the fact that the great majority of Coface's risks are short-term (95% of total outstandings) allows it to reduce the risk covered for a debtor or a group of debtors relatively quickly and anticipate a decrease in their solvency.

EXPOSURE TO DEBTOR RISK AT END-DECEMBER 2014

POLICIES SIGNED EXCLUDING TRANSACTIONS ON BEHALF OF THE STATE/ALL GUARANTEED PRODUCTS

Total Buyer Outstandings	Outstandings *(in millions of euros)*	Number of limits	Number of buyers	Outstanding
Rejections	0	876,135	622,468	0.00%
€1,000 – 10,000	3,624	516,960	478,034	0.71%
€11,000 – 20,000	5,990	466,056	373,118	1.18%
€21,000 – 30,000	4,669	282,170	179,865	0.92%
€31,000 – 40,000	3,323	180,379	92,124	0.65%
€41,000 – 50,000	5,125	185,586	109,225	1.01%
€51,000 – 60,000	2,952	118,600	52,263	0.58%
€61,000 – 70,000	3,145	107,361	47,647	0.62%
€71,000 – 80,000	2,941	90,449	38,686	0.58%
€81,000 – 90,000	2,823	79,672	33,370	0.56%
€91,000 – 100,000	5,393	100,225	54,764	1.06%
€101,000 – 150,000	13,368	299,841	107,122	2.63%
€151,000 – 200,000	11,210	206,145	63,509	2.21%
€201,000 – 300,000	18,889	295,222	76,633	3.72%
€301,000 – 400,000	14,837	198,560	42,552	2.92%
€401,000 – 500,000	13,455	152,889	29,987	2.65%
€501,000 – 800,000	29,827	301,827	47,154	5.87%
€801,000 – 1,500,000	45,696	345,524	42,170	8.99%
€1.5 million – 3 million	55,009	285,361	26,274	10.83%
€3 million – 5 million	42,944	159,634	11,187	8.45%
€5 million – 10 million	56,353	151,795	8,139	11.09%
€10 million – 50 million	103,360	157,173	5,433	20.34%
€50 million – 100 million	25,186	19,206	367	4.96%
€100 million – 200 million	16,892	10,006	128	3.33%
≥ €200 million	21,025	6,695	45	4.14%
TOTAL	**508,036**	**5,593,471**	**2,542,264**	**100.00%**

Second-level controls are set up to ensure that the Group's credit risk standards are observed.

FINANCIAL RISK

Coface has implemented an investment policy that incorporates the management of financial risk through the definition of its strategic allocation, regulations governing insurance companies and constraints related to the management of its liabilities. Management of financial risks is thus based on a rigorous system of standards and controls which is regularly reviewed:

- interest rate risk and credit risk: the majority of Coface's allocations are in fixed-income products which guarantee it recurring and stable revenue. The maximum[1] overall duration of the bond portfolio was purposely limited to 4 and reached 3 at December 31, 2014. Coface is not exposed to Greek or Portuguese sovereign debt. Coface has limited exposure to Italian, Spanish and Irish sovereign debt as part of a defined-risk budget;

(1) *The sensitivity of a bond measures the bond's loss in value in the event of an interest rate hike. For example, bonds with a sensitivity of 3 will see a 3% reduction in their market value if interest rates increase by 1%.*

- exchange rate risk: the majority of Coface's investments are denominated in euros. Subsidiaries and branches using other currencies must observe the same principles of congruence. During 2014, foreign exchange hedges *via* swap or foreign exchange futures were carried out within Coface's portfolio of European entities, to hedge USD, GBP, and AUD-denominated bond investments;
- equity risk: exposure is limited to less than 10% of the portfolio and is concentrated in the euro zone, in connection with its core business. At December 31, 2014, listed equities represented 7.4% of the investment portfolio and were partially hedged in a discretionary manner *via* the acquisition of put options on indices to mitigate any potential external shocks;
- counterparty risk: maximum exposure to any given counterparty is set at 5% of assets under management, with exceptional exemptions for short-term exposure. More than 80% of directly-held bonds are invested grade and therefore carry a median rating [(1)] of above BBB-;
- liquidity risk: more than 59% of the bond portfolio had a maturity of less than three years at December 31, 2014. The vast majority of the portfolio is listed on OECD markets and carries a liquidity risk which is currently considered as weak.

Second-level controls on compliance with Coface's investment policy are also carried out.

3.6.3 CEGC

Compagnie Européenne de Garanties et Cautions is the Group's guarantee and surety platform for multiple business lines. It is exposed to underwriting risk, market risk, risk of default by reinsurers as well as operational risk.

Under Solvency 2, CEGC has been committed over the past four years to the *Autorité de contrôle prudentiel et de résolution*'s (ACPR – the French prudential supervisory and resolution authority) approval procedure for its internal underwriting risk valuation model for mortgage guarantees for individuals. The European directive is set to enter into force on January 1, 2016.

In 2014, CEGC took part in the preparation exercise for the introduction of Solvency 2 organized by the ACPR. This exercise aimed to achieve the submission of part of the new regulatory reports in XBRL format and the submission of an ORSA report reflecting the main outcomes of CEGC's internal risk assessment.

As part of its pre-standardization process, a partial review of the internal model was carried out by the ACPR during the second half of 2014 with the aim of filing the final application in 2015.

UNDERWRITING RISK

Underwriting risk is the main risk incurred by CEGC. It is essentially a reinsurer default risk: commitments given by CEGC to beneficiaries of guarantees give direct exposure to policyholders. These exposures are provisioned under liabilities through unearned premium reserves for policies in default.

These regulated commitments or provisions amounted to nearly €1.2 billion at December 31, 2014 (up 11.0% compared to the end of 2013). This increase was in line with fiscal year 2013, driven mainly by mortgage guarantees for individuals.

The increase in commitments on the real-estate development segment is due to provisions for high-severity claims at the business line level. In a challenging environment, the claims rate for the real estate development activity deteriorated in 2014. Nevertheless, the loss ratio over the past five years remains below 35% for a business line which only represents 2% of CEGC's total.

CEGC'S OUTSTANDINGS (IN MILLIONS OF EUROS)

CEGC business lines	December 2014	Change (December 2014 versus December 2013)
Individual customers	1,073	10.3%
Single-family home builders	12	9.1%
Property administrators – Realtors	7	16.7%
Corporates	16	23.1%
Real estate developers	19	533.3%
Professionals	52	10.6%
Social economy – Social housing	24	20.0%
Run-off activities	11	(47.6%)
TOTAL	**1,214**	**11.0%**

(1) *Second lowest rating in the event of three available ratings from the three international rating agencies; if one of the ratings is only provided for two of the agencies, the lower rating will be considered, if a rating is available from one agency alone, this rating will be considered.*

MARKET RISK

CEGC held an investment portfolio of €1.3 billion on its balance sheet at December 31, 2014, compared to €1.2 billion at December 31, 2013. The investment portfolio, which is fully backed by equity and underwriting reserves, mainly consists of bonds (more than 72%).

Portfolio management is secure and follows the standards regulating the insurance business, in particular in terms of assets representing commitments.

These standards cover the type and quality of the assets, the level of portfolio dispersion as well as liquidity levels.

The system for managing these risks is based on 1) a finance management charter which details the limits, rules and alerts applicable to the entire portfolio and by asset class and 2) special committees (ALM Committee and Finance Management Committee) that oversee compliance with these rules, implement the asset allocation policy and review the returns on the transactions carried out.

	12/31/2014				12/31/2013	
in millions of euros	Gross balance sheet value of the provision	as a percentage	Market value	as a percentage	Gross balance sheet value of the provision	Market value
Equities	104	8.0%	122	8.1%	97	124
Bonds	942	72.1%	1,085	72.6%	862	913
Diversified	93	7.1%	99	6.7%	85	89
Cash	84	6.5%	84	5.7%	96	96
Real estate	62	4.7%	78	5.3%	64	80
FCPR	20	1.5%	23	1.6%	22	24
Other	1	0.1%	1	0.1%	9	7
TOTAL	**1,307**	**100%**	**1,494**	**100%**	**1,235**	**1,333**

REINSURANCE RISK

CEGC hedges its liability portfolio by implementing a reinsurance program tailored to its activities. Through this program, the company is able not only to secure its underwriting income and solvency margin on the loan guarantee markets, but also to protect its equity in the event of high-severity claims on activities other than loan guarantees.

Each year, reinsurance hedging needs are defined based on changes in activity and in the risk observed in the portfolio.

Reinsurer default risk is governed by counterparty concentration and rating limits. CEGC's reinsurance program is underwritten by fifteen reinsurers with a minimum rating of A on the S&P scale.

At December 31, 2014, the program hedged individual claims exceeding €15 million, with a range of €75 million. In the event of a claim, this program can be reconstituted three times.

OPERATIONAL RISK

CEGC's operational risk is controlled by a risk management system which uses a default mapping tool and database tailored to its activities. This database is the standard framework used to catalog incidents and risk situations, and for monitoring corrective action plans based on the methods deployed by Natixis.

3.7 Financial Stability Forum recommendations concerning financial transparency

3.7.1 Sensitive exposures (excluding Natixis) at December 31, 2014

UNHEDGED SENSITIVE CDO EXPOSURES

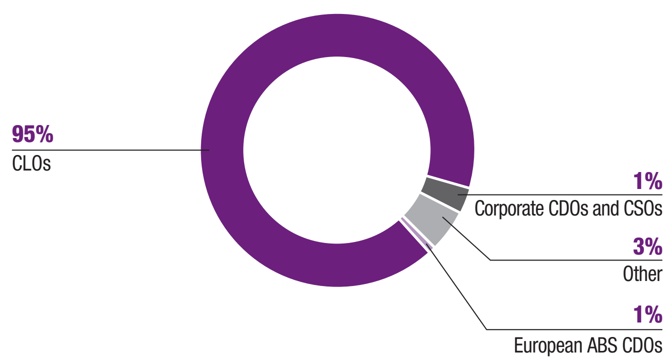
At December 31, 2014 the Group was not exposed to the US residential market.

EXPOSURE BY ASSET TYPE – OTHER CDOS

	12/31/2014		12/31/2013	
in millions of euros	Gross exposure	Net exposure	Net exposure	Change 2014/2013
European ABS CDOs	7	7	8	(1)
CLOs	802	795	920	(125)
Corporate CDOs and CSOs	5	4	33	(29)
Other	27	27	48	(21)
TOTAL	**841**	**832**	**1,008**	**(176)**

More than 95% of the Group's exposure to other CDOs concerns CLOs.

BREAKDOWN OF NET EXPOSURE AT 12/31/2014



BREAKDOWN BY ACCOUNTING PORTFOLIO – OTHER CDOS

	12/31/2014		12/31/2013	
in millions of euros	Amount	Percentage (%)	Amount	Percentage (%)
Trading book	0	0%	26	3%
Fair value option asset portfolio	4	1%	21	2%
Portfolio of loans and receivables	696	83%	901	89%
Available-for-sale assets portfolio	132	16%	61	6%
TOTAL	**832**	**100%**	**1,008**	**100%**

BREAKDOWN BY RATING – OTHER CDOS

	12/31/2014		12/31/2013	
in millions of euros	Amount	Percentage (%)	Amount	Percentage (%)
AAA	245	29%	121	12%
AA	375	45%	611	61%
A	139	17%	163	16%
BBB	15	2%	13	1%
BB	6	1%	6	1%
B	2	0%	2	0%
CCC	4	1%	0	0%
CC	0	0%	0	0%
C	0	0%	0	0%
D	0	0%	0	0%
NR	46	6%	93	9%
TOTAL	**832**	**100%**	**1,008**	**100%**

PROTECTION PURCHASED

Protection purchased from counterparties to hedge CDO exposures (excluding US residential market)

	12/31/2014			12/31/2013		
in millions of euros	Gross notional amount of hedged instruments	Impairment of hedged CDOs	Fair value of protection	Gross notional amount of hedged instruments	Impairment of hedged CDOs	Fair value of protection
TOTAL	**136**	**(4)**	**4**	**271**	**(11)**	**11**

This transactions fits in with the Negative Basis Trade strategies and relates to one senior tranche of European CLOs rated AA+/AAA by two rating agencies.

Protection purchased from credit enhancers

Protection purchased from credit enhancers by Crédit Foncier for financial assets is in the form of financial guarantees (and not CDS) and represents a guarantee attached to the enhanced asset. These enhancement commitments are thus not considered as directly exposed to monolines.

CMBS EXPOSURE

BREAKDOWN OF EXPOSURE BY ACCOUNTING PORTFOLIO – CMBS

	12/31/2014		12/31/2013	
in millions of euros	Gross exposure	Net exposure	Net exposure	Change 2014/2013
Trading book	1	1	1	0
Portfolio of loans and receivables	70	70	161	(91)
Available-for-sale assets portfolio	12	12	30	(18)
TOTAL	**83**	**83**	**192**	**(109)**

BREAKDOWN OF NET EXPOSURE BY RATING – CMBS

	12/31/2014		12/31/2013	
in millions of euros	Amount	Percentage (%)	Amount	Percentage (%)
AAA	14	17%	22	11%
AA	18	22%	30	15%
A	38	46%	53	28%
BBB	10	12%	54	28%
BB	3	3%	0	0%
B	-	0%	12	6%
CCC	-	0%	0	0%
CC	-	0%	22	11%
TOTAL	**83**	**100%**	**192**	**100%**

BREAKDOWN OF NET EXPOSURE BY REGION – CMBS

as a %	12/31/2014	12/31/2013
Germany	10%	12%
France	17%	19%
Italy	1%	10%
United Kingdom	34%	28%
Rest of Europe	38%	31%
TOTAL	**100%**	**100%**

RMBS EXPOSURE

BREAKDOWN BY ACCOUNTING PORTFOLIO – SPANISH RMBS

	12/31/2014		12/31/2013	Change 2014/2013
in millions of euros	Gross exposure	Net exposure	Net exposure	
Trading book	2	2	2	0
Portfolio of loans and receivables	3	3	3	0
Available-for-sale assets portfolio	133	129	145	(16)
TOTAL	**138**	**134**	**150**	**(16)**

BREAKDOWN BY RATING – SPANISH RMBS

	12/31/2014					
in millions of euros	AAA	AA	A	BBB	BB	B+
Trading book	0	0	2	0	0	0
Portfolio of loans and receivables	0	0	3	0	0	0
Available-for-sale assets portfolio	0	10	93	14	6	6
TOTAL	**0**	**10**	**98**	**14**	**6**	**6**

BREAKDOWN BY ACCOUNTING PORTFOLIO – UK RMBS

in millions of euros	12/31/2014 Gross exposure	12/31/2014 Net exposure	12/31/2013 Net exposure	Change 2014/2013
Portfolio of loans and receivables	9	9	9	0
Available-for-sale assets portfolio	137	136	136	0
TOTAL	**146**	**145**	**145**	**0**

BREAKDOWN BY RATING – UK RMBS

	12/31/2014		
in millions of euros	AAA	AA	A
Portfolio of loans and receivables	0	0	9
Available-for-sale assets portfolio	103	25	7
TOTAL	**103**	**25**	**16**

3.7.2 Natixis' exposure as at December 31, 2014

ABS CDOS WITH A SUBPRIME COMPONENT

Gross exposure to ABS CDOs with a subprime component amounted to €206 million as at December 31, 2014, fully impaired at December 31, 2014. Note that as part of the closing of the GAPC, ABS CDO transactions with a subprime component were disposed of during the first half of 2014.

in millions of euros	Total exposure
Net exposure at December 31, 2013, after impairment	91
Change in exposure (liquidation, redemption and currency effect)	(91)
Impairments during fiscal year 2014 *(in millions of euros)*	0
NET EXPOSURE AT DECEMBER 31, 2014, AFTER IMPAIRMENT	**0**

EXPOSURE TO CREDIT ENHANCERS

Impairments decreased in 2014 by €94 million (excluding the effect of the BPCE guarantee), bringing total impairments to €103 million at December 31, 2014 compared with €197 million at December 31, 2013.

	Data as at December 31, 2014			Data as at December 31, 2013		
in millions of euros	Notional amount	Pre-value adjustment exposure	Value adjustments	Notional amount	Pre-value adjustment exposure	Value adjustments
Subprime CDO protection	-	-	-	-	-	-
CLO protection	189	11	(1)	358	21	(6)
RMBS protection	53	7	(7)	56	8	(7)
CMBS protection	-	-	-	38	1	-
Other risks	2,324	407	(95)	4,335	462	(184)
TOTAL	**2,566**	**425**	**(103)**	**4,787**	**492**	**(197)**

in millions of euros	12/31/2014	12/31/2013
Pre-value adjustment exposure	425	492
Value adjustments	(103)	(197)
RESIDUAL EXPOSURE	**322**	**295**
Percentage discount	24%	40%

RMBS EXPOSURE

US RMBS PORTFOLIOS, INCLUDING SUBPRIME RMBS

Exposures in the financial statements at December 31, 2014, were as follows:

US RMBS *in millions of euros*	Net exposure at 12/31/2013	Changes in value in 2014	Other changes	Net exposure at 12/31/2014
Trading book	-	0	0	0
Fair value option asset portfolio	-	-	-	0
Portfolio of loans and receivables	2	-	(2)	0
Available-for-sale assets portfolio	-	-	-	0
Non-wrapped	**2**	**(0)**	**(2)**	**0**
Trading book	-	-	-	0
Portfolio of loans and receivables	21	-	(21)	0
Wrapped	**21**	**-**	**(21)**	**0**
Trading book	1	-	(1)	0
Portfolio of loans and receivables	-	-	-	0
US Agencies	**1**	**-**	**(1)**	**0**
TOTAL	**24**	**-**	**(24)**	**0**
% exposure net of BPCE guarantee				0%
% exposure net of external guarantee				0%

NET EXPOSURES – UK RMBS

in millions of euros	Net exposure at 12/31/2013	Changes in value in 2014	Other changes	Net exposure at 12/31/2014	AAA	AA	A	BBB	BB	B	CCC	C
Trading book	-	-	60	60	3	14	40	3	-	-	-	-
Fair value option asset portfolio	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio of loans and receivables	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale asset portfolio	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**60**	**60**	**3**	**14**	**40**	**3**	**-**	**-**	**-**	**-**
% exposure net of BPCE guarantee				0%								
Percentage of net exposure under BPCE guarantee (including assets carried by SAHARA)				0%								

NET EXPOSURES – SPANISH RMBS

in millions of euros	Net exposure at 12/31/2013	Changes in value in 2014	Other changes	Net exposure at 12/31/2014	AAA	AA	A	BBB	BB	B	CCC	C
Trading book	-	-	5	5	-	-	5	-	-	-	-	-
Fair value option asset portfolio	-	-	-	0	-	-	-	-	-	-	-	-
Portfolio of loans and receivables	12	-	(12)	0	-	-		-	-		-	-
Available-for-sale asset portfolio	-	-	-	0	-	-	-	-	-	-	-	-
TOTAL	**12**	**-**	**(7)**	**5**	**-**	**-**	**5**	**-**	**-**		**-**	**-**
% exposure net of BPCE guarantee				0%								
Percentage of net exposure under BPCE guarantee (including assets carried by SAHARA)				0%								

CMBS EXPOSURE

NET CMBS EXPOSURE

in millions of euros	Net exposure at 12/31/2013	Changes in value 2014	Other changes	Net exposure at 12/31/2014
Trading book	0	-	38	38
Fair value option asset portfolio	0	-	-	0
Portfolio of loans and receivables	0	-	-	0
Available-for-sale assets portfolio	0	-	-	0
TOTAL	**0**	**-**	**38**	**38**
% exposure net of BPCE guarantee				0%

BREAKDOWN BY RATING – CMBS

Breakdown by rating	*% breakdown*
AAA	0%
AA	0%
A	67%
BBB	13%
BB	0%
B	20%
CCC	0%
CC	0%
C	0%
D	0%
NR	0%
TOTAL	**100%**

BREAKDOWN BY COUNTRY – CMBS

Breakdown by country	*% breakdown*
United Kingdom	11%
United States	0%
Europe	88%
Other	1%
TOTAL	**100%**

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4.1 Foreword

The financial data for the fiscal year ended December 31, 2014 and the comparative data for 2013 were prepared under IFRS as adopted by the European Union and applicable at December 31, 2014, therefore excluding some provisions of IAS 39 on hedge accounting.

This management report discusses the results of Groupe BPCE and BPCE SA group, built around the central institution, BPCE, which was established on July 31, 2009 following the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne.

BPCE SA group's results are summarized because the operations and results of the two groups are closely related. The main changes to the scope of consolidation are:

- the exclusion of the holding company, CE Holding Promotion, and therefore its stakes in Nexity, Habitat en Région Services and Erixel;
- the exclusion of the contributions of the Banque Populaire banks and Caisses d'Epargne.

4.2 Significant events of 2014

4.2.1 Economic and financial environment

DEFLATIONARY RISK IN EUROPE AND A SLUGGISH ECONOMY IN FRANCE

Global economic growth failed to climb past 3.3% in 2014, gaining no more ground than in 2013 despite the tipping of the economic scales in favor of developed countries and persistently ultra-accommodative monetary policies on both sides of the Atlantic. The big disappointment was the euro zone, where deflationary risk and fears of a Japan-style recession gradually made their way back to the forefront. With growth of barely 0.8% over the year, the area was hit hard by the Ukraine crisis, which drained on its key economic driver: Germany. At the opposite end of the spectrum, the US and the UK enjoyed seemingly unbridled growth, effectively decoupling from Europe and Japan from spring onward. Meanwhile, growth in emerging countries was below-trend, slowing in China and even more so in Brazil and Russia.

The second half was pitted with sudden shocks, sparking high volatility on the markets, and especially in Europe, buffeted by three mini-crashes in August, October and December. The CAC 40 ended up contracting by 0.5% over the year to 4,273 points at December 31, 2014, due in large part to the resurgence of worries over Greece. The collapse of oil prices that caused euro zone deflationary fears to spike was the combined result of excess supply and geopolitical tangles. The long-expected depreciation of the euro can be attributed to more clearly diverging monetary policies between the Fed and the ECB. Toward the end of November, the Fed began gradually winding up six years of quantitative easing. Conversely, the ECB began inflating its balance sheet size in a bid to meet its inflation target of around 2%, with the consumer price index falling into negative territory in December (-0.2% over the year). Another big surprise was the continuous drop in German and French long rates to below their previous record lows, due to the specter of deflation and announcements of the likely implementation of a government bond buying program by the ECB. The 10-year OAT even fell below 1% at year-end (0.86% at December 31, 2014) *versus* an average of 2.2% in the first quarter and 1.7% for full-year 2014.

As in 2013, French growth reached no higher than 0.4% in 2014. Purchasing power rose 1.2% thanks to a smaller increase in taxes and social security contributions and, more importantly, to the steep drop in inflation (0.5% annual average, vs. 0.9% in 2013). This was little help in terms of household consumption, which was otherwise hurt by the VAT hike on January 1, causing the household savings rate to climb to 15.6%. Investment in new housing remained on the downward path it started on in 2008. Business investment, often the main driver behind a recovery, was relatively lackluster despite Phase 1 of the introduction of the CICE (employment and competitiveness tax credit). Exports were hurt by the past appreciation of the euro and lack of competitiveness (excluding prices). France's budget deficit was greater than expected (4.4% of GDP vs. 4.3% in 2013) and public debt reached 95% of GDP. As of March 5, France was placed under enhanced supervision by the European Commission. Furthermore, France was granted another three-year reprieve by the European authorities to comply with budget requirements. The French economy's mediocre annual performance led to another downturn in commercial employment. The rapid development of government-assisted employment schemes was not enough to stop the unemployment rate from climbing by 0.4 point between end-2013 and end-2014 (10.1% in the fourth quarter for mainland France).

4.2.2 Significant events of the fiscal year

COMPREHENSIVE ASSESSMENT OF BANK BALANCE SHEETS CONFIRMS GROUPE BPCE'S FINANCIAL STRENGTH

On October 26, 2014, the European Central Bank (ECB) published the results of its evaluation of the largest euro zone banks. This evaluation consisted of an asset quality review (AQR) and stress tests, conducted jointly with the European Banking Authority (EBA). This extremely in-depth review of unprecedented magnitude was performed in preparation for the implementation of the Single Supervisory Mechanism, giving the ECB supervisory authority over the euro zone.

The AQR and stress tests conducted by the ECB and EBA confirmed the financial strength of Groupe BPCE. The Group did not make any changes to its accounting practices as a result of the AQR. However, it did begin an analysis of possible refinements to its methodology or parameters, mainly concerning valuation adjustments and the valuation of certain Level 3 fair value assets, with no material impact on the 2014 financial statements.

CREATION OF A SINGLE INSURANCE DIVISION AT NATIXIS TO SERVE GROUPE BPCE CUSTOMERS: MAJOR STEPS IN 2014

Under its "Growing Differently" strategy, Groupe BPCE aims to make insurance a major growth driver for the Group's development in France. Accordingly, all the Group's insurance activities (both non-life and personal insurance) will be handled by Natixis. Two major steps in the creation of a single insurance platform were completed in 2014.

Transfer of BPCE Assurances to Natixis

On March 13, 2014, BPCE SA group and Muracef transferred their equity interest (60%) in BPCE Assurances to Natixis Assurances, with retroactive effect at January 1, 2014.

This transfer was carried out while maintaining the capital agreements and existing cooperation with MAIF and MACIF.

Memorandum of understanding on the renewed partnership with CNP Assurances

On November 4, 2014, Groupe BPCE and CNP Assurances signed a memorandum of understanding laying down the terms of implementation of the renewed partnership[1] as from January 1, 2016.

This renewed partnership, with a term of seven years, should include the following:

- establishment of an exclusive collective payment protection insurance partnership between CNP Assurances and Natixis Assurance on the one hand, and all the Groupe BPCE networks on the other;
- establishment of specific partnerships in collective and individual provident insurance;
- introduction of mechanisms aimed at aligning the interests of CNP Assurances and Groupe BPCE regarding the management of existing policy assets at CNP Assurances and asset related to the policies taken out by Caisse d'Epargne customers until January 31, 2015. These assets will continue to be managed by CNP Assurances in accordance with the terms currently in force. It has also been established that Natixis Assurance will reinsure 10% of these assets.

DISPOSALS OF NON-STRATEGIC INTERESTS

Coface

The success of Coface's partial stock market listing at the end of the first half of 2014 resulted in the placement of 92 million shares (58.7% of the company's share capital). Natixis remains the leading shareholder with a 41.2% stake and Coface is still fully consolidated in its accounts.

This transaction had no significant impact on the Group's consolidated income statement.

Foncia group

In November 2014, Groupe BPCE sold all of its interest in Foncia group (an 18% stake in Foncia Holding, 1.9% in Foncia group and all of its bond holdings) to Bridgepoint and Eurazeo for €185 million.

This deal followed on from the transfer of the Group's majority control over Foncia group to Bridgepoint and Eurazeo in July 2011.

This transaction had no significant impact on the Group's consolidated income statement.

Nexity

On December 9, 2014, Groupe BPCE sold 4% of the capital and voting rights in Nexity, held through CE Holding Promotion, at a price of €29.70 *via* a private placement. At that time, Groupe BPCE agreed to hold its remaining stake in Nexity for six months.

On December 23, 2014, Groupe BPCE agreed to sell 3% of Nexity's share capital to an investment vehicle controlled by Nexity executive managers. This disposal was carried out on January 15, 2015 at a price of €30 per share. The aforementioned six-month holding period was waived only for the shares involved in this disposal, after which Groupe BPCE's remaining stake in Nexity was 33.4%.

These transactions had no significant impact on the Group's consolidated income statement.

As of December 31, 2014, the Group's stake in Nexity is consolidated according to the equity method.

(1) *Plan submitted to the relevant employee representative bodies with a view to signing the final agreements in the first quarter of 2015.*

VBRO

On December 10, 2014, Groupe BPCE announced it had signed an agreement with Banca Transilvania on the sale of its 24.5% non-controlling interest in Volksbank România.

The closing of the deal is subject to the approval of the National Bank of Romania and anti-trust authorities, and is expected to take place in the first half of 2015.

Over 2014, impairments and provisions related to this non-controlling interest had an impact of -€171 million on Group consolidated net income.

WINDING-UP OF THE WORKOUT PORTFOLIO MANAGEMENT STRUCTURE (GAPC)

Further efforts were made to reduce risks associated with the GAPC workout portfolios, with asset disposals totaling €1.6 billion in nominal value in the first half of 2014. In line with previous announcements, GAPC was wound up on June 30, 2014 and its outstanding assets were transferred to Wholesale Banking.

MERGER OF TWO BANQUE POPULAIRE BANKS

Following the Extraordinary Cooperative Shareholders' Meetings held in November 2014, Banque Populaire d'Alsace and Banque Populaire Lorraine Champagne merged and took the name Banque Populaire Alsace Lorraine Champagne. The merged entity will have a network of 272 branches in nine French *départements* and nearly 3,000 employees serving 860,000 customers.

The merger, with retroactive effect at January 1, 2014, had no material impact on Group BPCE's consolidated financial statements.

GROUPE BPCE INTERNAL SECURITIZATIONS

At June 30, 2014, two new special purpose entities (two securitization funds) were consolidated by Groupe BPCE: BPCE Master Home Loans and BPCE Master Home Loans Demut, both of which arose from an internal Group securitization carried out by the Banque Populaire banks and the Caisses d'Epargne on May 26, 2014.

This operation led to the sale of home loans (approximately €44 billion) to BPCE Master Home Loans and ultimately to the subscription for the securities issued by the special purpose entities by the institutions that sold the loans. It replaced the BPCE Home Loans operation set up in 2011, which no longer met the eligibility terms for Eurosystem refinancing operations.

It thus helped maintain Groupe BPCE's collateral eligible for Eurosystem refinancing operations at a high level.

PUBLIC SECURITIZATION LAUNCHED BY CRÉDIT FONCIER

Returning to the public securitization market in May 2014, Crédit Foncier carried out the first public securitization (residential mortgage-backed securities) in France since 1995. Through this securitization, nearly €1 billion in mortgage loans to individual customers were removed from the balance sheet.

This transaction did not have a material impact on Group net consolidated income.

4.3 Groupe BPCE financial data

4.3.1 Groupe BPCE results[1]

Groupe BPCE posted solid earnings driven by its core businesses.

	Groupe BPCE		Change		Core businesses		Change	
in millions of euros	**2014**	**2013 pf**	**€m**	**%**	**2014**	**2013 pf**	**€m**	**%**
Net banking income	23,257	22,826	431.0	1.9%	21,907	21,492	415.0	1.9%
Operating expenses	(16,330)	(16,135)	(195.0)	1.2%	(14,544)	(14,187)	(357.0)	2.5%
Gross operating income	**6,927**	**6,691**	**236.0**	**3.5%**	**7,363**	**7,305**	**58.0**	**0.8%**
Cost/income ratio	70.2%	70.7%	-	(0.5) pt	66.4%	66.0%	-	0.4 pt
Cost of risk	(1,776)	(2,042)	266.0	(13.0%)	(1,735)	(1,943)	208.0	(10.7%)
Share in income of associates	105	220	(115.0)	(52.3%)	244	213	31.0	14.6%
Gains or losses on other assets	75	36	39.0	ns	13	24	(11.0)	(45.8%)
Change in the value of goodwill	(52)	(15)	(37.0)	ns				
Income before tax	**5,279**	**4,890**	**389.0**	**8.0%**	**5,885**	**5,599**	**286.0**	**5.1%**
Income tax	(1,913)	(1,718)	(195.0)	11.4%	(2,005)	(1,928)	(77.0)	4.0%
Non-controlling interests	(459)	(387)	(72.0)	18.6%	(458)	(404)	(54.0)	13.4%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,907**	**2,785**	**122.0**	**4.4%**	**3,422**	**3,267**	**155.0**	**4.7%**

NET BANKING INCOME

Groupe BPCE's net banking income amounted to €23.3 billion in 2014, up 1.9% on 2013. Its businesses generated strong performances in a sluggish and unstable economic environment. The income earned by its core businesses totaled €21.9 billion in 2014, up 1.9% on 2013.

OPERATING EXPENSES

Operating expenses came to -€16.3 billion, representing a slight increase (+1.2%) on 2013 although trends varied by division. Operating expenses incurred by the core businesses rose +2.5% on 2013 to -€14.5 billion in 2014. Most of the increase can be attributed to the Investment Solutions division as it continued to expand its asset management activities (especially in the United States).

The cost/income ratio improved by 0.5 point on 2013 to 70.2% in 2014.

OPERATING INCOME

Gross operating income came out at €6.9 billion in 2014, an increase of +3.5% on 2013.

At €1.8 billion, Groupe BPCE's cost of risk improved by +13.0% on 2013. In basis points[2][3], Groupe BPCE's cost of risk was once again moderate at 29 bp average for the year, down from 35 bp in 2013. Cost of risk in the core businesses fell by 10.7%.

As a result, operating income totaled €5.2 billion in 2014.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

With net income attributable to equity holders of the parent at €2.9 billion, up +4.4% on 2013 pro forma, Groupe BPCE again boasted solid, recurring results in 2014.

(1) *Net income for 2013 is stated pro forma of the transfer of BPCE Assurances to Natixis Assurances and of the buyback (and subsequent cancellation) of the cooperative investment certificates by the Banque Populaire banks and Caisses d'Epargne.*

(2) *Cost of risk in annualized basis points on gross customer loan outstandings at the start of the period.*

(3) *Basis points (1 basis point = 0.01%).*

4.3.2 Groupe BPCE's core businesses

Groupe BPCE is structured around its two core businesses:

Commercial Banking and Insurance, including:

- the Banque Populaire network, comprised of 18 Banque Populaire banks and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
- the Caisse d'Epargne network consisting of the 17 Caisses d'Epargne;
- Insurance and Other Networks, which mainly comprises the Group's non-controlling interest in CNP Assurances, Real Estate Financing Services (whose earnings predominantly reflected Crédit Foncier's contribution), BPCE International et Outre-mer (BPCE IOM) and Banque Palatine.

Wholesale Banking, Investment Solutions and Specialized Financial Services encompass Natixis' core businesses:

- Wholesale Banking, which has now established itself as BPCE's bank serving large corporate and institutional customers;
- Investment Solutions, with asset management, insurance and private banking;
- Specialized Financial Services, which includes factoring, lease financing, consumer credit, sureties and guarantees, employee benefits planning, payments and securities services.

Equity Interests is the third business segment, consisting of the Group's stakes in Nexity and Volksbank România, along with Natixis' interests in Coface, Corporate Data Solutions, Natixis Algérie and Natixis Private Equity.

Corporate center mainly comprise:

- the contribution of Natixis' Workout portfolio management business (until June 30, 2014) and the run-off management of the former CNCE's proprietary trading and delegated management businesses;
- the contributions of the central institution and the Group's holding companies;
- revaluation of own senior debt;
- the impacts of the dynamic management of Crédit Foncier's balance sheet (disposals of securities and buyback of liabilities);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

The presentation of the divisions in 2014 takes the following changes into account:

- the Commercial Banking and Insurance division now has three sub-divisions: the Banque Populaire network, the Caisse d'Epargne network, and Insurance and Other Networks. As a result of these changes:
  - Natixis Algérie and Hô-chi-Minh were reclassified from the Commercial Banking and Insurance division to the Equity Interests division;
  - cross-business activities (key entities, Group financial centers), investment activities (private equity, property management companies) and other activities were transferred from the Commercial Banking and Insurance division to Corporate center;
- the Caceis equity interest was transferred from the SFS division to Corporate center;
- BPCE Assurances was transferred from the Commercial Banking and Insurance division to the Wholesale Banking, Investment Solutions and SFS division following the transfer of BPCE Assurances to Natixis Assurances;
- the name of the Workout Portfolio Management and Corporate center sub-division was changed to "Corporate center," notably due to the winding-up of the GAPC (workout portfolio management) ring-fencing structure as at June 30, 2014.

Segment reporting for Groupe BPCE in previous periods has been restated accordingly.

4.3.3 Income statement by sector of activity

	Commercial Banking and Insurance		Wholesale Banking, Investment Solutions and SFS		Core businesses		Equity Interests		Corporate center		Groupe BPCE	
in millions of euros	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf
Net banking income	15,045	14,924	6,862	6,568	21,907	21,492	1,698	1,720	(348)	(386)	23,257	22,826
Operating expenses	(9,996)	(9,904)	(4,548)	(4,283)	(14,544)	(14,187)	(1,429)	(1,429)	(357)	(519)	(16,330)	(16,135)
Gross operating income	**5,049**	**5,020**	**2,314**	**2,285**	**7,363**	**7,305**	**269**	**291**	**(705)**	**(905)**	**6,927**	**6,691**
Cost/income ratio	66.4%	66.4%	66.3%	65.2%	66.4%	66.0%	84.2%	83.1%	ns	ns	70.2%	70.7%
Cost of risk	(1,478)	(1,571)	(257)	(372)	(1,735)	(1,943)	(10)	(7)	(31)	(92)	(1,776)	(2,042)
Share in income of associates	205	196	39	17	244	213	(73)	3	(66)	4	105	220
Gains or losses on other assets	11	23	2	1	13	24	(9)	(30)	71	42	75	36
Change in the value of goodwill									(52)	(15)	(52)	(15)
Income before tax	**3,787**	**3,668**	**2,098**	**1,931**	**5,885**	**5,599**	**177**	**257**	**(783)**	**(966)**	**5,279**	**4,890**
Income tax	(1,331)	(1,296)	(674)	(632)	(2,005)	(1,928)	(131)	(115)	223	325	(1,913)	(1,718)
Non-controlling interests	(22)	(24)	(436)	(380)	(458)	(404)	(88)	(86)	87	103	(459)	(387)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,434**	**2,348**	**988**	**919**	**3,422**	**3,267**	**(42)**	**56**	**(473)**	**(538)**	**2,907**	**2,785**

The net banking income generated by the Group's two core businesses, Commercial Banking and Insurance and Wholesale Banking, Investment Solutions and Specialized Financial Services, increased in comparison with 2013, reflecting persistently solid sales momentum. Their contribution was substantial, with Commercial Banking and Insurance accounting for 64.7% and Wholesale Banking, Investment Solutions and Specialized Financial Services 29.5% of total group net banking income.

4.3.4 Commercial Banking and Insurance

	Banque Populaire banks		Caisses d'Epargne		Insurance and Other networks		Commercial Banking and Insurance		Change	
in millions of euros	**2014**	**2013 pf**	**2014**	**2013 pf**	**2014**	**2013 pf**	**2014**	**2013 pf**	**€m**	**%**
Net banking income	6,359	6,330	7,109	7,061	1,577	1,533	15,045	14,924	121	0.8%
Operating expenses	(4,286)	(4,205)	(4,654)	(4,645)	(1,056)	(1,054)	(9,996)	(9,904)	(92)	0.9%
Gross operating income	**2,073**	**2,125**	**2,455**	**2,416**	**521**	**479**	**5,049**	**5,020**	**29**	**0.6%**
Cost/income ratio	67.4%	66.4%	65.5%	65.8%	67.0%	68.8%	66.4%	66.4%	--	0.1 pt
Cost of risk	(707)	(685)	(580)	(531)	(191)	(355)	(1,478)	(1,571)	93	(5.9%)
Share in income of associates	28	25		1	177	170	205	196	9	4.6%
Gains or losses on other assets	9		1	(2)	1	25	11	23	(12)	(52.2%)
Income before tax	**1,403**	**1,465**	**1,876**	**1,884**	**508**	**319**	**3,787**	**3,668**	**119**	**3.2%**

The division's income before tax was up 3.2% compared to 2013 despite the poor growth of the economy. The Banque Populaire and Caisse d'Epargne network accounted for 86.6% of the division's income before tax in 2014.

BANQUE POPULAIRE BANKS

Even in a persistently challenging macroeconomic environment, the Banque Populaire network maintained robust sales activity in 2014. It stepped up its customer relations initiatives, posting a +6.2% rise in the number of active and insured customers and a +3.0% increase in professional customers also using the Banque Populaire network for their personal banking needs.

Outstanding on-balance sheet deposits and savings driven by strong sales momentum: +6.6% (excluding centralized savings)

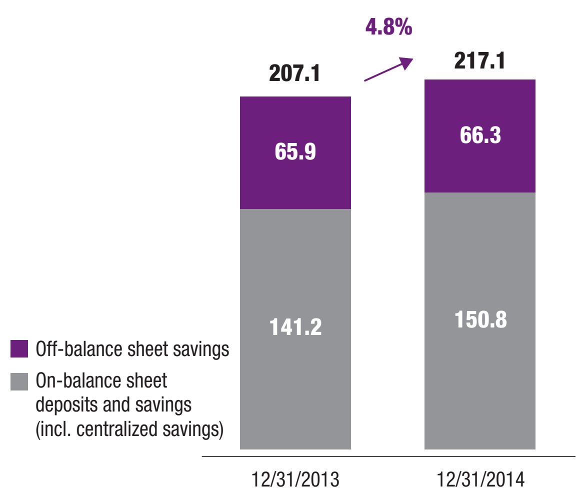
The Banque Populaire banks achieved substantial overall inflows in what remained a highly competitive market. On-balance sheet deposit and saving outstandings (excluding centralized regulated savings) climbed +6.6% to €142.8 billion. Off-balance sheet savings were up +0.6% to €66.3 billion at end-2014, with the solid performance in life insurance (up +4.1% to €43.5 billion) offset by UCITS outflows (-8.5%) bringing assets under management to €17.8 billion.

Business was strong across all markets: on-balance sheet deposit and saving outstandings rose by 2.2% in the individual customer segment and by 12.8% in other markets.

Individual customers favored on-balance sheet deposits and savings products in 2014. Growth was driven primarily by demand deposits (+6.1% to €18.8 billion at end-2014) and home savings (+7.1% to €16.3 billion) on the back of lower regulated interest rates. Passbook savings accounts recorded a small gain of +0.7%, Livret A passbook savings account outstandings rose +4.1% to €9.6 billion in 2014 and LDD passbook savings accounts +2.8% to €8.3 billion in 2014. However, outstandings in Livret d'Epargne Populaire passbook savings accounts dropped by -5.4% to €2.0 billion and by -1.0% to €18.7 billion for ordinary passbook savings accounts.

Professional, corporate and institutional customers continued to favor term deposits (+9.6% to €25.4 billion at end-2014) and demand deposits (+13.4% to €35.6 billion at end-2014).

CUSTOMER DEPOSITS AND SAVINGS *(IN BILLIONS OF EUROS)*



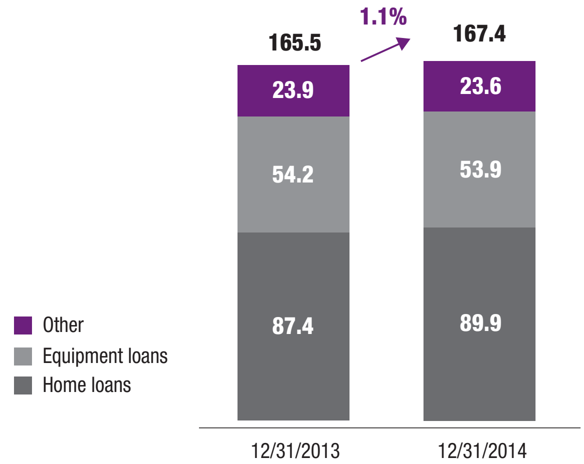
Moderate increase in loan outstandings, up +1.1% in a continuously lackluster economic environment

The Banque Populaire banks helped finance the economy with an annual increase of +1.1% in loan outstandings to €167.4 billion at December 31, 2014.

Loans outstandings in the individual customers market are buoyed by the ongoing growth in home loans (+2.9% to €89.9 billion) despite a -26% fall in new loans due to an exceptional high comparison base in 2013.

Outstanding loans (including finance leases) to professional, corporate and institutional customers were resilient, stabilizing at nearly €77.0 billion at end-2014 (-0.8%) despite unsupportive investment conditions.

LOAN OUTSTANDINGS *(IN BILLIONS OF EUROS)*



Financial results

The Banque Populaire network's net banking income totaled €6.4 billion in 2014, up slightly by +0.5% compared to 2013 pro forma[1] (+0.6% excluding the change in the home savings provision).

			Change	
in millions of euros	**2014**	**2013 pf**	**€m**	**%**
Interest margin	3,984	3,951	33	0.8%
Fees and commissions	2,344	2,350	(6)	(0.3%)
Other income and expenses	31	29	2	6.9%
NET BANKING INCOME	**6,359**	**6,330**	**29**	**0.5%**

The interest margin[2] came to nearly €4.0 billion (+1.0% excluding the change in the home savings provision), boosted by increased deposit and loan outstandings, and the improvement in the intermediation margin thanks in large part to lower rates for all savings products in the wake of the regulated interest rate cuts. Fee and commission income[2] was stable compared to 2013 pro forma[1]. The rise in fees on financial savings products (+€36.7 million, *i.e.* +13.7%) offset adverse regulatory effects, including in particular the impact of the cap on bank processing fees.

Operating expenses climbed +1.9% relative to 2013 pro forma[1], primarily impacted by the costs related to the merger of Banque Populaire d'Alsace and Banque Populaire Lorraine Champagne, the revaluation of employee benefits, the increase in incentives and profit-sharing, and IT migration and project costs. The rise in the Employment Competitiveness Tax Credit (CICE) partially offset these negative impacts.

Gross operating income came out at €2.1 billion in 2014, down -2.4% on 2013, causing the cost/income ratio to gain one point to 67.4%.

Cost of risk shed -3.2% compared with 2013 pro forma[1] to -€0.7 billion. At 41 bp in 2014, it was stable on 2013[1]. Restated for the impacts of the merger of Banque Populaire d'Alsace and Banque Populaire Lorraine Champagne, cost of risk was down slightly to 40 bp (-one bp).

The Banque Populaire banks contributed €1.4 billion to the Commercial Banking and Insurance division's income before tax, down -€62 million relative to 2013 pro forma[1].

CAISSES D'EPARGNE

The Caisses d'Epargne once again showed buoyant activity over the fiscal year, confirming their commitment to funding the French economy. Efforts to sell more products and services to existing customers led to a +2.9% increase in individual customers using the main banking services, +4.7% in active professional customers and +7.9% in active corporate customers.

Dynamic growth (+6.7%) in on-balance sheet deposit and saving outstandings (excluding centralized savings)

Despite the highly competitive savings market, the Caisses d'Epargne maintained solid growth in on-balance sheet deposit and saving outstanding (excluding centralized savings) compared to 2013, reaching €193.3 billion (+€12 billion, *i.e.* +6.7%). Off-balance sheet savings picked up +1.4% to €120.2 billion, with UCITS outflows (-€1.1 billion, *i.e.* -10.0%) more than offset by the strong showing in life insurance (+€2.7 billion, *i.e.* +2.5%).

In the individual customer segment, outstandings were up +€2.7 billion, *i.e.* +0.6%, in 2014. The rate of return on Livret A passbook savings accounts

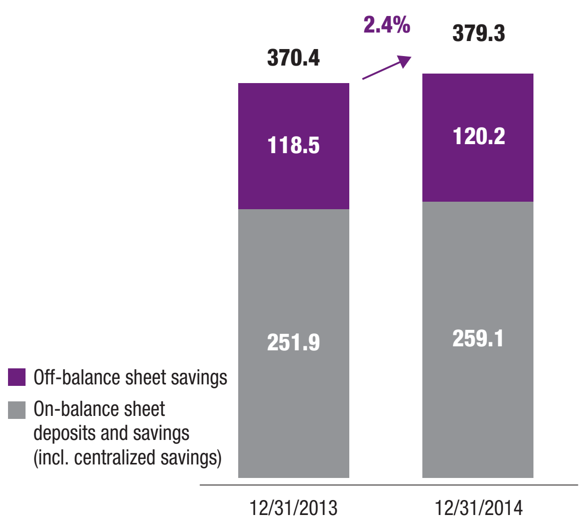
(1) *2013 results pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis.*

(2) *Fees and commissions on centralized savings have been restated for the interest margin and included in fee and commission income.*

hit a record low. As a result, savings were shifted out of passbook accounts (-€4.6 billion, *i.e.* -4.0%) and into products such as home savings (+€4.4 billion, *i.e.* +11.0%), life insurance (+€2.4 billion, *i.e.* +2.3%) and demand deposits (+8.6% to €25.1 billion).

Deposit and saving outstandings on the professional, corporate and institutional customer markets climbed +9.9% to €68.1 billion. On-balance sheet deposits and savings kept their very strong momentum going, climbing +11.4% to €59.0 billion at end-2014, driven predominantly by demand deposits (+24.9% to €22.0 billion) and term deposits (+26.6% to €15.0 billion), thanks in large part to the recycling of passbook savings accounts (-€0.5 billion, *i.e.* -3.2%). Off-balance sheet savings rose +1.2% to €9.1 billion, UCITS vehicles shed -12.0% to €2.1 billion and life insurance AuM climbed +5.8% to €7.1 billion.

CUSTOMER DEPOSITS AND SAVINGS *(IN BILLIONS OF EUROS)*



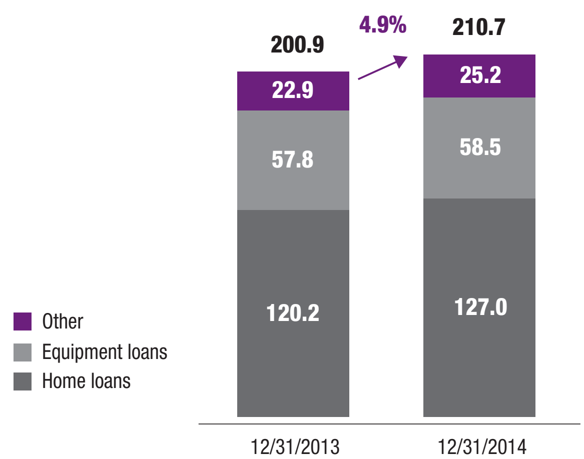
Robust lending activity

The sharp rise in loan outstandings (+4.9% on 2013) to €210.7 billion also confirmed the Caisse d'Epargne network's commitment to funding the economy and the regions.

Outstanding loans to individual customers increased by +5.5% on 2013 to €122.9 billion thanks to the upturn in home loans (+5.7%), with another high level of new home loans in 2014. Consumer loan outstandings were also up +4.0% to €11.6 billion.

Equipment loans to professional, corporate and institutional customers rose +1.1% to €58.5 billion, with the slowdown in the public sector offset by solid momentum in the professional and corporate customer segments.

LOAN OUTSTANDINGS *(IN BILLIONS OF EUROS)*



Financial results

The Caisse d'Epargne network generated net banking income of €7.1 billion in 2014, showing a slight improvement (+0.7%) compared to 2013 pro forma[(1)].

			Change	
in millions of euros	**2014**	**2013 pf**	**€m**	**%**
Interest margin	4,338	4,125	213	5.2%
Fees and commissions	2,847	2,966	(119)	(4.0%)
Other income and expenses	(76)	(30)	(46)	ns
NET BANKING INCOME	**7,109**	**7,061**	**48**	**0.7%**

The interest margin[(2)], excluding the change in the home savings provision, climbed +4.7% thanks to the combined effect of an increase in loan and savings volumes and an improvement in the intermediation margin. The -4.0% dip in fee and commission income[(2)] can primarily be attributed to the decline in fees and commissions on centralized savings (-€83.4 million) due to the decrease in the centralization rate and substantial centralized savings outflows. Bank processing fees also fell by around -€61 million.

Thanks to efforts to keep costs under control, operating expenses were stable over the year.

Gross operating income amounted to €2.5 billion in 2014, up +1.6% on 2013 pro forma[(1)]. The cost/income ratio improved by 0.3 point to 65.5%.

(1) *2013 results pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis.*

(2) *Fees and commissions on centralized savings have been restated for the interest margin and included in fee and commission income.*

In unsupportive economic conditions, the network's cost of risk was up +9.2% to -€0.6 billion but was still low at 28 bp in 2014, close to its 2013 level[1] (27 bp).

The Caisses d'Epargne contributed €1.9 billion to the Commercial Banking and Insurance division's income before tax, which was stable compared to 2013 pro forma[1].

INSURANCE AND OTHER NETWORKS

Insurance, BPCE IOM and Banque Palatine

CNP Assurances posted 2014 revenues of €30.8 billion, up +11.3% on 2013 (+12.2% at constant exchange rates and scope of consolidation). The lion's share of this increase was in France, which saw its revenues climb +16.1%, driven by the savings segment (impact of robust sales performances in life insurance). The cost/income ratio improved significantly from 35.8% in 2013 to 35.0% in 2014. At €775 million, revenues from proprietary trading activities were stable in 2014. Recurring net income was up +3.1% to €1,121 million. Non-recurring items had an adverse impact of €201 million, notably including the impact of the ACPR fine of €40 million and the enhancement of the provision for policyholder profit-sharing (+€161 million). 2014 net income totaled €1,080 million, up +4.8% compared to 2013.

BPCE International et Outre-mer (BPCE IOM) boosted its contribution to the division's net income from €54 million in 2013 to €57 million in 2014, thanks in large part to the impact of BPCE IOM's higher net interest margin and improved control of operating expenses. This resulted in a +0.5% increase in gross operating income compared to 2013, Net income was helped by improved cost of risk (-18.5%).

Finally, Banque Palatine saw its contribution to the division's net income climb +4.6% to €52 million, *versus* €50 million in 2013, mainly thanks to the solidity of the net interest margin and commissions as well as the improved cost of risk (-26.1%).

Real Estate Financing

The Crédit Foncier group accounts for most of the Real Estate Financing sub-division in terms of both income and financial results.

It posted total new loans of €10.3 billion, representing a decrease on 2013 stemming from the ongoing decline in the real estate market. New loans to individual customers amounted to €7.0 billion, predominantly attributable to origination, as Crédit Foncier is not very active in the loan repurchase segment. Sales activity was accompanied by a margin improvement amid continuously falling market rates in 2014.

New loans on the real estate investment and public-sector equipment market totaled €3.3 billion.

Under the "Growing Differently" strategic plan, Compagnie de Financement Foncier (SCF) served the Group's customers by helping refinance nearly €6.2 billion in assets from other Group entities in 2014.

Having sold some €10 billion in international assets since 2011, Crédit Foncier group sold a €11.6 billion portfolio of international securitizations to BPCE in September 2014.

Crédit Foncier group's total loan outstandings came to €99.1 billion at December 31, 2014, representing a decline relative to December 31, 2013.

Net banking income for the Real Estate Financing sub-division totaled €767 million for the year, up +4.5% compared to 2013, including the impacts of the transfer of Network assets to SCF (purchase of Group assets for €5.0 billion at end-December 2014) and solid fee and commission income.

Operating expenses were stable on 2013 at -€546 million. The cost-cutting target of €90 million by 2017 was maintained, largely because of the very strong employee adherence to the retirement forecasting agreement signed in 2012 and the project aimed at pooling the Crédit Foncier and Caisses d'Epargne information systems.

Cost of risk declined over the period as a result of provision reversals in 2014.

(1) *2013 results pro forma of the buyback and subsequent cancellation by the Banque Populaire banks and the Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis.*

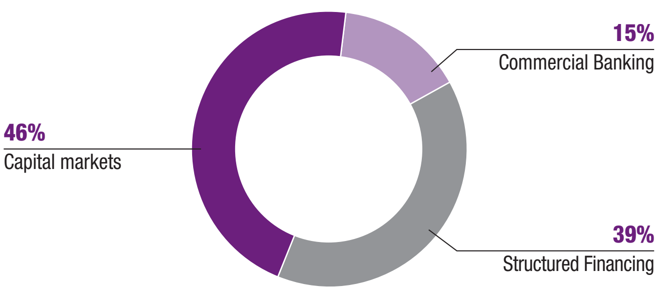
4.3.5 Wholesale Banking, Investment Solutions and Specialized Financial Services

This sector comprises Natixis' three core businesses. Its contribution to Groupe BPCE's net income takes into account 28.5% minority interests and is stated pro forma in 2013 of the acquisition of BPCE Assurances and the reallocation of Natixis' stake in Caceis to Corporate center.

	Wholesale Banking		Investment Solutions		Specialized Financial Services		Wholesale Banking, Investment Solutions and SFS		Change	
in millions of euros	**2014**	**2013 pf**	**2014**	**2013 pf**	**2014**	**2013 pf**	**2014**	**2013 pf**	**€m**	**%**
Net banking income	2,781	2,867	2,818	2,447	1,263	1,254	6,862	6,568	294	4.5%
Operating expenses	(1,712)	(1,657)	(2,004)	(1,793)	(832)	(833)	(4,548)	(4,283)	(265)	6.2%
Gross operating income	**1,069**	**1,210**	**814**	**654**	**431**	**421**	**2,314**	**2,285**	**29**	**1.3%**
Cost/income ratio	61.6%	57.8%	71.1%	73.3%	65.9%	66.5%	66.3%	65.2%	--	1.1 pt
Cost of risk	(186)	(312)	5	19	(76)	(79)	(257)	(372)	115	(30.9%)
Share in income of associates	21		17	17	1		39	17	22	ns
Gains or losses on other assets		1	(13)	1	15	(1)	2	1	1	ns
Income before tax	**904**	**899**	**823**	**691**	**371**	**341**	**2,098**	**1,931**	**167**	**8.6%**

WHOLESALE BANKING

PERCENTAGE OF BUSINESSES IN THE WHOLESALE BANKING DIVISION'S NET BANKING INCOME (EXCLUDING CPM AND OTHER)



In 2014, Natixis' Wholesale Banking division undertook structure-building projects across all business lines, in line with the objectives of the New Frontier strategic plan. It strengthened its expertise in terms of providing support to corporate customers and meeting their specific needs.

It carried out large-scale, high value-added structured financing transactions in the aviation, export, infrastructure, energy and commodities, strategic and acquisition funding, and real estate finance.

In the capital markets, Natixis adapted its strategy to better meet customer needs, particularly in the cash equities and equity derivatives businesses. It also maintained solid sales momentum in fixed income deals, despite unsupportive yield conditions.

Natixis further developed its platforms on the international market, especially in North and South America and the Asia-Pacific region.

In 2014, Wholesale Banking's net banking income amounted to €2,781 million, down 3% on 2013. Restated for non-recurring items related to Fixed Income and Treasury activities (income of €72 million in 2013 and expenses of €119 million in 2014), revenues were up 3.7%. These non-recurring items were related to the first application of IFRS 13 in 2013 and to a change in CVA/DVA/FVA methodology in 2014.

Despite requirements on management of RWA and liquidity consumption, Commercial Banking revenues rose 6.2% year-on-year, buoyed by the international development of Trade Finance activities (net banking income up 90%). In Vanilla Finance, credit line drawdown rates remained very low at 14%.

Structured Financing revenues picked up 5.4% year-on-year on the back of solid growth in business levels, with persistently limited growth in outstanding loans. Service fee income accounted for 33% of revenues, which can be broken down as follows: +6% increase in Global Energy & Commodities revenues, +21% in Real Estate Financing (Europe and US markets) and +7% in Acquisition & Strategic Finance.

Revenues from Fixed Income, Credit, Forex, Commodities and the Treasury platform fell 19.9% compared to 2013. Restated for non-recurring items included in the above-mentioned net banking income, revenues came out at €982 million in 2014 *versus* €1,005 million in 2013 (-2.3%). This can be broken down as follows: +6% increase in revenues from debt platform activities (solid performance in securitization and the primary market segment) and +21% in commodities (positive impact of oil) and a -13% drop in revenues from short-term treasury activities (impact of declining repo volumes) and -5% in fixed income activities (less activity in structured repos and emerging country products but fixed income and forex activities are continuing to expand).

Equity activities generated net banking income of €432 million, up 3.4% relative to 2013, which can be broken down as follows: +28% increase in equity markets activities (cash, equity finance and structured derivatives) and +32% in advisory business (development of Equity Capital Markets), but -€81 million in equity-linked finance activities (negative scope effect of €21 million, no major deals).

In 2014, Wholesale Banking's expenses rose +3.2% to €1,712 million at constant exchange rates. Restated for non-recurring income of €15 million related to the overhaul of the pension plan in the United States recognized in 2013, personnel expenses were up 0.9% for a 1.9% drop in the average headcount. IT costs fell by 2%. Other operating expenses climbed 3%.

Gross operating income decreased by -11.7% on 2013 to €1,069 million. Restated for non-recurring items included in the above-mentioned net banking income, GOI came to €1,188 million in 2014 *versus* €1,139 million in 2013 (+4.3%).

The cost/income ratio was 61.6% in 2014, down 3.8 points on 2013. Restated for non-recurring items included in the above-mentioned net banking income, the C/I ratio was 59.0% in 2014 *versus* 59.3% in 2013 (+0.3 point).

At €186 million in 2014, cost of risk came down 40.5% compared to 2013, it is attributable in large part to run-off activities (Shipping and Corporate Solutions) and Vanilla Finance in France.

Activities were developed under strict management of capital employed. As a result, at December 31, 2014, Basel III risk-weighted assets at period-end came to €72.2 billion *versus* €74.5 billion at end-2013.

INVESTMENT SOLUTIONS

In 2014, the Investment Solutions division expanded the synergies of its four business lines (Asset Management, Insurance, Private Banking and Private Equity) with Natixis' other core businesses and the Groupe BPCE networks in a persistently buoyant economic environment in the US *versus* more challenging conditions in Europe.

Net banking income earned by Investment Solutions climbed +15.2% year-on-year to €2,818 million (+15.0% at constant exchange rates), buoyed by solid momentum in asset management, especially in the United States, and by boosted income in all segments of the Insurance business.

Expenses rose 11.8% (+11.6% at constant exchange rates), mainly due to the implementation of the Assurément#2016 project in the Insurance segment and the development of the Asset Management business.

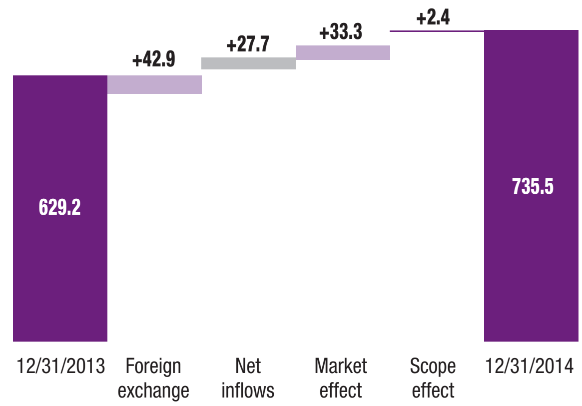
Gross operating income was up +24.5% (+24.1% at constant exchange rates) to €815 million.

Asset management

After a very solid performance in 2013, 2014 was a record year for Natixis Global Asset Management (NGAM) in terms of results and inflows generated by the distribution platforms.

At the end of December 2014, assets under management stood at €735.5 billion (of which $463 billion for NGAM US), up €63.4 billion (+9.4%) compared to December 31, 2013 at constant exchange rates, driven by a significant market effect (+€33.3 billion) in Europe and the US and by net inflows (€27.7 billion), at their highest level since 2006.

CHANGE IN ASSETS UNDER MANAGEMENT IN 2014
(IN BILLIONS OF EUROS)



Net inflows of €27.7 billion, *i.e.* €32.5 billion excluding money market products, underscored the business line's momentum particularly in the United States. At end-2014, net inflows attained their highest level since 2006:

- the United States posted inflows of +€29.9 billion, driven in large part by Loomis in bond products and Harris in equity vehicles;
- Europe recorded outflows of -€2.8 billion (-€9.8 billion in 2013), including -€5.5 billion in money market products. Excluding money market products, inflows came to €2.7 billion;
- net inflows generated by Private Equity firms exceeded €600 million.

At €666.7 billion, average assets under management were up +11.1% in 2014 *versus* 2013 (at constant exchange rates).

The average rate of return on AuM was 27.2 bp *versus* 25.4 bp in 2013. Bonds and insurance products remained predominant in the product mix at the end of 2014 (29.3% and 25.9%, respectively).

At end-2014, net banking income picked up +16.6% year-on-year to €2,136 million (*i.e.* +16.3% at constant exchange rates), on the back of fees on AuM in US asset management firms.

Expenses climbed +14.1% on 2013 to €1,567.4 million (+13.9% at constant exchange rates), driven by business development in the United States and in distribution entities.

Insurance

The Insurance division carried forward with the strategic ambition laid down in the New Frontier plan, namely to become a fully-fledged bancassurance player in two segments: personal insurance (life insurance, personal protection insurance) and non-life insurance (property and casualty insurance), predominantly covering the insurance risks of the individual and professional customers of the Groupe BPCE banking networks.

In non-life insurance, this strategy led to the March acquisition of the 60% stake in BPCE Assurances held by BPCE and MURACEF (the remaining capital is held by MAIF and MACIF).

In personal insurance, 2014 saw the rapid development of the Assurément#2016 project, launched at the end of 2013 with the aim of rolling out a life insurance and personal protection insurance offering in the Caisse d'Epargne network starting in 2016. The project has a budget of more than €55 million and an average staff of nearly 90 employees.

In terms of activity, 2014 was a year of satisfactory sales momentum in all insurance segments, with a substantial rise in life insurance inflows and personal protection insurance premiums (including payment protection insurance) and property and casualty insurance premiums.

With €4.36 billion in premiums, life insurance inflows rose +32% compared to 2013. Premiums invested in unit-linked policies (€638 million) recorded an even more impressive improvement of +43%, in line with the strategic goal of increasing the proportion of inflows attributable to unit-linked policies. Given the virtual stability of Investment Solutions services (+1% year-on-year), net inflows topped €1.4 billion in 2014 (3.6 times higher than 2013).

Provident insurance and payment protection insurance premiums (€627 million, up 15%) were buoyed by dynamic activity in payment protection insurance (+21%), contrasting with the stability of individual provident insurance business (-1%).

In mature market conditions, earned premiums on property and casualty insurance policies climbed +8.5% to €1,060 million for both networks, driven by +11% growth in multi-risk home guarantees and +8% in automotive guarantees. Overall 1.1 million new policies were taken out in 2014, up +12% on 2013.

Given the lack of major financial or weather-related events over the year, net banking income totaled €528 million, up 15.7% compared to 2013, resulting from:

- the ongoing normalization of life insurance net banking income (+€10 million, +6.9%) amid historically low interest rates;
- additional strong growth in net banking income (+€27 million, +22.1%) generated by provident insurance, and particularly payment protection insurance, driven by significant growth in premiums without a major deviation in claims;
- robust growth in net banking income from Property and Casualty Insurance (+€34 million, +18.3%) through organic portfolio growth and well-managed recurring claims.

Operating expenses increased by +12.1% to €301 million, including €10 million allocated to the Assurément#2016 project under which the life insurance and provident insurance offering will be rolled out in the Caisse d'Epargne network starting in 2016.

Associates (ABP IARD and ADIR) maintained solid profitability, with a share of income up +14.1% to €8.9 million.

Private banking

Private Banking maintained solid sales momentum in 2014 in its individual, business owner and senior executive customer segments, with net inflows of €1,394 million, demonstrating strong momentum in B2B private banking in the networks as well as international and direct wealth management.

Assets under management gained +10% over the year to €24.7 billion thanks to robust inflows and, to a lesser extent, a positive market effect of €859 million.

In 2014, Private Banking net banking income rose +3.2% (+€3.9 million) to €128 million compared to 2013, on the back of a +10% rise in fees on AuM and a dynamic trend in structured products. On the downside, incentive fees fell by €3.3 million on 2013, which boasted a very high comparison base.

Expenses rose +4.8% on 2013 to €128 million, due in large part to IT expenses related to the go-live phase of the Mercury project (overhaul of front office applications).

SPECIALIZED FINANCIAL SERVICES (SFS)

The Specialized Financial Services division stepped up its relations with the BPCE networks, in both the Specialized Financing and Financial Services business lines.

Specialized Financing posted solid momentum overall in 2014.

Consumer Finance saw an annual increase of +10% in personal loan commitments and growth of +2% in revolving credit commitments. On October 25, 2014, its consumer loan management IT platform, developed with BNPP Personal Finance, went on line.

With factoring revenues of €31.9 billion, up +7% on 2013, the Factoring business boasted 14.1% market share.

Sureties and financial guarantees earned revenues of €280 million in a persistently active loan guarantee market.

Leasing continued to refocus on providing services to the Banque Populaire and Caisse d'Epargne network, recording a +6% increase in new business compared to 2013.

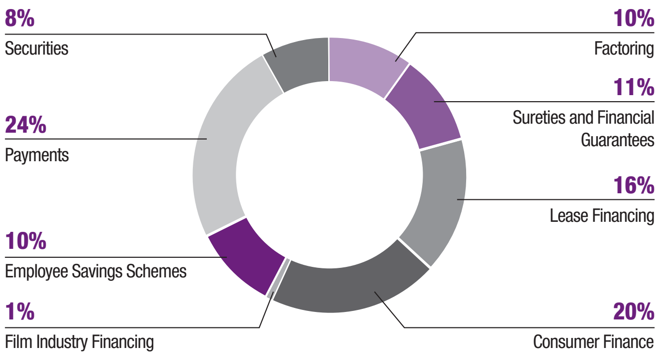
Financial Services delivered another robust performance in 2014.

Assets under management in Employee Savings Plans continued to climb, reaching €23.2 billion. Vouchers maintained strong development momentum, with a market share gain of 1.0 point to 15.5% in Chèque de Table meal vouchers.

The Payments business enjoyed robust momentum in 2014, particularly in electronic payment systems. The number of cards manufactured and clearing transactions rose by +10% and +4%, respectively. The Transactions and Checks business was more contrasted, with national check processing down -17% and mass transactions remaining stable.

Securities Services saw a -13% decline in the number of transactions in 2014. Assets under custody were stable at €178 billion. The business continued to expand its service offering to the networks.

BREAKDOWN OF NET BANKING INCOME OF SFS BUSINESS LINES IN 2014



Net banking income amounted to €1,262 million in 2014, up +1% in persistently challenging French economic conditions. This growth was driven by Specialized Financing business, for which net banking income rose +1%. Sureties and Financial Guarantees showed an +11% improvement in net banking income, with a drop in claims and an increase in financial income. Consumer Finance outstandings climbed +9% and revenues +4%. Financial Services were resilient, with virtually stable net banking income.

Expenses totaled €832 million at end-2014, which was stable compared to 2013.

Overall, gross operating income gained +2% to €430 million.

Cost of risk was well-managed and came down -4% to €76 million.

Income before tax increased +8% to €370 million.

4.3.6 Equity Interests

The Group's equity interests (including Nexity, Coface, Natixis Private Equity and Volksbank România) are recognized in the Equity Interests business line.

	Equity Interests		Change	
in millions of euros	**2014**	**2013 pf**	**€m**	**%**
Net banking income	1,698	1,720	(22)	(1.3%)
Operating expenses	(1,429)	(1,429)	-	0.0%
Gross operating income	**269**	**291**	**(22)**	**(7.6%)**
Cost/income ratio	84.2%	83.1%	-	1.1 pt
Cost of risk	(10)	(7)	(3)	42.9%
Operating income	**259**	**284**	**(25)**	**(8.8%)**
Share in income of associates	(73)	3	(76)	ns
Gains or losses on other assets	(9)	(30)	21	(70.0%)
Income before tax	**177**	**257**	**(80)**	**(31.1%)**

Income before tax for fiscal year 2014 amounted to €177 million, down -€80 million mainly in Volksbank România due to the impact of a €79.4 million impairment in 2014 for the last recapitalization of this equity interest.

NEXITY(1)

Nexity's backlog totaled €3,283 million at the end of 2014, representing a slight decrease of -2.2% compared to end-2013, comprising nearly 19 months of the company's real estate development activity. The housing backlog amounted to €2,591 billion at end-2014, which was stable compared to end-2013.

Nexity posted revenues of €2,632 million in 2014, down -3.8%:

- Residential Real Estate: revenues were stable on 2013 at €1,833 million. Thanks to a larger number of transactions in H2 2014 *versus* H2 2013 and the progress made compared to H1 2014, Nexity was able to generate the same level of revenues as it did in 2013. In the second half, PERL contributed €23 million to Nexity's 2014 revenue. Poor international sales in Italy caused revenues to decline;
- Commercial Real Estate: revenues fell -41.0% on 2013, which benefited from large contributions from a number of projects delivered in 2013. The contributions of certain transactions carried out in 2013, which entered finishing work phase, started to play on increasing role;

(1) The indicators and financial data presented in this section were taken from the operational report in which joint ventures were proportionately consolidated.

- Services And Networks: revenues climbed by +8.7%. In real estate services to individual customers, the additional revenues from the consolidation of Oralia as of second-half 2014 came to €49 million. Excluding Oralia, business was down -3%, mainly due to the low level of transactions carried out by Keops and Studéa's drop in revenues. The Century 21 and Guy Hoquet l'Immobilier networks posted a slight increase of +1% in revenues to €30 million.

in millions of euros	2014	2013	Change 2014/2013
Residential real estate	1,833	1,832	(0.0%)
Commercial real estate	268	453	(41.0%)
Services and Networks	484	446	8.7%
Other activities	47	6	x 7.6
REVENUES	**2,632**	**2,737**	**(3.8%)**

Note: Revenues from residential and commercial real estate (for off-plan and property development contracts) are recognized according to the progress method, i.e. they are determined based on notarized sales and pro-rated for the progress in construction costs incurred.

Recurring operating income came out at €184 million (vs. €192 million in 2013), with a stable margin of 7.0% compared to 2013. An analysis of the change in business line margins shows a decline in the margins posted by the Residential Real Estate division (7.8% *versus* 9.1% in 2013) and an improvement in the Commercial Real Estate division's margin (17.0% *versus* 8.4%) and Services and Networks division (5.5% *versus* 5.0%).

Nexity's contribution to the net income of the Equity Interests division amounted to €12 million in 2014.

COFACE

Coface's IPO was a rousing success, demonstrating the confidence investors have in a company now refocused on its historic business. The Group now has a 41.2% stake in Coface, which is still fully consolidated in the consolidated financial statements.

2014 revenues were stable at €1.4 billion. At constant exchange rates and scope of consolidation, revenues were up +1.6% on 2013 in a persistently challenging global environment. Insurance, which accounts for 95% of revenues, was virtually stable (-0.1%) and Factoring climbed +2%.

Gross credit insurance outstandings increased +13% year-on-year to €484.8 billion.

Thanks to stringent risk management during the year, the loss ratio net of reinsurance improved significantly from 53.8% in 2013 to 50.4% in 2014.

Net banking income amounted to €687 million in 2014, down -2.7% on 2013 but up +4.5% at constant scope and exchange rates (withdrawal from institutional operations in Brazil and interest expense on hybrid debt).

Gross operating income increased by +31% at constant exchange rates and scope of consolidation.

CORPORATE DATA SOLUTIONS (FORMERLY COFACE NON-CORE ACTIVITIES)

Net banking income fell -17% on 2013 to €83 million, due in large part to the problems encountered by Kompass in balancing its operating income with a 23% decline in revenues. Restated for disposals and non-recurring items, total net banking income generated by the business was down -2%.

NATIXIS PRIVATE EQUITY (NPE)

Natixis Private Equity predominantly holds shares of funds and is currently comparable to a fund of funds. Relative to December 31, 2013, Natixis' share of assets under management (or cash-at-risk) fell -33% in 2014 to €193 million and off-balance sheet commitments -35% to €58 million.

2014 net banking income was -€13 million *versus* -€19 million in 2013, due to a non-recurring impact of -€10.9 million linked to a haircut on seven funds, set to be sold in 2015.

RWA came down -25% year-on-year to €606 million at December 31, 2014.

NATIXIS ALGÉRIE

Business remained strong despite ongoing changes in local regulations. At constant exchange rates and on an annual average basis, short-term outstandings rose +27%, MLT outstandings +25% and customer deposits +36% relative to 2013.

Natixis Algérie posted a +6% increase in net revenues on 2013 to €69 million. Excluding the impact of the change in regulations governing bills for collection and at constant exchange rates, net revenues were up +13%.

OTHER EQUITY INTERESTS: VOLKSBANK ROMANIA

2014 net income from other equity interests was -€88.3 million *versus* -€30.1 million in 2013. Volksbank România is still struggling, leading to an impairment of €79.4 million in its equity-method value on Groupe BPCE's books in 2014 for the last recapitalization of this equity interest, *versus* an impairment of €29.4 million in 2013.

4.3.7 Corporate center

	Corporate center		Change	
in millions of euros	**2014**	**2013 pf**	**€m**	**%**
Net banking income	(348)	(386)	38	9,8%
Operating expenses	(357)	(519)	162	(31,2%)
Gross operating income	**(705)**	**(905)**	**200**	**22,1%**
Cost/income ratio	ns	ns	-	-
Cost of risk	(31)	(92)	61	(66,3%)
Share in income of associates	(66)	4	(70)	ns
Gains or losses on other assets	71	42	29	69,0%
Change in the value of goodwill	(52)	(15)	(37)	ns
Income before tax	**(783)**	**(966)**	**183**	**18,9%**

Corporate center generated income before tax of -€783 million in 2014 *versus* -€966 million in 2013, with the following main impacts in 2014:

- revaluation of debt at fair value through profit or loss in respect of the bank's own credit risk of -€270 million;
- permanent impairment of -€120 million on the Banca Carige shares;
- the contingency reserve of -€92 million on Volksbank România shares accounted for by the equity method;
- the loss of -€51 million recorded at December 31, 2014 in respect of goodwill impairments on Corporate Data Solutions;
- the capital gain of €99 million on the June 2014 sale of the stake in Lazard impacting net banking income;
- the capital gain of €75 million on the sale of operating property.

4.3.8 Analysis of the Groupe BPCE consolidated balance sheet

in billions of euros	12/31/2014	12/31/2013	Change 2014/2013 €bn	Change 2014/2013 %
Cash and amounts due from central banks	79.0	60.4	18.6	30.8%
Financial assets at fair value through profit or loss	229.3	206.1	23.2	11.3%
Hedging derivatives	16.4	6.6	9.8	ns
Available-for-sale financial assets	87.0	79.4	7.6	9.6%
Loans and receivables due from credit institutions	103.7	108.0	(4.3)	(4.0%)
Loans and receivables due from customers	611.0	578.4	32.5	5.6%
Revaluation difference on interest rate risk-hedged portfolios	9.6	5.1	4.6	ns
Held-to-maturity financial assets	11.2	11.6	(0.4)	ns
Current and deferred tax assets and other assets	64.6	55.9	8.7	15.5%
Fixed assets	7.8	7.8	0.0	ns
Goodwill	3.6	4.2	(0.6)	ns
ASSETS	**1,223.3**	**1,123.5**	**99.8**	**8.9%**
Amounts due from central banks	0.0	0.0	0.0	ns
Financial liabilities at fair value through profit or loss	198.6	179.8	18.8	10.4%
Hedging derivatives	21.6	6.2	15.4	ns
Amounts due to credit institutions	85.7	88.8	(3.1)	(3.5%)
Amounts due to customers	473.5	458.2	15.4	3.4%
Debt securities	250.2	214.7	35.5	16.5%
Revaluation difference on interest rate risk-hedged portfolios	1.6	1.2	0.4	ns
Current and deferred tax liabilities and other liabilities	51.0	49.2	1.7	3.5%
Insurance companies' technical reserves	57.1	51.6	5.5	10.7%
Provisions	5.6	5.3	0.4	ns
Subordinated debt	15.6	10.4	5.2	ns
Equity attributable to equity holders of the parent	55.3	51.3	4.0	7.7%
Non-controlling interests	7.4	6.8	0.6	ns
LIABILITIES	**1,223.3**	**1,123.5**	**99.8**	**8.9%**

At December 31, 2014, the consolidated balance sheet of Groupe BPCE totaled €1,223.3 billion, up +8.9% compared with December 31, 2013. The return on assets stood at 24 bp in 2014.

CHANGES IN SIGNIFICANT ASSET ITEMS

The main asset items are loans and receivables due from customers (49.9% of total assets at December 31, 2014) and credit institutions (8.5%), financial assets at fair value through profit or loss (18.7%), and available-for-sale financial assets (7.1%). Taken together, these items account for nearly 84.3% of the Group's assets.

Financial assets at fair value through profit or loss

These financial assets comprise securities held for trading, including derivatives, and certain assets and liabilities that the Group has chosen to recognize at fair value through profit or loss according to the option available under IAS 39.

The €23.2 billion increase in this line item over the period can be broken down as follows:

- a rise in hedging derivatives (+€11.3 billion) mainly from firm transactions (+€10.8 billion);
- an increase in the variable-income securities portfolio (+€7.2 billion);
- in increase in the fixed income securities portfolio (+€2.3 billion) mainly from treasury bills (+€2.9 billion);
- a rise in securities purchased under repurchase agreements (+€1.8 billion).

Available-for-sale financial assets

Available-for-sale financial assets comprise bonds, equities and treasury bills and equivalent securities that do not fall into any other asset category. This portfolio totaled €87.0 billion at December 31, 2014 *versus* €79.4 billion at December 31, 2013. This €7.6 billion increase was attributable to the gain in fixed income securities (+€7.8 billion).

Loans and receivables due from customers and credit institutions

This item comprises non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, adjusted for impairment where applicable. These assets increased by +4.1% over the period and amounted to €714.7 billion at December 31, 2014.

Net outstanding loans and receivables due from customers totaled €611.0 billion, an increase of €32.5 billion over the period (+5.6%), thanks in large part to robust activity in Group businesses and particularly in Commercial Banking and Insurance. Securities received under repurchase agreements gained +€14.1 billion, outstanding home loans +€8.7 billion, outstanding equipment loans +€5.7 billion and short-term credit facilities +€3.9 billion.

Non-performing loans accounted for 3.7% of total customer loans outstanding at December 31, 2014, *versus* 3.9% at December 31, 2013 while recognized impairment (including collective impairment) amounted to €12.3 billion.

Net outstanding loans and receivables due from credit institutions totaled €103.7 billion, down €4.3 billion year-on-year (-4.0%). This decline includes the decrease in term loans and accounts (-€8.8 billion) and to a lesser extent that of securities classified as loans and receivables due from credit institutions (-€0.5 billion), which was partially offset by the increase in repurchase agreements (+€3.8 billion) and overdrawn current accounts (+€1.0 billion). Outstanding non-performing loans and recognized impairments were relatively stable over the period.

CHANGES IN SIGNIFICANT CONSOLIDATED BALANCE SHEET LIABILITY AND EQUITY ITEMS

At December 31, 2014, nearly 86.9% of all balance sheet liabilities were comprised of the following:

- amounts due to customers (38.7%) and credit institutions (7.0%);
- debt securities (20.5%);
- financial liabilities at fair value through profit or loss (16.2%);
- equity attributable to equity holders of the parent (4.5%).

Financial liabilities at fair value through profit or loss

On the liabilities side, this portfolio consists of debt instruments carried at fair value at the reporting date with an offsetting entry in the income statement. At December 31, 2014, these liabilities amounted to €198.6 billion, up €18.8 billion (+10.4%) over the period, mainly on the back of the rise in securities sold under repurchase agreements (+€11.3 billion) and trading derivatives (+€8.3 billion), particularly forex derivatives (+€6.3 billion).

Amounts due to customers and credit institutions

This item totaled €559.2 billion at December 31, 2014, up €12.2 billion relative to December 31, 2013.

Amounts due to customers stood at €473.5 billion, up €15.4 billion over the year. This increase stemmed mainly from:

- an increase in current accounts with credit balances (+€12.5 billion);
- a decrease in demand accounts and term accounts (-€10.7 billion);
- stable investments in regulated savings accounts (+€0.2 billion), which hid the strong performance in home savings plans (+€5.9 billion) and passbook savings account outflows (-€4.6 billion);
- a rise in securities sold under repurchase agreements (+€13.8 billion).

Amounts due to credit institutions stood at €85.7 billion, down -€3.1 billion over the period (-3.5%), due to the decline in term deposits and loans (-€2.6 billion) and securities sold under repurchase agreements (-€3.8 billion), but offset by the upturn in current accounts (+€3.6 billion).

Debt securities

Debt securities amounted to €250.2 billion at December 31, 2014, up €35.5 billion over the period, attributable to the improvement across all segments, and particularly in bonds (+€13.4 billion) and interbank securities and negotiable debt securities (+€21.7 billion).

Equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent totaled €55.3 billion at December 31, 2014 compared to €51.3 billion at December 31, 2013. This increase was mainly due to:

- net income for the period: +€2.9 billion;
- the change in capital: +€1.7 billion in respect of issues net of redemptions of Banque Populaire and Caisse d'Epargne cooperative shares.

4.4 BPCE SA group financial data

4.4.1 BPCE SA group results

BPCE SA group's net income is calculated after restating the contribution of non-consolidated entities.

In 2014, the transition from Groupe BPCE's net income to BPCE SA group's net income can be broken down as follows:

in millions of euros	2014
GROUPE BPCE NET INCOME	**2,907**
Entities not consolidated or consolidated under a different method*	(2,186)
Other items	3
BPCE SA GROUP NET INCOME	**724**

* *Including the Banque Populaire banks, Caisses d'Epargne and their consolidated subsidiaries, Nexity.*

The Group posted net income of €724 million, up +24% on 2013 pro forma[(1)].

	Commercial Banking and Insurance*		Wholesale Banking, Investment Solutions and SFS		Equity Interests		Corporate center		BPCE SA group	
in millions of euros	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf
Net banking income	1,583	1,533	6,862	6,568	828	855	(494)	(473)	8,779	8,483
Operating expenses	(1,062)	(1,055)	(4,548)	(4,283)	(692)	(749)	(358)	(522)	(6,660)	(6,609)
Gross operating income	**521**	**478**	**2,314**	**2,285**	**136**	**106**	**(852)**	**(995)**	**2,119**	**1,874**
Cost/income ratio	67.1%	68.8%	66.3%	65.2%	83.6%	87.6%	ns	ns	75.9%	77.9%
Cost of risk	(191)	(355)	(257)	(372)	(10)	(7)	5	(59)	(453)	(793)
Share in income of associates	182	174	39	17	(78)	4	(88)	2	55	197
Gains or losses on other assets	1	14	2	1		(30)	72	40	75	25
Change in the value of goodwill							(51)	(8)	(51)	(8)
Income before tax	**513**	**311**	**2,098**	**1,931**	**48**	**73**	**(914)**	**(1,019)**	**1,745**	**1,296**
Income tax	(121)	(56)	(674)	(632)	(53)	(44)	235	319	(613)	(413)
Non-controlling interests	(20)	(16)	(436)	(380)	(41)	(16)	89	111	(408)	(301)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**372**	**239**	**988**	**919**	**(46)**	**13**	**(590)**	**(589)**	**724**	**582**

* *Excluding the Banque Populaire banks, Caisses d'Epargne and their consolidated subsidiaries.*

The Commercial Banking and Insurance division's performance improved by €133 million on 2013 pro forma on the back of strong showings by all the Insurance and Other Networks sub-divisions in 2014 and unusual conditions in 2013, especially in terms of cost of risk.

The Wholesale Banking, Investment Solutions and SFS division posted net income of €988 million, up +7.5% on 2013, driven mainly by dynamic business in Spain.

The decline in the Equity Interests division's earnings was primarily due to the impairment of -€79 million on Volksbank România shares and the smaller contribution of Natixis' equity interests.

The performance turned in by the Corporate center division was impacted by the revaluation of own senior debt at fair value through profit or loss in respect of own credit risk of -€135 million; the -€120 million permanent impairment on Banca Carige shares; the -€92 million provision on Volksbank România shares; the -€37 million goodwill impairment on the Corporate Data Solutions CGU at December 31, 2014 and the €71 million capital gain on the sale of the non-controlling interest in Lazard in June 2014.

(1) *Net income for 2013 is stated pro forma of the transfer of BPCE Assurances to Natixis Assurances and of the buyback (and subsequent cancellation) of the cooperative investment certificates by the Banque Populaire banks and Caisses d'Epargne.*

4.4.2 Analysis of the consolidated balance sheet of BPCE SA group

	12/31/2014	12/31/2013	Change 2014/2013	
			€bn	%
Cash and amounts due from central banks	74.1	51.7	22.4	43.3%
Financial assets at fair value through profit or loss	234.4	211.3	23.1	10.9%
Hedging derivatives	14.2	6.4	7.7	ns
Available-for-sale financial assets	49.4	44.2	5.2	11.8%
Loans and receivables due from credit institutions	126.1	134.1	(8.0)	(6.0%)
Loans and receivables due from customers	232.5	210.1	22.3	10.6%
Revaluation difference on interest rate risk-hedged portfolios	8.1	4.1	3.9	ns
Held-to-maturity financial assets	4.3	4.8	(0.5)	ns
Current and deferred tax assets and other assets	54.5	43.6	10.9	25.1%
Fixed assets	3.3	3.3	0.0	ns
Goodwill	3.0	2.8	0.1	ns
ASSETS	**803.8**	**716.5**	**87.4**	**12.2%**
Amounts due from central banks	0.0	0.0	0.0	(21.6%)
Financial liabilities at fair value through profit or loss	205.1	180.8	24.3	13.4%
Hedging derivatives	14.0	5.4	8.6	ns
Amounts due to credit institutions	119.9	123.8	(3.9)	(3.2%)
Amounts due to customers	79.6	79.8	(0.2)	ns
Debt securities	239.1	203.9	35.2	17.3%
Revaluation difference on interest rate risk-hedged portfolios	1.5	1.0	0.5	ns
Current and deferred tax liabilities and other liabilities	46.6	36.0	10.7	29.7%
Insurance companies' technical reserves	50.8	45.7	5.1	11.1%
Provisions	2.7	2.4	0.3	12.5%
Subordinated debt	15.9	10.7	5.2	ns
Equity attributable to equity holders of the parent	21.2	21.2	0.0	ns
Non-controlling interests	7.3	5.8	1.5	26.5%
LIABILITIES	**803.8**	**716.5**	**87.4**	**12.2%**

At December 31, 2014, the consolidated balance sheet of BPCE SA group totaled €803.8 billion, up +12.2% compared with December 31, 2013. The return on assets stood at 9 bp in 2014.

This improvement can largely be attributed to financial assets and liabilities at fair value through profit or loss (+€23.1 billion and +€24.3 billion, respectively) compared to December 31, 2013, loans and receivables due from customers (+€22.4 billion), central bank assets (+€22.4 billion) and debt securities (+€35.2 billion).

Equity attributable to equity holders of the parent totaled €21.2 billion at December 31, 2014, stable compared to December 31, 2013. The change over the period notably included net income for the year, *i.e.* +€0.7 billion.

4.5 Investments

4.5.1 In 2014

BPCE made no material investments (*i.e.* investments of more than €1 billion requiring the approval of the qualified majority of the Supervisory Board) during fiscal year 2014.

4.5.2 In 2013

BPCE made no material investments (*i.e.* investments of more than €1 billion requiring the approval of the qualified majority of the Supervisory Board) during fiscal year 2013.

4.5.3 In 2012

BPCE made no material investments (*i.e.* investments of more than €1 billion requiring the approval of the qualified majority of the Supervisory Board) during fiscal year 2012.

4.6 Post-balance sheet events

Planned acquisition of a 71.2% stake in DNCA

On February 19, 2015, Natixis announced it had entered into exclusive talks with TA Associates and the managers of DNCA concerning Natixis Global Asset Management's planned acquisition[1] of their interests in DNCA, which together make up 71.2%. The managers are to remain shareholders alongside NGAM and will be able to gradually exit the company's share capital as from 2016. This mechanism is designed to align shareholder interests over the medium term and allow NGAM to progressively build up its equity interest to 100%.

This purchase will expand NGAM Europe's expertise more toward retail customers, generating higher margins.

Planned acquisition of Leonardo & Co SAS

On February 19, 2015, Natixis announced it had entered into exclusive talks with Italian group Banca Leonardo concerning the planned acquisition[1] of Leonardo & Co SAS (Leonardo France). Leonardo France's current management team is planning to take part in the acquisition with Natixis. Leonardo France is a leader in mid-cap M&A and advisory services for investment funds in France. The company would become Natixis specialized M&A entity for investment funds and mid-cap customers.

Renewed partnership between Groupe BPCE and CNP Assurances

Following on from their press releases issued on November 4, 2014, Groupe BPCE and CNP Assurances announced the signing of the final agreements on the implementation of a renewed partnership as from January 1, 2016.

Information about Groupe BPCE's exposure to Heta Asset Resolution AG

On March 1, 2015, the Austrian financial market authority (FMA-Finanzmarktaufsicht) published an administrative ruling ordering the resolution of Heta Asset Resolution AG under the Federal Act on the Recovery and Resolution of Banks (Bundesgesetz über die Sanierung und Abwicklung von Banken) applicable since January 1, 2015. This bank, formerly named Hypo Alpe Adria Bank International AG, manages the workout portfolio assets of Hypo Alpe Adria. The ruling applies a temporary moratorium on a substantial portion of Heta Asset Resolution AG's liabilities (principal and interest) until May 31, 2016.

Groupe BPCE carries an exposure to Heta Asset Resolution AG on its consolidated balance sheet, for a total nominal amount of €260 million. This exposure, which is covered by the moratorium, benefits from a guarantee granted by the State of Carinthia.

The Group is currently considering how to follow up on the FMA's announcement.

(1) *This transaction is notably subject to the necessary regulatory authorizations and the approval of the anti-trust authority.*

4.7 Outlook for Groupe BPCE

FORECASTS FOR 2015: MODEST AND PERSISTENTLY DECLINING FRENCH GROWTH

Global growth in 2015 is likely to be on a par with 2014 due to the continued prevalence of instability and volatility factors: geopolitical tensions with Russia, deflationary risk in Europe, concerns over the smooth integration of the euro zone (victory of radical left party Syriza in Greece on January 25, etc.), disruption of exchange rates in Asia, possible monetary policy missteps outside the historic norm on both sides of the Atlantic, bond crash, hard landing in China, etc. This global growth is expected to be driven, however, by the drop of more than 50% in oil prices (in USD) since June 2014, the acceleration of the US economic recovery and the status quo or intensification of extremely accommodative monetary policies on both sides of the Atlantic and in Japan. There may be a dissociation between net oil importers and exporters, benefiting importing countries as in previous oil counter-shocks by restoring their purchasing power and creating a supply shock supporting their industries.

Disinflation in the euro zone should not result in the type of truly deflationary behavior that would be particularly dangerous for global economic activity. Despite the associated legal and political obstacles, on January 22 the ECB announced the implementation of a massive and exceptional asset buying program of €60 billion per month from March 2015 to September 2016. A number of other obstacles have also been cleared since autumn: the confirmed depreciation of the euro, a boon for export companies and a boost for imported inflation; the advent of a veritable oil counter-shock; increasingly low interest rates; and a much less restrictive approach to government fiscal consolidation. Euro zone growth is thus expected to gradually make its way back up to an admittedly modest 1.2%.

French growth should underperform the euro zone with growth of 0.9% in 2015, even though international conditions are much more supportive of accelerated economic activity. The decline in the construction sector, which is a recurring impediment to competitiveness, and the lack of a real recovery in either household or business investments are liable to continue weighing heavily on growth momentum. Though expected to show a slightly stronger improvement than in 2014, household consumption should continue to be adversely affected by the slowdown in nominal wages and the relative change in savings trends in light of long-term uncertainties (particularly regarding employment). French exports should be driven by several factors in 2015, despite past market share losses. These include the recovery – albeit a modest one – in developed economies, the uninterrupted slowdown in emerging countries, and the depreciation of the euro. All in all, growth should be nowhere near strong enough to prevent the unemployment rate from hitting 10.3% of mainland France's economically active population in 2015. Nor is it expected to further reduce the budget deficit to under 4.3% of GDP. Similarly, average annual inflation should be almost nil (0.1%), with a very limited increase over the year.

In the United States, the lack of inflation risk in the short term should give the Federal Reserve time to begin cautiously normalizing its monetary policy around mid-2015, while substantially mitigating the risk of a bond crash. Once the fear of deflation has dissipated, long rates should begin gradually picking up again, more significantly in the United States and United Kingdom than in Japan and the euro zone owing to the difference in the rate of economic activity and diverging monetary strategies. The 10-year OAT should reach an annual average of 1.2% *versus* less than 0.8% in early January and an average of 1.7% in 2014.

RECENT REGULATORY DEVELOPMENTS AND OUTLOOK

The European banking union project, launched in 2012 and aimed at strengthening the resilience of the financial system and sustainably restoring investor confidence, rests on three pillars: the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM) and the harmonization of national deposit guarantee systems.

The first step was completed on November 4, 2014 with the implementation of the SSM, which placed euro zone banks under the supervision of the European Central Bank (ECB). The ECB now directly supervises 120 major European banking groups, 10 of which are French (including Groupe BPCE) and make up over 90% of the French banking market.

Prior to the implementation of the SSM, the banks were subject to a comprehensive asset quality review conducted by the ECB (see 4.2.2 "Significant events of the fiscal year").

The aim of the second pillar of the European banking union is to establish a bank resolution and recovery system in each country. Directive 2014/59/EU of May 15, 2014 (BRRD) laid down a framework applicable in the 28 European Union countries for the resolution of banking crises, defining the necessary steps and powers to resolve European banks while preserving financial stability and minimizing taxpayer exposure to loss from solvency support.

This directive, effective January 1, 2015, calls for a bail-in system to take effect from January 1, 2016 whereby taxpayers will not be the first to finance a bank's resolution. Instead, this role will fall to shareholders and then if necessary creditors by transforming their debt into capital in order to rebuild the bank's capital resources. To ensure that a bank holds sufficient loss-absorbing capability, a minimum requirement for own funds and eligible liabilities (MREL) will be set by each resolution authority in conjunction with the supervisor and the EBA.

The BRRD also calls for each Member State to set up a national resolution fund, equivalent to 1% of guaranteed deposits, over the next ten years as from January 1, 2015. At the international level, the Financial Stability Board (FSB) has proposed to set a common standard on Total Loss Absorbing Capacity (TLAC) for global systemically important banks (G-SIBs). The amount of the TLAC could be double the amount of current capital requirements. The objective of the TLAC would be similar to that of the MREL in that it aims to ensure that each G-SIB has the capacity to continue its essential operations for the economy even after a loss has eaten up all of its regulatory capital. The FSB presented its proposals at the November 2014 G20 Summit in Brisbane and they are subject to the consultation process until February 2015. The final decision will be made in 2015 and banks will have until January 1, 2019 to meet the new requirement.

In the euro zone, these measures will be complemented by the regulation of July 15, 2014 establishing a Single Resolution Mechanism (SRM) and Single Resolution Fund (SRF). The SRF will be gradually built up over a period of eight years (2016-2023) to reach an equivalent amount of 1% of the guaranteed deposits of all banks subject to the SRF, *i.e.* approximately €55 billion. Each bank's contribution will be determined using a method taking into account its size and risk profile. For French banks, this contribution will generate a major expense in the coming years.

Finally, the EU directive on Deposit Schemes (directive 2014/49/EU of April 16, 2014) was overhauled in 2014 and notably calls for the gradual reduction of the repayment period to seven days by 2024. This directive must be transposed into national law by July 3, 2015 at the latest.

The European Union is also continuing to analyze and discuss the structural reform of the European banking sector. In January 2014, the European Commission published a draft regulation on banking structural reform taking the Liikanen report into consideration. Under the new proposed rules, large banks would be banned from proprietary trading in financial instruments and commodities, and the supervisory authorities would be able to require banks to separate their deposit activities from certain potentially risky trading activities. This proposal is currently being negotiated by the various stakeholders, as some countries (including France) have already established laws to this effect.

At the national level in France, the Decree of July 8, 2014 set the threshold for the value of trading in financial instruments beyond which an institution must ringfence its proprietary trading activities and reinforce supervision of its capital markets activities (threshold equivalent to 7.5% of balance sheet assets).

The tax on financial transactions in Europe, which may define a broader tax base than the one currently in force in certain European countries (including France) is still being discussed by the 11 Member States authorized to establish enhanced cooperation.

In terms of accounting standards, IFRS 9 "Financial Instruments," published in July 2014 and set to replace IAS 39 from January 1, 2018, amended and complements the provisions on the classification and measurement of financial instruments. It includes a new impairment model based on expected loss (the current model is based on provisions for incurred losses) and includes the new provisions on general hedge accounting published in 2013. This standard introduces an accounting model based on a short-term horizon, which is very different from the commercial banking model, and will lead to fundamental changes for banks that will particularly affect the impairment of financial assets.

All of these new regulatory constraints, the resulting structural changes, and the more restrictive budget and fiscal policies will weigh heavily on profits generated by certain activities and may limit how well banks are able to finance the economy.

OUTLOOK FOR GROUPE BPCE

In the current environment, with the global economy gradually but fragilely recovering and regulations undergoing sweeping changes, Groupe BPCE will continue to resolutely focus on the initiatives launched under its 2014-2017 strategic plan, "Growing Differently." The objectives of this plan are to develop a new "physical" and "digital" customer relationship model, change the Group's refinancing models, step up its international development, and expand the global business lines and differentiation strategy, drawing on the Group's cooperative structure.

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5.1 IFRS Consolidated Financial Statements of Groupe BPCE as at December 31, 2014

5.1.1 Consolidated balance sheet

ASSETS

in millions of euros	*Notes*	12/31/2014	12/31/2013
Cash and amounts due from central banks	*5.1*	79,028	60,410
Financial assets at fair value through profit or loss	*5.2.1*	229,300	206,072
Hedging derivatives	*5.3*	16,396	6,643
Available-for-sale financial assets	*5.4*	86,984	79,374
Loans and receivables due from credit institutions	*5.6.1.*	103,744	108,038
Loans and receivables due from customers	*5.6.2.*	610,967	578,419
Revaluation difference on interest rate risk-hedged portfolio		9,622	5,060
Held-to-maturity financial assets	*5.7*	11,195	11,567
Current tax assets		629	873
Deferred tax assets	*5.9*	5,828	5,749
Accrued income and other assets	*5.10*	53,853	46,675
Non-current assets held for sale		209	
Investments in associates	*8.1*	4,091	2,629
Investment property	*5.11*	1,998	2,022
Property, plant and equipment	*5.12*	4,737	4,539
Intangible assets	*5.12*	1,112	1,282
Goodwill	*5.13*	3,605	4,168
TOTAL ASSETS		**1,223,298**	**1,123,520**

The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

LIABILITIES

in millions of euros	*Notes*	12/31/2014	12/31/2013
Amounts due to central banks		2	
Financial liabilities at fair value through profit or loss	*5.2.2*	198,598	179,832
Hedging derivatives	*5.3*	21,582	6,185
Amounts due to credit institutions	*5.14.1*	85,701	88,814
Amounts due to customers	*5.14.2*	473,540	458,189
Debt securities	*5.15*	250,165	214,654
Revaluation difference on interest rate risk-hedged portfolio		1,629	1,238
Current tax liabilities		302	234
Deferred tax liabilities	*5.9*	392	310
Accrued expenses and other liabilities	*5.16*	50,278	48,693
Liabilities associated with non-current assets held for sale		106	
Insurance companies' technical reserves	*5.17*	57,111	51,573
Provisions	*5.18*	5,608	5,251
Subordinated debt	*5.19*	15,606	10,375
Shareholders' equity		**62,678**	**58,172**
Equity attributable to equity holders of the parent		**55,290**	**51,339**
Share capital and additional paid-in capital		20,581	20,011
Retained earnings		30,937	28,419
Gains and losses recognized directly in equity		865	240
Net income for the period		2,907	2,669
Non-controlling interests	*5.21*	7,388	6,833
TOTAL LIABILITIES AND EQUITY		**1,223,298**	**1,123,520**

The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.1.2 Consolidated income statement

in millions of euros	*Notes*	**Fiscal year 2014**	**Fiscal year 2013**
Interest and similar income	*6.1*	29,643	27,960
Interest and similar expenses	*6.1*	(18,101)	(16,416)
Commission income	*6.2*	9,953	9,654
Commission expenses	*6.2*	(1,832)	(1,935)
Net gains or losses on financial instruments at fair value through profit or loss	*6.3*	1,565	1,735
Net gains or losses on available-for-sale financial assets	*6.4*	671	489
Income from other activities	*6.5*	10,173	10,200
Expenses from other activities	*6.5*	(8,815)	(8,861)
Net banking income		**23,257**	**22,826**
Operating expenses	*6.6*	(15,440)	(15,209)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		(890)	(926)
Gross operating income		**6,927**	**6,691**
Cost of risk	*6.7*	(1,776)	(2,042)
Operating income		**5,151**	**4,649**
Share in net income of associates	*8.2*	105	220
Gains or losses on other assets	*6.8*	75	36
Change in the value of goodwill		(52)	(16)
Income before tax		**5,279**	**4,889**
Income tax	*6.9*	(1,913)	(1,899)
Net income		**3,366**	**2,990**
Non-controlling interests	*5.21*	(459)	(321)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**2,907**	**2,669**

The information pertaining to the 2013 Fiscal year has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.1.3 Statement of net income and gains and losses recognized directly in equity

in millions of euros	Fiscal year 2014	Fiscal year 2013
Net income	**3,366**	**2,990**
Revaluation differences on defined-benefit pension schemes	(342)	161
Tax impact of revaluation differences on defined-benefit pension schemes	118	(48)
Items that cannot be reclassified in income	**(224)**	**113**
Foreign exchange rate adjustments	618	(311)
Change in the value of available-for-sale financial assets	826	793
Change in the value of hedging derivatives	(387)	498
Income taxes	(163)	(319)
Items that can be reclassified in income	**894**	**661**
Share of gains and losses recognized directly in the equity of associates	177	(6)
Gains and losses recognized directly in equity (after income tax)	**847**	**768**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**4,213**	**3,758**
Attributable to equity holders of the parent	3,534	3,397
Non-controlling interests	679	361

The information pertaining to the 2013 Fiscal year has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.1.4 Statement of changes in equity

in millions of euros	Share capital and additional paid-in capital: Share capital[(1)]	Share capital and additional paid-in capital: Additional paid-in capital[(1)]	Perpetual deeply subordinated notes	Retained earnings
SHAREHOLDERS' EQUITY AT JANUARY 1, 2013	**17,502**	**10,369**	**3,532**	**19,465**
Dividend payments				(481)
Capital increase	2,189			(278)
Buyback of the BP and CE CICs[(2)]	(3,501)	(6,548)		6,708
Buyback of deeply subordinated notes				
Interest on deeply subordinated notes				(224)
Impact of acquisitions and disposals on non-controlling interests (minority interests)				(62)
Gains and losses recognized directly in equity				
Income				
Other changes				(240)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2013	**16,190**	**3,821**	**3,532**	**24,888**
Allocation of net income for 2013				2,669
SHAREHOLDERS' EQUITY AT JANUARY 1, 2014	**16,190**	**3,821**	**3,532**	**27,557**
Dividend payments				(430)
Capital increase[(3)]	559			1,167
Buyback of deeply subordinated notes			(246)	(225)
Interest on deeply subordinated notes				(219)
Impact of acquisitions and disposals on non-controlling interests[(4)]				(191)
Gains and losses recognized directly in equity				
Income				
Other changes[(5)]		11		(9)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014	**16,749**	**3,832**	**3,286**	**27,650**

(1) *At December 31, 2014, "Share capital" and "Additional paid-in capital" comprised the capital of the Banque Populaire banks and the Caisses d'Epargne in respective amounts of €7.4 billion and €9.3 billion (€7.2 billion and €9 billion at December 31, 2013) and additional paid-in capital of €0.9 billion and €2.9 billion, respectively (€0.9 billion and €2.9 billion at December 31, 2013).*

(2) *On August 6, 2013, the Caisses d'Epargne and the Banque Populaire banks bought back the cooperative investment certificates (CICs) held by Natixis. This intra-group transaction resulted in the reclassification of €3.3 billion from equity attributable to equity holders of the parent to non-controlling interests.*

(3) *Since January 1, 2014, the Banque Populaire banks and the Caisses d'Epargne carried out capital increases of €0.6 billion (€2.2 billion during 2013), generating an increase in "Share capital"; treasury shares were eliminated from "Retained earnings" for a total of €62 million, i.e. -€388 million since January 1, 2014. The shareholders' equity of the local savings companies is also included in "Retained earnings" after the elimination of the Caisses d'Epargne cooperative shares held. The issuance of cooperative shares since January 1, 2014 resulted in an increase in retained earnings of €1.155 billion.*

(4) *The dilution – without loss of control – of sub-group Coface had an adverse impact of €99 million on equity attributable to equity holders of the parent, with €71 million recognized in retained earnings and €28 million in gains and losses recognized directly in equity, and a positive impact of €1,023 million on non-controlling interests, with €28 million recognized in gains and losses recognized directly in equity. The loss of control in the Nexity sub-group had a negative impact of €801 million in non-controlling interests.*

(5) *Other changes in "Equity attributable to non-controlling interests" include the impact of the deconsolidation of Crédit Coopératif associates for -€181 million.*

	Gains and losses recognized directly in equity							
			Change in fair value of financial instruments					
	Foreign exchange rate adjustments	Revaluation difference on employee benefits	Available-for-sale financial assets	Hedging derivatives	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total consolidated equity
	14	**(162)**	**362**	**(703)**		**50,379**	**3,766**	**54,145**
						(481)	(692)	(1173)
						1,911	10	1,921
						(3,341)	3,341	
							(189)	(189)
						(224)		(224)
						(62)	62	
	(234)	100	569	293		728	40	768
					2,669	2,669	321	2,990
						(240)	174	(66)
	(220)	**(62)**	**931**	**(410)**	**2,669**	**51,339**	**6,833**	**58,172**
					(2,669)			
	(220)	**(62)**	**931**	**(410)**		**51,339**	**6,833**	**58,172**
						(430)	(234)	(664)
						1,726	44	1,770
						(471)	(11)	(482)
						(219)		(219)
						(191)	303	112
	454	(207)	646	(266)		627	220	847
					2,907	2,907	459	3,366
						2	(226)	(224)
	234	**(269)**	**1,577**	**(676)**	**2,907**	**55,290**	**7,388**	**62,678**

5.1.5 Consolidated cash flow statement

in millions of euros	Fiscal year 2014	Fiscal year 2013
Income before tax	**5,279**	**4,889**
Net depreciation and amortization of property, plant and equipment, and intangible assets	968	1,021
Goodwill impairment	52	16
Net charge to provisions and provisions for impairment (including insurance companies' technical reserves)	2,929	2,970
Share in net income of associates	(8)	(129)
Net cash flows generated by investing activities	(855)	496
Other changes	(1,823)	2,518
Total non-monetary items included in net income before tax	***1,263***	***6,892***
Net increase or decrease arising from transactions with credit institutions	(1,924)	(9,713)
Net increase or decrease arising from transactions with customers	(17,600)	20,466
Net increase or decrease arising from transactions involving financial assets and liabilities	14,535	(13,022)
Net increase or decrease arising from transactions involving non-financial assets and liabilities	(4,848)	3,475
Income taxes paid	(1,797)	(2,514)
Net increase/(decrease) in assets and liabilities resulting from operating activities	***(11,634)***	***(1,308)***
Net cash flows generated by operating activities (A)	**(5,092)**	**10,473**
Net increase or decrease related to financial assets and Equity interests	12,865	(78)
Net increase or decrease related to investment property	36	(100)
Net increase or decrease related to property, plant and equipment, and intangible assets	(1,000)	(590)
Net cash flows generated by investing activities (B)	**11,901**	**(768)**
Net increase or decrease arising from transactions with shareholders[(1)]	189	559
Other increases or decreases generated by financing activities[(2)]	6,195	661
Net cash flows generated by financing activities (C)	**6,384**	**1,220**
Impact of changes in exchange rates (D)	**4,384**	**(1,371)**
TOTAL NET CASH FLOWS (A+B+C+D)	**17,577**	**9,554**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	60,411	53,792
Due to central banks (liabilities)		
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts[(3)]	6,383	7,165
Demand accounts and loans	176	167
Demand accounts in credit	(5,986)	(8,730)
Demand repurchase agreements	(3,480)	(4,444)
Opening cash and cash equivalents	**57,504**	**47,950**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	79,028	60,411
Due to central banks (liabilities)	(2)	
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts[(3)]	7,461	6,383
Demand accounts and loans	313	176
Demand accounts in credit	(9,586)	(5,986)
Demand repurchase agreements	(2,133)	(3,480)
Closing cash and cash equivalents	**75,081**	**57,504**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**17,577**	**9,554**

(1) *Cash flows from or to the shareholders mainly include:*
- *the redemption of deeply subordinated notes recorded in equity for -€482 million (-€189 million in 2013);*
- *net changes in equity of the Banque Populaire banks and Caisses d'Epargne amounting to +€1,720 million (+€1,921 million in 2013);*
- *dividend payouts, amounting to -€664 million (-€1,173 million in 2013);*
- *the impact of the redemption of deeply subordinated notes recorded in equity for -€430 million (-€361 million in 2013).*

(2) *Cash flows from financing activities mainly include:*
- *the partial disposal of Coface with no loss of control for +€957 million;*
- *the impact of issuances of subordinated shares and loans for +€6,981 million (+€1,852 million in 2013);*
- *the impact of issuances of subordinated shares and loans for -€1,778 million (-€1,212 million in 2013);*

(3) *Current accounts with overdrafts do not include Livret A, LDD and LEP savings accounts centralized with the Caisse des Dépôts et Consignations.*

The information pertaining to 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11. The impacts of both standards are presented in Note 2.3.

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Note 1 General background

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and its subsidiaries.

The two banking networks: the Banque Populaire banks and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose shareholders own the two local retail banking networks, the 18 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banque Populaire banks and the Mutual Guarantee Companies granting them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banque Populaire banks are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution licensed to operate as a bank, was created pursuant to law No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 18 Banque Populaire banks and the 17 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banque Populaire banks and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth functioning of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around three major segments:

- Natixis, a 71.51%-owned listed company that combines Wholesale Banking, Investment Solutions and Specialized Financial Services;
- Commercial Banking and Insurance (including Crédit Foncier, Banque Palatine and BPCE International et Outre-mer);
- subsidiaries and Equity interests.

In respect of the Group's Financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Article L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Banque Populaire and Caisse d'Epargne networks.

BPCE is tasked with taking all measures necessary to guarantee the capital adequacy of the Group and each of the networks, including implementing the appropriate internal financing mechanisms within the Group and establishing a Mutual Guarantee Fund common to both networks, for which it determines the operating rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions of associates to the fund's initial capital endowment and reconstitution.

BPCE manages the Banque Populaire network Fund and the Caisse d'Epargne Network Fund and has put in place the Mutual Guarantee Fund.

The **Banque Populaire network Fund** was formed by a deposit made by the Banks of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisses d'Epargne Network Fund** by the Caisses of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banque Populaire banks and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €180 million as of December 31, 2014, and the funds will be topped up each year by an amount equivalent to 5% of the contributions made by the Banque Populaire banks, the Caisses d'Epargne, and their subsidiaries to the Group's consolidated income.

The total amount of deposits made to BPCE in respect of the Banque Populaire network Fund, the Caisse d'Epargne network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the total risk-weighted assets of the Group.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

The Mutual Guarantee Companies (*sociétés de caution mutuelle*), whose sole corporate purpose is to guarantee loans issued by Banque Populaire banks, are covered by the liquidity and capital adequacy guarantee of the Banque Populaire banks with which they are jointly licensed in accordance with Article R. 515-1 of the French Monetary and Financial Code.

The liquidity and capital adequacy of the Caisses de Crédit Maritime Mutuel are guaranteed in respect of each individual Caisse, by the Banque Populaire bank which is both the core shareholder and provider of technical and operational support for the Caisse in question to the partner Banque Populaire bank.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne which is the shareholder of the local savings company in question.

BPCE's Management Board holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 SIGNIFICANT EVENTS

Comprehensive assessment of bank balance sheets: confirmation of Groupe BPCE's financial solidity

On October 26, 2014, the European Central Bank (ECB) published the results of its assessment of the euro zone's largest banks. The study included a detailed review of the banks' assets (asset quality review or AQR) as well as stress tests carried out jointly with the European Banking Agency (EBA). This extremely in-depth exercise was unprecedented in scope and a prelude to the ECB's single banking supervision in the euro zone.

The asset quality review and stress test carried out by the ECB and the EBA confirm the financial solidity of Groupe BPCE.

Moreover, the Group did not make any changes to its accounting principles in response to its AQR. However, a review has been conducted for the purpose of refining methods or scopes, primarily for the Valuation adjustments (CVA/DVA) and the valuation of certain fair-value Level 3 Assets, ultimately with no material impact on the accounts for fiscal year 2014.

Creation of a single insurance division at Natixis to serve Groupe BPCE customers: transfer of BPCE Assurances to Natixis

Groupe BPCE's strategic plan "Growing Differently" aspires to make insurance a major focus of its development in France. The Group's insurance activities, both non-life and personal insurance, will therefore be grouped within Natixis.

On March 13, 2014, BPCE and Muracef transferred their interest (60%) in BPCE Assurances to Natixis Assurances, with retroactive effect from January 1, 2014.

The existing capital and cooperation agreements with MAIF and MACIF were maintained.

As the transaction was internal to the Group, it had no impact on total shareholders' equity and resulted in the reclassification of €44 million from "Equity attributable to equity holders of the parent" to "Non-controlling interests".

Disposal of non-strategic assets

Coface

On June 26, 2014, the Group successfully placed around 51% of Coface's capital. Following the exercise in full of the over-allocation option covering 15% of the initial offering, Natixis retains a 41.35% interest in Coface's capital.

In view of the aforementioned ownership interest resulting from these transactions, combined with Natixis' role in Coface's governance, the Group maintained control of and fully consolidated Coface in accordance with IFRS 10.

This transaction had a negative impact of €99 million on equity attributable to equity holders of the parent and a positive impact of €1,023 million on non-controlling interests.

This transaction had no material impact on the Group's consolidated income statement.

Foncia Group

In November 2014, Groupe BPCE sold all shares held in the Foncia Group (an 18% stake in Foncia Holding, a 1.9% stake in Foncia Group and all its bond holdings) to Bridgepoint and Eurazeo for €185 million.

This deal followed on from the transfer of the Group's majority control over Foncia Group to Bridgepoint and Eurazeo in July 2011.

It had no material impact on the Group's consolidated income statement.

Nexity

On December 9, 2014, Groupe BPCE sold 4% of the capital and voting rights of Nexity, held through CE Holding Promotion, at a price of €29.70 per share via a private placement. At that time, Groupe BPCE agreed to hold its remaining stake in Nexity for six months.

On December 23, 2014, Groupe BPCE agreed to sell 3% of Nexity's share capital to an investment vehicle controlled by Nexity executive managers. This disposal was carried out on January 15, 2015 at a price of €30 per share. The aforementioned six-month holding period was waived only for the shares involved in this disposal, after which Groupe BPCE's remaining stake in Nexity was 33.4%.

These transactions had no material impact on the Group's consolidated income statement.

As of December 31, 2014, the Group's stake in Nexity's capital is consolidated according to the equity method with an interest rate of 33.4% (after the forward sale made on December 23, 2014).

Volksbank România (VBRO)

On December 10, 2014, Groupe BPCE announced it had signed an agreement with Banca Transilvania on the sale of its 24.5% non-controlling interest in Volksbank România.

The closing of the deal is subject to approval by the National Bank of Romania and the anti-trust authorities, and should take place during the first half of 2015. At December 31, 2014, the equity value of VBRO in Groupe BPCE's consolidated accounts is zero.

Over 2014, impairment and provisions linked to this non-controlling interest had an impact of -€171 million on the Group's consolidated net income.

Merger of two Banque Populaire banks

After the Extraordinary Shareholders' Meetings of cooperative shareholders held in November 2014, the Banque Populaire d'Alsace and the Banque Populaire Lorraine Champagne merged to create the Banque Populaire Alsace Lorraine Champagne. It will have a network of 272 branches spread over nine *départements* and nearly 3,000 employees at the service of its 860,000 clients.

This merger of the companies within the consolidating entity, with retroactive effect from January 1, 2014, had no material impact on the consolidated accounts of Groupe BPCE.

1.4 POST-BALANCE SHEET EVENTS

On February 19, 2015, Natixis announced it had begun exclusive talks with TA Associates and the managers of DNCA regarding the acquisition by Natixis Global Asset Management of their respective interests in DNCA. The planned acquisition extends to 71.2% of DNCA's capital. The management would remain a shareholder alongside NGAM and, starting from 2016, would benefit from a gradual exit mechanism that ensure the parties' interests are aligned over the medium term and allows for the progressive acquisition of 100% of the capital.

The operation will afford NGAM Europe broader expertise with regard to retail clients, thereby generating higher margins.

Natixis also announced it had begun exclusive talks with the Italian Group Banca Leonardo regarding the acquisition of Leonardo & Co SAS ("Leonardo France"). The current management of Leonardo France would partner Natixis in the company's acquisition. Leonardo France is a top-tier mid-cap M&A and investment fund advisory firm in France. The company would become Natixis' dedicated entity in charge of M&A for investment funds and mid-cap clients.

These transactions are subject to regulatory authorizations and the anti-trust authority's approval.

Note 2 Applicable accounting standards and comparability

2.1 REGULATORY FRAMEWORK

In accordance with EC regulation No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the Group prepared its consolidated financial statements for the fiscal year ended December 31, 2014 under International Financial Reporting Standards (IFRS) as adopted for use by the European Union and applicable at that date, thereby excluding certain provisions of IAS 39 relating to hedge accounting[1].

2.2 STANDARDS

The standards and interpretations used and detailed in the annual financial statements as at December 31, 2014 were complemented by standards, amendments and interpretations whose application is mandatory for reporting periods starting from January 1, 2014, and, more specifically:

- new consolidation standards IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interest in Other Entities".

  On December 11, 2012, the European Commission adopted EU regulation No. 1254/2012 related to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interest in Other Entities" and on April 4, 2013 it adopted EU regulation No. 313/2013 concerning the phase-in measures applicable to these new standards. In terms of disclosures for non-consolidated structured entities, the amendments remove the obligation to present comparative data for periods preceding those where IFRS 12 was applied for the first time.

  IFRS 10 and IFRS 11 have been applied retrospectively. Due to the non-material nature of the impact of the first application of these standards, the financial information has not been restated.

  The impacts of the first application of IFRS 10 and IFRS 11 on the financial statements at December 31, 2013 are described in Note 2.3.

  As a result of these new standards, on December 11, 2012 the European Commission adopted the amendment to EC regulation No. 1126/2008 concerning IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures".

  IFRS 12 aims at requiring better disclosure about subsidiaries, joint arrangements, associates and structured entities. The application of IFRS 12 resulted, in the financial statements for the year ending December 31, 2014, in enhanced disclosure about Groupe BPCE interests in non-consolidated structured entities and other entities. The main enhancements are presented in Note 16.

  The European Commission also adopted on November 20, 2013 regulation No. 1174/2013 concerning amendments to international standards of financial IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interest in Other Entities" and revised IAS 27 "Separate Financial Statements";
- amendment to IAS 32 "Presentation – Offsetting Financial Assets and Financial Liabilities".

  On December 13, 2012, the European Commission adopted EU regulation No. 1256/2012, amending EC regulation No. 1126/2008 and notably adopting amendments to IAS 32. These amendments, applicable retrospectively from January 1, 2014, clarify the rules governing the disclosure conditions for offsetting financial assets and liabilities in the balance sheet.

  These clarifications in particular cover the concepts of the "legally enforceable right to offset" and "simultaneous settlement".

  Under these new rules, the Group would have offset €13.9 billion instead of €2.1 billion at December 31, 2013 according to the previous rules (see Note 14);

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(1) *These standards are available on the website of the European Commission at the following URL: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.*

- amendment to IAS 39 and IFRS 9 "Novation of derivatives and continuation of hedge accounting".

  On December 19, 2013 the European Commission adopted EU regulation No. 1375/2013, amending EC regulation No. 1126/2008 and notably adopting amendments to IAS 39. These amendments, applicable from January 1, 2014, exceptionally allow the continuation of hedge accounting in the event that a derivative designated as a hedging instrument is transferred by novation from a counterparty to a central counterparty due to legislative or regulatory provisions. This amendment did not have a material impact on the Group's financial statements.

The other standards, amendments and interpretations adopted by the European Union did not have a material impact on the Group's financial statements.

Groupe BPCE did not elect for early adoption of IFRIC 21 "Levies" in 2014. This interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for a debt related to public authority levies.

The entity must only recognize this debt at the date on which the activity that triggers its payment, in accordance with legislation, takes place. The liability is recognized progressively over the same period if the obligating event occurs over a period of time. Finally, if the obligation to pay is triggered by reaching a certain threshold, the liability is only recognized when that threshold is reached.

Groupe BPCE will adopt the interpretation of IFRIC 21 "Levies" in its consolidated financial statements from January 1, 2015. Applying this standard from January 1, 2014 would have had an estimated impact on equity, excluding deferred tax assets and liabilities, of €79 million in respect of the social security and solidarity contributions.

2.3 FIRST APPLICATION OF IFRS 10, IFRS 11 AND IFRS 12

This note summarizes the impacts of the first application of IFRS 10 and IFRS 11 on the consolidated balance sheet at December 31, 2013 and on the consolidated income statement for fiscal year 2013.

IFRS 10 replaces IAS 27, "Consolidated and Separate Financial Statements", for the section on consolidated financial statements and the SIC 12 interpretation "Consolidation - Special Purpose Entities". It defines a single audit model applicable to all entities, whether or not they are structured entities. The control of an entity will now be analyzed using three cumulative criteria: influence over relevant activities of the entity, exposure to the entity's variable returns and the ability to influence variable returns obtained by the entity.

As a result of the application of this new standard, the Group consolidated the Versailles and Bleachers multi-seller conduits as well as five invested funds representing unit-linked insurance policies held by Natixis. It also resulted in the deconsolidation of the lending institutions and finance companies that signed a partnership agreement with Crédit Coopératif under which Crédit Coopératif provides a liquidity and solvency guarantee as well as administrative and technical support: Société financière de la NEF, Socorec, Gedex distribution, Somudimec, Nord Financement, CMGM, Somupaca, Sofindi, Sofiscop, Sofigard, and Sofiscop Sud-Est. These institutions are not controlled within the meaning of international accounting standards. Finally, with regard to IAS 28, Banque Edel, which was previously fully consolidated, is now consolidated using the equity method.

IFRS 11 replaces IAS 31, "Interests in Joint Ventures", and SIC 13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". It bases the recording of partnerships on their substance, thereby making it necessary to analyze the rights and obligations of the joint agreement.

Under this standard, from January 1, 2014, EDF Investment Group (EIG) is consolidated within Natixis Group using the equity accounting method, as are certain joint residential and commercial real estate development operations and joint investments carried out by Nexity. Previously, these operations were proportionally consolidated.

The impacts on the balance sheet at January 1, 2014 and on the income statement for the 2013 Fiscal year are shown in the tables below.

The application of these new standards had no impact on gains and losses recorded directly in equity.

Assets

in millions of euros	12/31/2013 published	IFRS 10 impact	IFRS 11 impact	12/31/2013 restated
Cash and amounts due from central banks	60,410	(1)		60,409
Financial assets at fair value through profit or loss	206,072	417	(73)	206,416
Hedging derivatives	6,643	(2)	(2)	6,639
Available-for-sale financial assets	79,374	(61)	(117)	79,196
Loans and receivables due from credit institutions	108,038	198	(35)	108,201
Loans and receivables due from customers	578,419	1,077	(434)	579,062
Revaluation difference on interest rate risk-hedged portfolio	5,060			5,060
Held-to-maturity financial assets	11,567			11,567
Current tax assets	873			873
Deferred tax assets	5,749	(2)		5,747
Accrued income and other assets	46,675	(69)	(134)	46,472
Investments in associates	2,629		564	3,193
Investment property	2,022	32		2,054
Property, plant and equipment	4,539	(18)		4,521
Intangible assets	1,282	(3)		1,279
Goodwill	4,168			4,168
TOTAL ASSETS	**1,123,520**	**1,568**	**(231)**	**1,124,857**

Liabilities

in millions of euros	12/31/2013 published	IFRS 10 impact	IFRS 11 impact	12/31/2013 restated
Financial liabilities at fair value through profit or loss	179,832	314		180,146
Hedging derivatives	6,185		(1)	6,184
Amounts due to credit institutions	88,814	52	(83)	88,783
Amounts due to customers	458,189	(176)		458,013
Debt securities	214,654	1,654		216,308
Revaluation difference on interest rate risk-hedged portfolio	1,238			1,238
Current tax liabilities	234		(1)	233
Deferred tax liabilities	310		(11)	299
Accrued expenses and other liabilities	48,693	(54)	(134)	48,505
Insurance companies' technical reserves	51,573		(1)	51,572
Provisions	5,251	(12)		5,239
Subordinated debt	10,375	(39)		10,336
Shareholders' equity	**58,172**	**(171)**		**58,001**
Equity attributable to equity holders of the parent	**51,339**	**9**		**51,348**
Share capital and additional paid-in capital	20,011			20,011
Retained earnings	28,419	9		28,428
Gains and losses recognized directly in equity	240			240
Net income for the period	2,669			2,669
Non-controlling interests	6,833	(180)		6,653
TOTAL LIABILITIES AND EQUITY	**1,123,520**	**1,568**	**(231)**	**1,124,857**

Income statement

in millions of euros	Fiscal year 2013 published	IFRS 10 impact	IFRS 11 impact	Fiscal year 2013 restated
Net banking income	**22,826**	**(56)**	**(40)**	**22,730**
Operating expenses	(15,209)	31	4	(15,174)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	(926)	3		(923)
Gross operating income	**6,691**	**(22)**	**(36)**	**6,633**
Cost of risk	(2,042)	12		(2,030)
Operating income	**4,649**	**(10)**	**(36)**	**4,603**
Share in net income of associates	220	2	33	255
Gains or losses on other assets	36			36
Change in the value of goodwill	(16)			(16)
Income before tax	**4,889**	**(8)**	**(3)**	**4,878**
Income tax	(1,899)	4	3	(1,892)
Net income	**2,990**	**(4)**	**0**	**2,986**
Non-controlling interests	(321)	4	0	(317)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,669**	**0**	**0**	**2,669**

The Group has also reviewed the information presented in the notes to the consolidated financial statements and has made certain amendments to meet disclosure obligations provided for in IFRS 12.

Note 3.3 relating to consolidation rules details the case, where applicable, of consolidated entities for which the balance sheet date is different to the consolidating entity.

Likewise, Note 17 on the scope of consolidation and Note 8.1 on investments in associates were amended and supplemented in accordance with IFRS 12.

New notes were added relating to non-controlling interests (Note 5.21) and interests in non-consolidated structured entities (Note 16).

2.4 USE OF ESTIMATES

Preparation of the financial statements requires Management to make estimates and assumptions in certain areas with regard to uncertain future events.

These estimates are based on the judgment of the individuals preparing these financial statements and the information available at the balance sheet date.

Actual future results may differ from these estimates.

Specifically with respect to the financial statements for the period ended December 31, 2014, the accounting estimates involving assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 4.1.6);
- the amount of impairment of financial assets, and more specifically permanent impairment losses on available-for-sale assets and impairment losses applicable to loans and receivables on an individual basis or calculated on the basis of portfolios (Note 4.1.7);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home savings products (Note 4.5) and provisions for insurance policies (Note 4.13);
- calculations related to the cost of pensions and future employee benefits (Note 4.10);
- deferred tax assets and liabilities (Note 4.12);
- goodwill impairment testing (Note 3.3.3).

2.5 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND BALANCE SHEET DATE

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation No. 2013-04 issued by the Autorité des Normes Comptables (ANC – French national accounting standards authority) on November 7, 2013.

The consolidated financial statements are based on the financial statements at December 31, 2014. The Group's consolidated financial statements for the period ended December 31, 2014 were approved by the Management Board on February 9, 2015. They will be presented to the Annual General Shareholders' Meeting on May 22, 2015.

Note 3 Consolidation principles and methods

3.1 CONSOLIDATING ENTITY

Due to the Group's structure as described in Note 1, Groupe BPCE's consolidating entity includes:

- the Banque Populaire banks, namely the 16 Banque Populaire regional banks, CASDEN Banque Populaire and Crédit Coopératif;
- the 17 Caisses d'Epargne;
- the Caisses du Crédit Maritime Mutuel, affiliated with BPCE pursuant to Financial Security law No. 2003-706 of August 1, 2003;
- the Sociétés de Caution Mutuelle (SCM or Mutual guarantee companies) collectively affiliated with the Banque Populaire banks to which they are linked;
- the Group's central institution, BPCE.

In addition, the Group comprises:

- the subsidiaries of the Banque Populaire banks;
- the subsidiaries of the Caisses d'Epargne, including CE Holding Promotion and its subsidiaries (mainly Nexity and Habitat en Région);
- the subsidiaries owned by the central institution, including Natixis, Crédit Foncier, Banque Palatine and BPCE International et Outre-mer.

3.2 SCOPE OF CONSOLIDATION – CONSOLIDATION AND VALUATION METHODS

The Group's financial statements include the financial statements of all the entities over which it exercises control or significant influence, whose consolidation had a material impact on the aforementioned financial statements.

The scope of entities consolidated by Groupe BPCE is described in Note 17.

3.2.1 Entities controlled by the Group

The subsidiaries controlled by Groupe BPCE are fully consolidated.

Definition of control

Control exists when the Group has the power to govern an entity's relevant activities, that it is exposed to or is entitled to variable returns due to its links with the entity and has the ability to exercise its power over the entity to influence the amount of returns it obtains.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control exercised. These potential voting rights may result, for example, from share call options traded on the market, debt or equity instruments that are convertible into ordinary shares, or equity warrants attached to other financial instruments. However, potential voting rights are not taken into account to calculate the percentage of ownership.

Before the introduction of new consolidation standards, the Group had exclusive control when it was in a position to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Exclusive control was presumed to exist when the Group held directly or indirectly either the majority of the subsidiary's voting rights, or at least half of an entity's voting rights and a majority within the management bodies, or was in a position to exercise significant influence.

Specific case of structured entities

Entities described as structured entities are those organized in such a way that voting rights are not a key criterion when determining who has control. This is the case in particular when voting rights only apply to administrative duties and relevant activities are managed through contractual agreements.

A structured entity frequently exhibits some or all of the following characteristics:

(a) well-defined activities;

(b) a specific and well-defined aim, for example: implementing a tax-efficient lease, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity's assets;

(c) insufficient equity for the structured entity to finance its activities without subordinated financial support;

(d) financing through the issue, to investors, of multiple instruments inter-related by contract and which create concentrations of credit risk or other credit ("tranches").

The Group therefore uses, among others, collective investment vehicles within the meaning of the French Monetary and Financial Code and equivalent bodies governed by foreign law as structured entities.

Full consolidation method

The full consolidation of a subsidiary in the Group's consolidated financial statements begins at the date on which the Group takes control and ends on the day on which the Group loses control of this entity.

The portion of interest which is not directly or indirectly attributable to the Group corresponds to a non-controlling interest.

Income and all components of other items of comprehensive income are divided between the Group and non-controlling interests. The comprehensive income of subsidiaries is divided between the Group and non-controlling interests, including when this division results in the allocation of a loss to non-controlling interests.

Changes to the percentage of interests in subsidiaries that do not lead to a change in control are recognized as transactions affecting equity.

The effects of these transactions are recognized in equity at their after-tax amount and therefore do not impact consolidated income attributable to equity holders of the parent.

Exclusion from the scope of consolidation

Non-material controlled entities are excluded from the scope in accordance with the principle set out in Note 16.

Employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation insofar as IFRS 10 does not apply to either post-employment benefit funds or other long-term employee benefit plans to which IAS 19, "Employee Benefits", applies.

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognized in accordance with the provisions of IFRS 5 "Non-current assets held in view of sale and discontinued activities".

3.2.2 Investments in Associates and Joint Ventures

Definitions

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control or joint control over those policies. It is presumed to exist if the Group holds, directly or indirectly, 20% or more of the voting rights of an entity.

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights over its net assets.

Joint control is the contractually agreed sharing of control over a company which exists only when the strategic decisions require the unanimous consent of the parties sharing control.

Equity method

Income, assets and liabilities of investments in associates and joint ventures are accounted for in the Group's consolidated financial statements using the equity method.

An investment in an associate or a joint venture is initially recognized at its acquisition cost and subsequently adjusted for the Group share in the income and other comprehensive income of the associate or joint venture.

The equity method is applied from the date on which the entity becomes an associate or a joint venture. On the acquisition of an associate or a joint venture, the difference between the cost of investment and the Group's share in the net fair value of the entity's identifiable assets and liabilities are recognized in goodwill. When the net fair value of the entity's identifiable assets and liabilities is higher than the cost of investment, the difference is recognized in income.

The share of net income of entities accounted for under the equity method is included in the Group's consolidated income.

When a Group entity carries out a transaction with a Group joint venture or associate, the profit and loss resulting from this transaction is recognized in interests held by third parties in the associate or joint venture.

The provisions of IAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether impairment testing is required for its investment in an associate or joint venture. If necessary, the total carrying amount of the investment (including goodwill) is subject to impairment testing according to the provisions of IAS 36 "Impairment of Assets".

Exception to the equity method

When the investment is held by a venture capital organization, an investment fund, an investment company with variable share capital or a similar entity such as an insurance asset investment fund, the investor may choose not to recognize the investment in the associated company using the equity method. Revised IAS 28 authorizes, in this case, the investor to recognize the investment at its fair value (with changes in fair value recognized in income) in accordance with IAS 39.

These investments are therefore recognized as "Financial assets at fair value through profit or loss".

The Natixis Group's private equity subsidiaries have chosen to measure the relevant holdings in this way, considering that this valuation method provides more relevant information.

3.2.3 Investments in joint activities

Definition

A joint activity is a partnership where parties that have joint control over an entity have direct rights over the assets, and obligations for liabilities, of this entity.

Accounting treatment of joint activities

An investment in a joint enterprise is accounted for by integrating all interests held in the joint activity, *i.e.* the entitled share in each asset and liability and element of comprehensive income. These interests are allocated by nature to the various lines of the consolidated balance sheet, consolidated income statement and the statement of net income and gains and losses recognized directly in equity.

Before the introduction on the new consolidation standards, jointly-controlled companies were proportionally consolidated.

3.3 CONSOLIDATION RULES

The consolidated financial statements are prepared using uniform accounting policies for reporting similar transactions in comparable circumstances. Where material, consolidation adjustments are made to ensure the consistency of the measurement methods applied by consolidated entities.

3.3.1 Foreign currency translation

The consolidated financial statements are expressed in euro.

Balance sheet items of foreign subsidiaries and branches whose functional currency is not the euro are translated using the exchange rate in force at the balance sheet date. Income and expense items are translated at the average exchange rate for the period, which is the approximate value of the transaction price if there are no significant fluctuations.

Foreign exchange rate adjustments arise from a difference in:

- net income for the period translated at the average rate and at the closing rate;
- equity (excluding net income for the period) translated at the historic exchange rate and at the year-end rate.

The portion attributable to equity holders of the parent is recorded in equity under "Foreign exchange rate adjustments" and the portion attributable to minority shareholders under "Non-controlling interests".

3.3.2 Elimination of intra-group transactions

The impact of intercompany transactions on the consolidated balance sheet and consolidated income statement was eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

3.3.3 Business combinations

Transactions completed before January 1, 2010

All business combinations are accounted for by applying the purchase method, except business combinations involving two or more mutual insurers or entities under joint control, as these transactions are explicitly excluded from the scope of the previous version of IFRS 3.

The cost of a business combination is the aggregate amount of the fair values at the date of acquisition of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the entity, plus any costs directly attributable to the business combination. All identifiable assets, liabilities, and contingent liabilities of the acquiree are recognized at fair value at the acquisition date.

All identifiable assets, liabilities, and contingent liabilities of the acquiree are recognized at fair value at the acquisition date. The initial measurement of a business combination may be adjusted within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the business combination and the acquirer's share in the assets, liabilities and any liabilities at fair value. Goodwill is recognized in the acquirer's balance sheet and negative goodwill is recognized immediately in income.

In the event that the Group changes its interest in an entity it already controls, the transaction gives rise to the recognition of additional goodwill, which is determined by comparing the cost of the shares with the Group's share of the net assets acquired.

Goodwill is recognized in the functional currency of the acquiree and is translated at the closing exchange rate.

On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition. Cash-generating units have been defined within the Group's core businesses so as to represent the lowest level within an activity used by Management to monitor ROI.

Goodwill is tested for impairment at least once a year, or more frequently if events or changes in circumstances indicate that it may be impaired.

Impairment tests consist in comparing the carrying amount of each CGU or group of CGUs (including allocated goodwill) with its recoverable amount, *i.e.* the higher of the fair value of the unit and its value in use.

The fair value less costs to sell is defined as the fair value of the amount, less costs, for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, on the basis of available market information and taking account of any specific circumstances. This estimate is based on available market information and takes account of any specific circumstances. The value in use of each CGU is calculated using the most appropriate method, although generally with reference to the present value of estimated future cash flows.

A permanent impairment loss is recognized in income if the carrying amount of the CGU exceeds its recoverable amount.

Transactions completed after January 1, 2010

The treatments described are amended as follows by revised IFRS 3 and IAS 27:

- combinations between mutual insurers are now included within the scope of IFRS 3;
- costs directly linked to business combinations are now recognized in net income for the period;
- contingent considerations payable are now included in the acquisition cost at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognized against:
  - capital and later price revisions will not be booked, or
  - debts and later adjustments are recognized against income (financial debts) or according to the appropriate standards (other debts outside the scope of IAS 39);
- on an entity's acquisition date, non-controlling interests may be valued:
  - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests), or
  - at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to December 31, 2009).

The choice between these two methods must be made for each business combination.

Whatever method chosen when the acquisition is made, increases in the percentage interest in an entity already controlled will be systematically recognized in capital:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, the goodwill is determined by referring to the fair value at the acquisition date;
- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

3.3.4 Commitments to buy out non-controlling interests (written puts)

The Group has entered into commitments with minority shareholders of certain fully consolidated companies to buy out their shares.

In accordance with IAS 32, when minority shareholders are granted written puts for their investment, their share of the net assets of subsidiaries should be treated as debt and not as equity.

The difference between this commitment and non-controlling interests, which are the counterpart of debt, is recognized differently according to whether the commitments to buy out non-controlling interests were concluded before January 1, 2010, which is when IFRS 3 and IAS 27 came into force (recognition in goodwill), or afterwards (recognition in equity).

3.3.5 Consolidated entities' balance sheet date

The entities included in the scope of consolidation close their accounts on December 31.

By way of exception, local savings companies (LSC) close their accounts on May 31. These entities are therefore consolidated based on an accounting position at December 31.

Note 4 Accounting principles and measurement methods

4.1 FINANCIAL ASSETS AND LIABILITIES

4.1.1 Loans and receivables

Amounts due from credit institutions and customers and certain investments not quoted in an active market are generally recorded in "Loans and receivables" (see Note 4.1.2).

Loans and receivables are initially recorded at fair value plus any costs directly related to their issuance, less any proceeds directly attributable to issuance. On subsequent balance sheet dates, they are measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows (payments or receipts) to the value of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any transaction income or costs directly related to the issue of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortized cost.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

A discount is applied to loans restructured following a loss event as defined by IAS 39, to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used is the original effective interest rate. This discount is expensed to "Cost of risk" in the income statement and offset against the corresponding outstanding on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. The restructured loan is reclassified as performing based on expert opinion when no uncertainty remains as to the borrower's capacity to honor the commitment.

The external costs consist primarily of commissions paid to third parties in connection with the arrangement of loans. They essentially comprise commissions paid to business partners.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). The loan commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate refixing date.

4.1.2 Securities

Securities recorded as assets are classified into four categories as defined by IAS 39:

- financial assets at fair value through profit or loss;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

Financial assets at fair value through profit or loss

This asset category includes:

- financial assets held for trading, *i.e.* securities acquired or issued principally for the purpose of selling them in the near term; and
- financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IAS 39.

The qualifying criteria used when applying this option are described in Note 4.1.4 "Financial assets and liabilities at fair value through profit or loss".

These assets are measured at fair value at the date of initial recognition and at each balance sheet date. Changes in fair value over the period, interest, dividends, gains or losses on disposals on these instruments are recognized in "Net gains or losses on financial instruments at fair value through profit or loss".

Held-to-maturity financial assets

Held-to-maturity (HTM) financial assets are securities with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity.

IAS 39 does not permit the sale or transfer of these securities before maturity except in certain specific circumstances. In the event that the securities are sold before maturity, all held-to-maturity assets must be reclassified at Group level and the held-to-maturity category cannot be used during the current year or the following two years. Exceptions to the rule apply in the following cases:

- a material deterioration in the issuer's credit quality;
- a change in tax regulations canceling or significantly reducing the tax exemption on interest earned on investments held-to-maturity;
- a major business combination or significant withdrawal of activity (sale of a sector, for example) requiring the sale or transfer of held-to-maturity investments in order to maintain the entity's existing situation in terms of interest rate risk or its credit risk policy;
- a change in legal or regulatory provisions significantly modifying either the definition of an eligible investment or the maximum amount of certain types of investment, requiring that the entity dispose of a held-to-maturity asset;
- a significant increase in capital requirements forcing the entity to restructure by selling held-to-maturity assets;
- a significant increase in the risk weighting of held-to-maturity assets in terms of prudential capital regulations.

In the exceptional cases described above, the income from the disposal is recorded under "Net gains or losses on available-for-sale financial assets".

Instruments contracted to hedge these securities against interest rate risk are not permitted. However, hedges against exchange rate risk or the inflation component of certain held-to-maturity financial assets are allowed.

Held-to-maturity financial assets are recognized at fair value at inception, plus any transaction costs directly attributable to their acquisition. They are subsequently measured at amortized cost using the effective interest method, including any premiums, discounts and acquisition fees, where material.

Loans and receivables

The "Loans and receivables" portfolio comprises non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. In addition, these assets must not be exposed to a risk of material losses unrelated to a deterioration in their credit quality.

Some securities not quoted in an active market may be classified in this portfolio. These are initially recognized at fair value, plus any transaction costs and less any transaction income. Securities classified in this category comply with the rules for recognition, measurement and impairment applicable to loans and receivables.

When a financial asset recorded under loans and receivables is sold before its maturity, the income from the disposal is recorded under "Net gains or losses on available-for-sale financial assets".

Available-for-sale financial assets

Available-for-sale financial assets are all securities not classified in the previous three categories.

Available-for-sale financial assets are initially recognized at fair value, plus any transaction costs.

On the balance sheet date, they are carried at their fair value and changes in fair value are recorded under "Gains and losses recognized directly in equity" (except for foreign currency money market assets, for which changes in the fair value of the foreign currency component affect net income). The principles used to determine fair value are described in Note 4.1.6.

If they are sold, these changes in fair value are taken to income.

Interest income accrued or received on fixed-income securities is recorded under "Interest or similar income". Interest income accrued or received on variable-income securities is recorded under "Net gains or losses on available-for-sale financial assets".

Date of recognition

Securities are recorded in the balance sheet on the settlement/delivery date.

Rules applicable to partial disposals

The first-in, first-out (FIFO) method is applied to any partial disposals of securities.

4.1.3 Debt and equity instruments

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavorable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration is treated as a dividend, and therefore impacts equity, along with the tax relating to this remuneration;
- it cannot be an underlying eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historic value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in "non-controlling interests". When their remuneration is of a cumulative nature, it is charged to "income attributable to equity holders of the parent" and increases the income of "non-controlling interests". However, when their remuneration is not of a cumulative nature, it is drawn from retained earnings "attributable to equity holders of the parent".

Financial liabilities at fair value through profit or loss

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IAS 39. The qualifying criteria used when applying this option are described in Note 4.1.4 "Financial assets and liabilities at fair value through profit or loss".

These liabilities are measured at fair value at the date of initial recognition and at each balance sheet date. Changes in fair value over the period, interest, gains or losses on these instruments are recognized in "Net gains or losses on financial instruments at fair value through profit or loss".

Debt securities

Issues of debt securities (which are not classified as financial liabilities at fair value through profit or loss or as equity) are initially recognized at fair value less any transaction costs. They are subsequently measured at amortized cost at each balance sheet date using the effective interest method.

These instruments are recognized on the balance sheet under "Amounts due to credit institutions", "Amounts due to customers" or "Debt securities".

Subordinated debt

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

The subordinated debt which the issuer is obliged to repay is classified as debt and initially recognized at fair value less transaction costs.

Cooperative shares

IFRIC 2 "Cooperative shares in cooperative entities and similar instruments" clarifies the provisions of IAS 32. In particular, the contractual right of the holder of a financial instrument (including cooperative shares in cooperative entities) to request redemption does not, in itself, automatically give rise to an obligation for the issuer. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a debt or equity.

Based on this interpretation, cooperative shares are classified as equity if the entity has an unconditional right to refuse redemption of the cooperative shares or if local laws, regulations or the entity's bylaws unconditionally prohibit or curtail the redemption of cooperative shares.

Based on the existing provisions of the Group's bylaws relating to minimum capital requirements, cooperative shares issued by the Group are classified as equity.

4.1.4 Financial assets and liabilities at fair value through profit or loss

The amendment to IAS 39 adopted by the European Union on November 15, 2005 allows entities to designate financial assets and liabilities on initial recognition at fair value through profit or loss. However, an entity's decision to designate a financial asset or liability at fair value through profit or loss may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

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In practice, this option may be applied only under the specific circumstances described below:

Elimination of or significant reduction in a measurement or recognition inconsistency (accounting mismatch)

Applying the option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed in accordance with a single strategy. This accounting treatment applies in particular to certain structured loans granted to local authorities.

Harmonization of accounting treatment and performance management and measurement

The option applies for a group of assets and/or liabilities managed and measured at fair value, provided that it is based on a formally documented risk management or investment strategy, and information about the Group is also reported internally on a fair value basis.

This circumstance mainly arises in connection with Natixis' capital market activities.

Hybrid financial instruments containing one or more embedded derivatives

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied when the embedded derivative(s) substantially modify the cash flows of the host contract and when the separate recognition of the embedded derivative(s) is not specifically prohibited by IAS 39 (*e.g.* an early redemption option at cost embedded in a debt instrument). The option allows the entire instrument to be measured at fair value, and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

4.1.5 Derivative financial instruments and hedge accounting

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and measured at fair value at inception. They are remeasured at their fair value at each balance sheet date regardless of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognized in income for the period, except for derivatives qualifying as cash flow hedges for accounting purposes or as net investment hedges in a foreign currency.

Derivative financial instruments are classified into the following two categories:

Trading derivatives

Trading derivatives are recognized on the balance sheet under "Financial assets at fair value through profit or loss" when their market value is positive, and under "Financial liabilities at fair value through profit or loss" when their market value is negative. Realized and unrealized gains and losses on derivatives held for trading are taken to income on the "Net gains or losses on financial instruments at fair value through profit or loss" line.

Hedging derivatives

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

FAIR VALUE HEDGES

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or a firm commitment, in particular the interest rate risk on fixed-rate assets and liabilities.

The gain or loss on the revaluation of hedging instruments is recognized in income in the same manner as the gain or loss on the hedged item attributable to the risk being hedged. The ineffective portion of the hedge, if any, is recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognized on the same line of the balance sheet as the hedged item.

The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account when calculating the effectiveness of a hedge.

If a hedging relationship ceases (investment decision, failure to fulfill effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortized over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognized in income for the period.

CASH FLOW HEDGES

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognized asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized on a separate line of "Gains and losses recognized directly in equity". The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold or the hedged item ceases to exist), the cumulative amounts recognized in equity are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

SPECIFIC CASES OF PORTFOLIO HEDGING (MACRO-HEDGING)

Documentation as cash flow hedges

Some Group institutions document their macro-hedges on cash flows (hedging of portfolios of loans or borrowings).

In this case, portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity incurs a risk of variability in future cash flows from floating-rate assets or liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts); assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

Under IAS 39, hedges of an overall net position of fixed rate assets and fixed rate liabilities with similar maturities do not qualify for hedge accounting. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified variable-rate instruments (portion of deposit outstandings or variable-rate loans); the effectiveness of the hedges is measured by creating a mortgage instrument for each maturity band whose changes in fair value from inception are compared to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealized gain or loss recognized in equity is transferred immediately to income.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealized cumulative gains and losses are recognized in equity on a straight line basis. If the derivative has not been canceled, it is reclassified as a trading derivative, and changes in its fair value are recognized in income.

Documentation as fair value hedges

Some of the Group's institutions document their macro-hedging of interest rate risk as fair value hedges by applying the so-called carve-out arrangements under IAS 39 as adopted by the European Union.

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce overall exposure to interest rate risk. In particular, this "carve-out" allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The Group mainly uses plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for in the same manner as derivatives used to hedge the fair value of specific transactions (micro-hedging).

In a macro-hedging relationship, gains and losses on the revaluation of the hedged item are recorded in "Revaluation differences on interest rate risk-hedged portfolio", under balance sheet assets for hedges of a portfolio of financial assets and under balance sheet liabilities for hedges of a portfolio of financial liabilities.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account.

Effectiveness is tested in two ways:

- asset-based testing: for plain vanilla swaps designated as hedging instruments at inception, the Group verifies prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date that no excess hedging exists;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortized on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognized. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. In particular, derivatives used for macro-hedging may be disqualified for hedge accounting purposes when the notional amount of the hedged items falls below the nominal amount of the hedging instruments, for example in the case of the prepayment of loans or the withdrawal of deposits.

HEDGING OF A NET INVESTMENT IN A FOREIGN OPERATION

The net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a net investment hedge in a foreign currency is to minimize the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealized gains and losses initially recognized in equity are taken to income when the net investment is sold in full or in part.

4.1.6 Determination of fair value

General principles

The fair value of an instrument (asset or liability) is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the valuation date.

Fair value is therefore determined using the exit price.

On first recognition, fair value is usually the transaction price and is thus the price paid to purchase the asset or the price received to assume the liability.

In subsequent measurements, the estimated fair value of assets and liabilities must be based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction.

This fair value is composed of a mid-range price and additional valuation adjustments determined according to the instruments concerned and the associated risks.

The mid-range market price is obtained using:

- the instrument's quoted price, if the instrument is quoted on an active market. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring transactions on the principal market or, failing that, on the most favorable market, on an arm's length basis;
- if there is no price quoted on an active market, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of unobservable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of complex instruments or unobservable data when no pricing or market data are available.

  Additional valuation adjustments include factors related to valuation uncertainties, such as market, credit and liquidity risks, in order to recognize the costs incurred by a divestment transaction on the primary market. Likewise, an adjustment (Funding Valuation Adjustment - FVA) for using assumptions to recognize costs related to the financing costs of future cash flows of uncollateralized or partially collateralized derivatives is also recognized (for transactions handled by Natixis).

The main additional valuation adjustments are presented hereunder:

BID/ASK ADJUSTMENT – LIQUIDITY RISK

This adjustment is the difference between the bid price and the ask price corresponding with the selling costs. It reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

MODEL UNCERTAINTY ADJUSTMENT

This adjustment takes into account imperfections in the valuation techniques used, and in particular risk factors not considered even though observable market inputs are available. This is the case when the risks inherent in the instruments differ from those incurred by the observable market data used to determine their valuation.

INPUT UNCERTAINTY ADJUSTMENT

Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may be too regularly unavailable to determine the selling price. Under these circumstances, an adjustment may be necessary to reflect the probability that market participants might adopt different values for the same inputs when evaluating the financial instrument's fair value.

CREDIT VALUATION ADJUSTMENT (CVA)

This adjustment applies to valuations that do not account for the counterparty's credit quality. It corresponds to the expected loss linked to the risk of default by a counterparty and aims to take into account the fact that the Group may not recover the full market value of the transactions.

The method for determining the CVA is primarily based on the use of market inputs in connection with the practices of market professionals. This method evolved over the year to be applied to all segments of counterparties subject to this calculation. In the absence of liquid market inputs, the method made use of proxies by type of counterparty, rating and geographic area.

DEBIT VALUATION ADJUSTMENT (DVA)

The DVA is symmetrical to the CVA and represents the expected loss, from the counterparty's perspective, on liability valuations of derivative financial instruments. It reflects the impact of the Group's credit quality on the valuation of these instruments. The DVA adjustment is assessed by observing the "credit" market input of the entity in question, or, failing that, of BPCE.

The impact of broadening the use of market inputs described above is mentioned in Note 6.3, "Gains or losses on financial assets and financial liabilities at fair value through profit or loss."

The following criteria are used to determine whether or not a market is active:

- the level of activity and trend of the market (including the level of activity on the primary market);
- the length of historical data of prices observed in similar market transactions;
- scarcity of prices recovered by a service provider;
- sharp bid-ask price spread;
- steep price volatility over time or between different market participants.

Natixis control system (Natixis is the main contributor to the Group's balance sheet items measured at fair value)

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function.

Fair values determined by reference to external quoted prices or market inputs are validated by an independent unit (the Market Data Monitoring department). Second-level controls are carried out by the Risk Management division.

On less liquid markets, other market information, primarily observable data, is used to validate the fair value of instruments.

The factors taken into account include the following:

- the origin of the external source (stock market pages, content contribution services, etc.);
- the consistency of the various sources;

- the frequency of data feeds;
- the representative nature of inputs with regard to recent market transactions.

For fair values determined using valuation models, the control system consists of the independent validation of model construction and of the inputs incorporating these models.

This is carried out under the responsibility of the Risk Management division.

It involves checking the consistency and relevance of the model in terms of the purpose it is intended to serve (establishment of prices, valuation, hedging, risk measurement and control) and the product to which it is applied, based on:

- the theoretical approach: the financial and mathematical foundations of the model;
- the application of the model: the pricing models used to generate risk and earnings data;
- the stability of the model under parametric stress;
- a review of the stability and convergence of digital methods used;
- independent reimplementation of the model in the algorithmic validation;
- comparative analysis of the calibration of the model's inputs;
- study of the model risk, by means of a comparative analysis of the model with other valuation models to ensure the model and payoff are appropriate;
- set-up of an adjustment for the risk model, to factor in any shortcomings in the model or its calibration;
- incorporation of the model in the IT systems.

The methods for determining fair value are monitored by a number of bodies including the Observability Committee, the Valuation Committee and the Impairment Committee, which comprise representatives of the Risk Management division, the Finance division, the Market Data Monitoring department and the Model Validation Committee.

Fair value hierarchy

For financial reporting purposes, IFRS 13 requires fair value measurements applied to financial instruments recognized on the balance sheet to be allocated to one of three levels:

LEVEL 1: VALUATION USING PRICES QUOTED ON A LIQUID MARKET

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

This mainly includes securities listed on a stock exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and shares of UCITS for which NAV is determined and reported on a daily basis.

LEVEL 2: VALUATION USING OBSERVABLE MARKET INPUTS

Level 2 fair value comprises instruments other than instruments mentioned in Level 1 fair value and instruments measured using a valuation technique incorporating inputs that are either directly observable (prices) or indirectly observable (price derivatives) through to maturity. This mainly includes:

Simple instruments

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and plain vanilla options are traded in active markets, *i.e.* liquid markets in which trades occur regularly.

These instruments are valued using generally accepted models (discounted cash flow method, Black & Scholes model, interpolation techniques), and on the basis of directly observable inputs.

For these instruments, the extent to which models are used and the observability of inputs has been documented.

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not listed on an active market, the fair value of which is based on observable market data. *E.g.* the use of market data put out by comparable companies, or the multiple method resulting from the techniques commonly used by market players;
- Portuguese and Greek government bonds classified as Level 2 fair value, given the spread of the bid/ask ranges for market prices;
- shares of UCITS whose NAV is not determined and published on a daily basis, but are subject to regular reporting or offer observable data from recent transactions;
- debt securities designated at fair value, mainly by Natixis, and to a lesser extent Crédit Foncier. The methodology used by Natixis to value the "issuer credit risk" component of issues designated at fair value is based on the discounting of future cash flows using directly observable inputs such as yield curves and revaluation differences. For each issue, this valuation represents the product of the notional amount outstanding and its sensitivity, taking into account the existence of calls and the difference between the revaluation spread (based on the BPCE cash reoffer curve at December 31, 2014 and December 31, 2013) and the average issue spread. Changes in the issuer spread are generally not material for issues with an initial maturity of less than one year.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are measured using a recognized model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data or active over-the-counter markets.

The main models for determining the fair value of these instruments are described below by type of product:

- Equity Products: complex products are valued using:
  - market data;
  - a payoff, *i.e.* the formula of positive or negative flows attached to the product at maturity;
  - a model of changes in the underlying asset.

  These products can have a single underlying, multiple underlyings or hybrids (fixed income/equity for example).

  The main models used for equity products are local volatility models, combined with Hull & White 1 factor (H&W1F), Tskew and Pskew.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The local volatility hybrid model, paired with the H&W1F, consists of pairing the local volatility model described above with a Hull & White 1 Factor type fixed-income model, described below (see fixed-income products).

The Tskew model is a valuation model for mono and multi-underlying options. Its principle is to calibrate the distributions at maturity of the underlying(s) on standard option prices.

The Pskew model is similar to the Tskew model. It is used in particular for simple ratchet equity products such as capped or floored ratchet products;

- fixed income products: fixed income products generally have specific characteristics which justify the choice of model. Underlying risk factors associated with the payoff are taken into account.

  The main models used to value and manage fixed-income products are Hull & White models (one-factor and two-factor models or one-factor Hull & White stochastic volatility model), the Hunt Kennedy model and the "smiled" BGM model.

  The Hull & White models are simple pricing models for plain vanilla fixed-income products and can be calibrated easily. Products valued with these models generally contain a Bermuda cancellation option (*i.e.* the option can be exercised at dates set at the start of the contract).

  The SBGM and Hunt Kennedy models are used to value fixed income products that are sensitive to volatility smile (*i.e.* implied change in volatility relative to exercise prices) and auto-correlation (or correlation between yields);

- foreign exchange products: foreign exchange products generally have specific characteristics which justify the choice of model.

  The main models used for value and manage foreign-exchange products are the local and stochastic volatility models, as well as the hybrid models, pairing modeling of the underlying foreign exchange with two Hull & White 1 factor models to ascertain the fixed-income factors.

Inputs relating to all such Level 2 instruments were demonstrated to be observable and documented. From a methodology perspective, observability is based on four inseparable criteria:

- inputs are derived from external sources (primarily a recognized contributor, for example);
- they are updated periodically;
- they are representative of recent transactions;
- their characteristics are identical to the characteristics of the transaction. If necessary, a proxy may be used, provided that the relevance of such an arrangement is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity (bid-ask), counterparty, internal credit (measurement of liability positions), modeling and input risks.

The margin generated when these instruments begin trading is immediately recognized in income.

LEVEL 3: VALUATION USING UNOBSERVABLE MARKET INPUTS

Level 3 comprises instruments measured using unrecognized models and/or models based on unobservable market data, where they are liable to materially impact the valuation. This mainly includes:

- unlisted shares whose fair value could not be determined using observable inputs;
- securities not listed on an active market that belong to the Private equity business line, assessed at their fair value according to models commonly used by market actors, in compliance with *International Private Equity Valuation* (IPEV) standards, but that are sensitive to changes in the market and for which any fixing of a fair value requires a degree of judgment. With regard to practices, Natixis has reviewed its position on the fair value of the securities held by the Private equity business line and reclassified these latter from Level 2 to Level 3 in the fair-value hierarchy for an impact of 1.1 billion in balance sheet value at December 31, 2013;
- securities that are structured or representative of private placement portfolios, held by the insurance business line;
- instruments with a deferred day-one margin;
- shares of UCITS for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) in respect of the low liquidity observed for such shares;
- instruments carried at fair value on the balance sheet and for which data are no longer available due to a freeze in trading in the wake of the financial crisis, which were not reclassified within "Loans and receivables" pursuant to the amendment to IAS 39 and IFRS 7 published on October 13, 2008 (see below).

When there is a significant drop in trading in a given market, a valuation model is used based on the only available relevant data.

In accordance with the Order of February 20, 2007, as amended by the Order of November 23, 2011, on lending institutions and investment companies and the European regulation of June 26, 2013 (CRR) on the Basel III requirements, for each of the models used, a description of crisis simulations applied and the ex post control mechanism (valuation of the accuracy and consistency of internal models and modeling procedures) appears in Chapter 3 of the registration document (Risk Management).

Under IAS 39, day-one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, *i.e.* only if the model and inputs used in the valuation are observable.

If the selected valuation model is not recognized by current market practices, or if one of the inputs significantly affecting the instrument's valuation is not observable, the trading profit on the trade date cannot be recognized immediately in the income statement, but is taken to income on a straight-line basis over the life of the transaction or until the date the inputs become observable. Any losses incurred at the trade date are immediately recognized in income.

As at December 31, 2014, instruments on which the recognition of day-one profit/loss has been deferred essentially included:

- multi-underlying structured equity and index products;
- synthetic loans;
- options on funds (multi-assets and mutual funds);
- structured fixed income products;
- securitization swaps.

These instruments are almost all located at Natixis.

The table below provides the main unobservable inputs and the value ranges for these instruments.

Class of instrument	Main types of products comprising Level 3 in the class of instrument	Valuation techniques used	Main unobservable data	Unobservable data ranges among relevant Level 3 products
Credit derivatives	CDOs, Index tranche	Technique for estimating defaults given correlation effects and recovery modeling	Correlation curve specific to the portfolio underlying the CDO	5% - 95%*
Credit derivatives	CDS on Private *Finance Initiative projects* (other than CDS on securitization assets)	Extrapolation from prices based on recovery assumptions	Recovery rate	60% - 100%
Interest rate derivatives	Securitization swaps	Discounted expected cash flows based on early redemption assumptions on the underlying portfolio	Early redemption rate	5% - 33%
Interest rate derivatives	Sticky CMS/Volatility Bonds	Interest rate options valuation models	Mean reversion inputs	1% - 5%
Fund-based derivatives	*Payoffs as Target Volatility strategy* and CPPI on *Mutual Funds*	The approach used is a hybrid model that combines the local volatility-type *multi-underlying* equity model with a one-factor Heath-Jarrow-Morton (HJM1F) interest rate model	Fund data	Index - Interest rate correlation: 19% - 38%
Collateralized derivatives	*Multi-underlying* payoffs	Valuation model based on equity volatility and long-term *shortfall* inputs	*Long-term* shortfall	
Hybrid interest rate/ currency derivatives	Long-term PRDC/ PRDKO/TARN structures	Hybrid currency/interest rate options valuation model	Correlation between currency and interest rates and long-term volatility	AUD/JPY and USD/ JPY correlation: 30% - 60% Long-term volatility: 13% - 17%
Equity derivatives	*Long* maturity multi-underlying payoffs	Volatility options valuation model incorporating correlation between assets	Correlation inputs	10% - 83%
Interest rate derivatives	*Callable Spread Option and Corridor Callable Spread Option*	Model representing several yield curve factors.	*Mean-reversion spread*	10% - 30%
Interest rate derivatives	*Spread Lock Swap* and Spread Lock Option	Bi-Lognormal model to measure the time value of Spread Lock options and replication for CMS and TEC Forwards	Spread Lock *curve*, TEC Forward volatility and TEC-CMS correlation	*Spread Lock*: -0.16%/ - 0.18% Volatility: 45% - 71% TEC-CMS correlation: 70% - 90%

* *All transactions including this type of data are fully back-to-back; this input justifying the Level 3 classification is entirely hedged.*

Policy concerning fair value hierarchy transfers

Fair value hierarchy transfers are examined and validated by special purpose committees. This policy takes into account various indicators concerning market activity and liquidity, as explained in the general principles.

A review is undertaken for any instrument that ceases to meet these criteria or once again complies with the criteria.

Information on the transfers between levels of the fair value hierarchy is provided in Note 5.5.3. The amounts given in this note were calculated at the date of the last valuation prior to the change in the level of the fair value hierarchy.

Instruments impacted by the financial crisis

The instruments impacted by the financial crisis and recorded at fair value in the balance sheet are essentially held by Natixis.

ABS CDOS WITH SUBPRIME EXPOSURE

At December 31, 2014, uncovered exposures are nil. As a reminder at December 31, 2013, the following method was used: a method based on a discounted cash flow approach using Intex modeling incorporating the assumptions differentiated according to the underlying asset classes.

CDS CONTRACTED WITH CREDIT ENHANCERS (MONOLINE INSURERS AND CDPCS)

The valuation model used to measure write-downs on CDS contracted with monoline insurers consists in applying a standard rate of recovery of 10% for unrealized capital losses on the underlying assets concerned (rate justified by the low capitalization of monoline insurers given their risk exposures), except for a counterparty whose rate of recovery was deemed nil at December 31, 2014, and a probability of default calibrated to the credit risk associated with the credit enhancer.

The current method for determining provisions for contracts with CDPCs (Credit Derivatives Product Companies) consists in applying a transparency-based approach to the underlying assets, based on an estimate of exposure at the time of default, with the PD and LGD based on the tranche's maturity. A stress factor of 1.2 was applied to the probabilities of default thus determined for the underlyings, based on a recovery rate of 27%. Counterparties are associated with a probability of default whenever the losses resulting from the calculation exceed the CDPC's net available assets.

In addition to these provisions, a general reserve also takes into account the volatility of the fair value of the contracts.

OTHER INSTRUMENTS NOT EXPOSED TO US RESIDENTIAL MARKET RISK MEASURED BY NATIXIS USING A VALUATION MODEL

The section below describes the underlying principles used to value assets resulting from securitization transactions for which no market prices could be identified and which were therefore measured using valuation models:

CLO

A scoring model was used defining the level of risk associated with certain structures based on a series of criteria.

Trust Preferred Securities (Trups) CDOs

The valuation model is based on projected future cash flows and default rates determined according to a statistical approach that deduces the default probability of banks according to their financial ratios. For other sectors, default rates are estimated considering the current ratings of assets. The inputs were refined in 2014 (increased convergence with market inputs) resulting in an impact of - 30 million at December 31, 2014.

Private Finance Initiative CDS (PFI CDS):

The valuation model used, for Private Finance Initiative (PFI) CDS, is based on an approach calibrated to the market prices of underlying PFI bonds and the use of a uniform collection rate.

Instruments not carried at fair value on the balance sheet

IFRS 13 requires disclosure in the notes to the financial statements of the fair value, and the associated fair value levels, of all financial instruments carried at amortized cost, including loans. The valuation methods used to determine the fair value disclosed in the notes to the financial statements are described below.

ASSETS AND LIABILITIES OF NATIXIS BUSINESS LINES, THE CASH MANAGEMENT POOL, BPCE, AND THE CAISSES D'EPARGNE PORTFOLIOS

Credit and loans classified as "Loans and receivables" and amounts payable under finance leases

The fair value of these instruments is determined by discounting future cash flows. The discount rate applied for a given loan is the rate at which the Group would grant a loan with similar characteristics to a similar counterparty at the reporting date. The interest rate and counterparty risk components are re-assessed.

If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is generally considered to be their carrying amount.

Borrowings and savings

At Natixis, the assessment of the fair value and securities debts is based on the method of discounting future cash flows using inputs on the reporting date such as the interest rate curve of the underlying securities and the spread at which Natixis lends or borrows.

The fair value of other debt owed to credit institutions and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the balance sheet date, plus the credit spread of Groupe BPCE.

Investment property recognized at cost

The fair value of investment property (excluding investment property held by insurance companies) is determined by reference to the capitalization of rents, a method widely used by real estate professionals. The capitalization rate applied to the property depends on a number of factors such as location, the quality and type of building, use, type of ownership, quality of lessees and characteristics of the lease, the interest rate and competition in the real estate market.

FINANCIAL INSTRUMENTS OF THE COMMERCIAL BANKING BUSINESS LINES

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not likely to be realized and, generally-speaking, are not actually realized.

These fair values are thus only calculated for information purposes in the notes to the financial statements. They are not indicators used in the interest of overseeing commercial banking activities, for which the management model is mainly based on collection of contractual cash flows.

Consequently, the following simplified assumptions were used:

The carrying amount of assets and liabilities is deemed to be their fair value in the following cases

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- variable-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of the loans to retail customers

The fair value of loans is determined based on internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. Except for special cases, only the interest rate component is remeasured, as the credit margin is established at the outset and not subsequently remeasured. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules.

Fair value of loans to large corporates, local authorities and credit institutions

The fair value of loans is determined based on internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. The interest rate component is remeasured, as is the credit risk component (where it is an observable piece of data used by the customer relationship managers). Failing that, the credit risk component is established at the outset and not subsequently remeasured, as with loans to retail customers. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules.

Fair value of debt

The fair value of fixed-rate debt owed to credit institutions and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the balance sheet date. The own credit spread is not generally taken into account.

Instruments reclassified to "Loans and receivables" having legal status as "securities"

The illiquidity of such instruments, which is necessary to their classification in "Loans and receivables", was assessed at the reclassification date.

Subsequent to reclassification, some instruments may become liquid again and be measured at Level 1 fair value.

In other cases, their fair value is measured using models identical to those described above for instruments measured at fair value on the balance sheet.

4.1.7 Impairment of financial assets

Impairment of securities

An impairment loss is recognized on an individual basis against securities, with the exception of securities classified as financial assets at fair value through profit or loss, when there is objective evidence of impairment resulting from one or more loss events having occurred since the initial recognition of the asset. A loss event is defined as one that has an impact on the estimated future cash flows of a financial asset which can be reliably estimated.

Different rules are used for the impairment of equity instruments and debt instruments.

For equity instruments, a lasting decline or a significant decrease in value are objective indicators of depreciation: a decline of over 50% or lasting for over 36 months in the value of a security by comparison with its historical cost is an objective indicator of permanent impairment, leading to the recognition of an impairment loss in income.

In addition, these impairment criteria are also supplemented by a line-by-line review of the assets that have recorded a decline of over 30% or for more than six months in their value by comparison with their historical cost or if events occur that are liable to represent a material or prolonged decline. An impairment charge is recorded in the income statement if the Group determines that the value of the asset will not be recovered in its entirety.

For unlisted equity instruments, a qualitative analysis of their situation is carried out.

Impairment losses recognized on equity instruments may not be reversed and nor may they be written back to income. Losses are recorded under "Net gains or losses on available-for-sale financial assets". A subsequent increase in value is taken to "Gains and losses recognized directly in equity" until disposal of the securities.

Impairment losses are recognized on debt instruments such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) when there is a known counterparty risk.

The Group uses the same impairment indicators for debt securities as those used for individually assessing the impairment risk on loans and receivables, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

In the event of an improvement in the issuer's financial position, impairment losses taken on debt instruments may be written back to the income statement. Impairment losses and write-backs are recorded in "Cost of risk".

Impairment of loans and receivables

IAS 39 defines the methods for calculating and recognizing impairment of loans.

A loan or receivable is deemed to be impaired if the following two conditions are met:

- there is objective evidence of impairment on an individual or portfolio basis: there are "triggering events" or "loss events" identifying counterparty risk occurring after the initial recognition of the loans in question. On an individual level, the criteria for deciding whether or not a credit risk has been incurred include the existence of payments past due by more than three months (six months for real estate and nine months for loans to local authorities) or, independently of the existence of a missed payment, the existence of an incurred credit risk or litigious proceedings;
- these events lead to incurred losses.

Impairment is determined as the difference between the amortized cost and the recoverable amount, *i.e.* the present value of estimated recoverable future cash flows taking into account the impact of any collateral. For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Probable losses arising from off-balance sheet commitments are taken into account through provisions recognized on the liability side of the balance sheet.

Two types of impairment are recognized under "Cost of risk":

- impairment on an individual basis;
- impairment on a portfolio basis.

IMPAIRMENT ON AN INDIVIDUAL BASIS

Specific impairment is calculated for each receivable on the basis of the maturity schedules determined based on historic recoveries for each category of receivable. Collateral is taken into account when determining the amount of impairment, and when collateral fully covers the risk of default, the receivable is no longer impaired.

IMPAIRMENT ON A PORTFOLIO BASIS

Impairment on a portfolio basis covers unimpaired outstandings on an individual basis. In accordance with standard IAS 39, these are grouped together in portfolios with similar credit risk characteristics that undergo a collective impairment test.

Banque Populaire and Caisse d'Epargne outstanding loans are included in a group of similar loans in terms of the sensitivity of risk based on the Group's internal rating system. The portfolios subject to the impairment test are those relating to counterparties with ratings that have been significantly downgraded since granting, and which therefore are considered sensitive. These loans undergo impairment, although credit risk cannot be individually allocated to the different counterparties making up these portfolios, as the loans in question collectively show objective evidence of impairment.

The amount of impairment is determined based on historical data on the probability of default at maturity and the expected losses, adjusted, if necessary, to take into account the prevailing circumstances at the balance sheet date.

This approach may also be supplemented by a segmental or geographical analysis generally based on an expert opinion, taking account of various economic factors intrinsic to the loans and receivables in question. Portfolio-based impairment is calculated based on expected losses at maturity across the identified population.

4.1.8 Reclassifications of financial assets

Several types of reclassification are authorized:

Reclassifications authorized prior to the amendments to IAS 39 and IFRS 7 adopted by the European Union on October 15, 2008

These notably include "Available-for-sale financial assets" reclassified as "Held-to-maturity financial assets".

Any fixed-income security with a set maturity date meeting the definition of "Held-to-maturity securities" may be reclassified if the Group changes its management strategy and decides to hold the security to maturity. The Group must also have the ability to hold this instrument to maturity.

Reclassifications authorized since the amendments to IAS 39 and IFRS 7 adopted by the European Union on October 15, 2008

These standards define the terms for reclassifying non-derivative financial assets at fair value (with the exception of those initially designated at fair value through profit or loss) to other categories:

- reclassification of "Financial assets held for trading" as "Available-for-sale financial assets" or "Held-to-maturity financial assets".

  Any non-derivative financial assets may be reclassified whenever the Group is able to demonstrate the existence of "rare circumstances" leading to this reclassification. It should be noted that the IASB has characterized the financial crisis of the second half of 2008 as a "rare circumstance".

  Only instruments with fixed or determinable payments may be reclassified as "Held-to-maturity financial assets". The institution must also have the intention and the ability to hold these instruments until maturity. Instruments included in this category may not be hedged against interest rate risk;
- reclassification of "Financial assets held for trading" or "Available-for-sale financial assets" as "Loans and receivables".

  Any non-derivative financial asset meeting the definition of "Loans and receivables" and, in particular, any fixed-income instruments not quoted in an active market may be reclassified if the Group changes its management strategy and decides to hold the instrument for a foreseeable future or to maturity. The Group must also have the ability to hold this instrument over the medium to long term.

Reclassifications are carried out at fair value at the reclassification date, with this value serving as the new amortized cost for instruments transferred to categories measured at amortized cost.

A new effective interest rate is then calculated at the reclassification date in order to bring this new amortized cost into line with the redemption value, which implies that the instrument has been reclassified with a discount.

For instruments previously recorded under available-for-sale financial assets, the amortization of the new discount over the residual life of the instrument will generally be offset by the amortization of the unrealized loss recorded under gains and losses recognized directly in equity at the reclassification date and taken to the income statement on an actuarial basis.

In the event of impairment subsequent to the reclassification date of an instrument previously recorded under available-for-sale financial assets, the unrealized loss recorded under gains and losses recognized directly in equity at the reclassification date and taken to the income statement on an actuarial basis is immediately written back to income.

4.1.9 Derecognition of financial assets and liabilities

A financial asset (or group of similar financial assets) is derecognized when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such case, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognized, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognized on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognized and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognizing a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognizes a financial liability (or a part of a financial liability) only when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognized in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognized under "Securities sold under repurchase agreements". This represents a financial liability recorded at amortized cost or at fair value if this liability has been classified as "Designated at fair value".

The assets received are not recognized in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognized under "Securities bought under repurchase agreements". On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortized cost when classified in "Loans and receivables", or at fair value when classified under the fair value option.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognized in the vendor's accounts. They continue to be recognized in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognized.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following a renegotiation or a remodeling due to financial difficulties) there is derecognition, as rights to initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to simple indexing, as two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of former debt and its replacement with a new debt. To assess the substantial nature of the change, IAS 39 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognized as profit or loss on debt extinguishment.

The Group may consider other changes to be substantial, such as a change of issuer (even within the same group) or a change in currency.

4.1.10 Offsetting financial assets and financial liabilities

Pursuant to IAS 32, the Group offsets a financial asset and a financial liability, and a net balance is shown on the balance sheet provided there is both a legally enforceable right to offset the amounts recorded and the intention to either settle the net amount or realize the assets and settle the liabilities simultaneously.

Derivative and delivered repo transactions handled with clearing houses, whose working principles meet the two criteria mentioned above, are netted in the balance sheet (see Note 14).

4.2 INVESTMENT PROPERTY

In accordance with IAS 40, investment property is property held to earn rent or for capital appreciation, or both.

The accounting treatment for investment property is identical to that used for property, plant and equipment (see Note 4.3) for all Group entities except for certain insurance entities, which recognize the property they hold as investments in connection with insurance policies at fair value, with any adjustment to fair value recorded in income. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions.

The fair value of the Group's investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognized in income on the "Net income or expenses on other activities" line.

4.3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

This item includes property owned and used in the business, equipment acquired under operating leases, property acquired under finance leases and assets temporarily unlet held under finance leases. Interests in non-trading real estate companies (SCIs) are accounted for as property, plant and equipment.

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Property, plant and equipment and intangible assets used in operations are initially recognized at cost plus any directly attributable acquisition costs. Software developed internally that fulfills the criteria for recognition as a non-current asset is recognized at its production cost, which includes external charges and the payroll costs of employees directly assigned to the project.

The component-based approach is applied to all buildings.

After initial recognition, property, plant and equipment and intangible assets are measured at cost less any accumulated depreciation, amortization or impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Property, plant and equipment and intangible assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognized separately and depreciated over a period that reflects the useful life of that component.

The depreciation and amortization periods used by the Group are as follows:

- buildings: 20 to 60 years;
- internal fixtures and fittings: 5 to 20 years;
- furniture and special equipment: 4 to 10 years;
- computer equipment: 3 to 5 years;
- software: not more than 5 years.

Other items of property, plant and equipment are depreciated over their estimated useful life, which generally ranges from five to ten years.

Property, plant and equipment and intangible assets are tested for impairment whenever there is any evidence that they may be impaired at the balance sheet date. If this is the case, the revised recoverable amount of the asset is compared to its carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognized in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

The accounting treatment adopted for property, plant and equipment and intangible assets used in operations and financed using lease financing agreements is stated in Note 4.9.

Equipment leased under operating leases (Group as lessor) is recognized as an asset on the balance sheet under property, plant and equipment.

4.4 ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Where a decision is made to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the "Non-current assets held for sale" line. Any liabilities associated with these assets are also shown separately on the balance sheet on the "Liabilities associated with non-current assets held for sale" line.

Once classified in this category, non-current assets are no longer depreciated/amortized and are measured at their lowest carrying amount or at fair value less sales costs. Financial instruments continue to be measured in accordance with IAS 39.

4.5 PROVISIONS

Provisions other than those relating to employee benefit commitments, provisions on regulated home savings products, off-balance sheet commitments, and insurance policies mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks.

Provisions are liabilities of which the timing or amount is uncertain, but which can be reliably estimated. They correspond to current obligations (legal or implicit), resulting from a past event, and for which an outflow of resources will probably be necessary to settle them.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present commitment at the balance sheet date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognized in the income statement on the line items corresponding to the nature of future expenditure.

Provisions on regulated home savings products

Regulated home savings accounts (comptes d'épargne logement – CEL) and regulated home savings plans (plans d'épargne logement– PEL) are retail products marketed in France governed by the 1965 law on home savings plans and accounts, and subsequent implementing decrees.

Regulated home savings products generate two types of commitments for the Group:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavorable consequences for the Group are measured for each generation of regulated home savings plans and for all regulated home savings accounts.

A provision is recognized for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behavior patterns, and corresponds to the difference between the probable outstandings and the minimum expected savings;
- at-risk loans correspond to the loans outstanding granted but not yet due at the calculation date plus statistically probable loans outstanding based on historical customer behavior patterns as well as earned and future rights relating to regulated home savings accounts and plans.

Earnings for future periods from the savings phase are estimated, for a given generation of contracts, as the difference between the regulated rate offered and the expected interest accruing on a comparable savings product on the market.

Earnings for future periods from the loan phase are estimated as the difference between the fixed rate agreed at inception for PEL contracts or a rate contingent on the savings phase for CEL contracts, and the expected interest rate accruing on home loans in the non-regulated sector.

Where the algebraic sum of the Group's estimated future commitments in respect of the savings and loan phases of any generation of contracts indicates a potentially unfavorable situation for the Group, a provision is recognized, with no offset between the different generations. The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behavior models and at-risk outstandings.

The provision is recognized under liabilities in the balance sheet and changes are recorded in net interest income.

4.6 INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized on all financial instruments measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

4.7 COMMISSIONS ON SERVICES

Commissions are recorded in the income statement by type of service provided, and according to the method used to recognize the associated financial instrument:

- commissions payable on recurring services are deferred over the period in which the service is provided (payment processing, securities deposit fees, etc.);
- commissions payable on occasional services are recognized in full in income when the service is provided (fund transfers, payment penalties, etc.);
- commissions payable on execution of a significant transaction are recognized in full in income on completion of the transaction.

Fees and commissions that are an integral part of the effective yield on an instrument such as fees on financing commitments given or origination fees are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the loan. These fees are therefore recognized as interest income rather than "Fees and commissions".

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

4.8 FOREIGN CURRENCY TRANSACTIONS

The method used to account for assets and liabilities relating to foreign currency transactions entered into by the Group depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Group entity on whose balance sheet they are recognized, at the exchange rate prevailing at the balance sheet date. All resulting foreign exchange gains and losses are recognized in income, except in two cases:

- only the portion of the foreign exchange gains and losses calculated based on the amortized cost of available-for-sale financial assets is recognized in income, with any additional gains and losses being recognized in "Gains and losses recognized directly in equity";
- foreign exchange gains and losses arising on monetary items designated as cash flow hedges or as part of a net investment in a foreign operation are recognized in "Gains and losses recognized directly in equity".

Non-monetary assets carried at historical cost are translated using the exchange rate prevailing at the transaction date. Non-monetary assets carried at fair value are translated using the exchange rate in effect at the date on which the fair value was determined. Foreign exchange gains and losses on non-monetary items are recognized in income if gains and losses relating to the items are recorded in income, and in "Gains and losses recognized directly in equity" if gains and losses relating to the items are recorded in "Gains and losses recognized directly in equity".

4.9 FINANCE LEASES AND SIMILAR TRANSACTIONS

Leases are analyzed to determine whether in substance and economic reality they are finance leases or operating leases.

4.9.1 Finance leases

A finance lease is a lease that transfers to the lessee substantially most of the risks and rewards incidental to ownership of an asset. It is treated as a loan granted by the lessor to the lessee in order to finance the purchase of an asset.

IAS 17 gives five examples of situations that lead to a lease being classified as a finance lease:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term is for the major part of the economic life of the asset;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IAS 17 also describes three indicators that may also lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee (capital loss on the asset, etc.);
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than the market rent.

At the inception of the contract, the finance lease receivable is recorded on the lessor's balance sheet in an amount equal to the net investment in the lease, which corresponds to the minimum payments receivable from the lessee discounted at the interest rate implicit in the lease plus any unguaranteed residual value accruing to the lessor.

IAS 17 requires unguaranteed residual values to be reviewed on a regular basis. If there is a reduction in the estimated guaranteed residual value, the income allocation over the lease term is revised (calculation of a new payment table) and a charge is recorded in order to correct the financial income already recorded.

Impairment charges for finance leases are determined using the same method as that described for loans and receivables.

Finance income corresponding to interest is recognized in the income statement under "Interest and similar income". It is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease, using the interest rate implicit in the lease. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the present value of the minimum lease payments receivable by the lessor plus the non-guaranteed residual value; and
- the initial value of the asset (*i.e.* fair value at the inception of the lease, plus any direct initial costs comprising expenses incurred specifically by the lessor to set up the lease).

In the lessee's financial statements, lease financing agreements with purchase options are treated as the purchase of an asset financed by a loan.

4.9.2 Operating leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

In the lessor's financial statements, the asset is recognized under property, plant and equipment and depreciated on a straight-line basis over the lease term. The depreciable amount does not take into account the residual value of the asset.

The leased asset is not recognized on the balance sheet of the lessee. Lease payments are recognized in income on a straight-line basis over the lease term.

4.10 EMPLOYEE BENEFITS

The Group grants its employees a variety of benefits that fall into the four categories described below:

4.10.1 Short-term employee benefits

Short-term employee benefits mainly include wages, salaries, paid annual leave, incentive schemes, profit sharing, and bonuses which are expected to be paid within 12 months of the end of the period in which the employee renders the service.

They are recognized as an expense for the period, including amounts remaining due at the balance sheet date.

4.10.2 Long-term employee benefits

Long-term employee benefits are generally linked to long-service awards accruing to current employees and payable 12 months or more after the end of the period in which the employee renders the related service. These notably comprise long service awards to employees.

A provision is set aside for the value of these obligations at the balance sheet date.

Post-employment benefit obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation consists in allocating costs over the working life of each employee (projected unit credit method).

4.10.3 Termination benefits

Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to terminate a contract in exchange for a severance package. A provision is set aside for termination benefits. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

4.10.4 Post-employment benefits

Post-employment benefits include lump-sum retirement bonuses, pensions and other post-employment benefits.

These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognized by means of a provision.

The Group records a provision in liabilities for employee benefit commitments that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

Post-employment benefits are measured in the same way as long-term employee benefits.

The measurement of these obligations takes into consideration the value of plan assets.

Revaluation differences on post-employment benefits, relating to changes in actuarial assumptions and experience adjustments are recognized in equity (other comprehensive income) and are not subsequently transferred to income. Revaluation differences on long-term employee benefits are immediately recognized in income.

The annual expense recognized in respect of defined-benefit plans includes the current service cost, net interest cost (the effect of discounting the obligation), the expected return on plan assets and past service costs.

The amount of the provision under liabilities in the balance sheet corresponds to the net total commitment as IAS 19R no longer provides for unrecognized items.

4.11 SHARE-BASED PAYMENTS

Share-based payments are those based on shares issued by the Group, regardless of whether transactions are settled in the form of equity or cash, the value of which fluctuates in line with the share price.

The cost to the Group is calculated on the basis of the fair value at the grant date of the share purchase or subscription options granted by certain subsidiaries. The total cost of the plan is determined by multiplying the unit value of the option by the estimated number of options that will have vested at the end of the vesting period, taking account of the likelihood that the grantees will still be employed by the Group, and of any non-market performance conditions that may affect the plan.

The cost to the Group is recognized in income from the date the employees are notified of the plan, without waiting for the vesting conditions, if any, to be satisfied (for example, in the case of a subsequent approval process), or for the beneficiaries to exercise their options.

The corresponding adjustment for the expense recorded under equity-settled plans is an increase in equity.

The Group recognizes a liability for cash-settled plans. The related cost is taken to income over the vesting period and a corresponding fair value adjustment is booked to a debt account.

4.12 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are recognized when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the temporary difference will be utilized in the foreseeable future.

Deferred tax assets and liabilities are recognized as a tax benefit or expense in the income statement, except for:

- revaluation differences on post-employment benefits;
- unrealized gains or losses on available-for-sale assets; and
- changes in the fair value of derivatives used as cash flow hedges;

for which the corresponding deferred tax assets and liabilities are recognized as unrealized gains and losses directly in equity.

Deferred tax assets and liabilities are not discounted to their present value.

4.13 INSURANCE BUSINESSES

Financial assets and liabilities of insurance businesses are recognized in accordance with the provisions of IAS 39. They are classified into categories defined by this standard, which calls for specific approaches to measurement and accounting treatment.

Pending amendments to IFRS 4, insurance liabilities continue to be measured broadly in line with French GAAP.

In accordance with Phase I of IFRS 4, insurance contracts are classified into three categories:

- policies that expose the insurer to a significant insurance risk within the meaning of IFRS 4: this category comprises policies covering provident insurance, pensions, property and casualty and unit-linked savings carrying a minimum guarantee. These policies will continue to be measured under the rules provided under local GAAP for measuring technical reserves;
- financial contracts such as savings schemes that do not expose the insurer to a significant insurance risk are recognized in accordance with IFRS 4 if they contain a discretionary profit sharing feature, and will continue to be measured in accordance with the rules for measuring technical reserves provided under local GAAP;

- financial contracts without a discretionary profit-sharing feature such as contracts invested exclusively in units of accounts and without a minimum guarantee, are accounted for in accordance with IAS 39.

Most financial contracts issued by Group entities contain discretionary profit-sharing features.

The discretionary profit-sharing feature grants life insurance policyholders the right to receive a share of the financial income generated, in addition to guaranteed benefits. For these contracts, in accordance with shadow accounting principles defined by IFRS 4, the provision for deferred profit sharing is adjusted to include the policyholders' share in the unrealized capital gains or losses on financial instruments measured at fair value in application of IAS 39. The share of the gains or losses attributable to policyholders is determined on the basis of the characteristics of contracts likely to generate such gains or losses.

Any change in deferred profit sharing is taken to equity where it results from changes in the value of available-for-sale financial assets and to income where it arises from changes in the value of financial assets at fair value through profit or loss.

At each balance sheet date, the Group assesses whether its recognized insurance liabilities are adequate, based on the estimated present value of future cash flows from its insurance policies and investment contracts containing a discretionary profit sharing feature. The liability adequacy test shows the economic value of the liabilities corresponding to the average derived from stochastic analyses. If the sum of the surrender value and deferred profit sharing is lower than the fair value of the technical reserves, the shortfall is recognized in income.

4.14 REAL ESTATE DEVELOPMENT

Revenues from real estate development are derived from real estate development activities in the residential and commercial sectors and from related services.

Projects in progress at the end of the Fiscal year date are recognized on a percentage of completion basis in line with the latest operating budgets.

When the outcome of a project cannot be reliably estimated, revenues are recognized only to the extent of costs incurred as revenue that are expected to be fully recoverable.

Operating income from all real estate development deals includes all project-related costs:

- land acquisition;
- site preparation and construction;
- planning taxes (taxes d'urbanisme);
- preliminary surveys (these are only charged to the project if the completion probability is high);
- internal project management fees;
- project-related marketing costs (internal and external sales commissions, advertising expenses, on-site sales office, etc.);
- financial expenses attributed to the deals.

Inventories and work in progress comprise land measured at cost, work in progress (site preparation and construction costs), attributable commercial expenses (internal and external sales commissions, sales bubbles, etc.) and deliverables measured at prime cost. Borrowing costs are not included in inventories.

Preliminary surveys commissioned in the pre-development phase are only included in inventories if there is a high probability that the project will actually go ahead. If this is not the case, these costs are expensed to the period.

When the net realizable value of inventories and work in progress is less than their cost, a provision for impairment loss is recognized.

Note 5 Notes to the balance sheet

5.1 CASH AND AMOUNTS DUE FROM CENTRAL BANKS

in millions of euros	12/31/2014	12/31/2013
Cash	2,722	2,647
Amounts due from central banks	76,306	57,763
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	**79,028**	**60,410**

5.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives, and certain assets and liabilities that the Group has chosen to recognize at fair value, at their date of acquisition or issue, using the fair value option available under IAS 39.

5.2.1 Financial assets at fair value through profit or loss

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

in millions of euros	12/31/2014			12/31/2013		
	Trading	**Fair value option**	**Total**	**Trading**	**Fair value option**	**Total**
Treasury bills and equivalent	32,485	33	32,518	29,336	42	29,378
Bonds and other fixed-income securities	8,121	2,826	10,947	8,988	2,843	11,831
Fixed-income securities	**40,606**	**2,859**	**43,465**	**38,324**	**2,885**	**41,209**
Equities and other variable-income securities	**32,854**	**11,698**	**44,552**	**25,357**	**11,985**	**37,342**
Loans to credit institutions	353		353	335	1	336
Loans to customers	429	10,083	10,512	209	9,633	9,842
Loans	**782**	**10,083**	**10,865**	**544**	**9,634**	**10,178**
Repurchase agreements*		**63,699**	**63,699**		**61,911**	**61,911**
Trading derivatives*	**66,719**	**///**	**66,719**	**55,432**	**///**	**55,432**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**140,961**	**88,339**	**229,300**	**119,657**	**86,415**	**206,072**

* *The information is presented in consideration of netting effects, in accordance with IAS 32 (see Note 14).*

Conditions for designating financial assets designated at fair value

in millions of euros	**Accounting mismatches**	**Fair value measurement**	**Embedded derivatives**	**Financial assets designated at fair value**
Fixed-income securities	1,018	65	1,776	2,859
Equities and other variable-income securities	8,249	3,449	0	11,698
Loans and repurchase agreements	5,588	64,167	4,027	73,782
TOTAL	**14,855**	**67,681**	**5,803**	**88,339**

Financial assets accounted for under the fair value option mainly concern certain contracts for structured loans to local authorities and structured bonds hedged by derivatives not designated as hedging instruments, assets containing embedded derivatives and fixed-income instruments index-linked to a credit risk.

In connection with Natixis' capital market activities, the fair value option has mainly been used to avoid accounting mismatches between assets and liabilities perceived as having an economic relationship. This is also the case between an asset and a hedging derivative when the conditions for hedge accounting are not met. Groups of financial assets and financial liabilities managed and measured on a fair value basis in connection with these same activities are also accounted for under the fair value option.

Loans and receivables designated at fair value through profit or loss and credit risk

The statement below shows the portion of fair value attributable to credit risk for loans and receivables recorded under the fair value option. When purchases of protection were made in connection with loan arrangements, the fair value of linked credit derivatives is also stated.

in millions of euros	12/31/2014		12/31/2013	
	Exposure to credit risk	**Change in fair value attributable to credit risk**	**Exposure to credit risk**	**Change in fair value attributable to credit risk**
Loans to credit institutions			1	
Loans to customers	10,083	(13)	9,633	(5)
TOTAL	**10,083**	**(13)**	**9,634**	**(5)**

At December 31, 2014, the Group had not purchased protection to hedge against credit risk associated with loans and receivables classified as fair value instruments through profit and loss.

5.2.2 Financial liabilities at fair value through profit or loss

Financial liabilities in the trading book include liabilities arising from short-selling transactions, repurchase agreements and derivative instruments.

in millions of euros	12/31/2014	12/31/2013
Securities sold short	39,264	41,289
Other financial liabilities	775	1,828
Financial liabilities held for trading	**40,039**	**43,117**
Trading derivatives*	**65,489**	**57,223**
Interbank term accounts and loans	49	66
Customer term accounts and loans	305	116
Debt securities	16,904	15,083
Subordinated debt	94	90
Repurchase agreements*	75,205	63,873
Other financial liabilities	513	264
Financial liabilities designated at fair value through profit or loss	**93,070**	**79,492**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**198,598**	**179,832**

* *The information is presented in consideration of netting effects, in accordance with IAS 32 (see Note 14).*

Conditions for designating financial liabilities at fair value through profit or loss

in millions of euros	Accounting mismatches	Fair value measurement	Embedded derivatives	Financial liabilities designated at fair value through profit or loss
Interbank term accounts and loans	49	0	0	49
Customer term accounts and loans	217	0	88	305
Debt securities	12,312	0	4,592	16,904
Subordinated debt	0	0	94	94
Repurchase agreements and other financial liabilities	513	75,205	0	75,718
TOTAL	**13,091**	**75,205**	**4,774**	**93,070**

Financial liabilities accounted for under the fair value option mainly consist of structured debt issues and structured deposits containing embedded derivatives (*e.g.* equities for personal savings plans and structured medium-term notes). Most of these transactions are handled by Natixis and Crédit Foncier.

In connection with Natixis' capital market activities, the fair value option has mainly been used to avoid accounting mismatches between assets and liabilities perceived as having an economic relationship. This is also the case between an asset and a hedging derivative when the conditions for hedge accounting are not met.

Financial liabilities at fair value through profit or loss and credit risk

	12/31/2014			12/31/2013		
in millions of euros	Fair value	Contractual amount due to maturity	Difference	Fair value	Contractual amount due to maturity	Difference
Interbank term accounts and loans	49	13	36	66		66
Customer term accounts and loans	305	296	9	116	119	(3)
Debt securities	16,904	15,873	1,031	15,083	14,934	149
Subordinated debt	94	101	(7)	90	101	(11)
Repurchase agreements	75,718	75,707	11	64,137	64,136	1
TOTAL	**93,070**	**91,990**	**1,080**	**79,492**	**79,290**	**202**

Some liabilities issued and designated at fair value through profit and loss are covered by a guarantee. The effect of this guarantee is incorporated into the fair value of the liabilities.

The amount contractually due on loans at maturity includes the outstanding amount of the principal at the balance sheet date plus the accrued interest not yet due. In the case of securities, the redemption value is generally used.

Revaluations attributable to own credit risk (revaluation of own debt) amounted to €100 million (-€176 million at December 31, 2013), including a negative impact on net banking income for the period of €276 million (negative impact of €258 million in 2013).

5.2.3 Trading derivatives

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments, and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

in millions of euros	12/31/2014 Notional amount	12/31/2014 Positive fair value	12/31/2014 Negative fair value	12/31/2013 Notional amount	12/31/2013 Positive fair value	12/31/2013 Negative fair value
Interest rate instruments	4,772,485	38,490	34,764	5,035,994	36,682	36,849
Equity instruments	86,479	1,121	3,294	8,021	2	2
Foreign exchange instruments	867,983	15,142	13,820	702,464	7,324	7,501
Other instruments	41,028	163	237	52,047	63	179
Forward transactions	**5,767,975**	**54,916**	**52,115**	**5,798,526**	**44,071**	**44,531**
Interest rate instruments	916,056	324	826	941,444	122	1,190
Equity instruments	38,289	2,176	2,428	54,855	3,377	3,087
Foreign exchange instruments	475,638	5,566	6,440	331,337	4,336	4,890
Other instruments	49,190	1,211	1,168	47,718	760	842
Options	**1,479,173**	**9,277**	**10,862**	**1,375,354**	**8,595**	**10,009**
Credit derivatives	**92,342**	**2,526**	**2,512**	**181,969**	**2,766**	**2,683**
TOTAL TRADING DERIVATIVES*	**7,339,490**	**66,719**	**65,489**	**7,355,849**	**55,432**	**57,223**

* *Until 2013, the fair value on the balance sheet of hedging derivatives traded with Natixis, which it subsequently traded outside the Group, was presented under "Trading derivatives". As from 2014, this presentation was amended: these external derivatives are now recorded under "Hedging derivatives", in line with the accounting treatment applied.*

The application of this presentation at December 31, 2013 would have caused reclassification from trading derivatives to hedging derivatives (see Note 5.3):

- notional amount: reclassification of €211,941 million, bringing this line to €7,143,908 million;
- positive fair value: reclassification of €6,792 million, bringing this line to €48,640 million;
- negative fair value: reclassification of €7,485 million, bringing this line to €49,738 million.

5.3 HEDGING DERIVATIVES

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relation between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market rates of interest. They transform fixed-rate assets or liabilities into floating-rate instruments and include mostly hedges of fixed-rate loans, securities, deposits and subordinated debt.

Fair value hedging is also used to manage their overall interest rate risk position.

The cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

	12/31/2014			12/31/2013		
in millions of euros	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate instruments	676,827	13,674	16,532	630,843	5,113	4,580
Foreign exchange instruments	17,188	2,470	3,606	16,259	1,362	1,389
Forward transactions	**694,015**	**16,144**	**20,138**	**647,102**	**6,475**	**5,969**
Interest rate instruments	6,241	46	5	5,787	87	
Options	**6,241**	**46**	**5**	**5,787**	**87**	
Fair value hedges	**700,256**	**16,190**	**20,143**	**652,889**	**6,562**	**5,969**
Interest rate instruments	30,452	186	1,424	17,081	47	202
Foreign exchange instruments	814	11	9	993	16	12
Forward transactions	**31,266**	**197**	**1,433**	**18,074**	**63**	**214**
Interest rate instruments	895	5	6	374	7	1
Foreign exchange instruments	10			19		
Options	**905**	**5**	**6**	**393**	**7**	**1**
Cash flow hedges	**32,171**	**202**	**1,439**	**18,467**	**70**	**215**
Credit derivatives	**697**	**4**		**1,341**	**11**	**1**
TOTAL HEDGING INSTRUMENTS*	**733,124**	**16,396**	**21,582**	**672,697**	**6,643**	**6,185**

* *Until 2013, the fair value on the balance sheet of hedging derivatives traded with Natixis, which it subsequently traded outside the Group, was presented under "Trading derivatives". As from 2014, this presentation was amended: these external derivatives are now recorded under "Hedging derivatives", in line with the accounting treatment applied.*

The application of this presentation at December 31, 2013 would have caused reclassification from trading derivatives to hedging derivatives (see Note 5.2):

- notional amount: reclassification of €211,941 million, bringing this line to €884,638 million;
- positive fair value: reclassification of €6,792 million, bringing this line to €13,435 million;
- negative fair value: reclassification of €7,485 million, bringing this line to €13,670 million.

5.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

These are non-derivative financial assets that could not be classified in any other category ("Financial assets at fair value", "Financial assets held-to-maturity" or "Loans and receivables").

in millions of euros	12/31/2014	12/31/2013
Treasury bills and equivalent	38,206	33,188
Bonds and other fixed-income securities	35,969	33,193
Impaired securities	200	260
Fixed-income securities	**74,375**	**66,641**
Equities and other variable-income securities	**14,228**	**14,492**
Loans	**39**	**52**
Available-for-sale financial assets, gross	**88,642**	**81,185**
Impairment of fixed-income securities and loans	(95)	(145)
Permanent impairment of equities and other variable-income securities	(1,563)	(1,666)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**86,984**	**79,374**
Gains and losses recognized directly in equity on available-for-sale financial assets (before tax)	**4,638**	**2,469**

Impairment losses are recognized for available-for-sale financial assets whenever the Group considers that its investment may not be recovered. For variable-income securities quoted in an active market, a price decline in excess of 50% or for more than a 36-month period constitutes evidence of impairment.

5.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

5.5.1 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price and valuation model:

	12/31/2014				12/31/2013			
in millions of euros	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	Total	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)*	Total
Financial assets								
Securities	64,826	8,164	469	73,459	55,935	6,815	931	63,681
Fixed-income securities	*33,412*	*6,724*	*469*	*40,605*	*32,243*	*5,150*	*931*	*38,324*
Variable-income securities	*31,414*	*1,440*		*32,854*	*23,692*	*1,665*		*25,357*
Derivatives	1,553	63,327	1,837	66,717	2,185	51,413	1,834	55,432
Interest rate derivatives	*3*	*37,502*	*1,309*	*38,814*	*6*	*35,932*	*866*	*36,804*
Equity derivatives	*936*	*2,226*	*134*	*3,296*	*1,948*	*829*	*602*	*3,379*
Currency derivatives	*9*	*20,691*	*8*	*20,708*	*21*	*11,621*	*18*	*11,660*
Credit derivatives		*2,140*	*386*	*2,526*		*2,418*	*348*	*2,766*
Other derivatives	*605*	*768*		*1,373*	*210*	*613*		*823*
Other financial assets		409	376	785		544		544
Financial assets held for trading	**66,379**	**71,900**	**2,682**	**140,961**	**58,120**	**58,772**	**2,765**	**119,657**
Securities	9,793	2,265	2,498	14,556	10,741	2,234	1,895	14,870
Fixed-income securities	*909*	*597*	*1,353*	*2,859*	*1,536*	*716*	*633*	*2,885*
Variable-income securities	*8,884*	*1,668*	*1,145*	*11,697*	*9,205*	*1,518*	*1,262*	*11,985*
Other financial assets		67,373	6,410	73,783	1	65,287	6,257	71,545
Financial assets designated at fair value through profit or loss	**9,793**	**69,638**	**8,908**	**88,339**	**10,742**	**67,521**	**8,152**	**86,415**
Interest rate derivatives		13,911	1	13,912	5	5,248	1	5,254
Currency derivatives		2,480		2,480	5	1,373		1,378
Credit derivatives			4	4			11	11
Hedging derivatives		**16,391**	**5**	**16,396**	**10**	**6,621**	**12**	**6,643**
Investments in associates	95	437	2,842	3,374	262	441	3,115	3,818
Other securities	72,393	6,190	4,946	83,529	65,695	7,475	2,283	75,453
Fixed-income securities	*66,073*	*4,446*	*3,718*	*74,237*	*59,434*	*5,860*	*1,150*	*66,444*
Variable-income securities	*6,320*	*1,744*	*1,228*	*9,292*	*6,261*	*1,615*	*1,133*	*9,009*
Other financial assets	10	20	51	81	10	44	49	103
Available-for-sale financial assets	**72,498**	**6,647**	**7,839**	**86,984**	**65,967**	**7,960**	**5,447**	**79,374**
Financial liabilities								
Securities	37,656	1,598	10	39,264	40,611	678		41,289
Derivatives	1,522	61,988	1,979	65,489	2,203	53,390	1,630	57,223
Interest rate derivatives	*28*	*34,178*	*1,384*	*35,590*	*92*	*36,848*	*1,014*	*37,954*
Equity derivatives	*908*	*4,698*	*116*	*5,722*	*1,885*	*1,166*	*39*	*3,090*
Currency derivatives	*8*	*20,243*	*8*	*20,259*		*12,340*	*51*	*12,391*
Credit derivatives		*2,040*	*471*	*2,511*		*2,242*	*526*	*2,768*
Other derivatives	*578*	*829*		*1,407*	*226*	*794*		*1,020*
Other financial liabilities		775		775	945	883		1,828
Financial liabilities held for trading	**39,178**	**64,361**	**1,989**	**105,528**	**43,759**	**54,951**	**1,630**	**100,340**
Securities		16,998		16,998		10,519		10,519
Other financial liabilities		76,000	72	76,072		68,898	75	68,973
Financial liabilities designated at fair value through profit or loss		**92,998**	**72**	**93,070**	**0**	**79,417**	**75**	**79,492**
Interest rate derivatives	6	17,961		17,967	5	4,778		4,783
Currency derivatives		3,615		3,615	1	1,400		1,401
Credit derivatives						1		1
Hedging derivatives	**6**	**21,576**		**21,582**	**6**	**6,179**	**0**	**6,185**

* *Amount adjusted relative to the financial statements at December 31, 2013, mainly arising from the reclassification of private equity securities from Level 2 to Level 3 of the fair value hierarchy for €1,121 million (see Note 4.1.6.).*

The presentation of hedging transactions was amended over the period and the information at December 31, 2014 includes this amendment (see Note 5.3).

5.5.2 Analysis of assets and liabilities classified in Level 3 of the fair value hierarchy

			Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
			In the income statement[(2)]								
in millions of euros	01/01/2014[(1)]	Reclassifi-cations	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In equity	Purchases/ Issues	Sales/ Buybacks	To another reporting category	From and to another level	Other changes	12/31/2014
Financial assets											
Securities	931		41	81		491	(1,222)	11	109	27	469
Fixed-income securities	*931*		*41*	*81*		*491*	*(1,222)*	*11*	*109*	*27*	*469*
Variable-income securities											
Derivatives	1,834		1,047	15		2	(264)	(652)	91	(236)	1,837
Interest rate derivatives	*866*		*461*	*71*			*(33)*	*61*	*91*	*(208)*	*1,309*
Equity derivatives	*602*		*339*					*(773)*		*(34)*	*134*
Currency derivatives	*18*		*(11)*			*2*	*(2)*	*1*			*8*
Credit derivatives	*348*		*258*	*(56)*			*(229)*	*59*		*6*	*386*
Other derivatives											
Other financial assets									376		376
Financial assets held for trading	**2,765**		**1,088**	**96**		**493**	**(1,486)**	**(641)**	**576**	**(209)**	**2,682**
Securities	1,895	(36)	72	33		322	(319)	21	489	21	2,498
Fixed-income securities	*633*		*34*	*31*		*264*	*(187)*	*24*	*552*	*2*	*1,353*
Variable-income securities	*1,262*	*(36)*	*38*	*2*		*58*	*(132)*	*(3)*	*(63)*	*19*	*1,145*
Other financial assets	6,257	(5)	(474)	32		1,584	(1,925)	753		188	6,410
Financial assets designated at fair value through profit or loss	**8,152**	**(41)**	**(402)**	**65**		**1,906**	**(2,244)**	**774**	**489**	**209**	**8,908**
Interest rate derivatives	1										1
Credit derivatives	11		(6)	(1)							4
Hedging derivatives	**12**		**(6)**	**(1)**							**5**
Investments in associates	3,115	(95)	(60)	27	90	246	(353)	10	(171)	33	2,842
Other securities	2,283	(8)	2	11	126	1,286	(758)	11	2,002	(9)	4,946
Fixed-income securities	*1,150*	*(3)*	*9*	*5*	*83*	*1,062*	*(520)*	*6*	*1,926*		*3,718*
Variable-income securities	*1,133*	*(5)*	*(7)*	*6*	*43*	*224*	*(238)*	*5*	*76*	*(9)*	*1,228*
Other financial assets	49		(8)			1	(5)	(13)	28	(1)	51
Available-for-sale financial assets	**5,447**	**(103)**	**(66)**	**38**	**216**	**1,533**	**(1,116)**	**8**	**1,859**	**23**	**7,839**
Financial liabilities											
Securities								10			10
Derivatives	1,630		554	164			(204)	88		(253)	1,979
Interest rate derivatives	*1,014*	*(85)*	*398*	*120*			*(101)*	*161*		*(123)*	*1,384*
Equity derivatives	*39*		*65*	*12*			*(15)*	*16*		*(1)*	*116*
Currency derivatives	*51*		*(18)*				*(1)*	*(21)*		*(3)*	*8*
Credit derivatives	*526*	*85*	*61*	*32*			*(87)*	*(68)*		*(78)*	*471*
Other derivatives			*48*							*(48)*	
Other financial liabilities											
Financial liabilities held for trading	**1,630**		**554**	**164**			**(204)**	**98**		**(253)**	**1,989**
Securities											
Other financial liabilities	75		(20)	(6)				5		18	72
Financial liabilities designated at fair value through profit or loss	**75**		**(20)**	**(6)**				**5**		**18**	**72**

(1) *Amount adjusted relative to the financial statements at December 31, 2013, mainly arising from the reclassification of private equity securities from Level 2 to Level 3 of the fair value hierarchy for €1,121 million (see Note 4.1.6.).*

(2) *The main impacts recognized on the income statement involve financial instruments at fair value by income. These include:*
- *the valuation of unhedged ABS CDOs with a subprime component: +€10 million. ABS CDOs with a subprime component were sold off during the first half of 2014, with no significant impact on the income statement;*
- *the price reductions applied to the fair value of the CDS concluded with the monoline insurers: +€102 million;*
- *a reversal of provisions based on a portfolio of relative exposures to Credit Derivative Product Companies (CPDC): +€27 million;*
- *a reduction in the haircuts on the fund's units: +€7 million.*

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5.5.3 Analysis of fair value hierarchy transfers

	Fiscal year 2014				
	From	Level 1	Level 2	Level 2	Level 3
in millions of euros	To	Level 2	Level 1	Level 3	Level 1
Financial assets					
Securities		486	643	109	
Fixed-income securities		*486*	*9*	*109*	
Variable-income securities			*634*		
Derivatives		2		91	
Interest rate derivatives		*2*		*91*	
Other financial assets				376	
Financial assets held for trading		**488**	**643**	**576**	
Securities		1,139		615	
Fixed-income securities		*1,137*		*552*	
Variable-income securities		*2*		*63*	
Financial assets designated at fair value through profit or loss		**1,139**		**615**	
Interest rate derivatives		5			
Hedging derivatives		**5**			
Investments in associates				171	
Other securities		476	279	2,008	6
Fixed-income securities		*309*	*279*	*1,932*	*6*
Variable-income securities		*167*		*76*	
Other financial assets				28	
Available-for-sale financial assets		**476**	**279**	**2,207**	**6**
Financial liabilities					
Other financial liabilities		235	3		
Financial liabilities held for trading		**235**	**3**		

The transfer amounts match the latest valuation preceding the change in the fair value level.

	Fiscal year 2013						
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	To	Level 2	Level 3	Level 1	Level 3[(2) (3)]	Level 1	Level 2[(1)]
Financial assets							
Securities		59		574	100		116
Fixed-income securities		*47*		*574*	*100*		*116*
Variable-income securities		*12*					
Derivatives					623		12
Interest rate derivatives					*21*		
Equity derivatives					*602*		
Credit derivatives							*12*
Financial assets held for trading		**59**		**574**	**723**		**128**
Securities		693			175		7
Fixed-income securities		*693*			*175*		*7*
Financial assets designated at fair value through profit or loss		**693**			**175**		**7**
Investments in associates					240		12
Other securities		2,444	21	77	11	23	27
Fixed-income securities		*2,368*	*21*	*77*			*27*
Variable-income securities		*76*			*11*	*23*	
Available-for-sale financial assets		**2,444**	**21**	**77**	**251**	**23**	**39**
Financial liabilities							
Derivatives					298		28
Interest rate derivatives					*289*		*15*
Credit derivatives					*9*		*13*
Financial liabilities held for trading					**298**		**28**

(1) Following the return to liquidity for the US RMBS and European RMBS, both were valued based on market prices at December 31, 2013. On December 31, 2012, they were valued based on a valuation model with no significant impact on net income for the period;
(2) The spread locks were transferred to Level 3 fair value in response to a change in the valuation model based on proprietary data;
(3) A deal in the process of being restructured was transferred to Level 3 of the fair value hierarchy.

The transfer amounts match the latest valuation preceding the change in the fair value level.

5.5.4 Sensitivity of financial instruments assessed at Level 3 to changes in the principal assumptions

The sensitivity of the fair value of financial instruments measured using unobservable inputs was estimated at December 31, 2014. With the aid of probable assumptions, this sensitivity was used to estimate the impacts of market fluctuations in uncertain economic environments. This estimate was performed using:

- a "standardized"[(1)] variation in unobservable inputs related to assumptions of additional valuation adjustments for fixed income, currency and equity instruments. The resulting sensitivity was -€9 million;
- a fixed variation:
  - of 1% (up or down) in the recovery rate on unsecured debt on uncollateralized derivatives,
  - of 50 basis points (up or down) applied to the margin used to discount the expected flows of Trups CDOs.

The sensitivity impact would result in an improvement in value of €19 million, should the inputs mentioned above improve, or a decrease in value of €18 million if the same inputs[(2)] deteriorate.

(1) Namely the standard deviation of consensus prices used to measure the inputs.

(2) Impact calculated before recognizing the guarantee made by BPCE to Natixis.

5.6 LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

5.6.1 Loans and receivables due from credit institutions

in millions of euros	12/31/2014	12/31/2013
Loans and receivables due from credit institutions	103,875	108,237
Specific impairment	(116)	(181)
Impairment on a portfolio basis	(15)	(18)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**103,744**	**108,038**

The fair value of loans and receivables due from banks is presented in Note 15.

Breakdown of gross loans and receivables due from credit institutions

in millions of euros	12/31/2014	12/31/2013
Current accounts with overdrafts	7,530	6,481
Repurchase agreements	12,181	8,203
Loans and advances*	82,442	91,149
Securities classified as loans and receivables	1,362	1,893
Other loans and receivables due from credit institutions	219	225
Impaired loans and receivables	141	286
TOTAL GROSS LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**103,875**	**108,237**

* *Livret A, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations and recorded under "Loans and receivables" amounted to €74,194 million at December 31, 2014 (versus €78,581 million at December 31, 2013).*

5.6.2 Loans and receivables due from customers

in millions of euros	12/31/2014	12/31/2013
Loans and receivables due from customers	623,256	590,704
Specific impairment	(10,758)	(10,720)
Impairment on a portfolio basis	(1,531)	(1,565)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**610,967**	**578,419**

The fair value of loans and receivables due from customers is presented in Note 15.

Breakdown of gross loans and receivables due from customers

in millions of euros	12/31/2014	12/31/2013
Current accounts with overdrafts	**11,745**	**11,704**
Loans to financial sector customers	4,220	3,397
Short-term credit facilities	50,003	52,814
Equipment loans	141,725	135,999
Home loans	281,124	272,464
Export credits	3,321	2,959
Repurchase agreements	30,519	16,384
Finance leases	16,135	16,436
Subordinated loans	463	498
Other loans	27,205	22,437
Other facilities granted to customers	**554,715**	**523,388**
Securities classified as loans and receivables	**26,839**	**25,277**
Other loans and receivables due from customers	**7,038**	**7,005**
Impaired loans and receivables	**22,919**	**23,330**
TOTAL GROSS LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**623,256**	**590,704**

5.7 HELD-TO-MATURITY FINANCIAL ASSETS

These are non-derivative financial assets with fixed or determinable payments that the Group has an intention and ability to hold to maturity.

in millions of euros	12/31/2014	12/31/2013
Treasury bills and equivalent	7,109	6,113
Bonds and other fixed-income securities	4,089	5,458
Gross amount of held-to-maturity financial assets	**11,198**	**11,571**
Impairment	(3)	(4)
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	**11,195**	**11,567**

The fair value of held-to-maturity financial assets is presented in Note 15.

5.8 RECLASSIFICATION OF FINANCIAL ASSETS

Portfolio of reclassified financial assets

In application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets", the Group reclassified some of its financial assets. No significant reclassification was carried out in Fiscal year 2014.

	Carrying amount		Fair value	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Assets reclassified to:				
Available-for-sale financial assets	131	261	131	261
Loans and receivables	10,333	10,448	9,307	9,679
TOTAL SECURITIES RECLASSIFIED	**10,464**	**10,709**	**9,438**	**9,940**

in millions of euros	Fiscal year 2014	Fiscal year 2013
Change in fair value		
– that would have been recognized in income if the securities had not been reclassified	21	18
– that would have been recognized in gains and losses recognized directly in equity if the securities had not been reclassified	(189)	355

5.9 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

in millions of euros	12/31/2014	12/31/2013
Unrealized capital gains on UCITS	89	81
Fiscal EIGs	(326)	(328)
Provisions for employee-related liabilities	437	482
Provisions for regulated home savings products	236	251
Impairment on a portfolio basis	351	348
Other non-deductible provisions	1,286	1,353
Changes in fair value of financial instruments recorded in equity	(402)	(65)
Other sources of temporary differences	1,380	910
Deferred tax assets and liabilities related to timing differences	**3,051**	**3,032**
Deferred tax assets and liabilities arising on the capitalization of tax loss carryforwards	**3,206**	**2,967**
Deferred tax assets and liabilities on consolidation adjustments and eliminations	**70**	**20**
Unrecognized deferred tax assets and liabilities	**(891)**	**(580)**
NET DEFERRED TAX ASSETS AND LIABILITIES	**5,436**	**5,439**
Deferred taxes recognized:		
– As assets in the balance sheet	5,828	5,749
– As liabilities in the balance sheet	(392)	(310)

5.10 ACCRUED INCOME AND OTHER ASSETS

in millions of euros	12/31/2014	12/31/2013
Collection accounts	5,253	4,862
Prepaid expenses	343	437
Accrued income	662	781
Other accruals	3,036	4,119
Accrued income and prepaid expenses	**9,294**	**10,199**
Security deposits paid	23,977	16,559
Settlement accounts in debit on securities transactions	254	309
Reinsurers' share of technical reserves	7,969	7,620
Other debtors	12,359	11,988
Prepaid expenses and other assets	**44,559**	**36,476**
TOTAL ACCRUED INCOME AND OTHER ASSETS	**53,853**	**46,675**

5.11 INVESTMENT PROPERTY

	12/31/2014			12/31/2013		
in millions of euros	Gross carrying amount	Accumulated depreciation and impairment	Net amount	Gross carrying amount	Accumulated depreciation and impairment	Net amount
Property recognized at fair value*	///	///	1,226	///	///	1,052
Property recognized at historical cost	1,394	(622)	772	1,577	(607)	970
TOTAL INVESTMENT PROPERTY			**1,998**			**2,022**

* *Buildings included in insurance company investments. Changes in fair value give rise to the symmetrical recognition of a deferred profit-sharing reserve, equal to 92.7% of the related base amount on average at December 31, 2014, compared to 94.8% at December 31, 2013 (see Note 5.17).*

The fair value of investment property came to €2,214 million at December 31, 2014 (€2,326 million at December 31, 2013). The fair value of investment property, whose measurement principles are described in Note 4.2, is classified in Level 3 of the IFRS 13 fair value hierarchy.

5.12 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	12/31/2014			12/31/2013		
in millions of euros	Gross carrying amount	Accumulated depreciation and impairment	Net amount	Gross carrying amount	Accumulated depreciation and impairment	Net amount
Property, plant and equipment						
– Land and buildings	4,063	(1,890)	2,173	3,901	(1,867)	2,034
– Leased real estate	399	(185)	214	386	(164)	222
– Equipment, furniture and other property, plant and equipment	7,428	(5,078)	2,350	8,011	(5,728)	2,283
TOTAL PROPERTY, PLANT AND EQUIPMENT	**11,890**	**(7,153)**	**4,737**	**12,298**	**(7,759)**	**4,539**
Intangible assets						
– Leasehold rights	425	(219)	206	425	(210)	215
– Software	2,349	(1,766)	583	2,242	(1,654)	588
– Other intangible assets	595	(272)	323	736	(257)	479
TOTAL INTANGIBLE ASSETS	**3,369**	**(2,257)**	**1,112**	**3,403**	**(2,121)**	**1,282**

5.13 GOODWILL

Goodwill related to operations for the financial year are analyzed in the context of the rating for the scope of consolidation.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Opening net value	**4,168**	**4,249**
Acquisitions	38	3
Disposals	(17)	(11)
Impairment	(52)	(16)
Impact of loss of control of Nexity	(709)	
Reclassifications	13	(3)
Foreign exchange rate adjustments	164	(54)
Closing net value	**3,605**	**4,168**

At December 31, 2014, the gross carrying amount of goodwill amounted to €4,116 million, with impairment totaling €511 million.

Breakdown of goodwill

	Carrying amount	
in millions of euros	12/31/2014	12/31/2013
– Investment Solutions	2,314	2,097
– Specialized Financial Services	26	26
– Equity interests	355	355
– Other activities	7	77
Natixis	**2,702**	**2,555**
Nexity(1)		**709**
Regional banks(2)	**685**	**685**
Banque Palatine	**95**	**95**
BPCE IOM	**52**	**52**
Banque BCP France	**42**	**42**
Crédit Foncier	**13**	**13**
BCP Luxembourg	**8**	**8**
Other	**8**	**9**
TOTAL GOODWILL	**3,605**	**4,168**

(1) *As from December 31, 2014, the Group's participation in Nexity's capital has been consolidated using the equity method (see Note 1.3).*
(2) *Regional Banks: Banque Chaix, Banque de Savoie, CCSO – Pelletier, Banque Dupuy, de Parseval, Banque Marze.*

Impairment tests

In compliance with regulations, all goodwill has been impairment-tested, based on the assessment of the value in use of the cash-generating units (CGU) to which they are attached, except for the "Private equity" CGU, whose assessment is based on the revalued net asset, with all of the assets in the entities making up this CGU recognized at fair value. Moreover, the Corporate Data Solution (CDS) CGU was assessed using a company-by-company approach, given the targets of disposing of several entities in the CGU and now limiting the synergies of the residual set. For the Coface CGU, a listed entity since June 2014, the value in use was rounded out by other approaches relying on market data (valuations by trading multiples and by brokers' target prices).

As a result of these impairment tests, the Group recognized an impairment loss of €51 million on the CGU CDS in respect of Fiscal year 2014.

Key assumptions used to determine recoverable value

Value in use is determined based on the present value of the CGU's future cash flows under medium-term plans drawn up as part of the Group's budget process.

The discount rates were determined as follows:

	Discount rate	Long-term growth rate
Natixis		
Investment Solutions	9.9%	2.5%
Specialized Financial Services	11.2%	2.5%
Coface	11.0%	2.5%
Formerly Corporate Data solutions CGU	company-by-company approach	2.5%
Other	11.1%	2.5%
Banque Palatine	**8.5%**	**2.0%**
Regional banks	**8.0%**	**2.0%**

The following assumptions were used:

- for the Investment Solutions, Specialized Financial Services and Wholesale Banking CGUs: the risk-free rate for the eurozone (*i.e.* the Bund rate averaged over 10 years) plus a risk premium calculated based on a sample of companies representative of the CGU;
- for the Coface CGU, the reference rates used were determined using a method similar to other CGUs, relying on samples from comparable companies for insurance and factoring activities;
- for the former CDS CGU: the average of the 10-year risk-free interest rates of the countries in which the various entities operate, plus a risk premium calculated according to a sample of companies that are representative of the sector and an additional risk premium to account for the relative size of the CGU;
- the discount rates of the projected cash flows of the Banque Palatine CGU and the Banque Populaire Regional Banks CGU were determined based on a risk-free rate (10-year OAT) over two years, plus a risk premium calculated based on a sample of listed European banks with a similar banking business, and in consideration of the specific nature of those institutions.

Sensitivity of recoverable values

A 20 basis point rise in the discount rates combined with a 50 basis point fall in the perpetual growth rates would reduce the CGUs' value in use by:

- -6.4% for the Investment Solutions CGU;
- -4.1% for the Specialized Financial Services CGU;
- -4.9% for the Coface CGU;
- -6.8% for the former CDS CGU;
- -4.2% for the Banque Palatine CGU;
- -7.3% for the Regional Banks CGU.

These changes would result in the booking of additional impairment losses only for the CDS (additional €2 million), Banque Palatine (€27 million) and Regional Banks (€30 million) CGUs.

The sensitivity of future flows from the business lines' business plans to the change in key assumptions would result in the following:

- for Investment Solutions, a 10% fall in the "equity" markets and a 1 basis point fall in the EONIA and 10-year long term rates would have a -5% negative impact on the recoverable value of the CGU and would not lead to the booking of an impairment loss;
- for Specialized Financial Services, a 1 basis point drop in the 3-month Euribor applied to the factoring business and the replication of a "2008/2009"-type crisis (decline in new business and increase in cost of risk) in the leasing business would have a negative impact of -8% on the CGU and would have no impact in terms of impairment loss;
- for Coface, the main sensitivity factor is the loss ratio. A level of 48% for this ratio (with reinsurance), reflecting the deterioration of economic conditions, was applied to conduct the test of the CGU's impairment at December 31, 2014. A one-point increase in this loss ratio would have no significant impact on the recoverable value of the CGU. Only an increase of 13 points in the loss ratio would result in an impairment loss on the CGU;
- for the former CDS CGU, the primary sensitivity factor is the extent to which the business plans are achieved. A -5% variation in said plans would cause the recoverable value to fall by about €6 million and result in the recognition of additional impairment for an equivalent amount;
- for the Banque Palatine CGU, the sensitivity of future cash flows, as forecast in the business plan, to a 5% point fall in normative net income, would have an unfavorable impact on the CGU's value of -4.9% and would lead to the recognition of an impairment loss on the CGU of around €33 million;

- for the Regional Banks CGU, the sensitivity of future cash flows, as forecast in the business plan, to a 5% point fall in normative net income, combined with a 50 basis point rise in the target capital adequacy ratio, would have an unfavorable impact on the CGU's value of -4.9% and would lead to the recognition of an impairment loss of around €15 million.

5.14 AMOUNTS DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

These liabilities, which are not classified as financial liabilities at fair value through profit or loss, are carried at amortized cost under "Amounts due to credit institutions" or "Amounts due to customers".

5.14.1 Amounts due to credit institutions

in millions of euros	12/31/2014	12/31/2013
Demand deposits	10,088	6,510
Repurchase agreements	2,966	4,162
Accrued interest	5	5
Amounts due to credit institutions - repayable on demand	**13,059**	**10,677**
Term deposits and loans	54,328	56,896
Repurchase agreements	18,113	20,676
Accrued interest	201	565
Amounts due to credit institutions - repayable at agreed maturity dates	**72,642**	**78,137**
TOTAL AMOUNTS DUE TO CREDIT INSTITUTIONS	**85,701**	**88,814**

The fair value of amounts due to credit institutions is presented in Note 15.

5.14.2 Amounts due to customers

in millions of euros	12/31/2014	12/31/2013
Current accounts	**124,241**	**111,743**
Livret A savings accounts	91,720	94,659
Regulated home savings products	63,481	57,923
Other regulated savings accounts	80,025	82,452
Accrued interest	35	42
Regulated savings accounts	**235,261**	**235,076**
Demand deposits and loans	18,534	23,087
Term deposits and loans	64,635	70,812
Accrued interest	2,051	2,012
Other customer accounts	**85,220**	**95,911**
Demand	12,667	5,114
Term	14,738	8,496
Accrued interest	8	6
Repurchase agreements	**27,413**	**13,616**
Other amounts due to customers	**1,405**	**1,843**
TOTAL AMOUNTS DUE TO CUSTOMERS	**473,540**	**458,189**

The fair value of amounts due to customers is presented in Note 15.

5.15 DEBT SECURITIES

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under "Subordinated debt".

in millions of euros	12/31/2014	12/31/2013
Bonds	155,755	142,316
Interbank market instruments and negotiable debt securities	88,887	67,385
Other debt securities	2,295	2,146
Total	**246,937**	**211,847**
Accrued interest	3,228	2,807
TOTAL DEBT SECURITIES	**250,165**	**214,654**

The fair value of debt securities is presented in Note 15.

5.16 ACCRUED EXPENSES AND OTHER LIABILITIES

in millions of euros	12/31/2014	12/31/2013
Collection accounts	4,396	4,540
Prepaid income	1,563	1,931
Accounts payable	2,535	2,427
Other accruals	5,501	7,604
Accrued expenses and other liabilities	**13,995**	**16,502**
Settlement accounts in credit on securities transactions	627	727
Security deposits received	15,493	10,452
Other payables	12,583	13,836
Other insurance-related liabilities	7,580	7,176
Other liabilities	**36,283**	**32,191**
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**50,278**	**48,693**

5.17 TECHNICAL RESERVES OF INSURANCE COMPANIES

in millions of euros	12/31/2014	12/31/2013
Technical reserves of non-life insurance companies	**3,856**	**3,602**
Technical reserves of life insurance companies in euros	41,078	38,527
Technical reserves of life insurance companies in unit-linked accounts	8,315	7,844
Technical reserves of life insurance companies	**49,393**	**46,371**
Technical reserves of investment contracts	**11**	**13**
Deferred profit-sharing	**3,851**	**1,587**
TOTAL TECHNICAL RESERVES OF INSURANCE COMPANIES	**57,111**	**51,573**

Technical reserves of non-life insurance companies include unearned premium reserves and outstanding claims reserves.

Technical reserves of life insurance companies mainly comprise mathematical reserves, which generally correspond to the surrender value of policies.

Technical reserves for financial contracts issued by insurance companies are mathematical reserves measured on the basis of the underlying assets of these policies.

Deferred profit-sharing represents the portion of income from participating insurance policies in the form of a cumulative amount allocated to policyholders and not yet distributed.

5.18 PROVISIONS

in millions of euros	01/01/2014	Increase	Use	Reversals unused	Other changes*	12/31/2014
Provisions for employee benefit commitments	**1,702**	**236**	**(133)**	**(167)**	**279**	**1,917**
Provisions for regulated home savings products	695	58		(83)	2	672
Provisions for off-balance sheet commitments	1,056	318	(51)	(233)	(5)	1,085
Provisions for contingencies on real estate development projects	61	5		(11)	(55)	
Provisions for restructuring costs	126	31	(39)	(8)	1	111
Provisions for claims and litigation	840	275	(63)	(123)	(38)	891
Other	771	370	(128)	(89)	8	932
Other provisions	**3,549**	**1,057**	**(281)**	**(547)**	**(87)**	**3,691**
TOTAL PROVISIONS	**5,251**	**1,293**	**(414)**	**(714)**	**192**	**5,608**

* *Other changes included the variation in the revaluation difference on employee benefits (€348 million before tax) and the impacts related to changes in scope of consolidation and foreign exchange rate adjustments.*

At December 31, 2014, provisions for restructuring costs included €60 million for the workforce adjustment plan at Natixis (€91 million at December 31, 2013).

At December 31, 2014, provisions included €415 million for the net Madoff outstandings (€351 million at December 31, 2013).

5.18.1 Deposits held in regulated home savings products

in millions of euros	12/31/2014	12/31/2013
Deposits held in PEL regulated home savings plans		
– less than 4 years	26,009	16,102
– more than 4 years and less than 10 years	16,631	18,387
– more than 10 years	14,158	17,112
Deposits held in PEL regulated home savings plans	**56,798**	**51,601**
Deposits held in CEL regulated home savings accounts	**5,982**	**6,294**
TOTAL DEPOSITS HELD IN REGULATED HOME SAVINGS PRODUCTS	**62,780**	**57,895**

5.18.2 Loans outstanding granted under regulated home savings products

in millions of euros	12/31/2014	12/31/2013
Loans outstanding granted under regulated home savings plans	218	269
Loans outstanding granted under regulated home savings accounts	743	936
TOTAL LOANS OUTSTANDING ON REGULATED HOME SAVINGS PRODUCTS	**961**	**1,205**

5.18.3 Provisions on regulated home savings products

in millions of euros	12/31/2014	12/31/2013
Provisions for PEL regulated home savings plans		
– less than 4 years	219	25
– more than 4 years and less than 10 years	143	80
– more than 10 years	227	536
Provisions for PEL regulated home savings plans	**589**	**641**
Provisions for CEL regulated home savings accounts	**91**	**60**
Provisions for PEL regulated home savings loans	(2)	(3)
Provisions for CEL regulated home savings loans	(6)	(3)
Provisions for regulated home savings loans	**(8)**	**(6)**
TOTAL PROVISIONS FOR REGULATED HOME SAVINGS PRODUCTS	**672**	**695**

5.19 SUBORDINATED DEBT

Subordinated debt is classified separately from issues of other debt and bonds because in the event of default, holders of subordinated debt rank after all senior debt holders.

in millions of euros	12/31/2014	12/31/2013
Term subordinated debt	14,615	9,614
Perpetual subordinated debt	321	104
Mutual guarantee deposits	196	243
Subordinated debt and similar	**15,132**	**9,961**
Accrued interest	291	198
Revaluation of the hedged component	183	217
TOTAL SUBORDINATED DEBT	**15,606**	**10,375**

The fair value of subordinated debt is presented in Note 15.

Changes in subordinated debt and similar during the year

in millions of euros	01/01/2014	Issuance(1)	Buyback(2)	Other changes(3)	12/31/2014
Term subordinated debt	9,614	6,730	(1,778)	50	14,615
Perpetual subordinated debt	104	251		(34)	321
Mutual guarantee deposits	244	6	(26)	(28)	196
SUBORDINATED DEBT AND SIMILAR	**9,961**	**6,987**	**(1,804)**	**(12)**	**15,132**

(1) Issuances in Fiscal year 2014 included:
- *€375 million (for a nominal value of €380 million) in subordinated term debt securities with 10-year maturity (maturity date: March 2024) by Coface in March 2014;*
- *€251 million in a public issuance by Natixis Assurances;*
- *$3,550 million total in redeemable subordinated notes by BPCE in January, July and September 2014;*
- *€2,285 million total in redeemable subordinated notes by BPCE in July and September 2014;*
- *£750 million in redeemable subordinated notes by BPCE in April 2014.*

(2) Buybacks of subordinated borrowings and securities specifically involve:
- *Prepayment by Natixis of a term subordinated note with a face value of $300 million, issued in December 2006 and having an initial maturity of January 2019;*
- *Prepayment by Natixis of a term subordinated note with a face value of €500 million, and having an initial maturity of May 2019;*
- *Arrival at maturity for €1,071 million from BPCE.*

(3) Other changes include the revaluation of debts that are hedged as well as the impacts from changes in scope and conversion.

Deeply subordinated notes qualifying as equity instruments are presented in Note 5.20.2.

5.20 ORDINARY SHARES AND EQUITY INSTRUMENTS ISSUED

5.20.1 Cooperative shares

At December 31, 2014, the share capital broke down as follows:

- €7,410 million in cooperative shares fully subscribed for by cooperative shareholders of the Banque Populaire banks and the SAS, the carrying entities for the cooperative shareholders (compared to €7,225 million at December 31, 2013);
- €9,339 million in cooperative shares fully subscribed for by the cooperative shareholders of the Caisses d'Epargne (compared to €8,965 million at December 31, 2013).

At December 31, 2014, additional paid-in capital broke down as follows:

- €946 million linked to cooperative shares fully subscribed for by the cooperative shareholders of the Banque Populaire banks and the carrying SAS;
- €2,885 million linked to cooperative shares fully subscribed for by the cooperative shareholders of the Caisses d'Epargne.

5.20.2 Perpetual deeply subordinated notes classified as equity

Issuing entity	Issue date	Currency	Amount (in original currency)	Redemption option date	Interest step-up date	Rate	Nominal (in millions of euros*) 12/31/2014	12/31/2013
BPCE	11/26/2003	EUR	471 million	07/30/2014	07/30/2014	5.25%		471
BPCE	07/30/2004	USD	200 million	03/31/2015	None	Min (10-year CMAT +0.3%; 9%)	142	142
BPCE	10/06/2004	EUR	369 million	07/30/2015	07/30/2015	4.63%	369	369
BPCE	10/12/2004	EUR	80 million	01/12/2015	None	Min (10-year CMS; 7%)	80	80
BPCE	01/27/2006	USD	300 million	01/27/2015	None	6.75%	214	214
BPCE	02/01/2006	EUR	350 million	02/01/2016	None	4.75%	350	350
BPCE	10/30/2007	EUR	509 million	10/30/2017	10/30/2017	6.12%	509	509
BPCE	08/06/2009	EUR	52 million	09/30/2015	None	13.00%	52	52
BPCE	08/06/2009	EUR	374 million	09/30/2019	09/30/2019	12.50%	374	374
BPCE	08/06/2009	USD	134 million	09/30/2015	None	13.00%	93	93
BPCE	08/06/2009	USD	444 million	09/30/2019	09/30/2019	12.50%	309	309
BPCE	10/22/2009	EUR	750 million	04/22/2015	None	9.25%	750	750
BPCE	03/17/2010	EUR	818 million	03/17/2015	03/17/2020	9.00%	818	818
TOTAL							**4,060**	**4,531**

* *Nominal amount translated into euros at the exchange rate in force at the date of classification as equity.*

Issues of perpetual deeply subordinated notes prior to June 30, 2009 have thereafter been recognized as equity instruments as a result of a remuneration payment clause that has since become discretionary. Previously, they were recognized as subordinated debt and similar. In accounting terms, the transformation of these debt instruments into equity instruments is treated as debt extinguishment.

Issues after June 30, 2009 have always been recognized in equity due to the discretionary nature of their remuneration.

5.21 NON-CONTROLLING INTERESTS

Information regarding consolidated subsidiaries and structured entities for which the amount of non-controlling interests is significant in terms of total Group equity is shown in the following statement:

in millions of euros		Fiscal year 2014						
		Non-controlling interests			Summary financial information for 100% Equity interests			
Entity name	Percentage of non-controlling interests	Income attributed during the period to holders of non-controlling interests	Amount of the subsidiary's non-controlling interests	Dividends paid to holders of non-controlling interests	Assets	Debt	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Natixis Group	**28.49%**	**387**	**7,093**	**152**	**590,424**	**570,263**	**1,138**	**1,741**
o/w Coface(1)	58.74%	34	1,104	1	6,587	4,863	125	163
o/w BPCE Assurances(1)	40.00%	21	132		1,506	1,175	52	73
Nexity Group(2)		**47**	**-**	**64**	**5,250**	**3,671**	**25**	**27**
Locindus	**25.45%**	**3**	**66**	**3**	**715**	**456**	**9**	**9**
Other entities		**22**	**229**	**15**				
TOTAL AS AT 12/31/2014		**459**	**7,388**	**234**				

(1) *Natixis Group data (direct non-controlling) interests.*
(2) *As from December 31, 2014, the Group's participation in Nexity's capital has been consolidated using the equity method.*

in millions of euros	Fiscal year 2013							
	Non-controlling interests				Summary financial information for 100% Equity interests			
Entity name	**Percentage of non-controlling interests**	**Income attributed during the period to holders of non-controlling interests**	**Amount of the subsidiary's non-controlling interests**	**Dividends paid to holders of non-controlling interests**	**Assets**	**Debt**	**Net income attributable to equity holders of the parent**	**Comprehensive income attributable to equity holders of the parent**
Natixis group	28.04%	213	5,401	600	510,131	492,186	883	1,927
BPCE Assurances	40.00%	15	109	5	1,356	1,084	38	21
Nexity group	59.16%	70	821	66	4,187	2,554	100	103
Locindus	25.51%	2	68	3	814	552	9	9
Other entities		21	434	18				
TOTAL AS AT 12/31/2013		**321**	**6,833**	**692**				

5.22 CHANGE IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	**Fiscal year 2014**	**Fiscal year 2013**
Revaluation differences on defined-benefit pension schemes	(342)	161
Tax impact of revaluation differences on defined-benefit pension schemes	118	(48)
Items that cannot be reclassified in income	**(224)**	**113**
Foreign exchange rate adjustments	**618**	**(311)**
Change in the value of available-for-sale financial assets	**826**	**793**
Change in value over the period affecting equity	*994*	*866*
Change in value over the period affecting income	*(168)*	*(73)*
Change in the value of hedging derivatives	**(387)**	**498**
Change in value over the period affecting equity	*(534)*	*390*
Change in value over the period affecting income	*147*	*108*
Income taxes	**(163)**	**(319)**
Items that can be reclassified in income	**894**	**661**
Share of gains and losses recognized directly in the equity of associates	**177**	**(6)**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY (AFTER INCOME TAX)	**847**	**768**

in millions of euros	Fiscal year 2014			Fiscal year 2013		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Revaluation differences on defined-benefit pension schemes	(342)	118	(224)	161	(48)	113
Foreign exchange rate adjustments	618	///	618	(311)	///	(311)
Change in the value of available-for-sale financial assets	826	(218)	608	793	(154)	639
Change in the value of hedging derivatives	(387)	55	(332)	498	(165)	333
Share of gains and losses recognized directly in the equity of associates	///	///	177	///	///	(6)
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY			**847**			**768**
Attributable to equity holders of the parent			627			728
Non-controlling interests			220			40

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Note 6 Notes to the income statement

6.1 INTEREST AND SIMILAR EXPENSES

This line item comprises interest income and expenses, calculated using the effective interest method, on financial assets and liabilities measured at amortized cost, which include interbank and customer items, held-to-maturity assets, debt securities and subordinated debt.

It also includes interest receivable on fixed-income securities classified as available-for-sale financial assets and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Loans and receivables due from customers	19,345	(6,024)	13,321	19,479	(6,389)	13,090
Loans and receivables due from credit institutions[(2)]	1,788	(674)	1,114	2,339	(854)	1,485
Finance leases	633	///	633	727	///	727
Debt securities and subordinated debt	///	(5,371)	(5,371)	///	(5,459)	(5,459)
Hedging derivatives[(1)]	5,865	(5,979)	(114)	3,244	(3,662)	(418)
Available-for-sale financial assets	1,616	///	1,616	1,763	///	1,763
Held-to-maturity financial assets	329	///	329	338	///	338
Impaired financial assets	61	///	61	56	///	56
Other interest income and expenses	6	(53)	(47)	14	(52)	(38)
TOTAL INTEREST INCOME AND EXPENSES	**29,643**	**(18,101)**	**11,542**	**27,960**	**(16,416)**	**11,544**

(1) Interest income from loans and receivables with credit institutions consists of €1,063 million in income (€1,537 million in 2013) collected on the Livret A, LDD and LEP passbook savings accounts, which are deposited with Caisse des Dépôts et Consignations.

(2) The presentation of hedging transactions was amended over the period and the information for 2014 includes this amendment. Applying this presentation to the information for 2013 would mean reclassifying €4 million in interest and similar income and expenses as Gains or losses on financial instruments at fair value through profit or loss (Note 6.3).

In 2013, interest income on hedging derivatives would have amounted to €7,026 million, while interest expenses on hedging derivatives would have totaled -€7,448 million.

6.2 FEE AND COMMISSION INCOME AND EXPENSES

Commissions are recorded based on the type of service rendered and on the method of accounting for the financial instrument to which the service relates.

This line includes mainly commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, payment penalties, etc.), commissions receivable or payable on execution of significant transactions, and commissions receivable or payable on trust assets managed on behalf of the Group's customers.

However, commissions that form an integral part of the effective yield on a contract are recorded under "Net interest income".

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Cash and interbank transactions	23	(26)	(3)	49	(28)	21
Customer transactions	2,857	(27)	2,830	2,810	(49)	2,761
Financial services	518	(585)	(67)	586	(603)	(17)
Sales of life insurance products	1,278	///	1,278	1,210	///	1,210
Payment services	1,506	(586)	920	1,571	(642)	929
Corporate actions	336	(120)	216	295	(122)	173
Trust management services	2,620	(9)	2,611	2,249	(13)	2,236
Financial instruments and off-balance sheet transactions	341	(110)	231	372	(98)	274
Other fee and commissions	474	(369)	105	512	(380)	132
TOTAL FEE AND COMMISSION INCOME AND EXPENSES	**9,953**	**(1,832)**	**8,121**	**9,654**	**(1,935)**	**7,719**

6.3 NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

This item includes gains and losses (including the related interest) on financial assets and liabilities classified as held for trading or designated at fair value through profit or loss.

"Gains and losses on hedging transactions" include gains and losses arising from the revaluation of derivatives used as fair value hedges, as well as gains and losses from the revaluation of the hedged item in the same manner, the revaluation at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

in millions of euros	Fiscal year 2014	Fiscal year 2013	Restated Fiscal year 2013(1)
Gains and losses on financial instruments held for trading(2)	1,140	1,605	1,699
Gains and losses on financial instruments designated at fair value through profit or loss	259	214	260
Gains and losses on hedging transactions	(138)	109	(33)
– *Ineffective portion of fair value hedges*	*(150)*	*56*	*(86)*
– *Ineffective portion of cash flow hedges*	*12*	*53*	*53*
Gains and losses on foreign exchange transactions	304	(193)	(187)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,565**	**1,735**	**1,739**

(1) *The amended presentation described in Note 6.1 would have resulted in 2013 in the reclassification of €4 million of "Interest and similar income" or "Interest and similar expenses" as "Gains and losses on financial instruments at fair value through profit or loss" and reclassifications between the headings of that line item.*

(2) *In 2014, "Gains and losses on financial instruments held for trading" included a change in the fair value of derivatives including -€117 million (-€26 million in 2013) due to the difference in impairments for counterparty risk (Credit Value Adjustment - CVA), in the amount of €75 million (€88 million in 2013) due to the consideration of non-performance risk in the valuation of derivative financial liabilities (Debit Valuation Adjustment - DVA), and in the amount of -€82 million due to the inclusion of an adjustment for funding cost (Funding Valuation Adjustment - FVA).*

These adjustments incorporate the net effect as *CVA* and *DVA* of estimates refined during 2014, of which the main ones have to do with the extension of the use of market inputs as well as the extension of the adjustment calculation scope (total impact of -€25 million).

"Gains and losses on financial instruments designated at fair value through profit or loss" include the revaluation of own debt on issues classified as fair value instruments through profit or loss with an impact of -€276 million impact on income for the period *versus* -€258 million last year.

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Day one profit

in millions of euros	Fiscal year 2014	Fiscal year 2013
Day one profit at the start of the year	35	48
Deferred profit on new transactions	47	9
Profit recognized in income during the year	(28)	(21)
DAY ONE PROFIT AT YEAR-END	**54**	**35**

6.4 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

This item includes dividends from variable-income securities, gains and losses on the sale of available-for-sale financial assets and other financial assets not valued at fair value as well as impairment losses recognized on variable-income securities due to a permanent impairment in value.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Gains or losses on disposals(1)	605	384
Dividends received	296	284
Permanent impairment of variable-income securities(2)	(230)	(179)
TOTAL NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**671**	**489**

(1) *In the first half of 2014, Natixis sold its interest in Lazard (5.4% of the share capital), generating a capital gain of €99 million.*

(2) *Permanent impairment of variable-income securities amounted to €230 million in 2014 versus €179 million in 2013. This expense concerns insurance portfolios for €24 million (€60 million in 2013), the impact of which is 92.7% neutralized (94.8% respectively in 2013) given the profit-sharing mechanism.*

In 2014, permanent impairment in value of variable-income securities included an additional impairment loss of €139 million on previously impaired securities (€94 million in 2013). The automatic application of indicators of losses in value presented in paragraph 5.4 did not result in any new material impairments in 2014.

6.5 INCOME AND EXPENSES FROM OTHER ACTIVITIES

This item mainly comprises:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortization and impairment);
- income and expenses resulting from the Group's insurance business (notably premium income, paid benefits and claims, and changes in technical reserves of insurance companies);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

in millions of euros	Fiscal year 2014			Fiscal year 2013		
	Income	Expenses	Net	Income	Expenses	Net
Income and expenses from insurance activities	**6,343**	**(6,288)**	**55**	**5,678**	**(5,849)**	**(171)**
Income and expenses from real estate activities	**2,351**	**(1,457)**	**894**	**2,769**	**(1,891)**	**878**
Income and expenses from leasing transactions	**101**	**(95)**	**6**	**125**	**(112)**	**13**
Income and expenses from investment property	**227**	**(100)**	**127**	**278**	**(99)**	**179**
Share of joint ventures	11	(13)	(2)	39	(31)	8
Transfers of expenses and income	20	(4)	16	18	(7)	11
Other operating income and expenses	1,022	(598)	424	1,221	(694)	527
Additions to and reversals from provisions to other operating income and expenses	98	(260)	(162)	72	(178)	(106)
Other banking income and expenses	**1,151**	**(875)**	**276**	**1,350**	**(910)**	**440**
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**10,173**	**(8,815)**	**1,358**	**10,200**	**(8,861)**	**1,339**

Income and expenses from insurance activities

The statement below provides a transition between the financial statements of insurance companies included in the scope of consolidation and their translation into the financial statements of Groupe BPCE in accordance with the presentation applicable to banks.

The Group's consolidated companies that present their financial statements based on the insurance company model are Natixis Assurances, Muracef, Surassur, Prépar Vie, Prépar Iard, CEGC and Coface.

in millions of euros	Banking format 2014					
	Net banking income	General operating expenses	Gross operating income	Other items	Insurance format 2014	Insurance format 2013
Earned premiums	7,891		7,891		7,891	6,561
Revenues or income from other activities	250		250		250	250
Other operating income	13	27	40		40	15
Net financial income before finance costs	1,999	(10)	1,989	20	2,009	2,129
TOTAL REVENUES	**10,153**	**17**	**10,170**	**20**	**10,190**	**8,955**
Claims and benefits expenses	(7,600)	(89)	(7,689)		(7,689)	(6,662)
Expenses from other activities	(321)		(321)		(321)	(216)
Net income from reinsurance disposals	138		138		138	50
Policy acquisition costs	(582)	(238)	(820)		(820)	(738)
Administrative expenses	(251)	(348)	(599)		(599)	(580)
Other operating income and expenses/recurring	(37)	(221)	(258)	(7)	(265)	(261)
TOTAL OTHER RECURRING INCOME AND EXPENSES	**(8,653)**	**(896)**	**(9,549)**	**(7)**	**(9,556)**	**(8,407)**
OPERATING INCOME	**1,500**	**(879)**	**621**	**13**	**634**	**548**

Income and expenses recognized for insurance policies are included under the "Income from other activities" and "Expenses from other activities" components of net banking income.

Other components of the operating income of insurance entities of a banking nature (interest and commissions) are reclassified under these items of net banking income.

The main reclassifications relate to the charging of general operating expenses by nature whereas they are charged by function in the insurance presentation.

6.6 OPERATING EXPENSES

Operating expenses include mainly payroll costs (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative expenses and other external services costs.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Payroll costs	**(10,007)**	**(9,862)**
Taxes other than on income	(642)	(668)
External services and other operating expenses	(4,791)	(4,679)
Other administrative costs	**(5,433)**	**(5,347)**
TOTAL OPERATING EXPENSES	**(15,440)**	**(15,209)**

The breakdown of payroll costs is provided in Note 9.1.

6.7 COST OF RISK

This item records net impairment charges for credit risks, regardless of whether the impairment is calculated on an individual or collective basis for a portfolio of similar receivables.

Impairment losses are recognized for both loans and receivables and fixed-income securities when there is a known counterparty risk. Losses related to other types of instruments (derivatives or securities designated at fair value through profit or loss) recorded as a result of default by credit institutions are also included under this item.

Cost of risk for the period

in millions of euros	Fiscal year 2014	Fiscal year 2013
Net charge to provisions and provisions for impairment	(1,622)	(1,912)
Recoveries of bad debts written off	122	97
Irrecoverable loans not covered by provisions for impairment	(276)	(227)
TOTAL COST OF RISK	**(1,776)**	**(2,042)**

Cost of risk by type of asset

in millions of euros	Fiscal year 2014	Fiscal year 2013
Interbank transactions	6	37
Customer transactions	(1,680)	(1,797)
Other financial assets	(102)	(282)
TOTAL COST OF RISK	**(1,776)**	**(2,042)**

6.8 NET GAINS OR LOSSES ON OTHER ASSETS

This item includes gains and losses on disposals of property, plant and equipment and intangible assets, as well as gains and losses on disposals of consolidated investments in associates.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Gains or losses on disposals of property, plant and equipment and intangible assets used in operations	100	42
Gains or losses on disposals of consolidated investments	(25)	(6)
TOTAL GAINS OR LOSSES ON OTHER ASSETS	**75**	**36**

Net income for 2014 includes the proceeds from the sale of a building by Natixis resulting in a capital gain of €92 million, and the sale of a portion of the interest in Nexity (-€7 million).

6.9 INCOME TAX

in millions of euros	Fiscal year 2014	Fiscal year 2013
Current income tax expense	(1,688)	(2,453)
Deferred tax assets and liabilities	(225)	554
INCOME TAX	**(1,913)**	**(1,899)**

Reconciliation between the tax charge in the financial statements and the theoretical tax charge

	Fiscal year 2014		Fiscal year 2013	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Net income attributable to equity holders of the parent	2,907		2,669	
Change in the value of goodwill	52		16	
Share of non-controlling interests in consolidated companies	459		321	
Share in net income of associates	(105)		(220)	
Income taxes	1,913		1,899	
INCOME BEFORE TAX AND CHANGES IN THE VALUE OF GOODWILL (A)	**5,226**		**4,685**	
Standard income tax rate in France (B)		**34.4%**		**34.4%**
Theoretical income tax expense (income) at the tax rate applicable in France (AxB)	**(1,799)**		**(1,613)**	
Impact of the change in unrecognized deferred tax assets and liabilities	(25)	0.5%	(3)	0.1%
Impact of permanent differences	21	(0.4%)	(98)	2.1%
Reduced rate of tax and tax-exempt activities	16	(0.3%)	(0)	
Difference in tax rates on income taxed outside France	17	(0.3%)	(33)	0.7%
Temporary step-up of corporate tax	(134)	2.6%	(173)	3.7%
Tax on prior periods, tax credits and other tax*	(37)	0.7%	(122)	2.6%
Other items	28	(0.6%)	144	(3.1%)
INCOME TAX EXPENSE (INCOME) RECOGNIZED	**(1,913)**		**(1,899)**	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		**36.6%**		**40.5%**

* *o/w: -€18 million for an impairment on a past loss on the France tax consolidation group at Natixis. -€80 million for an impairment on a past loss on the London branch at Natixis, and +€76 million in tax savings resulting from the offset of previously unrecognized tax losses at Natixis in 2014.*

Note 7 Exposure to risks

Information relating to capital management as well as regulatory ratios are presented in the Risk management section (Chapter 3 of the registration document).

7.1 CREDIT RISK AND COUNTERPARTY RISK

Certain disclosures relating to risk management required by IFRS 7 are also provided in the risk management report (Chapter 3 of the registration document). They include:

- the breakdown of the loan portfolio by category of gross exposure and approach;
- the breakdown of gross exposures by category and approach (separation of credit and counterparty risk);
- the breakdown of gross exposure by geographic region;
- concentration of credit risk by borrower;
- the breakdown of exposure by credit rating.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

7.1.1 Measurement and management of credit risk

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or even default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the risk management report.

7.1.2 Total exposure to credit risk and counterparty risk

The statement below shows the credit risk exposure for all Groupe BPCE financial assets. The exposure is calculated on the basis of the carrying amount of the financial assets without taking into account the impact of any unrecognized netting or collateral agreements.

in millions of euros	Net outstandings at 12/31/2014	Net outstandings at 12/31/2013
Financial assets at fair value through profit or loss *(excluding variable-income securities)*	184,749	168,730
Hedging derivatives	16,396	6,643
Available-for-sale financial assets *(excluding variable-income securities)*	74,318	66,548
Loans and receivables due from credit institutions	103,744	108,038
Loans and receivables due from customers	610,967	578,419
Held-to-maturity financial assets	11,195	11,567
Exposure to balance sheet commitments	**1,001,369**	**939,945**
Financial guarantees given	40,074	46,076
Off-balance sheet commitments	120,800	128,970
Exposure to off-balance sheet commitments	**160,874**	**175,046**
TOTAL CREDIT AND COUNTERPARTY RISK EXPOSURE	**1,162,243**	**1,114,991**

7.1.3 Impairment and provisions for credit risk

in millions of euros	01/01/2014	Charges	Reversals*	Other changes	12/31/2014
Available-for-sale financial assets	145	10	(60)	0	95
Interbank transactions	199	4	(34)	(38)	131
Customer transactions	12,285	3,500	(3,488)	(8)	12,289
Held-to-maturity financial assets	4			(1)	3
Other financial assets	290	160	(352)	9	107
Impairment losses recognized in assets	**12,923**	**3,674**	**(3,934)**	**(38)**	**12,625**
Provisions for off-balance sheet commitments	**1,056**	**318**	**(284)**	**(5)**	**1,085**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**13,979**	**3,992**	**(4,218)**	**(43)**	**13,710**

* *o/w: €1,762 million in reversals of provisions used.*

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7.1.4 Financial assets with past due payments

Assets with past due payments are performing financial assets for which a payment incident has been recorded.

For example:

- a debt instrument is considered past due if the bond issuer is no longer making interest payments;
- a loan is considered past due if a payment or installment has been missed and recorded as such in the financial statements;
- a current account overdraft carried in "Loans and advances" is considered past due if the overdraft period or authorized limit has been exceeded at the balance sheet date.

The amounts disclosed in the statement below do not include past due payments resulting from the time delay between the settlement date and the recognition date.

Past due loans and receivables (past due principal and accrued interest in the case of loans and total overdrawn balance in the case of current accounts) can be broken down by due date as follows:

	Non-impaired outstandings showing past due balances					
in millions of euros	≤ 90 days	> 90 days and ≤ 180 days	> 180 days and ≤ 1 year	> 1 year	Impaired outstandings (net value)	Total outstandings
Debt instruments	0	0	0	2	105	107
Loans and advances	8,010	436	48	38	12,187	20,719
Other financial assets	3	0	2	0	0	5
TOTAL AS AT 12/31/2014	**8,013**	**436**	**50**	**40**	**12,292**	**20,831**

in millions of euros	Non-impaired outstandings showing past due balances ≤ 90 days	> 90 days and ≤ 180 days	> 180 days and ≤ 1 year	> 1 year	Impaired outstandings (net value)	Total outstandings
Debt instruments	2				116	118
Loans and advances	6,541	530	78	55	12,715	19,919
Other financial assets	4		1			5
TOTAL AS AT 12/31/2013	**6,547**	**530**	**79**	**55**	**12,831**	**20,042**

7.1.5 Remodeling due to financial difficulties

The following statement shows the assets (excluding assets held for trading) and financing commitments that are subject to changes to the terms of their initial contract or to the constitutive refinancing of a concession due to the financial difficulties of a debtor (forbearance exposures).

in millions of euros	Remodeling	Impairments and provisions	Guarantees received
Balance sheet	8,508	(1,562)	4,976
Off-balance sheet	253		1,328
TOTAL AS AT 12/31/2014	**8,761**	**(1,562)**	**6,304**

7.1.6 Credit risk mitigation mechanisms: assets obtained by taking possession of collateral

The following statement shows by type the carrying amount of assets (securities, buildings, etc.) obtained during the period by taking possession of collateral or other forms of credit enhancement.

in millions of euros	12/31/2014	12/31/2013
Non-current assets available for sale	15	4
Investment property	1	5
Equity and debt instruments	151	0
Other	33	33
TOTAL ASSETS OBTAINED BY TAKING POSSESSION OF COLLATERAL	**200**	**42**

7.2 MARKET RISK

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives and commodity derivatives are exposed to this type of risk; and
- more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the risk management report.

The information provided in the risk management report required under IFRS 7 and relating to the management of market risk comprises:

- VaR for the Groupe BPCE scope;
- stress testing results.

7.3 INTEREST RATE RISK AND EXCHANGE RATE RISK

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net worth. Exchange rate risk is the risk of losses resulting from changes in exchange rates.

The Group's approach to the management of exchange rate risk is discussed in the risk management report.

7.4 LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to honor its payment commitments as they fall due and replace funds when they are withdrawn.

The funding procedures and liquidity risk management arrangements are disclosed in the risk management report.

Disclosures relating to the management of liquidity risk required by IFRS 7 are provided in the risk management report.

The table below shows the amounts of financial instrument by contractual maturity date.

Financial instruments marked to market on the income statement and held in the trading book, variable-income available-for-sale financial assets, doubtful loans, hedging derivatives and remeasurement adjustments on interest rate risk-hedged portfolios are placed in the "Perpetual" column. These financial instruments are:

- either held for sale or redeemed prior to their contractual maturity;
- or held for sale or redeemed at an indeterminable date (particularly where they have no contractual maturity);
- or measured on the balance sheet for an amount impacted by revaluation effects.

Accrued interest not yet due is shown in the "Less than 1 month" column.

The amounts shown are contractual amounts excluding projected interest.

in millions of euros	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Perpetual	Total as at 12/31/2014
Cash and amounts due from central banks	79,020	8					79,028
Financial assets at fair value through profit or loss - trading book						140,961	140,961
Financial assets at fair value through profit or loss - fair value option	35,972	7,154	16,831	9,107	5,249	14,026	88,339
Hedging derivatives						16,396	16,396
Available-for-sale financial assets	3,087	2,302	7,432	23,812	35,659	14,692	86,984
Loans and receivables due from credit institutions	79,984	11,665	5,840	3,243	1,456	1,556	103,744
Loans and receivables due from customers	61,963	20,818	44,715	173,991	293,554	15,926	610,967
Revaluation difference on interest rate risk-hedged portfolio						9,622	9,622
Held-to-maturity financial assets	183	68	686	4,726	5,488	44	11,195
FINANCIAL ASSETS BY MATURITY	**260,209**	**42,015**	**75,504**	**214,879**	**341,406**	**213,223**	**1,147,236**
Financial liabilities at fair value through profit and loss - trading book						105,528	105,528
Financial liabilities at fair value through profit and loss - fair value option	42,141	23,924	7,981	8,388	9,697	939	93,070
Hedging derivatives						21,582	21,582
Amounts due to credit institutions	44,391	7,401	2,056	13,164	17,236	1,453	85,701
Amounts due to customers	363,891	17,300	19,192	60,148	12,745	264	473,540
Subordinated debt	375	445	793	4,223	9,346	424	15,606
Debt securities	21,810	29,207	54,833	77,324	57,900	9,092	250,166
Revaluation difference on interest rate risk-hedged portfolio						1,629	1,629
FINANCIAL LIABILITIES BY MATURITY	**472,608**	**78,277**	**84,855**	**163,247**	**106,924**	**140,911**	**1,046,822**
Financing commitments given to credit institutions	10,194	777	772	1,607	596		13,946
Financing commitments given to customers	31,389	6,215	19,473	37,545	13,063	159	107,844
TOTAL FINANCING COMMITMENTS GIVEN	**41,583**	**6,992**	**20,245**	**39,152**	**13,659**	**159**	**121,790**
Guarantee commitments given to credit institutions	323	533	716	781	819	135	3,307
Guarantee commitments given to customers	2,870	1,885	5,577	9,544	10,946	4,532	35,354
TOTAL GUARANTEE COMMITMENTS GIVEN	**3,193**	**2,418**	**6,293**	**10,325**	**11,765**	**4,667**	**38,661**

Note 8 Partnerships and associates

8.1 INVESTMENTS IN ASSOCIATES

8.1.1 Investments in associates

The Group's main investments in joint ventures and associates are as follows:

in millions of euros	12/31/2014	12/31/2013
CNP Assurances (group)	2,172	1,921
Socram Banque	71	68
EDF Investment Group (EIG)(1)	532	0
Banque calédonienne d'investissement (BCI)	120	109
Other	377	309
Financial sector companies	**3,272**	**2,407**
Nexity(2)	545	0
Other	274	222
Non-financial companies	**819**	**222**
TOTAL INVESTMENTS IN ASSOCIATES	**4,091**	**2,629**

(1) Following the changes in governance at EDF Investment Group (EIG) during the first half of 2014, this entity now meets the definition of associate.
(2) Following the disposal of securities in December 2014, Nexity Group is now consolidated using the equity method (see Note 1.3).

8.1.2 Financial data for the main joint arrangements and associates

Summarized financial data for material companies under notable influence are as follows (they are based on the last available data published by the entities in question):

in millions of euros	Caisse Nationale de Prévoyance (CNP)	SOCRAM Banque	EDF Investment Group (EIG)	Banque calédonienne d'investissement (BCI)	Nexity
DIVIDENDS RECEIVED	**85**	**1**	**24**	**4**	**44**
MAIN AGGREGATES					
Total assets	**395,401**	**1,971**	**12,509**	**2,188**	**4,700**
Total debt	**378,721**	**1,759**	**664**	**1,947**	**3,143**
Income statement					
Operating income or net banking income	2,412	46	510	82	871
Income tax	(773)	(6)	(72)	(18)	(79)
Net income	1,080	12	438	23	39
CARRYING VALUE OF INVESTMENTS IN ASSOCIATES					
Equity of associates*	16,680	211	11,845	241	1,557
Percentage of ownership	16.11%	33.42%	4.49%	49.90%	33.39%
VALUE OF INVESTMENTS IN ASSOCIATES	**2,172**	**71**	**532**	**120**	**545**
o/w Goodwill	*0*	*0*	*0*	*2*	*0*
MARKET VALUE OF INVESTMENTS IN ASSOCIATES	***1,628***	***///***	***///***	***///***	***568***

** The equity selected by Groupe BPCE for consolidating the Caisse Nationale de Prévoyance (CNP) via the equity method is being restated (deeply subordinated notes subscribed by third parties).*

For more information regarding financial data, please refer to the institutional websites of the following entities:

- CNP: http://www.cnp.fr/Le-Groupe/Nos-publications/Les-documents-de-reference;
- Nexity: http://www.nexity.fr/immobilier/groupe/finance/rapports/rapports-financiers

Groupe BPCE has no interest in any joint venture that has a material impact on the consolidated financial statements.

It has no share in any losses not booked during the period by a joint venture or an associate as a result of the equity method applied.

Summarized financial data for non-material joint ventures and companies under significant influence is as follows:

in millions of euros	12/31/2014	12/31/2013
Value of investments in associates	**651**	**531**
Total amount of share in:		
Net income*	61	40
Gains and losses recognized directly in equity	13	(7)
COMPREHENSIVE INCOME	**74**	**33**

* *This amount does not recognize the impairments and provisions recognized for the equity interest in Volksbank România (see Note 1.3).*

8.1.3 Nature and scope of major restrictions

Groupe BPCE has not been faced with any major restrictions relating to interests held in associates and joint ventures.

8.2 SHARE IN NET INCOME OF ASSOCIATES

in millions of euros	Fiscal year 2014	Fiscal year 2013
CNP Assurances (group)	174	166
VBI Beteiligung*	(171)	0
EDF Investment Group (EIG)	21	0
Socram Banque	4	3
Banque calédonienne d'investissement (BCI)	11	11
Other	34	35
Financial sector companies	**73**	**215**
Nexity	5	0
Other	27	5
Non-financial companies	**32**	**5**
SHARE IN NET INCOME OF ASSOCIATES	**105**	**220**

* *Holding of Volksbank România, affiliate pending disposal (see Note 1.3).*

Note 9 Employee benefits

9.1 PAYROLL COSTS

in millions of euros	Fiscal year 2014	Fiscal year 2013
Wages and salaries	(6,117)	(5,918)
Costs of defined-contribution plans	(780)	(708)
Other social security costs and payroll-based taxes	(2,548)	(2,730)
Profit-sharing and incentive schemes	(562)	(506)
TOTAL PAYROLL COSTS	**(10,007)**	**(9,862)**

The Employment Competitiveness Tax Credit is deducted from payroll costs. It came to €107 million in respect of Fiscal year 2014 (€71 million for 2013). The use of this tax is presented in Chapter 6 "Social, environmental and societal information" of the registration document.

For 2014, payroll costs included a reversal on a provision of €31 million, €11 million of which was unused, for the Natixis Employment Adaptation Plan, compared to a provision of €91 million at December 31, 2013.

9.2 EMPLOYEE BENEFITS

Groupe BPCE grants its staff a variety of employee benefits.

The Banque Populaire banks' private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CARBP), covers the pension benefits deriving from the closure of the banking pension scheme at December 31, 1993.

The pension plans managed by CARBP are partially covered by an insurance policy for annuities paid to beneficiaries having passed a reference age and for obligations related to younger beneficiaries. An exceptional contribution of €140 million was paid to increase the amount of coverage.

Annuities paid to beneficiaries having passed the reference age are managed with the insurer's general pension assets. These general assets are reserved for this insurer's pension obligations and their composition is adjusted to long-term and predictable payment schedules. They consist predominantly of bonds so that the insurer can implement the capital guarantee that it is required to give on assets of this type. The insurer is responsible for managing the fund's assets and liabilities.

Other obligations are managed in a unit-linked diversified fund, *i.e.* with no specific guarantee provided by the insurer. The fund is managed according to a strategic allocation approach, predominantly focused on fixed income products (60%, with more than 80% of this bucket comprised of government bonds), but with significant exposure to equities (40%). This allocation is established with the aim of optimizing the portfolio's expected performances, subject to a level of risk overseen and measured using several criteria. The corresponding asset/liability reviews are performed yearly and presented to the Monitoring Committee and to the Plan Management Committee. The relatively dynamic allocation applied is made possible by the time frame in which the amounts are used and by the regulation mechanisms specific to the financial oversight of the system. The fund's assets do not include derivatives.

The private supplementary pension plan, previously managed by Caisse Générale de Retraite des Caisses d'Epargne (CGRCE), is now incorporated within Caisse Générale de Prévoyance des Caisses d'Epargne (CGPCE), which is a retained benefits plan (RMP). The CGR plan has been closed since December 31, 1999, and the rights crystallized at this date. The strategic guidelines for managing retained benefits plan funds for the Caisses d'Epargne are decided by the Board of Directors on the basis of asset/liability reviews. The plan is subject to several constraints and targets on which strategic choices are based:

- a risk of a provision in the event of inadequate return on plan assets (provision for financial risks);
- a risk of insufficient assets;
- the aim of being able to revalue pensions at the ARRCO level.

The portion comprised of bonds is predominant (over 90%); in a bid to manage interest rate risk, the Group matches projected liabilities flows on the assets side of the balance sheet. In order to be able to interpret risks and forecast returns, bonds are often held as bonds managed on a line-by-line basis and as bond funds. Due to liabilities constraints, assets must be held over the long term in order to have a duration close to that of the corresponding liabilities (over 20 years). The annual revaluation of annuities, whose target is close to the ARRCO level, is a key objective for which a significant proportion of indexed bonds are held. Duration constraints combined with cautious choices by the Board of Directors result in a highly secure portfolio (Investment Grade universe). The portfolio's average rating is AA+/AA. Strategic allocations can always be implemented without using derivatives, which are therefore excluded from the portfolio.

The CARBP and CGPCE plans are recorded under "Supplementary pension benefits and other."

Other employee benefits also include:

- pensions and other post-employment benefits such as retirement indemnities and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

9.2.1 Analysis of assets and liabilities recorded in the balance sheet

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	12/31/2014	12/31/2013
Actuarial liabilities	7,805	858	235	144	9,042	7,888
Fair value of plan assets	(7,181)	(301)	(9)	0	(7,491)	(6,420)
Fair value of reimbursement rights		(37)	0	0	(37)	0
Effect of ceiling on plan assets	288	0	0	0	288	87
Net amount reported on the balance sheet	**912**	**520**	**226**	**144**	**1,802**	**1,555**
Employee benefit commitments recorded in the balance sheet	916	557	226	144	1,843	1,603
Plan assets recorded in the balance sheet	4	37	0	0	41	48

9.2.2 Change in amounts recognized on the balance sheet

Change in actuarial liabilities

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
ACTUARIAL LIABILITIES AT START OF YEAR	**6,801**	**751**	**196**	**140**	**7,888**	**8,054**
Service cost	16	38	13	51	118	114
Service cost for prior periods	8	1	1	0	10	(42)
Interest cost	201	20	5	1	227	226
Benefits paid	(162)	(41)	(13)	(57)	(273)	(265)
Other	9	3	31	0	43	10
Changes recorded in income	**72**	**21**	**37**	**(5)**	**125**	**43**
Revaluation adjustments - demographic assumptions	(40)	7			(33)	(4)
Revaluation adjustments - financial assumptions	1,075	112			1,187	(168)
Revaluation adjustments - past-experience effect	(143)	(3)			(146)	(23)
Changes recognized directly in non-recyclable equity	**892**	**116**			**1,008**	**(195)**
Foreign exchange rate adjustments	**27**	**0**	**0**	**4**	**31**	**(7)**
Other	**13**	**(30)**	**2**	**5**	**(10)**	**(7)**
ACTUARIAL LIABILITIES AT END OF YEAR	**7,805**	**858**	**235**	**144**	**9,042**	**7,888**

Change in hedging assets and buyback rights

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
FAIR VALUE OF PLAN ASSETS AT START OF YEAR	**6,082**	**329**	**9**	**0**	**6,420**	**6,464**
Interest income	187	9	0	0	196	191
Plan participant contributions	162	7	0	0	169	32
Benefits paid	(132)	(17)	0	0	(149)	(159)
Other	4	0	0	0	4	(4)
Changes recorded in income	**221**	**(1)**	**0**	**0**	**220**	**60**
Revaluation adjustments - Return on plan assets	855	5	0	0	860	(95)
Changes recognized directly in non-recyclable equity	**855**	**5**	0	0	**860**	**(95)**
Foreign exchange rate adjustments	**26**	**0**	**0**	**0**	**26**	**(8)**
Other	**(3)**	**5**	**0**	**0**	**2**	**(1)**
FAIR VALUE OF PLAN ASSETS AT END OF YEAR*	**7,181**	**338**	**9**	**0**	**7,528**	**6,420**

* o/w: €37 million in buyback rights included in retirement benefits.

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Revaluation differences on post-employment benefits

in millions of euros	Supplementary pension benefits and other	End-of-career awards	Fiscal year 2014	Fiscal year 2013
REVALUATION ADJUSTMENTS AT START OF PERIOD	**211**	**(86)**	**125**	**305**
Revaluation adjustments over the period	46	110	156	(101)
Adjustments to asset ceiling	192	0	192	(79)
REVALUATION ADJUSTMENTS AT END OF PERIOD	**449**	**24**	**473**	**125**

Returns on plan assets are calculated by applying the same discount rate as the one applied to gross liabilities. The difference between the actual return at the balance sheet date and this financial income is a revaluation difference recorded for post-employment benefits in equity.

9.2.3 Actuarial expense under defined-benefit plans

The various components of the charge recognized for defined-benefit plans are included under "Payroll costs".

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
Service cost	(16)	(38)	(13)	(51)	(118)	(114)
Service cost for prior periods	(8)	(1)	(1)	0	(10)	42
Interest cost	(201)	(20)	(5)	(1)	(227)	(226)
Interest income	187	9	0	0	196	191
Benefits paid	30	24	13	57	124	106
Plan participant contributions	162	7	0	0	169	32
Other (o/w asset ceiling)	(15)	(3)	(31)	0	(49)	(25)
TOTAL EXPENSE FOR 2014*	**139**	**(22)**	**(37)**	**5**	**85**	**6**

* *o/w: a charge of €208 million recorded under payroll costs and a net payment of €293 million in benefits and contributions.*

9.2.4 Other disclosures

Main actuarial assumptions

	12/31/2014		12/31/2013	
	CAR-BP	CGP-CE	CAR-BP	CGP-CE
Discount rate	1.57%	1.84%	2.98%	3.04%
Inflation rate	1.80%	1.80%	1.90%	1.90%
Life tables used	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Duration	16 years	28 years	14 years	22 years

Sensitivity of actuarial liabilities to changes in main assumptions

At December 31, 2014, a reduction of 1% in the discount rate and the inflation rate would have the following impact on actuarial commitments:

	12/31/2014				12/31/2013			
	CAR-BP		CGP-CE		CAR-BP		CGP-CE	
in % and millions of euros	%	Amount	%	Amount	%	Amount	%	Amount
Variation of +1% in the discount rate	(13.62%)	(127)	(17.52%)	(1,058)	(12.49%)	(99)	(18.10%)	(972)
Variation of -1% in the discount rate	+17.36%	161	+17.60%	1,062	+15.69%	124	+18.10%	1,194
Variation of +1% in the inflation rate	+17.08%	159	+14.03%	847	+15.69%	124	+15.82%	850
Variation of -1% in the inflation rate	(11.78%)	(109)	(14.18%)	(856)	(10.93%)	(87)	(16.10%)	(865)

Payment schedule – (non discounted) benefits paid to beneficiaries

	12/31/2014		12/31/2013	
in millions of euros	CAR-BP	CGP-CE	CAR-BP	CGP-CE
N+1 to N+5	186	638	187	614
N+6 to N+10	190	806	193	793
N+11 to N+15	186	914	191	924
N+16 to N+20	172	938	179	965
> N+20	471	3,279	523	3,701

Breakdown of fair value of plan assets

	12/31/2014				12/31/2013			
	CAR-BP		CGP-CE		CAR-BP		CGP-CE	
in % and millions of euros	Weight by category	Fair value of assets	Weight by category	Fair value of assets	Weight by category	Fair value of assets	Weight by category	Fair value of assets
Cash holdings	1.80%	7	0.20%	13	4.76%	11	0.13%	7
Equities	34.20%	138	2.38%	151	39.06%	93	2.63%	143
Bonds	51.60%	208	83.20%	5,262	51.45%	122	80.50%	4,382
Real estate	0	0	1.20%	76	0	0	1.28%	70
Derivatives	2.30%	9	0	0	0	0	0	0
Investment funds	10.10%	41	13.02%	822	4.73%	12	15.46%	841
TOTAL	**100.00%**	**403**	**100.00%**	**6,324**	**100.00%**	**238**	**100.00%**	**5,443**

9.3 SHARE-BASED PAYMENTS

Natixis share subscription option plans

Year of plan	Number of options granted	Total number of options in issue	Strike price *(in euros)*	Share price at grant date *(in euros)*
2008 plan	7,576,800	4,760,945	6.88	10.63

No expenses were booked for Fiscal year 2014 (nor for 2013).

Loyalty and performance plans whose payment is share-based for Natixis Group

Each year since 2010, a share-based payment plan has been awarded to certain categories of staff in the Natixis Group.

Regarding the plans approved in February 2015, as the allocations were not formally completed on the balance sheet date, the cost assessment was based on the best possible estimate of the inputs on the balance sheet date, both in terms of the share value and dividend assumptions.

In 2014, Coface established pay plans based on Coface shares. Since the impact of these plans is not significant on a Group level, their features are not detailed in the following paragraphs.

Long-term payment plans settled in cash and indexed to the Natixis share price

Year of plan	Grant date	Number of units granted at inception*	Vesting date	Number of units vested by the beneficiaries	Fair value of indexed cash unit at valuation date *(in euros)*
2010 plan	02/22/2011	5,360,547	September 2012 September 2013 September 2014	1,322,038 1,087,387 1,111,11	
2011 plan	02/22/2012	4,821,879	September 2013 September 2014 October 2015	1,376,149 1,434,106	5.06
2012 plan	02/17/2013	5,275,539	September 2014 October 2015 October 2016	1,895,722 -	4.82
2013 plan	02/19/2014	5,095,419	October 2015 October 2016 October 217		4.85
2014 plan	02/18/2015	4,588,203	October 2016 October 2017 October 218		4.42

* *The number of probable units on the vesting date is hedged by equity swaps. Settlement is subject to presence and performance conditions.*

Short-term cash-settled payment plans indexed to the Natixis share

Year of plan	Grant date	Vesting date	Valuation of indexed cash unit *(in euros)*	Number of indexed cash units granted at inception	Number of probable indexed cash units at vesting date	Fair value of indexed cash unit at valuation date *(in euros)*
2014 plan	02/18/2015	03/01/2015	5.49	4,745,322	4,745,322	5.49

The expense associated with the short-term plan, estimated based on the probability of the presence condition being met, is fully recognized in the 2014 financial statements in the amount of €34 million.

Share-based payment plans

Year of plan	Grant date	Number of shares granted at inception	Vesting date	Number of units vested by the beneficiaries	Bonus share price at grant date *(in euros)*	Fair value of bonus share at valuation date *(in euros)*
2010 plan	02/22/2011	6,459,081	February 2012 February 2013 February 2014	1,887,473 1,804,135 1,737,744	413	
2011 plan	02/22/2012	6,095,058	March 2013 March 2014 March 2015	1,912,194 1,889,845 -	2.34	1.83
2012 plan	02/17/2013	1,656,630	March 2014 March 2015 March 2016	531,233	2.84	2.12
2014 plan	07/31/2014	31,955	July 2018		4.83	4.02

Settlement is subject to presence and performance conditions.

Expense for the period for loyalty and performance plans

in millions of euros	Fiscal year 2014			Fiscal year 2013
	Plans settled in shares	Plans settled in cash indexed to Natixis shares	Total	
Prior loyalty plans	(2)	(34)	(36)	(39)
Loyalty plans from the Fiscal year		(8)	(8)	(5)
TOTAL	**(2)**	**(42)**	**(43)**	**(45)**

Valuation inputs used to assess the expense relative to these plans

	12/31/2014	12/31/2013
Share price	5.49	4.27
Risk-free interest rate	0	0.15%
Dividend pay-out ratio	5.29%	4.21%
Loss of rights rate	4.25%	4.48%

Loyalty and performance plans paid in cash

Some employees are awarded loyalty and performance bonuses with deferred payment in cash. These bonuses are subject to attendance and performance conditions. In accounting terms, they are assimilated to "Other long-term benefits." The estimated expense accounts for an actuarial estimate of these conditions being met. It is spread over the vesting period for the rights. The staggered amount, calculated and recognized in the accounts for 2014, is as follows:

Year of plan	Grant date	Vesting date	Fiscal year 2014 *(in millions of euros)*	Fiscal year 2013 *(in millions of euros)*
2010 plan	02/22/2011	March 2012 March 2013 March 2014	0	(3)
2011 plan	02/22/2012	March 2013 March 2014 March 2015	(3)	(6)
2012 plan	02/17/2013	March 2014 March 2015 March 2016	(7)	(9)
2013 plan	02/19/2014	March 2015 March 2016 March 2017	(8)	(12)
2014 plan	02/18/2015	March 2016 March 2017 March 2018	(9)	
TOTAL			**(27)**	**(31)**

Stock option plans for Natixis employees under the corporate savings plan

No expense was recognized in the Group's accounts because the financial cost represented by the haircut given when Natixis Group employees subscribe for shares as part of the corporate savings plan, valued in light of the five-year lock-up of the shares issued, is zero.

Plan	2013	2014	2014
Entity	Natixis	Natixis	Coface
Date	04/04/2013	03/14/2014	06/12/2014
Maturity	5 years	5 years	5 years
Reference price *(in euros)*	3.49	5.05	10.40
Subscription price *(in euros)*	2.80	4.04	8.34
Face-value discount	19.79%	20.00%	20.00%
Number of shares subscribed	8,439,630	9,951,325	255,347
Total amount subscribed *(in millions of euros)*	24	40	2
Risk-free interest rate	1.26%	0.84%	0.84%
Yearly securities lending rate *(repo)*	0.50%	0.16%	0.16%
Lending rate for market participants *(5 years)*	6.72%	5.47%	5.47%
Cost of lock-up	25.74%	21.28%	21.30%

Note 10 Segment reporting

Groupe BPCE is structured around its two core businesses.

Commercial Banking and Insurance, including:

- the Banque Populaire network, comprised of 18 Banque Populaire banks and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
- the Caisse d'Epargne network consisting of the 17 Caisses d'Epargne;
- Insurance and the Other networks, chiefly comprising the Group's non-controlling interest in CNP Assurances, Real Estate Financing, whose results predominantly reflect the contribution of the Crédit Foncier Group, BPCE IOM and Banque Palatine.

At June 30, 2014, Natixis closed its Workout portfolio management business (GAPC), with the residual positions transferred to Wholesale Banking.

Wholesale Banking, Investment Solutions and Specialized Financial Services are Natixis' core businesses:

- Wholesale Banking, which has now established itself as BPCE's bank serving large corporate and institutional customers;
- Investment Solutions, with asset management, insurance and private banking;
- Specialized Financial Services, which includes factoring, lease financing, consumer credit, sureties and guarantees, employee benefits planning, payments and securities services.

Equity interests is the third business segment, consisting of the Group's Equity interests in Nexity and Volksbank România, along with Natixis' Equity interests in Coface, Corporate Data Solutions, Natixis Algérie and Natixis Private Equity.

Figures for the Corporate center division primarily include:

- Natixis' Workout portfolio management business until June 30, 2014 and the former CNCE proprietary trading and delegated management businesses under run-off management;
- the Group's central institution and holding company;
- the revaluation of the Group's own senior debt;
- the impacts of the dynamic management of Crédit Foncier's balance sheet (disposals of securities and buyback of liabilities);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

The 2013 financial statements were presented pro forma of the buyback (followed by their cancellation) of the cooperative investment certificates by the Banque Populaire banks and the Caisses d'Epargne and of the transfer of BPCE Assurances to Natixis Assurances (under the Investment Solutions division).

The presentation of the business lines in 2014 includes the following changes:

- the Commercial Banking and Insurance division now comprises three sub-divisions: the Banque Populaire network, the Caisse d'Epargne network and Insurance and Other networks. These changes led to:
  - the reclassification of Natixis Algérie and Hô-chi-Minh from the Commercial Banking and Insurance division under the Equity interests division,
  - the transfer of cross-business activities (resources entities, the Group's Central Finance functions), investment activities (private equity, real estate) and other activities from the Commercial Banking and Insurance division to Corporate center;
- the Caceis holding was transferred from the SFS sub-division to Corporate center;
- BPCE Assurances was transferred from Commercial Banking and Insurance to Wholesale Banking, Investment Solutions and Specialized Financial Services following the transfer of BPCE Assurances to Natixis Assurance;
- the name of the Workout portfolio management and Corporate center division was changed to Corporate center after the GAPC Workout portfolio management business was closed on June 30, 2014.

Segment reporting for Groupe BPCE in previous periods has been restated accordingly.

10.1 SEGMENT ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

Results by division[(1)]

	Commercial Banking and Insurance		Wholesale Banking, Investment Solutions and SFS		Equity interests		Corporate center		Groupe BPCE	
	2014	2013 (pf)	2014	2013 (pf)	2014	2013 (pf)	2014	2013 (pf)	2014	2013 (pf)
Net banking income	15,045	14,924	6,862	6,568	1,698	1,720	(348)	(386)	23,257	22,826
Operating expenses	(9,996)	(9,904)	(4,548)	(4,283)	(1,429)	(1429)	(357)	(519)	(16,330)	(16,135)
Gross operating income	**5,049**	**5,020**	**2,314**	**2,285**	**269**	**291**	**(705)**	**(905)**	**6,927**	**6,691**
Cost/income ratio	66.4%	66.4%	66.3%	65.2%	84.2%	83.1%	ns	ns	70.2%	70.7%
Cost of risk	(1,478)	(1,571)	(257)	(372)	(10)	(7)	(31)	(92)	(1,776)	(2,042)
Share in income of associates	205	196	39	17	(73)	3	(66)	4	105	220
Gains or losses on other assets	11	23	2	1	(9)	(30)	71	42	75	36
Change in the value of goodwill							(52)	(15)	(52)	(15)
Income before tax	**3,787**	**3,668**	**2,098**	**1,931**	**177**	**257**	**(783)**	**(966)**	**5,279**	**4,890**
Income tax	(1,331)	(1296)	(674)	(632)	(131)	(115)	223	325	(1,913)	(1,718)
Minority interests	(22)	(24)	(436)	(380)	(88)	(86)	87	103	(459)	(387)
Net income attributable to equity holders of the parent	**2,434**	**2,348**	**988**	**919**	**(42)**	**56**	**(473)**	**(538)**	**2,907**	**2,785**
Transition from pro forma to published net income attributable to equity holders of the parent[(1)]	0	32	0	(16)	0	0	0	(132)	0	(116)
PUBLISHED NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,434**	**2,380**	**988**	**903**	**(42)**	**56**	**(473)**	**(670)**	**2,907**	**2,669**

Results of the Commercial Banking and Insurance sub-divisions

	Banque Populaire banks		Caisses d'Epargne		Insurance and Other networks		Commercial Banking and Insurance	
in millions of euros	2014	2013 (pf)	2014	2013 (pf)	2014	2013 (pf)	2014	2013 (pf)
Net banking income	6,359	6,330	7,109	7,061	1,577	1,533	15,045	14,924
Operating expenses	(4,286)	(4,205)	(4,654)	(4,645)	(1,056)	(1,054)	(9,996)	(9,904)
Gross operating income	**2,073**	**2,125**	**2,455**	**2,416**	**521**	**479**	**5,049**	**5,020**
Cost/income ratio	67.4%	66.4%	65.5%	65.8%	67.0%	68.8%	66.4%	66.4%
Cost of risk	(707)	(685)	(580)	(531)	(191)	(355)	(1,478)	(1,571)
Share in income of associates	28	25		1	177	170	205	196
Gains or losses on other assets	9		1	(2)	1	25	11	23
INCOME BEFORE TAX	**1,403**	**1,465**	**1,876**	**1,884**	**508**	**319**	**3,787**	**3,668**

Results of the Wholesale Banking, Investment Solutions and Specialized Financial Services sub-divisions

	Wholesale Banking		Investment Solutions		Specialized Financial Services		Wholesale Banking, Investment Solutions and SFS	
in millions of euros	2014	2013(pf)	2014	2013(pf)	2014	2013(pf)	2014	2013(pf)
Net banking income	2,781	2,867	2,818	2,447	1,263	1,254	6,862	6,568
Operating expenses	(1,712)	(1,657)	(2,004)	(1,793)	(832)	(833)	(4,548)	(4,283)
Gross operating income	**1,069**	**1,210**	**814**	**654**	**431**	**421**	**2,314**	**2,285**
Cost/income ratio	61.6%	57.8%	71.1%	73.3%	65.9%	66.5%	66.3%	65.2%
Cost of risk	(186)	(312)	5	19	(76)	(79)	(257)	(372)
Share in income of associates	21		17	17	1		39	17
Gains or losses on other assets		1	(13)	1	15	(1)	2	1
INCOME BEFORE TAX	**904**	**899**	**823**	**691**	**371**	**341**	**2,098**	**1,931**

(1) *Pro forma impact in 2013 of the transfer of BPCE Assurances to Natixis and the buyback (followed by their cancellation) by the Banque Populaire banks and the Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis: +€116 million, of which +€182 million in income tax and -€66 million in non-controlling interests.*

10.2. SEGMENT ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

	Commercial Banking and Insurance		Wholesale Banking, Investment Solutions and SFS		Equity interests		Corporate center		Groupe BPCE	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Segment assets	696,010	699,472	526,983	434,827	5,149	6,201	(4,844)	(16,980)	1,223,298	1,123,520
Segment liabilities*	613,858	618,506	485,474	405,304	3,897	3,633	(22,509)	(24,005)	1,080,721	1,003,438

	Banque Populaire banks		Caisses d'Epargne		Insurance and Other networks		Commercial Banking and Insurance	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Segment assets	231,048	226,000	323,574	321,922	141,388	151,549	696,010	699,472
Segment liabilities*	200,884	196,626	288,175	284,531	124,799	137,349	613,858	618,506

	Wholesale Banking		Investment Solutions		Specialized Financial Services		Wholesale Banking, Investment Solutions and SFS	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Segment assets	441,354	357,542	64,157	55,536	21,472	21,749	526,983	434,827
Segment liabilities*	412,990	339,854	55,046	47,897	17,438	17,553	485,474	405,304

* *Segment liabilities represent the liabilities restated for equity and other liabilities (notably including tax liabilities and other liabilities and provisions).*

10.3. SEGMENT REPORTING BY GEOGRAPHIC REGION

The geographic analysis of segment assets and results is based on the location where business activities are accounted for.

Net banking income

in millions of euros	2014	2013 pf
France	19,249	19,151
Rest of Europe	1,160	1,053
North America	2,123	1,828
ROW	724	794
TOTAL	**23,257**	**22,826**

Total segment assets

in millions of euros	2014	2013
France	1,096,115	1,019,861
Rest of Europe	28,207	28,298
North America	69,164	55,734
ROW	29,812	19,627
TOTAL	**1,223,298**	**1,123,520**

Note 11 Commitments

11.1 FINANCING COMMITMENTS

The amounts shown correspond to the nominal value of commitments given.

in millions of euros	12/31/2014	12/31/2013
Financing commitments given to:		
credit institutions	13,946	16,555
customers	107,844	113,384
– Credit facilities granted	90,119	92,202
– Other commitments	17,725	21,182
TOTAL FINANCING COMMITMENTS GIVEN	**121,790**	**129,939**
Financing commitments received from:		
credit institutions	55,691	65,510
customers	16,188	12,031
TOTAL FINANCING COMMITMENTS RECEIVED	**71,879**	**77,541**

11.2 GUARANTEE COMMITMENTS

in millions of euros	12/31/2014	12/31/2013
Guarantee commitments given to:		
credit institutions	3,307	3,786
customers(1)	35,354	40,654
other securities pledged as collateral(2)		134,331
TOTAL GUARANTEE COMMITMENTS GIVEN	**38,661**	**178,771**
Guarantee commitments received from:		
credit institutions	20,605	15,368
customers	140,819	85,486
other securities received as collateral(2)		91,248
GUARANTEE COMMITMENTS RECEIVED	**161,424**	**192,102**

(1) *The guarantees given by CEGC (a subsidiary of Natixis) in connection with its activity are treated as insurance policies for accounting purposes, in accordance with IFRS 4 "Insurance contracts". They are recorded on the liabilities side of the balance sheet and are not included in guarantees given to customers shown in the table above.*

(2) *Beginning on December 31, 2014, "Other securities pledged as collateral" and "Other securities received as collateral" appear in part in Note 13, "Financial assets transferred and not fully derecognized and other financial assets pledged as collateral" and have been partially reclassified in guarantee commitments.*
If this treatment had been applied in December 2013, guarantee commitments received from banks would have been €17,013 million, and guarantee commitments received from clients would have been €118,707 million.

Guarantee commitments given are primarily off-balance sheet commitments.

Note 12 Related party transactions

For Groupe BPCE, related parties are considered to be all consolidated companies, including companies carried under the equity method, local savings companies, BPCE, Natixis, IT centers and the Group's key management personnel.

The social housing companies in which the Group is the sole major shareholder are also covered.

12.1 TRANSACTIONS WITH CONSOLIDATED COMPANIES

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation.

The statement below only provides data on intercompany transactions concerning:

- companies over which the Group exercises joint control (proportionately consolidated) in respect of the non-eliminated portion (joint ventures): no significant transactions were identified in this category;
- entities over which the Group exercises significant influence and which are equity-accounted (associates): the Group received fees and commissions from Groupe CNP Assurances of €875 million in 2014 (€848 million in 2013).

A list of fully consolidated subsidiaries is presented in the scope of consolidation section (see Note 17).

12.2 TRANSACTIONS WITH COMPANY DIRECTORS

The Group's company directors are the members of the Management Board and Supervisory Board of BPCE. The post-employment benefits, long-term benefits and termination benefits of BPCE's company directors are described in Chapter 2 of the registration document on Corporate governance.

Short-term benefits

Short-term benefits paid out to company directors by BPCE amounted to €4 million in 2014 (vs. €4 million in 2013).

These include remuneration, directors' attendance fees and benefits paid to members of the Management Board and of the Supervisory Board.

Post-employment benefit commitments, long-term benefits and termination benefits

The amount provisioned by BPCE in respect of retirement bonuses came to €4 million in 2014 (€3 million in 2013).

12.3 RELATIONS WITH SOCIAL HOUSING COMPANIES

Groupe BPCE is a longstanding partner in the HLM social housing movement in France and a key player in the social housing production process. The Group acts as an operator (the leading privately owned bank involved in the construction of social housing which it finances in particular through Livret A passbook savings account deposits) and is one of the main distributors of state-sponsored rental accommodation loans and intermediate rental loans. The Group is also the sole major shareholder in certain social housing companies.

In view of the economic substance of the Group's dealings with the social housing sector, where organizations are subject to specific regulations, some social housing companies have been classified as related parties.

Banking transactions with social housing companies

in millions of euros	12/31/2014	12/31/2013
Loans outstanding	1,224	1,144
Commitments given	202	194
Deposit account balances	451	394
Outstanding financial investments (UCITS and securities)	8	8

in millions of euros	Fiscal year 2014	Fiscal year 2013
Interest income from loans	32	34
Interest expense on bank deposits	12	11
Financial expense on investments (UCITS and securities)	0	0

Note 13 Transferred financial assets, other financial assets pledged as collateral and assets received as collateral that can be sold or repledged

13.1 TRANSFERRED FINANCIAL ASSETS NOT FULLY DERECOGNIZED AND OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL

	Carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2014
Financial assets pledged as collateral					
Financial assets held for trading	1,811	37,535	708	1,668	41,722
Financial assets designated at fair value through profit or loss	0	0	214	0	214
Available-for-sale financial assets	43	10,017	8,553	0	18,613
Loans and receivables	0	52	81,970	10,242	92,264
Held-to-maturity assets	0	305	0	0	305
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**1,854**	**47,909**	**91,445**	**11,910**	**153,118**
o/w transferred financial assets not fully derecognized	***1,854***	***47,909***	***72,241***	***11,910***	***133,913***

The amount of liabilities associated with financial assets pledged as collateral for repurchase agreements came to €44,634 million (€53,257 million at December 31, 2013).

The fair value of securitizations pledged as collateral was €11,910 million at December 31, 2014 (€4,412 million at December 31, 2013), all of which comprised transferred assets not fully derecognized.

Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds is not recognized under guarantee commitments given. The covered bonds issued by BPCE SFH and Compagnie de Financement Foncier benefit from a legal privilege comprised of eligible assets.

	Carrying amount*				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2013
Financial assets pledged as collateral					
Financial assets held for trading	262	38,895	567	1,010	40,735
Financial assets designated at fair value through profit or loss	1,426	246	274	0	1,946
Available-for-sale financial assets	1,378	12,705	12,564	123	26,770
Loans and receivables	544	447	102,499	3,279	106,769
Held-to-maturity assets	172	3,884	121	0	4,177
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**3,783**	**56,177**	**116,025**	**4,412**	**180,396**
o/w transferred financial assets not fully derecognized	***3,783***	***56,177***	***86,005***	***4,412***	***180,396***

* *The information pertaining to the 2013 Fiscal year has been restated.*

13.1.1 Comments on transferred financial assets

Securities repurchasing and lending

Groupe BPCE repurchases and loans securities.

Under the terms of the agreements, the securities may be sold on by the purchaser throughout the duration of the repurchase or lending operation. The purchaser must nevertheless return them to the vendor at the transaction's maturity. The cash flows generated by the securities are also transmitted to the vendor.

The Group believes that it has retained almost all of the risks and benefits of the securities repurchased or loaned. They have therefore not been derecognized.

Financing has been recorded in liabilities for the repurchasing or lending of financed securities.

These transactions include securities contributed to BPCE for mobilization on the Group's behalf to the European Central Bank (ECB), for Groupe BPCE's central Cash management.

Sales of receivables

Groupe BPCE sells receivables as security (Articles L. 211-38 or L. 313-23 *et seq.* of the French Monetary and Financial Code) under guaranteed refinancing operations, notably with the central bank. This type of disposal for security involves the legal transfer of the associated contractual rights, and therefore the "transfer of assets" within the meaning of the amendment to IFRS 7. The

Group nevertheless remains exposed to virtually all the risks and benefits, and as such the receivables are maintained on the balance sheet.

Securitizations consolidated with outside investors

Securitizations consolidated with outside investors constitute an asset transfer according to the amendment to IFRS 7.

The Group has an indirect contractual obligation to transfer to outside investors the cash flow from assets transferred to the securitization fund (although these assets are included in the Group's balance sheet through the consolidation of the fund).

In the interest of transparency, for consolidated securitization transactions:

- the share of receivables sold attributable to external investors is considered to be pledged as collateral to third parties;
- the share of receivables sold attributable to units and bonds subscribed for by the Group, and eliminated in consolidation, is not considered to be pledged as collateral unless these securities were used as part of a refinancing mechanism.

13.1.2 Comments on financial assets pledged as collateral but not transferred

Financial assets provided as collateral but not transferred are generally pledged. The main mechanisms involved are Banques Populaires Covered Bonds, GCE Covered Bonds, the CRH (Caisse de refinancement de l'habitat), BPCE home loans FCT, and securities pledged as collateral for ECB refinancing operations.

13.1.3 Financial assets received as collateral that can be sold or repledged

This heading covers financial assets received as security under financial guarantee agreements with the right to reuse the assets in the absence of any default on the part of the owner of the guarantee.

The fair value of the financial assets received as collateral that Groupe BPCE may sell or repledge amounted to €241 billion at December 31, 2014, compared to €114 billion at December 31, 2013.

The fair value of the financial assets received as collateral that were actually sold or repledged amounted to €357 billion at December 31, 2014.

13.2 FULLY DERECOGNIZED FINANCIAL ASSETS FOR WHICH THE GROUP RETAINS AN ONGOING COMMITMENT

Fully derecognized transferred financial assets for which Groupe BPCE retains on ongoing commitment consist of asset transfers to a deconsolidated securitization vehicle in which Groupe BPCE has an interest or an obligation, although the latter do not call into question the transfer of almost all of the benefits and risks relating to the assets transferred.

Ongoing commitments retained by Groupe BPCE in relation to securitization vehicles were not significant on December 31, 2014.

Note 14 Offsetting financial asset and financial liabilities

Financial assets and liabilities offset on the balance sheet were offset in accordance with the criteria of IAS 32. Under this standard, a financial asset and financial liability are offset and a net balance is recorded in the balance sheet if and only if:

- the Group has the legally enforceable right to offset the recorded amounts; and
- it has the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Within Groupe BPCE, most offset amounts are the result of repurchase agreements and derivatives transactions carried out by Natixis with clearing houses.

The gross amounts offset comprise derivatives and repurchase agreements carried out with clearing houses for which the IAS 32 criteria were met:

- for derivatives, the information is presented in consideration of the effects of the currency offset between asset valuations and liability valuations of the derivatives processed through the "LCH Clearnet Ltd" clearing house *via* the "Swapclear" clearing system;
- for repurchase agreements, the information presented includes repurchase agreements processed through clearing houses LCH Clearnet Ltd (Repoclear), LCH Clearnet SA, Eurex AG and Fixed Income Clearing Corporation (FICC). Natixis records on its balance sheet the net value of repurchase and reverse repurchase agreements that:
  - are carried out with the same clearing house,
  - have the same maturity date,
  - relate to the same security and the same custodian,
  - are denominated in the same currency.

As stated in Note 2.2, Natixis amended the offsetting rules for repurchase agreements handled with clearing houses LCH Clearnet Ltd, LCH Clearnet SA and Eurex AG and no longer takes the ISIN code (the share reference code) into account. This change, applied on December 31, 2013, would have led Natixis to offset €13.9 billion.

Financial assets and liabilities "under netting agreements not offset on the balance sheet" comprise transactions under netting agreements or similar, but that do not meet the restrictive netting criteria set by IAS 32. This is particularly the case for derivatives or OTC repurchase agreements subject to master agreements under which the net settlement criteria or realization of a simultaneous settlement of the asset and liability cannot be demonstrated or for which the offsetting right can only be exercised in the event of default, insolvency or bankruptcy by one of the parties to the agreement.

For these instruments, the "Related financial assets and financial instruments received as collateral" and "Related financial liabilities and financial instruments pledged as collateral" include in particular:

- for repurchase agreements:
  - loans or borrowings resulting from reverse repurchase agreements with the same counterparty, and securities pledged or received as collateral (for the fair value of said securities),
  - margin calls in the form of securities (for the fair value of said securities);
- for derivatives, the fair values of the reverse transactions with the same counterparty, as well as the margin calls in the form of securities.

Margin calls received or paid in cash are shown in "Margin calls received (cash collateral)" and "Margin calls paid (cash collateral)."

14.1 FINANCIAL ASSETS

Financial assets under netting agreements offset in the balance sheet

in millions of euros	12/31/2014 Gross amount of financial liabilities	12/31/2014 Gross amount of financial assets offset in the balance sheet	12/31/2014 Net amount of financial liabilities recognized in the balance sheet	12/31/2013 Gross amount of financial liabilities	12/31/2013 Gross amount of financial assets offset in the balance sheet	12/31/2013 Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	120,439	37,324	83,115	91,693	29,618	62,075
Repurchase agreements	74,614	10,915	63,699	62,330	419	61,911
Financial liabilities designated at fair value	**195,053**	**48,239**	**146,814**	**154,023**	**30,037**	**123,986**
Repurchase agreements	46,979	4,279	42,700	26,253	1,666	24,587
Other	103,743	0	103,743	108,038	0	108,038
Debt	**150,722**	**4,279**	**146,443**	**134,291**	**1,666**	**132,625**
TOTAL	**345,775**	**52,518**	**293,257**	**288,314**	**31,703**	**256,611**

Financial assets under netting agreements not offset in the balance sheet

in millions of euros	12/31/2014 Net amount of financial assets recognized in the balance sheet	12/31/2014 Related financial liabilities and financial instruments received as collateral	12/31/2014 Margin calls received (cash collateral)	12/31/2014 Net exposure	12/31/2013 Net amount of financial assets recognized in the balance sheet	12/31/2013 Related financial liabilities and financial instruments received as collateral	12/31/2013 Margin calls received *(cash collateral)*	12/31/2013 Net exposure
Derivatives	83,115	41,829	10,942	30,344	62,075	35,806	7,716	18,553
Repurchase agreements	106,399	50,053	13	56,333	86,498	70,114	56	16,328
Other assets	103,743	30	0	103,713	108,038	30	0	108,008
TOTAL	**293,257**	**91,912**	**10,955**	**190,390**	**256,611**	**105,950**	**7,772**	**142,889**

14.2 FINANCIAL LIABILITIES

Financial liabilities under netting agreements offset in the balance sheet

in millions of euros	12/31/2014 Gross amount of financial liabilities	12/31/2014 Gross amount of financial assets offset in the balance sheet	12/31/2014 Net amount of financial liabilities recognized in the balance sheet	12/31/2013 Gross amount of financial liabilities	12/31/2013 Gross amount of financial assets offset in the balance sheet	12/31/2013 Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	124,394	37,323	87,071	93,026	29,618	63,408
Repurchase agreements	86,119	10,915	75,205	64,292	419	63,873
Financial liabilities designated at fair value	**210,513**	**48,238**	**162,276**	**157,318**	**30,037**	**127,281**
Repurchase agreements	52,773	4,279	48,494	40,126	1,666	38,460
Other	85,701	0	85,701	88,814	0	88,814
Debt	**138,474**	**4,279**	**134,195**	**128,940**	**1,666**	**127,274**
TOTAL	**348,987**	**52,517**	**296,470**	**286,258**	**31,703**	**254,555**

Financial liabilities under netting agreements not offset in the balance sheet

in millions of euros	12/31/2014 Net amount of financial liabilities recognized in the balance sheet	12/31/2014 Related financial assets and financial instruments received as collateral	12/31/2014 Margin calls paid (cash collateral)	12/31/2014 Net exposure	12/31/2013 Net amount of financial liabilities recognized in the balance sheet	12/31/2013 Related financial assets and financial instruments received as collateral	12/31/2013 Margin calls paid *(cash collateral)*	12/31/2013 Net exposure
Derivatives	87,071	41,961	15,427	29,683	63,408	36,437	10,512	16,459
Repurchase agreements	123,699	51,721	0	71,977	102,332	78,062	20	24,250
Other liabilities	85,701	30	0	85,671	88,814	30	0	88,784
TOTAL	**296,470**	**93,712**	**15,427**	**187,331**	**254,555**	**114,529**	**10,532**	**129,493**

Note 15 Fair value of financial assets and liabilities at amortized cost

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not likely to be realized and, generally-speaking, are not actually realized.

These fair values are thus only calculated for information purposes in the notes to the financial statements. They are not indicators used in the interest of overseeing commercial banking activities, for which the management model is based on collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortized costs are presented in Note 4.1.6.

in millions of euros	12/31/2014 Fair value	12/31/2014 Price quoted in an active market (Level 1)	12/31/2014 Measurement techniques using observable data (Level 2)	12/31/2014 Measurement techniques using unobservable data (Level 3)	12/31/2013* Fair value	12/31/2013* Price quoted in an active market (Level 1)	12/31/2013* Measurement techniques using observable data (Level 2)	12/31/2013* Measurement techniques using unobservable data (Level 3)
Financial assets at amortized cost								
Loans and receivables due from credit institutions	105,766	368	22,465	82,933	108,422	901	18,176	89,345
Loans and receivables due from customers	628,980	953	84,750	543,277	595,870	5,777	61,567	528,526
Held-to-maturity financial assets	12,665	11,694	488	483	12,310	11,713	456	141
Financial liabilities at amortized cost								
Amounts due to credit institutions	86,133	16	67,456	18,661	87,966	0	68,175	19,791
Amounts due to customers	474,506	0	229,657	244,849	459,161	0	218,255	240,906
Debt securities	259,476	827	137,452	121,197	218,147	243	119,049	98,855
Subordinated debt	16,702	7	15,839	856	11,202	0	11,170	32

* *Adjusted amount compared to financial statements at December 31, 2013.*

Note 16 Interests in non-consolidated structured entities

16.1 NATURE OF INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

A non-consolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. As a result, the interests held in a joint venture or associate which is classed as a structured entity falls within the scope of this note.

The same is true of controlled structured entities that are not consolidated due to threshold reasons.

This includes all structured entities in which Groupe BPCE holds an interest and intervenes in one or more of the following capacities:

- originator/structurer/arranger;
- placement agent;
- manager of relevant activities; or
- in any other capacity that has a major impact on the structuring or management of the transaction (*e.g.* provision of financing, guarantees or structuring derivatives, tax investor, major investor, etc.).

An interest in an entity corresponds to all types of relationship, contractual or not, that exposes Groupe BPCE to a risk of fluctuations in returns relating to the structured entity's performance. Such interests may be proven by, among other things, the holding of equity or debt instruments, as well as other forms of connections, such as funding, granting of guarantees or derivatives exposing Groupe BPCE to the fluctuations in returns for the structured entity.

As a result, the following are not included in the scope of this note:

- structured entities which are associated with Groupe BPCE through a current transaction alone. This corresponds to an unstructured financial instrument which generally does not have a material impact on the variability of the structured entity's returns and which could be concluded by Groupe BPCE with structured entities or classically-governed entities alike. The main kinds of current transactions are:
  - plain vanilla fixed-income, foreign exchange and other underlying derivatives, as well as securities lending/borrowing and repurchase agreement transactions,
  - plain vanilla guarantees and financing granted to family non-trading real estate companies (SCI) or to certain holdings;
- external structured entities in which Groupe BPCE simply acts as an investor. These notably include:
  - investments in external UCITS that the Group does not manage, except for those in which the Group owns almost all the shares,
  - interests held in securitization vehicles (exposures on these funds are included in the information published on exposures falling under the Financial Stability Forum (FSF) in the risk management report (Chapter 3 of the registration document)),
  - a limited scope of interests held in real estate funds or external funds in which Groupe BPCE acts as a simple minority investor.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitization vehicles, entities created as part of structured financing and entities created for other types of transaction.

Asset management

Financial asset management (also known as portfolio management or Asset Management) consists of managing equity or funds entrusted by investors by investing in equities, bonds, cash SICAV or hedge funds, etc.

The asset management line of business which uses structured entities is represented by collective management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitization structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds and private equity funds.

Securitization

Securitization transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitization transactions used and which require the intervention of structured entities are as follows:

- transactions where the Group (or a subsidiary) sells on their own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitization transactions on behalf of third parties. These transactions consist of housing in a dedicated structure (generally a special purpose entity (SPE)) the assets belonging to another company. The SPE issues shares that can, in certain cases, be subscribed to directly by investors, or subscribed to by a multi-seller conduit which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine or terrestrial transport, telecommunications, etc.), real estate assets and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity in which is housed a specific financing transaction on behalf of a customer. This is a contractual and structural organization. The particularities of these types of financing are related to risk management, with use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

16.2 NATURE OF RISKS RELATING TO INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

Assets and liabilities recognized in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities.

Maximum exposure to the risk of loss equals the cumulative amount of interest posted to the assets side of the balance sheet and the guarantees given, minus the provisions posted on the liabilities side and guarantees received:

For asset management (business) entities, the guarantees given are primarily the capital guarantees and/or performance guarantees given to UCITS.

- The "Notional amount of derivatives" line item includes the sales of options and CDS made with structured entities.
- The guarantees received are granted by third parties to hedge the Group's exposure to structured entities.

The data in question is presented below, aggregated based on their activity classification.

in millions of euros	Securitization	Asset management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**410**	**6,177**	**1,109**	**1**
Trading derivatives	251	133	159	1
Trading financial instruments (excluding derivatives)	140	2,181	151	0
Financial instruments designated at fair value	19	3,863	799	0
Available-for-sale financial assets	**358**	**3,918**	**124**	**140**
Loans and receivables	**2,556**	**1,706**	**12,303**	**1,353**
Other assets	**74**	**62**	**9**	**31**
TOTAL ASSETS	**3,398**	**11,863**	**13,545**	**1,525**
Financial liabilities at fair value through profit or loss	**104**	**133**	**27**	**3**
Provisions		**2**	**23**	**10**
TOTAL LIABILITIES	**104**	**135**	**50**	**13**
Financing commitments given	**3,962**	**451**	**1,687**	**821**
Guarantee commitments given	**1,542**	**10,982**	**659**	**94**
Guarantees received	**2**	**911**	**10,535**	**21**
Notional amounts	**3,301**	**0**	**1,679**	**65**
MAXIMUM EXPOSURE TO RISK OF LOSSES	**12,201**	**22,383**	**7,012**	**2,474**
SIZE OF STRUCTURED ENTITIES	**41,421**	**162,078**	**57,303**	**5,653**

The size criterion used varies according the types of structured entities:

- asset management: the net assets of collective investment vehicles (other than securitization);
- structured financing: the total amount of financing outstandings remaining due by the entities;
- securitization: the total amount of the issuance as a liability;
- other entities: the entity's balance sheet total.

The Group did not grant any financial support to unconsolidated structured entities in fiscal year 2014.

16.3 INCOME AND CARRYING AMOUNT FROM ASSETS TRANSFERRED TO SPONSORED NON-CONSOLIDATED STRUCTURED ENTITIES

A structured entity is sponsored by a Group entity when the two following indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian or placement agent, the structured entity is not considered to be sponsored.

Groupe BPCE plays the role of sponsor for:

- asset management: UCITS initiated by a management company belonging to Groupe BPCE and in which Groupe BPCE holds no investment or any other interest. Reported income includes management and outperformance fees charged by Groupe BPCE entities, as well as profit and loss from ordinary business with these funds;
- securitization: the revenues mainly concern a US activity of origination and disposal of portfolios of home loans to securitization vehicles created by the Natixis subsidiary with third parties and in which Natixis holds no interests. Reported income includes structuring fees as well as gains or losses on the disposal of receivables.

For the non-consolidated structured entities that the Group sponsored without holding any interests, the impact on the financial statements is presented below:

in millions of euros	Securitization	Asset management
Income from entities	**46**	**955**
Net interest income	0	2
Net fee and commission income	1	944
Net gains or losses on financial instruments at fair value through profit and loss	45	9
Carrying amount of assets transferred to the entity during the Fiscal year	**2,007**	**0**

The carrying amount of the assets transferred to these vehicles equals the assets assigned during 2014 when information on the amounts assigned by all investors is not available.

Note 17 Scope of consolidation

17.1 CHANGES IN SCOPE OF CONSOLIDATION DURING FISCAL YEAR 2014

The main changes in the scope of consolidation during 2014 are presented below:

Changes in scope related to the first application of IFRS 10 and IFRS 11

The first application of IFRS 10 and IFRS 11 resulted in:

- the consolidation of the Versailles and Bleachers multi-seller conduits and of five invested funds representing unit-linked insurance policies (Fructifonds Profil 3, Fructifonds Profil 6, Fructifonds Profil 9, Zelis Actions Monde and Odeis 2006 PR);
- the equity-method consolidation by Natixis of EDF Investment Group (EIG) and of certain joint residential property development operations previously proportionally consolidated by Nexity;
- the equity-method consolidation of Banque Edel;
- the deconsolidation of non-subsidiary banks and financing companies that signed a partnership agreement with Crédit Coopératif: Société Financière de la NEF, Socorec, Gedex Distribution, Somudimec, Nord Financement, CMGM, Somupaca, Sofindi, Sofiscop, Sofigard, and Sofiscop Sud-Est.

The impact of these changes on the consolidated financial statements is described in Note 2.3.

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Changes in the ownership interest in subsidiaries still under control at December 31, 2014

During fiscal year 2014, the major changes in the ownership interest in controlled subsidiaries were as follows:

	Group ownership interests		Impact of changes in ownership interests on equity*	
in millions of euros	At opening	At closing	Attributable to equity holders of the parent	Non-controlling interests
Coface: partial disposal of interest by Natixis	71.96%	29.51%	(71)	995
BPCE Assurances: transfer of interest to Natixis Assurances	60.00%	42.91%	(39)	39
Natixis: change in the Group's ownership interest	71.96%	71.51%	(73)	73

* *Excluding unrealized gains and losses recognized directly in equity.*

Loss of control of subsidiaries

In December 2014, after selling a portion of its interest in the Nexity Group (see Note 1.3), Groupe BPCE lost control of the Nexity Group.

	Group ownership interests				
in millions of euros	At opening	At closing	Value of retained interest	Gains or losses on other assets	*Of which gains and losses from the recognition at fair value of the retained interest*
Nexity: loss of controlling interest	40.84%	33.40%	561	(7)	*26*

With the interest in the Nexity Group now being consolidated using the equity method, this loss of control also resulted in a €801 million reduction in Equity interests.

Other changes in scope

Other changes in scope during 2014 were:

- consolidation of the BPCE Master home loans FCT and BPCE Master home loans Demut FCT - (see presentation in Note 17.2);
- the merger of Banque Populaire d'Alsace and Banque Populaire Lorraine Champagne, which created the Banque Populaire Alsace Lorraine Champagne. This merger between the two companies, which make up the consolidating entity, had no material impact on the Group's consolidated accounts.

17.2 SECURITIZATION TRANSACTIONS

Securitization is a financial engineering technique that aims to enhance balance sheet liquidity. From a technical perspective, assets to be securitized are grouped according to the quality of the associated collateral or guarantees, and sold to special purpose entities that finance their acquisition by issuing securities underwritten by investors.

Entities created specifically for this purpose are consolidated if the Group exercises control over it. Control is assessed according to the criteria provided in IFRS 10.

The following statement lists the securitization transactions carried out by the Commercial Banking and Insurance entities without (total or partial) derecognition:

in millions of euros	Type of assets	Date of inception	Expected maturity	Nominal at inception	Balance at 12/31/2014
Partimmo 05/2003	Residential mortgage loans	06/11/2003	July 2021	987	106
Partimmo 11/2003	Residential mortgage loans	11/12/2003	March 2029	1,045	124
Partimmo sub-total				**2,032**	**230**
Zèbre 1	Residential mortgage loans	11/25/2004	October 2031	1,173	131
Zèbre two	Residential mortgage loans	10/28/2005	July 2024	739	142
Zèbre 2006-1	Residential mortgage loans	11/28/2006	January 2046	689	190
Zèbre sub-total				**2,601**	**463**
Elide 2007	Residential home loans	06/27/2007	May 2035	1,251	221
Elide 2008	Residential home loans	12/16/2008		985	
Elide 2011	Residential home loans	04/06/2011	May 2039	1,089	484
Elide 2012	Residential home loans	06/26/2012	October 2040	1,190	685
Elide 2014	Residential home loans	11/18/2014	October 2042	915	801
Elide sub-total				**5,430**	**2,191**
Eridan	Other loans	12/16/2010	November 2033	880	239
Amaren	Home loans	12/01/2004	October 2015	1,795	178
BPCE Master home loans/BPCE Master home loans Demut	Residential home loans	05/26/2014	April 2032	44,068	43,527
Other sub-total				**46,743**	**43,944**
TOTAL				**56,806**	**46,828**

At December 31, 2014, two new special purpose entities (two French Securitization Funds or FCTs) were consolidated by Groupe BPCE: BPCE Master home loans and BPCE Master home loans Demut, both of which resulted from an internal Group securitization transaction carried out by the Banque Populaire banks and the Caisses d'Epargne on May 26, 2014.

This transaction led to the sale of home loans to BPCE Master home loans FCT and ultimately resulted in the institutions that sold the loans purchasing the securities issued by the special purpose entities. This replaced the BPCE home loans transaction carried out in 2011, which no longer met the eligibility terms for Eurosystem refinancing operations.

As a result, the transaction helped ensure that the amount of Groupe BPCE's collateral eligible for Eurosystem refinancing operations remained high.

The proprietary securitization transactions initiated by Crédit Foncier group (the "Partimmo" and "Zèbre" transactions) form part of its asset-liability management activities aimed at obtaining market funding on favorable terms. This funding is carried out through the two specialized subsidiaries (Compagnie de Financement Foncier and Vauban Mobilisation Garanties).

These entities are consolidated as the Group has a controlling stake in respect of IFRS 10 criteria.

Securitization transactions carried out with derecognition

On May 16, 2014, Crédit Foncier entered into a public securitization transaction backed by home loans to individuals. To meet prudential requirements, at the start of the project Crédit Foncier identified a portfolio of loans for securitization valued at about €1 billion and kept over 5% of the selected outstandings.

The sale of the portfolio to the FCT involved over 8,900 loans totaling €922 million. The assets received in exchange for the portfolio in addition to cash were recognized at fair value on the balance sheet at the transaction date.

As Crédit Foncier was unable to use its power to influence the amount of their returns, it does not control the FCT within the meaning of IFRS 10.

The loans sold were derecognized within the meaning of IAS 39 because virtually all the portfolio's risks and benefits (prepayments, late payments and credit risks) were transferred.

The impact of this transaction on income for the year was not material.

17.3 GUARANTEED UCITS

Guaranteed UCITS are funds designed to reach a specific amount at the end of a given period, determined by applying a predefined calculation formula based on financial market indicators and, where appropriate, to distribute revenues derived from the investments as determined using the same methods. The portfolio management targets of these funds are guaranteed by a credit institution.

Based on an analysis of the substance of these funds in accordance with IFRS 10, the Group cannot be regarded as holding substantially all the risks and rewards of ownership. Consequently, these entities are not consolidated.

17.4 OTHER INTERESTS IN CONSOLIDATED SUBSIDIARIES AND STRUCTURED ENTITIES

Major restrictions

Groupe BPCE has not been faced with any major restrictions relating to stakes held in its structured subsidiaries.

Support of consolidated structured entities

The Group did not grant any financial support to consolidated structured entities.

17.5 SCOPE OF CONSOLIDATION AT DECEMBER 31, 2014

Only those subsidiaries providing a material contribution are consolidated. Materiality is assessed for consolidated entities based on the principle of ascending materiality. In other words, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

All companies consolidated using the equity method are associates except for the Natixis and Nexity subsidiaries, both of which are corporate groups in their own right.

	Business	Location[1]	Percentage interest	Consolidation method[2]
I) Consolidating entity				
I-1 Banque Populaire banks				
BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE	Bank	FR	100.00%	FC
BANQUE POPULAIRE ATLANTIQUE	Bank	FR	100.00%	FC
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Bank	FR	100.00%	FC
BANQUE POPULAIRE CÔTE D'AZUR	Bank	FR	100.00%	FC
BANQUE POPULAIRE DE LOIRE ET LYONNAIS	Bank	FR	100.00%	FC
BANQUE POPULAIRE DE L'OUEST	Bank	FR	100.00%	FC
BANQUE POPULAIRE DES ALPES	Bank	FR	100.00%	FC
BANQUE POPULAIRE DU MASSIF CENTRAL	Bank	FR	100.00%	FC
BANQUE POPULAIRE DU NORD	Bank	FR	100.00%	FC
BANQUE POPULAIRE DU SUD	Bank	FR	100.00%	FC
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE	Bank	FR	100.00%	FC
BANQUE POPULAIRE OCCITANE	Bank	FR	100.00%	FC
BANQUE POPULAIRE PROVENÇALE ET CORSE	Bank	FR	100.00%	FC
BANQUE POPULAIRE RIVES DE PARIS	Bank	FR	100.00%	FC
BANQUE POPULAIRE VAL DE FRANCE	Bank	FR	100.00%	FC
BRED - BANQUE POPULAIRE	Bank	FR	100.00%	FC
CASDEN - BANQUE POPULAIRE	Bank	FR	100.00%	FC
CRÉDIT COOPÉRATIF	Bank	FR	100.00%	FC
I-2 Caisses d'Epargne				
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	Bank	FR	100.00%	FC
CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE CÔTE D'AZUR	Bank	FR	100.00%	FC
CAISSE D'EPARGNE ALSACE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	Bank	FR	100.00%	FC
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTÉ	Bank	FR	100.00%	FC
CAISSE D'EPARGNE LORRAINE CHAMPAGNE ARDENNE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	Bank	FR	100.00%	FC
CAISSE D'EPARGNE PICARDIE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE ILE-DE-FRANCE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	Bank	FR	100.00%	FC

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	Business	Location[1]	Percentage interest	Consolidation method[2]
CAISSE D'EPARGNE LOIRE CENTRE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE LOIRE DROME ARDÈCHE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE NORD FRANCE EUROPE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE NORMANDIE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	Bank	FR	100.00%	FC
CAISSE D'EPARGNE RHONE ALPES	Bank	FR	100.00%	FC
I-3 BPCE SA group				
BPCE SA group	Holding company	FR	100.00%	FC
I-4 Mutual Guarantee Companies				
52 MUTUAL GUARANTEE COMPANIES	Guarantee companies	FR	100.00%	FC
I-5 Affiliated institutions				
CAISSE RÉGIONALE CRÉDIT MARITIME BRETAGNE NORMANDIE	Bank	FR	100.00%	FC
CAISSE RÉGIONALE CRÉDIT MARITIME ATLANTIQUE	Bank	FR	100.00%	FC
CAISSE RÉGIONALE CRÉDIT MARITIME DE MÉDITERRANÉE	Bank	FR	100.00%	FC
CAISSE RÉGIONALE CRÉDIT MARITIME REGION NORD	Bank	FR	100.00%	FC
CAISSE RÉGIONALE CRÉDIT MARITIME SUD OUEST	Bank	FR	100.00%	FC
CRÉDIT MARITIME OUTRE MER	Bank	FR	100.00%	FC
II) "Associated" institutions				
EDEL	Bank	FR	33.94%	EQ
MONINFO	Electronic payment	FR	33.91%	EQ
III) Subsidiaries, joint ventures and associates				
III-1 Subsidiaries of the Banque Populaire banks				
ACLEDA	Bank	KH	12.25%	EQ
ATLANTIQUE PLUS	Holding company	FR	100.00%	FC
AURORA	Holding company	BE	100.00%	EQ
BANQUE CALEDONIENNE D'INVESTISSEMENT	Bank	NC	49.90%	EQ
BANQUE CHAIX	Bank	FR	100.00%	FC
BANQUE DE SAVOIE	Bank	FR	99.98%	FC
BANQUE DUPUY, DE PARSEVAL	Bank	FR	100.00%	FC
BANQUE FRANCO LAO	Bank	LA	54.00%	FC
BANQUE MARZE	Bank	FR	100.00%	FC
BANQUE MONETAIRE ET FINANCIÈRE	Finance company	FR	100.00%	FC
BP DÉVELOPPEMENT	Private equity	FR	89.12%	FC
BATI LEASE	Real estate leasing	FR	95.05%	FC
BATI-LEASE INVEST	Office space	FR	95.05%	FC
BCEL	Bank	LA	10.00%	EQ
BCI MER ROUGE	Bank	DJ	51.00%	FC
BCP LUXEMBOURG	Bank	LU	100.00%	FC
BERCY GESTION FINANCE	Debt collection	FR	100.00%	FC
BERCY PATRIMOINE	Real estate investment	FR	100.00%	FC
BIC BRED	Bank	FR	99.98%	FC
BPA ATOUTS PARTICIPATIONS	Private equity	FR	100.00%	FC
BRD CHINA LTD	Private equity	CN	100.00%	FC
BRED COFILEASE	Non real estate leasing	FR	100.00%	FC
Bred Bank Fiji ltd	Bank	FJ	100.00%	FC
BRED GESTION	Bank	FR	100.00%	FC
BRED IT	IT Services	TH	100.00%	FC
BRED VANUATU	Bank	VA	85.00%	FC
BTP BANQUE	Bank	FR	99.97%	FC

	Business	Location[1]	Percentage interest	Consolidation method[2]
BTP CAPITAL CONSEIL	Financial investment advisory services	FR	99.96%	FC
BTP CAPITAL INVESTISSEMENT	Private equity	FR	73.28%	FC
CADEC	Private equity	FR	40.30%	EQ
CAISSE DE GARANTIE IMMOBILIÈRE DU BATIMENT	Insurance	FR	33.39%	EQ
CAISSE SOLIDAIRE	Finance company	FR	77.28%	FC
CAPI COURT TERME N°1	Private equity	FR	99.99%	FC
CLICK AND TRUST	Data processing	FR	100.00%	FC
CODEIS	Private equity	LU	89.12%	FC
COFEG	Consulting firm	FR	100.00%	FC
COFIBRED	Holding company	FR	100.00%	FC
COOPEST	Private equity	BE	32.49%	EQ
CRÉDIT COMMERCIAL DU SUD OUEST	Bank	FR	100.00%	FC
CREPONORD	Real estate and non real estate leasing	FR	100.00%	FC
DE PORTZAMPARC	Private equity	FR	23.53%	EQ
ECOFI INVESTISSEMENT	Portfolio management	FR	99.99%	FC
EPBF	Payment institution	BE	100.00%	FC
ESFIN	Private equity	FR	38.09%	EQ
EURO CAPITAL	Private equity	FR	62.67%	FC
EXPANSINVEST	Private equity	FR	100.00%	FC
FCC AMAREN II	FCT	FR	100.00%	FC
FCC ELIDE	FCT	FR	100.00%	FC
FCT ERIDAN	FCT	FR	100.00%	FC
SAS FINANCIÈRE DE CHAMPLAIN	Portfolio management	FR	99.99%	FC
FINANCIÈRE DE LA BP OCCITANE	Holding company	FR	100.00%	FC
FINANCIÈRE PARTICIPATION BPS	Holding company	FR	100.00%	FC
FIPROMER	Brokerage and investment services	FR	100.00%	FC
FONCIÈRE DU VANUATU	Real estate investment	VA	100.00%	FC
FONCIÈRE VICTOR HUGO	Holding company	FR	100.00%	FC
FRANCE ACTIVE GARANTIE	Finance company	FR	33.60%	EQ
GARIBALDI CAPITAL DEVELOPPEMENT	Holding company	FR	100.00%	FC
UNION DES SOCIÉTÉS DU CRÉDIT COOPÉRATIF (GIE)	Service company	FR	99.70%	FC
GROUPEMENT DE FAIT	Service company	FR	100.00%	FC
IBP INVESTISSEMENT	Office space	FR	99.73%	FC
IMMOCARSO SNC	Real estate investment	FR	100.00%	FC
INFORMATIQUE BANQUES POPULAIRES	IT Services	FR	100.00%	FC
INGENIERIE ET DEVELOPPEMENT	Holding company	FR	99.99%	FC
INTERCOOP	Real estate leasing	FR	98.69%	FC
INTERCOOP LOCATION	Office space	FR	92.55%	FC
IRD NORD PAS DE CALAIS	Private equity	FR	17.38%	EQ
IRR INVEST	Private equity	BE	100.00%	FC
LUDOVIC DE BESSE	Cooperative shareholder	FR	100.00%	FC
LUX EQUIP BAIL	Real estate and non real estate leasing	LU	100.00%	FC
MULTICROISSANCE SAS	Portfolio management	FR	100.00%	FC
NAXICAP RENDEMENT 2018	Private equity	FR	89.12%	FC
NJR FINANCE BV	Financial Services	NL	100.00%	FC
NJR INVEST	Private equity	BE	100.00%	FC
OUEST CROISSANCE SCR	Private equity	FR	99.67%	FC
PARNASSE FINANCES	Portfolio management	FR	100.00%	FC

	Business	Location[1]	Percentage interest	Consolidation method[2]
PARNASSE GARANTIES	Insurance	FR	80.00%	EQ
PARTICIPATIONS BPSO	Holding company	FR	100.00%	FC
PLUSEXPANSION	Holding company	FR	100.00%	FC
PREPAR COURTAGE	Insurance brokerage	FR	99.80%	FC
PREPAR-IARD	Non-life insurance	FR	100.00%	FC
PREPAR-VIE	Life insurance and capitalization	FR	99.91%	FC
PROMEPAR GESTION	Portfolio management	FR	99.99%	FC
SAS ALPES DEVELOPPEMENT DURABLE INVESTISSEMENT	Private equity	FR	100.00%	FC
ESFIN GESTION	Portfolio management	FR	60.00%	FC
PERSPECTIVES ET PARTICIPATIONS	Private equity	FR	100.00%	FC
SAS TASTA	Service company	FR	69.98%	FC
SASU BFC CROISSANCE	Private equity	FR	100.00%	FC
SAVOISIENNE	Holding company	FR	100.00%	FC
SBE	Bank	FR	100.00%	FC
SCI BPSO	Office space	FR	100.00%	FC
SCI BPSO CONDE SOUVENIR	Office space	FR	100.00%	FC
SCI BPSO PESSAC	Office space	FR	100.00%	FC
SCI BPSO ST ESPRIT	Office space	FR	100.00%	FC
SCI BPSO TALENCE	Office space	FR	100.00%	FC
SCI BPSO GUJAN	Office space	FR	100.00%	FC
SCI BPSO ST ANDRE	Office space	FR	100.00%	FC
SCI BPSO ST PAUL	Office space	FR	100.00%	FC
SCI BPSO MARNE	Office space	FR	100.00%	FC
SCI BPSO LE BOUSCAT	Office space	FR	100.00%	FC
SCI BPSO LESPARRE	Office space	FR	100.00%	FC
SCI BPSO CAMBO	Office space	FR	100.00%	FC
SCI BPSO ST AMAND	Office space	FR	100.00%	FC
SCI BPSO PESSAC CENTRE	Office space	FR	100.00%	FC
SCI BPSO LE HAILLAN	Office space	FR	100.00%	FC
SCI BPSO MERIGNAC 4 CHEMINS	Office space	FR	100.00%	FC
SCI BPSO LIBOURNE EST	Office space	FR	100.00%	FC
SCI BPSO BASTIDE	Office space	FR	100.00%	FC
SCI BPSO 11 MORLAAS	Office space	FR	100.00%	FC
SCI CREDIMAR	Office space	FR	100.00%	FC
SCI DU CRÉDIT COOPÉRATIF DE SAINT DENIS	Office space	FR	100.00%	FC
SCI FAIDHERBE	Office space	FR	100.00%	FC
SCI PYTHEAS PRADO 1	Office space	FR	100.00%	FC
SCI PYTHEAS PRADO 2	Office space	FR	100.00%	FC
SCI SAINT-DENIS	Office space	FR	100.00%	FC
SEGIMLOR	Office space	FR	100.00%	FC
SGTI	Cooperative shareholder	FR	100.00%	FC
SI ÉQUINOXE	Holding company	FR	100.00%	FC
SIMC	Holding company	FR	100.00%	FC
SMI	Portfolio management	FR	100.00%	FC
SOCIÉTARIAT BP BOURGOGNE FRANCHE-COMTÉ	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP CÔTE D'AZUR	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP DE L'OUEST	Cooperative shareholder	FR	99.99%	FC
SOCIÉTARIAT BP DES ALPES	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP DU NORD	Cooperative shareholder	FR	100.00%	FC

	Business	Location[1]	Percentage interest	Consolidation method[2]
SOCIÉTARIAT BP LOIRE ET LYONNAIS	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP DU MASSIF CENTRAL	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP OCCITANE	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP PROVENÇALE ET CORSE	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP RIVES DE PARIS	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP DU SUD	Cooperative shareholder	FR	100.00%	FC
SOCIÉTARIAT BP VAL DE FRANCE	Cooperative shareholder	FR	100.00%	FC
SOCIÉTÉ CENTRALE DU CRÉDIT MARITIME MUTUEL	Service company	FR	99.91%	FC
SOCIÉTÉ D'EXPANSION BOURGOGNE FRANCHE-COMTÉ	Holding company	FR	100.00%	FC
SOCIÉTÉ IMMOBILIÈRE PROVENÇALE ET CORSE	Holding company	FR	100.00%	FC
SOCREDO	Bank	FP	15.00%	EQ
SOFIAG	Finance company	FR	100.00%	FC
SOFIDER	Finance company	FR	100.00%	FC
SPGRES	Holding company	FR	100.00%	FC
SPIG	Property leasing	FR	100.00%	FC
SUD PARTICIPATION	Holding company	FR	100.00%	FC
TISE	Private equity	PL	100.00%	FC
TRANSIMMO	Real estate agent	FR	100.00%	FC
VECTEUR	Holding company	FR	100.00%	FC
VIALINK	Data processing	FR	100.00%	FC
III-2 Caisses d'Epargne subsidiaries				
BANQUE BCP SAS	Bank	FR	80.10%	FC
BANQUE DU LEMAN	Bank	CH	100.00%	FC
BATIMAP	Non real estate leasing	FR	95.44%	FC
BATIROC BRETAGNE PAYS DE LOIRE	Real estate and non real estate leasing	FR	99.97%	FC
BEAULIEU IMMO	Office space	FR	100.00%	FC
CAPITOLE FINANCE	Non real estate leasing	FR	100.00%	FC
CEBIM	Holding company	FR	100.00%	FC
CELIMMO SARL	Real estate investment	FR	100.00%	FC
EXPANSO INVESTISSEMENTS	Private equity	FR	99.55%	FC
FCPR FIDEPPP	Public-private partnership financing	FR	91.35%	FC
GIE CE SYNDICATION RISQUES	Guarantee company	FR	100.00%	FC
INCITY	Office space	FR	100.00%	FC
SCI DANS LA VILLE	Office space	FR	100.00%	FC
SCI GARIBALDI OFFICE	Office space	FR	100.00%	FC
SCI LAFAYETTE BUREAUX	Office space	FR	100.00%	FC
SCI LE CIEL	Office space	FR	100.00%	FC
SCI LE RELAIS	Office space	FR	100.00%	FC
IT-CE	IT Services	FR	100.00%	FC
MIDI FONCIÈRE	Office space	FR	100.00%	FC
339 ÉTAT-UNIS	Office space	FR	100.00%	FC
99 ROUTE D'ESPAGNE	Office space	FR	100.00%	FC
ADOUR SERVICES COMMUN	Office space	FR	100.00%	FC
AFOPEA	Office space	FR	100.00%	FC
APOUTICAYRE LOGEMENTS	Office space	FR	100.00%	FC
AUSSONNELLE DE C	Office space	FR	100.00%	FC
BCEF 64	Office space	FR	100.00%	FC
BERGONION	Office space	FR	100.00%	FC

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	Business	Location[1]	Percentage interest	Consolidation method[2]
BLEU RÉSIDENCE LORMONT	Office space	FR	100.00%	FC
BORDELONGUE GODEAS	Office space	FR	100.00%	FC
BURODIN	Office space	FR	100.00%	FC
CEPAIM SA	Office space	FR	100.00%	FC
COTE GARE	Office space	FR	100.00%	FC
CRISTAL IMMO	Office space	FR	100.00%	FC
EUROTERTIA	Office space	FR	100.00%	FC
FERIA PAULMY	Office space	FR	100.00%	FC
FONCIÈRE INVEST	Office space	FR	100.00%	FC
G102	Office space	FR	100.00%	FC
G IMMO	Office space	FR	100.00%	FC
IMMO SPORT	Office space	FR	100.00%	FC
LAC VALLEY	Office space	FR	100.00%	FC
LANGLADE SERVICES	Office space	FR	100.00%	FC
LANTA PRODUCTION	Office space	FR	100.00%	FC
LEVISEO	Office space	FR	100.00%	FC
METRO GREEN URBAN	Office space	FR	100.00%	FC
MIDI COMMERCES	Office space	FR	100.00%	FC
MIDI MIXT	Office space	FR	100.00%	FC
MONTAUDRAN PLS	Office space	FR	100.00%	FC
MURET ACTIVITÉS	Office space	FR	100.00%	FC
NOVA IMMO	Office space	FR	100.00%	FC
PHIDIAS	Office space	FR	100.00%	FC
PIERRE PAUL RIQUET	Office space	FR	100.00%	FC
RANGUEIL CORMIERS	Office space	FR	100.00%	FC
RIOU	Office space	FR	100.00%	FC
SC RES. LATECOERE	Office space	FR	50.00%	EQ
SC RES. MERMOZ	Office space	FR	50.00%	EQ
SC RES. LOUIS BREGUET	Office space	FR	50.00%	EQ
SC RES. SAINT EXUPERY	Office space	FR	50.00%	EQ
SC RES. ILOT J	Office space	FR	50.00%	EQ
SC RES. CHARLES LINDBERGH	Office space	FR	50.00%	EQ
SC RES. CROIX DU SUD	Office space	FR	50.00%	EQ
SC RES. CARRE DES PIONNIERS	Office space	FR	50.00%	EQ
SC RES. AILES D'ICARE	Office space	FR	50.00%	EQ
TECHNOCITE TERTIA	Office space	FR	100.00%	FC
TETRIS	Office space	FR	100.00%	FC
MIDI PYRÉNÉES PLACEMENT	Mutual fund	FR	100.00%	FC
MURACEF	Mutual insurance	FR	100.00%	FC
OPCI IMMO D'EXPLOITATION	Office space	FR	100.00%	FC
PHILAE SAS	Office space	FR	100.00%	FC
SAS FONCIÈRE DES CAISSES D'EPARGNE	Real estate investment	FR	100.00%	FC
SAS FONCIÈRE ECUREUIL	Real estate investment	FR	100.00%	FC
SAS FONCIÈRE ECUREUIL II	Real estate investment	FR	76.79%	FC
SCI FONCIÈRE 1	Real estate investment	FR	100.00%	FC
SCI TOURNON	Office space	FR	100.00%	FC
SNC ECUREUIL 5 RUE MASSERAN	Real estate investment	FR	100.00%	FC
SPPICAV AEW FONCIÈRE ECUREUIL	Office space	FR	100.00%	FC
SURASSUR	Reinsurance	LU	98.32%	FC

	Business	Location[1]	Percentage interest	Consolidation method[2]
TRITON	Guarantee business	FR	100.00%	FC
VIVALIS INVESTISSEMENTS	Office space	FR	100.00%	FC
III-3 BPCE SA group subsidiaries				
ACTIFS IMMOBILIERS D'EXPLOITATION	Office space	FR	100.00%	FC
ALBIANT-IT	IT systems and software consulting	FR	99.72%	FC
BP COVERED BONDS	Funding	FR	100.00%	FC
BPCE ACHATS	Service company	FR	96.84%	FC
BPCE HOME LOANS	Funding	FR	85.76%	FC
BPCE IMMOBILIER EXPLOITATION	Real estate investment	FR	100.00%	FC
BPCE MASTER HOME LOANS FCT	French securization fund (FCT)	FR	100.00%	FC
BPCE MASTER HOME LOANS DEMUT	French securization fund (FCT)	FR	100.00%	FC
BPCE SFH	Funding	FR	100.00%	FC
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Service company	FR	96.84%	FC
DELESSERT FCP 2DEC REGPT	BPCE Guarantee and Solidarity fund	FR	100.00%	FC
ESNI	Securitization company	FR	100.00%	FC
GCE CAPITAL	Private equity	FR	100.00%	FC
GCE COVERED BONDS	Funding	FR	100.00%	FC
GCE PARTICIPATIONS	Holding company	FR	100.00%	FC
NATIXIS GROUP[3]		FR	71.51%	FC
MIFCOS	Real estate investment	FR	100.00%	FC
SAS GCE P.AV IMMOBILIER	Office space	FR	100.00%	FC
SOCRAM BANQUE	Bank	FR	33.42%	EQ
VBI BETEILIGUNGS GMBH	Bank	AT	24.50%	EQ
Holassure group				
CNP ASSURANCES (GROUP)	Insurance	FR	16.11%	EQ
HOLASSURE	Holding company	FR	100.00%	FC
SOPASSURE	Holding company	FR	49.98%	PC
BPCE International et Outre-mer group				
AL MANSOUR PALACE MAROC	Real estate development	MA	40.00%	EQ
ARAB INTERNATIONAL LEASE	Real estate and non real estate leasing	TN	57.00%	FC
BANQUE DE LA REUNION	Bank	FR	88.90%	FC
BANQUE DE NOUVELLE-CALÉDONIE	Bank	NC	96.85%	FC
BANQUE DE TAHITI	Bank	FP	96.61%	FC
BANQUE DES ANTILLES FRANCAISES	Bank	FR	100.00%	FC
BANQUE DES ÎLES SAINT-PIERRE-ET-MIQUELON	Bank	FR	92.28%	FC
BANQUE DES MASCAREIGNES	Bank	MU	100.00%	FC
BANQUE MALGACHE DE L'OCÉAN INDIEN	Bank	MG	71.01%	FC
BANQUE TUNISO KOWEITIENNE	Bank	TN	60.00%	FC
BCI BQ COMMERCIALE INTERNATIONALE	Bank	CG	100.00%	FC
BICEC	Bank	CM	68.49%	FC
BM MADAGASCAR	Bank	MG	72.67%	FC
BPCE INTERNATIONAL ET OUTRE MER	Specialized credit institution	FR	100.00%	FC
BPCE MAROC	Real estate development	MA	100.00%	FC
BPCE MAROC IMMOBILIER	Real estate development	MA	100.00%	FC
FRANSA BANK	Bank	FR	40.01%	EQ
INGEPAR	Financial investment advisory services	FR	100.00%	FC

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	Business	Location[1]	Percentage interest	Consolidation method[2]
MEDAI SA	Real estate development	TN	66.99%	FC
OCEORANE	Financial investment advisory services	FR	100.00%	FC
NATIXIS PRAMEX INTERNATIONAL	International development and consulting services	FR	100.00%	FC
SKY ELITE TOUR SARL	Real estate development	MA	100.00%	FC
SOCIÉTÉ DU CONSEIL ET DE L'INTERMEDIATION FINANCIÈRE	Financial investment advisory services	TN	47.98%	FC
EL ISTIFA	Debt collection company	TN	60.00%	FC
SOCIÉTÉ HAVRAISE CALEDONIENNE	Office space	NC	89.80%	FC
SOCIÉTÉ TUNISIENNE DE PROMOTION DES POLES IMMOBILIERS ET INDUSTRIELS	Real estate development	TN	18.00%	EQ
TUNIS CENTER	Real estate development	TN	13.65%	FC
UNIVERS INVEST (SICAR)	Private equity	TN	52.40%	FC
UNIVERS PARTICIPATIONS (SICAF)	Private equity	TN	59.87%	FC
Crédit Foncier group				
BANCO PRIMUS	Bank	PT	100.00%	FC
CRÉDIT FONCIER DE FRANCE	Bank	FR	100.00%	FC
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company	FR	100.00%	FC
COFIMAB	Real estate agent	FR	100.00%	FC
COMPAGNIE DE FINANCEMENT FONCIER	Finance company	FR	100.00%	FC
CRÉDIT FONCIER IMMOBILIER	Office space	FR	100.00%	FC
SCA ECUFONCIER	Finance company	FR	100.00%	FC
CRÉDIT FONCIER EXPERTISE	Real estate consulting	FR	100.00%	FC
EUROSCRIBE	Real estate and non real estate leasing	FR	37.28%	EQ
FILIALES LOCI	Real estate and non real estate leasing	FR	74.55%	FC
EUROSCRIBE SAS	Real estate and non real estate leasing	FR	50.00%	FC
OXIANE	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL ACTIV SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL COM SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL HOTEL SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL LOGIS SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL SARL	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL TERTIAIRE SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBEURO SAS	Real estate and non real estate leasing	FR	100.00%	FC
FONCIER PARTICIPATIONS	Holding company	FR	100.00%	FC
FONCIÈRE D'EVREUX	Office space	FR	100.00%	FC
GCE COINVEST	Holding company	FR	100.00%	FC
GRAMAT BALARD	Office space	FR	100.00%	FC
LOCINDUS	Real estate and non real estate leasing	FR	74.55%	FC
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate development	FR	49.00%	EQ
SEREXIM	Real estate consulting	FR	100.00%	FC
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company	FR	100.00%	FC
SOCFIM	Bank	FR	100.00%	FC
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company	FR	100.00%	FC
VENDÔME INVESTISSEMENTS	Holding company	FR	100.00%	FC
VAUBAN MOBILISATIONS GARANTIES (VMG)	Finance company	FR	100.00%	FC
FCT PARTIMMO 05/2003	French securization fund (FCT)	FR	100.00%	FC
FCT PARTIMMO 11/2003	French securization fund (FCT)	FR	100.00%	FC

	Business	Location(1)	Percentage interest	Consolidation method(2)
FCT ZEBRE 1	French securization fund (FCT)	FR	100.00%	FC
FCT ZEBRE TWO	French securization fund (FCT)	FR	100.00%	FC
FCT ZEBRE 2006-1	French securization fund (FCT)	FR	100.00%	FC
Banque Palatine group				
ARIES ASSURANCES	Insurance brokerage	FR	100.00%	FC
BANQUE PALATINE	Bank	FR	100.00%	FC
CONSERVATEUR FINANCE	Fund management	FR	20.00%	EQ
PALATINE ASSET MANAGEMENT	Asset management	FR	100.00%	FC
III-4 CE Holding Promotion subsidiaries				
CE HOLDING PROMOTION	Holding company	FR	100.00%	FC
HABITAT EN REGION SERVICES	Holding company	FR	100.00%	FC
GROUPE NEXITY	Office space	FR	33.39%	EQ
SACOGIVA	Semi-public company	FR	45.00%	EQ
SOGIMA	Semi-public company	FR	56.00%	EQ
III-5 Local savings companies				
228 LOCAL SAVINGS COMPANIES	Cooperative shareholder	FR	100.00%	FC

(1) **Country of location:**
AT: Austria - BE: Belgium - CG: Congo - CH: Switzerland - CN: China - CM: Cameroon - DJ: Djibouti - FJ: Fiji - FR: France - KH: Cambodia - LA: Laos - LU: Luxembourg - MA: Morocco - MU: Mauritius - MG: Madagascar - NC: New Caledonia - NL: Netherlands - FP: French Polynesia - PL: Poland - PT: Portugal - TH: Thailand - TN: Tunisia - VA: Vanuatu.

(2) **Consolidation method:**
FC: Full consolidation
EQ: Equity method
PC: Proportionate consolidation

(3) **NATIXIS group:**
The Natixis group comprises 336 fully-consolidated entities and 12 entities consolidated using the equity method including 10 associates and 1 joint venture. Its principal subsidiaries are as follows: Coface, Banque Privée 1818, Natixis Global Asset Management, Natixis North America LLC, Natixis Private Equity and Compagnie Européenne de Garanties et Cautions.

Note 18 Locations by country

18.1 NBI AND HEADCOUNT BY COUNTRY

	Net banking income (in millions of euros)	Profit or loss before tax (in millions of euros)	Income tax (in millions of euros)	FTE headcount
	Fiscal year 2014			12/31/2014
European Union member states				
Germany	189	44	(12)	715
Austria	26	(70)	(2)	106
Belgium	21	15	(1)	72
Bulgaria	1	1		8
Denmark	17	1	(1)	79
Spain	139	93	(24)	263
France	19,249	4,527	(1,447)	91,682
Great Britain	260	126	(91)	499
Hungary	2	1		37
Ireland	20	16	(1)	9
Italy	167	75	(26)	274
Latvia	1			7
Lithuania	2	1		13
Luxembourg	196	115	(7)	272
Malta	1	1		
Netherlands	21	10	(2)	71
Poland	21	7	(2)	212
Portugal	31	4	(2)	149
Czech Republic	2	1		7
Romania	7	3	(1)	91
Slovakia	1			8
Sweden	3	1		16
Rest of Europe				
Jersey	1			
Monaco	11	10	(3)	32
Russia	16	7	(3)	70
Switzerland	5	(14)	0	71
Africa and Mediterranean				
South Africa	4			66
Algeria	69	40	(9)	693
Cameroon	82	37	(9)	620
Congo	21	8	(3)	224
Djibouti	20	3	(1)	277
United Arab Emirates	10	1		40
Mauritius	16	2		277
Israel	8			101
Madagascar	29	17	(3)	365
Morocco	(7)	(8)		4
Tunisia	33	6	(2)	449
Turkey	5			51

	Net banking income (in millions of euros)	Profit or loss before tax (in millions of euros)	Income tax (in millions of euros)	FTE headcount
	Fiscal year 2014			12/31/2014
America				
Argentina	5	2		51
Brazil	20	11	(2)	83
Canada	13	9	(2)	38
Chile	4			42
Ecuador	3	2	(1)	20
United States	2,110	695	(227)	2,816
Cayman Islands	5	5		
Mexico	3	(3)	1	51
Uruguay				1
Asia/Oceania				
Australia	8	1	(1)	18
Cambodia		7		
China	15	6	(1)	65
Fiji	2	(2)		59
Hong Kong	124	25	(1)	298
India				7
Japan	28	(6)		111
Laos	5	2		164
Malaysia	3	2		4
New Caledonia	66	37	(11)	742
French Polynesia	55	17	(10)	280
Singapore	69	39	(6)	166
Taiwan	2	2		20
Thailand	5			71
Vanuatu	10	4		110
Vietnam	2	(11)		52
GROUP TOTAL	**23,257**	**5,925**	**(1,913)**	**103,199**

The headcount means Full-Time Equivalents working as of the reporting date.

Income tax means the tax payable and deferred tax assets and liabilities, not including taxes other than on income recognized as operating income.

The Group did not receive any public subsidies.

18.2 LOCATION OF ENTITIES BY COUNTRY

Country of location	Activities
SOUTH AFRICA	
COFACE SOUTH AFRICA	Insurance
COFACE SOUTH AFRICA SERVICES	Insurance
ALGERIA	
NATIXIS ALGERIE	Bank
GERMANY	
AEW EUROPE FRANKREICH	Distribution
COFACE DEBITOREN	Credit information and debt recovery
COFACE DEUTSCHLAND	Credit insurance and related services
COFACE DEUTSCHLAND VERTRIEB GMBH	Financial reporting
COFACE FINANZ	Factoring
COFACERATING HOLDING	Credit information and debt recovery
COFACERATING.DE	Credit information and debt recovery
KISSELBERG	Insurance
NATIXIS FRANCFORT	Finance company
NATIXIS GLOBAL ASSOCIATES GERMANY	Distribution
NATIXIS PFANDBRIEFBANK AG	Real Estate Financing
NGAM SA ZWEIGNIERDERLASSUNG DEUTSCHLAND	Distribution
ARGENTINA	
COFACE ARGENTINA (COFACE SA BRANCH)	Insurance
AUSTRALIA	
COFACE AUSTRALIA (COFACE SA BRANCH)	Insurance
NATIXIS AUSTRALIA PTY LTD	Finance company
NATIXIS GLOBAL ASSOCIATES AUSTRALIA HOLDINGS, LLC	Holding company
AUSTRIA	
COFACE AUSTRIA	Holding company
COFACE CENTRAL EUROPE HOLDING	Holding company
COFACE SERVICES AUSTRIA	Credit information and debt recovery
VBI BETEILIGUNGS GMBH	Bank
BELGIUM	
AURORA	Holding company
COFACE BELGIUM (COFACE SA BRANCH)	Insurance
COFACE BELGIUM SERVICES HOLDING	Commercial and solvency information
COOPEST	Private equity
EDF INVESTISSEMENT GROUPE	Investment company
EPBF	Payment institution
IRR INVEST	Private equity
KOMPASS BELGIQUE	Marketing and other services
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company
NJR INVEST	Private equity

Country of location	Activities
BRAZIL	
COFACE DO BRASIL SEGUROS DE CREDITO	Credit insurance and related services
NATIXIS BRASIL SA	Finance company
SEGURO BRASILEIRA C.E	Credit insurance and related services
BULGARIA	
COFACE BULGARIA (BRANCH)	Insurance
CAMBODIA	
ACLEDA	Bank
CAMEROON	
BICEC	Bank
CANADA	
COFACE CANADA (COFACE SA BRANCH)	Insurance
NEXGEN FINANCIAL CORPORATION	Asset management
NEXGEN FINANCIAL LIMITED PARTNERSHIP	Asset management
NEXGEN INVESTMENT CORPORATION	Asset management
NEXGEN LIMITED	Asset management
NEXGEN ONTARIO INC	Asset management
TREZ COMMERCIAL FINANCES LP	Mortgage loans
CHILE	
COFACE CHILE S.A	Insurance
COFACE CHILE (COFACE SA BRANCH)	Insurance
CHINA	
BRD CHINA LTD	Private equity
NATIXIS SHANGHAI	Finance company
CONGO	
BCI BQ COMMERCIALE INTERNATIONALE	Bank
DENMARK	
COFACE DANMARK (COFACE KREDIT BRANCH)	Insurance
MIDT FACTORING A/S	Factoring
DJIBOUTI	
BCI MER ROUGE	Bank
UNITED ARAB EMIRATES	
NATIXIS DUBAI	Finance company
NGAM MIDDLE EAST	Distribution
ECUADOR	
COFACE ECUADOR (COFACE SA BRANCH)	Insurance
SPAIN	
COFACE IBERICA (COFACE SA BRANCH)	Insurance
COFACE SERVICIOS ESPANA S.L.	Credit information and debt recovery
NATIXIS LEASE MADRID	Real estate and non real estate leasing
NATIXIS MADRID	Finance company
NGAM SUCURSAL EN ESPANA	Distribution

Country of location	Activities
UNITED STATES	
AEW CAPITAL MANAGEMENT, INC.	Asset management
AEW CAPITAL MANAGEMENT, LP	Asset management
AEW II CORPORATION	Asset management
AEW PARTNERS III, INC.	Asset management
AEW PARTNERS IV, INC.	Asset management
AEW PARTNERS V, INC.	Asset management
AEW PARTNERS VI, INC.	Asset management
AEW PARTNERS VII, INC.	Asset management
AEW REAL ESTATE ADVISORS, INC.	Asset management
AEW SENIOR HOUSING INVESTORS INC	Asset management
AEW VALUE INVESTORS ASIA II GP LIMITED	Asset management
AEW VIA INVESTORS, LTD	Asset management
AEW VIF II INVESTORS, INC.	Asset management
AEW VIF INVESTORS, INC.	Asset management
ALPHASIMPLEX GROUP LLC	Asset management
ALTERNATIVE STRATEGIES GROUP LLC	Asset management
AURORA HORIZON FUNDS	Asset management
AURORA INVESTMENT MANAGEMENT LLC	Asset management
BLEACHERS FINANCE	Securitization vehicle
CAPITAL GROWTH MANAGEMENT, LP	Asset management
CASPIAN CAPITAL MANAGEMENT, LLC	Asset management
CM REO HOLDINGS TRUST	Secondary market financing
CM REO TRUST	Secondary market financing
COFACE COLLECTION NORTH AMERICA	Credit information and debt recovery
COFACE COLLECTION NORTH AMERICA HOLDING LLC	Credit information and debt recovery
COFACE NORTH AMERICA	Credit insurance and related services
COFACE NORTH AMERICA HOLDING COMPANY	Holding company
COFACE NORTH AMERICA INSURANCE COMPANY	Credit insurance and related services
COFACE SERVICES NORTH AMERICA GROUP	Holding company
CONDUIT VERSAILLES	Securitization vehicle
CREA WESTERN INVESTORS I, INC.	Asset management
DARIUS CAPITAL PARTNERS USA	Financial investment advisory services
EPI SLP LLC	Asset management
EPI SO SLP LLC	Asset management
GATEWAY INVESTMENT ADVISERS, LLC	Asset management
HARRIS ALTERNATIVES HOLDING INC	Holding company
HARRIS ASSOCIATES INVESTMENT TRUST	Asset management

Country of location	Activities
HARRIS ASSOCIATES LP	Asset management
HARRIS ASSOCIATES SECURITIES, LP	Distribution
HARRIS ASSOCIATES, INC.	Asset management
KOBRICK FUNDS, LLC	Asset management
LOOMIS SAYLES & COMPANY, INC.	Asset management
LOOMIS SAYLES & COMPANY, LP	Asset management
LOOMIS SAYLES ALPHA, LLC.	Asset management
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution
LOOMIS SAYLES SOLUTIONS, INC	Asset management
LOOMIS SAYLES TRUST COMPANY, LLC	Asset management
MC DONNELL	Asset management
MC MANAGEMENT, INC.	Holding company
MC MANAGEMENT, LP	Holding company
MSR TRUST	Real Estate Financing
NAM US	Asset management
NATEXIS FUNDING USA LLC	Refinancing activities
NATEXIS US FINANCE CORPORATION	Negotiable debt securities issues
NATIXIS ASG HOLDINGS, INC	Distribution
NATIXIS CASPIAN PRIVATE EQUITY LLC	Asset management
NATIXIS DERIVATIVES INC	Trading firm
NATIXIS FINANCIAL PRODUCTS LLC	Derivative transactions
NATIXIS FUNDING CORP	Other finance company
NATIXIS GLOBAL ASSET MANAGEMENT HOLDINGS, LLC	Holding company
NATIXIS GLOBAL ASSET MANAGEMENT, LLC	Holding company
NATIXIS GLOBAL ASSET MANAGEMENT, LP	Holding company
NATIXIS INVESTMENT CORP.	Portfolio management
NATIXIS NEW YORK	Finance company
NATIXIS NORTH AMERICA LLC	Holding company
NATIXIS PRIVATE EQUITY CASPIAN IA, LP	Private equity
NATIXIS PRIVATE EQUITY CASPIAN IB, LP	Private equity
NATIXIS REAL ESTATE CAPITAL LLC	Real Estate Financing
NATIXIS REAL ESTATE HOLDINGS LLC	Real Estate Financing
NATIXIS SECURITIES AMERICAS LLC	Trading firm
NATIXIS US HOLDINGS INC	Holding company
NGAM ADVISORS, LP	Distribution
NGAM DISTRIBUTION CORPORATION	Distribution
NGAM DISTRIBUTION, LP	Distribution
NGAM INTERNATIONAL, LLC	Distribution
NH PHILADELPHIA PROPERTY LP	Real Estate Financing

Country of location	Activities
PLAZA SQUARE APPARTMENTS OWNERS LLC	Real Estate Financing
REICH & TANG ASSET MANAGEMENT, LLC	Asset management
REICH & TANG DEPOSIT SOLUTIONS, LLC	Asset management
REICH & TANG DISTRIBUTORS, INC.	Distribution
REICH & TANG SERVICES, INC.	Asset management
REICH & TANG STABLE CUSTODY GROUP II LLC.	Asset management
REICH & TANG STABLE CUSTODY GROUP LLC.	Asset management
SEEYOND MULTI ASSET ALLOCATION FUND	Asset management
SNYDER CAPITAL MANAGEMENT, INC.	Asset management
SNYDER CAPITAL MANAGEMENT, LP	Asset management
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset management
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset management
VAUGHAN NELSON TRUST COMPANY	Asset management
FIJI	
BRED BANK FIJI LTD	Bank
FRANCE	
1818 IMMOBILIER	Office space
339 ÉTATS-UNIS	Office space
99 ROUTE D'ESPAGNE	Office space
ABP ALTERNATIF OFFENSIF	Alternative fund of funds
ABP DIVERSIFIE	Insurance UCITS
ACTIFS IMMOBILIERS D'EXPLOITATION	Office space
ADOUR SERVICES COMMUN	Office space
AEW COINVEST	Asset management
AEW EUROPE SA	Asset management
AEW EUROPE SGP	Asset management
AFOPEA	Office space
ALBIANT-IT	IT systems and software consulting
ALLIANCE ENTREPRENDRE	Asset management
APOUTICAYRE LOGEMENTS	Office space
ARIES ASSURANCES	Insurance brokerage
ASSURANCES BANQUE POPULAIRE IARD	Non-life insurance
ASSURANCES BANQUE POPULAIRE PREVOYANCE	Personal protection insurance
ASSURANCES BANQUE POPULAIRE VIE	Life insurance
ATLANTIQUE PLUS	Holding company
AUSSONNELLE DE C	Office space
AXELTIS SA	Holding company
BANQUE BCP SAS	Bank
BANQUE CHAIX	Bank
BANQUE DE LA REUNION	Bank
BANQUE DE SAVOIE	Bank

Country of location	Activities
BANQUE DES ANTILLES FRANCAISES	Bank
BANQUE DES ILES SAINT-PIERRE-ET-MIQUELON	Bank
BANQUE DUPUY, DE PARSEVAL	Bank
BANQUE MARZE	Bank
BANQUE MONETAIRE ET FINANCIÈRE	Finance company
BANQUE PALATINE	Bank
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE	Bank
BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE	Bank
BANQUE POPULAIRE ATLANTIQUE	Bank
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Bank
BANQUE POPULAIRE CÔTE D'AZUR	Bank
BANQUE POPULAIRE DE LOIRE ET LYONNAIS	Bank
BANQUE POPULAIRE DE L'OUEST	Bank
BANQUE POPULAIRE DES ALPES	Bank
BANQUE POPULAIRE DU MASSIF CENTRAL	Bank
BANQUE POPULAIRE DU NORD	Bank
BANQUE POPULAIRE DU SUD	Bank
BANQUE POPULAIRE OCCITANE	Bank
BANQUE POPULAIRE PROVENÇALE ET CORSE	Bank
BANQUE POPULAIRE RIVES DE PARIS	Bank
BANQUE POPULAIRE VAL DE FRANCE	Bank
BANQUE PRIVÉE 1818	Credit institution
BATI LEASE	Real estate leasing
BATI-LEASE INVEST	Office space
BATIMAP	Non real estate leasing
BATIROC BRETAGNE PAYS DE LOIRE	Real estate and non real estate leasing
BCEF 64	Office space
BEAULIEU IMMO	Office space
BERCY GESTION FINANCE	Debt collection
BERCY PATRIMOINE	Real estate investment
BERGONION	Office space
BIC BRED	Bank
BLEU RESIDENCE LORMONT	Office space
BORDELONGUE GODEAS	Office space
BP COVERED BONDS	Funding
BP DÉVELOPPEMENT	Private equity
BPA ATOUTS PARTICIPATIONS	Private equity
BPCE ACHATS	Services company
BPCE APS	Service provider
BPCE ASSURANCES	Insurance company
BPCE HOME LOANS	Funding
BPCE IMMOBILIER EXPLOITATION	Real estate investment

Country of location	Activities
BPCE INTERNATIONAL ET OUTRE MER	Specialized credit institution
BPCE MASTER HOME LOANS DEMUT	FCT
BPCE MASTER HOME LOANS FCT	FCT
BPCE SA	Holding company
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Services company
BPCE SFH	Funding
BRED - BANQUE POPULAIRE	Bank
BRED COFILEASE	Non real estate leasing
BRED GESTION	Bank
BTP BANQUE	Bank
BTP CAPITAL CONSEIL	Financial investment advisory services
BTP CAPITAL INVESTISSEMENT	Private equity
BURODIN	Office space
CADEC	Private equity
CAISSE DE GARANTIE IMMOBILIÈRE DU BATIMENT	Insurance
CAISSE D'EPARGNE ILE-DE-FRANCE	Bank
CAISSE D'EPARGNE ALSACE	Bank
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	Bank
CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE	Bank
CAISSE D'EPARGNE CÔTE D'AZUR	Bank
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	Bank
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTÉ	Bank
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	Bank
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	Bank
CAISSE D'EPARGNE LOIRE CENTRE	Bank
CAISSE D'EPARGNE LOIRE DROME ARDÈCHE	Bank
CAISSE D'EPARGNE LORRAINE CHAMPAGNE ARDENNE	Bank
CAISSE D'EPARGNE NORD FRANCE EUROPE	Bank
CAISSE D'EPARGNE NORMANDIE	Bank
CAISSE D'EPARGNE PICARDIE	Bank
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	Bank
CAISSE D'EPARGNE RHONE ALPES	Bank
CAISSE RÉGIONALE CRÉDIT MARITIME ATLANTIQUE	Bank
CAISSE RÉGIONALE CRÉDIT MARITIME BRETAGNE NORMANDIE	Bank
CAISSE RÉGIONALE CRÉDIT MARITIME DE MÉDITERRANÉE	Bank
CAISSE RÉGIONALE CRÉDIT MARITIME REGION NORD	Bank
CAISSE RÉGIONALE CRÉDIT MARITIME SUD OUEST	Bank
CAISSE SOLIDAIRE	Finance company

Country of location	Activities
CAPI COURT TERME N°1	Private equity
CAPITOLE FINANCE	Non real estate leasing
CASDEN - BANQUE POPULAIRE	Bank
CE HOLDING PROMOTION	Holding company
CEBIM	Holding company
CELIMMO SARL	Real estate investment
CEPAIM SA	Office space
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company
CGW GESTION D'ACTIFS	Asset management
CICOBAIL	Real estate leasing
CLICK AND TRUST	Data processing
CNP ASSURANCES (GROUP)	Insurance
CO-ASSUR	Insurance brokerage advisory services
COFACE HOLDING SAS	Holding company
COFACE SA	Credit insurance and related services
COFACE SERVICE	Information
COFACREDIT	Credit insurance and related services
COFEG	Consulting
COFIBRED	Holding company
COFIMAB	Real estate agent
COFINPAR	Credit insurance and related services
COGERI	Credit information and debt recovery
COMPAGNIE DE FINANCEMENT FONCIER	Finance company
COMPAGNIE EUROPEENNE DE GARANTIES ET CAUTIONS	Insurance
CONSERVATEUR FINANCE	Fund management
CONTANGO TRADING SA	Securitization vehicle
COTE GARE	Office space
CRÉDIT COMMERCIAL DU SUD OUEST	Bank
CRÉDIT COOPÉRATIF	Bank
CRÉDIT FONCIER DE FRANCE	Bank
CRÉDIT FONCIER EXPERTISE	Real estate consulting
CRÉDIT FONCIER IMMOBILIER	Office space
CRÉDIT MARITIME OUTRE MER	Bank
CREPONORD	Real estate and non real estate leasing
CRISTAL IMMO	Office space
DARIUS CAPITAL PARTNERS SAS	Financial investment advisory services
DE PORTZAMPARC	Private equity
DELESSERT FCP 2DEC REGPT	BPCE Guarantee and Solidarity fund
DORVAL FINANCE	Asset management
ECOFI INVESTISSEMENT	Portfolio management
EDEL	Bank
ESFIN	Private equity

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Country of location	Activities
ESFIN GESTION	Portfolio management
ESNI	Securitization company
EURO CAPITAL	Private equity
EURO PRIVATE EQUITY FRANCE (EX DAHLIA PARTNERS)	Asset management
EUROSCRIBE	Real estate and non real estate leasing
EUROSCRIBE SAS	Real estate and non real estate leasing
EUROTERTIA	Office space
EXPANSINVEST	Private equity
EXPANSO INVESTISSEMENTS	Private equity
FCC AMAREN II	French securization fund (FCT)
FCC ELIDE	French securization fund (FCT)
FCPR FIDEPPP	Public-private partnership financing
FCT ERIDAN	French securization fund (FCT)
FCT FAST	French securization fund (FCT)
FCT NATIXIS CORPORATE FINANCEMENT	Securitization vehicle
FCT NATIXIS EXPORT CREDIT AGENCY	Securitization vehicle
FCT PARTIMMO 05/2003	French securization fund (FCT)
FCT PARTIMMO 11/2003	French securization fund (FCT)
FCT VEGA	French securization fund (FCT)
FCT ZÈBRE 1	French securization fund (FCT)
FCT ZÈBRE 2006-1	French securization fund (FCT)
FCT ZÈBRE TWO	French securization fund (FCT)
FERIA PAULMY	Office space
FILIALES LOCI	Real estate and non real estate leasing
FIMIPAR	Accounts receivable purchasing
FINANCIÈRE DE LA BP OCCITANE	Holding company
FINANCIÈRE PARTICIPATION BPS	Holding company
FIPROMER	Brokerage and investment services
FONCIER PARTICIPATIONS	Holding company
FONCIÈRE D'EVREUX	Office space
FONCIÈRE INVEST	Office space
FONCIÈRE VICTOR HUGO	Holding company
FONDS COLOMBES	UCITS
FRANCE ACTIVÉ GARANTIE	Finance company
FRANSA BANK	Bank
FRUCTIFONCIER	Insurance real estate investments
FRUCTIFONDS PROFIL 3	Insurance UCITS
FRUCTIFONDS PROFIL 6	Insurance UCITS
FRUCTIFONDS PROFIL 9	Insurance UCITS
G IMMO	Office space
G102	Office space
GARIBALDI CAPITAL DEVELOPPEMENT	Holding company
GCE CAPITAL	Private equity

Country of location	Activities
GCE COINVEST	Holding company
GCE COVERED BONDS	Funding
GCE PARTICIPATIONS	Holding company
GIE CE SYNDICATION RISQUES	Guarantee company
GRAMAT BALARD	Office space
GROUPE NEXITY	Office space
GROUPEMENT DE FAIT	Services company
HABITAT EN RÉGION SERVICES	Holding company
HOLASSURE	Holding company
IBP INVESTISSEMENT	Office space
IJCOF CORPORATE	Recovery of receivables
IMMO SPORT	Office space
IMMOCARSO SNC	Real estate investment
INCITY	Office space
INFORMATIQUE BANQUES POPULAIRES	IT Services
INGENIERIE ET DEVELOPPEMENT	Holding company
INGEPAR	Financial investment advisory services
INTERCOOP	Real estate leasing
INTERCOOP LOCATION	Office space
IRD NORD PAS DE CALAIS	Private equity
IT-CE	IT Services
KOMPASS INTERNATIONAL NEUENSCHWANDER	Holding company
LAC VALLEY	Office space
LANGLADE SERVICES	Office space
LANTA PRODUCTION	Office space
LEASE EXPANSION	Operational IT leasing
LEVISEO	Office space
LOCINDUS	Real estate and non real estate leasing
LUDOVIC DE BESSE	Cooperative shareholder
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate developments
METRO GREEN URBAN	Office space
MIDI COMMERCES	Office space
MIDI FONCIÈRE	Office space
MIDI MIXT	Office space
MIDI PYRÉNÉES PLACEMENT	Mutual fund
MIFCOS	Real estate investment
MIROVA ENVIRONMENT AND INFRASTRUCTURE	Venture capital fund management
MONINFO	Electronic payment
MONTAUDRAN PLS	Office space
MULTICROISSANCE SAS	Portfolio management
MURACEF	Mutual insurance
MURET ACTIVITÉS	Office space
NALÉA	Securitization vehicle
NAMI AEW EUROPE	Asset management

Country of location	Activities
NAMI INVESTMENT	Insurance real estate investments
NATIXIS ALTAIR IT SHARED SERVICES	IT Services
NATIXIS ASSET MANAGEMENT	Asset management
NATIXIS ASSET MANAGEMENT FINANCE	Holding company
NATIXIS ASSURANCES	Insurance companies' holding company
NATIXIS BAIL	Real estate leasing
NATIXIS CAR LEASE	Long-term vehicle leasing
NATIXIS COFICINE	Finance company (audio-visual)
NATIXIS CONSUMER FINANCE	Holding company
NATIXIS CONSUMER FINANCE IT	Consumer Credit
NATIXIS ENERGECO	Non real estate leasing
NATIXIS FACTOR	Factoring
NATIXIS FINANCEMENT	Consumer Credit
NATIXIS FONCIÈRE SA (formerly SPAFICA)	Real estate investment
NATIXIS FORMATION EPARGNE FINANCIÈRE	Holding company
NATIXIS FUNDING	Secondary debt market services
NATIXIS GLOBAL ASSET MANAGEMENT	Holding company
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 1	Holding company
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 3	Holding company
NATIXIS HCP	Holding company
NATIXIS IMMO DEVELOPPEMENT	Home real estate development
NATIXIS IMMO EXPLOITATION	Office space
NATIXIS INNOV	Holding company
NATIXIS INTEREPARGNE	Employee savings account management
NATIXIS INTERTITRES	Service vouchers
NATIXIS LEASE	Non real estate leasing
NATIXIS LEASE IMMO	Real estate leasing
NATIXIS LIFE	Life insurance
NATIXIS LLD	Long-term vehicle leasing
NATIXIS MARCO	Investment company - (extension of activity)
NATIXIS PAIEMENTS	Bank services
NATIXIS PRAMEX INTERNATIONAL	International development and consulting services
NATIXIS PRIVATE EQUITY	Private equity
NATIXIS SA	Holding company
NATIXIS ULTRA SHORT TERM BONDS PLUS	Insurance UCITS
NAXICAP PARTNERS	Venture capital fund management
NAXICAP RENDEMENT 20182	Private equity
NGAM DISTRIBUTION, FRANCE BRANCH	Distribution

Country of location	Activities
NORDRI	Securitization vehicle
NOVA IMMO	Office space
OCEOR LEASE REUNION	Non real estate leasing
OCEORANE	Financial investment advisory services
OPCI IMMO D'EXPLOITATION	Office space
OPCI NATIXIS LEASE INVESTMENT	Real estate funds
OSSIAM	Asset management
OUEST CROISSANCE SCR	Private equity
OXIANE	Real estate and non real estate leasing
PALATINE ASSET MANAGEMENT	Asset management
PARNASSE FINANCES	Portfolio management
PARNASSE GARANTIES	Insurance
PARTICIPATIONS BPSO	Holding company
PERSPECTIVES ET PARTICIPATIONS	Private equity
PHIDIAS	Office space
PHILAE SAS	Office space
PIERRE PAUL RIQUET	Office space
PLUSEXPANSION	Holding company
PREPAR COURTAGE	Insurance brokerage
PREPAR-IARD	Non-life insurance
PREPAR-VIE	Life insurance and capitalization
PROMEPAR GESTION	Portfolio management
PROVIDENTE SA	Equity interest purchasing
RANGUEIL CORMIERS	Office space
RIOU	Office space
S.C.I. ALTAIR 1	Office space
S.C.I. ALTAIR 2	Office space
S.C.I. VALMY COUPOLE	Office space
SACOGIVA	Semi-public company
SAS ALPES DÉVELOPPEMENT DURABLE INVESTISSEMENT	Private equity
SAS FINANCIÈRE DE CHAMPLAIN	Portfolio management
SAS FONCIÈRE DES CAISSES D'EPARGNE	Real estate investment
SAS FONCIÈRE ECUREUIL	Real estate investment
SAS FONCIÈRE ECUREUIL II	Real estate investment
SAS GCE P.AV IMMOBILIER	Office space
SAS IMMOBILIÈRE NATIXIS BAIL	Real estate leasing
SAS TASTA	Services company
SASU BFC CROISSANCE	Private equity
SAVOISIENNE	Holding company
SBE	Bank
SC RES. AILES D'ICARE	Office space
SC RES. CARRE DES PIONNIERS	Office space
SC RES. CHARLES LINDBERGH	Office space
SC RES. CROIX DU SUD	Office space
SC RES. ILOT J	Office space
SC RES. LATECOERE	Office space

Country of location	Activities
SC RES. LOUIS BREGUET	Office space
SC RES. MERMOZ	Office space
SC RES. SAINT EXUPERY	Office space
SCA ECUFONCIER	Finance company
SCI BPSO	Office space
SCI BPSO 11 MORLAAS	Office space
SCI BPSO BASTIDE	Office space
SCI BPSO CAMBO	Office space
SCI BPSO CONDE SOUVENIR	Office space
SCI BPSO GUJAN	Office space
SCI BPSO LE BOUSCAT	Office space
SCI BPSO LE HAILLAN	Office space
SCI BPSO LESPARRE	Office space
SCI BPSO LIBOURNE EST	Office space
SCI BPSO MARNE	Office space
SCI BPSO MERIGNAC 4 CHEMINS	Office space
SCI BPSO PESSAC	Office space
SCI BPSO PESSAC CENTRE	Office space
SCI BPSO ST AMAND	Office space
SCI BPSO ST ANDRE	Office space
SCI BPSO ST ESPRIT	Office space
SCI BPSO ST PAUL	Office space
SCI BPSO TALENCE	Office space
SCI CHAMPS-ÉLYSÉES	Property management
SCI CREDIMAR	Office space
SCI DANS LA VILLE	Office space
SCI DU CRÉDIT COOPÉRATIF DE SAINT-DENIS	Office space
SCI FAIDHERBE	Office space
SCI FONCIÈRE 1	Real estate investment
SCI GARIBALDI OFFICE	Office space
SCI LA BOETIE	Property management
SCI LAFAYETTE BUREAUX	Office space
SCI LE CIEL	Office space
SCI LE RELAIS	Office space
SCI PYTHEAS PRADO 1	Office space
SCI PYTHEAS PRADO 2	Office space
SCI SACCEF	Property management
SCI SAINT-DENIS	Office space
SCI TOURNON	Office space
SCRIBE BAIL ACTIV SAS	Real estate and non real estate leasing
SCRIBE BAIL COM SAS	Real estate and non real estate leasing
SCRIBE BAIL HOTEL SAS	Real estate and non real estate leasing
SCRIBE BAIL LOGIS SAS	Real estate and non real estate leasing
SCRIBE BAIL SARL	Real estate and non real estate leasing
SCRIBE BAIL TERTIAIRE SAS	Real estate and non real estate leasing

Country of location	Activities
SCRIBEURO SAS	Real estate and non real estate leasing
SEGIMLOR	Office space
SELECTION 1818	Distribution of financial products for IWMAs
SEREXIM	Real estate consulting
SEVENTURE PARTNERS	Asset management
SGTI	Cooperative shareholder
SI EQUINOXE	Holding company
SIMC	Holding company
SMI	Portfolio management
SNC ECUREUIL 5 RUE MASSERAN	Real estate investment
SOCFIM	Bank
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company
SOCIÉTARIAT BP BOURGOGNE FRANCHE-COMTÉ	Cooperative shareholder
SOCIÉTARIAT BP CÔTE D'AZUR	Cooperative shareholder
SOCIÉTARIAT BP DE L'OUEST	Cooperative shareholder
SOCIÉTARIAT BP DES ALPES	Cooperative shareholder
SOCIÉTARIAT BP DU MASSIF CENTRAL	Cooperative shareholder
SOCIÉTARIAT BP DU NORD	Cooperative shareholder
SOCIÉTARIAT BP DU SUD	Cooperative shareholder
SOCIÉTARIAT BP LOIRE ET LYONNAIS	Cooperative shareholder
SOCIÉTARIAT BP OCCITANE	Cooperative shareholder
SOCIÉTARIAT BP PROVENÇALE ET CORSE	Cooperative shareholder
SOCIÉTARIAT BP RIVES DE PARIS	Cooperative shareholder
SOCIÉTARIAT BP VAL DE FRANCE	Cooperative shareholder
SOCIÉTÉ CENTRALE DU CRÉDIT MARITIME MUTUEL	Services company
SOCIÉTÉ D'EXPANSION BOURGOGNE FRANCHE-COMTÉ	Holding company
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company
SOCIÉTÉ IMMOBILIÈRE PROVENÇALE ET CORSE	Holding company
52 MUTUAL GUARANTEE COMPANIES	Guarantee company
228 LOCAL SAVINGS COMPANIES	Cooperative shareholder
SOCRAM BANQUE	Bank
SOFIAG	Finance company
SOFIDER	Finance company
SOGIMA	Semi-public company
SOPASSURE	Holding company
SPGRES	Holding company
SPIG	Property leasing
SPPICAV AEW FONCIÈRE ECUREUIL	Office space
SUD OUEST BAIL	Real estate leasing
SUD PARTICIPATION	Holding company
TECHNOCITE TERTIA	Office space
TETRIS	Office space
TRANSIMMO	Real estate agent
TRITON	Guarantee company

Country of location	Activities
UNION DES SOCIÉTÉS DU CRÉDIT COOPÉRATIF (GIE)	Services company
VAUBAN MOBILISATIONS GARANTIES (VMG)	Finance company
VECTEUR	Holding company
VEGA INVESTMENT MANAGERS (FORMERLY 1818 - GESTION)	UCITS management company
VENDOME INVESTISSEMENTS	Holding company
VIALINK	Data processing
VIVALIS INVESTISSEMENTS	Office space
ZELIS ACTIONS MONDE	Insurance UCITS
GREAT BRITAIN	
AEW EUROPE ADVISORY LTD	Asset management
AEW EUROPE CC LTD	Asset management
AEW EUROPE HOLDING LTD	Asset management
AEW EUROPE INVESTMENT LTD	Asset management
AEW EUROPE LLP	Asset management
AEW EUROPE PARTNERSHIP	Asset management
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset management
AEW GLOBAL LTD	Asset management
AEW GLOBAL UK LTD	Asset management
AEW UK INVESTMENT MANAGEMENT LLP	Asset management
COFACE UK (COFACE SA BRANCH)	Insurance
COFACE UK HOLDINGS	Holding company
COFACE UK SERVICES LTD	Credit information and debt recovery
H2O ASSET MANAGEMENT	Asset management
H2O ASSET MANAGEMENT CORPORATE MEMBER	Asset management
LOOMIS SAYLES INVESTMENTS LTD (UK)	Asset management
NATIXIS FUNDING UK LLP	Securitization vehicle
NATIXIS LONDRES	Finance company
NGAM UK LTD	Distribution
HONG KONG	
AEW ASIA LIMITED	Asset management
COFACE HONG KONG (COFACE SA BRANCH)	Insurance
NATIXIS ASIA LTD	Other finance company
NATIXIS GLOBAL ASSET MANAGEMENT HONG KONG	Asset management
NATIXIS HONG KONG	Finance company
HUNGARY	
AEW CENTRAL EUROPE HONGRY	Distribution
COFACE HUNGARY - (COFACE AUSTRIA BRANCH)	Insurance
MAURITIUS	
NEXGEN MAURITIUS LTD	Structured finance
BANQUE DES MASCAREIGNES	Bank

Country of location	Activities
CAYMAN ISLANDS	
UNIVERSE HOLDINGS LTD	Structured finance
NATIXIS NEW YORK BRANCH	Finance company
INDIA	
IDFC AMC TRUSTEE COMPANY LTD	Financial investment advisory services
IDFC ASSET MANAGEMENT COMPANY LTD	Financial investment advisory services
IRELAND	
COFACE IRELAND (COFACE SA BRANCH)	Insurance
NATINIUM FINANCIAL PRODUCTS	Securitization vehicle
NATIXIS CORPORATE SOLUTIONS LTD	Structured finance
NEXGEN CAPITAL LTD	Structured finance
NEXGEN FINANCIAL HOLDINGS LTD	Holding company
NEXGEN REINSURANCE LTD	Reinsurance
ISRAEL	
BUSINESS DATA INFORMATION	Marketing and other services
COFACE HOLDING ISRAEL	Holding company
COFACE ISRAEL	Credit insurance
ITALY	
AEW EUROPE SEDE SECONDARIA	Distribution
COFACE ASSICURAZIONI SPA	Credit insurance and related services
COFACE ITALIA	Holding company
NATIXIS LEASE MILAN	Real estate and non real estate leasing
NATIXIS MILAN	Finance company
NGAM SA SUCCURSALE ITALIANA	Distribution
JAPAN	
ASAHI NVEST INVESTMENT ADVISORY CO, LTD	Distribution
COFACE JAPAN (COFACE SA BRANCH)	Insurance
NATIXIS ASSET MANAGEMENT JAPAN CO., LTD	Asset management
NATIXIS JAPAN SECURITIES CO, LTD	Finance company
NATIXIS TOKYO	Finance company
JERSEY	
NATIXIS STRUCTURED PRODUCTS LTD	Secondary market financing
LAOS	
BANQUE FRANCO LAO	Bank
BCEL	Bank
LATVIA	
COFACE LATVIA INSURANCE (COFACE AUSTRIA BRANCH)	Insurance
LEBANON	
ADIR	Non-life insurance
LITHUANIA	
LEID (COFACE AUSTRIA BRANCH)	Insurance

Country of location	Activities
LUXEMBOURG	
AEW LUXEMBOURG	Asset management
BCP LUXEMBOURG	Bank
CODEIS	Private equity
COFACE LUXEMBOURG (COFACE SA BRANCH)	Insurance
DHALIA A SICAR SCA	Private equity
FILI SA	Investment company
H2O ASSET MANAGEMENT HOLDING	Asset management
KENNEDY FINANCEMENT LUXEMBOURG	Asset management
KENNEDY FINANCEMENT LUXEMBOURG 2	Asset management
LUX EQUIP BAIL	Real estate and non real estate leasing
NATIXIS ALTERNATIVE ASSETS	Holding company
NATIXIS BANK	International high-net-worth services
NATIXIS ENVIRONNEMENT & INFRASTRUCTURES LUXEMBOURG	Venture capital fund management
NATIXIS LIFE	Life insurance
NATIXIS LUXEMBOURG INVESTISSEMENTS	Investment company
NATIXIS PRIVATE EQUITY INTERNATIONAL LUXEMBOURG	Private equity holding
NATIXIS REAL ESTATE FEEDER SARL	Investment company
NATIXIS STRUCTURED ISSUANCE	Securitization vehicle
NATIXIS TRUST	Bank
NGAM S.A	Distribution
SURASSUR	Reinsurance
MADAGASCAR	
BANQUE MALGACHE DE L'OCEAN INDIEN	Bank
BM MADAGASCAR	Bank
MALAYSIA	
NATIXIS LABUAN	Finance company
MALTA	
CALIFANO INVESTMENTS LIMITED	Structured finance
MOROCCO	
AL MANSOUR PALACE MAROC	Real estate developments
BPCE MAROC	Real estate developments
BPCE MAROC IMMOBILIER	Real estate developments
SKY ELITE TOUR SARL	Real estate developments
MEXICO	
COFACE HOLDING AMERICA LATINA	Financial information
COFACE SEGURO DE CREDITO MEXICO	Insurance
NGAM MEXIQUE	Asset management
NEW CALEDONIA	
BANQUE CALEDONIENNE D'INVESTISSEMENT	Bank
BANQUE DE NOUVELLE-CALEDONIE	Bank
OCEOR LEASE NOUMEA	Non real estate leasing
SOCIÉTÉ HAVRAISE CALEDONIENNE	Office space

Country of location	Activities
NETHERLANDS	
COFACE NEDERLAND - (COFACE KREDIT BRANCH)	Insurance
COFACE NEDERLAND SERVICES	Credit information and debt recovery
GRAYDON HOLDING	Credit information and debt recovery
NGAM NEDELANDS FILIAL	Distribution
NJR FINANCE BV	Financial Services
PBW REAM	Asset management
POLAND	
AEW CENTRAL EUROPE	Asset management
COFACE POLAND (COFACE AUSTRIA BRANCH)	Insurance
COFACE POLAND CMS	Financial information
COFACE POLAND FACTORING	Factoring
TISE	Private equity
FRENCH POLYNESIA	
BANQUE DE TAHITI	Bank
OCEOR LEASE TAHITI	Non real estate leasing
SOCREDO	Bank
PORTUGAL	
BANCO PRIMUS	Bank
COFACE PORTUGAL (COFACE SA BRANCH)	Insurance
CZECH REPUBLIC	
AEW CENTRAL EUROPE CZECH	Distribution
COFACE CZECH INSURANCE (COFACE AUSTRIA BRANCH)	Insurance
ROMANIA	
AEW CENTRAL EUROPE ROMANIA	Distribution
COFACE ROMANIA CMS	Insurance
COFACE ROMANIA INSURANCE (COFACE AUSTRIA BRANCH)	Insurance
RUSSIA	
COFACE RUS INSURANCE COMPANY	Credit insurance
NATIXIS MOSCOW	Overseas bank
SINGAPORE	
ABSOLUTE ASIA AM	Asset management
AEW ASIA PTE LTD	Asset management
COFACE SINGAPORE (COFACE SA BRANCH)	Insurance
LOOMIS SAYLES INVESTMENTS ASIA PTE LTD	Asset management
NATIXIS CORPORATE SOLUTIONS (ASIA) PTE LTD	Structured finance
NATIXIS GLOBAL ASSET MANAGEMENT ASIA PTE	Asset management
NATIXIS SINGAPORE	Finance company
SLOVAKIA	
COFACE SLOVAKIA INSURANCE (COFACE AUSTRIA BRANCH)	Insurance

Country of location	Activities
SWEDEN	
COFACE SVERIGE (COFACE KREDIT BRANCH)	Insurance
NGAM NORDICS FILIAL	Distribution
SWITZERLAND	
BANQUE DU LEMAN	Bank
COFACE RE	Reinsurance
COFACE SWITZERLAND (COFACE SA BRANCH)	Insurance
EURO PRIVATE EQUITY SA	Asset management
NGAM SWITZERLAND SARL	Asset management
TAIWAN	
COFACE TAIWAN (COFACE SA BRANCH)	Insurance
NGAM SECURITIES INVESTMENT CONSULTING CO. LTD	Asset management
THAILAND	
BRED IT	IT Services
TUNISIA	
ARAB INTERNATIONAL LEASE	Real estate and non real estate leasing
BANQUE TUNISO KOWEITIENNE	Bank
MEDAI SA	Real estate developments
SOCIÉTÉ DU CONSEIL ET DE L'INTERMEDIATION FINANCIÈRE	Financial investment advisory services
SOCIÉTÉ TUNISIENNE DE PROMOTION DES POLES IMMOBILIERS ET INDUSTRIELS	Real estate developments
TUNIS CENTER	Real estate developments
UNIVERS INVEST (SICAR)	Private equity
UNIVERS PARTICIPATIONS (SICAF)	Private equity

Country of location	Activities
TURKEY	
COFACE SIGORTA TURQUIE	Insurance
VIETNAM	
NATIXIS HO-CHI MINH	Finance company
VANUATU	
BRED VANUATU	Bank
FONCIÈRE DU VANUATU	Real estate investment

5.2 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BPCE

50, avenue Pierre-Mendès-France

75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Groupe BPCE;
- the justification of our assessments;
- the specific verification and information required by French law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 2.2 "Applicable accounting standards and comparability - Standards" to the consolidated financial statements, which details the changes in methods as a result of the new standards and interpretations applicable as of January 1, 2014.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

CREDIT AND COUNTERPARTY RISK PROVISION

The Group records impairment and provisions to cover the credit and counterparty risks inherent to its activities (Notes 4.1.7, 5.6, 6.7 and 7.1 to the consolidated financial statements). We reviewed the control procedures implemented by the Group to identify risk exposure, monitor credit and counterparty risks, assess the risks of non-recovery and calculate the related impairment and provisions on an individual and portfolio basis.

VALUATION OF FINANCIAL INSTRUMENTS

The Group uses internal models to measure financial instruments that are not quoted in active markets (Notes 4.1.6, 5.5, 6.3 and 6.4 to the consolidated financial statements). We reviewed the control procedures relating to the determination of a particular market as inactive, the validation of the models used and the determination of inputs used.

IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group recognizes impairment on available-for-sale financial assets (Notes 4.1.7, 5.4 and 6.4 to the consolidated financial statements):

- for equity instruments, whenever there is objective evidence of significant or prolonged impairment in the value of these assets;
- for debt instruments, whenever there is a known counterparty risk.

We reviewed the control procedures relating to the identification of evidence of impairment, the valuation of the most significant items, and the estimates leading, where applicable, to the recognition of impairment losses.

INSURANCE-RELATED LIABILITIES

The Group recognizes technical provisions in respect of risks related to insurance contracts (Notes 4.13, 5.17 and 6.5 to the consolidated financial statements). We examined the methodology used to measure these insurance contracts, as well as the main assumptions and parameters used.

GOODWILL IMPAIRMENT

The Group carried out goodwill impairment tests which led, when necessary, to the recognition of impairment (Notes 3.3.3 and 5.13 to the consolidated financial statements). We reviewed the methods and the main inputs and assumptions used when performing these tests, as well as estimates used to recognize any impairment losses.

DEFERRED TAX ASSETS

The Group recognized deferred tax assets, particularly in respect of tax loss carryforwards (Notes 4.12, 5.9 and 6.9 to the consolidated financial statements). We reviewed the main estimates and assumptions that led to the recognition of these deferred tax assets.

PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

The Group records provisions to cover employee benefit obligations (Notes 4.10, 5.18 and 9.2 to the consolidated financial statements). We reviewed the valuation method for these obligations and the main inputs and assumptions used.

PROVISIONS FOR COMMITMENTS IN HOME SAVINGS ACCOUNTS

The Group records provisions to cover the risk of potentially unfavorable consequences regarding commitments related to home savings plans and accounts. We reviewed the methods used to determine these provisions and verified that Notes 4.5 and 5.18 to the consolidated financial statements provide appropriate disclosures.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 18, 2015

The Statutory Auditors

KPMG Audit	Mazars	PricewaterhouseCoopers Audit
Department of KPMG SA		
Jean-François Dandé Marie-Christine Jolys	Michel Barbet-Massin Jean Latorzeff	Anik Chaumartin Agnès Hussherr

5.3 IFRS Consolidated Financial Statements of BPCE SA group as at December 31, 2014

5.3.1 Consolidated balance sheet

ASSETS

in millions of euros	*Notes*	12/31/2014	12/31/2013
Cash and amounts due from central banks	*5.1*	74,141	51,726
Financial assets at fair value through profit or loss	*5.2.1*	234,393	211,282
Hedging derivatives	*5.3*	14,171	6,429
Available-for-sale financial assets	*5.4*	49,446	44,232
Loans and receivables due from credit institutions	*5.6.1*	126,119	134,129
Loans and receivables due from customers	*5.6.2*	232,458	210,126
Revaluation difference on interest rate risk-hedged portfolio		8,073	4,127
Held-to-maturity financial assets	*5.7*	4,295	4,751
Current tax assets		609	849
Deferred tax assets	*5.9*	4,001	4,051
Accrued income and other assets	*5.10*	46,424	36,227
Non-current assets held for sale		209	0
Investments in associates	*8.1*	3,234	2,430
Investment property	*5.11*	1,343	1,430
Property, plant and equipment	*5.12*	1,106	1,055
Intangible assets	*5.12*	816	782
Goodwill	*5.13*	2,972	2,825
TOTAL ASSETS		**803,810**	**716,451**

The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

LIABILITIES

in millions of euros	*Notes*	12/31/2014	12/31/2013
Financial liabilities at fair value through profit or loss	*5.2.2*	205,086	180,820
Hedging derivatives	*5.3*	14,017	5,390
Amounts due to credit institutions	*5.14.1*	119,865	123,767
Amounts due to customers	*5.14.2*	79,619	79,778
Debt securities	*5.15*	239,079	203,899
Revaluation difference on interest rate risk-hedged portfolio		1,503	1,007
Current tax liabilities		396	388
Deferred tax liabilities	*5.9*	210	210
Accrued expenses and other liabilities	*5.16*	46,027	35,357
Liabilities associated with non-current assets held for sale		106	0
Insurance companies' technical reserves	*5.17*	50,754	45,694
Provisions	*5.18*	2,712	2,373
Subordinated debt	*5.19*	15,916	10,749
Shareholders' equity		**28,520**	**27,019**
Equity attributable to equity holders of the parent		**21,221**	**21,249**
Share capital and additional paid-in capital		12,582	13,532
Retained earnings		7,437	6,206
Gains and losses recognized directly in equity		478	(44)
Net income for the period		724	1,555
Non-controlling interests	*5.21*	7,299	5,770
TOTAL LIABILITIES AND EQUITY		**803,810**	**716,451**

The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.3.2 Consolidated income statement

in millions of euros	*Notes*	Fiscal year 2014	Fiscal year 2013
Interest and similar income	*6.1*	14,764	13,405
Interest and similar expenses	*6.1*	(11,730)	(10,843)
Commission income	*6.2*	4,954	4,530
Commission expenses	*6.2*	(1,689)	(1,607)
Net gains or losses on financial instruments at fair value through profit or loss	*6.3*	1,471	2,311
Net gains or losses on available-for-sale financial assets	*6.4*	528	354
Income from other activities	*6.5*	6,760	6,359
Expenses from other activities	*6.5*	(6,279)	(6,084)
Net banking income		**8,779**	**8,425**
Operating expenses	*6.6*	(6,342)	(6,237)
Depreciation, amortization and impairment for property, plant and equipment, and intangible assets		(318)	(359)
Gross operating income		**2,119**	**1,829**
Cost of risk	*6.7*	(453)	(793)
Operating income		**1,666**	**1,036**
Share in net income of associates	*8.2*	55	197
Gains or losses on other assets	*6.8*	75	1,472
Change in the value of goodwill		(51)	(8)
Income before tax		**1,745**	**2,697**
Income tax	*6.9*	(613)	(496)
Net income		**1,132**	**2,201**
Non-controlling interests	*5.21*	(408)	(646)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**724**	**1,555**

The information pertaining to the 2013 Fiscal year has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.3.3 Statement of net income and gains and losses recognized directly in equity

in millions of euros	Fiscal year 2014	Fiscal year 2013
Net income	**1,132**	**2,201**
Revaluation differences on defined-benefit pension schemes	(140)	71
Tax impact of revaluation differences on defined-benefit pension schemes	49	(17)
Items that cannot be reclassified in income	**(91)**	**54**
Foreign exchange rate adjustments	607	(307)
Change in the value of available-for-sale financial assets	532	520
Change in the value of hedging derivatives	(465)	193
Income taxes	(20)	(144)
Items that can be reclassified in income	**654**	**262**
Share of gains and losses recognized directly in the equity of associates	174	21
Gains and losses recognized directly in equity (after income tax)	**737**	**337**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**1,869**	**2,538**
Attributable to equity holders of the parent	1,246	1,846
Non-controlling interests	623	692

The information pertaining to the 2013 Fiscal year has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. The impacts of both standards are presented in Note 2.3.

5.3.4 Statement of changes in equity

	Share capital and additional paid-in capital			
in millions of euros	Share capital	Additional paid-in capital	Perpetual deeply subordinated notes	Retained earnings
SHAREHOLDERS' EQUITY AT JANUARY 1, 2013	**467**	**15,065**	**5,532**	**3,843**
Decrease in capital[(1)]	(311)	(1,689)		
Dividend payments				
Interest on deeply subordinated notes				(360)
Buyback and redemption of perpetual deeply subordinated notes[(2)]			(2,000)	
Impact of acquisitions and disposals on non-controlling interests				(52)
Gains and losses recognized directly in equity				
Income				
Changes in scope[(3)]				(486)
Other changes				(271)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2013	**156**	**13,376**	**3,532**	**2,674**
Allocation of net income for 2013		(625)		2,180
SHAREHOLDERS' EQUITY AT JANUARY 1, 2014	**156**	**12,751**	**3,532**	**4,854**
Dividend payments		(325)		
Capital increase				
Buyback of deeply subordinated notes			(246)	(225)
Interest on deeply subordinated notes				(219)
Impact of acquisitions and disposals on non-controlling interests[(4)]				(233)
Gains and losses recognized directly in equity				
Income				
Other changes				(26)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014	**156**	**12,426**	**3,286**	**4,151**

(1) On August 6, 2013, BPCE reduced its share capital by €2 billion as part of the Groupe BPCE simplification transactions.

(2) On March 26, 2012, BPCE issued €2 billion in perpetual deeply subordinated notes, 50% of which were subscribed for by the Banque Populaire banks and 50% by the Caisses d'Epargne. These perpetual deeply subordinated notes were redeemed on August 6, 2013 as part of the Groupe BPCE simplification transactions.

(3) Changes in scope include an impact of -€486 million on equity attributable to holders of the parent and -€192 million on non-controlling interests linked to the impacts of the deconsolidation of the local savings companies and the mutual guarantee companies from Natixis in connection with the disposal of CICs. The balance of non-controlling interests (-€460 million) is attributable to the deconsolidation of BP Développement by Natixis.

(4) The dilution – without loss of control – of sub-group Coface generated a loss on disposal of €99 million recognized directly in retained earnings attributable to equity holders of the parent for €71 million and in gains and losses recognized directly in equity for €28 million, and a positive impact of €1,023 million on non-controlling interests, with €28 million recognized in gains and losses recognized directly in equity.

Gains and losses recognized directly in equity							
		Change in fair value of financial instruments					
Foreign exchange rate adjustments	Revaluation difference on employee benefits	Available-for-sale financial assets	Hedging derivatives	Net income attributable to equity holders of the parent	Total equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total consolidated equity
31	**(96)**	**95**	**(365)**	0	**24,572**	**6,383**	**30,955**
					(2,000)	1	(1,999)
						(695)	(695)
					(360)		(360)
					(2,000)	(189)	(2,189)
					(52)	56	4
(231)	41	330	151		291	46	337
				1,555	1,555	646	2,201
					(486)	(653)	(1,139)
					(271)	175	(96)
(200)	**(55)**	**425**	**(214)**	**1,555**	**21,249**	**5,770**	**27,019**
				(1,555)			
(200)	**(55)**	**425**	**(214)**		**21,249**	**5,770**	**27,019**
					(325)	(168)	(493)
						41	41
					(471)		(471)
					(219)		(219)
					(233)	1,072	839
448	(77)	464	(313)		522	215	737
				724	724	408	1,132
					(26)	(39)	(65)
248	**(132)**	**889**	**(527)**	**724**	**21,221**	**7,299**	**28,520**

5.3.5 Consolidated cash flow statement

in millions of euros	Fiscal year 2014	Fiscal year 2013
Income before tax	**1,745**	**2,698**
Net depreciation and amortization of property, plant and equipment, and intangible assets	375	426
Goodwill impairment	51	8
Net charge to provisions and provisions for impairment (including insurance companies' technical reserves)	2,292	2,123
Share in net income of associates	37	(112)
Net cash flows generated by investing activities	(526)	(1,662)
Other changes	1,827	(1,441)
Total non-monetary items included in net income before tax	***4,056***	***(658)***
Net increase or decrease arising from transactions with credit institutions	(2,128)	(16,967)
Net increase or decrease arising from transactions with customers	(21,883)	23,272
Net increase or decrease arising from transactions involving financial assets and liabilities	25,424	(8,503)
Net increase or decrease arising from transactions involving non-financial assets and liabilities	216	4,194
Taxes paid	(235)	(944)
Net increase (decrease) in assets and liabilities resulting from operating activities	***1,394***	***1,052***
Net cash flows generated by operating activities (A)	**7,195**	**3,092**
Net increase or decrease related to financial assets and equity investments	805	13,320
Net increase or decrease related to investment property	(35)	(121)
Net increase or decrease related to property, plant and equipment, and intangible assets	(137)	(59)
Net cash flows generated by investing activities (B)	**633**	**13,140**
Net increase (decrease) arising from transactions with shareholders(1)	(1,353)	(4,883)
Other increases or decreases generated by financing activities(2)	6,191	796
Net cash flows generated by financing activities (C)	**4,838**	**(4,087)**
Impact of changes in exchange rates (D)	**4,367**	**(1,365)**
TOTAL NET CASH FLOWS (A+B+C+D)	**17,033**	**10,780**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	51,726	46,584
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts(3)	6,119	5,999
Demand accounts and loans	1,524	1,889
Demand accounts in credit	(10,196)	(15,115)
Demand repurchase agreements	(3,480)	(4,444)
Opening cash and cash equivalents	**45,693**	**34,913**
Cash and net balance of accounts with central banks		
Cash and net balance of accounts with central banks (assets)	74,142	51,726
Net balance of demand transactions with credit institutions		
Current accounts with overdrafts(3)	7,145	6,119
Demand accounts and loans	900	1,524
Demand accounts in credit	(17,328)	(10,196)
Demand repurchase agreements	(2,133)	(3,480)
Closing cash and cash equivalents	**62,726**	**45,693**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**17,033**	**10,780**

(1) Cash flows from or to the shareholders mainly include:
- *the redemption of deeply subordinated notes recorded in equity for -€471 million (-€189 million at December 31, 2013);*
- *dividend payouts amounting to -€493 million (-€695 million in 2013);*
- *the impact of the redemption of deeply subordinated notes recorded in equity for -€430 million (-€361 million in 2013).*

(2) Cash flows from financing activities include:
- *the partial disposal of Coface with no loss of control for +€957 million;*
- *the impact of issuances of subordinated shares and loans for +€6,868 million (+€2,073 million in 2013);*
- *the impact of redemptions of subordinated shares and loans for -€1,800 million (-€1,219 million in 2013);*

(3) Current accounts with overdrafts do not include Livret A, LDD and LEP savings accounts centralized with the Caisse des Dépôts et Consignations.

The information pertaining to 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11. The impacts of both standards are presented in Note 2.3.

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Note 1 General background

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and its subsidiaries.

The two banking networks: the Banque Populaire banks and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose shareholders own the two local retail banking networks, the 18 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banque Populaire banks and the mutual guarantee companies granting them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banque Populaire banks are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution licensed to operate as a bank, was created pursuant to law No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 18 Banque Populaire banks and the 17 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banque Populaire banks and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth functioning of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around three major segments:

- Natixis, a 71.51%-owned listed company that combines Wholesale Banking, Investment Solutions and Specialized Financial Services;
- Commercial Banking and Insurance (including Crédit Foncier, Banque Palatine and BPCE International et Outre-mer);
- subsidiaries and Equity interests.

In respect of the Group's Financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Article L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Banque Populaire and Caisse d'Epargne networks.

BPCE is tasked with taking all measures necessary to guarantee the capital adequacy of the Group and each of the networks, including implementing the appropriate internal financing mechanisms within the Group and establishing a Mutual Guarantee Fund common to both networks, for which it determines the operating rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions of associates to the fund's initial capital endowment and reconstitution.

BPCE manages the Banque Populaire network Fund and the Caisse d'Epargne Network Fund and has put in place the Mutual Guarantee Fund.

The **Banque Populaire network Fund was** formed by a deposit made by the Banks of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisses d'Epargne Network Fund** by the Caisses of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banque Populaire banks and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €180 million as of December 31, 2014, and the funds will be topped up each year by an amount equivalent to 5% of the contributions made by the Banque Populaire banks, the Caisses d'Epargne, and their subsidiaries to the Group's consolidated income.

The total amount of deposits made to BPCE in respect of the Banque Populaire network Fund, the Caisse d'Epargne network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the total risk-weighted assets of the Group.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

The mutual guarantee companies (sociétés de caution mutuelle), whose sole corporate purpose is to guarantee loans issued by Banque Populaire banks, are covered by the liquidity and capital adequacy guarantee of the Banque Populaire banks with which they are jointly licensed in accordance with Article R. 515-1 of the French Monetary and Financial Code.

The liquidity and capital adequacy of the Caisses de Crédit Maritime Mutuel are guaranteed in respect of each individual Caisse, by the Banque Populaire bank which is both the core shareholder and provider of technical and operational support for the Caisse in question to the partner Banque Populaire bank.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne which is the shareholder of the local savings company in question.

BPCE's Management Board holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 SIGNIFICANT EVENTS

Comprehensive assessment of bank balance sheets: confirmation of Groupe BPCE's financial solidity

On October 26, 2014, the European Central Bank (ECB) published the results of its assessment of the euro zone's largest banks. The study included a detailed review of the banks' assets (asset quality review or AQR) as well as stress tests carried out jointly with the European Banking Agency (EBA). This extremely in-depth review of unprecedented magnitude was performed in preparation for the implementation of the Single Supervisory Mechanism, giving the ECB supervisory authority over the euro zone.

The AQR and stress tests conducted by the ECB and the EBA confirmed the financial solidity of Groupe BPCE.

Moreover, the Group did not make any changes to its accounting principles as a result of the AQR. However, it did begin an analysis of possible refinements to its methodology or parameters, mainly concerning valuation adjustments (CVA/DVA) and the valuation of certain Level 3 fair value assets, ultimately with no material impact on the 2014 financial statements.

Creation of a single insurance division at Natixis to serve groupe BPCE customers: transfer of BPCE Assurances to Natixis

Groupe BPCE's strategic plan "Growing Differently" aspires to make insurance a major focus of its development in France. The Group's insurance activities, both non-life and personal insurance, will therefore be grouped within Natixis.

On March 13, 2014, BPCE transferred its interest (46%) in BPCE Assurances to Natixis Assurances, with retroactive effect from January 1, 2014.

This transfer was carried out while maintaining the capital agreements and existing cooperation with MAIF and MACIF.

As the transaction was primarily internal to the Group, it resulted in a decrease of €74 million in total shareholders' equity and the reclassification of €8 million from "Equity attributable to equity holders of the parent" to "Non-controlling interests".

Disposal of non-strategic assets

Coface

On June 26, 2014, the Group successfully placed around 51% of Coface's capital. Following the exercise in full of the over-allocation option covering 15% of the initial offering, Natixis retains a 41.35% interest in Coface's capital.

In view of the above-mentioned ownership interest resulting from these transactions, combined with Natixis' role in Coface's governance, the Group maintained control of and fully consolidated Coface in accordance with IFRS 10.

This transaction had a negative impact of €99 million on equity attributable to equity holders of the parent and a positive impact of €1,023 million on non-controlling interests.

This transaction had no material impact on the Group's consolidated income statement.

Foncia Group

In November 2014, Groupe BPCE sold all shares held in the Foncia Group (an 18% stake in Foncia Holding, a 1.9% stake in Foncia Group and all of its bond holdings) to Bridgepoint and Eurazeo for €185 million.

This deal followed on from the transfer of the Group's majority control over Foncia Group to Bridgepoint and Eurazeo in July 2011.

It had no significant material on the group's consolidated income statement.

Volksbank România (VBRO)

On December 10, 2014, Groupe BPCE announced that it had signed an agreement with Banca Transilvania to sell its 24.5% non-controlling interest in Volksbank România's capital.

This transaction is subject to approval by the National Bank of Romania and the anti-trust authorities, and should take place during the first half of 2015. At December 31, 2014, the equity value of VBRO in Groupe BPCE's consolidated accounts is zero.

Over 2014, impairment and provisions linked to this non-controlling interest had an impact of -€171 million on the Group's consolidated net income.

1.4 POST-BALANCE SHEET EVENTS

On February 19, 2015, Natixis announced it had begun exclusive talks with TA Associates and the managers of DNCA regarding the acquisition by Natixis Global Asset Management of their respective interests in DNCA. The planned acquisition extends to 71.2% of DNCA's capital. The management would remain a shareholder alongside NGAM and, starting from 2016, would benefit from a gradual exit mechanism that ensure the parties' interests are aligned over the medium term and allows for the progressive acquisition of 100% of the capital.

The operation will afford NGAM Europe broader expertise with regard to retail clients, thereby generating higher margins.

Natixis also announced it had begun exclusive talks with the Italian Group Banca Leonardo regarding the acquisition of Leonardo & Co SAS ("Leonardo France"). The current management of Leonardo France would partner Natixis in the company's acquisition. Leonardo France is a top-tier mid-cap M&A and investment fund advisory firm in France. The company would become Natixis' dedicated entity in charge of M&A for investment funds and mid-cap clients.

These transactions are subject to regulatory authorizations and the anti-trust authority's approval.

Note 2 Applicable accounting standards and comparability

2.1 REGULATORY FRAMEWORK

In accordance with EC regulation No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the Group prepared its consolidated financial statements for the fiscal year ended December 31, 2014 under International Financial Reporting Standards (IFRS) as adopted for use by the European Union and applicable at that date, thereby excluding certain provisions of IAS 39 relating to hedge accounting [(1)].

2.2 STANDARDS

The standards and interpretations used and detailed in the annual financial statements as at December 31, 2014 were complemented by standards, amendments and interpretations whose application is mandatory for reporting periods starting from January 1, 2014, and, more specifically:

- new consolidation standards IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interest in Other Entities".

  On December 11, 2012, the European Commission adopted EU regulation No. 1254/2012 related to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interest in Other Entities" and on April 4, 2013 it adopted EU regulation No. 313/2013 concerning the phase-in measures applicable to these new standards. In terms of disclosures for non-consolidated structured entities, the amendments remove the obligation to present comparative data for periods preceding those where IFRS 12 was applied for the first time.

  IFRS 10 and IFRS 11 have been applied retrospectively. Due to the non-material nature of the impact of the first application of these standards, the financial information has not been restated.

  The impacts of the first application of IFRS 10 and IFRS 11 on the financial statements at December 31, 2013 are described in Note 2.3.

  As a result of these new standards, on December 11, 2012 the European Commission adopted the amendment to EC regulation No. 1126/2008 concerning IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures".

  IFRS 12 aims at requiring better disclosure about subsidiaries, joint arrangements, associates and structured entities. The application of IFRS 12 resulted, in the financial statements for the year ending December 31, 2014, in enhanced disclosure about Groupe BPCE interests in non-consolidated structured entities and other entities. The main enhancements are presented in Note 16.

  The European Commission also adopted on November 20, 2013 regulation No. 1174/2013 concerning amendments to international standards of financial IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interest in Other Entities" and revised IAS 27 "Separate Financial Statements";
- amendment to IAS 32 "Presentation – Offsetting Financial Assets and Financial Liabilities".

  On December 13, 2012, the European Commission adopted EU regulation No. 1256/2012, amending EC regulation No. 1126/2008 and notably adopting amendments to IAS 32. These amendments, applicable retrospectively from January 1, 2014, clarify the rules governing the disclosure conditions for offsetting financial assets and liabilities in the balance sheet.

  These clarifications in particular cover the concepts of the "legally enforceable right to offset" and "simultaneous settlement".

  Under these new rules, the Group would have offset €13.9 billion instead of €2.1 billion at December 31, 2013 according to the previous rules (see Note 14);
- amendment to IAS 39 and IFRS 9 "Novation of derivatives and continuation of hedge accounting".

  On December 19, 2013, the European Commission adopted EU regulation No. 1375/2013, amending EC regulation No. 1126/2008 and notably adopting

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(1) *These standards are available on the website of the European Commission at the following URL: http://ec.europa.eu/internal_market/accounting/IAS/index_fr.htm.*

amendments to IAS 39. These amendments, applicable from January 1, 2014, exceptionally allow the continuation of hedge accounting in the event that a derivative designated as a hedging instrument is transferred by novation from a counterparty to a central counterparty due to legislative or regulatory provisions. This amendment did not have a material impact on the Group's financial statements.

The other standards, amendments and interpretations adopted by the European Union did not have a material impact on the Group's financial statements.

BPCE SA group did not elect for early adoption of IFRIC 21 "Levies" in 2014. This interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for a debt related to public authority levies.

The entity must only recognize this debt at the date on which the activity that triggers its payment, in accordance with legislation, takes place. The liability is recognized progressively over the same period if the obligating event occurs over a period of time. Finally, if the obligation to pay is triggered by reaching a certain threshold, the liability is only recognized when that threshold is reached.

BPCE SA group will adopt the interpretation of IFRIC 21 "Levies" in its consolidated financial statements from January 1, 2015. Applying this standard from January 1, 2014 would have had an estimated impact on equity, excluding deferred tax assets and liabilities, of €39 million in respect of company social security and solidarity contributions.

2.3 FIRST APPLICATION OF IFRS 10, IFRS 11 AND IFRS 12

This note summarizes the impacts of the first application of IFRS 10 and IFRS 11 on the consolidated balance sheet at December 31, 2013 and on the consolidated income statement for fiscal year 2013.

IFRS 10 replaces IAS 27, "Consolidated and Separate Financial Statements", for the section on consolidated financial statements and the SIC 12 interpretation "Consolidation - Special Purpose Entities". It defines a single audit model applicable to all entities, whether or not they are structured entities. The control of an entity will now be analyzed using three cumulative criteria: influence over relevant activities of the entity, exposure to the entity's variable returns and the ability to influence variable returns obtained by the entity.

As a result of the application of this new standard, the Group consolidated the Versailles and Bleachers multi-seller conduits as well as five invested funds representing unit-linked insurance policies held by Natixis.

IFRS 11 replaces IAS 31, "Interests in Joint Ventures", and SIC 13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". It bases the recording of partnerships on their substance, thereby making it necessary to analyze the rights and obligations of the joint agreement.

Under this standard, from January 1, 2014, EDF Investment Group (EIG) is consolidated within Natixis Group using the equity accounting method.

Previously, this transaction was proportionally consolidated.

The impacts on the balance sheet at January 1, 2014 and on the income statement for the 2013 Fiscal year are shown in the tables below.

The application of these new standards had no impact on gains and losses recorded directly in equity.

Assets

in millions of euros	12/31/2013 published	IFRS 10 impact	IFRS 11 impact	12/31/2013 restated
Cash and amounts due from central banks	51,726			51,726
Financial assets at fair value through profit or loss	211,282	417		211,699
Hedging derivatives	6,429	(2)	(2)	6,425
Available-for-sale financial assets	44,232		(117)	44,115
Loans and receivables due from credit institutions	134,129	3	(1)	134,131
Loans and receivables due from customers	210,126	2,223	(435)	211,914
Revaluation difference on interest rate risk-hedged portfolio	4,127			4,127
Held-to-maturity financial assets	4,751			4,751
Current tax assets	849			849
Deferred tax assets	4,051			4,051
Accrued income and other assets	36,227	(19)		36,208
Investments in associates	2,430		526	2,956
Investment property	1,430			1,430
Property, plant and equipment	1,055			1,055
Intangible assets	782			782
Goodwill	2,825			2,825
TOTAL ASSETS	**716,451**	**2,622**	**(29)**	**719,044**

Liabilities

in millions of euros	12/31/2013 published	IFRS 10 impact	IFRS 11 impact	12/31/2013 restated
Financial liabilities at fair value through profit or loss	180,820	314		181,134
Hedging derivatives	5,390		(1)	5,389
Amounts due to credit institutions	123,767	(73)	(27)	123,667
Amounts due to customers	79,778	447		80,225
Debt securities	203,899	1,929		205,828
Revaluation difference on interest rate risk-hedged portfolio	1,007			1,007
Current tax liabilities	388			388
Deferred tax liabilities	210			210
Accrued expenses and other liabilities	35,357	1	(1)	35,357
Insurance companies' technical reserves	45,694			45,694
Provisions	2,373			2,373
Subordinated debt	10,749	3		10,752
Shareholders' equity	**27,019**	**1**		**27,020**
Equity attributable to equity holders of the parent	**21,249**			**21,249**
Share capital and additional paid-in capital	13,532			13,532
Retained earnings	6,206			6,206
Gains and losses recognized directly in equity	(44)			(44)
Net income for the period	1,555			1,555
Non-controlling interests	5,770	1		5,771
TOTAL LIABILITIES AND EQUITY	**716,451**	**2,622**	**(29)**	**719,044**

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Income statement

in millions of euros	Fiscal year 2013 published	IFRS 11 impact	Fiscal year 2013 restated
Net banking income	**8,425**	**(16)**	**8,409**
Operating expenses	(6,237)		(6,237)
Depreciation, amortization and impairment for property, plant and equipment, and intangible assets	(359)		(359)
Gross operating income	**1,829**	**(16)**	**1,813**
Cost of risk	(793)		(793)
Operating income	**1,036**	**(16)**	**1,020**
Share in net income of associates	197	13	210
Gains or losses on other assets	1,472		1,472
Change in the value of goodwill	(8)		(8)
Income before tax	**2,697**	**(3)**	**2,694**
Income tax	(496)	3	(493)
Net income	**2,201**	**0**	**2,201**
Non-controlling interests	(646)	0	(646)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,555**	**0**	**1,555**

The Group has also reviewed the information presented in the notes to the consolidated financial statements and has made certain amendments to meet disclosure obligations provided for in IFRS 12.

Note 3.2 relating to consolidation rules details the case, where applicable, of consolidated entities for which the balance sheet date is different to the consolidating entity.

Likewise, Note 17 on the scope of consolidation and Note 8.1 on investments in associates were amended and supplemented in accordance with IFRS 12.

New notes were added relating to non-controlling interests (Note 5.21) and interests in non-consolidated structured entities (Note 16).

2.4 USE OF ESTIMATES

Preparation of the financial statements requires Management to make estimates and assumptions in certain areas with regard to uncertain future events.

These estimates are based on the judgment of the individuals preparing these financial statements and the information available at the balance sheet date.

Actual future results may differ from these estimates.

Specifically with respect to the financial statements for the period ended December 31, 2014, the accounting estimates involving assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (see Note 4.1.6);
- the amount of impairment of financial assets, and more specifically permanent impairment losses on available-for-sale assets and impairment losses applicable to loans and receivables on an individual basis or calculated on the basis of portfolios (see Note 4.1.7);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home savings products (see Note 4.5) and provisions for insurance policies (see Note 4.13);
- calculations related to the cost of pensions and future employee benefits (see Note 4.10);
- deferred tax assets and liabilities (see Note 4.12);
- goodwill impairment testing (see Note 3.3.3).

2.5 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND BALANCE SHEET DATE

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation No. 2013-04 issued by the Autorité des Normes Comptables (ANC – French national accounting standards authority) on November 7, 2013.

The consolidated financial statements are based on the financial statements at December 31, 2014. The Group's consolidated financial statements for the period ended December 31, 2014 were approved by the Management Board on February 9, 2015. They will be presented to the Annual General Shareholders' Meeting on May 22, 2015.

Note 3 Consolidation principles and methods

3.1 SCOPE OF CONSOLIDATION - CONSOLIDATION AND VALUATION METHODS

The Group's financial statements include the financial statements of all the entities over which it exercises control or significant influence, whose consolidation had a material impact on the aforementioned financial statements.

The scope of entities consolidated by BPCE SA group is described in Note 17.

3.1.1 Entities controlled by the Group

The subsidiaries controlled by BPCE SA group are fully consolidated.

Definition of control

Control exists when the Group has the power to govern an entity's relevant activities, that it is exposed to or is entitled to variable returns due to its links with the entity and has the ability to exercise its power over the entity to influence the amount of returns it obtains.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control exercised. These potential voting rights may result, for example, from share call options traded on the market, debt or equity instruments that are convertible into ordinary shares, or equity warrants attached to other financial instruments. However, potential voting rights are not taken into account to calculate the percentage of ownership.

Before the introduction of new consolidation standards, the Group had exclusive control when it was in a position to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Exclusive control was presumed to exist when the Group held directly or indirectly either the majority of the subsidiary's voting rights, or at least half of an entity's voting rights and a majority within the management bodies, or was in a position to exercise significant influence.

Specific case of structured entities

Entities described as structured entities are those organized in such a way that voting rights are not a key criterion when determining who has control. This is the case in particular when voting rights only apply to administrative duties and relevant activities are managed through contractual agreements.

A structured entity frequently exhibits some or all of the following characteristics:

(a) well-defined activities;

(b) a specific and well-defined aim, for example: implementing a tax-efficient lease, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity's assets;

(c) insufficient equity for the structured entity to finance its activities without subordinated financial support;

(d) financing through the issue, to investors, of multiple instruments inter-related by contract and which create concentrations of credit risk or other credit ("tranches").

The Group therefore uses, among others, collective investment vehicles within the meaning of the French Monetary and Financial Code and equivalent bodies governed by foreign law as structured entities.

Full consolidation method

The full consolidation of a subsidiary in the Group's consolidated financial statements begins at the date on which the Group takes control and ends on the day on which the Group loses control of this entity.

The portion of interest which is not directly or indirectly attributable to the Group corresponds to a non-controlling interest.

Income and all components of other items of comprehensive income are divided between the Group and non-controlling interests. The comprehensive income of subsidiaries is divided between the Group and non-controlling interests, including when this division results in the allocation of a loss to non-controlling interests.

Changes to the percentage of interests in subsidiaries that do not lead to a change in control are recognized as transactions affecting equity.

The effects of these transactions are recognized in equity at their after-tax amount and therefore do not impact consolidated income attributable to equity holders of the parent.

Exclusion from the scope of consolidation

Non-material controlled entities are excluded from the scope in accordance with the principle set out in Note 16.

Employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation insofar as IFRS 10 does not apply to either post-employment benefit funds or other long-term employee benefit plans to which IAS 19, "Employee Benefits", applies.

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognized in accordance with the provisions of IFRS 5 "Non-current assets held in view of sale and discontinued activities".

3.1.2 Investments in Associates and Joint Ventures

Definitions

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control or joint control over those policies. It is presumed to exist if the Group holds, directly or indirectly, 20% or more of the voting rights of an entity.

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights over its net assets.

Joint control is the contractually agreed sharing of control over a company which exists only when the strategic decisions require the unanimous consent of the parties sharing control.

Equity method

Income, assets and liabilities of investments in associates and joint ventures are accounted for in the Group's consolidated financial statements using the equity method.

An investment in an associate or a joint venture is initially recognized at its acquisition cost and subsequently adjusted for the Group share in the income and other comprehensive income of the associate or joint venture.

The equity method is applied from the date on which the entity becomes an associate or a joint venture. On the acquisition of an associate or a joint venture, the difference between the cost of investment and the Group's share in the net fair value of the entity's identifiable assets and liabilities are recognized in goodwill. When the net fair value of the entity's identifiable assets and liabilities is higher than the cost of investment, the difference is recognized in income.

The share of net income of entities accounted for under the equity method is included in the Group's consolidated income.

When a group entity carries out a transaction with a group joint venture or associate, the profit and loss resulting from this transaction is recognized in interests held by third parties in the associate or joint venture.

The provisions of IAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether impairment testing is required for its investment in an associate or joint venture. If necessary, the total carrying amount of the investment (including goodwill) is subject to impairment testing according to the provisions of IAS 36 "Impairment of Assets".

Exception to the equity method

When the investment is held by a venture capital organization, an investment fund, an investment company with variable share capital or a similar entity such as an insurance asset investment fund, the investor may choose not to recognize the investment in the associated company using the equity method. Revised IAS 28 authorizes, in this case, the investor to recognize the investment at its fair value (with changes in fair value recognized in income) in accordance with IAS 39.

These investments are therefore recognized as "Financial assets at fair value through profit or loss".

The Natixis Group's private equity subsidiaries have chosen to measure the relevant holdings in this way, considering that this valuation method provides more relevant information.

3.1.3 Investments in joint activities

Definition

A joint activity is a partnership where parties that have joint control over an entity have direct rights over the assets, and obligations for liabilities, of this entity.

Accounting treatment of joint activities

An investment in a joint enterprise is accounted for by integrating all interests held in the joint activity, *i.e.* the entitled share in each asset and liability and element of comprehensive income. These interests are allocated by nature to the various lines of the consolidated balance sheet, consolidated income statement and the statement of net income and gains and losses recognized directly in equity.

Before the introduction on the new consolidation standards, jointly-controlled companies were proportionally consolidated.

3.2 CONSOLIDATION RULES

The consolidated financial statements are prepared using uniform accounting policies for reporting similar transactions in comparable circumstances. Where material, consolidation adjustments are made to ensure the consistency of the measurement methods applied by consolidated entities.

3.2.1 Foreign currency translation

The consolidated financial statements are expressed in euros.

Balance sheet items of foreign subsidiaries and branches whose functional currency is not the euro are translated using the exchange rate in force at the balance sheet date. Income and expense items are translated at the average exchange rate for the period, which is the approximate value of the transaction price if there are no significant fluctuations.

Foreign exchange rate adjustments arise from a difference in:

- net income for the period translated at the average rate and at the closing rate;
- equity (excluding net income for the period) translated at the historic exchange rate and at the year-end rate.

The portion attributable to equity holders of the parent is recorded in equity under "Foreign exchange rate adjustments" and the portion attributable to minority shareholders under "Non-controlling interests".

3.2.2 Elimination of intragroup transactions

The impact of intercompany transactions on the consolidated balance sheet and consolidated income statement was eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

3.2.3 Business combinations

Transactions completed before January 1, 2010

All business combinations are accounted for by applying the purchase method, except business combinations involving two or more mutual insurers or entities under joint control, as these transactions are explicitly excluded from the scope of the previous version of IFRS 3.

The cost of a business combination is the aggregate amount of the fair values at the date of acquisition of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the entity, plus any costs directly attributable to the business combination.

All identifiable assets, liabilities, and contingent liabilities of the acquiree are recognized at fair value at the acquisition date. The initial measurement of a business combination may be adjusted within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the business combination and the acquirer's share in the assets, liabilities and any liabilities at fair value. Goodwill is recognized in the acquirer's balance sheet and negative goodwill is recognized immediately in income.

In the event that the Group changes its interest in an entity it already controls, the transaction gives rise to the recognition of additional goodwill, which is determined by comparing the cost of the shares with the Group's share of the net assets acquired.

Goodwill is recognized in the functional currency of the acquiree and is translated at the closing exchange rate.

On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition. Cash-generating units have been defined within the Group's core businesses so as to represent the lowest level within an activity used by Management to monitor ROI.

Goodwill is tested for impairment at least once a year, or more frequently if events or changes in circumstances indicate that it may be impaired.

Impairment tests consist in comparing the carrying amount of each CGU or group of CGUs (including allocated goodwill) with its recoverable amount, *i.e.* the higher of the fair value of the unit and its value in use.

The fair value less costs to sell is defined as the fair value of the amount, less costs, for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, on the basis of available market information and taking account of any specific circumstances. This estimate is based on available market information and takes account of any specific circumstances. The value in use of each CGU is calculated using the most appropriate method, although generally with reference to the present value of estimated future cash flows.

A permanent impairment loss is recognized in income if the carrying amount of the CGU exceeds its recoverable amount.

Transactions completed after January 1, 2010

The treatments described are amended as follows by revised IFRS 3 and IAS 27:

- combinations between mutual insurers are now included within the scope of IFRS 3;
- costs directly linked to business combinations are now recognized in net income for the period;
- contingent considerations payable are now included in the acquisition cost at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognized against:
  - capital and later price revisions will not be booked,
  - or debts and later adjustments are recognized against income (financial debts) or according to the appropriate standards (other debts outside the scope of IAS 39);
- on an entity's acquisition date, non-controlling interests may be valued:
  - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests),
  - or at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to December 31, 2009).

The choice between these two methods must be made for each business combination.

Whatever method chosen when the acquisition is made, increases in the percentage interest in an entity already controlled will be systematically recognized in capital:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, the goodwill is determined by referring to the fair value at the acquisition date;
- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

3.2.4 Commitments to buy out non-controlling interests (written puts)

The Group has entered into commitments with minority shareholders of certain fully consolidated companies to buy out their shares.

In accordance with IAS 32, when minority shareholders are granted written puts for their investment, their share of the net assets of subsidiaries should be treated as debt and not as equity.

The difference between this commitment and non-controlling interests, which are the counterpart of debt, is recognized differently according to whether the commitments to buy out non-controlling interests were concluded before January 1, 2010, which is when IFRS 3 and IAS 27 came into force (recognition in goodwill), or afterwards (recognition in equity).

3.2.5 Consolidated entities' balance sheet date

The entities included in the scope of consolidation close their accounts on December 31.

Note 4 Accounting principles and measurement method

4.1 FINANCIAL ASSETS AND LIABILITIES

4.1.1 Loans and receivables

Amounts due from credit institutions and customers and certain investments not quoted in an active market are generally recorded in "Loans and receivables" (see Note 4.1.2).

Loans and receivables are initially recorded at fair value plus any costs directly related to their issuance, less any proceeds directly attributable to issuance. On subsequent balance sheet dates, they are measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows (payments or receipts) to the value of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any transaction income or costs directly related to the issue of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortized cost.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

A discount is applied to loans restructured following a loss event as defined by IAS 39, to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used is the original effective interest rate. This discount is expensed to "Cost of risk" in the income statement and offset against the corresponding outstanding on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. The restructured loan is reclassified as performing based on expert opinion when no uncertainty remains as to the borrower's capacity to honor the commitment.

The external costs consist primarily of commissions paid to third parties in connection with the arrangement of loans. They essentially comprise commissions paid to business partners.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). The loan commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate refixing date.

4.1.2 Securities

Securities recorded as assets are classified into four categories as defined by IAS 39:

- financial assets at fair value through profit or loss;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

Financial assets at fair value through profit or loss

This asset category includes:

- financial assets held for trading, *i.e.* securities acquired or issued principally for the purpose of selling them in the near term; and
- financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IAS 39.

The qualifying criteria used when applying this option are described in Note 4.1.4 "Financial assets and liabilities at fair value through profit or loss".

These assets are measured at fair value at the date of initial recognition and at each balance sheet date. Changes in fair value over the period, interest, dividends, gains or losses on disposals on these instruments are recognized in "Net gains or losses on financial instruments at fair value through profit or loss".

Held-to-maturity financial assets

Held-to-maturity (HTM) financial assets are securities with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity.

IAS 39 does not permit the sale or transfer of these securities before maturity except in certain specific circumstances. In the event that the securities are sold before maturity, all held-to-maturity assets must be reclassified at group level and the held-to-maturity category cannot be used during the current year or the following two years. Exceptions to the rule apply in the following cases:

- a material deterioration in the issuer's credit quality;
- a change in tax regulations canceling or significantly reducing the tax exemption on interest earned on investments held-to-maturity;
- a major business combination or significant withdrawal of activity (sale of a sector, for example) requiring the sale or transfer of held-to-maturity investments in order to maintain the entity's existing situation in terms of interest rate risk or its credit risk policy;
- a change in legal or regulatory provisions significantly modifying either the definition of an eligible investment or the maximum amount of certain types of investment, requiring that the entity dispose of a held-to-maturity asset;
- a significant increase in capital requirements forcing the entity to restructure by selling held-to-maturity assets;
- a significant increase in the risk weighting of held-to-maturity assets in terms of prudential capital regulations.

In the exceptional cases described above, the income from the disposal is recorded under "Net gains or losses on available-for-sale financial assets".

Instruments contracted to hedge these securities against interest rate risk are not permitted. However, hedges against exchange rate risk or the inflation component of certain held-to-maturity financial assets are allowed.

Held-to-maturity financial assets are recognized at fair value at inception, plus any transaction costs directly attributable to their acquisition. They are subsequently measured at amortized cost using the effective interest method, including any premiums, discounts and acquisition fees, where material.

Loans and receivables

The "Loans and receivables" portfolio comprises non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. In addition, these assets must not be exposed to a risk of material losses unrelated to a deterioration in their credit quality.

Some securities not quoted in an active market may be classified in this portfolio. These are initially recognized at fair value, plus any transaction costs and less any transaction income. Securities classified in this category comply with the rules for recognition, measurement and impairment applicable to loans and receivables.

When a financial asset recorded under loans and receivables is sold before its maturity, the income from the disposal is recorded under "Net gains or losses on available-for-sale financial assets".

Available-for-sale financial assets

Available-for-sale financial assets are all securities not classified in the previous three categories.

Available-for-sale financial assets are initially recognized at fair value, plus any transaction costs.

On the balance sheet date, they are carried at their fair value and changes in fair value are recorded under "Gains and losses recognized directly in equity" (except for foreign currency money market assets, for which changes in the fair value of the foreign currency component affect net income). The principles used to determine fair value are described in Note 4.1.6.

If they are sold, these changes in fair value are taken to income.

Interest income accrued or received on fixed-income securities is recorded under "Interest or similar income". Interest income accrued or received on variable-income securities is recorded under "Net gains or losses on available-for-sale financial assets".

Date of recognition

Securities are recorded in the balance sheet on the settlement/delivery date.

Rules applicable to partial disposals

The first-in, first-out (FIFO) method is applied to any partial disposals of securities.

4.1.3 Debt and equity instruments

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavorable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration is treated as a dividend, and therefore impacts equity, along with the tax relating to this remuneration;
- it cannot be an underlying eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historic value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in "non-controlling interests". When their remuneration is of a cumulative nature, it is charged to "income attributable to equity holders of the parent" and increases the income of "non-controlling interests". However, when their remuneration is not of a cumulative nature, it is drawn from retained earnings "attributable to equity holders of the parent".

Financial liabilities at fair value through profit or loss

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IAS 39. The qualifying criteria used when applying this option are described in Note 4.1.4 "Financial assets and liabilities at fair value through profit or loss".

These liabilities are measured at fair value at the date of initial recognition and at each balance sheet date. Changes in fair value over the period, interest, gains or losses on these instruments are recognized in "Net gains or losses on financial instruments at fair value through profit or loss".

Debt securities

Issues of debt securities (which are not classified as financial liabilities at fair value through profit or loss or as equity) are initially recognized at fair value less any transaction costs. They are subsequently measured at amortized cost at each balance sheet date using the effective interest method.

These instruments are recognized on the balance sheet under "Amounts due to credit institutions", "Amounts due to customers" or "Debt securities".

Subordinated debt

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

The subordinated debt which the issuer is obliged to repay is classified as debt and initially recognized at fair value less transaction costs.

Cooperative shares

IFRIC 2 "Cooperative shares in cooperative entities and similar instruments" clarifies the provisions of IAS 32. In particular, the contractual right of the holder of a financial instrument (including cooperative shares in cooperative entities) to request redemption does not, in itself, automatically give rise to an obligation for the issuer. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a debt or equity.

Based on this interpretation, cooperative shares are classified as equity if the entity has an unconditional right to refuse redemption of the cooperative shares or if local laws, regulations or the entity's bylaws unconditionally prohibit or curtail the redemption of cooperative shares.

Based on the existing provisions of the Group's bylaws relating to minimum capital requirements, cooperative shares issued by the Group are classified as equity.

4.1.4 Financial assets and liabilities at fair value through profit or loss

The amendment to IAS 39 adopted by the European Union on November 15, 2005 allows entities to designate financial assets and liabilities on initial recognition at fair value through profit or loss. However, an entity's decision to designate a financial asset or liability at fair value through profit or loss may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

In practice, this option may be applied only under the specific circumstances described below:

Elimination of or significant reduction in a measurement or recognition inconsistency (accounting mismatch)

Applying the option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed in accordance with a single strategy. This accounting treatment applies in particular to certain structured loans granted to local authorities.

Harmonization of accounting treatment and performance management and measurement

The option applies for a group of assets and/or liabilities managed and measured at fair value, provided that it is based on a formally documented risk management or investment strategy, and information about the Group is also reported internally on a fair value basis.

This circumstance mainly arises in connection with Natixis' capital market activities.

Hybrid financial instruments containing one or more embedded derivatives

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied when the embedded derivative(s) substantially modify the cash flows of the host contract and when the separate recognition of the embedded derivative(s) is not specifically prohibited by IAS 39 (*e.g.* an early redemption option at cost embedded in a debt instrument). The option allows the entire instrument to be measured at fair value, and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

4.1.5 Derivative financial instruments and hedge accounting

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and measured at fair value at inception. They are remeasured at their fair value at each balance sheet date regardless of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognized in income for the period, except for derivatives qualifying as cash flow hedges for accounting purposes or as net investment hedges in a foreign currency.

Derivative financial instruments are classified into the following two categories:

Trading derivatives

Trading derivatives are recognized on the balance sheet under "Financial assets at fair value through profit or loss" when their market value is positive, and under "Financial liabilities at fair value through profit or loss" when their market value is negative. Realized and unrealized gains and losses on derivatives held for trading are taken to income on the "Net gains or losses on financial instruments at fair value through profit or loss" line.

Hedging derivatives

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

FAIR VALUE HEDGES

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or a firm commitment, in particular the interest rate risk on fixed-rate assets and liabilities.

The gain or loss on the revaluation of hedging instruments is recognized in income in the same manner as the gain or loss on the hedged item attributable to the risk being hedged. The ineffective portion of the hedge, if any, is recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognized on the same line of the balance sheet as the hedged item.

The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account when calculating the effectiveness of a hedge.

If a hedging relationship ceases (investment decision, failure to fulfill effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortized over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognized in income for the period.

CASH FLOW HEDGES

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognized asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized on a separate line of "Gains and losses recognized directly in equity". The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold or the hedged item ceases to exist), the cumulative amounts recognized in equity are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

SPECIFIC CASES OF PORTFOLIO HEDGING (MACRO-HEDGING)

Documentation as cash flow hedges

Some group institutions document their macro-hedges on cash flows (hedging of portfolios of loans or borrowings).

In this case, portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity incurs a risk of variability in future cash flows from floating-rate assets or liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts); assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

Under IAS 39, hedges of an overall net position of fixed rate assets and fixed rate liabilities with similar maturities do not qualify for hedge accounting. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified variable-rate instruments (portion of deposit outstandings or variable-rate loans); the effectiveness of the hedges is measured by creating a mortgage instrument for each maturity band whose changes in fair value from inception are compared to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealized gain or loss recognized in equity is transferred immediately to income.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealized cumulative gains and losses are recognized in equity on a straight line basis. If the derivative has not been canceled, it is reclassified as a trading derivative, and changes in its fair value are recognized in income.

Documentation as fair value hedges

Some of the Group's institutions document their macro-hedging of interest rate risk as fair value hedges by applying the so-called carve-out arrangements under IAS 39 as adopted by the European Union.

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce overall exposure to interest rate risk. In particular, this "carve-out" allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The Group mainly uses plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for in the same manner as derivatives used to hedge the fair value of specific transactions (micro-hedging).

In a macro-hedging relationship, gains and losses on the revaluation of the hedged item are recorded in "Revaluation differences on interest rate risk-hedged portfolio", under balance sheet assets for hedges of a portfolio of financial assets and under balance sheet liabilities for hedges of a portfolio of financial liabilities.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account.

Effectiveness is tested in two ways:

- asset-based testing: for plain vanilla swaps designated as hedging instruments at inception, the Group verifies prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date that no excess hedging exists;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortized on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognized. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. In particular, derivatives used for macro-hedging may be disqualified for hedge accounting purposes when the notional amount of the hedged items falls below the nominal amount of the hedging instruments, for example in the case of the prepayment of loans or the withdrawal of deposits.

HEDGING OF A NET INVESTMENT IN A FOREIGN OPERATION

The net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a net investment hedge in a foreign currency is to minimize the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealized gains and losses initially recognized in equity are taken to income when the net investment is sold in full or in part.

4.1.6 Determination of fair value

General principles

The fair value of an instrument (asset or liability) is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the valuation date.

Fair value is therefore determined using the exit price.

On first recognition, fair value is usually the transaction price and is thus the price paid to purchase the asset or the price received to assume the liability.

In subsequent measurements, the estimated fair value of assets and liabilities must be based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction.

This fair value is composed of a mid-range price and additional valuation adjustments determined according to the instruments concerned and the associated risks.

The mid-range market price is obtained using:

- the instrument's quoted price, if the instrument is quoted on an active market. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring transactions on the principal market or, failing that, on the most favorable market, on an arm's length basis;
- if the market for a financial instrument is not active, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of unobservable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of complex instruments or unobservable data when no pricing or market data are available.

  Additional valuation adjustments include factors related to valuation uncertainties, such as market, credit and liquidity risks, in order to recognize the costs incurred by a divestment transaction on the primary market. Likewise, an adjustment (Funding Valuation Adjustment - FVA) for using assumptions to recognize costs related to the financing costs of future cash flows of uncollateralized or partially collateralized derivatives is also recognized (for transactions handled by Natixis).

The main additional valuation adjustments are presented hereunder:

BID/ASK ADJUSTMENT – LIQUIDITY RISK

This adjustment is the difference between the bid price and the ask price corresponding with the selling costs. It reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

MODEL UNCERTAINTY ADJUSTMENT

This adjustment takes into account imperfections in the valuation techniques used, and in particular risk factors not considered even though observable market inputs are available. This is the case when the risks inherent in the instruments differ from those incurred by the observable market data used to determine their valuation.

INPUT UNCERTAINTY ADJUSTMENT

Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may be too regularly unavailable to determine the selling price. Under these circumstances, an adjustment may be necessary to reflect the probability that market participants might adopt different values for the same inputs when evaluating the financial instrument's fair value.

CREDIT VALUATION ADJUSTMENT (CVA)

This adjustment applies to valuations that do not account for the counterparty's credit quality. It corresponds to the expected loss linked to the risk of default by a counterparty and aims to take into account the fact that the Group may not recover the full market value of the transactions.

The method for determining the CVA is primarily based on the use of market inputs in connection with the practices of market professionals. This method evolved over the year to be applied to all segments of counterparties subject to this calculation. In the absence of liquid market inputs, the method made use of proxies by type of counterparty, rating and geographic area.

DEBIT VALUATION ADJUSTMENT (DVA)

The DVA is symmetrical to the CVA and represents the expected loss, from the counterparty's perspective, on liability valuations of derivative financial instruments. It reflects the impact of the Group's credit quality on the valuation of these instruments. The DVA adjustment is assessed by observing the "credit" market input of the entity in question, or, failing that, of BPCE.

The impact of broadening the use of market inputs described above is mentioned in Note 6.3, "Gains or losses on financial assets and financial liabilities at fair value through profit or loss."

The following criteria are used to determine whether or not a market is active:

- the level of activity and trend of the market (including the level of activity on the primary market);
- the length of historical data of prices observed in similar market transactions;
- scarcity of prices recovered by a service provider;
- sharp bid-ask price spread;
- steep price volatility over time or between different market participants.

Natixis control system (Natixis is the main contributor to the Group's balance sheet items measured at fair value)

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function.

Fair values determined by reference to external quoted prices or market inputs are validated by an independent unit (the Market Data Monitoring department). Second-level controls are carried out by the Risk Management division.

On less liquid markets, other market information, primarily observable data, is used to validate the fair value of instruments.

The factors taken into account include the following:

- the origin of the external source (stock market pages, content contribution services, etc.);
- the consistency of the various sources;
- frequency of data feeds;
- the representative nature of inputs with regard to recent market transactions.

For fair values determined using valuation models, the control system consists of the independent validation of model construction and of the inputs incorporating these models.

This is carried out under the responsibility of the Risk Management division.

It involves checking the consistency and relevance of the model in terms of the purpose it is intended to serve (establishment of prices, valuation, hedging, risk measurement and control) and the product to which it is applied, based on:

- the theoretical approach: the financial and mathematical foundations of the model;
- the application of the model: the pricing models used to generate risk and earnings data;
- the stability of the model under parametric stress;
- a review of the stability and convergence of digital methods used;
- independent reimplementation of the model in the algorithmic validation;
- comparative analysis of the calibration of the model's inputs;
- study of the model risk, by means of a comparative analysis of the model with other valuation models to ensure the model and payoff are appropriate;
- set-up of an adjustment for the risk model, to factor in any shortcomings in the model or its calibration;
- incorporation of the model in the IT systems.

The methods for determining fair value are monitored by a number of bodies including the Observability Committee, the Valuation Committee and the Impairment Committee, which comprise representatives of the Risk Management division, the Finance division, the Market Data Monitoring department and the Model Validation Committee.

Fair value hierarchy

For financial reporting purposes, IFRS 13 requires fair value measurements applied to financial instruments recognized on the balance sheet to be allocated to one of three levels:

LEVEL 1: VALUATION USING PRICES QUOTED ON A LIQUID MARKET

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

This mainly includes securities listed on a stock exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and shares of UCITS for which NAV is determined and reported on a daily basis.

LEVEL 2: VALUATION USING OBSERVABLE MARKET INPUTS

Level 2 fair value comprises instruments other than instruments mentioned in Level 1 fair value and instruments measured using a valuation technique incorporating inputs that are either directly observable (prices) or indirectly observable (price derivatives) through to maturity. This mainly includes:

Simple instruments

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and plain vanilla options are traded in active markets, *i.e.* liquid markets in which trades occur regularly.

These instruments are valued using generally accepted models (discounted cash flow method, Black & Scholes model, interpolation techniques), and on the basis of directly observable inputs.

For these instruments, the extent to which models are used and the observability of inputs has been documented.

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not listed on an active market, the fair value of which is based on observable market data. *E.g.* the use of market data put out by comparable companies, or the multiple method resulting from the techniques commonly used by market actors;
- Portuguese and Greek government bonds classified as Level 2 fair value, given the spread of the bid/ask ranges for market prices;
- shares of UCITS whose NAV is not determined and published on a daily basis, but are subject to regular reporting or offer observable data from recent transactions;
- debt securities designated at fair value, mainly by Natixis, and to a lesser extent Crédit Foncier. The methodology used by Natixis to value the "issuer credit risk" component of issues designated at fair value is based on the discounting of future cash flows using directly observable inputs such as yield curves and revaluation differences. For each issue, this valuation represents the product of the notional amount outstanding and its sensitivity, taking into account the existence of calls and the difference between the revaluation spread (based on the BPCE cash reoffer curve at December 31, 2014 and December 31, 2013) and the average issue spread. Changes in the issuer spread are generally not material for issues with an initial maturity of less than one year.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are measured using a recognized model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data or active over-the-counter markets.

The main models for determining the fair value of these instruments are described below by type of product:

- Equity Products: complex products are valued using:
  - market data,
  - a payoff, *i.e.* the formula of positive or negative flows attached to the product at maturity,
  - a model of changes in the underlying asset.

  These products can have a single underlying, multiple underlyings or hybrids (fixed income/equity for example).

  The main models used for equity products are local volatility models, combined with Hull & White 1 factor (H&W1F), Tskew and Pskew.

  The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

  The local volatility hybrid model, paired with the H&W1F, consists of pairing the local volatility model described above with a Hull & White 1 factor type fixed-income model, described below (see fixed-income products).

  The Tskew model is a valuation model for mono and multi-underlying options. Its principle is to calibrate the distributions at maturity of the underlying(s) on standard option prices.

  The Pskew model is similar to the Tskew model. It is used in particular for simple ratchet equity products such as capped or floored ratchet products;
- fixed income products: fixed income products generally have specific characteristics which justify the choice of model. Underlying risk factors associated with the payoff are taken into account.

  The main models used to value and manage fixed-income products are Hull & White models (one-factor and two-factor models or one-factor Hull & White stochastic volatility model), the Hunt Kennedy model and the "smiled" BGM model.

  The Hull & White models are simple pricing models for plain vanilla fixed-income products and can be calibrated easily. Products valued with these models generally contain a Bermuda cancellation option (*i.e.* the option can be exercised at dates set at the start of the contract).

  The SBGM and Hunt Kennedy models are used to value fixed income products that are sensitive to volatility smile (*i.e.* implied change in volatility relative to exercise prices) and auto-correlation (or correlation between yields);
- foreign exchange products: foreign exchange products generally have specific characteristics which justify the choice of model.

  The main models used for valuating and managing foreign-exchange products are the local and stochastic volatility models, as well as the hybrid models, pairing modeling of the underlying foreign exchange with two Hull & White 1 factor models to ascertain the fixed-income factors.

Inputs relating to all such Level 2 instruments were demonstrated to be observable and documented. From a methodology perspective, observability is based on four inseparable criteria:

- inputs are derived from external sources (primarily a recognized contributor, for example);
- they are updated periodically;
- they are representative of recent transactions;
- their characteristics are identical to the characteristics of the transaction. If necessary, a proxy may be used, provided that the relevance of such an arrangement is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity (bid-ask), counterparty, internal credit (measurement of liability positions), modeling and input risks.

The margin generated when these instruments begin trading is immediately recognized in income.

LEVEL 3: VALUATION USING UNOBSERVABLE MARKET INPUTS

Level 3 comprises instruments measured using unrecognized models and/or models based on unobservable market data, where they are liable to materially impact the valuation. This mainly includes:

- unlisted shares whose fair value could not be determined using observable inputs;
- securities not listed on an active market that belong to the Private equity business line, assessed at their fair value according to models commonly used by market actors, in compliance with International Private Equity Valuation (IPEV) standards, but that are sensitive to changes in the market and for which any fixing of a fair value requires a degree of judgment. With regard to practices, Natixis has reviewed its position on the fair value of the securities held by the Private equity business line and reclassified these latter from Level 2 to Level 3 in the fair-value hierarchy for an impact of €1.1 billion in balance sheet value at December 31, 2013;
- securities that are structured or representative of private placement portfolios, held by the insurance business line;
- instruments with a deferred day-one margin;
- shares of UCITS for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) in respect of the low liquidity observed for such shares;
- instruments carried at fair value on the balance sheet and for which data are no longer available due to a freeze in trading in the wake of the financial crisis, which were not reclassified within "Loans and receivables" pursuant to the amendment to IAS 39 and IFRS 7 published on October 13, 2008 (see below).

When there is a significant drop in trading in a given market, a valuation model is used based on the only available relevant data.

In accordance with the Order of February 20, 2007, as amended by the Order of November 23, 2011, on lending institutions and investment companies and the European regulation of June 26, 2013 (CRR) on the Basel III requirements, for each of the models used, a description of crisis simulations applied and the ex post control mechanism (valuation of the accuracy and consistency of internal models and modeling procedures) appears in Chapter 3 of the registration document (Risk Management).

Under IAS 39, day-one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, *i.e.* only if the model and inputs used in the valuation are observable.

If the selected valuation model is not recognized by current market practices, or if one of the inputs significantly affecting the instrument's valuation is not observable, the trading profit on the trade date cannot be recognized immediately in the income statement, but is taken to income on a straight-line basis over the life of the transaction or until the date the inputs become observable. Any losses incurred at the trade date are immediately recognized in income.

As at December 31, 2014, instruments on which the recognition of day-one profit/loss has been deferred essentially included:

- multi-underlying structured equity and index products;
- synthetic loans;
- options on funds (multi-assets and mutual funds);
- structured fixed income products;
- securitization swaps.

These instruments are almost all located at Natixis.

The table below provides the main unobservable inputs and the value ranges for these instruments.

Class of instrument	Main types of products comprising Level 3 in the class of instrument	Valuation techniques used	Main unobservable data	Unobservable data ranges among relevant Level 3 products
Credit derivatives	CDOs, Index tranche	Technique for estimating defaults given the correlation effect and recovery modeling	Correlation curve specific to the portfolio underlying the CDO	5% to 95%*
Credit derivatives	Private Finance Initiative *CDS* (other than CDS on securitization assets)	Extrapolation from prices based on recovery assumptions	Recovery rate	60% - 100%
Interest rate derivatives	Securitization swaps	Discounted expected cash flows based on early redemption assumptions on the underlying portfolio	Early redemption rate	5% - 33%
Interest rate derivatives	Sticky CMS/*Volatility Bonds*	Interest rate options valuation models	Mean reversion inputs	1% - 5%
Fund-based derivatives	*Payoffs as Target Volatility strategy and* CPPI on *Mutual Funds*	The approach used is a hybrid model that combines the local *volatility-type* multi-underlying equity model with a one-factor Heath-Jarrow-Morton (HJM1F) interest rate model.	Fund data	Index - Interest rate correlation: 19% - 38%
Collateralized derivatives	*Multi-underlying* payoffs	Valuation model based on equity volatility and long-term shortfall inputs	Long-term shortfall	
Hybrid interest rate/currency derivatives	Long-term PRDC/PRDKO/TARN structures	Hybrid currency/interest rate options valuation model	Correlation between currency and interest rates and long-term volatility	Correlation AUD/JPY and USD/JPY 30% - 60% Long-term volatility: 13% - 17%
Equity derivatives	*Long* maturity multi-underlying payoffs	Volatility options valuation model incorporating correlation between assets	Correlation inputs	10% - 83%
Interest rate derivatives	*Callable Spread Option and Corridor Callable Spread Option*	Model representing several yield curve factors.	*Mean reversion spread*	10% - 30%
Interest rate derivatives	*Spread-lock swap and* spread-lock option	Bi-Lognormal model to measure the time value of Spread-Lock options and replication for CMS and TEC Forwards	Spread L *curve*, TEC Forward volatility and TEC - CMS correlation	*Spread Lock*: (0.16%)/(0.18%) Volatility 45% - 71% TEC - CMS correlation 70% - 90%

* *All transactions including this type of data are fully back-to-back; this input justifying the Level 3 classification is entirely hedged.*

Policy concerning fair value hierarchy transfers

Fair value hierarchy transfers are examined and validated by special purpose committees. This policy takes into account various indicators concerning market activity and liquidity, as explained in the general principles.

A review is undertaken for any instrument that ceases to meet these criteria or once again complies with the criteria.

Information on the transfers between levels of the fair value hierarchy is provided in Note 5.5.3. The amounts given in this note were calculated at the date of the last valuation prior to the change in the level of the fair value hierarchy.

Instruments impacted by the financial crisis

The instruments impacted by the financial crisis and recorded at fair value in the balance sheet are essentially held by Natixis.

ABS CDOS WITH SUBPRIME EXPOSURE

At December 31, 2014, uncovered exposures are nil. As a reminder at December 31, 2013, the following method was used: a method based on a discounted cash flow approach using Intex modeling incorporating the assumptions differentiated according to the underlying asset classes.

CDS CONTRACTED WITH CREDIT ENHANCERS (MONOLINE INSURERS AND CDPCS)

The valuation model used to measure write-downs on CDS contracted with monoline insurers consists in applying a standard rate of recovery of 10% for unrealized capital losses on the underlying assets concerned (rate justified by the low capitalization of monoline insurers given their risk exposures), except for a counterparty whose rate of recovery was deemed nil at December 31, 2014, and a probability of default calibrated to the credit risk associated with the credit enhancer.

The current method for determining provisions for contracts with CDPCs (Credit Derivatives Product Companies) consists in applying a transparency-based approach to the underlying assets, based on an estimate of exposure at the time of default, with the PD and LGD based on the tranche's maturity. A stress factor of 1.2 was applied to the probabilities of default thus determined for the underlyings, based on a recovery rate of 27%. Counterparties are associated with a probability of default whenever the losses resulting from the calculation exceed the CDPC's net available assets.

In addition to these provisions, a general reserve also takes into account the volatility of the fair value of the contracts.

OTHER INSTRUMENTS NOT EXPOSED TO US RESIDENTIAL MARKET RISK MEASURED BY NATIXIS USING A VALUATION MODEL

The section below describes the underlying principles used to value assets resulting from securitization transactions for which no market prices could be identified and which were therefore measured using valuation models:

CLOs

A scoring model was used defining the level of risk associated with certain structures based on a series of criteria.

Trust Preferred Securities (Trups) CDOs

The valuation model is based on projected future cash flows and default rates determined according to a statistical approach that deduces the default probability of banks according to their financial ratios. For other sectors, default rates are estimated considering the current ratings of assets. The inputs were refined in 2014 (increased convergence with market inputs) resulting in an impact of - 30 million at December 31, 2014.

Private Finance Initiative CDS (PFI CDS)

The valuation model used, for Private Finance Initiative (PFI) CDS, is based on an approach calibrated to the market prices of underlying PFI bonds and the use of a uniform collection rate.

Instruments not carried at fair value on the balance sheet

IFRS 13 requires disclosure in the notes to the financial statements of the fair value, and the associated fair value levels, of all financial instruments carried at amortized cost, including loans. The valuation methods used to determine the fair value disclosed in the notes to the financial statements are described below.

ASSETS AND LIABILITIES OF NATIXIS BUSINESS LINES, THE CASH MANAGEMENT POOL AND BPCE

Credit and loans classified as "Loans and receivables" and amounts payable under finance leases

The fair value of these instruments is determined by discounting future cash flows. The discount rate applied for a given loan is the rate at which the Group would grant a loan with similar characteristics to a similar counterparty at the reporting date. The interest rate and counterparty risk components are re-assessed.

If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is generally considered to be their carrying amount.

Borrowings and savings

At Natixis, the assessment of the fair value and securities debts is based on the method of discounting future cash flows using inputs on the reporting date such as the interest rate curve of the underlyings and the spread at which Natixis lends or borrows.

The fair value of other debt owed to credit institutions and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the balance sheet date, plus the credit spread of Groupe BPCE.

Investment property recognized at cost

The fair value of investment property (excluding investment property held by insurance companies) is determined by reference to the capitalization of rents, a method widely used by real estate professionals. The capitalization rate applied to the property depends on a number of factors such as location, the quality and type of building, use, type of ownership, quality of lessees and characteristics of the lease, the interest rate and competition in the real estate market.

FINANCIAL INSTRUMENTS OF THE COMMERCIAL BANKING BUSINESS LINES

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not likely to be realized and, generally-speaking, are not actually realized.

These fair values are thus only calculated for information purposes in the notes to the financial statements. They are not indicators used in the interest of overseeing commercial banking activities, for which the management model is mainly based on collection of contractual cash flows.

Consequently, the following simplified assumptions were used:

The carrying amount of assets and liabilities is deemed to be their fair value in the following cases

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- variable-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of the loans to retail customers

The fair value of loans is determined based on internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. Except for special cases, only the interest rate component is remeasured, as the credit margin is established at the outset and not subsequently remeasured. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules.

Fair value of loans to large corporates, local authorities and credit institutions

The fair value of loans is determined based on internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. The interest rate component is remeasured, as is the credit risk component (where it is an observable piece of data used by the customer relationship managers). Failing that, the credit risk component is established at the outset and not subsequently remeasured, as with loans to retail customers. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules.

Fair value of debt

The fair value of fixed-rate debt owed to credit institutions and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the balance sheet date. The own credit spread is not generally taken into account.

Instruments reclassified to "Loans and receivables" having legal status as "securities"

The illiquidity of such instruments, which is necessary to their classification in "Loans and receivables", was assessed at the reclassification date.

Subsequent to reclassification, some instruments may become liquid again and be measured at Level 1 fair value.

In other cases, their fair value is measured using models identical to those described above for instruments measured at fair value on the balance sheet.

4.1.7 Impairment of financial assets

Impairment of securities

An impairment loss is recognized on an individual basis against securities, with the exception of securities classified as financial assets at fair value through profit or loss, when there is objective evidence of impairment resulting from one or more loss events having occurred since the initial recognition of the asset. A loss event is defined as one that has an impact on the estimated future cash flows of a financial asset which can be reliably estimated.

Different rules are used for the impairment of equity instruments and debt instruments.

For equity instruments, a lasting decline or a significant decrease in value are objective indicators of depreciation: a decline of over 50% or lasting for over 36 months in the value of a security by comparison with its historical cost is an objective indicator of permanent impairment, leading to the recognition of an impairment loss in income.

In addition, these impairment criteria are also supplemented by a line-by-line review of the assets that have recorded a decline of over 30% or for more than six months in their value by comparison with their historical cost or if events occur that are liable to represent a material or prolonged decline. An impairment charge is recorded in the income statement if the Group determines that the value of the asset will not be recovered in its entirety.

For unlisted equity instruments, a qualitative analysis of their situation is carried out.

Impairment losses recognized on equity instruments may not be reversed and nor may they be written back to income. Losses are recorded under "Net gains or losses on available-for-sale financial assets". A subsequent increase in value is taken to "Gains and losses recognized directly in equity" until disposal of the securities.

Impairment losses are recognized on debt instruments such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) when there is a known counterparty risk.

The Group uses the same impairment indicators for debt securities as those used for individually assessing the impairment risk on loans and receivables, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

In the event of an improvement in the issuer's financial position, impairment losses taken on debt instruments may be written back to the income statement. Impairment losses and write-backs are recorded in "Cost of risk".

Impairment of loans and receivables

IAS 39 defines the methods for calculating and recognizing impairment of loans.

A loan or receivable is deemed to be impaired if the following two conditions are met:

- there is objective evidence of impairment on an individual or portfolio basis: there are "triggering events" or "loss events" identifying counterparty risk occurring after the initial recognition of the loans in question. On an individual level, the criteria for deciding whether or not a credit risk has been incurred include the existence of payments past due by more than three months (six months for real estate and nine months for loans to local authorities) or, independently of the existence of a missed payment, the existence of an incurred credit risk or litigious proceedings;
- these events lead to incurred losses.

Impairment is determined as the difference between the amortized cost and the recoverable amount, *i.e.* the present value of estimated recoverable future cash flows taking into account the impact of any collateral. For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Probable losses arising from off-balance sheet commitments are taken into account through provisions recognized on the liability side of the balance sheet.

Two types of impairment are recognized under "Cost of risk":

- impairment on an individual basis;
- impairment on a portfolio basis.

IMPAIRMENT ON AN INDIVIDUAL BASIS

Specific impairment is calculated for each receivable on the basis of the maturity schedules determined based on historic recoveries for each category of receivable. Collateral is taken into account when determining the amount of impairment, and when collateral fully covers the risk of default, the receivable is no longer impaired.

IMPAIRMENT ON A PORTFOLIO BASIS

Impairment on a portfolio basis covers unimpaired outstandings on an individual basis. In accordance with standard IAS 39, these are grouped together in portfolios with similar credit risk characteristics that undergo a collective impairment test.

Banque Populaire and Caisse d'Epargne outstanding loans are included in a group of similar loans in terms of the sensitivity of risk based on the Group's internal rating system. The portfolios subject to the impairment test are those relating to counterparties with ratings that have been significantly downgraded since granting, and which therefore are considered sensitive. These loans undergo impairment, although credit risk cannot be individually allocated to the different counterparties making up these portfolios, as the loans in question collectively show objective evidence of impairment.

The amount of impairment is determined based on historical data on the probability of default at maturity and the expected losses, adjusted, if necessary, to take into account the prevailing circumstances at the balance sheet date.

This approach may also be supplemented by a segmental or geographical analysis generally based on an expert opinion, taking account of various economic factors intrinsic to the loans and receivables in question. Portfolio-based impairment is calculated based on expected losses at maturity across the identified population.

4.1.8 Reclassifications of financial assets

Several types of reclassification are authorized:

Reclassifications authorized prior to the amendments to IAS 39 and IFRS 7 adopted by the European Union on October 15, 2008

These notably include "Available-for-sale financial assets" reclassified as "Held-to-maturity financial assets".

Any fixed-income security with a set maturity date meeting the definition of "Held-to-maturity securities" may be reclassified if the Group changes its management strategy and decides to hold the security to maturity. The Group must also have the ability to hold this instrument to maturity.

Reclassifications authorized since the amendments to IAS 39 and IFRS 7 adopted by the European Union on October 15, 2008

These standards define the terms for reclassifying non-derivative financial assets at fair value (with the exception of those initially designated at fair value through profit or loss) to other categories:

- reclassification of "Financial assets held for trading" as "Available-for-sale financial assets" or "Held-to-maturity financial assets".

  Any non-derivative financial assets may be reclassified whenever the Group is able to demonstrate the existence of "rare circumstances" leading to this reclassification. It should be noted that the IASB has characterized the financial crisis of the second half of 2008 as a "rare circumstance".

  Only instruments with fixed or determinable payments may be reclassified as "Held-to-maturity financial assets". The institution must also have the intention and the ability to hold these instruments until maturity. Instruments included in this category may not be hedged against interest rate risk;
- reclassification of "Financial assets held for trading" or "Available-for-sale financial assets" as "Loans and receivables".

  Any non-derivative financial asset meeting the definition of "Loans and receivables" and, in particular, any fixed-income instruments not quoted in an active market may be reclassified if the Group changes its management strategy and decides to hold the instrument for a foreseeable future or to maturity. The Group must also have the ability to hold this instrument over the medium to long term.

Reclassifications are carried out at fair value at the reclassification date, with this value serving as the new amortized cost for instruments transferred to categories measured at amortized cost.

A new effective interest rate is then calculated at the reclassification date in order to bring this new amortized cost into line with the redemption value, which implies that the instrument has been reclassified with a discount.

For instruments previously recorded under available-for-sale financial assets, the amortization of the new discount over the residual life of the instrument will generally be offset by the amortization of the unrealized loss recorded under gains and losses recognized directly in equity at the reclassification date and taken to the income statement on an actuarial basis.

In the event of impairment subsequent to the reclassification date of an instrument previously recorded under available-for-sale financial assets, the unrealized loss recorded under gains and losses recognized directly in equity at the reclassification date and taken to the income statement on an actuarial basis is immediately written back to income.

4.1.9 Derecognition of financial assets and liabilities

A financial asset (or group of similar financial assets) is derecognized when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such case, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognized, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognized on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognized and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognizing a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognizes a financial liability (or a part of a financial liability) only when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognized in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognized under "Securities sold under repurchase agreements". This represents a financial liability recorded at amortized cost or at fair value if this liability has been classified as "Designated at fair value".

The assets received are not recognized in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognized under "Securities bought under repurchase agreements". On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortized cost when classified in "Loans and receivables", or at fair value when classified under the fair value option.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognized in the vendor's accounts. They continue to be recognized in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognized.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following a renegotiation or a remodeling due to financial difficulties) there is derecognition, as rights to initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to simple indexing, as two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of former debt and its replacement with a new debt. To assess the substantial nature of the change, IAS 39 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognized as profit or loss on debt extinguishment.

The Group may consider other changes to be substantial, such as a change of issuer (even within the same group) or a change in currency.

4.1.10 Offsetting financial assets and liabilities

Pursuant to IAS 32, the Group offsets a financial asset and a financial liability, and a net balance is shown on the balance sheet provided there is both a legally enforceable right to offset the amounts recorded and the intention to either settle the net amount or realize the assets and settle the liabilities simultaneously.

Derivative and delivered repo transactions handled with clearing houses, whose working principles meet the two criteria mentioned above, are netted in the balance sheet (see Note 14).

4.2 INVESTMENT PROPERTY

In accordance with IAS 40, investment property is property held to earn rent or for capital appreciation, or both.

The accounting treatment for investment property is identical to that used for property, plant and equipment (see Note 4.3) for all Group entities except for certain insurance entities, which recognize the property they hold as investments in connection with insurance policies at fair value, with any adjustment to fair value recorded in income. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions.

The fair value of the Group's investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognized in income on the "Net income or expenses on other activities" line.

4.3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

This item includes property owned and used in the business, equipment acquired under operating leases, property acquired under finance leases and assets temporarily unlet held under finance leases. Interests in non-trading real estate companies (SCIs) are accounted for as property, plant and equipment.

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Property, plant and equipment and intangible assets used in operations are initially recognized at cost plus any directly attributable acquisition costs. Software developed internally that fulfills the criteria for recognition as a non-current asset is recognized at its production cost, which includes external charges and the payroll costs of employees directly assigned to the project.

The component-based approach is applied to all buildings.

After initial recognition, property, plant and equipment and intangible assets are measured at cost less any accumulated depreciation, amortization or impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Property, plant and equipment and intangible assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognized separately and depreciated over a period that reflects the useful life of that component.

The depreciation and amortization periods used by the Group are as follows:

- buildings: 20 to 60 years;
- internal fixtures and fittings: 5 to 20 years;
- furniture and special equipment: 4 to 10 years;
- computer equipment: 3 to 5 years;
- software: not more than 5 years.

Other items of property, plant and equipment are depreciated over their estimated useful life, which generally ranges from five to ten years.

Property, plant and equipment and intangible assets are tested for impairment whenever there is any evidence that they may be impaired at the balance sheet date. If this is the case, the revised recoverable amount of the asset is compared to its carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognized in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

The accounting treatment adopted for property, plant and equipment and intangible assets used in operations and financed using lease financing agreements is stated in Note 4.9.

Equipment leased under operating leases (group as lessor) is recognized as an asset on the balance sheet under property, plant and equipment.

4.4 ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Where a decision is made to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the "Non-current assets held for sale" line. Any liabilities associated with these assets are also shown separately on the balance sheet on the "Liabilities associated with non-current assets held for sale" line.

Once classified in this category, non-current assets are no longer depreciated/amortized and are measured at their lowest carrying amount or at fair value less sales costs. Financial instruments continue to be measured in accordance with IAS 39.

4.5 PROVISIONS

Provisions other than those relating to employee benefit commitments, provisions on regulated home savings products, off-balance sheet commitments, and insurance policies mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks.

Provisions are liabilities of which the timing or amount is uncertain, but which can be reliably estimated. They correspond to current obligations (legal or implicit), resulting from a past event, and for which an outflow of resources will probably be necessary to settle them.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present commitment at the balance sheet date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognized in the income statement on the line items corresponding to the nature of future expenditure.

Provisions on regulated home savings products

Regulated home savings accounts (comptes d'épargne logement - CEL) and regulated home savings plans (plans d'épargne logement - PEL) are retail products marketed in France governed by the 1965 law on home savings plans and accounts, and subsequent implementing decrees.

Regulated home savings products generate two types of commitments for the Group:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavorable consequences for the Group are measured for each generation of regulated home savings plans and for all regulated home savings accounts.

A provision is recognized for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behavior patterns, and corresponds to the difference between the probable outstandings and the minimum expected savings;
- at-risk loans correspond to the loans outstanding granted but not yet due at the calculation date plus statistically probable loans outstanding based on historical customer behavior patterns as well as earned and future rights relating to regulated home savings accounts and plans.

Earnings for future periods from the savings phase are estimated, for a given generation of contracts, as the difference between the regulated rate offered and the expected interest accruing on a comparable savings product on the market.

Earnings for future periods from the loan phase are estimated as the difference between the fixed rate agreed at inception for PEL contracts or a rate contingent on the savings phase for CEL contracts, and the expected interest rate accruing on home loans in the non-regulated sector.

Where the algebraic sum of the Group's estimated future commitments in respect of the savings and loan phases of any generation of contracts indicates a potentially unfavorable situation for the Group, a provision is recognized, with no offset between the different generations. The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behavior models and at-risk outstandings.

The provision is recognized under liabilities in the balance sheet and changes are recorded in net interest income.

4.6 INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized on all financial instruments measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

4.7 COMMISSIONS ON SERVICES

Commissions are recorded in the income statement by type of service provided, and according to the method used to recognize the associated financial instrument:

- commissions payable on recurring services are deferred over the period in which the service is provided (payment processing, securities deposit fees, etc.);
- commissions payable on occasional services are recognized in full in income when the service is provided (fund transfers, payment penalties, etc.);
- commissions payable on execution of a significant transaction are recognized in full in income on completion of the transaction.

Fees and commissions that are an integral part of the effective yield on an instrument such as fees on financing commitments given or origination fees are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the loan. These fees are therefore recognized as interest income rather than "Fees and commissions".

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

4.8 FOREIGN CURRENCY TRANSACTIONS

The method used to account for assets and liabilities relating to foreign currency transactions entered into by the Group depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Group entity on whose balance sheet they are recognized, at the exchange rate prevailing at the balance sheet date. All resulting foreign exchange gains and losses are recognized in income, except in two cases:

- only the portion of the foreign exchange gains and losses calculated based on the amortized cost of available-for-sale financial assets is recognized in income, with any additional gains and losses being recognized in "Gains and losses recognized directly in equity";
- foreign exchange gains and losses arising on monetary items designated as cash flow hedges or as part of a net investment in a foreign operation are recognized in "Gains and losses recognized directly in equity".

Non-monetary assets carried at historical cost are translated using the exchange rate prevailing at the transaction date. Non-monetary assets carried at fair value are translated using the exchange rate in effect at the date on which the fair value was determined. Foreign exchange gains and losses on non-monetary items are recognized in income if gains and losses relating to the items are recorded in income, and in "Gains and losses recognized directly in equity" if gains and losses relating to the items are recorded in "Gains and losses recognized directly in equity".

4.9 FINANCE LEASES AND SIMILAR TRANSACTIONS

Leases are analyzed to determine whether in substance and economic reality they are finance leases or operating leases.

4.9.1 Finance leases

A finance lease is a lease that transfers to the lessee substantially most of the risks and rewards incidental to ownership of an asset. It is treated as a loan granted by the lessor to the lessee in order to finance the purchase of an asset.

IAS 17 gives five examples of situations that lead to a lease being classified as a finance lease:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term is for the major part of the economic life of the asset;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IAS 17 also describes three indicators that may also lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee (capital loss on the asset, etc.);
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than the market rent.

At the inception of the contract, the finance lease receivable is recorded on the lessor's balance sheet in an amount equal to the net investment in the lease, which corresponds to the minimum payments receivable from the lessee discounted at the interest rate implicit in the lease plus any unguaranteed residual value accruing to the lessor.

IAS 17 requires unguaranteed residual values to be reviewed on a regular basis. If there is a reduction in the estimated guaranteed residual value, the income allocation over the lease term is revised (calculation of a new payment table) and a charge is recorded in order to correct the financial income already recorded.

Impairment charges for finance leases are determined using the same method as that described for loans and receivables.

Finance income corresponding to interest is recognized in the income statement under "Interest and similar income". It is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease, using the interest rate implicit in the lease. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the present value of the minimum lease payments receivable by the lessor plus the non-guaranteed residual value; and
- the initial value of the asset (*i.e.* fair value at the inception of the lease, plus any direct initial costs comprising expenses incurred specifically by the lessor to set up the lease).

In the lessee's financial statements, lease financing agreements with purchase options are treated as the purchase of an asset financed by a loan.

4.9.2 Operating leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

In the lessor's financial statements, the asset is recognized under property, plant and equipment and depreciated on a straight-line basis over the lease term. The depreciable amount does not take into account the residual value of the asset.

The leased asset is not recognized on the balance sheet of the lessee. Lease payments are recognized in income on a straight-line basis over the lease term.

4.10 EMPLOYEE BENEFITS

The Group grants its employees a variety of benefits that fall into the four categories described below:

4.10.1 Short-term employee benefits

Short-term employee benefits mainly include wages, salaries, paid annual leave, incentive schemes, profit sharing, and bonuses which are expected to be paid within 12 months of the end of the period in which the employee renders the service.

They are recognized as an expense for the period, including amounts remaining due at the balance sheet date.

4.10.2 Long-term employee benefits

Long-term employee benefits are generally linked to long-service awards accruing to current employees and payable 12 months or more after the end of the period in which the employee renders the related service. These notably comprise long service awards to employees.

A provision is set aside for the value of these obligations at the balance sheet date.

Post-employment benefit obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation consists in allocating costs over the working life of each employee (projected unit credit method).

4.10.3 Termination benefits

Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to terminate a contract in exchange for a severance package. A provision is set aside for termination benefits. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

4.10.4 Post-employment benefits

Post-employment benefits include lump-sum retirement bonuses, pensions and other post-employment benefits.

These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognized by means of a provision.

The Group records a provision in liabilities for employee benefit commitments that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

Post-employment benefits are measured in the same way as long-term employee benefits.

The measurement of these obligations takes into consideration the value of plan assets.

Revaluation differences on post-employment benefits, relating to changes in actuarial assumptions and experience adjustments are recognized in equity (other comprehensive income) and are not subsequently transferred to income. Revaluation differences on long-term employee benefits are immediately recognized in income.

The annual expense recognized in respect of defined-benefit plans includes the current service cost, net interest cost (the effect of discounting the obligation), the expected return on plan assets and past service costs.

The amount of the provision under liabilities in the balance sheet corresponds to the net total commitment as IAS 19R no longer provides for unrecognized items.

4.11 SHARE-BASED PAYMENTS

Share-based payments are those based on shares issued by the Group, regardless of whether transactions are settled in the form of equity or cash, the value of which fluctuates in line with the share price.

The cost to the Group is calculated on the basis of the fair value at the grant date of the share purchase or subscription options granted by certain subsidiaries. The total cost of the plan is determined by multiplying the unit value of the option by the estimated number of options that will have vested at the end of the vesting period, taking account of the likelihood that the grantees will still be employed by the Group, and of any non-market performance conditions that may affect the plan.

The cost to the Group is recognized in income from the date the employees are notified of the plan, without waiting for the vesting conditions, if any, to be satisfied (for example, in the case of a subsequent approval process), or for the beneficiaries to exercise their options.

The corresponding adjustment for the expense recorded under equity-settled plans is an increase in equity.

The Group recognizes a liability for cash-settled plans. The related cost is taken to income over the vesting period and a corresponding fair value adjustment is booked to a debt account.

4.12 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are recognized when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the temporary difference will be utilized in the foreseeable future.

Deferred tax assets and liabilities are recognized as a tax benefit or expense in the income statement, except for:

- revaluation differences on post-employment benefits;
- unrealized gains or losses on available-for-sale assets; and
- changes in the fair value of derivatives used as cash flow hedges;

for which the corresponding deferred tax assets and liabilities are recognized as unrealized gains and losses directly in equity.

Deferred tax assets and liabilities are not discounted to their present value.

4.13 INSURANCE BUSINESSES

Financial assets and liabilities of insurance businesses are recognized in accordance with the provisions of IAS 39. They are classified into categories defined by this standard, which calls for specific approaches to measurement and accounting treatment.

Pending amendments to IFRS 4, insurance liabilities continue to be measured broadly in line with French GAAP.

In accordance with Phase I of IFRS 4, insurance contracts are classified into three categories:

- policies that expose the insurer to a significant insurance risk within the meaning of IFRS 4: this category comprises policies covering provident insurance, pensions, property and casualty and unit-linked savings policies carrying a minimum guarantee. These policies will continue to be measured under the rules provided under local GAAP for measuring technical reserves;
- financial contracts such as savings schemes that do not expose the insurer to a significant insurance risk are recognized in accordance with IFRS 4 if they contain a discretionary profit sharing feature, and will continue to be measured in accordance with the rules for measuring technical reserves provided under local GAAP;
- financial contracts without a discretionary profit-sharing feature such as contracts invested exclusively in units of accounts and without a minimum guarantee, are accounted for in accordance with IAS 39.

Most financial contracts issued by Group entities contain discretionary profit-sharing features.

The discretionary profit-sharing feature grants life insurance policyholders the right to receive a share of the financial income generated, in addition to guaranteed benefits. For these contracts, in accordance with shadow accounting principles defined by IFRS 4, the provision for deferred profit sharing is adjusted to include the policyholders' share in the unrealized capital gains or losses on financial instruments measured at fair value in application of IAS 39. The share of the gains or losses attributable to policyholders is determined on the basis of the characteristics of contracts likely to generate such gains or losses.

Any change in deferred profit sharing is taken to equity where it results from changes in the value of available-for-sale financial assets and to income where it arises from changes in the value of financial assets at fair value through profit or loss.

At each balance sheet date, the Group assesses whether its recognized insurance liabilities are adequate, based on the estimated present value of future cash flows from its insurance policies and investment contracts containing a discretionary profit sharing feature. The liability adequacy test shows the economic value of the liabilities corresponding to the average derived from stochastic analyses. If the sum of the surrender value and deferred profit sharing is lower than the fair value of the technical reserves, the shortfall is recognized in income.

4.14 REAL ESTATE DEVELOPMENT

Revenues from real estate development are derived from real estate development activities in the residential and commercial sectors and from related services.

Projects in progress at the end of the Fiscal year date are recognized on a percentage of completion basis in line with the latest operating budgets.

When the outcome of a project cannot be reliably estimated, revenues are recognized only to the extent of costs incurred as revenue that are expected to be fully recoverable.

Operating income from all real estate development deals includes all project-related costs:

- land acquisition;
- site preparation and construction;
- planning taxes (*taxes d'urbanisme*);
- preliminary surveys (these are only charged to the project if the completion probability is high);
- internal project management fees;
- project-related marketing costs (internal and external sales commissions, advertising expenses, on-site sales office, etc.);
- financial expenses attributed to the deals.

Inventories and work in progress comprise land measured at cost, work in progress (site preparation and construction costs), attributable commercial expenses (internal and external sales commissions, sales bubbles, etc.) and deliverables measured at prime cost. Borrowing costs are not included in inventories.

Preliminary surveys commissioned in the pre-development phase are only included in inventories if there is a high probability that the project will actually go ahead. If this is not the case, these costs are expensed to the period.

When the net realizable value of inventories and work in progress is less than their cost, a provision for impairment loss is recognized.

Note 5 Notes to the balance sheet

5.1 CASH AND AMOUNTS DUE FROM CENTRAL BANKS

in millions of euros	12/31/2014	12/31/2013
Cash	203	171
Amounts due from central banks	73,938	51,555
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	**74,141**	**51,726**

5.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives, and certain assets and liabilities that the Group has chosen to recognize at fair value, at their date of acquisition or issue, using the fair value option available under IAS 39.

5.2.1 Financial assets at fair value through profit or loss

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

	12/31/2014			12/31/2013		
in millions of euros	Trading	Fair value option	Total	Trading	Fair value option	Total
Treasury bills and equivalent	31,639	22	31,661	28,099	22	28,121
Bonds and other fixed-income securities	7,008	2,626	9,634	7,805	2,558	10,363
Fixed-income securities	**38,647**	**2,648**	**41,295**	**35,904**	**2,580**	**38,484**
Equities and other variable-income securities	**32,440**	**9,825**	**42,265**	**24,877**	**9,897**	**34,774**
Loans to credit institutions	1,929	457	2,386	1,920	538	2,458
Loans to customers	429	7,380	7,809	209	5,939	6,148
Loans	**2,358**	**7,837**	**10,195**	**2,129**	**6,477**	**8,606**
Repurchase agreements*		**67,902**	**67,902**		**69,272**	**69,272**
Trading derivatives*	**72,736**	**///**	**72,736**	**60,146**	**///**	**60,146**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**146,181**	**88,212**	**234,393**	**123,056**	**88,226**	**211,282**

* *The information is presented in consideration of netting effects, in accordance with IAS 32 (see Note 14).*

Conditions for designating financial assets designated at fair value

in millions of euros	Accounting mismatches	Fair value measurement	Embedded derivatives	Financial assets designated at fair value
Fixed-income securities	958	20	1,670	2,648
Equities and other variable-income securities	8,137	1,688		9,825
Loans and repurchase agreements	3,268	68,447	4,024	75,739
TOTAL	**12,363**	**70,155**	**5,694**	**88,212**

Financial assets accounted for under the fair value option mainly concern certain contracts for structured loans to local authorities and structured bonds hedged by derivatives not designated as hedging instruments, assets containing embedded derivatives and fixed-income instruments index-linked to a credit risk.

In connection with Natixis' capital market activities, the fair value option has mainly been used to avoid accounting mismatches between assets and liabilities perceived as having an economic relationship. This is also the case between an asset and a hedging derivative when the conditions for hedge accounting are not met. groups of financial assets and financial liabilities managed and measured on a fair value basis in connection with these same activities are also accounted for under the fair value option.

Loans and receivables designated at fair value through profit or loss and credit risk

The statement below shows the portion of fair value attributable to credit risk for loans and receivables recorded under the fair value option. When purchases of protection were made in connection with loan arrangements, the fair value of linked credit derivatives is also stated.

	12/31/2014		12/31/2013	
in millions of euros	Exposure to credit risk	Change in fair value attributable to credit risk	Exposure to credit risk	Change in fair value attributable to credit risk
Loans to credit institutions	457		538	
Loans to customers	7,380	(10)	5,939	(4)
TOTAL	**7,837**	**(10)**	**6,477**	**(4)**

At December 31, 2014, the Group had not purchased protection to hedge against credit risk associated with loans and receivables classified as fair value instruments through profit and loss.

5.2.2 Financial liabilities at fair value through profit or loss

Financial liabilities in the trading book include liabilities arising from short-selling transactions, repurchase agreements and derivative instruments.

in millions of euros	12/31/2014	12/31/2013
Securities sold short	38,628	41,284
Other financial liabilities	936	1,067
Financial liabilities held for trading	**39,564**	**42,351**
Trading derivatives*	**71,153**	**57,310**
Interbank term accounts and loans	929	1,292
Customer term accounts and loans	303	106
Debt securities	16,888	15,059
Subordinated debt	94	90
Repurchase agreements*	75,691	64,398
Other financial liabilities	464	214
Financial liabilities designated at fair value through profit or loss	**94,369**	**81,159**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**205,086**	**180,820**

* *The information is presented in consideration of netting effects, in accordance with IAS 32 (see Note 14).*

Conditions for designating financial liabilities at fair value through profit or loss

in millions of euros	Accounting mismatches	Fair value measurement	Embedded derivatives	Financial liabilities designated at fair value through profit or loss
Interbank term accounts and loans	929	0	0	929
Customer term accounts and loans	217	0	86	303
Debt securities	12,296	0	4,592	16,888
Subordinated debt	0	0	94	94
Repurchase agreements and other financial liabilities	464	75,691	0	76,155
TOTAL	**13,906**	**75,691**	**4,772**	**94,369**

Financial liabilities accounted for under the fair value option mainly consist of structured debt issues and structured deposits containing embedded derivatives (*e.g.* equities for personal savings plans and structured medium-term notes). Most of these transactions are handled by Natixis and Crédit Foncier.

In connection with Natixis' capital market activities, the fair value option has mainly been used to avoid accounting mismatches between assets and liabilities perceived as having an economic relationship. This is also the case between an asset and a hedging derivative when the conditions for hedge accounting are not met.

Financial liabilities at fair value through profit or loss and credit risk

	12/31/2014			12/31/2013		
in millions of euros	Fair value	Contractual amount due at maturity	Difference	Fair value	Contractual amount due at maturity	Difference
Interbank term accounts and loans	929	878	51	1,292	1,199	93
Customer term accounts and loans	303	295	8	106	108	(2)
Debt securities	16,888	15,857	1,031	15,059	14,910	149
Subordinated debt	94	101	(7)	90	101	(11)
Repurchase agreements and other financial liabilities	76,155	76,149	6	64,612	64,614	(2)
TOTAL	**94,369**	**93,280**	**1,089**	**81,159**	**80,932**	**227**

Some liabilities issued and designated at fair value through profit and loss are covered by a guarantee. The effect of this guarantee is incorporated into the fair value of the liabilities.

The amount contractually due on loans at maturity includes the outstanding amount of the principal at the balance sheet date plus the accrued interest not yet due. In the case of securities, the redemption value is generally used.

Revaluations attributable to own credit risk (revaluation of own debt) amounted to -€100 million (-€176 million at December 31, 2013), including a negative impact on net banking income for the period of €276 million (negative impact of €258 million in 2013).

5.2.3 Trading derivatives

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments, and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

in millions of euros	12/31/2014			12/31/2013		
	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate instruments	4,764,221	44,476	40,433	4,891,073	41,241	37,101
Equity instruments	85,824	1,118	3,296	7,548	0	0
Foreign exchange instruments	854,451	15,222	13,834	697,178	7,534	7,446
Other instruments	41,037	158	233	52,027	60	174
Forward transactions	**5,745,533**	**60,974**	**57,796**	**5,647,826**	**48,835**	**44,721**
Interest rate instruments	913,590	296	823	933,021	87	1,099
Equity instruments	38,184	2,166	2,418	54,776	3,364	3,074
Foreign exchange instruments	475,781	5,566	6,438	331,520	4,335	4,892
Other instruments	49,195	1,211	1,168	47,722	760	842
Options	**1,476,750**	**9,239**	**10,847**	**1,367,039**	**8,546**	**9,907**
Credit derivatives	**92,090**	**2,523**	**2,510**	**181,752**	**2,765**	**2,682**
TOTAL TRADING DERIVATIVES*	**7,314,373**	**72,736**	**71,153**	**7,196,617**	**60,146**	**57,310**

* *Until 2013, the fair value on the balance sheet of hedging derivatives traded with Natixis, which it subsequently traded outside the Group, was presented under "Trading derivatives". As from 2014, this presentation was amended: these external derivatives are now recorded under "Hedging derivatives", in line with the accounting treatment applied.*

The application of this presentation at December 31, 2013 would have caused reclassification from trading derivatives to hedging derivatives (see Note 5.3):

- notional amount: reclassification of €116,630 million, bringing this line to €7,079,987 million;
- positive fair value: reclassification of €5,549 million, bringing this line to €54,597 million;
- negative fair value: reclassification of €2,482 million, bringing this line to €54,828 million.

5.3 HEDGING DERIVATIVES

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relation between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market rates of interest. They transform fixed-rate assets or liabilities into floating-rate instruments and include mostly hedges of fixed-rate loans, securities, deposits and subordinated debt.

Fair value hedging is also used to manage their overall interest rate risk position.

The cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

in millions of euros	12/31/2014			12/31/2013		
	Notional amount	**Positive fair value**	**Negative fair value**	**Notional amount**	**Positive fair value**	**Negative fair value**
Interest rate instruments	572,388	11,668	10,062	605,805	4,998	3,839
Foreign exchange instruments	16,954	2,467	3,603	15,791	1,354	1,387
Forward transactions	**589,342**	**14,135**	**13,665**	**621,596**	**6,352**	**5,226**
Interest rate instruments	5,687	30	2	5,316	72	
Options	**5,687**	**30**	**2**	**5,316**	**72**	
Fair value hedges	**595,029**	**14,165**	**13,667**	**626,912**	**6,424**	**5,226**
Interest rate instruments	15,136	6	350	13,963	3	161
Foreign exchange instruments				313	2	3
Forward transactions	**15,136**	**6**	**350**	**14,276**	**5**	**164**
Options						
Cash flow hedges	**15,136**	**6**	**350**	**14,276**	**5**	**164**
Credit derivatives	**494**			**942**		
TOTAL HEDGING INSTRUMENTS*	**610,659**	**14,171**	**14,017**	**642,130**	**6,429**	**5,390**

* *Until 2013, the fair value on the balance sheet of hedging derivatives traded with Natixis, which it subsequently traded outside the Group, was presented under "Trading derivatives". As from 2014, this presentation was amended: these external derivatives are now recorded under "Hedging derivatives", in line with the accounting treatment applied.*

The application of this presentation at December 31, 2013 would have caused reclassification from trading derivatives to hedging derivatives (see Note 5.2):

- notional amount: reclassification of €116,630 million, bringing this line to €758,760 million;
- positive fair value: reclassification of €5,549 million, bringing this line to €11,978 million;
- negative fair value: reclassification of €2,482 million, bringing this line to €7,872 million.

5.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

These are non-derivative financial assets that could not be classified in any other category ("Financial assets at fair value", "Financial assets held-to-maturity" or "Loans and receivables").

in millions of euros	12/31/2014	12/31/2013
Treasury bills and equivalent	17,198	14,016
Bonds and other fixed-income securities	24,574	22,297
Impaired securities	72	92
Fixed-income securities	**41,844**	**36,405**
Equities and other variable-income securities	**8,830**	**9,151**
Loans	**39**	**40**
Available-for-sale financial assets, gross	**50,713**	**45,596**
Impairment of fixed-income securities and loans	(50)	(61)
Permanent impairment of equities and other variable-income securities	(1,217)	(1,303)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**49,446**	**44,232**
Gains and losses recognized directly in equity on available-for-sale financial assets (before tax)	**3,197**	**1,477**

Impairment losses are recognized for available-for-sale financial assets whenever the Group considers that its investment may not be recovered. For variable-income securities quoted in an active market, a price decline in excess of 50% or for more than a 36-month period constitutes evidence of impairment.

5.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

5.5.1 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price and valuation model:

	12/31/2014				12/31/2013			
in millions of euros	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	Total	Price quoted in an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)*	Total
FINANCIAL ASSETS								
Securities	63,123	7,496	467	71,086	53,508	6,345	928	60,781
Fixed-income securities	*32,123*	*6,057*	*467*	*38,647*	*30,296*	*4,680*	*928*	*35,904*
Variable-income securities	*31,000*	*1,439*		*32,439*	*23,212*	*1,665*		*24,877*
Derivatives	1,554	69,403	1,780	72,737	2,181	56,194	1,771	60,146
Interest rate derivatives	*4*	*43,516*	*1,253*	*44,773*	*2*	*40,523*	*803*	*41,328*
Equity derivatives	*936*	*2,215*	*133*	*3,284*	*1,948*	*814*	*602*	*3,364*
Currency derivatives	*9*	*20,771*	*8*	*20,788*	*21*	*11,830*	*18*	*11,869*
Credit derivatives		*2,137*	*386*	*2,523*		*2,417*	*348*	*2,765*
Other derivatives	*605*	*764*		*1,369*	*210*	*610*		*820*
Other financial assets		1,982	376	2,358		2,129		2,129
Financial assets held for trading	**64,677**	**78,881**	**2,623**	**146,181**	**55,689**	**64,668**	**2,699**	**123,056**
Securities	8,722	1,465	2,286	12,473	9,366	1,446	1,665	12,477
Fixed-income securities	*817*	*541*	*1,290*	*2,648*	*1,406*	*630*	*544*	*2,580*
Variable-income securities	*7,905*	*924*	*996*	*9,825*	*7,960*	*816*	*1,121*	*9,897*
Other financial assets		71,696	4,043	75,739		72,748	3,001	75,749
Financial assets designated at fair value through profit or loss	**8,722**	**73,161**	**6,329**	**88,212**	**9,366**	**74,194**	**4,666**	**88,226**
Interest rate derivatives		11,703	1	11,704		5,072	1	5,073
Currency derivatives		2,467		2,467		1,356		1,356
Hedging derivatives		**14,170**	**1**	**14,171**		**6,428**	**1**	**6,429**
Investments in associates	58	256	1,736	2,050	258	199	1,971	2,428
Other securities	40,951	3,509	2,878	47,338	35,600	5,587	549	41,736
Fixed-income securities	*36,306*	*2,790*	*2,678*	*41,774*	*30,984*	*4,935*	*398*	*36,317*
Variable-income securities	*4,645*	*719*	*200*	*5,564*	*4,616*	*652*	*151*	*5,419*
Other financial assets		19	39	58		44	24	68
Available-for-sale financial assets	**41,009**	**3,784**	**4,653**	**49,446**	**35,858**	**5,830**	**2,544**	**44,232**
FINANCIAL LIABILITIES								
Securities	37,019	1,598	10	38,627	40,606	678		41,284
Derivatives	1,521	67,533	2,100	71,154	2,126	53,532	1,652	57,310
Interest rate derivatives	*28*	*39,720*	*1,508*	*41,256*	*15*	*37,135*	*965*	*38,200*
Equity derivatives	*908*	*4,694*	*113*	*5,715*	*1,885*	*1,151*	*38*	*3,074*
Currency derivatives	*7*	*20,257*	*8*	*20,272*		*12,287*	*51*	*12,338*
Credit derivatives		*2,039*	*471*	*2,510*		*2,241*	*526*	*2,682*
Other derivatives	*578*	*823*		*1,401*	*226*	*718*	*72*	*1,016*
Other financial liabilities		936		936		1,067		1,067
Financial liabilities held for trading	**38,540**	**70,067**	**2,110**	**110,717**	**42,732**	**55,277**	**1,652**	**99,661**
Securities		16,981		16,981		11,020		11,020
Other financial liabilities		76,528	860	77,388		68,987	1,152	70,139
Financial liabilities designated at fair value through profit or loss		**93,509**	**860**	**94,369**		**80,007**	**1,152**	**81,159**
Interest rate derivatives		10,413		10,413		4,000		4,000
Currency derivatives		3,604		3,604		1,390		1,390
Hedging derivatives		**14,017**		**14,017**		**5,390**		**5,390**

* *Amount adjusted relative to the financial statements at December 31, 2013, mainly arising from the reclassification of private equity securities from Level 2 to Level 3 of the fair value hierarchy for €1,121 million (see Note 4.1.6.).*

The presentation of hedging transactions was amended over the period and the information at December 31, 2014 includes this amendment (see Note 5.3).

5.5.2 Analysis of assets and liabilities classified in Level 3 of the fair value hierarchy

			Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
			In the income statement(2)								
in millions of euros	01/01/2014(1)	Reclassifi-cations	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In equity	Purchases/ Issues	Sales/ Buybacks	To another reporting category	From and to another level	Other changes	12/31/2014
FINANCIAL ASSETS											
Securities	928		41	81		491	(1,220)	11	109	26	467
Fixed-income securities	*928*		*41*	*81*		*491*	*(1,220)*	*11*	*109*	*26*	*467*
Variable-income securities											
Derivatives	1,771		1,022	5		2	(265)	(652)	91	(194)	1,780
Interest rate derivatives	803		438	61			(34)	61	91	(167)	1,253
Equity derivatives	602		337					(773)		(33)	133
Currency derivatives	18		(11)			2	(2)	1			8
Credit derivatives	348		258	(56)			(229)	59		6	386
Other financial assets									376		376
Financial assets held for trading	**2,699**		**1,063**	**86**		**493**	**(1,485)**	**(641)**	**576**	**(168)**	**2,623**
Securities	1,665		34	33		324	(300)	21	487	22	2,286
Fixed-income securities	*544*		*36*	*31*		*264*	*(164)*	*24*	*552*	*3*	*1,290*
Variable-income securities	*1,121*		*(2)*	*2*		*60*	*(136)*	*(3)*	*(65)*	*19*	*996*
Other financial assets	3,001	(5)	(234)	46		1,575	(1,433)	777		316	4,043
Financial assets designated at fair value through profit or loss	**4,666**	**(5)**	**(200)**	**79**		**1,899**	**(1,733)**	**798**	**487**	**338**	**6,329**
Interest rate derivatives	1										1
Hedging derivatives	**1**										**1**
Investments in associates	1,971		(75)	18	107	167	(266)	(1)	(143)	(42)	1,736
Other securities	549		(45)	18	15	747	(352)	7	2,007	(68)	2,878
Fixed-income securities	*398*		*(27)*	*12*	*1*	*715*	*(278)*	*2*	*1,931*	*(76)*	*2,678*
Variable-income securities	*151*		*(18)*	*6*	*14*	*32*	*(74)*	*5*	*76*	*8*	*200*
Other financial assets	24		(8)			1	(5)		28	(1)	39
Available-for-sale financial assets	**2,544**		**(128)**	**36**	**122**	**915**	**(623)**	**6**	**1,892**	**(111)**	**4,653**
FINANCIAL LIABILITIES											
Securities								10			10
Derivatives	1,652		545	139			(204)	24		(56)	2,100
Interest rate derivatives	*965*	*(85)*	*391*	*111*			*(101)*	*183*		*44*	*1,508*
Equity derivatives	*38*		*64*	*10*			*(15)*	*16*			*113*
Currency derivatives	*51*		*(19)*				*(1)*	*(21)*		*(2)*	*8*
Credit derivatives	*526*	*85*	*61*	*32*			*(87)*	*(154)*		*8*	*471*
Other derivatives	*72*		*48*	*(14)*						*(106)*	
Financial liabilities held for trading	**1,652**		**545**	**139**			**(204)**	**34**		**(56)**	**2,110**
Other financial liabilities	1,152		(27)	(9)			(321)	14		51	860
Financial liabilities designated at fair value through profit or loss	**1,152**		**(27)**	**(9)**			**(321)**	**14**		**51**	**860**

(1) *Amount adjusted relative to the financial statements at December 31, 2013, mainly arising from the reclassification of private equity securities from Level 2 to Level 3 of the fair value hierarchy for €1,121 million (see Note 4.1.6.).*

(2) *The main impacts recognized on the income statement involve financial instruments at fair value by income. These include:*

- *the valuation of unhedged ABS CDOs with a subprime component: +€10 million. ABS CDOs with a subprime component were sold off during the first half of 2014, with no significant impact on the income statement;*
- *the price reductions applied to the fair value of the CDS concluded with the monoline insurers: +€102 million;*
- *a reversal of provisions based on a portfolio of relative exposures to Credit Derivative Product Companies (CPDC): +€27 million;*
- *a reduction in the haircuts on the fund's units: +€7 million.*

5.5.3 Analysis of fair value hierarchy transfers

	Fiscal year 2014			
	From	Level 1	Level 2	Level 2
in millions of euros	To	Level 2	Level 1	Level 3
FINANCIAL ASSETS				
Securities		486	643	109
Fixed-income securities		*486*	*9*	*109*
Variable-income securities			*634*	
Derivatives				91
Interest rate derivatives				*91*
Other financial assets				376
Financial assets held for trading		**486**	**643**	**576**
Securities		1,139		617
Fixed-income securities		*1,137*		*552*
Variable-income securities		*2*		*65*
Financial assets designated at fair value through profit or loss		**1,139**		**617**
Investments in associates				143
Other securities		476	279	2,007
Fixed-income securities		*309*	*279*	*1,931*
Variable-income securities		*167*		*76*
Other financial assets				28
Available-for-sale financial assets		**476**	**279**	**2,178**
FINANCIAL LIABILITIES				
Other financial liabilities		235	3	
Financial liabilities held for trading		**235**	**3**	

The transfer amounts match the latest valuation preceding the change in the fair value level.

	Fiscal year 2013					
	From	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	To	Level 2	Level 1	Level 3[(2) (3)]	Level 1	Level 2[(1)]
FINANCIAL ASSETS						
Securities		59	574	100		116
Fixed-income securities		*47*	*574*	*100*		*116*
Variable-income securities		*12*				
Derivatives				623		12
Interest rate derivatives				21		
Equity derivatives				602		
Credit derivatives						12
Financial assets held for trading		**59**	**574**	**723**		**128**
Securities		693		175		7
Fixed-income securities		*693*		*175*		*7*
Financial assets designated at fair value through profit or loss		**693**		**175**		**7**
Investments in associates				240		12
Other securities		2,444	77	11	21	25
Fixed-income securities		*2,368*	*77*			*25*
Variable-income securities		*76*		*11*	*21*	
Available-for-sale financial assets		**2,444**	**77**	**251**	**21**	**37**
FINANCIAL LIABILITIES						
Derivatives				298		28
Interest rate derivatives				*289*		*15*
Credit derivatives				*9*		*13*
Financial liabilities held for trading				**298**		**28**

(1) Following the return to liquidity for the US RMBS and European RMBS, both were valued based on market prices at December 31, 2013. On December 31, 2012, they were valued based on a valuation model with no significant impact on net income for the period.
(2) The spread locks were transferred to Level 3 fair value in response to a change in the valuation model based on proprietary data.
(3) A deal in the process of being restructured was transferred to Level 3 of the fair value hierarchy.

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The transfer amounts match the latest valuation preceding the change in the fair value level.

5.5.4 Sensitivity of financial instruments assessed at Level 3 to changes in the principal assumptions

The sensitivity of the fair value of financial instruments measured using unobservable inputs was estimated at December 31, 2014. With the aid of probable assumptions, this sensitivity was used to estimate the impacts of market fluctuations in uncertain economic environments. This estimate was performed using:

- a "standardized"[(1)] variation in unobservable inputs related to assumptions of additional valuation adjustments for fixed income, currency and equity instruments. The resulting sensitivity was -€9 million;
- a fixed variation:
  - of 1% (up or down) in the recovery rate on unsecured debt on uncollateralized derivatives,
  - of 50 basis points (up or down) applied to the margin used to discount the expected flows of Trups CDOs;

The sensitivity impact would result in an improvement in value of €19 million, should the inputs mentioned above improve, or a decrease in value of €18 million if the same inputs[(2)] deteriorate.

(1) Namely the standard deviation of consensus prices used to measure the inputs.
(2) Impact calculated before recognizing the guarantee made by BPCE to Natixis.

5.6 LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

5.6.1 Loans and receivables due from credit institutions

in millions of euros	12/31/2014	12/31/2013
Loans and receivables due from credit institutions	126,237	134,315
Specific impairment	(103)	(168)
Impairment on a portfolio basis	(15)	(18)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**126,119**	**134,129**

The fair value of loans and receivables due from banks is presented in Note 15.

Breakdown of gross loans and receivables due from credit institutions

in millions of euros	12/31/2014	12/31/2013
Current accounts with overdrafts	7,202	6,185
Repurchase agreements	8,467	7,627
Loans and advances	106,723	115,426
Securities classified as loans and receivables	1,369	1,897
Other loans and receivables due from credit institutions	2,345	2,900
Impaired loans and receivables	131	280
TOTAL GROSS LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**126,237**	**134,315**

5.6.2 Loans and receivables due from customers

in millions of euros	12/31/2014	12/31/2013
Loans and receivables due from customers	236,822	214,793
Specific impairment	(3,763)	(3,954)
Impairment on a portfolio basis	(601)	(713)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**232,458**	**210,126**

The fair value of loans and receivables due from customers is presented in Note 15.

Breakdown of gross loans and receivables due from customers

in millions of euros	12/31/2014	12/31/2013
Current accounts with overdrafts	**4,576**	**4,841**
Loans to financial sector customers	4,156	3,341
Short-term credit facilities	23,596	26,470
Equipment loans	32,968	27,746
Home loans	62,481	62,466
Export credits	3,128	2,820
Repurchase agreements	30,297	16,179
Finance leases	11,075	11,254
Subordinated loans	36	45
Other loans	22,061	18,087
Other facilities granted to customers	**189,798**	**168,408**
Securities classified as loans and receivables	**25,905**	**24,175**
Other loans and receivables due from customers	**7,031**	**7,000**
Impaired loans and receivables	**9,512**	**10,369**
TOTAL GROSS LOANS AND RECEIVABLES DUE FROM CUSTOMERS	**236,822**	**214,793**

5.7 HELD-TO-MATURITY FINANCIAL ASSETS

These are non-derivative financial assets with fixed or determinable payments that the Group has an intention and ability to hold to maturity.

in millions of euros	12/31/2014	12/31/2013
Treasury bills and equivalent	2,251	1,373
Bonds and other fixed-income securities	2,047	3,382
Gross amount of held-to-maturity financial assets	**4,298**	**4,755**
Impairment	(3)	(4)
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	**4,295**	**4,751**

The fair value of held-to-maturity financial assets is presented in Note 15.

5.8 RECLASSIFICATION OF FINANCIAL ASSETS

Portfolio of reclassified financial assets

In application of the amendments to IAS 39 and IFRS 7 "Reclassification of financial assets", the Group reclassified some of its financial assets. No significant reclassification was carried out in Fiscal year 2014.

	Carrying amount		Fair value	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Assets reclassified to:				
Available-for-sale financial assets	131	261	131	261
Loans and receivables	10,118	10,159	9,087	9,386
TOTAL SECURITIES RECLASSIFIED	**10,249**	**10,420**	**9,218**	**9,647**

in millions of euros	Fiscal year 2014	Fiscal year 2013
Change in fair value		
– that would have been recognized in income if the securities had not been reclassified	21	18
– that would have been recognized in gains and losses recognized directly in equity if the securities had not been reclassified	(191)	357

5.9 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

in millions of euros	12/31/2014	12/31/2013
Unrealized capital gains on UCITS	34	26
Fiscal EIGs	(127)	(131)
Provisions for employee-related liabilities	247	251
Provisions for regulated home savings products	2	3
Impairment on a portfolio basis	61	81
Other non-deductible provisions	787	882
Changes in fair value of financial instruments recorded in equity	(200)	68
Other sources of temporary differences	759	357
Deferred tax assets and liabilities related to timing differences	**1,563**	**1,537**
Deferred tax assets and liabilities arising on the capitalization of tax loss carryforwards	**3,193**	**2,922**
Deferred tax assets and liabilities on consolidation adjustments and eliminations	**(86)**	**(79)**
Unrecognized deferred tax assets and liabilities	**(879)**	**(539)**
NET DEFERRED TAX ASSETS AND LIABILITIES	**3,791**	**3,841**
Deferred taxes recognized:		
– As assets in the balance sheet	4,001	4,051
– As liabilities in the balance sheet	(210)	(210)

5.10 ACCRUED INCOME AND OTHER ASSETS

in millions of euros	12/31/2014	12/31/2013
Collection accounts	1,915	1,684
Prepaid expenses	200	184
Accrued income	189	272
Other accruals	2,282	2,971
Accrued income and prepaid expenses	**4,586**	**5,111**
Security deposits paid	22,760	15,430
Settlement accounts in debit on securities transactions	247	263
Reinsurers' share of technical reserves	7,959	7,612
Other debtors	10,872	7,811
Prepaid expenses and other assets	**41,838**	**31,116**
TOTAL ACCRUED INCOME AND OTHER ASSETS	**46,424**	**36,227**

5.11 INVESTMENT PROPERTY

	12/31/2014			12/31/2013		
in millions of euros	Gross carrying amount	Accumulated depreciation	Net amount	Gross carrying amount	Accumulated depreciation	Net amount
Property recognized at fair value*	///	///	1,060	///	///	1,049
Property recognized at historical cost	555	(272)	283	670	(289)	381
TOTAL INVESTMENT PROPERTY			**1,343**			**1,430**

* *Buildings included in insurance company investments. Changes in fair value give rise to the symmetrical recognition of a deferred profit-sharing reserve, equal to 92.7% of the related base amount on average at December 31, 2014, compared to 94.8% at December 1, 2013 (see Note 5.17).*

The fair value of investment property came to €1,447 million at December 31, 2014 (€1,529 million at December 31, 2013). The fair value of investment property, whose measurement principles are described in Note 4.2, is classified in Level 3 of the IFRS 13 fair value hierarchy.

5.12 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	12/31/2014			12/31/2013		
in millions of euros	Gross carrying amount	Accumulated depreciation and impairment	Net amount	Gross carrying amount	Accumulated depreciation and impairment	Net amount
Property, plant and equipment						
– Land and buildings	743	(420)	323	749	(445)	304
– Leased real estate	333	(125)	208	334	(138)	196
– Equipment, furniture and other property, plant and equipment	1,573	(998)	575	1,847	(1,292)	555
TOTAL PROPERTY, PLANT AND EQUIPMENT	**2,649**	**(1,543)**	**1,106**	**2,930**	**(1,875)**	**1,055**
Intangible assets						
– Leasehold rights	82	(29)	53	85	(27)	58
– Software	1,650	(1,188)	462	1,497	(1,061)	436
– Other intangible assets	542	(241)	301	512	(224)	288
TOTAL INTANGIBLE ASSETS	**2,274**	**(1,458)**	**816**	**2,094**	**(1,312)**	**782**

5.13 GOODWILL

Goodwill related to operations for the financial year are analyzed in the context of the rating for the scope of consolidation.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Opening net value	**2,825**	**2,916**
Acquisitions	38	0
Disposals	(17)	(19)
Impairment	(51)	(14)
Reclassifications	13	(4)
Foreign exchange rate adjustments	164	(54)
Closing net value	**2,972**	**2,825**

At December 31, 2014, the gross carrying amount of goodwill amounted to €3,418 million, with impairment totaling €446 million.

Breakdown of goodwill

	Carrying amount	
in millions of euros	12/31/2014	12/31/2013
– Investment Solutions	2,365	2,151
– Specialized Financial Services	58	58
– Equity interests	355	355
– Other activities	29	96
Natixis	**2,807**	**2,660**
Banque Palatine	**95**	**95**
Crédit Foncier	**13**	**13**
BPCE IOM	**52**	**53**
Other	**5**	**4**
TOTAL GOODWILL	**2,972**	**2,825**

Impairment tests

In compliance with regulations, all goodwill has been impairment-tested, based on the assessment of the value in use of the cash-generating units (CGU) to which they are attached, except for the "Private equity" CGU, whose assessment is based on the revalued net asset, with all of the assets in the entities making up this CGU recognized at fair value. Moreover, the Corporate Data Solution (CDS) CGU was assessed using a company-by-company approach, given the targets of disposing of several entities in the CGU and now limiting the synergies of the residual set. For the Coface CGU, a listed entity since June 2014, the value in use was rounded out by other approaches relying on market data (valuations by trading multiples and by brokers' target prices).

As a result of these impairment tests, the Group recognized an impairment loss of €51 million on the CGU CDS in respect of Fiscal year 2014.

Key assumptions used to determine recoverable value

Value in use is determined based on the present value of the CGU's future cash flows under medium-term plans drawn up as part of the Group's budget process.

The following assumptions were used:

	Discount rate	Long-term growth rate
Natixis		
Investment Solutions	9.9%	2.5%
Specialized Financial Services	11.2%	2.5%
Coface	11.0%	2.5%
Formerly the Corporate Data Solutions CGU	company-by-company approach	2.5%
Other	11.1%	2.5%
Palatine	**8.5%**	**2.0%**

The discount rates were determined as follows:

- for the Investment Solutions, Specialized Financial Services and Wholesale Banking CGUs: the risk-free rate for the eurozone (*i.e.* the Bund rate averaged over 10 years) plus a risk premium calculated based on a sample of companies representative of the CGU;
- for the Coface CGU, the reference rates used were determined using a method similar to other CGUs, relying on samples from comparable companies for insurance and factoring activities;
- for the former CDS CGU: the average of the 10-year risk-free interest rates of the countries in which the various entities operate, plus a risk premium calculated according to a sample of companies that are representative of the sector and an additional risk premium to account for the relative size of the CGU;
- the discount rates of the projected cash flows of the Banque Palatine CGU were determined based on a risk-free rate (10-year OAT) over two years, plus a risk premium calculated based on a sample of listed European banks with a similar banking business, and in consideration of the specific nature of that institution.

Sensitivity of recoverable values

A 20 basis point rise in the discount rates combined with a 50 basis point fall in the perpetual growth rates would reduce the CGUs' value in use by:

- -6.4% for the Investment Solutions CGU;
- -4.1% for the Specialized Financial Services CGU;
- -4.9% for the Coface CGU;
- -6.8% for the former CDS CGU;
- -4.2% for the Banque Palatine CGU.

These changes would result in the booking of additional impairment losses only for the CDS (additional €2 million) and Banque Palatine (€27 million) CGUs.

The sensitivity of future flows from the business lines' business plans to the change in key assumptions would result in the following:

- for Investment Solutions, a 10% fall in the "equity" markets and a 1 basis point fall in the EONIA and 10-year long term rates would have a -5% negative impact on the recoverable value of the CGU and would not lead to the booking of an impairment loss;
- for Specialized Financial Services, a 1 basis point drop in the 3-month Euribor applied to the factoring business and the replication of a "2008/2008"-type crisis (decline in new business and increase in cost of risk) in the leasing business would have a negative impact of -8% on the CGU and would have no impact in terms of impairment loss;
- for Coface, the main sensitivity factor is the loss ratio. A level of 48% for this ratio (with reinsurance), reflecting the deterioration of economic conditions, was applied to conduct the test of the CGU's impairment at December 31, 2014. A one-point increase in this loss ratio would have no significant impact on the recoverable value of the CGU. Only an increase of 13 points in the loss ratio would result in an impairment loss on the CGU;
- for the former CDS CGU, the primary sensitivity factor is the extent to which the business plans are achieved. A -5% variation in said plans would cause the recoverable value to fall by about €6 million and result in the recognition of additional impairment for an equivalent amount;
- for the Banque Palatine CGU, the sensitivity of future cash flows, as forecast in the business plan, to a 5% point fall in normative net income, would have an unfavorable impact on the CGU's value of -4.9% and would lead to the recognition of an impairment loss on the CGU of around €33 million.

5.14 AMOUNTS DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

These liabilities, which are not classified as financial liabilities at fair value through profit or loss, are carried at amortized cost under "Amounts due to credit institutions" or "Amounts due to customers".

5.14.1 Amounts due to credit institutions

in millions of euros	12/31/2014	12/31/2013
Demand deposits	17,405	10,255
Repurchase agreements	2,966	4,162
Accrued interest	4	5
Amounts due to credit institutions - repayable on demand	**20,375**	**14,422**
Term deposits and loans	84,068	94,149
Repurchase agreements	14,918	14,253
Accrued interest	504	943
Amounts due to credit institutions - repayable at agreed maturity dates	**99,490**	**109,345**
TOTAL AMOUNTS DUE TO CREDIT INSTITUTIONS	**119,865**	**123,767**

The fair value of amounts due to credit institutions is presented in Note 15.

5.14.2 Amounts due to customers

in millions of euros	12/31/2014	12/31/2013
Current accounts	**23,765**	**22,504**
Livret A savings accounts	393	377
Regulated home savings products	507	486
Other regulated savings accounts	2,005	2,003
Accrued interest	4	4
Regulated savings accounts	**2,909**	**2,870**
Demand deposits and loans	10,572	18,055
Term deposits and loans	14,833	22,386
Accrued interest	97	98
Other customer accounts	**25,502**	**40,539**
Repurchase agreements	**25,997**	**11,980**
Other amounts due to customers	**1,446**	**1,885**
TOTAL AMOUNTS DUE TO CUSTOMERS	**79,619**	**79,778**

The fair value of amounts due to customers is presented in Note 15.

5.15 DEBT SECURITIES

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under "Subordinated debt".

in millions of euros	12/31/2014	12/31/2013
Bonds	157,195	144,065
Interbank market instruments and negotiable debt securities	76,395	54,957
Other debt securities	2,323	2,114
Total	**235,913**	**201,136**
Accrued interest	3,166	2,763
TOTAL DEBT SECURITIES	**239,079**	**203,899**

The fair value of debt securities is presented in Note 15.

5.16 ACCRUED EXPENSES AND OTHER LIABILITIES

in millions of euros	12/31/2014	12/31/2013
Collection accounts	2,120	1,981
Prepaid income	394	411
Accounts payable	1,211	1,145
Other accruals	3,865	5,654
Accrued expenses and other liabilities	**7,590**	**9,191**
Settlement accounts in credit on securities transactions	335	436
Guarantee deposits received	20,312	10,155
Other payables	10,210	8,399
Other insurance-related liabilities	7,580	7,176
Other liabilities	**38,437**	**26,166**
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**46,027**	**35,357**

5.17 TECHNICAL RESERVES OF INSURANCE COMPANIES

in millions of euros	12/31/2014	12/31/2013
Technical reserves of non-life insurance companies	**3,850**	**3,597**
Technical reserves of life insurance companies in euros	36,052	33,796
Technical reserves of life insurance companies in unit-linked accounts	7,430	6,971
Technical reserves of life insurance companies	**43,482**	**40,767**
Technical reserves of investment contracts	**11**	**13**
Deferred profit-sharing	**3,411**	**1,317**
TOTAL TECHNICAL RESERVES OF INSURANCE COMPANIES	**50,754**	**45,694**

Technical reserves of non-life insurance companies include unearned premium reserves and outstanding claims reserves.

Technical reserves of life insurance companies mainly comprise mathematical reserves, which generally correspond to the surrender value of policies.

Technical reserves for financial contracts issued by insurance companies are mathematical reserves measured on the basis of the underlying assets of these policies.

Deferred profit-sharing represents the portion of income from participating insurance policies in the form of a cumulative amount allocated to policyholders and not yet distributed.

5.18 PROVISIONS

in millions of euros	01/01/2014	Increase	Use	Reversals unused	Other changes*	12/31/2014
Provisions for employee benefit commitments	**761**	**170**	**(105)**	**(30)**	**107**	**903**
Provisions for regulated home savings products	9	0	0	(4)	1	6
Provisions for off-balance sheet commitments	761	125	(46)	(101)	31	770
Provisions for restructuring costs	112	3	(37)	(7)	0	71
Provisions for claims and litigation	347	132	(40)	(32)	3	410
Other	383	227	(26)	(39)	7	552
Other provisions	**1,612**	**487**	**(149)**	**(183)**	**42**	**1,809**
TOTAL PROVISIONS	**2,373**	**657**	**(254)**	**(213)**	**149**	**2,712**

* *Other changes included the variation in the revaluation difference on employee benefits (€143 million before tax) and the impacts related to changes in scope of consolidation and foreign exchange rate adjustments.*

At December 31, 2014, provisions for restructuring costs included €60 million for the workforce adjustment plan at Natixis (€91 million at December 31, 2013).

At December 31, 2014, provisions included €415 million for the net Madoff outstandings (€351 million at December 31, 2013).

5.19 SUBORDINATED DEBT

Subordinated debt is classified separately from issues of other debt and bonds because in the event of default, holders of subordinated debt rank after all senior debt holders.

in millions of euros	12/31/2014	12/31/2013
Term subordinated debt	15,112	10,258
Perpetual subordinated debt	320	69
Subordinated debt and similar	**15,432**	**10,327**
Accrued interest	304	211
Revaluation of the hedged component	180	211
TOTAL SUBORDINATED DEBT	**15,916**	**10,749**

The fair value of subordinated debt is presented in Note 15.

Changes in subordinated debt and similar during the year

in millions of euros	01/01/2014	Issuance(1)	Buyback(2)	Other changes(3)	12/31/2014
Term subordinated debt	10,258	6,617	(1,800)	37	15,112
Perpetual subordinated debt	69	251	0	0	320
SUBORDINATED DEBT AND SIMILAR	**10,327**	**6,868**	**(1,800)**	**37**	**15,432**

(1) Issuances in Fiscal year 2014 included:
- *€375 million (for a nominal value of €380 million) in subordinated term debt securities with 10-year maturity (maturity date: March 2024) by Coface in March 2014;*
- *€251 million in a public issuance by Natixis Assurances;*
- *$3,550 million total in redeemable subordinated notes by BPCE in January, July and September 2014;*
- *€2,285 million total in redeemable subordinated notes by BPCE in July and September 2014;*
- *£750 million in redeemable subordinated notes by BPCE in April 2014.*

(2) Buybacks of subordinated borrowings and securities specifically involve:
- *prepayment by Natixis of a term subordinated note with a face value of $300 million, issued in December 2006 and having an initial maturity of January 2019;*
- *prepayment by Natixis of a term subordinated note with a face value of €500 million, and having an initial maturity of May 2019;*
- *arrival at maturity for €1,071 million from BPCE.*

(3) Other changes include the revaluation of debts that are hedged as well as the impacts from changes in scope and conversion.

Deeply subordinated notes qualifying as equity instruments are presented in Note 5.20.1.

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5.20 ORDINARY SHARES AND EQUITY INSTRUMENTS ISSUED

5.20.1 Perpetual deeply subordinated notes classified as equity

Issuing entity	Issue date	Currency	Amount *(in original currency)*	Redemption option date	Interest step-up date	Rate	Nominal *(in millions of euros*)* 12/31/2014	12/31/2013
BPCE	11/26/2003	EUR	471 million	07/30/2014	07/30/2014	5.25%		471
BPCE	07/30/2004	USD	200 million	03/31/2015	none	Min (10-year CMAT +0.3%; 9%)	142	142
BPCE	10/06/2004	EUR	369 million	07/30/2015	07/30/2015	4.63%	369	369
BPCE	10/12/2004	EUR	80 million	01/12/2015	none	Min (10-year CMS; 7%)	80	80
BPCE	01/27/2006	USD	300 million	01/27/2015	none	6.75%	214	214
BPCE	02/01/2006	EUR	350 million	02/01/2016	none	4.75%	350	350
BPCE	10/30/2007	EUR	509 million	10/30/2017	10/30/2017	6.12%	509	509
BPCE	08/06/2009	EUR	52 million	09/30/2015	none	13.00%	52	52
BPCE	08/06/2009	EUR	374 million	09/30/2019	09/30/2019	12.50%	374	374
BPCE	08/06/2009	USD	134 million	09/30/2015	none	13.00%	93	93
BPCE	08/06/2009	USD	444 million	09/30/2019	09/30/2019	12.50%	309	309
BPCE	10/22/2009	EUR	750 million	04/22/2015	none	9.25%	750	750
BPCE	03/17/2010	EUR	818 million	03/17/2015	03/17/2020	9.00%	818	818
TOTAL							**4,060**	**4,531**

* *Nominal amount translated into euros at the exchange rate in force at the date of classification as equity.*

Issues of perpetual deeply subordinated notes prior to June 30, 2009 have thereafter been recognized as equity instruments as a result of a remuneration payment clause that has since become discretionary. Previously, they were recognized as subordinated debt and similar. In accounting terms, the transformation of these debt instruments into equity instruments is treated as debt extinguishment.

Issues after June 30, 2009 have always been recognized in equity due to the discretionary nature of their remuneration.

5.21 NON-CONTROLLING INTERESTS

Information regarding consolidated subsidiaries and structured entities for which the amount of non-controlling interests is significant in terms of total Group equity is shown in the following statement:

in millions of euros		Fiscal year 2014						
		Non-controlling interests			Summary financial information for 100% Equity interests			
Entity name	Percentage of non-controlling interests	Income attributed during the period to holders of non-controlling interests	Amount of the subsidiary's non-controlling interests	Dividends paid to holders of non-controlling interests	Assets	Debt	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Natixis Group	**28.49%**	**388**	**7,096**	**156**	**590,424**	**570,263**	**1,138**	**1,741**
o/w Coface*	58.74%	34	1,104	1	6,587	4,863	125	163
o/w BPCE Assurances*	40.00%	21	132		1,506	1,175	52	73
Locindus	**25.45%**	**3**	**66**	**3**	**715**	**456**	**9**	**9**
Other entities		**17**	**137**	**9**				
TOTAL AS AT 12/31/2014		**408**	**7,299**	**168**				

* *Natixis Group data (direct non-controlling interests).*

in millions of euros	Fiscal year 2013							
	Non-controlling interests				Summary financial information for 100% Equity interests			
Entity name	Percentage of non-controlling interests	Income attributed during the period to holders of non-controlling interests	Amount of the subsidiary's non-controlling interests	Dividends paid to holders of non-controlling interests	Assets	Debt	Net income attributable to equity holders of the parent	Total income attributable to equity holders of the parent
Natixis group	28.04%	609	5,389	679	510,131	492,186	883	1,927
BPCE Assurances	53.62%	20	146	7	1,356	1,084	38	21
Locindus	25.51%	2	68	3	814	552	9	9
Other entities		15	167	6				
TOTAL AS AT 12/31/2013		**646**	**5,770**	**695**				

5.22 CHANGE IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	Fiscal year 2014	Fiscal year 2013
Revaluation differences on defined-benefit pension schemes	(140)	71
Tax impact of revaluation differences on defined-benefit pension schemes	49	(17)
Items that cannot be reclassified in income	**(91)**	**54**
Foreign exchange rate adjustments	**608**	**(307)**
Change in the value of available-for-sale financial assets	**531**	**520**
Change in value over the period affecting equity	*686*	*558*
Change in value over the period affecting net income	*(155)*	*(38)*
Change in the value of hedging derivatives	**(465)**	**193**
Change in value over the period affecting equity	*(611)*	*85*
Change in value over the period affecting net income	*146*	*108*
Income taxes	**(20)**	**(144)**
Items that can be reclassified in income	**654**	**262**
Share of gains and losses recognized directly in the equity of associates	**174**	**21**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY (AFTER INCOME TAX)	**737**	**337**

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Gross	Income taxes	Net	Gross	Income taxes	Net
Revaluation differences on defined-benefit pension schemes	(140)	49	(91)	71	(17)	54
Foreign exchange rate adjustments	608	///	608	(307)	///	(307)
Change in the value of available-for-sale financial assets	531	(103)	428	520	(87)	433
Change in the value of hedging derivatives	(465)	83	(382)	193	(57)	136
Share of gains and losses recognized directly in the equity of associates	///	///	174	///	///	21
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY			**737**			**337**
Attributable to equity holders of the parent			522			290
Non-controlling interests			215			47

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Note 6 Notes to the income statement

6.1 INTEREST AND SIMILAR EXPENSES

This line item comprises interest income and expenses, calculated using the effective interest method, on financial assets and liabilities measured at amortized cost, which include interbank and customer items, held-to-maturity assets, debt securities and subordinated debt.

It also includes interest receivable on fixed-income securities classified as available-for-sale financial assets and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Loans and receivables due from customers	6,011	(914)	5,097	6,174	(604)	5,570
Loans and receivables due from credit institutions	2,280	(1,591)	689	2,741	(1,891)	850
Finance leases	407	///	407	439	///	439
Debt securities and subordinated debt	///	(5,166)	(5,166)	///	(5,278)	(5,278)
Hedging derivatives*	4,786	(4,013)	773	2,728	(3,024)	(296)
Available-for-sale financial assets	1,101	///	1,101	1,117	///	1,117
Held-to-maturity financial assets	175	///	175	199	///	199
Impaired financial assets	1	///	1	6	///	6
Other interest income and expenses	3	(46)	(43)	1	(46)	(45)
TOTAL INTEREST INCOME AND EXPENSES	**14,764**	**(11,730)**	**3,034**	**13,405**	**(10,843)**	**2,562**

* *The presentation of hedging transactions was amended over the period and the information for 2014 includes this amendment. The application of this presentation to the information for 2013 would result in the reclassification of €651 million from Gains and losses on financial instruments at fair value through profit or loss (see Note 6.3) to Interest and similar income or Interest and similar expenses.*

In 2013, interest income on hedging derivatives would have amounted to €5,093 million, while interest expenses on hedging derivatives would have totaled -€4,738 million.

6.2 FEE AND COMMISSION INCOME AND EXPENSES

Commissions are recorded based on the type of service rendered and on the method of accounting for the financial instrument to which the service relates.

This line includes mainly commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, payment penalties, etc.), commissions receivable or payable on execution of significant transactions, and commissions receivable or payable on trust assets managed on behalf of the Group's customers.

However, commissions that form an integral part of the effective yield on a contract are recorded under "Net interest income".

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Cash and interbank transactions	5	(32)	(27)	9	(33)	(24)
Customer transactions	810	(10)	800	654	(23)	631
Financial services	359	(601)	(242)	417	(629)	(212)
Sales of life insurance products	192	///	192	191	///	191
Payment services	388	(82)	306	390	(90)	300
Corporate actions	230	(116)	114	199	(117)	82
Trust management services	2,516	///	2,516	2,154	///	2,154
Financial instruments and off-balance sheet transactions	139	(117)	22	172	(100)	72
Other fees and commissions	315	(731)	(416)	344	(615)	(271)
TOTAL FEE AND COMMISSION INCOME AND EXPENSES	**4,954**	**(1,689)**	**3,265**	**4,530**	**(1,607)**	**2,923**

6.3 NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

This item includes gains and losses (including the related interest) on financial assets and liabilities classified as held for trading or designated at fair value through profit or loss.

"Gains and losses on hedging transactions" include gains and losses arising from the revaluation of derivatives used as fair value hedges, as well as gains and losses from the revaluation of the hedged item in the same manner, the revaluation at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

in millions of euros	Fiscal year 2014	Fiscal year 2013	Fiscal year 2013 restated(1)
Gains and losses on financial instruments held for trading(2)	1,222	2,078	1,420
Gains and losses on financial instruments designated at fair value through profit or loss	(18)	408	430
Gains and losses on hedging transactions	5	56	35
Ineffective portion of fair value hedges	*(18)*	*4*	*(17)*
Ineffective portion of cash flow hedges	*23*	*52*	*52*
Gains and losses on foreign exchange transactions	262	(231)	(225)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,471**	**2,311**	**1,660**

(1) The amended presentation described in Note 6.1 would have resulted in 2013 in the reclassification of €651 million from "Gains and losses on financial instruments at fair value through profit or loss" to "Interest and similar income" or "Interest and similar expenses" (see Note 6.1) and reclassifications between the headings of that line item.

(2) In 2014, "Gains and losses on financial instruments held for trading" included a change in the fair value of derivatives including -€100 million (-€17 million in 2013) due to the difference in impairments for counterparty risk (Credit Value Adjustment - CVA), in the amount of €74 million (€88 million in 2013) due to the consideration of non-performance risk in the valuation of derivative financial liabilities (Debit Valuation Adjustment - DVA), and in the amount of -€82 million due to the inclusion of an adjustment for funding cost (Funding Valuation Adjustment - FVA).

These adjustments incorporate the net effect as CVA and DVA of estimates refined during 2014, of which the main ones have to do with the extension of the use of market inputs as well as the extension of the adjustment calculation scope (total impact of -€25 million).

"Gains and losses on financial instruments designated at fair value through profit or loss" include the revaluation of own debt on issues classified as fair value instruments through profit or loss with an impact of -€276 million impact on income for the period *versus* -€258 million last year.

Day one profit

in millions of euros	Fiscal year 2014	Fiscal year 2013
Day one profit at the start of the year	35	48
Deferred profit on new transactions	47	9
Profit recognized in income during the year	(28)	(21)
DAY ONE PROFIT AT YEAR-END	**54**	**35**

6.4 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

This item includes dividends from variable-income securities, gains and losses on the sale of available-for-sale financial assets and other financial assets not valued at fair value as well as impairment losses recognized on variable-income securities due to a permanent impairment in value.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Gains or losses on disposals(1)	506	264
Dividends received	210	212
Permanent impairment of variable-income securities(2)	(188)	(122)
TOTAL NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**528**	**354**

(1) In the first half of 2014, Natixis sold its interest in Lazard (5.4% of the share capital), generating a capital gain of €99 million.

(2) Permanent impairment of variable-income securities amounted to €188 million in 2014 versus €122 million in 2013. This expense concerns insurance portfolios for €24 million (€60 million in 2013), the impact of which is 92.7% neutralized (94.8% respectively in 2013) given the profit-sharing mechanism.
In 2014, permanent impairment in value of variable-income securities included an additional impairment loss of €139 million on previously impaired securities (€94 million in 2013). The automatic application of indicators of losses in value presented in paragraph 5.4 did not result in any new material impairments in 2014.

6.5 INCOME AND EXPENSES FROM OTHER ACTIVITIES

This item mainly comprises:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortization and impairment);
- income and expenses resulting from the Group's insurance business (notably premium income, paid benefits and claims, and changes in technical reserves of insurance companies);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expenses	Net	Income	Expenses	Net
Income and expenses from insurance activities	**5,730**	**(5,540)**	**190**	**5,154**	**(5,295)**	**(141)**
Income and expenses from real estate activities	**1**	**0**	**1**	**6**	**(5)**	**1**
Income and expenses from leasing transactions	**81**	**(92)**	**(11)**	**97**	**(99)**	**(2)**
Income and expenses from investment property	**129**	**(55)**	**74**	**148**	**(57)**	**91**
Share of joint ventures	76	(83)	(7)	71	(79)	(8)
Transfers of expenses and income	13	(3)	10	11	(5)	6
Other operating income and expenses	688	(421)	267	849	(503)	346
Additions to and reversals from provisions to other operating income and expenses	42	(85)	(43)	23	(41)	(18)
Other banking income and expenses	**819**	**(592)**	**227**	**954**	**(628)**	**326**
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**6,760**	**(6,279)**	**481**	**6,359**	**(6,084)**	**275**

Income and expenses from insurance activities

The statement shown below provides a transition between the financial statements of insurance companies included in the scope of consolidation and their translation into the financial statements of Groupe BPCE in accordance with the presentation applicable to banks.

The Group's consolidated companies that present their financial statements based on the insurance company model are Natixis Assurances, Surassur, CEGC and Coface.

	Banking format 2014					
in millions of euros	Net banking income	General operating expenses	Gross operating income	Other items	Insurance format 2014	Insurance format 2013
Earned premiums	7,252	0	7,252		7,252	6,008
Revenues or income from other activities	250	0	250		250	250
Other operating income	14	26	40		40	15
Net financial income before finance costs	1,769	(6)	1,763		1,763	1,915
TOTAL REVENUES	**9,285**	**20**	**9,305**		**9,305**	**8,188**
Claims and benefits expenses	(7,141)	(87)	(7,228)		(7,228)	(6,186)
Net income from reinsurance disposals	138	0	138		138	53
Policy acquisition costs	(564)	(235)	(799)		(799)	(721)
Administrative expenses	(233)	(344)	(577)		(577)	(558)
Other operating income and expenses/recurring	(37)	(217)	(254)	(7)	(261)	(257)
TOTAL OTHER RECURRING INCOME AND EXPENSES	**(7,837)**	**(883)**	**(8,720)**	**(7)**	**(8,727)**	**(7,669)**
OPERATING INCOME	**1,448**	**(863)**	**585**	**(7)**	**578**	**519**

Income and expenses recognized for insurance policies are included under the "Income from other activities" and "Expenses from other activities" components of net banking income.

Other components of the operating income of insurance entities of a banking nature (interest and commissions) are reclassified under these items of net banking income.

The main reclassifications relate to the charging of general operating expenses by nature whereas they are charged by function in the insurance presentation.

6.6 OPERATING EXPENSES

Operating expenses include mainly payroll costs (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative expenses and other external services costs.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Payroll costs	**(4,139)**	**(4,056)**
Taxes other than on income	(239)	(249)
External services	(1,964)	(1,932)
Other administrative costs	**(2,203)**	**(2,181)**
TOTAL OPERATING EXPENSES	**(6,342)**	**(6,237)**

The breakdown of payroll costs is provided in Note 9.1.

6.7 COST OF RISK

This item records net impairment charges for credit risks, regardless of whether the impairment is calculated on an individual or collective basis for a portfolio of similar receivables.

Impairment losses are recognized for both loans and receivables and fixed-income securities when there is a known counterparty risk. Losses related to other types of instruments (derivatives or securities designated at fair value through profit or loss) recorded as a result of default by credit institutions are also included under this item.

Cost of risk for the period

in millions of euros	Fiscal year 2014	Fiscal year 2013
Net charge to provisions and provisions for impairment	(391)	(731)
Recoveries of bad debts written off	60	52
Irrecoverable loans not covered by provisions for impairment	(122)	(114)
TOTAL COST OF RISK	**(453)**	**(793)**

Cost of risk by type of asset

in millions of euros	Fiscal year 2014	Fiscal year 2013
Interbank transactions	8	40
Customer transactions	(363)	(554)
Other financial assets	(98)	(279)
TOTAL COST OF RISK	**(453)**	**(793)**

6.8 NET GAINS OR LOSSES ON OTHER ASSETS

This item includes gains and losses on disposals of property, plant and equipment and intangible assets, as well as gains and losses on disposals of consolidated investments in associates.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Gains or losses on disposals of property, plant and equipment and intangible assets used in operations	91	31
Gains or losses on disposals of consolidated investments	(16)	1,441
TOTAL GAINS OR LOSSES ON OTHER ASSETS	**75**	**1,472**

Net income for 2014 includes the proceeds from the sale of a building by Natixis resulting in a capital gain of €92 million.

Income for 2013 mainly included the capital gain on the sale of the CICs held by Natixis to the Banque Populaire banks and Caisses d'Epargne.

6.9 INCOME TAX

in millions of euros	Fiscal year 2014	Fiscal year 2013
Current income tax expense	(313)	(694)
Deferred tax assets and liabilities	(300)	198
INCOME TAX	**(613)**	**(496)**

Reconciliation between the tax charge in the financial statements and the theoretical tax charge

	Fiscal year 2014		Fiscal year 2013	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Net income (attributable to equity holders of the parent)	724		1,555	
Change in the value of goodwill	51		8	
Share of non-controlling interests in consolidated companies	408		646	
Share in net income of associates	(55)		(197)	
Income taxes	613		496	
INCOME BEFORE TAX AND CHANGES IN THE VALUE OF GOODWILL (A)	**1,741**		**2,508**	
Standard income tax rate in France (B)		**34.4%**		**34.4%**
Theoretical income tax expense (income) at the tax rate applicable in France (AxB)	**(599)**		**(864)**	
Impact of the change in unrecognized deferred tax assets and liabilities	(9)	0.5%	0	0.0%
Impact of permanent differences	43	(2.5%)	440	(17.5%)
Reduced rate of tax and tax-exempt activities	(2)	0.1%	0	0.0%
Difference in tax rates on income taxed outside France	17	(1.0%)	(32)	1.3%
Temporary step-up of corporate tax	(20)	1.2%	(32)	1.3%
Tax on prior periods, tax credits and other tax*	(23)	1.2%	(82)	3.3%
Other items	(20)	1.2%	73	(2.9%)
INCOME TAX EXPENSE (INCOME) RECOGNIZED	**(613)**		**(496)**	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		**35.2%**		**19.8%**

* *o/w: -€18 million for an impairment on a past loss on the France tax consolidation group at Natixis. -€80 million for an impairment on a past loss on the London branch at Natixis, and +€76 million in tax savings resulting from the offset of previously unrecognized tax losses at Natixis in 2014.*

Note 7 Exposure to risks

Information relating to capital management as well as regulatory ratios are presented in the Risk management section (Chapter 3 of the registration document).

7.1 CREDIT RISK AND COUNTERPARTY RISK

Disclosures relating to the management of risk required by IFRS 7 and provided in the risk management report (Chapter 3 of the registration document) related solely to the scope of Groupe BPCE.

7.1.1 Measurement and management of credit risk

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or even default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the risk management report.

7.1.2 Total exposure to credit risk and counterparty risk

The statement below shows the credit risk exposure for all of BPCE SA group's financial assets. The exposure is calculated on the basis of the carrying amount of the financial assets without taking into account the impact of any unrecognized netting or collateral agreements.

in millions of euros	Net outstandings at 12/31/2014	Net outstandings at 12/31/2013
Financial assets at fair value through profit or loss *(excluding variable-income securities)*	192,128	176,508
Hedging derivatives	14,171	6,429
Available-for-sale financial assets *(excluding variable-income securities)*	41,833	36,384
Loans and receivables due from credit institutions	126,119	134,129
Loans and receivables due from customers	232,458	210,126
Held-to-maturity financial assets	4,295	4,751
Exposure to balance sheet commitments	**611,004**	**568,327**
Financial guarantees given	29,347	31,261
Off-balance sheet commitments	104,090	114,331
Exposure to off-balance sheet commitments	**133,437**	**145,592**
TOTAL CREDIT AND COUNTERPARTY RISK EXPOSURE	**744,441**	**713,919**

7.1.3 Impairment and provisions for credit risk

in millions of euros	01/01/2014	Charges	Reversals*	Other changes	12/31/2014
Available-for-sale financial assets	60	6	(17)	1	50
Interbank transactions	186	3	(33)	(38)	118
Customer transactions	4,667	1,065	(1,485)	117	4,364
Held-to-maturity financial assets	4			(1)	3
Other financial assets	135	23	(111)	5	52
Impairment losses recognized in assets	**5,052**	**1,097**	**(1,646)**	**84**	**4,587**
Provisions for off-balance sheet commitments	**761**	**125**	**(147)**	**31**	**770**
TOTAL IMPAIRMENT AND PROVISIONS FOR CREDIT RISK	**5,813**	**1,222**	**(1,793)**	**115**	**5,357**

* *o/w: €1,016 million in reversals of provisions used.*

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7.1.4 Financial assets with past due payments

Assets with past due payments are performing financial assets for which a payment incident has been recorded.

For example:

- a debt instrument is considered past due if the bond issuer is no longer making interest payments;
- a loan is considered past due if a payment or installment has been missed and recorded as such in the financial statements;
- a current account overdraft carried in "Loans and advances" is considered past due if the overdraft period or authorized limit has been exceeded at the balance sheet date.

The amounts disclosed in the statement below do not include past due payments resulting from the time delay between the settlement date and the recognition date.

Past due loans and receivables (past due principal and accrued interest in the case of loans and total overdrawn balance in the case of current accounts) can be broken down by due date as follows:

	Non-impaired outstandings showing past due balances					
in millions of euros	≤ 90 days	> 90 days and ≤ 180 days	> 180 days and ≤ 1 year	> 1 year	Impaired outstandings (net value)	Total outstandings
Debt instruments	0	0	0	2	23	25
Loans and advances	4,898	291	25	5	5,777	10,996
TOTAL AS AT 12/31/2014	**4,898**	**291**	**25**	**7**	**5,800**	**11,021**

in millions of euros	Non-impaired outstandings showing past due balances ≤ 90 days	> 90 days and ≤ 180 days	> 180 days and ≤ 1 year	> 1 year	Impaired outstandings (net value)	Total outstandings
Debt instruments	0	0	0	0	32	32
Loans and advances	3,412	285	9	6	6,498	10,210
TOTAL AS AT 12/31/2013	**3,412**	**285**	**9**	**6**	**6,530**	**10,242**

7.1.5 Remodeling due to financial difficulties

The following statement shows the assets (excluding assets held for trading) and financing commitments that are subject to changes to the terms of their initial contract or to the constitutive refinancing of a concession due to the financial difficulties of a debtor (forbearance exposures).

in millions of euros	Remodeling	Impairments and provisions	Guarantees received
Balance sheet	5,265	(910)	3,537
Off-balance sheet	127	0	56
TOTAL AS AT 12/31/2014	**5,392**	**(910)**	**3,593**

7.1.6 Credit risk mitigation mechanisms: assets obtained by taking possession of collateral

The following statement shows by type the carrying amount of assets (securities, buildings, etc.) obtained during the period by taking possession of collateral or other forms of credit enhancement.

in millions of euros	Fiscal year 2014	Fiscal year 2013
Non-current assets available for sale	14	4
Investment property	0	4
Equity and debt instruments	151	0
TOTAL ASSETS OBTAINED BY TAKING POSSESSION OF COLLATERAL	**165**	**8**

7.2 MARKET RISK

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives and commodity derivatives are exposed to this type of risk; and
- more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the risk management report.

7.3 INTEREST RATE RISK AND EXCHANGE RATE RISK

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net worth. Exchange rate risk is the risk of losses resulting from changes in exchange rates.

The Group's approach to the management of exchange rate risk is discussed in the risk management report.

7.4 LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to honor its payment commitments as they fall due and replace funds when they are withdrawn.

The funding procedures and liquidity risk management arrangements are disclosed in the risk management report.

The table below shows the amounts of financial instrument by contractual maturity date.

Financial instruments marked to market on the income statement and held in the trading book, variable-income available-for-sale financial assets, doubtful loans, hedging derivatives and remeasurement adjustments on interest rate risk-hedged portfolios are placed in the "Perpetual" column. These financial instruments are:

- either held for sale or redeemed prior to their contractual maturity;
- or held for sale or redeemed at an indeterminable date (particularly where they have no contractual maturity);
- or measured on the balance sheet for an amount impacted by revaluation effects.

Accrued interest not yet due is shown in the "Less than 1 month" column.

The amounts shown are contractual amounts excluding projected interest.

in millions of euros	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Perpetual	Total as at 12/31/2014
Cash and amounts due from central banks	74,133	8	-	-	-	-	74,141
Financial assets at fair value through profit or loss - trading book	-	-	-	-	-	146,181	146,181
Financial assets at fair value through profit or loss - fair value option	37,682	8,115	17,537	10,017	3,377	11,484	88,212
Hedging derivatives	-	-	-	-	-	14,171	14,171
Available-for-sale financial assets	2,521	1,694	2,905	10,921	22,930	8,475	49,446
Loans and receivables due from credit institutions	21,866	16,002	15,391	45,839	26,302	719	126,119
Loans and receivables due from customers	42,098	12,770	14,747	55,139	98,515	9,189	232,458
Revaluation difference on interest rate risk-hedged portfolio	-	-	-	-	-	8,073	8,073
Held-to-maturity financial assets	74	67	565	2,482	1,107	-	4,295
FINANCIAL ASSETS BY MATURITY	**178,374**	**38,656**	**51,145**	**124,398**	**152,231**	**198,292**	**743,096**
Financial liabilities at fair value through profit or loss - trading book	-	-	-	-	-	110,717	110,717
Financial liabilities at fair value through profit or loss - fair value option	42,184	23,938	8,112	9,203	9,997	935	94,369
Hedging derivatives	-	-	-	-	-	14,017	14,017
Amounts due to credit institutions	54,474	7,914	8,105	27,780	21,289	303	119,865
Amounts due to customers	62,867	7,841	3,871	3,089	1,735	216	79,619
Subordinated debt	364	418	784	4,545	9,315	490	15,916
Debt securities	20,806	27,162	51,048	73,337	56,558	10,168	239,079
Revaluation difference on interest rate risk-hedged portfolio	-	-	-	-	-	1,503	1,503
FINANCIAL LIABILITIES BY MATURITY	**180,695**	**67,273**	**71,920**	**117,954**	**98,894**	**138,349**	**675,085**
Financing commitments given to credit institutions	10,178	718	612	19,546	775	-	31,829
Financing commitments given to customers	23,269	4,025	11,735	28,588	5,349	31	72,997
TOTAL FINANCING COMMITMENTS GIVEN	**33,447**	**4,743**	**12,347**	**48,134**	**6,124**	**31**	**104,826**
Guarantee commitments given to credit institutions	305	524	710	960	899	-	3,398
Guarantee commitments given to customers	1,286	1,554	5,102	8,277	8,581	4	24,804
TOTAL GUARANTEE COMMITMENTS GIVEN	**1,591**	**2,078**	**5,812**	**9,237**	**9,480**	**4**	**28,202**

Note 8 Partnerships and associates

8.1 INVESTMENTS IN ASSOCIATES

8.1.1 Investments in associates

The Group's main investments in joint ventures and associates are as follows:

in millions of euros	12/31/2014	12/31/2013
CNP Assurances (group)	2,263	2,011
Socram Banque	71	68
Banque BCP SAS	57	53
EDF Investment Group (EIG)*	532	0
Other	168	155
Financial sector companies	**3,091**	**2,287**
Other	143	143
Non-financial companies	**143**	**143**
TOTAL INVESTMENTS IN ASSOCIATES	**3,234**	**2,430**

* *Following the changes in governance at EDF Investment Group (EIG) during the first half of 2014, this entity now meets the definition of associate (see Note 1.3).*

8.1.2 Financial data for the main joint arrangements and associates

Summarized financial data for material companies under notable influence are as follows (they are based on the last available data published by the entities in question):

in millions of euros	Caisse Nationale de Prévoyance (CNP)	Socram Banque	EDF Investment Group (EIG)	Banque BCP SAS
DIVIDENDS RECEIVED	**85**	**1**	**24**	**3**
MAIN AGGREGATES				
Total assets	**395,401**	**1,971**	**12,509**	**2,206**
Total debt	**378,721**	**1,759**	**664**	**2,068**
Income statement				
Operating income or net banking income	2,412	46	510	85
Income tax	(773)	(6)	(72)	(7)
Net income	1,080	12	438	14
CARRYING VALUE OF INVESTMENTS IN ASSOCIATES				
Equity of associates*	16,680	211	11,845	138
Percentage of ownership	16.11%	33.42%	4.49%	30.00%
VALUE OF INVESTMENTS IN ASSOCIATES	**2,263**	**71**	**532**	**57**
o/w Goodwill	*0*	*0*	*0*	*16*
MARKET VALUE OF INVESTMENTS IN ASSOCIATES	***1,628***	***///***	***///***	***///***

* *The equity selected by BPCE SA group for consolidating the Caisse Nationale de Prévoyance (CNP) via the equity method is being restated (deeply subordinated notes subscribed by third parties).*

For more information regarding financial data, please refer to the institutional website of CNP: http://www.cnp.fr/Le-Groupe/Nos-publications/Les-documents-de-reference.

BPCE SA group has no interest in any joint venture that has a material impact on the consolidated financial statements.

It has no share in any losses not booked during the period by a joint venture or an associate as a result of the equity method applied.

Summarized financial data for non-material companies under significant influence is as follows:

in millions of euros	12/31/2014	12/31/2013
Value of investments in associates	**311**	**298**
Total amount of share in:		
Net income*	23	24
Gains and losses recognized directly in equity	15	(7)
COMPREHENSIVE INCOME	**38**	**17**

* *This amount does not recognize the impairments and provisions recognized for the equity interest in Volksbank România (see Note 1.3).*

8.1.3 Nature and scope of major restrictions

BPCE SA group has not been faced with any major restrictions relating to interests held in associates and joint ventures.

8.2 SHARE IN NET INCOME OF ASSOCIATES

in millions of euros	Fiscal year 2014	Fiscal year 2013
CNP Assurances (group)	174	166
Banque BCP SAS	4	4
VBI Beteiligung*	(171)	0
EDF Investment Group (EIG)	21	0
Socram Banque	4	3
Other	20	22
Financial sector companies	**52**	**195**
Other	3	2
Non-financial companies	**3**	**2**
SHARE IN NET INCOME OF ASSOCIATES	**55**	**197**

* *Holding of Volksbank România, affiliate pending disposal (see Note 1.3).*

Note 9 Employee benefits

9.1 PAYROLL COSTS

in millions of euros	Fiscal year 2014	Fiscal year 2013
Wages and salaries	(2,772)	(2,663)
Costs of defined-contribution plans	(226)	(186)
Other social security costs and payroll-based taxes	(947)	(1,062)
Profit-sharing and incentive schemes	(194)	(145)
TOTAL PAYROLL COSTS	**(4,139)**	**(4,056)**

The Employment Competitiveness Tax Credit is deducted from payroll costs. It came to €11 million in respect of Fiscal year 2014 (€8 million for 2013). The use of this tax is presented in Chapter 6 "Social, environmental and societal information" of the registration document.

For 2014, payroll costs included a reversal on a provision of €31 million, €11 million of which was unused, for the Natixis Employment Adaptation Plan, compared to a provision of €91 million at December 31, 2013.

9.2 EMPLOYEE BENEFITS

BPCE SA group grants its staff a variety of employee benefits:

- pensions and other post-employment benefits such as retirement indemnities and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

9.2.1 Analysis of assets and liabilities recorded in the balance sheet

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	12/31/2014	12/31/2013
Actuarial liabilities	967	343	68	132	1,510	1,253
Fair value of plan assets	(620)	(42)	0	0	(662)	(610)
Fair value of reimbursement rights	0	(37)	0	0	(37)	0
Effect of ceiling on plan assets	6	0			6	2
Net amount reported on the balance sheet	**353**	**264**	**68**	**132**	**817**	**645**
Employee benefit commitments recorded in the balance sheet	356	301	68	132	857	691
Plan assets recorded in the balance sheet	3	37	0	0	40	46

9.2.2 Change in amounts recognized on the balance sheet

Change in actuarial liabilities

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
Actuarial liabilities at start of year	**763**	**302**	**60**	**128**	**1,253**	**1,313**
Service cost	15	18	5	51	89	81
Service cost for prior periods	8	1	0	0	9	(39)
Interest cost	26	8	2	1	37	36
Benefits paid	(32)	(14)	(4)	(57)	(107)	(91)
Other	8	1	4	0	13	10
Changes recorded in income	**25**	**14**	**7**	**(5)**	**41**	**(3)**
Revaluation adjustments - demographic assumptions	10	0			10	(4)
Revaluation adjustments - financial assumptions	118	31			149	(41)
Revaluation adjustments - past-experience effect	8	0			8	3
Changes recognized directly in non-recyclable equity	**136**	**31**			**167**	**(42)**
Foreign exchange rate adjustments	**27**	**0**	**0**	**4**	**31**	**(7)**
Other	**16**	**(4)**	**1**	**5**	**18**	**(8)**
ACTUARIAL LIABILITIES AT END OF YEAR	**967**	**343**	**68**	**132**	**1,510**	**1,253**

Change in hedging assets and buyback rights

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
Fair value of plan assets at start of year	**531**	**79**	**0**	**0**	**610**	**581**
Interest income	19	3	0	0	22	19
Plan participant contributions	38	(2)	0	0	36	21
Benefits paid	(31)	(5)	0	0	(36)	(37)
Other	4	0	0	0	4	(5)
Changes recorded in income	**30**	**(4)**	**0**	**0**	**26**	**(2)**
Revaluation adjustments - Return on plan assets	35	0	0	0	35	41
Changes recognized directly in non-recyclable equity	**35**	**0**	**0**	**0**	**35**	**41**
Foreign exchange rate adjustments	**26**	**0**	**0**	**0**	**26**	**(8)**
Other	**(2)**	**4**	**0**	**0**	**2**	**(2)**
FAIR VALUE OF PLAN ASSETS AT END OF YEAR*	**620**	**79**	**0**	**0**	**699**	**610**

* *o/w: €37 million in buyback rights included in retirement benefits.*

Revaluation differences on post-employment benefits

in millions of euros	Supplementary pension benefits and other	End-of-career awards	Fiscal year 2014	Fiscal year 2013
Revaluation adjustments at start of period	**116**	**0**	**116**	**202**
Revaluation adjustments over the period	110	29	139	(84)
Adjustments to asset ceiling	4	0	4	(2)
Revaluation adjustments at end of period	**230**	**29**	**259**	**116**

Returns on plan assets are calculated by applying the same discount rate as the one applied to gross liabilities. The difference between the actual return at the balance sheet date and this financial income is a revaluation difference recorded for post-employment benefits in equity.

9.2.3 Actuarial expense under defined-benefit plans

The various components of the charge recognized for defined-benefit plans are included under "Payroll costs".

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Fiscal year 2014	Fiscal year 2013
Service cost	(15)	(18)	(5)	(51)	(89)	(81)
Service cost for prior periods	(8)	(1)	0	0	(9)	39
Interest cost	(26)	(8)	(2)	(1)	(37)	(36)
Interest income	19	3	0	0	22	19
Benefits paid	1	9	4	57	71	54
Plan participant contributions	38	(2)	0	0	36	21
Other (o/w asset ceiling)	(4)	(1)	(4)	0	(9)	(15)
TOTAL EXPENSE FOR 2014*	**5**	**(18)**	**(7)**	**5**	**(15)**	**1**

* *o/w: a charge of €122 million recorded under payroll costs and a net payment of +€107 million in benefits and contributions.*

9.3 SHARE-BASED PAYMENTS

Natixis share subscription option plans

Year of plan	Number of options granted	Total number of options in issue	Strike price *(in euros)*	Share price at grant date *(in euros)*
2008 plan	7,576,800	4,760,945	6.88	10.63

No expenses were booked for Fiscal year 2014 (nor for 2013).

Loyalty and performance plans whose payment is share-based for Natixis Group

Each year since 2010, a share-based payment plan has been awarded to certain categories of staff in the Natixis Group.

Regarding the plans approved in February 2015, as the allocations were not formally completed on the balance sheet date, the cost assessment was based on the best possible estimate of the inputs on the balance sheet date, both in terms of the share value and dividend assumptions.

In 2014, Coface established pay plans based on Coface shares. Since the impact of these plans is not significant on a group level, their features are not detailed in the following paragraphs.

Long-term payment plans settled in cash and indexed to the Natixis share price

Year of plan	Grant date	Number of units granted at inception*	Vesting dates	Number of units vested by the beneficiaries	Fair value of indexed cash unit at valuation date *(in euros)*
2010 plan	02/22/2011	5,360,547	September 2012 September 2013 September 2014	1,322,038 1,087,387 1,111,411	
2011 plan	02/22/2012	4,821,879	September 2013 September 2014 October 2015	1,376,149 1,434,106 -	5.06
2012 plan	02/17/2013	5,275,539	September 2014 October 2015 October 2016	1,895,722 - -	4.82
2013 plan	02/19/2014	5,095,419	October 2015 October 2016 October 2017		4.85
2014 plan	02/18/2015	4,588,203	October 2016 October 2017 October 2018		4.42

* *The number of probable units on the vesting date is hedged by equity swaps. Settlement is subject to presence and performance conditions.*

Short-term cash-settled payment plans indexed to the Natixis share

Year of plan	Grant date	Vesting dates	Value of indexed cash unit *(in euros)*	Number of indexed cash units granted at inception	Number of probable indexed cash units at vesting date	Fair value of indexed cash unit at valuation date *(in euros)*
2014 plan	02/18/2015	03/01/2015	5.49	4,745,322	4,745,322	5.49

The expense associated with the short-term plan, estimated based on the probability of the presence condition being met, is fully recognized in the 2014 financial statements in the amount of €34 million.

Share-based payment plans

Year of plan	Grant date	Number of shares granted at inception	Vesting dates	Number of units vested by the beneficiaries	Bonus share price at grant date *(in euros)*	Fair value of bonus share on valuation date *(in euros)*
2010 plan	02/22/2011	6,459,081	February 2012 February 2013 February 2014	1,887,473 1,804,135 1,737,744	4.13	
2011 plan	02/22/2012	6,095,058	March 2013 March 2014 March 2015	1,912,194 1,889,845 -	2.34	1.83
2012 plan	02/17/2013	1,656,630	March 2014 March 2015 March 2016	531,233	2.84	2.12
2014 plan	07/31/2014	31,955	July 2018		4.83	4.02

Settlement is subject to presence and performance conditions.

Expense for the period for loyalty and performance plans

in millions of euros	Fiscal year 2014 Plans settled in shares	Fiscal year 2014 Plans settled in cash indexed to Natixis shares	Fiscal year 2014 Total	Fiscal year 2013
Prior loyalty plans	(2)	(34)	(36)	(39)
Loyalty plans from the Fiscal year		(8)	(8)	(5)
TOTAL	**(2)**	**(42)**	**(43)**	**(45)**

Valuation inputs used to assess the expense relative to these plans

	12/31/2014	12/31/2013
Share price	5.49	4.27
Risk-free interest rate	0.00%	0.15%
Dividend pay-out ratio	5.29%	4.21%
Loss of rights rate	4.25%	4.48%

Loyalty and performance plans paid in cash

Some employees are awarded loyalty and performance bonuses with deferred payment in cash. These bonuses are subject to attendance and performance conditions. In accounting terms, they are assimilated to "Other long-term benefits." The estimated expense accounts for an actuarial estimate of these conditions being met. It is spread over the vesting period for the rights. The staggered amount, calculated and recognized in the accounts for 2014, is as follows:

Year of plan	Grant date	Vesting dates	Fiscal year 2014 *(in millions of euros)*	Fiscal year 2013 *(in millions of euros)*
2010 plan	02/22/2011	March 2012 March 2013 March 2014	0	(3)
2011 plan	02/22/2012	March 2013 March 2014 March 2015	(3)	(6)
2012 plan	02/17/2013	March 2014 March 2015 March 2016	(7)	(9)
2013 plan	02/19/2014	March 2015 March 2016 March 2017	(8)	(12)
2014 plan	02/18/2015	March 2016 March 2017 March 2018	(9)	
TOTAL			**(27)**	**(31)**

Stock option plans for Natixis employees under the corporate savings plan

No expense was recognized in the Group's accounts because the financial cost represented by the haircut given when Natixis Group employees subscribe for shares as part of the corporate savings plan, valued in light of the five-year lock-up of the shares issued, is zero.

Plan	2013	2014	2014
Entity	Natixis	Natixis	Coface
Date	04/04/2013	03/14/2014	06/12/2014
Maturity	5 years	5 years	5 years
Reference price *(in euros)*	3.49	5.05	10.40
Subscription price *(in euros)*	2.80	4.04	8.34
Face value discount	19.79%	20.00%	20.00%
Number of shares subscribed	8,439,630	9,951,325	255,347
Total amount subscribed *(in millions of euros)*	24	40	2
Risk-free interest rate	1.26%	0.84%	0.84%
Yearly securities lending rate *(repo)*	0.50%	0.16%	0.16%
Lending rate for market participants *(5 years)*	6.72%	5.47%	5.47%
Cost of lock-up	25.74%	21.28%	21.30%

Note 10 Segment reporting

BPCE SA group is structured around its two core businesses:

Commercial Banking and Insurance, including:

- Insurance and the Other networks, chiefly comprising the Group's non-controlling interest in CNP Assurances, Real Estate Financing, whose results predominantly reflect the contribution of the Crédit Foncier Group, BPCE IOM and Banque Palatine.

At June 30, 2014, Natixis closed its Workout portfolio management business (GAPC), with the residual positions transferred to Wholesale Banking.

Wholesale Banking, Investment Solutions and Specialized Financial Services are Natixis' core businesses:

- Wholesale Banking, which has now established itself as BPCE's bank serving large corporate and institutional customers;
- Investment Solutions, with asset management, insurance and private banking;
- Specialized Financial Services, which includes factoring, lease financing, consumer credit, sureties and guarantees, employee benefits planning, payments and securities services.

Equity interests is the third business segment, consisting of Natixis' interests in Coface, Corporate Data Solutions, Natixis Algérie and Natixis Private Equity.

Figures for the Corporate center division primarily include:

- Natixis' Workout portfolio management business until June 30, 2014 and the former CNCE proprietary trading and delegated management businesses under run-off management;
- the Group's central institution and holding company;
- the revaluation of the Group's own senior debt;
- the impacts of the dynamic management of Crédit Foncier's balance sheet (disposals of securities and buyback of liabilities);
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy.

The 2013 financial statements were presented pro forma of the buyback (followed by their cancellation) of the cooperative investment certificates by the Banque Populaire banks and the Caisses d'Epargne and of the transfer of BPCE Assurances to Natixis Assurances (under the Investment Solutions division).

The presentation of the business lines in 2014 includes the following changes:

- the Commercial Banking and Insurance division now comprises three sub-divisions: the Banque Populaire network, the Caisse d'Epargne network and Insurance and Other networks. These changes led to:
  - the reclassification of Natixis Algérie and Hô-chi-Minh from the Commercial Banking and Insurance division under the Equity interests division,
  - the transfer of cross-business activities (resources entities, the Group's Central Finance functions), investment activities (private equity, real estate) and other activities from the Commercial Banking and Insurance division to Corporate center;
- the Caceis holding was transferred from the SFS sub-division to Other businesses;
- BPCE Assurances was transferred from Commercial Banking and Insurance to Wholesale Banking, Investment Solutions and Specialized Financial Services following the transfer of BPCE Assurances to Natixis Assurance;
- the name of the Workout portfolio management and Corporate center division was changed to Corporate center after the GAPC Workout portfolio management business was closed on June 30, 2014.

Segment reporting for BPCE SA group in previous periods has been restated accordingly.

10.1 SEGMENT ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

Results by division[(1)]

	Commercial Banking and Insurance		Wholesale Banking, Investment Solutions and SFS		Equity interests		Corporate center		BPCE SA group	
in millions of euros	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf
Net banking income	1,583	1,533	6,862	6,568	828	855	(494)	(473)	8,779	8,483
Operating expenses	(1,062)	(1,055)	(4,548)	(4,283)	(692)	(749)	(358)	(522)	(6,660)	(6,609)
Gross operating income	**521**	**478**	**2,314**	**2,285**	**136**	**106**	**(852)**	**(995)**	**2,119**	**1,874**
Cost/income ratio	67.1%	68.8%	66.3%	65.2%	83.6%	87.6%	ns	ns	75.9%	77.9%
Cost of risk	(191)	(355)	(257)	(372)	(10)	(7)	5	(59)	(453)	(793)
Share in income of associates	182	174	39	17	(78)	4	(88)	2	55	197
Gains or losses on other assets	1	14	2	1		(30)	72	40	75	25
Change in value of goodwill							(51)	(8)	(51)	(8)
Income before tax	**513**	**311**	**2,098**	**1,931**	**48**	**73**	**(914)**	**(1,019)**	**1,745**	**1,296**
Income tax	(121)	(56)	(674)	(632)	(53)	(44)	235	319	(613)	(413)
Non-controlling interests	(20)	(16)	(436)	(380)	(41)	(16)	89	111	(408)	(301)
Net income attributable to equity holders of the parent	**372**	**239**	**988**	**919**	**(46)**	**13**	**(590)**	**(589)**	**724**	**582**
Transition from pro forma to published net income attributable* to equity holders of the parent	-	46	-	(16)	-	-	-	944	-	974
PUBLISHED NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**372**	**285**	**988**	**903**	**(46)**	**13**	**(590)**	**355**	**724**	**1,556**

* *Excluding the Banque Populaire banks, Caisses d'Epargne and their consolidated subsidiaries.*

Results of the Commercial Banking and Insurance sub-divisions

	Banque Populaire banks		Caisses d'Epargne		Insurance and Other networks		Commercial Banking and Insurance	
in millions of euros	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf
Net banking income					1,583	1,533	1,583	1,533
Operating expenses					(1,062)	(1,055)	(1,062)	(1,055)
Gross operating income					**521**	**478**	**521**	**478**
Cost/income ratio					67.1%	68.8%	67.1%	68.8%
Cost of risk			-		(191)	(355)	(191)	(355)
Share in income of associates			4	4	178	170	182	174
Gains or losses on other assets			-		1	14	1	14
INCOME BEFORE TAX	**-**	**-**	**4**	**4**	**509**	**307**	**513**	**311**

Results of the Wholesale Banking, Investment Solutions and Specialized Financial Services sub-divisions

	Wholesale Banking		Investment Solutions		Specialized Financial Services		Wholesale Banking, Investment Solutions and SFS	
in millions of euros	2014	2013 pf	2014	2013 pf	2014	2013 pf	2014	2013 pf
Net banking income	2,781	2,867	2,818	2,447	1,263	1,254	6,862	6,568
Operating expenses	(1,712)	(1,657)	(2,004)	(1,793)	(832)	(833)	(4,548)	(4,283)
Gross operating income	**1,069**	**1,210**	**814**	**654**	**431**	**421**	**2,314**	**2,285**
Cost/income ratio	61.6%	57.8%	71.1%	73.3%	65.9%	66.5%	66.3%	65.2%
Cost of risk	(186)	(312)	5	19	(76)	(79)	(257)	(372)
Share in income of associates	21		17	17	1		39	17
Gains or losses on other assets		1	(13)	1	15	(1)	2	1
INCOME BEFORE TAX	**904**	**899**	**823**	**691**	**371**	**341**	**2,098**	**1,931**

(1) *Pro forma impact in 2013 of the transfer of BPCE Assurances to Natixis and the buyback (followed by their cancellation) by the Banque Populaire banks and the Caisses d'Epargne of the cooperative investment certificates (CICs) held by Natixis: -€974 million, of which +€58 million in net banking income, -€12 million in operating expenses, -€1,448 million in gains and losses on other assets, +€83 million in income tax and +€345 million in non-controlling interests.*

10.2 SEGMENT ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

	Commercial Banking and Insurance		Wholesale Banking, Investment Solutions and SFS		Equity interests		Corporate center		BPCE SA group	
in millions of euros	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Segment assets	162,196	168,814	526,983	434,827	5,347	3,780	109,284	109,029	803,810	716,451
Segment liabilities[(1)]	139,872	113,998	485,474	405,304	4,027	3,460	80,947	121,946	710,320	644,708

(1) Segment liabilities represent liabilities related for equity and other liabilities (notably including tax liabilities and other liabilities and provisions).

10.3 SEGMENT REPORTING BY GEOGRAPHIC REGION

The geographic analysis of segment assets and results is based on the location where business activities are accounted for.

Net banking income

in millions of euros	2014	2013 pf
France	4,859	4,845
Rest of Europe	1,113	1,012
North America	2,125	1,828
ROW	683	798
TOTAL	**8,779**	**8,483**

Total segment assets

in millions of euros	2014	2013
France	676,929	613,345
Rest of Europe	27,937	27,783
North America	69,164	55,734
ROW	29,780	19,589
TOTAL	**803,810**	**716,451**

Note 11 Commitments

11.1 FINANCING COMMITMENTS

The amounts shown correspond to the nominal value of commitments given.

in millions of euros	12/31/2014	12/31/2013
Financing commitments given to:		
credit institutions	31,829	37,820
From customers	72,997	77,198
– credit facilities granted	55,612	56,408
– other commitments	17,385	20,790
TOTAL FINANCING COMMITMENTS GIVEN	**104,826**	**115,018**
Financing commitments received from:		
credit institutions	48,707	59,762
customers	16,118	11,842
TOTAL FINANCING COMMITMENTS RECEIVED	**64,825**	**71,604**

11.2 GUARANTEE COMMITMENTS

in millions of euros	12/31/2014	12/31/2013
Guarantee commitments given to:		
credit institutions	3,398	1,835
customers[1]	24,804	30,246
other securities pledged as collateral[2]		52,858
Total guarantee commitments given	**28,202**	**84,939**
Guarantee commitments received from:		
credit institutions	14,775	13,906
customers	96,293	61,703
other securities received as collateral[2]		128,390
TOTAL GUARANTEE COMMITMENTS RECEIVED	**111,068**	**203,999**

(1) The guarantees given by CEGC in connection with its activity are treated as insurance policies for accounting purposes, in accordance with IFRS 4 "Insurance contracts" and are recorded on the liabilities side of the balance sheet. The nominal amount of these guarantees at December 31, 2014 is not included in guarantees given to customers shown in the table above.

(2) Beginning on December 31, 2014, "Other securities pledged as collateral" and "Other securities received as collateral" appear in part in Note 13, "Financial assets transferred and not fully derecognized and other financial assets pledged as collateral" and have been partially reclassified in guarantee commitments.
If this treatment had been applied in December 2013, guarantee commitments received from banks would have been €15,104 million, and guarantee commitments received from clients would have been €92,970 million.

Guarantee commitments given are primarily off-balance sheet commitments.

Note 12 Related-party transactions

For BPCE SA group, related parties are considered to be all consolidated companies, including companies carried under the equity method, BPCE, Natixis and the Group's company directors.

12.1 TRANSACTIONS WITH CONSOLIDATED COMPANIES

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation.

The statement below only provides data on intercompany transactions concerning:

- companies over which the Group exercises joint control (proportionately consolidated) in respect of the non-eliminated portion (joint ventures): no significant transactions were identified in this category;
- entities over which the Group exercises significant influence and which are equity-accounted (associates): the Group received fees and commissions from Groupe CNP Assurances of €875 million in 2014 (€848 million in 2013).

A list of fully consolidated subsidiaries is presented in the scope of consolidation section (see Note 17).

12.2 TRANSACTIONS WITH COMPANY DIRECTORS

The Group's company directors are the members of the Management Board and Supervisory Board of BPCE. The post-employment benefits, long-term benefits and termination benefits of BPCE's company directors are described in Chapter 2 of the registration document on Corporate governance.

Short-term benefits

Short-term benefits paid out by BPCE to company directors amounted to €4 million in 2014 (€4 million in 2013).

These include remuneration, directors' attendance fees and benefits paid to members of the Management Board and of the Supervisory Board.

Post-employment benefit commitments, long-term benefits and termination benefits

The amount provisioned by BPCE in respect of retirement bonuses came to €4 million in 2014 (€3 million in 2013).

Note 13 Transferred financial assets, other financial assets pledged as collateral and assets received as collateral that can be sold or repledged

13.1 TRANSFERRED FINANCIAL ASSETS NOT FULLY DERECOGNIZED AND OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL

	Carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2014
Financial assets pledged as collateral					
Financial assets held for trading	1,811	37,460	0	1,669	40,940
Financial assets designated at fair value through profit or loss	0	0	214	0	214
Available-for-sale financial assets	0	3,538	6,693	0	10,231
Loans and receivables	0	29	21,598	6,439	28,066
Held-to-maturity assets	0	79	0	0	79
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**1,811**	**41,106**	**28,505**	**8,108**	**79,530**
o/w transferred financial assets not fully derecognized	***1,811***	***41,106***	***20,784***	***8,108***	***71,809***

The amount of liabilities associated with financial assets pledged as collateral for repurchase agreements came to €38,008 million (€37,703 million at December 31, 2013).

The fair value of securitizations pledged as collateral was €8,108 million at December 31, 2014 (€4,343 million at December 31, 2013), all of which comprised transferred assets not fully derecognized.

	Carrying amount*				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2013
Financial assets pledged as collateral					
Financial assets held for trading	262	31,046	0	1,010	32,318
Financial assets designated at fair value through profit or loss	1,376	246	274	0	1,896
Available-for-sale financial assets	363	6,319	6,990	123	13,796
Loans and receivables	544	78	28,217	3,210	32,049
Held-to-maturity assets	91	1,472	121	0	1,684
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**2,636**	**39,162**	**35,603**	**4,343**	**81,743**
o/w transferred financial assets not fully derecognized	***2,636***	***39,162***	***31,286***	***4,343***	***77,426***

* *The information pertaining to the 2013 Fiscal year has been restated.*

In accordance with French law, the intrinsic guarantees attached to issues of covered bonds is not recognized under guarantee commitments given. The covered bonds issued by BPCE SFH and Compagnie de Financement Foncier benefit from a legal privilege comprised of eligible assets.

13.1.1 Comments on transferred financial assets:

Securities repurchasing and lending

BPCE SA group repurchases and loans securities.

Under the terms of the agreements, the securities may be sold on by the purchaser throughout the duration of the repurchase or lending operation. The purchaser must nevertheless return them to the vendor at the transaction's maturity. The cash flows generated by the securities are also transmitted to the vendor.

The Group believes that it has retained almost all of the risks and benefits of the securities repurchased or loaned. They have therefore not been derecognized. Financing has been recorded in liabilities for the repurchasing or lending of financed securities.

Sales of receivables

BPCE SA group sells receivables as security (Articles L. 211-38 or L. 313-23 *et seq.* of the French Monetary and Financial Code) under guaranteed refinancing operations, particularly with the central bank. This type of disposal for security involves the legal transfer of the associated contractual rights, and therefore the "transfer of assets" within the meaning of the amendment to IFRS 7. The Group nevertheless remains exposed to virtually all the risks and benefits, and as such the receivables are maintained on the balance sheet.

Securitizations consolidated with outside investors

Securitizations consolidated with outside investors constitute an asset transfer according to the amendment to IFRS 7.

The Group has an indirect contractual obligation to transfer to outside investors the cash flow from assets transferred to the securitization fund (although these assets are included in the Group's balance sheet through the consolidation of the fund).

In the interest of transparency, for consolidated securitization transactions:

- the share of receivables sold attributable to external investors is considered to be pledged as collateral to third parties;
- the share of receivables sold attributable to units and bonds subscribed for by the Group, and eliminated in consolidation, is not considered to be pledged as collateral unless these securities were used as part of a refinancing mechanism.

13.1.2 Comments on financial assets pledged as collateral but not transferred

Financial assets provided as collateral but not transferred are generally pledged. The main mechanisms involved are Banques Populaires Covered Bonds, GCE Covered Bonds, the CRH (*Caisse de refinancement de l'habitat*), BPCE home loans FCT and securities pledged as collateral for ECB refinancing operations.

Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds is not recognized under guarantee commitments given.

The covered bonds issued by BPCE SFH and Compagnie de Financement Foncier benefit from a legal privilege comprised of eligible assets.

13.1.3 Financial assets received as collateral that can be sold or repledged

This heading covers financial assets received as security under financial guarantee agreements with the right to reuse the assets in the absence of any default on the part of the owner of the guarantee.

The fair value of the financial assets received as collateral that BPCE SA group may sell or repledge amounted to €236 billion at December 31, 2014, compared to €114 billion at December 31, 2013.

The fair value of the financial assets received as collateral that were actually sold or repledged amounted to €357 billion at December 31, 2014.

13.2 FULLY DERECOGNIZED FINANCIAL ASSETS FOR WHICH THE GROUP RETAINS AN ONGOING COMMITMENT

Fully derecognized transferred financial assets for which BPCE SA group retains on ongoing commitment consist of asset transfers to a deconsolidated securitization vehicle in which BPCE SA group has an interest or an obligation, although the latter do not call into question the transfer of almost all of the benefits and risks relating to the assets transferred.

Ongoing commitments retained by BPCE SA group in relation to securitization vehicles were not significant on December 31, 2014.

Note 14 Offsetting financial assets and financial liabilities

Financial assets and liabilities offset on the balance sheet were offset in accordance with the criteria of IAS 32. Under this standard, a financial asset and financial liability are offset and a net balance is recorded in the balance sheet if and only if:

- the Group has the legally enforceable right to offset the recorded amounts; and
- it has the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Within BPCE SA group, most offset amounts are the result of repurchase agreements and derivatives transactions carried out by Natixis with clearing houses.

The gross amounts offset comprise derivatives and repurchase agreements carried out with clearing houses for which the IAS 32 criteria were met:

- for derivatives, the information is presented in consideration of the effects of the currency offset between asset valuations and liability valuations of the derivatives processed through the "LCH Clearnet Ltd" clearing house *via* the "Swapclear" clearing system;
- for repurchase agreements, the information presented includes repurchase agreements processed through clearing houses LCH Clearnet Ltd (Repoclear), LCH Clearnet SA, Eurex AG and Fixed Income Clearing Corporation (FICC). Natixis records on its balance sheet the net value of repurchase and reverse repurchase agreements that:
  - are carried out with the same clearing house,
  - have the same maturity date,
  - relate to the same security and the same custodian,
  - are denominated in the same currency.

  As stated in Note 2.2, Natixis amended the offsetting rules for repurchase agreements handled with clearing houses LCH Clearnet Ltd, LCH Clearnet SA and Eurex AG and no longer takes the ISIN code into account. This change, applied on December 31, 2013, would have led Natixis to offset €13.9 billion.

  Financial assets and liabilities "under netting agreements not offset on the balance sheet" comprise transactions under netting agreements or similar, but that do not meet the restrictive netting criteria set by IAS 32. This is particularly the case for derivatives or OTC repurchase agreements subject to master agreements under which the net settlement criteria or realization of a simultaneous settlement of the asset and liability cannot be demonstrated or for which the offsetting right can only be exercised in the event of default, insolvency or bankruptcy by one of the parties to the agreement.

  For these instruments, the "Related financial assets and financial instruments received as collateral" and "Related financial liabilities and financial instruments pledged as collateral" include in particular;
- for repurchase agreements:
  - loans or borrowings resulting from reverse repurchase agreements with the same counterparty, and securities pledged or received as collateral (for the fair value of said securities),
  - margin calls in the form of securities (for the fair value of said securities);
- for derivatives, the fair values of the reverse transactions with the same counterparty, as well as the margin calls in the form of securities.

Margin calls received or paid in cash are shown in "Margin calls received (cash collateral)" and "Margin calls paid (cash collateral)."

14.1 FINANCIAL ASSETS

Financial assets under netting agreements offset in the balance sheet

in millions of euros	12/31/2014 Gross amount of financial assets	12/31/2014 Gross amount of financial liabilities offset in the balance sheet	12/31/2014 Net amount of financial assets recognized in the balance sheet	12/31/2013 Gross amount of financial assets	12/31/2013 Gross amount of financial liabilities offset in the balance sheet	12/31/2013 Net amount of financial assets recognized in the balance sheet
Derivatives (trading and hedging)	124,231	37,324	86,907	96,193	29,618	66,575
Repurchase agreements	78,816	10,915	67,901	69,692	419	69,273
Financial assets at fair value	**203,047**	**48,239**	**154,808**	**165,885**	**30,037**	**135,848**
Repurchase agreements	43,042	4,279	38,763	25,471	1,666	23,805
Loans and receivables	**43,042**	**4,279**	**38,763**	**25,471**	**1,666**	**23,805**
TOTAL	**246,089**	**52,518**	**193,571**	**191,356**	**31,703**	**159,653**

Financial assets under netting agreements not offset in the balance sheet

in millions of euros	12/31/2014 Net amount of financial assets recognized in the balance sheet	12/31/2014 Related financial liabilities and financial instruments received as collateral	12/31/2014 Margin calls received *(cash collateral)*	12/31/2014 Net exposure	12/31/2013 Net amount of financial assets recognized in the balance sheet	12/31/2013 Related financial liabilities and financial instruments received as collateral	12/31/2013 Margin calls received *(cash collateral)*	12/31/2013 Net exposure
Derivatives	86,907	41,276	15,571	30,060	66,575	35,901	7,518	23,155
Repurchase agreements	106,664	48,053	13	58,599	93,078	75,016	148	17,914
TOTAL	**193,571**	**89,329**	**15,584**	**88,659**	**159,653**	**110,917**	**7,667**	**41,069**

14.2 FINANCIAL LIABILITIES

Financial liabilities under netting agreements offset in the balance sheet

in millions of euros	12/31/2014 Gross amount of financial liabilities	12/31/2014 Gross amount of financial assets offset in the balance sheet	12/31/2014 Net amount of financial liabilities recognized in the balance sheet	12/31/2013 Gross amount of financial liabilities	12/31/2013 Gross amount of financial assets offset in the balance sheet	12/31/2013 Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	122,494	37,324	85,170	92,318	29,618	62,700
Repurchase agreements	86,607	10,915	75,692	64,817	419	64,398
Financial liabilities designated at fair value	**209,101**	**48,239**	**160,862**	**157,135**	**30,037**	**127,098**
Repurchase agreements	48,162	4,279	43,883	32,064	1,666	30,398
Debt	**48,162**	**4,279**	**43,883**	**32,064**	**1,666**	**30,398**
TOTAL	**257,263**	**52,518**	**204,745**	**189,199**	**31,703**	**157,496**

Financial liabilities under netting agreements not offset in the balance sheet

in millions of euros	12/31/2014 Net amount of financial liabilities recognized in the balance sheet	12/31/2014 Related financial assets and financial instruments pledged as collateral	12/31/2014 Margin calls paid *(cash collateral)*	12/31/2014 Net exposure	12/31/2013 Net amount of financial liabilities recognized in the balance sheet	12/31/2013 Related financial assets and financial instruments pledged as collateral	12/31/2013 Margin calls paid *(cash collateral)*	12/31/2013 Net exposure
Derivatives	85,170	41,415	14,440	29,315	62,700	36,497	9,427	16,776
Repurchase agreements	119,575	45,135	0	74,440	94,796	70,063	12	24,721
TOTAL	**204,745**	**86,550**	**14,440**	**103,755**	**157,496**	**106,560**	**9,439**	**41,497**

Note 15 Fair value of financial assets and liabilities at amortized cost

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not likely to be realized and, generally-speaking, are not actually realized.

These fair values are thus only calculated for information purposes in the notes to the financial statements. They are not indicators used in the interest of overseeing commercial banking activities, for which the management model is based on collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortized costs are presented in Note 4.1.6.

in millions of euros	12/31/2014 Fair value	12/31/2014 Price quoted in an active market (Level 1)	12/31/2014 Measurement techniques using observable data (Level 2)	12/31/2014 Measurement techniques using unobservable data (Level 3)	12/31/2013* Fair value	12/31/2013* Price quoted in an active market (Level 1)	12/31/2013* Measurement techniques using observable data (Level 2)	12/31/2013* Measurement techniques using unobservable data (Level 3)
FINANCIAL ASSETS AT AMORTIZED COST								
Loans and receivables due from credit institutions	131,185	332	119,229	11,624	135,817	845	120,205	14,767
Loans and receivables due from customers	234,694	815	59,871	174,008	209,632	5,719	39,652	164,261
Held-to-maturity financial assets	4,948	4,286	314	348	5,235	4,662	438	135
FINANCIAL LIABILITIES AT AMORTIZED COST								
Amounts due to credit institutions	121,873	0	101,791	20,082	124,341	0	103,364	20,977
Amounts due to customers	79,358	0	67,615	11,743	79,693	0	55,365	24,328
Debt securities	246,312	827	126,477	119,008	204,451	243	108,440	95,768
Subordinated debt	16,987	0	16,171	816	11,708	0	11,631	77

* *Adjusted amount compared to financial statements at December 31, 2013.*

Note 16 Interests in non-consolidated structured entities

16.1 NATURE OF INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

A non-consolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. As a result, the interests held in a joint venture or associate which is classed as a structured entity falls within the scope of this note.

The same is true of controlled structured entities that are fully consolidated due to threshold reasons.

This includes all structured entities in which BPCE SA group holds an interest and intervenes in one or more of the following capacities:

- originator/structurer/arranger;
- placement agent;
- manager of relevant activities;
- or, in any other capacity that has a major impact on the structuring or management of the transaction (*e.g.* provision of financing, guarantees or structuring derivatives, tax investor, major investor, etc.).

An interest in a structured entity corresponds to all types of relationship, contractual or not, that exposes BPCE SA group to a risk of fluctuations in returns relating to the entity's performance. Such interests may be proven by, among other things, the holding of equity or debt instruments, as well as other forms of connections, such as funding, granting of guarantees or derivatives exposing BPCE SA group to the fluctuations in returns for the structured entity.

As a result, the following are not included in the scope of this note:

- structured entities which are associated with BPCE SA group through a current transaction alone. This corresponds to an unstructured financial instrument which generally does not have a material impact on the variability of the structured entity's returns and which could be concluded by BPCE SA group with structured entities or classically-governed entities alike. The main kinds of current transactions are:
  - plain vanilla fixed-income, foreign exchange and other underlying derivatives, as well as securities lending/borrowing and repurchase agreement transactions,
  - plain vanilla guarantees and financing granted to family non-trading real estate companies (SCI) or to certain holdings;
- external structured entities in which BPCE SA group simply acts as an investor. These notably include:
  - investments in external UCITS that the Group does not manage, except for those in which the Group owns almost all the shares,
  - interests held in securitization vehicles (exposures on these funds are included in the information published on exposures falling under the Financial Stability Forum (FSF) in the risk management report (Chapter 3 of the registration document)),
  - a limited scope of interests held in real estate funds or external funds in which BPCE SA group acts as a simple minority investor.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitization vehicles, entities created as part of structured financing and entities created for other types of transaction.

Asset management

Financial asset management (also known as portfolio management or Asset Management) consists of managing equity or funds entrusted by investors by investing in equities, bonds, cash SICAV, hedge funds, etc.

The asset management line of business which uses structured entities is represented by collective management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitization structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds and private equity funds.

Securitization

Securitization transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitization transactions used and which require the intervention of structured entities are as follows:

- transactions where the Group (or a subsidiary) sells on their own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitization transactions on behalf of third parties. These transactions consist of housing in a dedicated structure (generally a special purpose entity (SPE)) the assets belonging to another company. The SPE issues shares that can, in certain cases, be subscribed to directly by investors, or subscribed to by a multi-seller conduit which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine or terrestrial transport, telecommunications, etc.), real estate assets and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity in which is housed a specific financing transaction on behalf of a customer. This is a contractual and structural organization. The particularities of these types of financing are related to risk management, with use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

16.2 NATURE OF RISKS RELATING TO INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

Assets and liabilities recognized in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities.

Maximum exposure to the risk of loss equals the cumulative amount of interest posted to the assets side of the balance sheet and the guarantees given, minus the provisions posted on the liabilities side and guarantees received:

For asset management (business) entities, the guarantees given are primarily the capital guarantees and/or performance guarantees given to UCITS.

- The "Notional amount of derivatives" line item includes the sales of options and CDS made with structured entities.
- The guarantees received are granted by third parties to hedge the Group's exposure to structured entities.

The data in question is presented below, aggregated based on their activity classification.

in millions of euros	Securitization	Asset management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**484**	**5,523**	**1,069**	**2**
Trading derivatives	325	132	119	2
Trading instruments (excluding derivatives)	140	1,528	151	0
Financial instruments designated at fair value through profit or loss	19	3,863	799	0
Available-for-sale financial assets	**248**	**2,390**	**46**	**27**
Loans and receivables	**2,543**	**1,640**	**11,468**	**1,175**
Other assets	**75**	**62**	**9**	**32**
TOTAL ASSETS	**3,350**	**9,615**	**12,592**	**1,236**
Financial liabilities at fair value through profit or loss	**230**	**112**	**27**	**3**
Provisions	**0**	**0**	**8**	**5**
TOTAL LIABILITIES	**230**	**112**	**35**	**8**
Financing commitments given	**3,962**	**451**	**1,533**	**789**
Guarantee commitments given	**511**	**10,294**	**645**	**64**
Guarantees received	**2**	**911**	**10,263**	**1**
Notional amount of derivatives	**3,301**	**0**	**1,679**	**65**
MAXIMUM LOSS EXPOSURE	**11,122**	**19,449**	**6,178**	**2,148**
SIZE OF STRUCTURED ENTITIES	**36,567**	**126,785**	**53,458**	**4,542**

The size criterion used varies according the types of structured entities:

- asset management, the net assets of collective investment vehicles (other than securitization);
- structured financing: the total amount of financing outstandings remaining due by the entities;
- securitization: the total amount of the issuance as a liability;
- other entities: the entity's balance sheet total.

The Group did not grant any financial support to unconsolidated structured entities in fiscal year 2014.

16.3 INCOME AND CARRYING AMOUNT FROM ASSETS TRANSFERRED TO SPONSORED NON-CONSOLIDATED STRUCTURED ENTITIES

A structured entity is sponsored by a group entity when the two following indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian or placement agent, the structured entity is not considered to be sponsored.

Groupe BPCE plays the role of sponsor for:

- asset management: UCITS initiated by a management company belonging to Groupe BPCE and in which Groupe BPCE holds no investment or any other interest. Reported income includes management and outperformance fees charged by Groupe BPCE entities, as well as profit and loss from ordinary business with these funds;
- securitization: the revenues mainly concern a US activity of origination and disposal of portfolios of home loans to securitization vehicles created by the Natixis subsidiary with third parties and in which Natixis holds no interests. Reported income includes structuring fees as well as gains or losses on the disposal of receivables.

5

For the non-consolidated structured entities that the Group sponsored without holding any interests, the impact on the financial statements is presented below:

in millions of euros	Securitization	Asset management
Income from entities	46	950
Net interest income	0	2
Net fee and commission income	1	939
Net gains or losses on financial instruments at fair value through profit and loss	45	9
Carrying amount of assets transferred to the entity during the Fiscal year	**2,007**	**0**

The carrying amount of the assets transferred to these vehicles equals the assets assigned during 2014 when information on the amounts assigned by all investors is not available.

Note 17 Consolidation scope

17.1 CHANGES IN SCOPE OF CONSOLIDATION DURING FISCAL YEAR 2014

The main changes in the scope of consolidation during 2014 are presented below:

Changes in scope related to the first application of IFRS 10 and IFRS 11

The first application of IFRS 10 and IFRS 11 resulted in:

- the consolidation of the Versailles and Bleachers multi-seller conduits and of five invested funds representing unit-linked insurance policies (Fructifonds Profil 3, Fructifonds Profil 6, Fructifonds Profil 9, Zelis Actions Monde and Odeis 2006 PR);
- the equity-method consolidation by Natixis of EDF Investment Group (EIG).

The impact of these changes on the consolidated financial statements is described in Note 2.3.

Changes in the ownership interest in subsidiaries still under control at December 31, 2014

During fiscal year 2014, the major changes in the ownership interest in controlled subsidiaries were as follows:

	Group ownership interests		Impact of changes in ownership interests on equity*	
in millions of euros	At opening	At closing	Attributable to equity holders of the parent	Non-controlling interests
Coface: partial disposal of its interest by Natixis	71.96%	29.51%	(71)	995
BPCE Assurances: transfer of interest to Natixis Assurances	46.38%	42.91%	(74)	8
Natixis: change in the Group's ownership interest	71.96%	71.51%	(73)	73

* *Excluding unrealized gains and losses recognized directly in equity.*

Loss of control of subsidiaries

During the year, the Group did not record a material impact from the loss of control of a subsidiary.

17.2 SECURITIZATION TRANSACTIONS

Securitization is a financial engineering technique that aims to enhance balance sheet liquidity. From a technical perspective, assets to be securitized are grouped according to the quality of the associated collateral or guarantees, and sold to special purpose entities that finance their acquisition by issuing securities purchased by investors.

Entities created specifically for this purpose are consolidated if the Group exercises control over it. Control is assessed according to the criteria provided in IFRS 10.

The following statement lists the securitization transactions carried out by the Commercial Banking and Insurance entities without (total or partial) derecognition:

in millions of euros	Type of assets	Year of inception	Expected maturity	Nominal at inception	Balance at 12/31/2014
Partimmo 05/2003	Residential mortgage loans	6/11/2003	July 2021	987	106
Partimmo 11/2003	Residential mortgage loans	11/12/2003	March 2029	1,045	124
Partimmo sub-total				**2,032**	**230**
Zèbre 1	Residential mortgage loans	11/25/2004	October 2031	1,173	131
Zèbre Two	Residential mortgage loans	10/28/2005	July 2024	739	142
Zèbre 2006-1	Residential mortgage loans	11/28/2006	January 2046	689	190
Zèbre sub-total				**2,601**	**463**
TOTAL				**4,633**	**693**

The proprietary securitization transactions initiated by Crédit Foncier group (the "Partimmo" and "Zèbre" transactions) form part of its asset-liability management activities aimed at obtaining market funding on favorable terms. This funding is carried out through the two specialized subsidiaries (Compagnie de Financement Foncier and Vauban Mobilisation Garanties).

These entities are consolidated as the Group has a controlling stake in respect of IFRS 10 criteria.

Securitization transactions carried out with derecognition

On May 16, 2014, Crédit Foncier entered into a public securitization transaction backed by home loans to individuals. To meet prudential requirements, at the start of the project Crédit Foncier identified a portfolio of loans for securitization valued at about €1 billion and kept over 5% of the selected outstandings.

The sale of the portfolio to the FCT involved over 8,900 loans totaling €922 million. The assets received in exchange for the portfolio in addition to cash were recognized at fair value on the balance sheet at the transaction date.

As Crédit Foncier was unable to use its power to influence the amount of their returns, it does not control the FCT within the meaning of IFRS 10.

The loans sold were derecognized within the meaning of IAS 39 because virtually all the portfolio's risks and benefits (prepayments, late payments and credit risks) were transferred.

The impact of this transaction on income for the year was not material.

17.3 GUARANTEED UCITS

Guaranteed UCITS are funds designed to reach a specific amount at the end of a given period, determined by applying a predefined calculation formula based on financial market indicators and, where appropriate, to distribute revenues derived from the investments as determined using the same methods. The portfolio management targets of these funds are guaranteed by a credit institution.

Based on an analysis of the substance of these funds in accordance with IFRS 10, the Group cannot be regarded as holding substantially all the risks and rewards of ownership. Consequently, these entities are not consolidated.

17.4 OTHER INTERESTS IN CONSOLIDATED SUBSIDIARIES AND STRUCTURED ENTITIES

Major restrictions

BPCE SA group has not been faced with any major restrictions relating to stakes held in its structured subsidiaries.

Support of consolidated structured entities

BPCE SA group did not grant any financial support to consolidated structured entities.

17.5 SCOPE OF CONSOLIDATION AT DECEMBER 31, 2014

Only those subsidiaries providing a material contribution are consolidated. Materiality is assessed for consolidated entities based on the principle of ascending materiality. In other words, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

All companies consolidated using the equity method are associates except for the Natixis subsidiary, which is a group in its own right.

	Business	Location[1]	Percentage interest	Consolidation method[2]
I) CONSOLIDATING ENTITY				
BPCE SA		FR	100.00%	FC
II) BPCE SA group subsidiaries				
ALBIANT-IT	IT systems and software consulting	FR	98.35%	FC
BANQUE BCP SAS	Bank	FR	30.00%	EQ
BP COVERED BONDS	Funding	FR	100.00%	FC
BPCE ACHATS	Service company	FR	51.54%	FC
BPCE HOME LOANS	Funding	FR	85.76%	FC
BPCE IMMOBILIER EXPLOITATION	Real estate investment	FR	100.00%	FC
BPCE MASTER HOME LOANS FCT	French securization fund (FCT)	FR	100.00%	FC
BPCE MASTER HOME LOANS DEMUT	French securization fund (FCT)	FR	100.00%	FC
BPCE SFH	Funding	FR	100.00%	FC
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Service company	FR	38.53%	EQ
DELESSERT FCP 2DEC REGPT	BPCE Guarantee and Solidarity fund	FR	100.00%	FC
ESNI	Securitization company	FR	100.00%	FC
GCE CAPITAL	Private equity	FR	100.00%	FC
GCE COVERED BONDS	Funding	FR	100.00%	FC
GCE PARTICIPATIONS	Holding company	FR	100.00%	FC
GIE CE SYNDICATION RISQUES	Guarantee business	FR	37.52%	EQ
NATIXIS GROUP[3]		FR	71.51%	FC
INFORMATIQUE BANQUES POPULAIRES	IT Services	FR	29.52%	EQ
IT-CE	IT Services	FR	34.00%	EQ
MIFCOS	Real estate investment	FR	100.00%	FC
SAS GCE P.AV IMMOBILIER	Office space	FR	100.00%	FC
SOCRAM BANQUE	Bank	FR	33.42%	EQ
SURASSUR	Reinsurance	LU	95.96%	FC
VBI BETEILIGUNG	Bank	AT	24.50%	EQ
Holassure group				
CNP ASSURANCES (GROUP)	Insurance	FR	16.11%	EQ
HOLASSURE	Holding company	FR	100.00%	FC
SOPASSURE	Holding company	FR	49.98%	PC
Groupe BPCE International et Outre-mer				
AL MANSOUR PALACE MAROC	Real estate development	MA	40.00%	EQ
ARAB INTERNATIONAL LEASE	Real estate and non real estate leasing	TN	57.00%	FC
BANQUE DE LA REUNION	Bank	FR	88.90%	FC
BANQUE DE NOUVELLE-CALÉDONIE	Bank	NC	96.85%	FC
BANQUE DE TAHITI	Bank	FP	96.61%	FC
BANQUE DES ANTILLES FRANÇAISES	Bank	FR	100.00%	FC
BANQUE DES ILES SAINT-PIERRE-ET-MIQUELON	Bank	FR	92.28%	FC
BANQUE DES MASCAREIGNES	Bank	MU	100.00%	FC
BANQUE MALGACHE DE L'OCEAN INDIEN	Bank	MG	71.01%	FC
BANQUE TUNISO KOWEITIENNE	Bank	TN	60.00%	FC
BCI BQ COMMERCIALE INTERNATIONALE	Bank	CG	99.99%	FC
BICEC	Bank	CM	68.47%	FC
BM MADAGASCAR	Bank	MG	72.67%	FC
BPCE INTERNATIONAL ET OUTRE MER	Specialized credit institution	FR	100.00%	FC
BPCE MAROC	Real estate development	MA	100.00%	FC
BPCE MAROC IMMOBILIER	Real estate development	MA	100.00%	FC
FRANSA BANK	Bank	FR	40.01%	EQ
INGEPAR	Financial investment advisory services	FR	100.00%	FC
MEDAI SA	Real estate development	TN	66.99%	FC
OCEORANE	Financial investment advisory services	FR	100.00%	FC
NATIXIS PRAMEX INTERNATIONAL	International development and consulting services	FR	99.98%	FC
SKY ELITE TOUR SARL	Real estate development	MA	100.00%	FC
SOCIÉTÉ DE CONSEILS ET D'INTERMEDIATION FINANCIÈRE	Financial investment advisory services	TN	47.98%	FC

	Business	Location(1)	Percentage interest	Consolidation method(2)
EL ISTIFA	Debt collection company	TN	60.00%	FC
SOCIÉTÉ HAVRAISE CALEDONIENNE	Office space	NC	89.80%	FC
SOCIÉTÉ TUNISIENNE DE PROMOTION DES POLES IMMOBILIERS ET INDUSTRIELS	Real estate development	TN	18.00%	EQ
TUNIS CENTER	Real estate development	TN	13.65%	FC
UNIVERS INVEST (SICAR)	Private equity	TN	52.40%	FC
UNIVERS PARTICIPATIONS (SICAF)	Private equity	TN	59.87%	FC
Crédit Foncier group				
BANCO PRIMUS	Bank	PT	100.00%	FC
CRÉDIT FONCIER DE FRANCE	Bank	FR	100.00%	FC
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company	FR	100.00%	FC
COFIMAB	Real estate agent	FR	100.00%	FC
COMPAGNIE DE FINANCEMENT FONCIER	Finance	FR	100.00%	FC
CRÉDIT FONCIER IMMOBILIER	Office space	FR	100.00%	FC
SCA ECUFONCIER	Finance company	FR	100.00%	FC
CRÉDIT FONCIER EXPERTISE	Real estate consulting	FR	100.00%	FC
EUROSCRIBE	Real estate and non real estate leasing	FR	37.28%	EQ
FILIALES LOCI	Real estate and non real estate leasing	FR	74.55%	FC
EUROSCRIBE SAS	Real estate and non real estate leasing	FR	50.00%	FC
OXIANE	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL ACTIV SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL COM SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL HOTEL SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL LOGIS SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL SARL	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBE BAIL TERTIAIRE SAS	Real estate and non real estate leasing	FR	100.00%	FC
SCRIBEURO SAS	Real estate and non real estate leasing	FR	100.00%	FC
FONCIER PARTICIPATIONS	Holding company	FR	100.00%	FC
FONCIÈRE D'EVREUX	Office space	FR	100.00%	FC
GCE COINVEST	Holding company	FR	100.00%	FC
GRAMAT BALARD	Office space	FR	100.00%	FC
LOCINDUS	Real estate and non real estate leasing	FR	74.55%	FC
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate development	FR	49.00%	EQ
SEREXIM	Real estate consulting	FR	100.00%	FC
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company	FR	100.00%	FC
SOCFIM	Bank	FR	100.00%	FC
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company	FR	100.00%	FC
VENDOME INVESTISSEMENTS	Holding company	FR	100.00%	FC
VAUBAN MOBILISATIONS GARANTIES (VMG)	Finance company	FR	100.00%	FC
FCT PARTIMMO 05/2003	French securization fund (FCT)	FR	100.00%	FC
FCT PARTIMMO 11/2003	French securization fund (FCT)	FR	100.00%	FC
FCT ZEBRE 1	French securization fund (FCT)	FR	100.00%	FC
FCT ZEBRE two	French securization fund (FCT)	FR	100.00%	FC
FCT ZEBRE 2006-1	French securization fund (FCT)	FR	100.00%	FC
Banque Palatine group				
ARIES ASSURANCES	Insurance brokerage	FR	100.00%	FC
BANQUE PALATINE	Bank	FR	100.00%	FC
CONSERVATEUR FINANCE	Fund management	FR	20.00%	EQ
PALATINE ASSET MANAGEMENT	Asset management	FR	100.00%	FC
Comments				

(1) Country of location:
AT: Austria - CG: Congo - CM: Cameroon - FR: France - LU: Luxembourg - MA: Morocco - MG: Madagascar - MU: Mauritius - NC: New Caledonia - FP: French Polynesia - PT: Portugal - TN: Tunisia.

(2) Consolidation method:
FC Full consolidation
EQ Equity method
PC Proportionate consolidation

(3) NATIXIS group:
The Natixis group comprises 336 fully-consolidated entities and 12 entities consolidated using the equity method including 10 associates and one joint venture. Its principal subsidiaries are as follows: Coface, Banque Privée 1818, Natixis Global Asset Management, Natixis North America LLC, Natixis Private Equity and Compagnie Européenne de Garanties et Cautions.

5.4 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BPCE

50, avenue Pierre Mendès France

75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of BPCE SA group;
- the justification of our assessments;
- the specific verification and information required by French law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 2.2 "Applicable accounting standards and comparability - Standards" to the consolidated financial statements, which details the changes in methods as a result of the new standards and interpretations applicable as of January 1, 2014.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

CREDIT AND COUNTERPARTY RISK PROVISION

The Group records impairment and provisions to cover the credit and counterparty risks inherent to its activities (Notes 4.1.7, 5.6, 6.7 and 7.1 to the consolidated financial statements). We reviewed the control procedures implemented by the Group to identify risk exposure, monitor credit and counterparty risks, assess the risks of non-recovery and calculate the related impairment and provisions on an individual and portfolio basis.

VALUATION OF FINANCIAL INSTRUMENTS

The Group uses internal models to measure financial instruments that are not quoted in active markets (Notes 4.1.6, 5.5, 6.3 and 6.4 to the consolidated financial statements). We reviewed the control procedures relating to the determination of a particular market as inactive, the validation of the models used and the determination of inputs used.

IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group recognizes impairment on available-for-sale financial assets (Notes 4.1.7, 5.4 and 6.4 to the consolidated financial statements):

- for equity instruments, whenever there is objective evidence of significant or prolonged impairment in the value of these assets;
- for debt instruments, whenever there is a known counterparty risk.

We reviewed the control procedures relating to the identification of evidence of impairment, the valuation of the most significant items, and the estimates leading, where applicable, to the recognition of impairment losses.

INSURANCE-RELATED LIABILITIES

The Group recognizes technical provisions in respect of risks related to insurance contracts (Notes 4.13, 5.17 and 6.5 to the consolidated financial statements). We examined the methodology used to measure these insurance contracts, as well as the main assumptions and parameters used.

GOODWILL IMPAIRMENT

The Group carried out goodwill impairment tests which led, when necessary, to the recognition of impairment (Notes 3.2.3 and 5.13 to the consolidated financial statements). We reviewed the methods and the main inputs and assumptions used when performing these tests, as well as estimates used to recognize any impairment losses.

DEFERRED TAX ASSETS

The Group recognized deferred tax assets, particularly in respect of tax loss carryforwards (Notes 4.12, 5.9 and 6.9 to the consolidated financial statements). We reviewed the main estimates and assumptions that led to the recognition of these deferred tax assets.

PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

The Group records provisions to cover employee benefit obligations (Notes 4.10, 5.18 and 9.2 to the consolidated financial statements). We reviewed the valuation method for these obligations and the main inputs and assumptions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 18, 2015

The Statutory Auditors

KPMG Audit	Mazars	PricewaterhouseCoopers Audit
Department of KPMG SA		
Jean-François Dandé Marie-Christine Jolys	Michel Barbet-Massin Jean Latorzeff	Anik Chaumartin Agnès Hussherr

5.5 BPCE parent company financial statements

5.5.1 BPCE management report

SIGNIFICANT EVENTS OF 2014

Development of the Bancassurance model

Transfer of BPCE Assurances to Natixis

On March 13, 2014, BPCE and Muracef sold their stake (60%, of which 46.38% held by BPCE) in BPCE Assurances to Natixis Assurances, with retroactive effect at January 1, 2014.

In the transfer the existing capital and cooperation agreements with MAIF and MACIF were maintained.

Renewal of the partnership with CNP Assurances

Groupe BPCE and CNP Assurances, whose current insurance distribution agreements expire on December 31, 2015, signed a memorandum of understanding on November 4, 2014 laying down the terms of implementation of the renewed partnership as from January 1, 2016, for a term of seven years.

The renewal of this partnership is fully in line with the Group's "Growing Differently" strategic plan and allows it to consolidate its role as a fully-fledged bancassureur in the interests of its customers.

At the same time, Groupe BPCE confirmed to the Board of Directors of CNP Assurances its intention to remain a stable shareholder of CNP Assurances in accordance with the current shareholders' agreements.

Consolidation of the Group's financial results

Comprehensive assessment of bank balance sheets confirms Groupe BPCE's financial strength

On October 26, 2014, the European Central Bank (ECB) published the results of its evaluation of the largest euro zone banks. This evaluation consisted of an asset quality review (AQR) and stress tests, conducted jointly with the European Banking Authority (EBA). This extremely in-depth review of unprecedented magnitude was performed in preparation for the implementation of the Single Supervisory Mechanism, giving the ECB supervisory authority over the euro zone.

The AQR and stress tests conducted by the ECB and EBA confirmed the financial strength of Groupe BPCE. The Group did not make any changes to its accounting practices as a result of the AQR. However, it did begin an analysis of possible refinements to its methodology or parameters, mainly concerning valuation adjustments and the valuation of certain Level 3 fair value assets, with no material impact on the 2014 financial statements.

Transfer of a Crédit Foncier securitization portfolio

On September 25, 2014, Crédit Foncier sold a portfolio of securitizations of mortgage loans and public assets to BPCE for €11 billion. As part of this transaction, Crédit Foncier repaid the €11 billion loan granted by BPCE and received a subsidy of €629 million from BPCE. Part of the capital freed up by this disposal was paid to BPCE as an interim dividend (€629 million).

This transaction is fully in line with the "Growing Differently" 2014-2017 strategic plan which aims, in particular, to refocus Crédit Foncier on its core businesses in France and to make Compagnie de Financement Foncier's services available to all Group entities.

Support for local authorities

In June 2014, Groupe BPCE was awarded a refinancing budget of €200 million which was offered to the Caisses d'Epargne to allocate to middle school energy renovation projects.

This loan agreement was signed by Daniel Karyotis, Chief Executive Officer of Finance, Risks and Operations at Groupe BPCE during the Banking and Financial Conference for energy transition organized by Ségolène Royal (French Environment, Energy and Sustainable Development Minister) and Michel Sapin (Finance Minister).

This loan program in favor of the French *départements* is aimed at funding the energy component in the construction, renovation and extension of middle schools in France. This program underscores the importance Groupe BPCE places on remaining a cooperative group that is close to its customers and extensively involved in the day-to-day operations of local authorities.

New financing solutions

Establishment of the company Euro Secured Notes Issuer (ESNI)

Created in April 2014 by five French banks - BNP Paribas, Groupe BPCE, Crédit Agricole Group, HSBC France and Société Générale - the company Euro Secured Notes Issuer (ESNI) securitizes bank loans granted to small and medium-sized enterprises (SME) and intermediate-sized enterprises (ISE). The aim is to give banks easier access to liquidity, by allowing them to use new assets (SME and ISE receivables) as collateral on the interbank market and with the Eurosystem. For now, Euro Secured Notes (ESN) may only be used for the refinancing operations carried out by the Banque de France and other private banks. These instruments should help encourage corporate financing by increasing the liquidity of receivables.

On April 11, 2014, the company issued its first ESN for a total of €2.65 billion, of which €450 million was taken up by BPCE. This project is backed by the Banque de France and gives the Paris stock exchange a real competitive edge.

A TRUST-BASED RELATIONSHIP

Last year the Direction Générale des Finances Publiques (DGFIP - Public Finances Directorate General) introduced, on a trial basis for 2013 and 2014, a new system aimed at improving relations between companies and the tax authorities called a "trust-based relationship".

This system is based on upstream as opposed to downstream controls of tax returns. Of the French companies which applied to take part in the scheme, around ten were chosen, including BPCE, which signed the "trust-based relationship" agreement on October 2, 2013 on its own behalf as a parent company. Two other Groupe BPCE entities (Caisse d'Epargne Ile-de-France and Banque Populaire Rives de Paris) also signed up for this system.

The objective is for this agreement to replace the traditional tax audits covering previous years by an annual tax audit. Audited Fiscal years will not be subject to possible future tax audits. The Group should be able to apply this new approach, which aims to secure tax risks, to all Groupe BPCE entities if feedback from the trial period shows it to be beneficial and reassuring.

Discussions with the DGFIP in 2014 regarding the annual audit of the 2013 Fiscal year did not bring to light any aspects that had a material impact on the financial statements for the year.

WINDING UP OF THE WORKOUT PORTFOLIO MANAGEMENT STRUCTURE (GAPC)

Further efforts were made to reduce risks associated with the GAPC workout portfolios, with asset disposals totaling €1.6 billion in nominal value in the first half of 2014. In line with previous announcements, GAPC was wound up on June 30, 2014 and its outstanding assets were transferred to Wholesale Banking.

MAIN CHANGES IN AFFILIATES

Disposal of Groupe BPCE's residual holding in Foncia

On November 27, 2014, Groupe BPCE sold all of its interest in Foncia Group (an 18% stake in RES 1, a 1.9% stake in Foncia Group and all of its bond holdings) to Bridgepoint and Eurazeo for €185 million.

This deal followed on from the transfer of the Group's majority control over Foncia Group to Bridgepoint and Eurazeo in July 2011.

Disposal of VBI Beteiligungs GmbH

On December 10, 2014, Groupe BPCE announced it had signed an agreement with Banca Transilvania on the sale of its 24.5% non-controlling interest in Volksbank România which it holds alongside VBAG, DZ Bank AG and WGZ Bank.

The closing of the deal is subject to the approval of the National bank of Romania and anti-trust authorities, and is expected to take place in the first half of 2015. It is part of Groupe BPCE's strategy of refocusing on majority holdings in priority growth regions.

In 2014 BPCE's financial statements were impacted by an expense of €171 million for the full impairment of the shares and an additional provision.

Capital increases

On June 30, 2014, BPCE subscribed for the capital increase of BPCE International et Outre-mer (IOM) in the amount of €80 million, in turn allowing BPCE IOM to subscribe for the capital increase of Banca Carige in the same amount.

BPCE also subscribed for the capital increase of VBI Beteiligungs GmbH (Volksbank România's holding company) in the amount of €79 million on October 22, 2014.

5

COMPANY SITUATION AND ACTIVITY IN 2014

CHANGES IN THE BPCE BALANCE SHEET

in billions of euros	12/31/2014	12/31/2013	Change 2014/2013 €bn	Change 2014/2013 %
Amounts due from banks	227.0	227.2	(0.2)	(0%)
Amounts due from customers	0.8	1.3	(0.5)	(38%)
Securities transactions	68.7	54.2	+14.5	+27%
Associates, Equity interests and long-term investments	20.5	19.4	+1.0	+5%
Other assets	4.6	6.1	(1.5)	(25%)
TOTAL BPCE ASSETS	**321.5**	**308.3**	**+13.3**	**+4%**
Amounts due to banks	150.9	161.3	(10.3)	(6%)
Customer resources	4.9	43.3	(38.4)	(89%)
Debt securities and subordinated debt	96.3	77.8	+18.5	+24%
Other liabilities	55.6	12.9	+42.7	+331%
Shareholders' equity and fund for general banking risks	13.8	13.0	+0.8	+6%
TOTAL BPCE LIABILITIES	**321.5**	**308.3**	**+13.3**	**+4%**

In accordance with French GAAP, total 2014 assets amounted to €321.5 billion, an increase of 4% compared to December 31, 2013.

Under assets, "Amounts due from banks" remained stable at €227 billion.

"Securities transactions" were up by €14.5 billion due to:

- the acquisition of securitizations of mortgage loans and public assets from Crédit Foncier for €11 billion, of which €7 billion was recognized as securities available for sale and €4 billion as debt securities held to maturity;
- an increase of €38 billion mainly due to BPCE Master home loans FCT securities borrowing;
- the €35 billion redemption of BPCE home loans securities.

"Associates, Equity interests and long-term investments" recorded the following major changes:

- a €1.3 billion impairment reversal on Natixis;
- an additional €89 million impairment on Banque Palatine;
- the fully provisioned subscription for the VBI Beteiligungs GmbH capital increase in the amount of €79 million, and subscription for the BPCE International et Outre-mer capital increase in the amount of €80 million;
- the disposal of €134 million in BPCE Assurances shares.

Under liabilities, "Amounts due to banks" decreased by €10.3 billion. This change included an increase of €3.6 billion mainly relating to current accounts with credit balances, a decrease of €18.3 billion in term loans and an increase of €4.8 billion in securities sold under repurchase agreements (mainly on intra-Group resources).

The €38.4 billion decrease in "Customer resources" was mainly due to the early repayment of term loans to the BPCE home loans FCT securitization fund following the introduction of the new securitization fund (BPCE Master home loans FCT).

The €18.5 billion increase in "Debt securities and subordinated debt" was mainly due to:

- the €5.8 billion increase in public-sector issues and €7.3 billion increase in private-sector issues;
- the issue of eight redeemable subordinated notes for €6.1 billion and four redeemable subordinated notes for €1 billion having reached maturity.

The €42.7 billion increase in "Other liabilities" was mainly due to:

- +€38 billion from BPCE Master home loans FCT securities borrowing from the network; and
- an impact of +€3.5 billion from the collateral received from Natixis, as part of the collateral pledge agreement on derivatives.

The €0.8 billion increase in shareholders' equity is due to dividends paid of €0.3 billion and net income for the period of €1.1 billion.

BPCE INCOME STATEMENT

			Change 2014/2013	
in millions of euros	2014	2013	€m	%
Net banking income	(121)	(247)	+126	(51%)
Operating expenses	(117)	(104)	(13)	+13%
Gross operating income	**(238)**	**(351)**	**+113**	**(32%)**
Cost of risk	(28)	(30)	+2	(7%)
Net gains or losses on fixed assets	1,141	(585)	+1,726	NA
Income before tax	**875**	**(966)**	**+1,841**	**NA**
Income tax	271	361	(90)	(25%)
Charges/reversals to fund for general banking risks and regulated provisions				
NET INCOME	**1,146**	**(605)**	**+1,751**	**NA**

2014 net income amounted to €1,146 million, due in large part to the appreciation of investments in consolidated companies. It also included net banking income of -€121 million, operating expenses of -€117 million, cost of risk of -€28 million, and tax income of €271 million.

NET BANKING INCOME

			Change 2014/2013	
in millions of euros	2014	2013	€m	%
Holding company and affiliates activities	70	(86)	+156	NA
Group banking activities	(152)	(143)	(9)	+6%
Other	(39)	(18)	(20)	+111%
NET BANKING INCOME	**(121)**	**(247)**	**+126**	**(51%)**

In 2014, BPCE's net banking income totaled -€121 million, up €126 million compared to 2013.

The €156 million increase in net banking income for the holding company and affiliates activities was due to:

- the €31 million drop in dividends mainly due to the Holassure exceptional dividend payout of €230 million in 2013 compared with €80 million in 2014, and the €133 million increase in the dividend paid out by Natixis;
- the positive impact of €143 million linked to the simplification of the Group's structure in 2013: in particular a €220 million decrease in interest expenses following the redemption of deeply subordinated notes issued in March 2012, taken up by the Banque Populaire banks and the Caisses d'Epargne for €2 billion and a €77 million decrease in other interbank transactions that were redeemed at the same time;
- the issue of new redeemable subordinated notes for an additional subordination cost of -€49 million compared with 2013;
- non-recurring items included in 2014 and 2013 net income: the early redemption by BPCE International et Outre-mer of three perpetual subordinated loans leading to a cash adjustment of -€120 million in 2013 and the disposal of stakes in Foncia and its holding company RES 1 in 2014 which had a -€20 million impact on net banking income.

Net banking income for the Group's banking activities was -€152 million in 2014, down €9 million compared with 2013.

Other income fell by €20 million compared to 2013.

OPERATING EXPENSES

in millions of euros	2014	2013	Change 2014/2013 €m	Change 2014/2013 %
Payroll costs	(236)	(240)	+5	(2%)
Other expenses	(346)	(332)	(14)	+4%
Gross operating expenses	**(582)**	**(572)**	**(9)**	**+2%**
Rebilled expenses	**485**	**483**	**+2**	**+0%**
Net operating expenses	**(97)**	**(89)**	**(7)**	**+8%**
Charges from exceptional projects and expenses outside scope	(20)	(14)	(6)	+43%
OPERATING EXPENSES	**(117)**	**(104)**	**(13)**	**+13%**

Operating expenses reached €117 million in 2014, up €13 million (or +13%) compared with 2013, mainly due to an increase in "Other expenses".

Rebilled expenses remained stable.

Charges from exceptional projects and expenses outside scope in 2014 mainly related to costs form exceptional projects.

Cost of risk

In 2014, cost of risk was -€28 million and mainly related to a provision of €18 million and a covered loss of €15 million for the guarantee granted to Natixis for workout portfolio assets.

Net gains or losses on fixed assets

Net gains or losses on fixed assets were +€1,141 million in 2014, mainly consisting of changes in value for investments in associates, in particular Natixis (+€1,269 million), Volksbank România (-€171 million) and Banque Palatine (-€89 million). Moreover, the disposal of BPCE Assurances to Natixis generated a capital gain of €92 million for BPCE.

Income taxes

In 2014, as a result of tax consolidation income, the gain in income taxes after taking into account changes in provisions and other adjustments was €271 million, down €90 million relative to 2013.

BPCE underwent a tax audit of its 2010 and 2011 Fiscal years and was issued a final assessment notice for the audited years. In its response, BPCE accepted certain reassessments for which provisions had been recognized in previous years.

The residual risk relating to the tax reassessments disputed by BPCE was subject to a provision.

Discussions with the DGFIP in 2014 regarding the annual audit of the 2013 Fiscal year did not bring to light any aspects that had a material impact on the financial statements for the year.

Non-tax deductible expenses

No non-tax deductible expenses were incurred during the Fiscal year.

Fund for general banking risks and net income

There was no activity in the fund for general banking risks and net income during the Fiscal year.

Net income came out at +€1,146 million.

Proposed allocation of net income

A proposal will be made to the Annual General Shareholders' Meeting to allocate the net profit for the period of €1,146,496,340.72 as follows:

- a dividend payment of €349,999,715.76 to shareholders, *i.e.* €11.2365 per share;
- an allocation of €796,496,624.96 to "Retained earnings".

Following this allocation, the balance of "Retained earnings" would be €791,954,970.30.

In accordance with the provisions of Article L. 243 *bis* of the French General Tax Code, no dividends have been paid out in respect of the three previous Fiscal years.

Renewal of the terms of the acting and substitute Statutory Auditors

As the terms of Acting Statutory Auditors PricewaterhouseCoopers Audit and KPMG Audit and of Substitute Statutory Auditors, Etienne Boris and Isabelle Goalec, expire after the Annual General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2014, the following proposals will be made to said Shareholders' Meeting, subject to the opinion of the *Autorité de contrôle prudentiel et de résolution* (ACPR - French Prudential Supervisory and Resolution Authority):

- the re-appointment of PricewaterhouseCoopers Audit, located at 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, as Acting Statutory Auditor;
- the appointment of Deloitte, located at 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, as Acting Statutory Auditor;
- the re-appointment of Etienne Boris, as Substitute Statutory Auditor;
- the appointment of Mireille Berthelot, as Substitute Statutory Auditor.

The terms of Mazars and Anne Veaute will expire after the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2018.

The terms of PricewaterhouseCoopers Audit and Deloitte as well as those of Etienne Boris and Mireille Berthelot will expire after the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

Information on subsidiaries and equity investments

Activity and results of the main subsidiaries

The activity and results of the main subsidiaries are described in Chapter 1 of this document.

Investments and controlling interests

In June, BPCE invested €80 million in BPCE International et Outre-mer's capital increase.

In July, Tévéa International's capital increase through the offsetting of receivables increased BPCE's stake by €2.5 million, taking its total equity interest to 90.85%.

In October, BPCE invested €79.4 million in VBI Beteiligungs GmbH's capital increase.

Employee participation in the share capital

Information concerning employee participation in the share capital is provided in Chapter 7.

Information concerning company directors

List of directorships and offices

Information concerning the list of directorships and offices of company directors is provided in Chapter 2.

Remuneration and benefits

Information concerning remuneration and benefits granted by BPCE to the company directors is provided in Chapter 2.

Related-party agreements

No corporate officer and no shareholder holding more than 10% of the voting rights, signed in 2014 any agreement with a company in which BPCE holds, either directly or indirectly, more than half of the share capital.

Information regarding ownership of share capital

Information concerning the ownership of the share capital is provided in Chapter 7.

Trading by BPCE in its own shares

In 2014, BPCE did not trade in its own shares.

Disposals of shares

Significant disposals over the period were as follows:

- in March: sale of the equity interest in BPCE Assurances for €225.7 million;
- in October: sale of the equity interest in DV Holding for €68.2 million;
- in November: sale of the equity interest in Foncia for €20.3 million and in its holding company RES1 for 78 million.

Research and development activities

BPCE did not conduct any research and development activities during the period.

Management of financial risks

Information relating to management of financial risks is provided in Chapter 3.

Main risks

Information relating to the main risks and uncertainties facing BPCE is provided in Chapter 3.

Difficulties encountered

The difficulties encountered over 2014 were linked to the economic and financial environment described in point 4.2.1 of Chapter 4.

Social, environmental and societal information

This information is provided in Chapter 6.

POST-BALANCE SHEET EVENTS

Groupe BPCE and CNP Assurances partnership renewed

Following on from their press releases issued on November 4, 2014, Groupe BPCE and CNP Assurances announced the signing of the final agreements on the implementation of a renewed partnership as from January 1, 2016.

RECENT DEVELOPMENTS AND OUTLOOK

Outlook for the economic environment and recent and forthcoming regulatory changes are described in point 4.7 of Chapter 4.

STATEMENT OF RESULTS FOR THE FIVE PREVIOUS YEARS

STATEMENT OF RESULTS FOR THE YEARS SINCE THE FORMATION OF BPCE

in euros	2010	2011	2012	2013	2014
Share capital at period-end					
Share capital	563,731,755	467,226,960	467,226,960	155,742,320	155,742,320
Number of shares[1]	37,582,117	31,148,464	31,148,464	31,148,464	31,148,464
Operations and income for the year					
Revenue	6,736,562,200	6,589,712,096	8,353,566,942	7,187,771,820	6,235,109,398
Income before tax, employee profit-sharing, depreciation, amortization, and impairment	(1,148,017,187)	154,344,419	(941,769,523)	533,067,064	(171,074,167)
Income tax	536,012,280	139,563,408	334,448,780	360,581,952	271,075,750
Income after tax, employee profit-sharing, depreciation, amortization, and impairment	891,026,457	7,122,739	(3,338,778,353)	(605,301,274)	1,146,496,341
Dividend paid to shareholders[2]	103,876,959	-	-	-	349,999,716
Earnings per share					
Revenue	199.77	211.56	268.19	230.76	200.17
Income after tax, employee profit-sharing, but before depreciation, amortization, and impairment	(18.15)	9.44	(19.50)	28.69	(3.21)
Income tax	15.89	4.48	10.74	11.58	8.70
Income after tax, employee profit-sharing, depreciation, amortization, and impairment	26.42	0.23	(107.19)	(19.43)	36.81
Dividend per share[2]	3.08	-	-	-	11.2365
Employee data					
Average number of employees	1,528	1,507	1,535	1,564	1,542
o/w managerial staff	*1,288*	*1,274*	*1,342*	*1,388*	*1,374*
o/w non-managerial staff	*240*	*233*	*193*	*176*	*168*
Total wage bill for the year	114,974,673	117,852,537	122,334,098	126,096,393	125,055,902
Amounts paid for employee benefits during the period	71,986,550	69,942,206	74,914,519	68,542,623	71,865,657

(1) Earnings per share are calculated based on the number of shares outstanding at the date of the Annual General Shareholders' Meeting.
(2) Subject to approval by the Annual General Shareholders' Meeting.

AUTHORIZATIONS GRANTED TO THE MANAGEMENT BOARD

Nature and purpose of the authorization	Amount in euros	Duration	Date of the Annual General Shareholders' Meeting	Use
Authorization to execute one or more share capital increases in cash reserved for employees participating in a company savings plan	amount of the authorization limited to 3% of the amount of the share capital on the date of the decision by the Management Board	5 years	07/31/2009	None to date

PAYMENT TERMS TO SUPPLIERS

Pursuant to Article L. 441-6-1 of the French Commercial Code, all French companies for which annual financial statements are certified by Statutory Auditors must publish in their management report the balance of payables owed to suppliers by due date, in accordance with the provisions of Decree 2008-1492, Article D. 441-4.

in millions of euros	Total	Due	≤ 30 days	31-60 days	≤ 60 days	Invoices to be received
Trade payables at 12/31/2014	95.7	4.8	4.1	0.0		86.8
Trade payables at 12/31/2013	81.0	3.0	3.0	0.0	0.0	75.0

5.5.2 Balance sheet and off-balance sheet

ASSETS

in millions of euros	*Notes*	12/31/2014	12/31/2013
Cash and amounts due from central banks		15,397	2,711
Treasury bills and equivalent	*3.3*	8,023	2,187
Loans and advances due from credit institutions	*3.1*	211,647	224,492
Customer transactions	*3.2*	753	1,288
Bonds and other fixed-income securities	*3.3*	59,397	50,716
Equities and other variable-income securities	*3.3*	1,278	1,308
Equity interests and other long-term investments	*3.4*	1,668	1,707
Investments in affiliates	*3.4*	18,793	17,728
Intangible assets	*3.5*	26	34
Property, plant and equipment	*3.5*	22	28
Other assets	*3.7*	818	2,334
Accrual accounts	*3.8*	3,726	3,724
TOTAL ASSETS		**321,548**	**308,257**

Off-balance sheet items

in millions of euros	*Notes*	12/31/2014	12/31/2013
Commitments given			
Financing commitments	*4.1*	22,180	26,993
Guarantee commitments	*4.1*	15,580	20,121
Commitments on securities		0	14

LIABILITIES

in millions of euros	*Notes*	12/31/2014	12/31/2013
Amount due to central banks			
Amounts due to credit institutions	*3.1*	150,930	161,269
Customer transactions	*3.2*	4,902	43,265
Debt securities	*3.6*	78,017	64,498
Other liabilities	*3.7*	50,331	8,568
Accrual accounts	*3.8*	4,475	3,703
Provisions	*3.9*	753	621
Subordinated debt	*3.10*	18,332	13,342
Fund for general banking risks (FGBR)	*3.11*	130	130
Equity excluding fund for general banking risks	*3.12*	**13,678**	**12,861**
Subscribed capital		156	156
Additional paid-in capital		12,345	13,275
Reserves		35	35
Revaluation difference		0	0
Regulated provisions and investment subsidies		0	0
Retained earnings		(4)	0
Net income for the year (+/-)		1,146	(605)
TOTAL LIABILITIES		**321,548**	**308,257**

Off-balance sheet items

in millions of euros	*Notes*	12/31/2014	12/31/2013
Commitments received			
Financing commitments	*4.1*	24,990	22,473
Guarantee commitments	*4.1*	801	1,122
Commitments on securities		11	27

5.5.3 Income statement

in millions of euros	*Notes*	Fiscal year 2014	Fiscal year 2013
Interest and similar income	*5.1*	5,486	5,529
Interest and similar expenses	*5.1*	(6,026)	(6,477)
Income from variable-income securities	*5.2*	1,149	776
Commission income	*5.3*	8	11
Commission expense	*5.3*	(39)	(19)
Net gains or losses on trading book transactions	*5.4*	(7)	(6)
Net gains or losses on available-for-sale securities and equivalent	*5.5*	(49)	(32)
Other banking income	*5.6*	2	4
Other banking expense	*5.6*	(645)	(33)
Net banking income		**(121)**	**(247)**
Operating expenses	*5.7*	(92)	(87)
Writedown, amortization and impairment of property, plant and equipment and intangible assets		(25)	(17)
Gross operating income		**(238)**	**(351)**
Cost of risk	*5.8*	(28)	(30)
Operating income		**(266)**	**(381)**
Gains or losses on long-term investments	*5.9*	1,141	(585)
Income before tax		**875**	**(966)**
Non-recurring income	*5.10*	0	0
Income tax	*5.11*	271	361
Funding/reversal of the fund for general banking risks and regulated provisions		0	0
NET INCOME		**1,146**	**(605)**

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Note 1 General background

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and its subsidiaries.

The two banking networks: the Banque Populaire banks and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose shareholders own the two local retail banking networks: the 18 Banque Populaire banks and the 17 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banque Populaire banks and the mutual guarantee companies granting them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banque Populaire banks are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution licensed to operate as a bank, was created pursuant to law No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 18 Banque Populaire banks and the 17 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banque Populaire banks and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth functioning of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around three major segments:

- Natixis, a 71.51%[(1)]-owned listed company that combines Wholesale Banking, Investment Solutions and Specialized Financial Services;
- Commercial Banking and Insurance (including Crédit Foncier, Banque Palatine and BPCE International et Outre-mer);
- subsidiaries and Equity interests.

In respect of the Group's Financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Article L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Banque Populaire and Caisse d'Epargne networks.

BPCE is tasked with taking all measures necessary to guarantee the capital adequacy of the Group and each of the networks, including implementing the appropriate internal financing mechanisms within the Group and establishing a Mutual Guarantee Fund common to both networks, for which it determines the operating rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions of associates to the fund's initial capital endowment and reconstitution.

BPCE manages the Banque Populaire network Fund, the Caisse d'Epargne et de Prévoyance Network Fund and the Mutual Guarantee Fund.

The **Banque Populaire network Fund** was formed by a deposit made by the Banks of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisses d'Epargne Network Fund** by the Caisses of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banque Populaire banks and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €180 million as of December 31, 2014, and the funds will be topped up each year by an amount equivalent to 5% of the contributions made by the Banque Populaire banks, the Caisses d'Epargne, and their subsidiaries to the Group's consolidated income.

The total amount of deposits made to BPCE in respect of the Banque Populaire network Fund, the Caisse d'Epargne Network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the total risk-weighted assets of the Group.

Each deposit made by a Banque Populaire bank or Caisse d'Epargne gives rise to the allocation of an equivalent amount to the fund for general banking risks of the institution in question.

BPCE's Management Board holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

(1) The shareholding stands at 71.47% including the treasury shares held by Natixis.

Mechanism implemented to protect the proprietary trading activities of the former CNCE

A special protection mechanism was set up in 2010 to enable the Caisses d'Epargne to keep some economic exposures. This guarantee granted by the Caisses d'Epargne relates to the proprietary activities of the former CNCE managed on a run-off basis. The guarantee is comprised of total return swaps (TRS) entered into by Triton (wholly-owned by the Caisses d'Epargne) with BPCE, under which the portfolio's performance is exchanged for a fixed fee.

1.3 SIGNIFICANT EVENTS

1.3.1 Enhancement of Groupe BPCE's liquidity

The Banque Populaire banks and the Caisses d'Epargne carried out an internal securitization on May 26, 2014.

Two special purpose entities (both securitization funds) were created as part of this transaction: BPCE Master home loans and BPCE Master home loans Demut.

This transaction led to the sale of home loans to BPCE Master home loans (for around €44 million) and ultimately to the subscription for the securities issued by the special purpose entities by the institutions that sold the loans:

- BPCE Master home loans purchased the receivables and issued residual units, senior bonds and subordinated bonds;
- BPCE Master home loans Demut subscribed for the residual units and subordinated bonds issued by BPCE Master home loans and issued residual units and subordinated bonds subscribed for by the vendors. The role of this securitization fund is to distribute the risks and returns on the residual and subordinated units between the vendors, so that each vendor receives the return generated on the portfolio it sold (demutualization of risks and returns).

This transaction replaced the BPCE home loans transaction set up in 2011, which no longer met the eligibility terms for Eurosystem refinancing operations. It helped maintain Groupe BPCE's collateral eligible for Eurosystem refinancing operations at a high level.

The main impacts of this transaction on the parent company financial statements were as follows:

- the acquisition by BPCE home loans of €32,300 million in investment securities acquired by BPCE;
- the repayment of €32,300 million in customer loans granted by BPCE home loans;
- the borrowing of BPCE Master home loans securities acquired by participating institutions from these institutions, for €38,030 million.

No material gain was generated on this transaction.

1.3.2 Trust-based relationship

The Direction Générale des Finances Publiques (DGFIP - Public Finances Directorate General) introduced, on a trial basis for 2013 and 2014, a new system aimed at improving relations between companies and the tax authorities called a "trust-based relationship".

This system is based on upstream as opposed to downstream controls of tax returns. Of the French companies which applied to take part in the scheme, around 10 were chosen, including BPCE, which signed the "trust-based relationship" agreement on October 2, 2013 on its own behalf as a parent company.

The objective is for this agreement to replace the traditional tax audits covering previous years by an annual tax audit. Audited Fiscal years will not be subject to possible future tax audits. The Group should be able to apply this new approach, which aims to secure tax risks, to all Groupe BPCE entities if feedback from the trial period shows it to be beneficial and reassuring.

Discussions with the DGFIP in 2014 regarding the annual audit of the 2013 fiscal year did not bring to light any aspects that had a material impact on the financial statements for the year.

1.3.3 Main changes in affiliates

Capital increase by BPCE International et Outre-mer

On June 30, 2014, BPCE subscribed for the capital increase of BPCE International et Outre-mer in the amount of €80 million.

Capital increase by VBI Beteiligungs GmbH

On October 22, 2014, BPCE subscribed for the capital increase of VBI Beteiligungs GmbH (Volksbank România's holding company) in the amount of €79 million.

Disposal of VBI Beteiligungs GmbH

On December 10, 2014, Groupe BPCE announced it had signed an agreement with Banca Transilvania on the sale of its 24.5% non-controlling interest in Volksbank România which it holds alongside VBAG, DZ Bank AG and WGZ Bank.

The closing of the deal is subject to the approval of the Romanian central bank and anti-trust authorities, and is expected to take place in the first half of 2015. It is part of Groupe BPCE's strategy of refocusing on majority holdings in priority growth regions.

In 2014 BPCE's financial statements were impacted by an expense of €171 million for the full impairment of the shares and an additional provision.

Disposal of BPCE Assurances

On March 13, 2014, BPCE sold its stake in BPCE Assurances, 60%-owned by the Group (and 46.38%-owned by BPCE) to Natixis, *via* Natixis Assurances, for €226 million.

Disposal of Foncia

On November 27, 2014, Groupe BPCE sold all of its interest in Foncia Group (an 18% stake in RES 1, a 1.9% stake in Foncia Group and all of its bond holdings) to Bridgepoint and Eurazeo for €185 million.

This deal followed on from the transfer of the Group's majority control over Foncia Group to Bridgepoint and Eurazeo in July 2011.

1.3.4 Acquisition of Crédit Foncier's securitization portfolio

On September 25, 2014, BPCE acquired an international securitization portfolio that had been managed on a run-off basis since 2011 from Crédit Foncier. The transaction for €10,947 million, involved outstandings of €11,640 million and enabled Crédit Foncier to repay €10,905 million in loans granted by BPCE.

BPCE paid a subsidy of €629 million to Crédit Foncier to offset the losses generated by the transfer of this securitization portfolio.

1.4 POST-BALANCE SHEET EVENTS

There are no post-balance sheet events to report.

Note 2 Accounting principles and methods

2.1 MEASUREMENT AND PRESENTATION METHODS

BPCE's parent company financial statements are prepared and presented in accordance with rules that comply with regulation No. 2014-07 of the Autorité des normes comptables (ANC – French Accounting Standards Authority).

2.2 CHANGES IN ACCOUNTING METHODS

Since January 1, 2014, BPCE has applied the provisions of ANC Recommendation No. 2013-02 of November 7, 2013 on rules for measuring and recognizing pension and similar benefits. These rules allow the partial application of IAS 19 (revised) as adopted by the European Union in June 2012 and applicable as from January 1, 2013 (method 2). As such, the corridor method is applied to actuarial gains and losses and the impact of ceilings on plan assets is taken to income.

Past service costs are immediately recognized in income and expected returns on plan assets are determined based on the discount rate used to measure the employee benefit obligation.

As a result of this change in method, equity was reduced by €4 million at January 1, 2014, *i.e.* €2 million for cumulative actuarial gains and losses and €2 million for non-amortized past service costs at the opening date.

2.3 ACCOUNTING PRINCIPLES AND VALUATION METHODS

The financial statements for the Fiscal year are presented in identical format to those for the previous Fiscal year. Generally accepted accounting principles have been applied in compliance with the principle of prudence based on the following principles:

- the going-concern principle;
- consistency of accounting methods from one period to the next;
- independence of Fiscal years;

and observance of the general rules governing the preparation and presentation of annual financial statements.

The basic method for valuing accounting entries is the historical cost method and all balance sheet items are presented, as appropriate, net of amortization, provisions and allowances for impairment.

The principal methods used are as follows:

2.3.1 Foreign currency transactions

Income and expenses relating to foreign currency transactions are determined in accordance with ANC regulation No. 2014-07.

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are valued at the exchange rate at the end of the Fiscal year. Definitive or unrealized foreign exchange gains and losses are recognized in income. Income and expenses paid or received in foreign currencies are recognized at the exchange rate on the date of the transaction.

Fixed assets and investments in associates denominated in foreign currencies but financed in euros are valued at acquisition cost.

Unsettled spot foreign exchange transactions are valued at the exchange rate at year-end.

Discounts or premiums on foreign exchange forward and futures contracts used for hedging purposes are recognized in income on a pro rata basis. Other foreign exchange contracts and forward and futures instruments denominated in foreign currencies are marked to market. Outright foreign exchange forward and futures contracts, and those hedged by forward and futures instruments, are revalued over the remaining term. Foreign exchange swaps are recognized as coupled spot buy/sell forward transactions. Currency swaps are subject to the provisions of ANC regulation No. 2014-07.

2.3.2 Transactions with credit institutions and customers

Loans and advances to credit institutions cover all loans and advances made in connection with banking transactions with the exception of those represented by a security. They also include securities received under repurchase agreements, regardless of the type of underlying, and loans and advances relating to securities repurchase agreements. They are broken down between demand loans and advances and term loans and advances. Loans to credit institutions are recorded in the balance sheet at their nominal value, with the exception of buybacks of customer receivables which are recorded at cost, plus accrued interest and net of any impairment charges recognized for credit risk.

Amounts due from customers include loans to entities other than credit institutions, with the exception of debt securities issued by customers, assets purchased under resale agreements, and receivables corresponding to securities sold under repurchase agreements. They are broken down between business loans, current accounts with overdrafts and other facilities granted to customers. Loans to customers are recorded in the balance sheet at their nominal value, with the exception of buybacks of customer receivables which are recorded at cost, plus accrued interest and net of any impairment charges recognized for credit risk. Amortized marginal transaction costs and fees are included in the relevant loan.

Amounts due to credit institutions are recorded under demand deposits and current accounts or term deposits and borrowings. Amounts due to customers are classified into regulated savings accounts and other customer deposits. Depending on the counterparty involved, these items include securities and other assets sold under repurchase agreements. Accrued interest is recorded under related payables.

Guarantees received are recorded in the accounts as an off-balance sheet item. They are revalued on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the outstanding amount of the loan.

Restructured loans

Within the meaning of ANC regulation No. 2014-07, restructured loans are doubtful loans and receivables whose initial characteristics (term, interest rate) are modified to allow the counterparties to repay the amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to "Cost of risk" in income and offset against the corresponding outstanding in the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to doubtful.

Doubtful loans and receivables

Doubtful loans and receivables consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the debtor has involved a known credit risk, classified as such on an individual basis. A risk is considered to be "known" when it is probable that the Group will not collect all or part of the sums owed under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Doubtful loans are identified in compliance with ANC regulation No. 2014-07, particularly in the case of loans past due for over three months, over six months for real estate loans, and over nine months for loans to local authorities.

Doubtful loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely and a write-off is considered. Loans and receivables whose terms have lapsed, terminated lease financing agreements, and perpetual loans which have been rescinded, are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as doubtful loans and receivables, must be taken into consideration in order to qualify a doubtful loan as irrecoverable and to assess the associated impairment provision. A debt that has been classified as doubtful for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from doubtful to irrecoverable does not automatically entail the reclassification of the counterparty's other doubtful loans and commitments to irrecoverable.

For doubtful loans and receivables, accrued interest or interest due but not received is recognized in banking income and impaired accordingly. For irrecoverable loans and receivables, accrued interest due but not received is not recognized.

Doubtful loans and receivables are reclassified as performing once the debtor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Collateralized repurchase agreements are recognized in accordance with ANC regulation No. 2014-07, complemented by Instruction No. 94-06 issued by the French Banking Commission.

The collateralized assets continue to appear in the balance sheet of the vendor, which records the amount collected under liabilities, representing its debt vis-à-vis the purchaser. The purchaser records the amount paid under assets, representing the amount due to the vendor. At each balance sheet date, the collateralized assets, as well as the debt vis-à-vis the purchaser or the amount due to the vendor, are valued according to the rules appropriate to each of these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received. Impairment losses are determined on at least a quarterly basis and are calculated in reference to available guarantees and a risk analysis. Impairment losses cover at a minimum the interest not received on doubtful loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined based on the type of receivables on the basis of historical losses and/or expert appraisals and are positioned over time using debt schedules based on historic recovery records.

Impairment charges and reversals booked for risk of non-recovery are recorded under "Cost of risk" except for impairments for interest on doubtful loans and receivables, which are recorded as impaired interest under "Interest and similar income".

The reversal of the impairment related to the passage of time alone, is recorded under "Cost of risk".

Doubtful loans and receivables are written off as losses and the corresponding impairment allowances are reversed.

2.3.3 Securities

The term "Securities" covers interbank market securities, treasury bills and negotiable debt securities, bonds and other fixed-income instruments, and equities and other variable-income instruments.

For accounting purposes, securities transactions are governed by ANC regulation No. 2014-07, which sets out the general accounting and measurement rules applicable to securities and the rules concerning specific transfers such as securities lending transactions.

Securities are classified according to the following categories: investments in associates and affiliates, other long-term investments, debt securities held to maturity, equity securities available for sale in the medium term, securities available for sale, and trading securities.

With respect to trading securities, securities available for sale, debt securities held to maturity, and equity securities available for sale in the medium term, provisions for counterparties with known default risks whose impact can be separately identified are recognized in the form of impairment charges. Changes in impairment are recorded under cost of risk.

Trading securities

These are securities acquired or sold with the intention to resell or repurchase them after a short holding period. In order to be eligible for this category, the securities must be tradable on an active market as of the date of their initial recognition and their market prices must be accessible, representing actual transactions regularly occurring in the market under normal trading conditions. They may be either fixed- or variable-income instruments.

Trading securities are recorded in the accounts at cost on their acquisition date, less transaction costs and including accrued interest, where applicable. In the event of a short sale, the debt is recorded under liabilities in the amount of the selling price of the securities, less transaction costs.

They are marked to market at the end of the Fiscal year based on the market price on the most recent trading day. The overall balance of differences resulting from fluctuations in prices is taken to the income statement. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information as of the balance sheet date.

Securities classified as trading securities cannot be transferred to another accounting category (except in exceptional market situations requiring a change of strategy or in the absence of an active market for fixed-income securities), and the rules for their presentation and measurement continue to apply until they are sold, redeemed in full or written off.

Securities available for sale

Securities that do not qualify for recognition in any other category are considered as securities available for sale.

Securities available for sale are recorded in the accounts at cost on their acquisition date, less transaction costs.

Where applicable, for fixed-income securities, accrued interest is recognized in the income statement under "Interest and similar income".

Any difference between the acquisition price and the redemption value (premium or discount) for fixed-income instruments is recorded in the income statement over the remaining term of the security using the actuarial method.

Securities available for sale are valued at the lower of acquisition cost or market price. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information as of the balance sheet date.

Unrealized capital gains are subject to an impairment provision that can be estimated by groups of similar securities, with no offsetting against capital gains recorded on other categories of securities.

Gains generated by hedging instruments, if any, as defined by Article 2514-1 of ANC regulation No. 2014-07, are taken into account for the calculation of impairment. Unrealized capital gains are not recognized.

Gains and losses on disposals of available-for-sale securities, as well as impairment charges and reversals are recorded under "Net gains or losses on available-for-sale securities and similar items".

Held-to-maturity securities

These include fixed-income securities with fixed maturity that were acquired or have been reclassified from "Trading securities" or "Available-for-sale securities" and which the company intends and is able to hold to maturity. The securities should not be subject to an existing restriction, legal or otherwise, which may have an adverse effect on the company's intention to hold the securities to maturity. Classification as held-to-maturity securities is not incompatible with their designation as items hedged against interest rate risk.

Debt securities held to maturity are recorded in the accounts at cost as of their acquisition date, less transaction costs. When previously classified as available for sale, they are recorded at cost and the previously recognized impairment charges are reversed over the residual life of the relevant securities.

The difference between the acquisition cost and the redemption value of the securities, and the corresponding interest are recorded according to the same rules as those applicable to fixed-income securities available for sale.

An impairment loss may be recognized if there is a strong probability that the institution will not hold the securities to maturity due to new circumstances or if there is a risk of default by the issuer. Unrealized capital gains are not recognized.

Debt securities held to maturity cannot be sold or transferred into another category of securities, with certain exceptions.

However, pursuant to the provisions of ANC regulation No. 2014-07, fixed-income trading or available-for-sale securities reclassified into the category of debt securities held to maturity as a result of market illiquidity may be sold when the market on which they are traded becomes active again.

Equity securities available for sale in the medium term

Equity securities available for sale in the medium term comprise securities invested in with the sole objective of obtaining capital gains in the medium term without the intent of long-term investment to develop the business activities of the issuing company or to actively participate in its operational management. In theory, these are always variable-income securities. This investment activity has to be significant and continuous, carried out in a structured framework, and must generate regular returns derived primarily from capital gains on disposals.

Equity securities available for sale in the medium term are recognized at cost on their acquisition date, less transaction costs.

On the balance sheet date, they are included in the balance sheet at the lower of historical cost or value in use. An impairment charge is recognized for any unrealized capital losses. Unrealized capital gains are not recognized.

Securities recorded under equity securities available for sale in the medium term cannot be transferred to any other accounting category.

Investments in associates and affiliates

Securities falling within this category are securities whose long-term holding is deemed useful for the activity of the company, in particular by permitting the exercise of significant influence or control over the governance bodies of the issuing companies.

Investments in associates and affiliates are recorded at cost, including transaction costs, if the amounts are significant.

They are individually valued at the balance sheet date at the lower of acquisition cost or value in use. Value in use is determined, in particular, on the basis of criteria such as the strategic nature of the investment, the intention to provide assistance or retain the investment, share price performance, net assets or revalued net assets and forecasts. Impairment is recognized for any unrealized capital losses, calculated for each line of securities, and is not offset with unrealized capital gains. Unrealized capital gains are not recognized.

Securities recorded under investments in associates and affiliates cannot be transferred to any other accounting category.

Other long-term investments

Other long-term investments are securities acquired with the intention of promoting the development of lasting business relationships, by creating special ties with the issuer, without taking an active part in its management due to the small percentage of voting rights that the investment represents.

Other long-term investments are recognized at acquisition cost, less transaction costs.

They are included in the balance sheet at the lower of historical cost or value in use. Value in use is determined for listed and non-listed securities on the basis of the amount the company would agree to pay to obtain the securities, given its investment objective, if it were to acquire them. An impairment charge is recognized for any unrealized capital losses. Unrealized capital gains are not recognized.

Securities classified as other long-term investments may not be transferred to any other accounting category.

Reclassification of financial assets

In order to harmonize accounting practices and ensure consistency with IFRS, ANC regulation No. 2014-07 reiterates the provisions of Opinion No. 2008-19 of December 8, 2008 related to the reclassification of securities out of the "trading securities" and "available-for-sale securities" categories.

The reclassification out of the "trading securities" category to the "available-for-sale securities" and "debt securities held to maturity" categories is now allowed in the following two cases:

- under exceptional market circumstances necessitating a change of strategy;
- where fixed-income securities are no longer, after their acquisition, tradable on active markets, and provided that the company has the intention and the capacity to hold them in the foreseeable future or until they reach maturity.

Reclassifications from the "available-for-sale securities" category to the "debt securities held to maturity" category are effective as from the reclassification date in either of the following conditions:

- under exceptional market circumstances necessitating a change of strategy;
- where fixed-income securities are no longer tradable on an active market.

It should be noted that in its March 23, 2009 press release, the Conseil national de la comptabilité (CNC - French National Accounting Board) specified that "the possibility of portfolio transfers, in particular from available-for-sale securities portfolios to held-to-maturity securities portfolios as specified under Article 19 of CRBF regulation No. 90-01 before it was updated by CRC regulation No. 2008-17, remain in force and are not repealed by ANC regulation No. 2014-07.

As CRC regulation No. 2008-17, replaced by ANC regulation No. 2014-07, provided for additional possibilities of transfers between portfolios, these new transfer possibilities are added, as of the regulation's effective date of July 1, 2008, to those previously defined.

As a consequence, reclassification of the available-for-sale securities portfolio as a held-to-maturity portfolio remains possible through a simple change of intention if, on the day of the transfer, all of the criteria for a held-to-maturity portfolio are met.

2.3.4 Intangible assets and property, plant and equipment

Accounting rules for intangible assets and property, plant and equipment are defined by:

- CRC regulation No. 2004-06 covering the recognition and valuation of assets; and
- CRC regulation No. 2002-10 covering the amortization and depreciation of assets.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at cost (purchase price including costs). These assets are amortized over their estimated useful lives.

In particular, software is amortized over a maximum period of five years. Any additional amortization that may be applied to software using the accelerated method permitted for tax purposes is recorded under accelerated amortization.

Goodwill is not amortized but is subject, as appropriate, to impairment tests.

Leasehold rights are amortized on a straight-line basis over the residual term of the lease and, if necessary, are tested for impairment relative to market value.

Property, plant and equipment

Property, plant and equipment consists of tangible assets that: (a) are held for use in the production or supply of goods and services, for rental to others or for administrative purposes; and (b) are expected to be used during more than one financial year.

Insofar as buildings are assets consisting of a number of components that have different uses at the outset, each component is recognized separately at cost and a depreciation schedule specific to each component is used.

The depreciable amount is the gross value less the residual value where the latter is material, lasting and can be measured reliably. The main components of buildings and improvements are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life:

Category	Duration
Walls, foundations, frames and fixed partitions	20 to 50 years
Roofs	25 years
Elevators	15 years
Heating and air conditioning installations	10 years
Signage and facade elements	5 to 10 years
Openings (doors and windows) Fencing	20 years 10 years
Security equipment	5 to 7 years
Cabling	10 years
Other fixtures and fittings	10 years

Other property, plant and equipment is recorded at cost, production cost or revalued cost. The cost of assets denominated in foreign currencies is translated into euros at the exchange rate prevailing on the transaction date. These assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life.

Where applicable, assets may be subject to impairment.

Investment properties correspond to non-operating assets and are accounted for using the component method.

2.3.5 Debt securities

Debt securities are presented based on the nature of the underlying: retail certificates of deposit, interbank and negotiable debt securities, bonds and other debt securities, apart from subordinated debt, which is recorded separately in a specific line item under liabilities.

Accrued interest on these instruments is disclosed separately as a related payable, as a balancing entry to the income statement entry.

Issue premiums are recognized in their entire amount during the period or are spread out on a straight-line basis over the life of the debt. Issue and redemption premiums are spread out on a straight-line basis over the life of the debt *via* a deferred expenses account.

2.3.6 Subordinated debt

Subordinated debt comprises proceeds from issues of subordinated debt securities, both term and perpetual subordinated debt, together with mutual guarantee deposits. In the event of liquidation of the debtor, the repayment of subordinated debt is only possible after all other creditors have been satisfied.

Accrued interest payable on subordinated debt is disclosed separately as a related payable, as a balancing entry to the income statement entry.

2.3.7 Provisions

This item includes provisions set up to cover contingencies and losses that are clearly identifiable but of uncertain timing or amount, that are either directly related or unrelated to banking transactions as defined under Article L. 311-1 of the French Monetary and Financial Code or from related transactions defined under Article L. 311-2 of the Code. Unless covered by a specific text, such provisions may only be recognized if the company has an obligation to a third party at the end of the Fiscal year and no equivalent consideration is expected in return, in accordance with CRC regulation No. 2000-06.

In particular, this item includes a provision for potential employee liabilities and a provision for counterparty risk.

Employee benefits

Provisions for employee benefits are recognized in accordance with ANC Recommendation No. 2013-R.02. Employee benefits are classified into four categories:

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits mainly include wages, salaries, paid annual leave, incentive schemes, profit-sharing, and bonuses payable within 12 months of the end of the period in which the employee renders the service. They are recognized as an expense for the period, including amounts remaining due at the balance sheet date.

LONG-TERM EMPLOYEE BENEFITS

Long-term employee benefits are generally linked to seniority accruing to current employees and payable 12 months or more after the end of the period in which the employee renders the related service. These consist mainly of long-service awards. A provision is set aside for the value of these obligations at the balance sheet date.

Post-employment benefit obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation also allocates costs over the working life of each employee (projected unit credit method).

TERMINATION BENEFITS

Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to accept voluntary redundancy. A provision is set aside for termination benefits. Termination benefits payable more than 12 months after the balance sheet date are discounted to present value.

POST-EMPLOYMENT BENEFITS

Post-employment benefits include lump-sum retirement bonuses, pensions and other post-employment benefits.

These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognized by means of a provision.

The Group records a provision in liabilities for employee benefit obligations that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

Post-employment benefits are measured in the same way as long-term employee benefits.

The measurement of these obligations takes into consideration the value of plan assets as well as unrecognized actuarial gains and losses.

Actuarial gains and losses on post-employment benefits, arising from changes in actuarial assumptions (early retirement, discount rate, etc.) or experience adjustments (return on plan assets, etc.) are amortized under the corridor method, *i.e.* for the portion exceeding a variation of +/-10% of the defined-benefit obligation or the fair value of plan assets.

The annual expense recognized in respect of defined-benefit plans includes the current service cost, interest cost (the effect of discounting the obligation), the expected return on plan assets and the amortization of any unrecognized items.

2.3.8 Fund for general banking risks

This fund is intended to cover risks inherent to the company's banking activities, in accordance with the provisions of Article 3 of CRBF regulation 90-02.

It also includes the amounts allocated to the funds set up as part of the guarantee mechanism (see Note 1.2).

2.3.9 Futures contracts

Trading and hedging transactions in interest rate, currency or equity futures are recognized in accordance with the provisions of ANC regulation No. 2014-07.

Commitments on these instruments are recorded as off-balance sheet items at the notional value of the contracts. At the balance sheet date, the amount recognized for these commitments represents the volume of unwound forward transactions at the balance sheet date.

The accounting policies applied vary depending on the type of instrument and the original purpose of the transaction.

Forward transactions

Interest rate swaps and similar contracts (forward rate agreements, collars, etc.) are classified as follows according to their initial purpose:

- micro-hedging (assigned hedges);
- macro-hedging (overall asset and liability management);
- speculative positions/isolated open positions;
- for use with a trading book.

Amounts received or paid in respect of the first two categories are recognized in income on a pro rata basis.

Income and expenses related to instruments used for hedging an asset or a group of similar assets are recognized in income symmetrically with the income and expenses from the hedged item. Gains and losses on hedging instruments are recognized in the same line item as the income and expenses from the hedged item, under "Interest and similar income" and "Interest and similar expenses". The line item "Net gains or losses on trading book transactions" is used when the hedged items are in the trading book.

In the event of characteristic overhedging, a provision may be made for the hedging instrument, for the overhedged portion, if the instrument shows an unrealized loss. In this case, the charge to provisions will affect "Net gains or losses on trading book transactions".

Income and expenses related to forward and futures contracts used for hedging purposes or for managing overall interest rate risk are recognized in the income statement on a pro rata basis under "Interest and similar income" and "Interest and similar expenses". Unrealized gains and losses are not recognized.

Gains and losses on contracts qualified as isolated open positions are taken to income either when the contracts are settled or over the life of the contract, depending on the type of instrument.

Recognition of unrealized capital gains or losses is determined based on the type of market involved (organized, other markets considered as organized, or over the counter).

For over-the-counter options (including transactions processed by a clearing house), a provision is recorded for unrealized mark-to-market losses at year-end. Unrealized capital gains are not recognized.

Instruments traded on organized markets or other markets considered as organized are continuously quoted and liquid enough to justify being marked to market.

Contracts classified as specialized asset management contracts are measured after applying a discount to take account of the counterparty risk and the net present value of future management costs, if these valuation adjustments are material. Derivatives that are traded with a counterparty that is a member of Groupe BPCE's share support mechanism (see Note 1.2.) are not subject to these valuation adjustments. Changes in value from one accounting period to another are recognized immediately in the income statement under "Net gains or losses on trading book transactions".

Balances on terminations or transfers are recognized as follows:

- transactions classified under specialized asset management or isolated open positions are recognized immediately in income;
- for micro-hedging and macro-hedging transactions, balances are amortized over the remaining term of the initially hedged item or reported immediately in the income statement.

Options

The notional amount of the underlying asset of an option or forward or futures contract is recognized by distinguishing between hedging contracts and contracts traded as part of capital market transactions.

For transactions involving interest rate, foreign exchange, or equity options, the premiums paid or received are recognized in a temporary account. At the end of the Fiscal year, any options traded in an organized or similar market are valued and recognized in income. For over-the-counter (OTC) options, provisions are recognized for capital losses but unrealized capital gains are not recognized. When an option is sold, repurchased, or exercised, or when an option expires, the corresponding premium is recognized immediately in income.

Income and expenses for hedging instruments are recognized symmetrically with those from the hedged item. Seller options are not eligible for classification as macro-hedging instruments.

Over-the-counter markets may be treated as organized markets when market makers ensure continuous quotations with spreads that reflect market practice or when the underlying financial instrument is itself quoted on an organized market.

2.3.10 Interest and similar commission income

Interest and similar commission income is recognized on a pro rata basis.

Commissions and fees related to granting or acquiring a loan are treated as additional interest amortized over the effective life of the loan, on a pro rata basis according to the outstanding amount due.

Other commission income is recognized according to the type of service provided as follows:

- commissions received for an *ad hoc* service are recognized on completion of the service;
- commissions received for an ongoing or discontinued service paid for through several installments are recognized over the period that the service is provided.

2.3.11 Income from securities

Dividends are recognized when the right to receive payment has been decided by the competent body. They are recognized under "Income from variable-income securities".

The portion of income received during the year from bonds or negotiable debt securities is also recognized. The same applies to perpetual deeply subordinated notes that meet the definition of a Tier-1 regulatory capital instrument. The Group considers that these revenues are effectively similar in nature to interest.

2.3.12 Income tax

As of 2010 BPCE opted to apply the provisions of Article 91 of the amended French Finance Act for 2008 which extended the tax consolidation regime to networks of mutual banks. This option is modeled on the tax consolidation for mutual insurers and takes into account consolidation criteria not based on ownership interest (the scheme is usually available if at least 95% of the share capital of a subsidiary is owned by a parent company).

As head of the Group, BPCE signed a tax consolidation agreement with members of its group (including the 18 Banque Populaire banks, the 17 Caisses d'Epargne, and BPCE subsidiaries, including BPCE International et Outre-mer (BPCE IOM), Crédit Foncier, Banque Palatine, BP Covered bonds, GCE Covered Bonds and BPCE SFH).

In accordance with the terms of this agreement, BPCE recognizes a receivable for the tax to be paid to it by the other members of the tax consolidation group along with a payable corresponding to the tax to be paid to the tax authorities on behalf of the consolidation group.

The income tax expense for the period corresponds to the tax expense of BPCE in respect of 2014, corrected to reflect the impact of tax consolidation upon the Group.

Note 3 Information on the balance sheet

Unless otherwise indicated, explanatory notes for balance sheet items are presented net of depreciation, amortization, impairment and provisions.

Certain information relating to credit risk as required under ANC regulation No. 2014-07 is provided in the risk management report. This information forms an integral part of the financial statements audited by the Statutory Auditors.

3.1 INTERBANK TRANSACTIONS

ASSETS

in millions of euros	12/31/2014	12/31/2013
Current accounts	1,181	968
Overnight loans	904	3,240
Securities received under demand repurchase agreements	0	0
Unallocated items	11	7
Accrued interest on demand accounts	0	1
Demand accounts	**2,096**	**4,216**
Term accounts and loans	196,177	208,328
Subordinated and participating loans	4,831	4,605
Securities received under term repurchase agreements	7,931	6,646
Accrued interest on term accounts	612	697
Term accounts	**209,551**	**220,276**
Doubtful loans and receivables	**0**	**0**
o/w irrecoverable doubtful loans and receivables	*0*	*0*
Impairment of interbank loans and receivables	**0**	**0**
o/w impairment of irrecoverable doubtful loans and receivables	*0*	*0*
TOTAL	**211,647**	**224,492**

Receivables arising from transactions with the networks can be broken down into €2,049 million in demand accounts, and €207,145 million in term accounts.

LIABILITIES

in millions of euros	12/31/2014	12/31/2013
Current accounts	8,403	5,458
Overnight deposits	2,661	2,000
Securities given under demand repurchase agreements	0	0
Other amounts due	8	16
Accrued interest on demand accounts	0	1
Demand accounts	**11,072**	**7,475**
Term accounts and loans	127,350	145,731
Securities sold under term repurchase agreements	11,888	7,068
Accrued interest payable on term loans	620	995
Term accounts	**139,858**	**153,794**
TOTAL	**150,930**	**161,269**

Payables arising from transactions with the networks can be broken down into €10,020 million in demand accounts, and €108,607 million in term accounts.

3.2 CUSTOMER TRANSACTIONS

3.2.1 Customer transactions

RECEIVABLES DUE FROM CUSTOMERS

Assets *in millions of euros*	**12/31/2014**	**12/31/2013**
Current accounts with overdrafts	**169**	**546**
Business loans	**0**	**0**
Export loans	0	0
Short-term and consumer credit facilities	63	68
Equipment loans	493	582
Overnight loans	0	0
Home loans	0	0
Other customer loans	0	0
Securities received under term repurchase agreements	0	0
Subordinated loans	20	65
Other	2	17
Other facilities granted to customers	**578**	**732**
Accrued interest	**6**	**10**
Doubtful loans and receivables	**0**	**4**
Impairment of loans and advances to customers	**0**	**(4)**
TOTAL	**753**	**1,288**

CUSTOMER DEPOSITS

Liabilities *in millions of euros*	**12/31/2014**	**12/31/2013**
Other accounts and loans from customers(1)	4,900	43,230
Security deposits	0	0
Other amounts due	0	0
Accrued interest	2	35
TOTAL	**4,902**	**43,265**

(1) Breakdown of accounts and loans from customers.

	12/31/2014			**12/31/2013**		
in millions of euros	**Demand**	**Term**	**Total**	**Demand**	**Term**	**Total**
Current accounts	573		573	2,805		2,805
Loans from financial sector customers		4,220	4,220		40,217	40,217
Securities sold under repurchase agreements			0			0
Other accounts and loans		107	107		208	208
TOTAL	**573**	**4,327**	**4,900**	**2,805**	**40,425**	**43,230**

The change in loans from financial sector customers was mainly due to:

- the maturing of €2,700 million in customer loans granted by BPCE home loans;
- the repayment of €32,300 million in customer loans granted by BPCE home loans as part of the securitization transaction described in Note 1.3.1.

3.2.2 Breakdown of outstanding loans by sector

in millions of euros	Performing loans and receivables Gross	Doubtful loans and receivables Gross	Doubtful loans and receivables Individual impairment	o/w Irrecoverable doubtful loans and receivables Gross	o/w Irrecoverable doubtful loans and receivables Individual impairment
Non-financial companies	589				
Self-employed customers					
Individual customers					
Non-profit institutions					
Government and social security institutions	67				
Other	97				
TOTAL AT DECEMBER 31, 2014	**753**	**0**	**0**	**0**	**0**
TOTAL AT DECEMBER 31, 2013	**1,288**	**4**	**(4)**	**4**	**(4)**

3.3 TREASURY BILLS, BONDS, EQUITIES AND OTHER FIXED-AND VARIABLE-INCOME SECURITIES

3.3.1 Securities portfolio

in millions of euros	12/31/2014 Trading securities	12/31/2014 Available-for-sale securities	12/31/2014 Held-to-maturity securities	12/31/2014 Total	12/31/2013 Trading securities	12/31/2013 Available-for-sale securities	12/31/2013 Held-to-maturity securities	12/31/2013 Total
Gross amount	6,403	653	942	7,998	2,033	150		2,183
Accrued interest		9	16	25		4		4
Impairment				0				0
Treasury bills and equivalent	**6,403**	**662**	**958**	**8,023**	**2,033**	**154**	**0**	**2,187**
Gross amount	39,423	4,650	15,284	59,357	5,201	1,548	43,921	50,670
Accrued interest		9	75	84		16	125	141
Impairment		(31)	(13)	(44)		(72)	(23)	(95)
Bonds and other fixed-income securities	**39,423**	**4,628**	**15,346**	**59,397**	**5,201**	**1,492**	**44,023**	**50,716**
Gross amount		1,321		1,321		1,362		1,362
Accrued interest				0				0
Impairment		(43)		(43)		(54)		(54)
Equities and other variable-income securities	**0**	**1,278**	**0**	**1,278**	**0**	**1,308**	**0**	**1,308**
TOTAL	**45,826**	**6,568**	**16,304**	**68,698**	**7,234**	**2,954**	**44,023**	**54,211**

The decrease in bonds and other fixed-income securities classified as held-to-maturity securities was mainly due to:

- the maturing of €2,700 million in BPCE home loans securities;
- the acquisition by BPCE home loans of €32,300 million in securities as part of the securitization transaction described in Note 1.3.1;
- the acquisition by BPCE of Crédit Foncier's international securitization portfolio, as described in Note 1.3.4, for €6,931 million.

The increase in bonds and other fixed-income securities classified as available-for-sale securities mainly reflected the acquisition by BPCE of Crédit Foncier's international securitization portfolio, as described in Note 1.3.4, for €4,016 million.

The increase in bonds other fixed-income securities classified as trading securities was mainly due to the borrowing of BPCE Master home loans securities acquired by participating institutions from these institutions, for €38,030 million, as part of the internal securitization transaction described in Note 1.3.1.

The definition of treasury bills was amended. Securities issued by foreign sovereigns and foreign and European government agencies eligible for ECB refinancing operations and those issued by French government agencies are now treated as treasury bills. The impact on the financial statements of this definition change was an increase of €1,227 million in treasury bills and equivalent, a decrease of €285 million in available-for-sale securities and a reduction of €942 million in held-to-maturity securities.

The market value of held-to-maturity securities stood at €16,316 million.

➡ TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES

	12/31/2014				12/31/2013			
in millions of euros	Trading securities	Available-for-sale securities	Held-to-maturity securities	Total	Trading securities	Available-for-sale securities	Held-to-maturity securities	Total
Listed securities		1,186	8,379	9,565		1,060	43,170	44,230
Unlisted securities		4,086	7,834	11,920		566	728	1,294
Securities loaned				0	454			454
Securities borrowed	45,826			45,826	6,780			6,780
Doubtful loans and receivables				0				0
Accrued interest		18	91	109		20	125	145
TOTAL	**45,826**	**5,290**	**16,304**	**67,420**	**7,234**	**1,646**	**44,023**	**52,903**
o/w subordinated notes				*0*				*0*

Unrealized capital losses subject to an impairment provision on available-for-sale securities amounted to €31 million at December 31, 2014, compared to €73 million at December 31, 2013.

Unrealized capital gains on available-for-sale securities totaled €52 million at December 31, 2014, up from €43 million at December 31, 2013.

Unrealized capital gains on held-to-maturity securities amounted to €443 million at December 31, 2014, *versus* €337 million at December 31, 2013.

Unrealized capital losses on held-to-maturity securities, whether or not they are subject to an impairment provision to cover counterparty risk, totaled €446 million at December 31, 2014, compared to €30 million at December 31, 2013.

At December 31, 2014, the portion of bonds and other fixed-income securities issued by public bodies amounted to €1,595 million, compared to €150 million at December 31, 2013.

➡ EQUITIES AND OTHER VARIABLE-INCOME SECURITIES

	12/31/2014			12/31/2013		
in millions of euros	Trading securities	Available-for-sale securities	Total	Trading securities	Available-for-sale securities	Total
Listed securities		1,231	1,231		1,240	1,240
Unlisted securities		47	47		68	68
Accrued interest			0			0
TOTAL	**0**	**1,278**	**1,278**	**0**	**1,308**	**1,308**

At December 31, 2014, equities and other variable-income securities included €1,245 million in UCITS, with accumulation funds accounting for €1,213 million of this total (against €1,262 million in UCITS, with accumulation funds accounting for €1,213 million of the total as of December 31, 2013).

At December 31, 2014, unrealized capital losses on available-for-sale securities subject to impairment amounted to €46 million. At December 31, 2013, unrealized capital losses subject to impairment amounted to €51 million.

Unrealized capital gains on available-for-sale securities totaled €71 million at December 31, 2014, compared to €44 million at December 31, 2013.

3.3.2 Changes in held-to-maturity securities

in millions of euros	12/31/2013	Purchases	Disposals	Redemptions	Category transfer	Conversion	Discount/ premium	Other changes	12/31/2014
Treasury bills	0			(50)	942		50	16	958
Bonds and other fixed-income securities	44,023	8,251	(69)	(35,316)	(942)	12	(573)	(40)	15,346
TOTAL	**44,023**	**8,251**	**(69)**	**(35,366)**	**0**	**12**	**(523)**	**(24)**	**16,304**

Changes in held-to-maturity securities were due to:

- the maturing of €2,700 million in BPCE home loans securities;
- the acquisition by BPCE home loans of €32,300 million in securities as part of the internal securitization transaction described in Note 1.3.1;
- the acquisition by BPCE of Crédit Foncier's international securitization portfolio, as described in Note 1.3.4, for €6,931 million;
- the reclassification of €942 million corresponding to the change in the definition of treasury bills.

3.3.3 Reclassifications of assets

Reclassification owing to market illiquidity (CRC regulation No 2008-17, replaced by ANC regulation No. 2014-07)

In 2014, BPCE reclassified no assets pursuant to the provisions of CRC regulation No. 2008-17 of December 10, 2008, which allows for the transfer of securities out of the "Trading securities" and "Available-for-sale securities" categories.

Type of reclassification *in millions of euros*	Reclassified amount on the reclassification date		Balance of the reclassified amount on the balance sheet date	Unrealized capital gains and losses that would have been recognized without reclassification	Unrealized capital losses that would have been recognized without reclassification	Income for the year from reclassified securities
	Previous years	Fiscal year 2014	12/31/2014			
From Trading securities to Held-to-maturity securities	745	0	236	13		3
From Trading securities to Available-for-sale securities	523	0	130	1		7
From Available-for-sale securities to Held-to-maturity securities	1,312	0	300		(7)	14

In 2008, BPCE decided to change its management strategy for securities affected by the lack of market liquidity. BPCE now plans to hold them at least until liquidity returns to the market. More than 90% of reclassified securities were securitizations not listed on an active market.

During Fiscal year 2014, the sale of securities reclassified as held-to-maturity securities category represented €9 million.

3.4 EQUITY INTERESTS, AFFILIATES AND OTHER LONG-TERM INVESTMENTS

3.4.1 Changes in Equity interests, affiliates and long-term investments

in millions of euros	12/31/2013	Increase	Decrease	Conversion	Other changes	12/31/2014
Equity interests and other long-term investments	1,924	104	(190)	25	78	1,941
Investments in affiliates	24,904	89	(134)		(78)	24,781
o/w current account advances & perpetual subordinated notes	*1,216*		*(25)*	*25*		*1,216*
Gross amount	**26,828**	**193**	**(324)**	**25**	**0**	**26,722**
Equity interests and other long-term investments	(217)	(91)	48		(13)	(273)
Investments in affiliates	(7,176)	(94)	1,269		13	(5,988)
o/w current account advances & perpetual subordinated notes	*0*					*0*
Impairment	**(7,393)**	**(185)**	**1,317**			**(6,261)**
TOTAL	**19,435**	**8**	**993**	**25**	**0**	**20,461**

Real estate company shares are non-material.

The principal investments in associates acquired in 2014 included:

- subscription for the VBI Beteiligungs GmbH capital increase (€79 million);
- subscription for the BPCE International et Outre-mer capital increase (€80 million);
- subscription for the Caisse de Refinancement de l'Habitat capital increase (€16 million);
- acquisition of Caisse de Refinancement de l'Habitat shares (€2 million);
- subscription for the BPCE Immobilier Exploitation capital increase (€6 million);

The principal reductions in investments in associates executed in 2014 were:

- disposal of BPCE Assurance shares (€134 million);
- disposal of DV Holding shares (€55 million);
- disposal of RES 1 shares (€40 million);
- disposal of Foncia shares (€24 million);
- total transfer of SNC Haute Claire's assets and liabilities (€28 million);

The main reversals of provisions for impairment in investments in associates were as follows:

- Natixis (€1,269 million);
- SNC Haute Claire (€28 million);
- Foncia (€10 million).
- The main provisions for impairment in investments in associates included:
- Banque Palatine (€89 million);
- VBI Beteiligungs GmbH (€79 million);
- BPCE Immobilier Exploitation (€6 million).

BPCE's major subsidiaries are valued based on multiannual forecasts discounted according to expected dividend flows (Dividend Discount Model). The expected dividend flow forecasts are based on business plans from the strategic plans of relevant entities and on reasonable technical parameters. The prudential constraints applicable to relevant activities, including the major impacts expected from Basel III, are taken into account during valuation.

Valuations carried out during the closing of accounts for 2014 included:

- recognition of a €1,269 million impairment reversal on Natixis sharse, taking the net book value to €12,960 million at December 31, 2014;
- recognition of an additional €89 million impairment on Banque Palatine shares, taking the net book value to €839 million at December 31, 2014.

The impairments are recognized under net gains or losses on other fixed assets.

3.4.2 Statement of subsidiaries and equity investments

Subsidiaries and ownership interests *in millions of euros*	Share capital 12/31/2013	Equity interests other than share capital (incl. fund for general banking risks, as appropriate) as of 12/31/2013	% interest held as of 12/31/2014	Carrying amount of shares held at 12/31/2014 Gross	Net
A. Detailed information concerning each security whose gross value exceeds 1% of the parent company's capital					
1. Subsidiaries (over 50%-owned)					
Natixis (SA) - 30, avenue Pierre Mendès-France - 75013 Paris	4,960	7,563	71.47%	15,269	12,960
Crédit Foncier - 19 rue des Capucines - 75001 Paris	1,331	1,292	100.00%	3,682	1,270
Natixis (SA) - 50, avenue Pierre Mendès-France - 75013 Paris	935	130	100.00%	1,768	1,768
BPCE International et Outre-mer - 88, avenue de France - 75013 Paris	398	269	100.00%	1,558	659
Banque Palatine - 42, rue d'Anjou - 75008 Paris	539	179	100.00%	1,119	839
BPCE SFH - 50, avenue Pierre Mendès France - 75013 PARIS	600	8	100.00%	600	600
GCE Covered Bonds - 50, avenue Pierre Mendès-France - 75013 Paris	225	2	98.56%	222	222
BPCE Immobilier Exploitation - 50, avenue Pierre Mendès-France - 75013 Paris	15	8	100.00%	135	71
ISSORIA (SAS) - 10, rue de la Paix - 75002 Paris	53	(6)	100.00%	99	65
Caisse d'Epargne Capital (SAS) - 5, rue de Monttessuy - 75007 Paris	87	1	100.00%	87	87
Banques Populaires Covered Bonds - 50, avenue Pierre Mendès-France - 75013 Paris	80	0	100.00%	80	80
S.E. MAB 50, Avenue Pierre Mendès-France - 75013 Paris	55	42	65.93%	78	64
Albiant-IT - 50, avenue Pierre Mendès-France - 75013 PARIS	50	(11)	97.00%	49	49
GCE Foncier Co Invest (SAS) - 19, rue des Capucines - 75001 Paris	91	(1)	51.00%	46	46
ECUFONCIER - 19 rue des Capucines - 75001 Paris	30	3	95.00%	29	29
GCE Participations - 50, avenue Pierre Mendès-France - 75013 Paris	14	(18)	100.00%	22	0
Surassur - 534 rue de Neudorf - L2220 Luxembourg	14	5	91.76%	20	20
S Money (GCE ESKA) - 28, villa de Lourcine 75014 Paris	11	(3)	100.00%	11	11
GCE IDA 007 (SAS) - 50, avenue Pierre Mendès-France - 75013 Paris	8	0	100.00%	8	8
Muge 1 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(8)	100.00%	4	3
Muge 2 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(8)	100.00%	4	3
Perle 1 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(7)	100.00%	4	3
Basak 1 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(6)	100.00%	4	3
Basak 2 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(6)	100.00%	4	3
Basak 3 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(5)	100.00%	4	3
Basak 4 - 50, avenue Pierre Mendès-France - 75013 Paris	4	(2)	100.00%	4	3
Tevea International - 6, rue du Ranelagh - 75016 Paris	2	0	90.85%	4	0
Panda 4 - 50, avenue Pierre Mendès-France - 75013 Paris	3	(3)	100.00%	3	2
Panda 5 - 50, avenue Pierre Mendès-France - 75013 Paris	3	(3)	100.00%	3	2
Panda 6 - 50, avenue Pierre Mendès-France - 75013 Paris	3	(2)	100.00%	3	2
Panda 7 - 50, avenue Pierre Mendès-France - 75013 Paris	3	(2)	100.00%	3	2
Panda 8 - 50, avenue Pierre Mendès-France - 75013 Paris	3	(1)	100.00%	3	2
Panda 9 - 50, avenue Pierre Mendès-France - 75013 Paris	3	0	100.00%	3	2
Panda 10 - 50, avenue Pierre Mendès-France - 75013 Paris	3	0	100.00%	3	2
Perle 2 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Perle 3 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Perle 4 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Lotus 1 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Lotus 2 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	2
Lotus 3 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	2
Panda 1 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Panda 2 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	2	1
Panda 3 - 50, avenue Pierre Mendès-France - 75013 Paris	2	(3)	100.00%	3	2

Loans and advances granted by the company and not yet redeemed (incl. perpetual subordinated notes) in 2014	Guarantees and endorsements given by the parent company in 2014	Net revenue before tax for the year ended 12/31/2013	Net income for the year ended 12/31/2013	Dividends received by the company during the Fiscal year
97,116	6,718	3,684	2,323	356
26,228	475	924	488	629
		9	9	80
2,484	225	227	105	
1,945	50	290	38	19
		15	8	
		5	3	3
1	17	18		
			(2)	
			(2)	
		1		
		7	2	
		59	(2)	
		1	1	
		20		
			(3)	
2				
7		8	(2)	
7		8	(2)	
8		6	(3)	
3		8	(4)	
3		8	(4)	
3		8	(4)	
2		7	(4)	
1		4	(1)	
4		4	(1)	
1		4	(2)	
2		4	(2)	
2		5	(2)	
2		5	(3)	
2		5	(3)	
2		4	(3)	
3		3	(1)	
4		3	(1)	
4		3	(1)	
1		3	(1)	
1		3	(1)	
1		3	(1)	
3		4	(1)	
3		3	(1)	
3		3	(1)	

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Subsidiaries and ownership interests *in millions of euros*	**Share capital 12/31/2013**	**Equity interests other than share capital (incl. fund for general banking risks, as appropriate) as of 12/31/2013**	**% interest held as of 12/31/2014**	**Carrying amount of shares held at 12/31/2014**	
				Gross	**Net**
Mihos - 50, avenue Pierre Mendès-France - 75013 Paris	2	0	100.00%	2	2
Thara Raj - 50, avenue Pierre Mendès-France - 75013 Paris	2	0	100.00%	2	2
Ramses - 50, avenue Pierre Mendès-France - 75013 Paris	0	0	100.00%	2	2
2. Affiliates (between 10%- and 50%-owned)					
VBI Beteiligungs Gmbh Peregringasse 3 - 1090 VIENNA - Austria	0	2	24.50%	179	0
Socram Banque - 2, rue du 24 février - 79000 Niort	70	119	33.42%	49	43
Banque BCP (SA) - 14, avenue Franklin Roosevelt - 75008 Paris	94	13	30.00%	49	49
Informatique Banque Populaire - 23, place de Wicklow - 78180 Montigny le Bretonneux	90	(21)	29.52%	31	31
VIGEO - 40, rue Jean-Jaurès - 93170 Bagnolet	3	0	35.01%	6	2
Systèmes Tech Echange Traitement -100, esplanade du Général de Gaulle - 92400 Courbevoie	12	17	33.33%	4	4
Click and Trust - 18, quai de la Rapée - 75012 Paris	4	0	34.00%	3	2
B. General information concerning other instruments whose gross value is less than 1% of the parent company's capital					
French subsidiaries (together)				4	3
Foreign subsidiaries (together)				1	1
Associations' certificates				0	0
French companies				107	94
Other companies				113	113
o/w investments in listed companies				15,269	12,960

Loans and advances granted by the company and not yet redeemed (incl. perpetual subordinated notes) in 2014	Guarantees and endorsements given by the parent company in 2014	Net revenue before tax for the year ended 12/31/2013	Net income for the year ended 12/31/2013	Dividends received by the company during the Fiscal year
4		7	(9)	
4		5	(7)	
10				
		41	9	1
338	75	83	12	3
		297	(3)	
		7		
		40	1	3
		2	1	
47				
749	23			5
16				3

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3.4.3 Companies established with unlimited liability

Corporate name	Head Office	Legal form
GIE BPCE Achats	12/20, rue Fernand-Braudel – 75013 Paris	GIE
GIE CE Syndication risque	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
GIE Ecolocale	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
GIE Ecureuil crédit	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
GIE GCE Mobiliz	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
GIE ITCE	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
GIE Trade	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	GIE
T2S Pacifique	34, avenue de l'Alma – 98800 Noumea	GIE
GIE Tadorne Aviation	88, avenue de France – 75641 Paris Cedex 13	GIE
SCI de la vision	48/56, rue Jacques Hillairet – 75012 Paris	SCI
SNC Anubis	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	SNC
SNC Arses	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	SNC
SNC Menes	50, avenue Pierre Mendès-France – 75201 Paris Cedex 13	SNC
SNC Salf 1	42, boulevard Eugène-Deruelle – 69003 Lyon	SNC
SNC Salf 2	42, boulevard Eugène-Deruelle – 69003 Lyon	SNC
SNC Terrae	42, boulevard Eugène-Deruelle – 69003 Lyon	SNC

3.4.4 Related-party transactions

	12/31/2014			12/31/2013
in millions of euros	Credit institutions	Other companies	Total	Total
Receivables	**127,457**	**2**	**127,459**	**129,768**
o/w subordinated items	*2,609*	*0*	*2,609*	*1,870*
Liabilities	**70,602**	**4,479**	**75,081**	**117,045**
o/w subordinated items	*0*	*0*	*0*	*0*
Financing commitments	383	0	383	2,014
Guarantee commitments	7,161	34	7,195	8,604
Other commitments given	11		11	0
Commitments given	**7,555**	**34**	**7,589**	**10,618**
Financing commitments	1,361	0	1,361	0
Guarantee commitments	0	0	0	1
Other commitments received	8,517	0	8,517	9,862
Commitments received	**9,878**	**0**	**9,878**	**9,863**

3.5 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

3.5.1 Intangible assets

in millions of euros	12/31/2013	Increase	Decrease	Other changes	12/31/2014
Lease rights and business assets	0				0
Software	113	29	(39)		103
Other	0				0
Operating intangible assets	**113**	**29**		**0**	**103**
Non-operating intangible assets	**2**				**2**
Gross amount	**115**	**29**	**(39)**	**0**	**105**
Lease rights and business assets	0				0
Software	(79)	(13)	15		(77)
Other	0				0
Impairment	0				0
Operating intangible assets	**(79)**				**(77)**
Impairment excluding operating intangible assets	**(2)**				**(2)**
Amortization and impairment	**(81)**	**(13)**	**15**	**0**	**(79)**
NET AMOUNT OF INTANGIBLE ASSETS	**34**	**16**	**(24)**	**0**	**26**

3.5.2 Property, plant and equipment

in millions of euros	12/31/2013	Increase	Decrease	Other changes	12/31/2014
Land	0				0
Buildings	3				3
Shares in non-trading real estate companies	0				0
Other	129	8	(4)		133
Operating property, plant and equipment	**132**	**8**	**(4)**		**136**
Non-operating property, plant and equipment	**5**	**0**	**(2)**		**3**
Gross amount	**137**	**8**	**(6)**	**0**	**139**
Land	0				0
Buildings	0				0
Shares in non-trading real estate companies	0				0
Other	(106)	(12)	3		(115)
Operating property, plant and equipment	**(106)**	**(12)**	**3**	**0**	**(115)**
Non-operating property, plant and equipment	**(3)**		**1**		**(2)**
Depreciation and impairment	**(109)**	**(12)**	**4**	**0**	**(117)**
NET AMOUNT OF PROPERTY, PLANT AND EQUIPMENT	**28**	**(4)**	**(2)**	**0**	**22**

3.6 DEBT SECURITIES

in millions of euros	12/31/2014	12/31/2013
Certificates of deposit and savings bonds	0	0
Interbank market instruments and money market instruments	20,689	19,834
Bonds	56,272	44,095
Other debt securities	0	0
Accrued interest	1,056	569
TOTAL	**78,017**	**64,498**

The amount of bond issue and redemption premiums remaining to be amortized totaled €189 million at end-2014.

The unamortized balance corresponds to the difference between the amount initially received and the redemption price for debt securities.

3.7 OTHER ASSETS, OTHER LIABILITIES

	12/31/2014		12/31/2013	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Remaining payments due on investments in associates	0	0	0	0
Securities settlement accounts	0	0	0	0
Premiums on options bought and sold	8	368	13	373
Debt on borrowed securities and other securities debt(1)	0	45,826	0	7,234
Tax and social security receivables and liabilities	265	198	668	587
Security deposits paid and received	6	79	6	92
Other non-trade receivables, other accounts payable(2)	539	3,860	1,647	282
TOTAL	**818**	**50,331**	**2,334**	**8,568**

(1) *Debt on borrowed securities and other securities debt mainly related to the borrowing of BPCE Master home loans securities acquired by participating institutions, for €38,030 million, as part of the internal securitization transaction described in Note 1.3.1.*

(2) *Other non-trade receivables included a €140 million security deposit paid to BPCE home loans and €247 million paid to BPCE Master home loans, a consolidated subsidiary of BPCE, as described in Note 1.3.1. Other accounts payable included €3,831 million in cash collateral received, of which €3,505 million from Natixis.*

3.8 ACCRUAL ACCOUNTS

	12/31/2014		12/31/2013	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Foreign exchange commitments	0	755	0	202
Deferred gains and losses on hedged forward financial instruments	101	750	132	695
Issue premiums and flotation costs	292	74	679	83
Prepaid expenses and unearned income	36	271	41	317
Accrued income/expenses*	1,429	675	1,231	660
Items in process of collection	1,821	1,909	1,589	1,724
Other	47	41	52	22
TOTAL	**3,726**	**4,475**	**3,724**	**3,703**

* *Accrued income mainly comprised accrued interest on interest rate swaps (€1,374 million). Accrued expenses mainly comprised accrued interest on interest rate swaps (€317 million).*

3.9 PROVISIONS

3.9.1 Statement of changes in provisions

in millions of euros	12/31/2013	Charges	Reversals	Utilizations	Conversion	Other changes	12/31/2014
Provisions for counterparty risk	**48**	**25**	**(8)**	**(4)**	**2**		**63**
Provisions for employee benefit liabilities	**78**	**31**	**(8)**			**4**	**105**
Provisions for claims and litigation	**128**	**29**	**(11)**	**(23)**			**123**
Provisions for restructuring costs	**5**	**1**	**(5)**				**1**
Securities portfolio and financial futures	6	0	(1)				5
Long-term investments(1)	11	97	(6)				102
Real estate developments	0						0
Provisions for taxes	252	66	(3)	(3)			312
Other(2)	93	7	(7)	(51)			42
Other provisions for contingencies	**362**	**170**	**(17)**	**(54)**	**0**	**0**	**461**
TOTAL	**621**	**256**	**(49)**	**(81)**	**2**	**4**	**753**

(1) *At December 31, 2014, provisions on long-term investments mainly concerned VBI Beteiligungs GmbH, for €92 million.*

(2) *At December 31, 2014, other provisions mainly comprised transfers of receivables for €26 million, versus €70 million at December 31, 2013.*

3.9.2 Provisions and impairment for counterparty risks

in millions of euros	12/31/2013	Charges	Reversals	Utilizations	Conversion	Other changes	12/31/2014
Impairment of loans and advances to customers (individual basis)	4		(1)	(2)			0
Impairment of other assets	10			(8)			2
Impairment of assets	**14**	**0**	**(1)**	**(10)**	**0**	**0**	**2**
Provisions for off-balance sheet liabilities*	48	25	(8)	(4)	2		63
Provisions for customer credit risk							0
Other provisions							0
Provisions for counterparty risk recognized as liabilities	**48**	**25**	**(8)**	**(4)**	**0**	**0**	**63**
TOTAL	**62**	**25**	**(9)**	**(14)**	**0**	**0**	**65**

* *Including provisions for execution risks related to commitments. The provision relating to the guarantee granted to Natixis for workout portfolio assets was €18 million.*

3.9.3 Provisions for employee benefit liabilities

Post-employment benefits related to defined-contribution plans

Defined-contribution plans refer to mandatory social security pension schemes as well as those managed by the pension funds AGIRC and ARRCO and the supplementary pension schemes to which the Caisses d'Epargne and the Banque Populaire banks belong. BPCE's obligations under these schemes are limited to the payment of contributions (€22 million in 2014).

Post-employment benefits related to defined-benefit plans and long-term employee benefits

BPCE's obligations in this regard relate to the following schemes:

- the Caisses d'Epargne private supplementary pension plan, previously managed by Caisse Générale de Retraite des Caisses d'Epargne (CGRCE), but now incorporated within Caisse Générale de Prévoyance des Caisses d'Epargne (CGPCE), which is a retained benefit plan. The plan was closed on December 31, 1999, and the rights crystallized at this date. The retained-benefits plan is considered as a fund providing long-term employee benefits;
- the Banque Populaire banks' private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CARBP), covers the pension benefits deriving from the closure of the banking pension scheme at December 31, 1993;
- pensions and other post-employment benefits such as retirement indemnities and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

These commitments are computed in accordance with ANC Recommendation No. 2013-R-02.

Analysis of assets and liabilities included in the balance sheet

	Post-employment defined-benefit plans				Other long-term employee benefits		Post-employment defined-benefit plans				Other long-term employee benefits	
in millions of euros	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards	12/31/2014	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards	12/31/2013
Actuarial liabilities	111	22	163	33	3	332	98	20	106	27	3	254
Fair value of plan assets	(116)	(10)	(80)	(2)		(208)	(100)	(6)	(66)	(2)		(174)
Effect of ceiling on plan assets	6					6	1					1
Unrecognized actuarial gains/(losses)	(1)		(20)	(2)		(23)	1	(2)	(9)	9		(1)
Unrecognized service cost for prior periods		(3)				(3)			(5)	3		(2)
NET AMOUNT REPORTED ON THE BALANCE SHEET	**0**	**9**	**63**	**29**	**3**	**104**	**0**	**12**	**26**	**37**	**3**	**78**
Employee benefit commitments recorded in the balance sheet	0	9	63	29	3	104	0	12	26	37	3	78
Plan assets recorded in the balance sheet	0		0			0	0		0			0

Analysis of expense for the year

	Post-employment defined-benefit plans				Other long-term employee benefits		Post-employment defined-benefit plans				Other long-term employee benefits	
in millions of euros	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards	12/31/2014	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards	12/31/2013
Service cost			7	3		10			5	4		9
Service cost for previous periods			23			23			3			3
Interest cost	3	1	2	1		7	3	1	2	1		7
Interest income	(4)		(1)			(5)	(4)		(2)			(6)
Benefits paid		(1)				(1)		(1)	2	(2)		(1)
Plan participant contributions		(3)	(14)			(17)			(13)			(13)
Actuarial differences						0			1		1	2
Other	1		6			7	1		7			8
TOTAL	**0**	**(3)**	**23**	**4**	**0**	**24**	**0**	**0**	**5**	**3**	**1**	**9**

Main actuarial assumptions

	12/31/2014					12/31/2013				
	Post-employment defined-benefit plans				Other long-term employee benefits	Post-employment defined-benefit plans				Other long-term employee benefits
as a percentage	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards	CGPCE Plan	CARBP Plan	Supplementary pension benefits and other	End-of-career awards	Long-service awards
Discount rate	1.84%	1.57%	0.9% to 1.31%	0.64% to 1.56%	0.53%	3.04%	3.00%	1.70% to 2.55%	1.97% to 2.98%	1.43%
Inflation rate	1.80%	1.80%	1.80%	1.80%	1.80%	1.90%	1.90%	1.90%	1.90%	1.90%
Wage growth rate			inflation +1% to +1.20%							
Rate of change in medical expenses	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Life tables used	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TGH05/ TGF05	TF00-02 age gap	TF00-02 age gap
Duration	28	15.5	7.7 to 11.49	5.8 to 15.4	5	22	14.3	7.4 to 12.34	6.7 to 14.1	4.6

At December 31, 2014, pension plan assets were allocated as follows:

- for the Caisse d'Epargne CGPCE pension plan: 83.2% in bonds, 2.4% in equities, 13% in investment funds, 1.2% in real estate assets and 0.2% in money-market assets.

In 2014, of the €15.6 million in actuarial gains and losses generated for CGPCE, €19 million was from gains and losses related to the updated discount rate, -€2.5 million from experience adjustments and -€0.9 million from demographic changes;

- for the Banque Populaire banks' CARBP pension plan: 51.6% in bonds, 34.2% in equities, 10.1% in investment funds, and 4.1% in other assets.

In 2014, of the €3.6 million in actuarial gains and losses generated for CARBP, €3.8 million was from gains and losses related to the updated discount rate and -€0.3 million from experience adjustments.

The life tables used are:

- TGH TGF 05 for termination benefits, long service awards and other benefits;
- TGH TGF 05 for CGPCE and CARBP.

The discount rate used is a Euro corporate Composite AA rate.

Stock option purchase plans

Since the formation of BPCE, company directors have neither received share subscription or purchase options, nor been awarded bonus shares.

3.10 SUBORDINATED DEBT

in millions of euros	12/31/2014	12/31/2013
Term subordinated debt	13,645	8,379
Perpetual subordinated debt	61	61
Perpetual deeply subordinated debt	4,193	4,555
Accrued interest	433	347
TOTAL	**18,332**	**13,342**

The amount of bond issue and redemption premiums remaining to be amortized at December 31, 2014 totaled €29 million.

On July 30, 2014, BPCE redeemed deeply subordinated notes issued in November 2003, for €471 million.

Deeply subordinated notes, which are included in the calculation of BPCE's regulatory capital in accordance with the terms of Article 4.d of CRBF regulation 90-02, have the following characteristics:

Currency	Issue date	Outstanding amount at 12/31/2014 *in million of euros*	Amount *in original currency*	Rate	Interest rate after initial redemption option date	Interest rate after step-up date	Next redemption option date	Date of interest step-up
USD	07/30/2004	165	200	Mn (10-yr CTMAT 0.3%; 9%)	unchanged	not applicable	03/31/2015	not applicable
EUR	10/06/2004	369	369	4.625%	3-month Euribor +1.53%	3-month Euribor +1.53%	07/30/2015	07/30/2015
EUR	10/12/2004	80	80	Mn (10-yr CMS; 7%)	unchanged	not applicable	01/12/2015	not applicable
USD	01/27/2006	248	300	6.75%	unchanged	not applicable	01/27/2015	not applicable
EUR	02/01/2006	350	350	4.75%	3-month Euribor +1.35%	not applicable	02/01/2016	not applicable
EUR	10/30/2007	509	509	6.117%	3-month Euribor +2.37%	3-month Euribor +2.37%	10/30/2017	10/30/2017
EUR	08/06/2009	52	52	13.00%	unchanged	not applicable	09/30/2015	not applicable
EUR	08/06/2009	375	374	12.50%	3-month Euribor +13.13%	3-month Euribor +13.13%	09/30/2019	09/30/2019
USD	08/06/2009	110	134	13.00%	unchanged	not applicable	09/30/2015	not applicable
USD	08/06/2009	367	444	12.50%	3-month Libor +12.98%	3-month Libor +12.98%	09/30/2019	09/30/2019
EUR	10/22/2009	750	750	9.25%	unchanged	not applicable	04/22/2015	not applicable
EUR	03/17/2010	818	818	9.00%	12-month Euribor +6.533%	12-month Euribor +8.533%	03/17/2015	03/17/2020
TOTAL		**4,193**						

3.11 FUND FOR GENERAL BANKING RISKS

in millions of euros	12/31/2013	Increase	Decrease	12/31/2014
Fund for general banking risks	130			130
TOTAL	**130**	**0**	**0**	**130**

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3.12 SHAREHOLDERS' EQUITY

in millions of euros	Share capital	Additional paid-in capital	Reserves/other	Retained earnings	Income	Total equity (excl. FGBR)
TOTAL AT DECEMBER 31, 2012	**467**	**17,840**	**35**	**463**	**(3,339)**	**15,466**
Changes during the period	(311)	(4,565)	0	(463)	2,734	(2,605)
TOTAL AT DECEMBER 31, 2013	**156**	**13,275**	**35**	**0**	**(605)**	**12,861**
2013 income allocation		(605)			605	0
Dividend paid		(325)				(325)
Other changes				(4)		(4)
Net income for the period					1,146	1,146
TOTAL AT DECEMBER 31, 2014	**156**	**12,345**	**35**	**(4)**	**1,146**	**13,678**

BPCE's share capital, totaling €156 million and comprising 31,148,464 shares with a par value of €5 per share, can be broken down as follows:

- 15,574,232 ordinary shares held by the Caisses d'Epargne for €78 million;
- 15,574,232 ordinary shares held by the Banque Populaire banks for €78 million.

At the Ordinary General Shareholders' Meeting of May 16, 2014, BPCE decided to pay dividends to its shareholders in the amount of €150 million, or €4.8156 per share, to be charged in full against additional paid-in capital on May 19, 2014.

At the Combined General Meeting of December 17, 2014, BPCE decided to pay dividends to its shareholders in the amount of €175 million, or €5.6182 per share, to be charged in full against additional paid-in capital on December 18, 2014.

At January 1, 2014, the change in accounting method for employee benefit liabilities, described in Note 2.2, had an impact of €4 million on retained earnings in shareholders' equity.

3.13 ANALYSIS OF LOANS AND BORROWINGS BY TERM OUTSTANDING

Sources and uses of funds with fixed due dates are presented by residual maturity and include accrued interest.

	12/31/2014						
in millions of euros	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total
Treasury bills and equivalent	3,238	217	2,604	1,434	530		8,023
Loans and advances due from credit institutions	19,866	45,658	65,414	61,728	18,920	61	211,647
Customer transactions	175	58	15	193	312		753
Bonds and other fixed-income securities	275	190	1,410	39,891	17,631		59,397
Total uses of funds	**23,554**	**46,123**	**69,443**	**103,246**	**37,393**	**61**	**279,820**
Amounts due to credit institutions	32,994	13,067	51,918	31,147	21,804		150,930
Customer transactions	666	15	208	4,013			4,902
Debt securities	7,095	5,306	18,529	36,447	10,640		78,017
Subordinated debt	479	417	707	4,050	8,425	4,254	18,332
Total sources of funds	**41,234**	**18,805**	**71,362**	**75,657**	**40,869**	**4,254**	**252,181**

Note 4 Information on off-balance sheet items and similar transactions

4.1 COMMITMENTS GIVEN AND RECEIVED

4.1.1 Financing commitments

in millions of euros	12/31/2014	12/31/2013
Financing commitments given		
To banks	**22,153**	**26,956**
Documentary credit	0	0
Other confirmed lines of credit	0	0
Other obligations	27	37
To customers	**27**	**37**
TOTAL FINANCING COMMITMENTS GIVEN	**22,180**	**26,993**
Financing commitments received		
From banks	24,907	22,473
From customers	83	0
TOTAL FINANCING COMMITMENTS RECEIVED	**24,990**	**22,473**

4.1.2 Guarantee commitments

in millions of euros	12/31/2014	12/31/2013
Guarantee commitments given		
Documentary credit confirmations	0	0
Other bonds and endorsements	196	1,457
Other guarantees	12,867	14,581
To banks	**13,063**	**16,038**
Real estate guarantees	0	0
Government and tax guarantees	0	0
Other bonds and endorsements	2,517	4,076
Other guarantees given	0	7
To customers	**2,517**	**4,083**
TOTAL GUARANTEE COMMITMENTS GIVEN	**15,580**	**20,121**
Guarantee commitments received from credit institutions	801	1,122
TOTAL GUARANTEE COMMITMENTS RECEIVED	**801**	**1,122**

4.1.3 Other commitments not recognized off-balance sheet

	12/31/2014		12/31/2013	
in millions of euros	Commitments given	Commitments received	Commitments given	Commitments received
Other securities pledged as collateral provided to credit institutions	22,133	14,410	20,883	15,285
Other securities pledged as collateral received from customers	0	85	754	85
TOTAL	**22,133**	**14,495**	**21,637**	**15,370**

At December 31, 2014, receivables pledged as collateral under funding arrangements included in particular:

- €7,712 million in negotiable debt securities provided to the Banque de France as part of the TRICP system, compared with €6,352 million at December 31, 2013;
- €7,212 million in loans pledged as collateral for funding received from the European Investment Bank (EIB) *versus* €6,718 million at December 31, 2013.

No other major commitments were given by BPCE as collateral for its own commitments or for those of third parties.

Moreover, BPCE did not receive a significant amount of assets as collateral from customers.

4.2 COMMITMENTS ON FUTURES AND OPTIONS CONTRACTS

4.2.1 Financial instruments and foreign exchange futures

	12/31/2014				12/31/2013			
in millions of euros	Hedging transactions	Other transactions	Total	Fair value	Hedging transactions	Other transactions	Total	Fair value
Forward transactions								
Interest rate contracts			0				0	0
Foreign currency contracts			0				0	0
Other contracts			0				0	0
Transactions on organized markets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Forward rate agreements (FRA)							0	0
Interest rate swaps	126,405	1,992	128,397	4,297	98,728	6,591	105,319	3,151
Foreign exchange swaps	17,002		17,002	83	13,488		13,488	5
Currency swaps	29,715		29,715	(451)	24,344		24,344	(225)
Other foreign currency contracts	281		281	0	103		103	0
Other forward and futures contracts	933	20,562	21,495	(39)	1,394	20,448	21,842	(6)
Over-the-counter transactions	**174,336**	**22,554**	**196,890**	**3,890**	**138,057**	**27,039**	**165,096**	**2,925**
TOTAL FORWARD TRANSACTIONS	**174,336**	**22,554**	**196,890**	**3,890**	**138,057**	**27,039**	**165,096**	**2,925**
Options								
Interest rate options			0	0			0	0
Foreign currency options		1,481	1,481	0		1,390	1,390	0
Other options			0				0	0
Transactions on organized markets	**0**	**1,481**	**1,481**	**0**	**0**	**1,390**	**1,390**	**0**
Interest rate options	422		422	(8)	400		400	(3)
Foreign currency options			0	0			0	0
Other options		20,228	20,228	(570)		20,228	20,228	(558)
Over-the-counter transactions	**422**	**20,228**	**20,650**	**(578)**	**400**	**20,228**	**20,628**	**(561)**
TOTAL OPTIONS	**422**	**21,709**	**22,131**	**(578)**	**400**	**21,618**	**22,018**	**(561)**
TOTAL FINANCIAL AND FOREIGN CURRENCY FUTURES	**174,758**	**44,263**	**219,021**	**3,312**	**138,457**	**48,657**	**187,114**	**2,364**

The notional amounts of contracts listed in this table are solely intended to provide an indication of the volume of BPCE's activities involving financial instruments at the balance sheet date and do not reflect the market risk associated with these instruments.

Commitments on interest rate derivatives traded over the counter mainly consisted of interest rate swaps for futures and interest rate guarantees for options.

Commitments on foreign exchange instruments traded over the counter mainly consisted of currency swaps.

4.2.2 Breakdown of over-the-counter interest rate financial instruments by type of portfolio

in millions of euros	12/31/2014 Micro-hedge	Macro-hedge	Isolated open positions	Specialized management	Total	12/31/2013 Micro-hedge	Macro-hedge	Isolated open positions	Specialized management	Total
Forward rate agreements (FRA)					0					0
Interest rate swaps	54,953	71,452	1,992		128,397	43,913	54,815	6,591		105,319
Currency swaps	29,715				29,715	24,344				24,344
Other interest rate futures contracts					0					0
Forward transactions	**84,668**	**71,452**	**1,992**	**0**	**158,112**	**68,257**	**54,815**	**6,591**	**0**	**129,663**
Interest rate swaps	422				422	400				400
Options	**422**	**0**	**0**	**0**	**422**	**400**	**0**	**0**	**0**	**400**
TOTAL	**85,090**	**71,452**	**1,992**	**0**	**158,534**	**68,657**	**54,815**	**6,591**	**0**	**130,063**

in millions of euros	12/31/2014 Micro-hedge	Macro-hedge	Isolated open positions	Specialized management	Total	12/31/2013 Micro-hedge	Macro-hedge	Isolated open positions	Specialized management	Total
Fair value	2,772	1,130	(62)		3,840	1,849	1,159	(85)		2,923

No transactions were transferred to another portfolio during the period.

4.2.3 Commitments on forward financial instruments by maturity

in millions of euros	12/31/2014 Less than 1 year	1 to 5 years	Over 5 years	Total
Transactions on organized markets				0
Over-the-counter transactions	94,001	51,201	51,688	196,890
Forward transactions	**94,001**	**51,201**	**51,688**	**196,890**
Transactions on organized markets		1,481		1,481
Over-the-counter transactions	14	20,423	213	20,650
Options	**14**	**21,904**	**213**	**22,131**
TOTAL	**94,015**	**73,105**	**51,901**	**219,021**

4.3 BREAKDOWN OF ASSETS AND LIABILITIES BY CURRENCY

in millions of euros	12/31/2014 Assets	Liabilities	12/31/2013 Assets	Liabilities
Euro	294,921	292,524	284,271	290,500
Dollar	22,228	20,451	18,793	11,754
Pound sterling	492	3,765	609	2,693
Swiss franc	2,646	622	2,898	844
Yen	636	3,207	1,647	2,378
Other	625	979	39	88
TOTAL	**321,548**	**321,548**	**308,257**	**308,257**

4.4 FOREIGN CURRENCY TRANSACTIONS

in millions of euros	12/31/2014	12/31/2013
Spot foreign exchange transactions		
Currencies receivable not received	16	12
Currencies deliverable not delivered	16	12
TOTAL	**32**	**24**

Note 5 Information on the income statement

5.1 INTEREST AND SIMILAR INCOME AND EXPENSES

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Transactions with credit institutions	2,787	(2,150)	637	2,813	(2,648)	165
Customer transactions	34	(188)	(154)	69	(448)	(379)
Bonds and other fixed-income securities	2,018	(2,336)	(318)	1,951	(2,027)	(76)
Subordinated debt	0	(898)	(898)	0	(931)	(931)
Macro-hedging transactions	647	(454)	193	696	(423)	273
TOTAL	**5,486**	**(6,026)**	**(540)**	**5,529**	**(6,477)**	**(948)**

5.2 INCOME FROM VARIABLE-INCOME SECURITIES

in millions of euros	Fiscal year 2014	Fiscal year 2013
Equities and other variable-income securities	2	3
Equity interests and other long-term investments	49	268
Investments in affiliates	1,098	505
TOTAL	**1,149**	**776**

5.3 FEES AND COMMISSIONS

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	1	0	1	1	0	1
Customer transactions	1	(1)	0	2	0	2
Securities transactions	3	0	3	4	(1)	3
Payment services	3	(23)	(20)	4	(10)	(6)
Foreign exchange transactions	0	0	0	0	0	0
Off-balance sheet commitments	0	0	0	0	0	0
Financial services	0	(6)	(6)	0	(4)	(4)
Consulting services	0	0	0	0	0	0
Other fee and commission income/(expense)	0	(9)	(9)	0	(4)	(4)
TOTAL	**8**	**(39)**	**(31)**	**11**	**(19)**	**(8)**

5.4 NET GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS

in millions of euros	Fiscal year 2014	Fiscal year 2013
Trading securities	0	0
Foreign exchange transactions	8	12
Financial futures	(15)	(18)
TOTAL	**(7)**	**(6)**

5.5 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE SECURITIES AND SIMILAR ITEMS

	Fiscal year 2014		Fiscal year 2013	
in millions of euros	Available-for-sale securities	Total	Available-for-sale securities	Total
Impairment				
Charges	(33)	(33)	(8)	(8)
Reversals(1)	85	85	13	13
Net gain/(loss) on disposal(2)	(101)	(101)	(37)	(37)
Other items	0	0	0	0
TOTAL	**(49)**	**(49)**	**(32)**	**(32)**

(1) *Reversals mainly related to RES 1 for €72 million, described in Note 1.3.3.*
(2) *The net loss on disposals mainly related to the disposal of RES 1 for -€100 million, described in Note 1.3.3.*

5.6 OTHER BANKING INCOME AND EXPENSES

	Fiscal year 2014			Fiscal year 2013		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Share in joint operations	0	(2)	(2)	0	(2)	(2)
Rebilling of banking income and expenses	0	0	0	0	0	0
Electronic payment terminal business	0	0	0	0	0	0
Amortization and rebilling of issuance costs	0	(1)	(1)	0	(2)	(2)
Real estate business	1	0	1	3	(2)	1
IT services	0	0	0	0	0	0
Other activities*	1	(642)	(641)	1	(27)	(26)
Other related income and expenses	0	0	0	0	0	0
TOTAL	**2**	**(645)**	**(643)**	**4**	**(33)**	**(29)**

* *Expenses from other activities mainly consisted of the €629 million subsidy paid to Crédit Foncier, described in Note 1.3.4.*

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5.7 OPERATING EXPENSES

in millions of euros	Fiscal year 2014	Fiscal year 2013
Wages and salaries	(115)	(137)
Pension costs and similar obligations*	(45)	(25)
Other social security charges	(50)	(50)
Employee incentive scheme	(17)	(9)
Employee profit-sharing scheme	0	0
Payroll taxes	(26)	(28)
Total payroll costs	**(253)**	**(249)**
Taxes other than on income	5	(7)
Other operating expenses	(354)	(350)
Rebilled expenses	510	519
Total other operating expenses	**161**	**162**
TOTAL	**(92)**	**(87)**

* *Including additions, utilizations, and reversals of provisions for employee benefit obligations (see Note 3.9.3).*

The average headcount during the year, broken down by professional category, was as follows: 1,374 managers and 168 non-managers, representing a total of 1,542 persons.

The Employment and Competitiveness Tax Credit (CICE) is deducted from payroll costs. The use of this tax is presented in section 6 "Social, environmental and societal information" of the registration document.

5.8 COST OF RISK

	Fiscal year 2014					Fiscal year 2013				
in millions of euros	Charges	Reversals and uses of funds	Losses	Recoveries of bad debts written off	Total	Charges	Reversals and uses of funds	Losses	Recoveries of bad debts written off	Total
Impairment of assets										
Interbank					0		24	(16)		8
Customers		3			3		55			55
Securities portfolio and other receivables		8	(8)		0		1	(1)		0
Provisions										
Off-balance sheet commitments*	(25)	12	(18)		(31)	(29)	86	(150)	1	(92)
Provisions for customer credit risks					0					0
Other					0			(1)		(1)
TOTAL	**(25)**	**23**	**(26)**	**0**	**(28)**	**(29)**	**166**	**(168)**	**1**	**(30)**
o/w:										
reversals of obsolete impairment charges		*1*					*63*			
reversals of utilized impairment charges		*10*					*17*			
reversals of obsolete provisions		*8*					*19*			
reversals of utilized provisions		*4*					*67*			
Net amount of reversals		***23***					***166***			

* *Including a charge of €18 million and a covered loss of €15 million in respect of the guarantee granted to Natixis for part of the workout portfolio assets.*

5.9 GAINS OR LOSSES ON LONG-TERM INVESTMENTS

	Fiscal year 2014				Fiscal year 2013			
in millions of euros	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Total	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Total
Impairment								
Charges	(283)			(283)	(587)			(587)
Reversals	1,323			1,323	191			191
Net gain/(loss) on disposal	101			101	(189)			(189)
TOTAL	**1,141**	**0**	**0**	**1,141**	**(585)**	**0**	**0**	**(585)**

Gains or losses on investments in associates, Equity interests, affiliates and other long-term investments included specifically:

- provisions for impairment of investments in associates:
  - Banque Palatine (€89 million),
  - VBI Beteiligungs GmbH (€171 million, of which €79 million as described in Note 3.4.1 and €92 million as described in Note 3.9.1),
  - BPCE Immobilier Exploitation (€6 million);
- reversals of provisions for impairment of investments in associates:
  - Natixis (€1,269 million),
  - Foncia (€10 million);
- profit or loss on the sale of investments in associates and other long-term securities:
  - BPCE Assurances: capital gain of €92 million,
  - RES 1: capital gain of €38 milion,
  - DV Holding: capital gain of €13 million,
  - Foncia: capital loss of €4 million;
- the total transfer of SNC Haute Claire's assets and liabilities generated income of €1 million.

5.10 NON-RECURRING INCOME

No non-recurring income was recorded in the 2014 Fiscal year.

5.11 INCOME TAX

5.11.1 Breakdown of income tax in 2014

BPCE is the head of a tax consolidation group that includes the 18 Banque Populaire banks, the 17 Caisses d'Epargne, and the BPCE subsidiaries, including Crédit Foncier, Banque Palatine, BPCE International et Outre-mer (BPCE IOM), GCE Covered Bonds, BP Covered Bonds and BPCE SFH.

Corporate tax can be broken down as follows:

in millions of euros	Fiscal year 2014		
Taxable bases at the following rates:	**33.33%**	**19%**	**15%**
Tax on current income	2,433		
Tax on non-recurring income			
Taxable bases	**2,433**	**0**	**0**
Applicable tax	(811)		
+contributions 3.3%	(27)		
+10.7% surcharge (amended French Finance Act 2014)	(87)		
- deductions in respect of tax credits	35		
Reported income tax	**(890)**	**0**	**0**
Tax consolidation effect	1,221		
Adjustments to previous periods	28		
Impact of tax reassessments	(26)		
Provisions for the return to profitability of subsidiaries	(63)		
Provisions for taxes	1		
TOTAL	**271**	**0**	**0**

Income tax amounted to €271 million for 2014.

BPCE underwent a tax audit of its 2010 and 2011 Fiscal years and was issued a final assessment notice for the audited years. In its response, BPCE accepted certain reassessments for which provisions had been recognized in previous years.

The residual risk relating to the tax reassessments disputed by BPCE was subject to a provision.

Discussions with the DGFIP in 2014 regarding the annual audit of the 2013 Fiscal year did not bring to light any aspects that had a material impact on the financial statements for the year.

5.11.2 Reconciliation from accounting to taxable income

in millions of euros	Fiscal year 2014	Fiscal year 2013
Net accounting income (A)	**1,146**	**(605)**
Corporate tax (B)	**(333)**	**(198)**
Add-backs (C)	**1,119**	**2,280**
Impairments and provisions	220	120
UCITS	28	12
Long-term capital losses under exemptions	178	2,111
Share of profit from partnerships or joint ventures	10	14
Other items	683	23
Deductions (D)	**2,636**	**2,450**
Long-term capital gains under exemptions	1,446	161
Reversals of impairment charges and provisions	131	391
Dividends	1,047	1,217
Share of profit from partnerships or joint ventures	0	0
Other items	12	681
Tax base at normal rate (A)+(B)+(C)-(D)	**(704)**	**(973)**

5.12 BREAKDOWN OF ACTIVITY

in millions of euros	Holding company activities	
	Fiscal year 2014	**Fiscal year 2013**
Net banking income	**(121)**	**(247)**
Operating expenses	(117)	(104)
Gross operating income	**(238)**	**(351)**
Cost of risk	(28)	(30)
Operating income	**(266)**	**(381)**
Gains or losses on long-term investments	1,141	(585)
Income before tax	**875**	**(966)**

Note 6 Other information

6.1 CONSOLIDATION

In reference to Article 4111-1 of ANC regulation No. 2014-07, and in accordance with Article 1 of CRC regulation No. 99-07, BPCE prepares its consolidated financial statements under international accounting standards.

Individual company financial statements are incorporated into the consolidated financial statements of Groupe BPCE and BPCE SA group.

6.2 REMUNERATION, RECEIVABLES, LOANS AND COMMITMENTS

Total remuneration paid in 2014 to members of the Management Board amounted to €3.5 million and €0.6 million was paid to members of the Supervisory Board.

Provisions for retirement indemnities for Fiscal year 2014 amounted to €4 million for members of the Management Board.

6.3 STATUTORY AUDITORS' FEES

	PricewaterhouseCoopers Audit				MAZARS				KPMG Audit				Total			
	Amount [1]		%		Amount [1]		%		Amount [1]		%		Amount [1]		%	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Audit																
Statutory audit, review of parent company and consolidated financial statements [2]	494	563	38%	46%	488	552	38%	46%	493	549	32%	38%	1,475	1,664	36%	43%
Other due diligence procedures and services directly linked to the Statutory Auditor's assignment[3]	795	653	62%	54%	780	640	62%	54%	1,028	915	68%	63%	2,603	2,208	64%	57%
TOTAL	**1,289**	**1,216**	**100%**	**100%**	**1,268**	**1,192**	**100%**	**100%**	**1,521**	**1,464**	**100%**	**100%**	**4,078**	**3,872**	**100%**	**100%**
Change (%)	***6%***				***6%***				***4%***				***5%***			

(1) Amounts concerning the relevant period are recognized in the income statement for the reporting year (including unrecoverable VAT where applicable) and, where applicable, before being deducted from retained earnings in the event of restructuring operations.

(2) Includes services provided by independent experts or members of the Statutory Auditor's network upon which the Statutory Auditor may call in the course of certifying the financial statements.

(3) Other procedures and services directly related to the Statutory Auditors' duties mainly include due diligence procedures relating to financial transactions as well as analysis and audit work in preparation for the Asset Quality Review carried out by the ECB and CSR reviews.

6.4 OPERATIONS IN NON-COOPERATIVE COUNTRIES

The provisions of Article L. 511-45 of the French Monetary and Financial Code and the decree of October 6, 2009, issued by the French Economy Minister, require credit institutions to publish, as part of the notes to their annual financial statements, information on their presence and activities in countries and territories that have not entered into an administrative assistance agreement with France for the exchange of information in connection with the fight against tax fraud and tax evasion.

These obligations fit within the wider objectives of the worldwide fight against uncooperative tax havens, which were defined at OECD meetings and summits, and are also designed to combat money laundering and the financing of terrorism.

Since its foundation, Groupe BPCE has adopted a prudent approach. It ensures that entities belonging to its networks are regularly informed about updates to the OECD list of territories that are considered as uncooperative as regards the effective exchange of information for tax purposes as well as about the potential consequences of maintaining operations in uncooperative territories. In addition, lists of non-cooperative territories have been integrated, in part, into software packages used in the fight against money laundering with the objective of ensuring appropriate due diligence for transactions with non-cooperative countries and territories (implementation of Decree 2009-874 of July 16, 2009). At the level of the central institution, an inventory of the Group's locations and activities in uncooperative territories has been drawn up for the information of executive bodies.

This statement is based on the list of countries named in the August 21, 2013 decree, made in application of Article 238-0-A of the French General Tax Code.

At December 31, 2014, BPCE had no offices or activities in uncooperative tax havens.

5.6 Statutory Auditors' report on the financial statements

For the year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BPCE

50 avenue Pierre Mendès-France

75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of BPCE;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent company financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014, and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying the opinion expressed above, we draw your attention to Note 2.2 in the notes to the parent company financial statements, which details the changes in methods as a result of the new standards and interpretations applicable as of January 1, 2014.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

VALUATION OF INVESTMENTS IN ASSOCIATES, EQUITY INTERESTS AND LONG-TERM INVESTMENTS

Investments in associates, Equity interests and other long-term investments are valued at the lower of their acquisition cost and their value in use, using a multi-criteria approach (Notes 2.3.3, 3.4 and 5.9). As part of our assessment of these estimates, we reviewed the items and the specific calculated used to determine value in use for the main lines in the portfolio.

VALUATION OF SECURITIES PORTFOLIOS AND FINANCIAL INSTRUMENTS

Your company holds securities portfolios and financial instruments. Notes 1.2, 2.3.3, 2.3.9, 3.3, 4.2, 5.4 and 5.5 detail the accounting methods and rules applied to these securities and financial instruments. We reviewed the control procedures relating to the accounting classification and the determination of inputs used to value these securities and financial instruments. We verified the appropriateness of the accounting methods used by your company and the information provided in the Notes to the financial statements, and ensured that these methods were correctly applied.

These assessments were made as part of our audit of the parent company financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by the corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the company from companies controlling the company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, March 18, 2015

The Statutory Auditors

KPMG Audit *Department of KPMG SA*	**Mazars**	**PricewaterhouseCoopers Audit**
Jean-François Dandé Marie-Christine Jolys	Michel Barbet-Massin Jean Latorzeff	Anik Chaumartin Agnès Hussherr

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6.1 Sustainable development strategy and cooperative identity

6.1.1 Groupe BPCE's sustainable development strategy

Groupe BPCE's sustainable development strategy is in keeping with international standards in this area. The Group has complied with the principles of the United Nations Global Compact since 2007, renewing its commitment in 2012, while extending it to all of its entities in France and abroad. The Group's approaches to CSR (Corporate Social Responsibility) also rely on work by the UN, the OECD, and the ILO on the international level.

The "Growing Differently" plan set the Group's strategic ambitions for 2014-2017, drawing in part on sustainable development, notably through the project to promote the cooperative banking model. The aim of this project is to showcase the differentiating factor of the cooperative banking model, centered on the three-fold relationship between employees, customers and cooperative shareholders, all of whom are active participants in the company's transformation. This common goal involves the Banque Populaire banks and Caisses d'Epargne, which fulfill considerable economic and societal responsibilities in their respective regions, steered by the CSR guidelines proposed by their federations in line with the respective identity of each network. Drawing on their extensive regional roots and the support of the Group's specialized banks (Natixis and its subsidiaries, Crédit Foncier, Banque Palatine), the Banque Populaire banks and Caisses d'Epargne are contributing to current economic and environmental developments and helping their customers prepare for and make the most of them.

Launch of a CSR self-assessment tool in the Caisse d'Epargne network

A CSR self-assessment tool was made available to the Caisses d'Epargne by their federation in the third quarter of 2014 to help deploy action plans based on the model of the ISO 26000 CSR standard. This proposal follows on from the CSR 2014-2017 guidelines adopted by the Caisses d'Epargne under the Group's strategic plan.

Development of CSR assessment approaches in the Bank Populaire banks, using the LUCIE and AFNOR-AFAQ 26 000 models

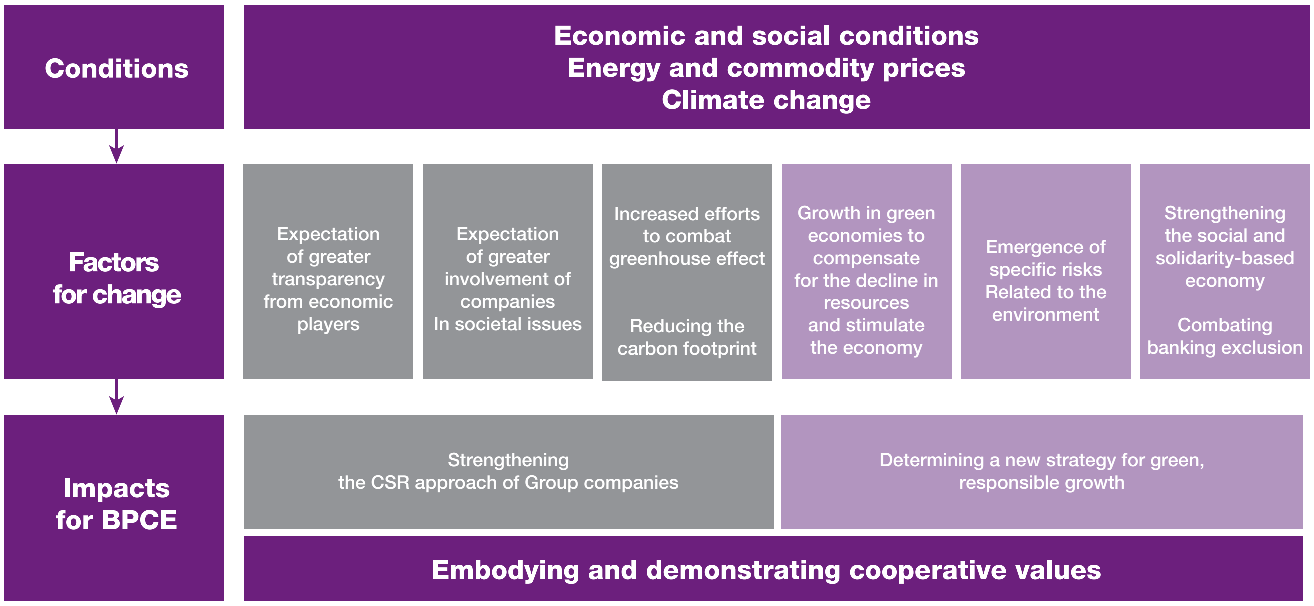
In 2014, Banque Populaire Atlantique's LUCIE certification was renewed. This certification acknowledges its CSR commitments and initiatives. Banque Populaire Lorraine Champagne and Banque Populaire des Alpes received AFNOR-AFAQ 26 000 recognition for their own CSR systems.

In the past, this foresight made Group BPCE a pioneer among French banks in sustainable development financing: it was the first company to finance energy efficiency in 1981 and launched the first shared-revenue fund in 1983, the first eco-loans in 1990, the first solidarity-based investment fund in 1994, the first public-private investment fund in the renewable energy sector in 2003, and the first éco-PTZ interest-free eco-loans in 2004.

The Group resolutely looks to the future and has set three sustainable development priorities for the 2014-2017 period:

- supporting green, responsible growth;
- promoting banking and financial inclusion;
- reducing its carbon footprint.

These priorities are divided into two main categories (see diagram below).



Under the strategic plan, the Group also developed a committed, responsible human resources strategy that plays a role in BPCE's sustainable development. For example, it chose to implement three priority initiatives to promote (i) gender equality in the workplace, (ii) employment of persons with disabilities, and (iii) equal opportunity. Furthermore, it has also implemented actions to improve labor relations, enhance occupational health and safety, and reduce absenteeism.

ORGANIZATION OF THE SUSTAINABLE DEVELOPMENT FUNCTION

The Group's sustainable development division is part of BPCE's Commercial Banking and Insurance business line. Its goals are to:

- spearhead the Group's CSR policy in concert with the federations;
- serve as a source of foresight, expertise, and innovation in order to advance sustainable growth;
- coordinate the implementation of special regulations and propose adaptations in governance.

It is particularly committed to positioning Groupe BPCE as a key player in financial inclusion, solidarity-based green growth, and carbon footprint reduction, in accordance with the goals set by the strategic plan.

To take action, it relies on a sustainable development function whose responsibilities are divided between the Group's central institution, regional banks and subsidiaries. Each company in the Group has an appointed sustainable development officer tasked with adapting the Group's commitments to the specific features of the company's region, operations and objectives.

This function has its own tools for exchanging information and coordinating and sharing skills. In addition to regular workshops and working groups, it has more formal structures as well:

- a "carbon club" focused on improving CSR reporting and the Group's carbon review, and on creating action plans. To this end, the Group's Sustainable Development division held dedicated training sessions in 2014 for the third year in a row;
- a "green, responsible growth club" aimed at centralizing technical and sales skills around new economic models driven by sustainable development. The first plenary meeting (125 participants) was held in April 2014 during National Sustainable Development week.

In 2015, this organizational structure will be expanded to include:

- a group Sustainable Development Steering Committee;
- an "energy club" led by the Group's Logistics division including sustainable development Managers;
- a special intranet site for the function;
- a project to set up a multi-year CSR action plan.

Finally, under the 2014-2017 strategic plan, the Group's Sustainable Development division regularly reports to the steering committee of the cooperative banking model project.

GROUPE BPCE'S SUSTAINABLE DEVELOPMENT CHARTERS AND STRATEGY

Global Compact

In April 2012, Groupe BPCE renewed its adherence to the United Nations Global Compact and expanded it to cover all of its entities in France and abroad. The Global Compact is an agreement under which companies undertake to align their operations and strategies with 10 universally accepted principles affecting human rights, labor standards, the environment and anti-corruption. The primary goal of the Global Compact, which is the world's leading corporate citizenship initiative (with 12,000 participants in over 145 countries) is to promote the social legitimacy of businesses and markets[1]. The aims of the Global Compact are compatible with those of ISO 26000 and Global Reporting Initiative (GRI) criteria. In 2013, Groupe BPCE reached the GC Active level.

Corporate Diversity Charter

Groupe BPCE adopted the Corporate Diversity Charter in November 2010, demonstrating its determination to become a model employer. The Group enacts this commitment through special initiatives, such as the July 2010 implementation of the responsible procurement and disabilities policy ("PHARE") and the June 2012 creation of the women's network "Les Essenti'Elles" aimed at promoting a positive image of women and furthering their access to top positions.

Businesses and Neighborhoods Charter

Groupe BPCE was one of the first companies to join this project initiated by the French Ministry of Women's Rights, Cities, Youth and Sports, which is gradually being rolled out to the French regions. A two-year Group agreement was signed in December 2013 setting out its commitments, including financial education and the promotion of entrepreneurship to the segments of the public targeted by city policy. In 2014, Finances & Pédagogie[2] and eight regional banks joined forces for special projects overseen by the regional prefectures and equal opportunity prefectures.

By adhering to this charter, companies undertake to promote access to employment and business creation among people living in working class neighborhoods, and also to support the economic, social, and cultural development of neighborhoods identified as priorities by municipal policy in various, such as education, guidance, mediation, public services, support for entrepreneurship, and professional inclusion.

Responsible Procurement Charter

Since 2010, Groupe BPCE has been a signatory of the Responsible Supplier Relations Charter. This charter was designed to incentivize businesses to adopt responsible practices in dealing with their suppliers. The goal is to change relations between clients and suppliers in order to build a lasting, balanced relationship between them based on mutual trust, with the aim of supporting France's economy by giving precedence to partner-based strategies, dialog, and the expertise of procurement professionals[3].

6.1.2 Cooperative Identity

As cooperative banks[4], the Caisses d'Epargne and Bank Populaire banks are owned by nearly 9 million cooperative shareholders, which are themselves shareholders of BPCE, its central institution responsible for coordinating and communicating their common policies. For this reason, the national strategic decisions of Groupe BPCE are made in keeping with their regional requirements.

The Banque Populaire banks and Caisses d'Epargne are members of federations that protect each network's identity and values and defend its interests. They support the networks on CSR strategy, the involvement of cooperative shareholders, and training for directors and governance.

The Group's "Growing Differently" strategic plan includes specific commitments to bring this cooperative banking model to life: a model it embodies, one that sets it apart from the competition and can be seen in practice each and every day. Twenty programs were conducted or initiated in 2014 in three categories – customers and regions, employees and cooperative shareholders – with the aim of adding a cooperative dimension when measuring quality of service and relations, measuring the societal impact of banking activity, keeping track of how the regions use the deposited savings, preventing banking exclusion, ensuring the accessibility of energy transition investments, and involving cooperative shareholders in banking innovation.

The FNBP (Fédération Nationale des Banques Populaires), FNCE (Fédération Nationale des Caisses d'Epargne) and Groupe BPCE also signed an agreement with the Panthéon-Sorbonne Graduate Business School at the University of Paris I to create a "Management and Governance of Financial Cooperatives" research chair.

Additionally, in 2014, 20 cooperative indicators used by both the Bank Populaire banks and the Caisses d'Epargne were defined through joint efforts between the federations and the Group, and were integrated into the registration document's CSR section.

BANQUE POPULAIRE BANKS

History and identity

Since the first Banque Populaire bank was created in Angers in 1878, and even more since the Act establishing the banks came into force in 1917, the

(1) https://www.unglobalcompact.org/

(2) Created in 1957 by Caisses d'Epargne, Finances & Pédagogie is a non-profit that provides training and awareness-raising initiatives, for youth and adults, on the subject of personal finance.

(3) http://www.bpce.fr/Fournisseur/La-politique-achats-responsables/Engagements-durables

(4) Their shares are not publicly traded, and the nominal value of each cooperative share is fixed. Interest is capped at the average yield of corporate bonds (the "TMO" rate).

Banque Populaire banks have been cooperative banks providing services to their cooperative shareholders. The mission entrusted to the Banque Populaire banks was to provide services to craftsmen and small retailers, who formed their entire cooperative shareholder base (this mission was soon extended to SMEs). From 1962 onward, regulatory changes enabled the Banque Populaire banks to accept individual customers. With the creation of Associations to Facilitate Lending and Saving by Civil Servants and Public Service Agents (ACEF) and the launch of CASDEN Banque Populaire in 1974, they extended their services to civil servants and staff of the French National Education, Research and Culture departments. In 2002, Crédit Coopératif, with its focus on the social and solidarity-based economy, joined the Banque Populaire banks. In all its rich diversity, the Banque Populaire network puts its values of freedom and solidarity in action every day.

Cooperative governance and organization

The 3.9 million cooperative shareholders are the core of the Banque Populaire banks. They vote at Annual General Shareholders' Meetings and directly elect the directors who will represent them at Boards of Directors meetings. Cooperative shareholders are regularly invited to branch meetings and special events where they can talk with company managers and directors about the latest news affecting their banks and nominate local solidarity-based projects for bank sponsorship as part of the "Initiative Région" Awards. Cooperative shareholders also have the opportunity to get involved in shareholder clubs (strategic orientations, associative budgets, etc.) and help support recipients of microloans through organizations such as "Atlantique Coopération". They enjoy access to special information channels to keep up to date with news about their banks, including dedicated newsletters and magazines and interactive websites.

In 2014, the Banque Populaire network had 270 directors (and 23 non-voting directors) whose experience and diversity enrich discussions at Board of Directors' meetings in the interests of all customers and cooperative shareholders. They are creators of value (CEOs, researchers, lecturers, etc.) who, through their roles, are involved in driving economic and social development within their regions. In 2014, the Fédération Nationale des Banques Populaires offered them training on topics such as the history of the Banque Populaire network, the cooperative banking model of the Banque Populaire banks, the roles and responsibilities of directors, risk management (particularly the prevention of fraud and corruption), the opportunities presented by CSR, and how to integrate it into the corporate strategy. The Fédération has also made a self-assessment questionnaire available to all the Boards of Directors to allow them to objectively evaluate their performance.

In May 2014, the Fédération Nationale des Banques Populaires rolled out a new tool to manage the training program for Banque Populaire directors: the "académie des administrateurs", or Directors Academy. This online tool, which is open to all Banque Populaire directors, includes all of the training options provided by the federation in the form of classroom presentations and e-learning sessions.

The Directors Academy addresses multiple objectives:

- offering a full view of the training catalog provided by the federation;
- allowing directors to register for training modules online and to access their transcripts;
- helping directors to stay informed of current events affecting the committee they serve on;
- facilitating access to training through e-learning modules;
- measuring directors' enthusiasm for different topics and training content by conducting satisfaction surveys, which allows the federation to adapt the training offered to meet their expectations.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE

Banque Populaire banks	At 12/31/2014	At 12/31/2013	Change 2013/2014
Number of cooperative shareholders	3.90	3.80	2.40%
Percentage of cooperative shareholder customers *(as a %)*	43%	-	-
Average ownership interest per cooperative shareholder *(in €)*	1,846.73	-	-
Cooperative shareholder satisfaction rate *(as a %)**	7.5/10	-	-

* *Data from the BP & CE individual customer satisfaction survey coordinated by the Group Customer Research division.*

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Banque Populaire banks	2014
Governance bodies	
Number of members on Boards of Directors	270
Director attendance rate at Boards of Directors meetings *(as a %)*	81%
Percentage of Board members who are women *(as a %)*	27%
Percentage of Board Chairmen and Vice-Chairmen who are women *(as a %)*	9%
Percentage of Audit Committee Chairmen who are women *(as a %)*	11%
Director Training	
Audit Committees: percentage of members who took at least one training course over the year *(as a %)*	17%
Audit Committees: average number of training hours per person *(in hours)*	3
Boards of Directors: participation count	66
Boards of Directors: number of training sessions	4
Boards of Directors: number of training hours *(in hours)*	26

Every two years, the Fédération Nationale des Banques Populaires convenes the individuals who serve on the Boards of directors of all Banque Populaire banks in France. In June 2014, the Directors Academy convened directors, executives, and employees from throughout the network to discuss a unifying theme: imagining the cooperative banking model of tomorrow. The backdrop to this two-day conference was the profound changes facing the world of banking today (expanding role of digital technology in society, increased need for local services, European regulations with a growing influence on the banking industry) and their direct or indirect impacts on Banque Populaire's cooperative banking model. How can the Group generate new growth prospects by integrating these changes? How can it preserve the uniqueness of the Banque Populaire cooperative banking model and express what makes it different? These were the issues on which nearly 300 Banque Populaire directors and executives focused their efforts.

CSR & cooperative dividend: reflecting the cooperative spirit of the Banque Populaire banks

The Banque Populaire banks have developed a specialized tool to inform their cooperative shareholders of their actions in the areas of societal and cooperative responsibility. Based on the ISO 26000 standard for CSR, the Cooperative and CSR Dividend follows a stakeholder-centered approach. It catalogs and appraises the monetary value (in euros) of each bank's initiatives in favor of cooperative shareholders, directors, employees, customers and civil society. Reflecting the cooperative spirit of the Banque Populaire banks, this tool only takes into account initiatives without a commercial aim that go beyond legal requirements and the minimum standards set for cooperative governance, consumer relations, and societal engagement within the banking profession. Every year, the Banque Populaire banks publish the dividend's results in the Cooperative and CSR Review. In 2014, the Banque Populaire banks' main areas of societal and cooperative responsibility were the involvement and information of cooperative shareholders, as well as employment and professional inclusion.

CAISSES D'EPARGNE

History and identity

For nearly 200 years, the Caisses d'Epargne have forged their history on the core values of local presence, facilitating access to banking services and supporting local economic and social development. They became cooperative banks in 1999 and now belong to their customers, who are their cooperative shareholders and share the cooperative principles of democracy, a strong local presence, education and solidarity.

In order to promote these principles, the Caisses d'Epargne jointly define and adopt nationwide corporate social responsibility guidelines within the Fédération Nationale des Caisses d'Epargne. Thea FNCE is tasked with "defining, coordinating, and promoting the societal responsibility actions of the Caisses d'Epargne" (Article L. 512-99 of the French Monetary and Financial Code).

Cooperative structure

At the end of 2014, Groupe Caisse d'Epargne had nearly 5 million cooperative shareholders, the majority of them individual customers. Cooperative shareholders are represented by 228 local savings companies (LSCs), which form an intermediate layer that helps strengthen each bank's local roots and relationships.

The cooperative shareholder base and governance are coordinated at several levels:

- annual General Shareholders' Meetings of local savings companies (LSCs): the Annual General Shareholders' Meetings are a key part of the cooperative relationship, as shown by the 7% participation rate at the meetings of June-July 2014 (attending and represented). Nearly 340,000 cooperative shareholders voted at the meetings, with 36,800 in attendance;
- informing and consulting cooperative shareholders: cooperative shareholders are key stakeholders in the Caisses d'Epargne, which provide them with dedicated information and communication channels including in-branch information points, a dedicated website (www.societaires.caisse-epargne.fr), newsletters and web conferences hosted by Caisse d'Epargne experts. These various channels provide cooperative shareholders with regular updates on their Caisse d'Epargne, information on how to get involved, and regional and national news in general. Some Caisses d'Epargne also consult their cooperative shareholders and organize shareholder events, including exclusive meetings and shareholder clubs;
- informing and involving the 3,500 directors of LSCs: almost all the Caisses d'Epargne include directors when implementing their patronage-philanthropy policy. Other means of participation are made available locally, for example including directors in quality-improvement exercises and monitoring of the local market;
- director training: this is a key component of Caisse d'Epargne's corporate social responsibility policy, ensuring that the representatives of their cooperative shareholders can carry out their mandate in full and contribute actively to their governance. A wide range of training options is available: learning the identity and history of the Caisses d'Epargne, acquiring basic banking knowledge and developing financial and risk management skills.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE

Caisses d'Epargne	At 12/31/2014	At 12/31/2013	Change 2013/2014
Number of cooperative shareholders *(millions)*	4.96	4.90	+1.2%
Percentage of cooperative shareholder customers *(as a %)*(1)	20%	-	-
Average ownership interest per cooperative shareholder *(in €)*(1)	2,451	-	-
Cooperative shareholder satisfaction rate *(as a %)*(2)	7.3/10	-	-

(1) Natural persons only.
(2) Data from the individual BP & CE individual customer satisfaction survey coordinated by the Group Customer Research division.

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Caisses d'Epargne	2014
Governance bodies	
Number of members on Steering and Supervisory Boards	306
Director attendance rate at Steering and Supervisory Board meetings *(as a %)*	91%
Percentage of Steering and Supervisory Board members who are women *(as a %)*	14%
Percentage of Steering and Supervisory Board Chairmen who are women * *(as a %)*	12%
Percentage of Audit Committee Chairmen who are women	0%
Director Training	
Audit Committees: percentage of members who took at least one training course over the year *(as a %)*	50%
Audit Committees: average number of training hours per person *(in hours)*	6
Steering and Supervisory Boards: participation count	69
Steering and Supervisory Boards: number of training sessions	5
Steering and Supervisory Boards: number of training hours *(in hours)*	266

** Data based on nine Caisses d'Epargne.*

CSR Guidelines

The Caisse d'Epargne CSR Guidelines for the 2014-2017 period include six fields of action, in keeping with ISO 26000 guidance: governance, products and customer relations, employee relations and workplace conditions, procurement and supplier relations, environment, and societal engagement. Within these fields of action, 29 priorities were defined[1].

The 2014-2017 CSR guidelines outline a framework for action shared by all Caisses d'Epargne by identifying key actions. Each Caisse d'Epargne, as a fully-fledged cooperative bank, is tasked with setting its own strategy for social and environmental responsibility. The existence of this shared framework facilitates the exchange of best practices and achievement of common goals, while respecting the Caisses d'Epargne's cooperative structure. This decentralized structure is the very cornerstone of the way cooperatives work, and ensures that CSR strategies are tailored to suit local needs and the people who are affected.

In 2014, the FNCE created several tools to facilitate the implementation of CSR policies within the Caisses d'Epargne, in particular a CSR self-assessment tool that reiterates the central issues of ISO 26000 and standards for evaluating the Caisse d'Epargne network's intangible assets.

6

(1) *Learn more: http://www.federation.caisse-epargne.fr/assets/CE_OrientationsRSE2014-2017/index.html?preventcache=true*

6.2 Response to economic challenges

Groupe BPCE's commitment to economic and sustainable development focuses on four priorities: local financing, support for local development, respect for fair practices, and financing ecological and energy transition.

6.2.1 Contribution to local financing

FINANCING THE ECONOMY: LOCAL ROOTS – A KEY ASSET

The 17 Caisses d'Epargne and 18 Banque Populaire banks embody Groupe BPCE's close ties with the regional economy, sharing the values of social cohesion and support for local employment:

- in 2014, Groupe BPCE was once again the leading provider of microloans for individuals (45% market share at June 30, 2014) and a major provider of professional microloans (35.4% market share at end-2014);
- in 2014, donations by the Banque Populaire banks and Caisses d'Epargne to general interest projects in local areas amounted to €29.5 million:
  - of this total, €19.4 million was earmarked by the Caisses d'Epargne for four uses: direct support of local solidarity-based and cultural initiatives, the Caisse d'Epargne network's charity fund, the Fondation Caisse d'Epargne pour la solidarité (Caisse d'Epargne Foundation for Social Solidarity) and the Fondation Belem,
  - €10.1 million was earmarked by the Banque Populaire banks for three uses: donations and partnerships by Banque Populaire foundations in their region, the Banque Populaire Corporate Foundation, and the charity fund of the Fédération Nationale des Banques Populaires;
- in 2014, 87% of the Groups' suppliers[(1)] were SMEs[(2)] 39% of purchases[(3)] were made from SMEs and 31% from ISEs[(4)] The Group's companies give preference to local suppliers: 66% of suppliers have a local presence in their respective regions[(5)] These companies contribute to local employment and economic development through their sub-contracting chain;
- although historically located in the cities, the Banque Populaire banks and Caisses d'Epargne play a role in the development of rural areas, which cover 78% of the territory of mainland France[(6)] 481 branches are located in rural areas[(7)];
- the Banque Populaire banks and Caisses d'Epargne also have a presence in 35.06% of sensitive urban areas[(8)] with 263 branches.

BPCE International et Outre-mer (BPCE IOM): serving the development of SMEs

This year, several agreements were signed or implemented between the Group's African banks to encourage the development of African SMEs. Banque Tuniso-Koweïtienne (BTK) signed an agreement with the European Bank for Reconstruction and Development (EBRD) to extend a €40 million line of credit to finance Tunisian SMEs, and later signed another partnership agreement with the European Investment Bank (EIB), in concert with the *Réseau Entreprendre* Tunis business network, to invest €40 million in Tunisian SMEs and VSEs. Banque Commerciale Internationale (BCI) became a partner of the *Fonds d'Appui à Coûts Partagés* (FACP), an institution financed by the World Bank and the government of the Congo (Brazzaville), to expand the fabric of local SMEs/SMIs. Finally, Banque International du Cameroun pour l'Epargne et le Crédit (BICEC) in Cameroon became a World Bank partner on the implementation of an electronic payment platform in the port city of Douala (a single point of access for businesses).

Groupe BPCE also continued to use the CICE[(9)] for various investments totaling €73,056,732 in real estate, digitization of documents, technological innovations, IT investments, training and recruitment.

(1) *From a sample of 24,390 suppliers with a Codex 2013 SIREN number and approved by INSEE.*

(2) *Small and medium-sized enterprises (2014 definition): more than 250 employees and revenues below €50,000K (quantitative definition).*

(3) *From the sample of purchases taken from the Codex 2013 database on suppliers with a SIREN number and approved by INSEE; this amount represents 79% of total purchases.*

(4) *Intermediate-sized enterprises (2013 definition): 250 to 5,000 employees and revenues greater than or equal to €50,000K and less than €1,500,000K (quantitative definition).*

(5) *Average calculated based on entity declarations according to the Group's regional breakdown.*

(6) *Source: INSEE Première No. 1425 – December 2012; New zoning of population basins ("bassins de vie") in 2012: "Three-quarters of population basins are rural".*

(7) *Definition: INSEE, French "communes" that do not fall under definitions of urban units, i.e. "communes" without zones of continuous development inhabited by 2,000 residents and "communes" in which less than half of the municipal population resides in a continuous development zone. Calculated based on 2009 census.*

(8) *Definition: Act of November 14, 1996 implementing the urban policy revival compact; Decree No. 96-1156 of December 26, 1996 establishing the list of 750 Sensitive Urban Areas.*

(9) *The CICE (competitiveness and employment tax credit) is aimed at improvement the competitiveness of French businesses through efforts in investment, research, innovation, training, recruitment, development of new markets, eco and energy transition, and restoration of WCR.*

FINANCING OF LOCAL PUBLIC STAKEHOLDERS AND THE SOCIAL ECONOMY

The Caisse d'Epargne and Banque Populaire banks are major sources of financing for local authorities, social economy structures, and social housing.

As cooperative banks, the two networks are also part of the social and solidarity-based economy, which represents 10.3% of salaried employment in France[(1)], consisting of organizations and companies with status as non-profits (78.2%), cooperatives (13.2%), mutual companies (5.6%) and foundations (3.1%). In France, 30%[(2)] of all banking, financial, and insurance jobs are with cooperatives and mutual companies.

FINANCING FOR THE REGIONAL PUBLIC SECTOR, THE SOCIAL ECONOMY AND SOCIAL HOUSING BY GROUPE BPCE

Indicators *(in thousands of euros)*	**2014**	**2013**
Total annual new regional public sector loans	4,736,048	6,537,842
Total annual new social housing loans	903,188	1,071,273
Total annual new social economy loans	812,711	774,425

6.2.2 Support for green, responsible growth

The aim of green growth is to steer the economy toward more eco-friendly manufacturing and consumption methods. Financing is a key vector for spreading public initiatives and supporting the development of green industrial sectors.

To achieve its ambition in this field, Groupe BPCE must address several challenges:

- a technical challenge: obtaining a firmer grasp on technical innovations to better understand the market, and thus provider more effective financing;
- an organizational challenge: the scope of the green growth market is local, national and European. It is aimed at all target segments, including individuals, SME/VSE professionals, local authorities, large corporates and institutions. To be effective on this market, there need to be appropriate organizations, products and services for each of these segments;
- a financial challenge: innovation is central to these emerging markets and calls for long-term investments.

The Group is working to build expertise in these relatively complex markets and seize the business opportunities they provide.

INNOVATION AND PRODUCT DEVELOPMENT

As a full-service bank, Groupe BPCE is able to contribute to all types of projects in the four main categories of green growth financing: energy efficiency, companies investing in greenhouse gas reduction, companies involved in managing and recycling natural resources, and new eco goods and services. The diversity of its expertise and operations allow it to support projects on a local, national and international scale.

The Group has innovative solutions and a complete, exclusive line of products. It thereby occupies a leading position in major green growth markets, particularly in renewable energy (solar PV power with 31% market share in 2013, wind power with 30% market share in 2013, biomass, etc.), public transportation, and sustainable real estate.

In 2014, the Group's entities arranged financing for, or fully financed, a number of renewable energy projects:

- wind power: 1,075 megawatts (MW);
- solar PV power: 862 MW;
- biomass: 69 MW;
- hydropower: 660 MW;
- biogas: 8 MW.

BPCE International et Outre-mer (BPCE IOM): a leading role in financing the energy transition

BPCE IOM has developed expertise in financing renewable energy in its regions of operation.

In 2014, this expertise led to the financing of a new 2.45 MW solar PV power plant in Diamant (Martinique) and the financing of the construction and operation of a wind power plant with energy storage on the east coast of Marie Galante island in Guadeloupe.

A 9.3 MW power plant in Mauritius was financed by Banque des Mascareignes.

Banque de la Réunion financed a solar PV power plant installed on the rooftop of a shopping mall, a positive-energy building for a company that makes solar-powered water heaters, and a solar PV power plant combined with an energy storage system.

As a major player in renewable energy financing, the BPCE IOM network has funded more than 794 solar PV, wind, biomass, and hydropower plants in the French overseas territories and abroad since 2006, with a total output of 167 MW. Banque de la Réunion, Banque des Antilles Françaises, Banque des Mascareignes and BPCE IOM disbursed over €500 million in syndicated loans to finance the construction and operation of these facilities.

(1) *Source: Atlas national commenté de l'économie sociale et solidaire 2014; http://www.atelier-idf.org/ressources/observatoire-ess/chiffres-clefs/chiffres-clefs-ess-par-territoires/chiffres-nationaux.htm#c729bPl0P1*

(2) *Source: French Observatory for the Social and Solidarity-Based Economy (Observatoire National de l'Economie Sociale et Solidaire).*

Additionally, the Group also offers:

- savings products: Banque Populaire's "CODEVair" account, Caisse d'Epargne's regional passbook accounts used to fund local projects, Mirova's SRI range for financial investments;
- tailored credit solutions: Banque Populaire's "PREVair" and "PROVair" loans, Caisse d'Epargne's "Ecureuil" sustainable development loans for individual or professional customers; "EuroFIDEME" and "FIDEPPP" investment funds for private or public sector investors.

In order to meet future needs, the Group's companies are constantly innovating in the field of green growth. A special effort is made to support all parties involved in the energy transition, divided into four sectors:

- renewable energy production;
- energy distribution and storage infrastructures;
- thermal renovation for buildings;
- innovation: connected networks, home automation, etc.

In the housing sector, the banking and financial conference held in summer 2014 highlighted the need to better organize the range of home improvement and financing solutions for the thermal renovation of private homes, which can be accomplished through coordinated actions between banks, local governments and renovation professionals.

The Group was already working along this line as early as 2012, when it rolled out the KfW-ELENA program aimed at developing customer options coordinated with regional authorities, professional networks, and the Banque Populaire banks and Caisses d'Epargne.

Finally, improving the visibility, understanding, and promotion of the green, socially responsible products distributed by the networks will be a major focus for the Group in the coming years.

COORDINATION OF THE SUSTAINABLE DEVELOPMENT FUNCTION

The Group's Sustainable Development division oversees a dedicated function aimed at proposing and initiating the creation of new products, instituting sales initiatives, and sharing the expertise applied within the Group's various companies. An intranet site including a dedicated collaborative space will be added in early 2015. The division also supports the regional initiatives of the Group's entities.

The division's additional duties include:

- participating in the internal process for approving the Group's new products and services within the Review and Validation Committee for New Groupe BPCE Products (CEVANOP);
- organizing a "green, responsible growth club" to centralized technical and sales expertise around the new economic models presented by sustainable development. The first plenary meeting (125 participants) was held in April 2014 during National Sustainable Development Week;
- performing an economic and regulatory watch and analyses, centered on the responsible, green economic sectors. In 2014, a study of energy price trends and their impact on procurement policies was conducted in preparation for price deregulation. The Group's Sustainable Development division also initiated studies on crowdfunding, local and complementary currencies, microloan support networks, distribution of energy renovation loans for individuals, etc;
- participating in industry-wide efforts, particularly at the banking and financial conference.

A positive review by the European Commission on the regional energy efficiency financing pilot program

BPCE presented its report on the first year of the KfW-Elena program to the European Commission. At each Banque Populaire bank and Caisse d'Epargne in the pilot program, partnership agreements describing each partner's roles in the local coordination of the energy efficiency market were signed, and steering committees were set up. At the local banks, the credit mechanism was research and the pilot program rolled out at trial branches. In several regions, the partnership system for distributing financing solutions got other banking networks interested. Based on these results, the European Commission, after awarding a second subsidy for the new candidate regions, agreed to extend the refinancing arrangement by one year.

INITIATIVES SUPPORTING THE DEVELOPMENT OF GREEN GROWTH (PRODUCTION)

	2014		2013	
Regulated products *(in euros)*	**Number**	**Outstandings**	**Number**	**Outstandings**
Savings products				
Livret Développement Durable (LDD) sustainable development passbook savings account	312,779	1,087,180,468	372,927	1,375,064,114
Green loans				
PREVair (loan backed by LDD savings)	1,093	23,426,574	1,771	55,379,308
Ecureuil crédit DD (loan backed by LDD savings)	6,657	66,179,374	8,061	84,898,088
Éco-PTZ (interest-free eco-loans)	7,699	134,422,757	7,812	137,747,541
TOTAL REGULATED GREEN LOANS	**15,449**	**224,028,705**	**17,644**	**278,024,937**

Voluntary savings products (unregulated) *(in euros)*	2014		2013	
	Number	Outstandings	Number	Outstandings
Savings products				
CODEVair (passbook savings account)	5,677	200,200,693	5,520	160,755,513
Green loans				
PREVair (loan backed by CODEVair savings)	277	4,740,823	295	7,230,875
PREVair Auto (car loan)	2,090	24,346,493	2,375	25,417,009
Ecureuil auto DD (car loan)	5,125	49,823,554	5,956	59,983,049
PROVair	106	11,722,979	67	7,413,863
TOTAL UNREGULATED GREEN LOANS	**7,598**	**90,633,849**	**8,693**	**100,044,796**
TOTAL GREEN LOANS (REGULATED + UNREGULATED)	**23,047**	**314,662,554**	**26,337**	**378,069,733**

6.2.3 Contribution to regional economic development

RESPONSIBLE PROCUREMENT POLICY: THE AGIR PROJECT

Incorporating CSR into the procurement policy

In September 2012, BPCE Procurement launched *Agir ensemble pour des achats responsables* ("Working Together for Responsible Procurement"). This responsible procurement approach ("AgiR") is part of an overall goal to achieve comprehensive, sustainable performance involving Group companies and suppliers. The approach builds on the commitments made by Groupe BPCE when it signed of the Responsible Supplier Relations Charter in December 2010.

In Phase 1, Group companies were evaluated for their level of responsible procurement and the Group's CSR risks and opportunities were identified by procurement category. A panel of suppliers was also surveyed and asked to adopt a stance on corporate social responsibility.

Based on this preliminary diagnostic phase, a responsible procurement policy was developed by a working group formed by the Real Estate & Logistics Services, Sustainable Development and Human Resources divisions of Groupe BPCE and the Advisory and Member Services, Real Estate Procurement & General Resources and Legal Services departments of BPCE Procurement.

Engaging stakeholders around the responsible procurement policy

This policy defines the Group's responsible procurement approach and the commitments of the procurement function, business divisions and suppliers of Groupe BPCE. It was ratified in April 2013 after ordinary consultation of the companies affiliated with BPCE Procurement.

BPCE Procurement released this policy to its entire procurement function and business lines within the Group. National suppliers used by BPCE Procurement were informed of Groupe BPCE's expectations in terms of CSR commitments and performance.

Applying the responsible procurement policy in daily procurement activities

The Group's procurement managers were instructed to apply and circulate this policy within their companies and among their supplier panels with respect to the following areas:

- procurement process: the application of the responsible procurement policy was formalized in the various procurement processing tools through adaptation or the creation of new documentation (consultation file, specifications, supplier questionnaire with CSR self-assessment tool, supply response grid, price grid, supply selection and evaluation grid);
- procurement performance plan: the implementation of the responsible procurement policy is transposed into national and local procurement action plans ("Procurement Performance Plan") and is based on four drivers:
  - updating the statement of needs and its environmental impact,
  - guaranteeing optimal total cost,
  - expanding cooperation with suppliers,
  - working with stakeholders in the social and solidarity-based economy.

  The objective is to integrate these drivers with initiatives on the national, regional and local levels based on the procurement performance plans developed by the procurement function (BPCE Procurement purchasers and Group companies).
- supplier relations: BPCE Procurement evaluates its suppliers on their CSR performance using national reference listings. New suppliers are required to outline their CSR commitments using a self-assessment questionnaire accompanying their consultation file. National suppliers that are already listed are required to complete the self-evaluation questionnaire and add it to the regulatory documentation database handled by BPCE Procurement. Procurement managers from the Group's companies are instructed to distribute this questionnaire among their own supplier panel.

6

PROCUREMENT POLICY

Indicators	2014	2013
Level of integration of the responsible procurement policy in the procurement category strategy[1] *(as a %)*	27%	17%
Level of integration *(national level)* of the responsible procurement policy in the procurement performance plan[2] *(as a %)*	76%	77%
Average payment terms to suppliers *(in days)*	32.40	n/a

(1) Number of procurement sub-categories that have established a written Responsible Procurement strategy (methodological summaries)/Total number of sub-categories.
(2) Number of national initiatives as part of the Procurement Performance Plan (PPP) that include at least one "AgiR" component/Total number of national PPP initiatives.

Raising awareness of responsible procurement

Since 2013, 16 analysis and training/action workshops on procurement-related CSR issues have been set up and coordinated by procurement and CSR experts. These initiatives have helped raise awareness of new CSR issues among BPCE Procurement purchasers and representatives of the business divisions.

Integration of the responsible procurement policy in the strategy for each procurement category

Sector-specific methodology summaries were developed with the aim of defining the responsible procurement strategy for 20 procurement sub-categories and sharing this strategy with the entire procurement function and relevant divisions. These summaries provide ample information on each sub-category: the main CSR issues, "AgiR" priorities, statements of needs, complete cost calculation variables for the full life cycle of the product or service, CSR performance monitoring indicators, proposals to incorporate CSR issues in procurement, the market's CSR maturity level, and feedback from both within and outside the Group.

Initiatives for SMEs

In December 2013, Groupe BPCE joined Pacte PME, a non-profit with the goal of helping its major corporate members build, implement, and evaluate actions aimed at strengthening their relations with small and medium enterprises (SMEs). An action plan to assist SMEs was presented to the Pacte PME joint monitoring committee (formed of a group of SMEs, major corporates, and qualified individuals) which gave a positive assessment. Among these actions, a supplier satisfaction survey was sent to a sample of 971 Groupe BPCE suppliers. The Group received an overall score of 58 out of 100, which was the average score received by Pacte PME members.

Outlook

The Group's goal is to continue to roll out the responsible procurement policy in the procurement strategies for the various categories and to implement the policy under the procurement performance plans. The implementation of the responsible procurement policy will continue thanks to the establishment in 2015 of specialized training courses offered to the procurement function and business divisions to help develop their responsible procurement expertise.

RAISING AWARENESS OF RESPONSIBLE PROCUREMENT

Indicator	2014	2013
Group companies having received training on solidarity-based procurement since 2011	49%	44%

SUB-CONTRACTING POLICY

Sub-contracting and compliance with the International Labor Organization's fundamental conventions

In accordance with the responsible procurement policy, the Group's suppliers are required to comply with current CSR rules and regulations and to encourage their suppliers and sub-contractors to do the same.

DISABILITY AND RESPONSIBLE PROCUREMENT POLICY ("PHARE")

Since July 2010, the procurement function has contributed to Groupe BPCE's societal responsibility goals by implementing the responsible procurement and disabilities policy ("PHARE"). Supported by the procurement and human resources functions, this policy contributes to the professional and social inclusion of persons with disabilities by sub-contracting some operations to companies working with disabled persons.

In 2014, Groupe BPCE bolstered this commitment with nearly €10.4 million including tax[1] of spending on companies working with disabled persons, tripling the amount spent since the approach was launched. Purchases by Groupe BPCE from companies working with disabled persons contributed to the professional inclusion of persons with disabilities, equivalent to 370 full-time equivalent (FTE) positions.

Cooperation with this sector has expanded and diversified, while initiatives already in place still going strong. Groupe BPCE works with over 300 suppliers in this sector, purchasing traditional services such as landscaping and WEEE[2] management, as well as services related to its banking operations such as the cleaning and recycling of ATMs, outgoing client calls and check video-encoding. This final service – the key initiative of the "PHARE" policy in 2013 – is currently being implemented in the Group's companies, and was discussed in detail at the 2014 PHARE Seminar[3] in order to promote subcontracting between regular companies and those working with disabled persons.

By working with stakeholders in the social and solidarity-based economy, the "PHARE" policy has become fully integrated with the "AgiR" project, taking on new dimensions as an integral part of a more comprehensive responsible procurement policy.

(1) Estimates.
(2) Waste Electrical and Electronic Equipment.
(3) Annual one-day gathering for people involved in PHARE.

With this approach, the Group has undertaken to continue expanding its cooperation with EAs *(entreprises adaptées)*, "adapted companies" promoting the professional integration of disabled persons, and with ESATs *(établissement et service d'aide par le travail)*, establishments where persons with disabilities can work in special conditions, thus increasing its indirect employment of such individuals.

COLLABORATION WITH COMPANIES WORKING WITH DISABLED PERSONS

Indicators	2014	2013
Number of full-time equivalent positions created in companies working with disabled persons (2014 estimate)	390	368*
Purchases from companies working with disabled persons (2014 estimate in €k)	11,000	10,400

* *The estimated 2013 figures, published in the 2013 registration document, have been updated with the actual 2013 figures.*

6.2.4 Fair practices

PRACTICE COMPLIANCE

In accordance with internal control measures and the Group's Legal Compliance Charter, Groupe BPCE's Security and Compliance division has set up several controls under its financial security and ethics and compliance frameworks.

TRAINING IN ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Indicator	2014
Percentage of employees trained in their entity's anti-money laundering policies and procedures(1) (based on reports from the entities)	102.3%(2)

(1) *Number of employees (on permanent, fixed-term, or work-study contracts) who have received anti-money laundering training in the last two years.*
(2) *Percentage calculated based on two years of training activity and for the average number of permanent full-time staff.*

In 2014, Groupe BPCE was not sanctioned for any anti-competitive, anti-trust or monopolistic behavior.

PREVENTION OF CORRUPTION

In 2014, the Group continued its work in this field, aimed at identifying and collecting all existing procedures within its companies and highlighting its commitment to preventing corruption. The Sustainable Development division was tasked with organizing this approach through a project involving the chief divisions involved (Compliance and Security, *Inspection générale*, Human Resources, Corporate Secretary's Office – Legal Affairs division, BPCE Procurement), as well as Natixis.

A working group met several times over the year in order to map out the existing procedures that fully or partially fall under the heading of preventing corruption, and the source documents formalizing them. This report describes the legal framework and procedures that apply within the Group with regard to:

- financial security – anti-money laundering;
- embargo management;
- prevention of conflicts of interest;
- gifts, benefits, and invitations;
- intermediaries and financial partners;
- confidentiality;
- lobbying;
- employee training and awareness-raising;
- whistleblowing systems;
- control systems;
- monitoring and reporting.

Additionally, as part of the internal control system and in keeping with the Group's Compliance Charter, the Group Compliance and Security division instituted a framework procedure and corresponding instructions in 2014 for preventing and handling internal fraud. To this end, the necessary authorization was obtained from the CNIL (French Data Protection Commission).

QUALITY ASSURANCE

The Group has put customer satisfaction at the heart of its strategy. To enable it to deliver on this commitment, each network has put in place mechanisms to measure the quality of customer relationships in a way that is aligned with its identity and specific characteristics.

Quality is also included as a priority in Group projects impacting the satisfaction of customers and employees.

National systems for customer feedback have been set up in all regional banks. Each network conducts a national customer satisfaction survey of individual and professional customers from across the banks every two months. A survey of 20,000 customers is conducted for each institution, which receives a report of its findings. Satisfaction surveys are also carried out among corporate and private banking customers.

Both networks' customers are also routinely surveyed at "key moments" in their relationship with the bank, such as when they sign up as customers, apply for home loans, change advisors and make a complaint. In addition, mystery shopping and calls are regularly carried out to evaluate the quality of service offered to customers.

These measures are supported at a regional level: each regional bank is provided with the resources it needs to undertake its own surveys, which serve in particular to break down customer satisfaction by branch. Nearly 12 million customers were surveyed to provide each of the branches with service quality benchmarks.

This approach was ramped up in 2014 with the implementation of the "High-Definition Quality" program in which the institutions' customers are routinely surveyed after each meeting with their advisors in order to learn how satisfied they are with the advisor's accessibility, his or her friendliness, quality of advice, and how their requests were handled. The results are reported to the branches each month.

All these actions are used to build improvement plans. To aid this, Groupe BPCE rolled out a tool to help the regional banks build their own quality management processes. Projects are being led by Groupe BPCE's Quality division and rolled out across the networks. Best practices in relation to quality of service are shared. Finally, this approach, which is already in place in French overseas departments (including Réunion, the French West Indies and French Guiana), began to be implemented internationally with quality surveys among customers in Cameroon and Madagascar.

For three years now, the Caisses d'Epargne and Banque Populaire banks have seen their overall customer satisfaction rise.

CUSTOMER DISABILITY POLICY

The Banque Populaire banks and the Caisses d'Epargne have taken various steps to facilitate access to banking services for persons with disabilities:

- they provide visually-impaired customers with free account statements in Braille and some are issued specially-designed guides and checkbooks. They also endeavor to make their services accessible with the installation of ATMs with Braille and voice guidance features and specially-designed online tools. In 2014, the networks provided specific training in serving disabled customers (sign language, serving persons with disabilities, etc.). They directly encouraged the employment of persons with disabilities by raising awareness, advising local companies and offering practice job interviews to jobseekers with disabilities;
- BPCE Assurances, in partnership with ACCEO, has put in place an accessibility system for clients who are deaf or hard of hearing. Policyholders can now directly access contract management, assistance, and claim declaration and compensation services via the website of their Caisse d'Epargne. The system is supplemented with emergency assistance by SMS 24/7 for any assistance needs (in the event of a claim or vehicle breakdown). This tool allows customers who are deaf or hard of hearing to get in touch with an insurance representative using instant transcription or video remote interpreting of the statements. This makes contact possible with full independence and without the need for a third party, as is often the case. To date, 12 Banque Populaire banks and six Caisses d'Epargne have developed this service for people who are deaf or hard of hearing;
- several banks also use advisors trained in sign language. They have also developed products that are specially designed for persons with disabilities, for example to help them equip and adapt their home.

Indicators	**2014**
Number of buildings with environmental or other certification	22
Surface area in buildings with environmental or other certification *(in m²)*	50,413
Number of accessible branches (Disability Act of 2005)	3,831
Percentage of accessible branches *(Disability Act of 2005)*	45%

6.3 Human resources information

6.3.1 Quantitative human resources indicators for Groupe BPCE

EMPLOYMENT

Total Group headcount

Groupe BPCE's total headcount as of December 31, 2014 was 108,565 employees, 90% of whom work in France.

The Banque Populaire banks accounted for 29% of the Group headcount, while the Caisse d'Epargne banks accounted for 34%.

The total headcount contracted by 5.89% compared with 2013. Following the disposal of 7%[1] of Nexity's capital, as of end-December 2014, the Group's holding is consolidated under the equity method and Nexity's staff is no longer included in the headcount of the Real estate business.

Total headcount	2014	2013	Change
Banque Populaire banks	31,155	31,153	0%
Caisses d'Epargne	36,402	36,686	(0.8%)
Subsidiaries and other banks	10,790	10,909	(1.1%)
Natixis	22,503	21,904	2.7%
Real estate	1,990	8,068	(75.3%)
Central institution	1,574	1,569	0.3%
IT and other operations	4,151	5,071	(18.1%)
GROUP TOTAL	**108,565**	**115,360**	**(5.89%)**

Permanent and fixed-term staff at Dec. 31, 2013 (excl. those on work-study contracts) in number of employees. Pro forma of 2013 data and changes.

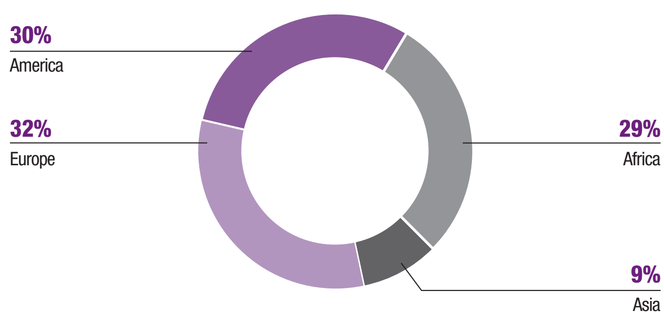
Geographic breakdown of headcount

10% of Groupe BPCE staff are located outside of France.

HEADCOUNT OUTSIDE OF FRANCE

	Natixis	Other subsidiaries	Real estate	Total	
	Number	Number	Number	Number	%
Western Europe	3,218	110	171	3,499	34%
North America	3,271	-	2	3,273	30%
Africa	1,226	2,015	-	3,241	28%
Asia	973	-	2	975	8%
GROUP TOTAL	**8,688**	**2,125**	**175**	**10,988**	**100%**

Permanent and fixed-term staff at Dec. 31, 2014 (excl. those on work-study contracts)



Scope of HR scope

The scope reviewed below covers the Banque Populaire banks, Banque Chaix, Banque de Savoie, Banque Dupuy, de Parseval, Banque Marze, Crédit Commercial du Sud-Ouest, the Caisses du Crédit Maritime, the i-BP and IT-CE IT organizations, the BPCE central institution and Natixis SA.

This scope represents 77% of the total headcount of Groupe BPCE.

(1) *Divestment of a 4% interest in December 2014 and a commitment to divest 3% that was settled on January 15, 2015.*

Breakdown of headcount by contract, status and gender

	2014		2013	
Permanent + fixed-term staff	**Number**	**%**	**Number**	**%**
Permanent staff incl. work-study contracts	78,396	94.0%	79,203	94.3%
Fixed-term staff incl. work-study contracts	4,963	6.0%	4,771	5.7%
TOTAL	**83,359**	**100%**	**83,974**	**100%**

Permanent and fixed-term present at December 31. Pro forma of 2013 data.

	2014		2013	
Non-management/management staff	**Number**	**%**	**Number**	**%**
Permanent hires, non-management	46,954	59.9%	48,288	61%
Permanent hires, management	31,442	40.1%	30,915	39%
TOTAL	**78,396**	**100%**	**79,203**	**100%**

Permanent incl. work-study contracts present at December 31. Pro forma of 2013 data.

	2014		2013	
Headcount by gender	**Number**	**%**	**Number**	**%**
Permanent staff, women	43,103	55.0%	43,259	54.6%
Permanent staff, men	35,293	45.0%	35,944	45.4%
TOTAL	**78,396**	**100%**	**79,203**	**100%**

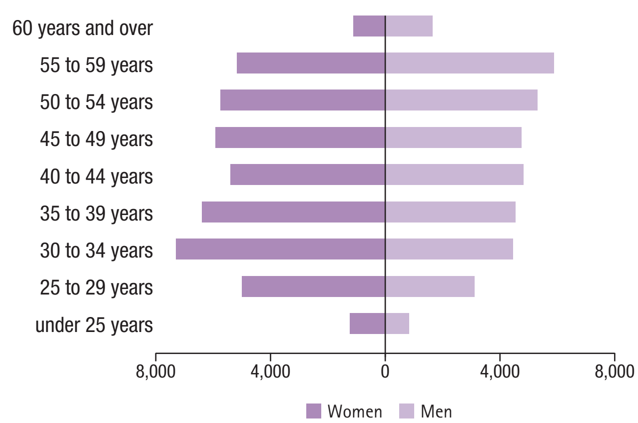
Permanent incl. work-study present at December 31. Pro forma of 2013 data.

94% of staff hold permanent contracts. Women remain a majority, representing 55% of staff on permanent contracts. The proportion of women managers is 40.1%, a figure that is steadily increasing each year.

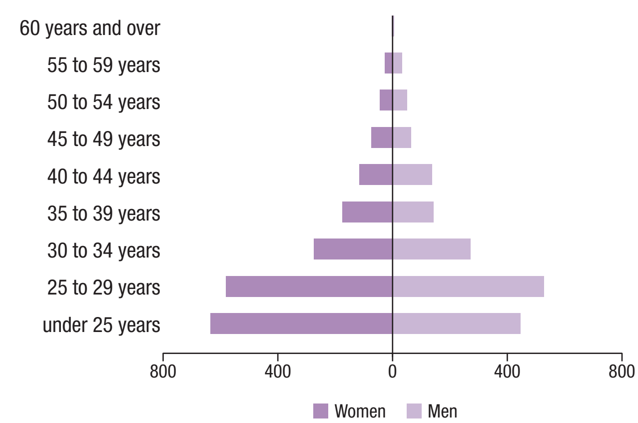
Headcount and recruitment by age group

There is a high proportion of employees under 35, accounting for 28% of permanent staff. This helps balance the overall age pyramid by paving the way for the gradual replacement of employees over 55 (18% of permanent staff) who are due to retire over the next few years.

2014 AGE PYRAMID: STAFF (PERMANENT CONTRACTS)



2014 AGE PYRAMID: HIRES (PERMANENT CONTRACTS)



Breakdown of hires by contract, status and gender

	2014		2013	
Permanent + fixed-term hires	**Number**	**%**	**Number**	**%**
Permanent staff incl. work-study contracts	3,597	29.3%	3,603	30.0%
Fixed-term staff incl. work-study contracts	8,693	70.7%	8,405	70.0%
TOTAL	**12,290**	**100%**	**12,008**	**100%**

Permanent and fixed-term present at December 31. Pro forma of 2013 data.

	2014		2013	
Non-management/management hires	**Number**	**%**	**Number**	**%**
Permanent hires, non-management	2,588	71.9%	2,811	78.0%
Permanent hires, management	1,009	28.1%	792	22.0%
TOTAL	**3,597**	**100%**	**3,603**	**100%**

Permanent incl. work-study present at December 31. Pro forma of 2013 data.

	2014		2013	
Hires by gender	**Number**	**%**	**Number**	**%**
Women	7,117	57.9%	7,016	58.4%
Men	5,173	42.1%	4,992	41.6%
TOTAL	**12,290**	**100%**	**12,008**	**100%**

Permanent and fixed-term hires incl. work-study contracts present at December 31. Pro forma of 2013 data.

Departures of employees with permanent work-study contracts (incl. by reason and gender)

Employee dismissals represented 12.2% of all departures of employees with permanent contracts within the scope reviewed in 2014; this figure is down 1% from 2013. Retirement was down this year, representing 1.8% of all permanent staff.

	2014				2013	
	Women	Men	Total		Total	
Departures, permanent staff	**Number**	**Number**	**Number**	**%**	**Number**	**%**
Resignation	552	529	1,081	24.4%	994	22.8%
Dismissal	236	305	541	12.2%	573	13.2%
Transfer	229	204	433	9.8%	417	9.6%
Retirement	591	815	1,406	31.8%	1,490	34.2%
Mutually-agreed termination	172	166	338	7.6%	333	7.7%
Departure during a trial period	126	131	257	5.8%	257	5.9%
Other reasons	157	215	372	8.4%	287	6.6%
TOTAL	**2,063**	**2,365**	**4,428**	**100%**	**4,351**	**100%**

Permanent incl. work-study present at December 31. Pro forma of 2013 data.

Remuneration

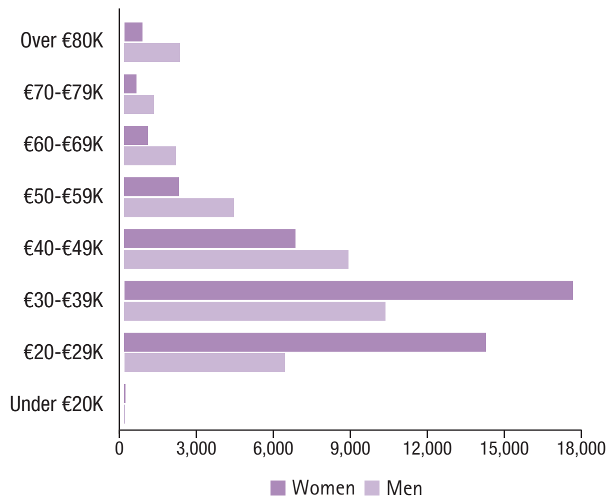
Every year, each Group company analyzes and revises individual pay levels in keeping with performance targets shared with the employees.

MEDIAN BASE SALARY OF PERMANENT STAFF BY GENDER AND STATUS

Median base salary	Median 2014	2013	Change	Ratio Men/Women
Women	33,352	32,747	1.85%	--
Women, non-management	30,551	30,081	1.56%	--
Women, management	45,440	44,902	1.20%	--
Men	40,777	40,199	1.44%	--
Men, non-management	31,760	31,557	0.64%	--
Men, management	49,865	49,302	1.14%	--
Non-management	30,931	30,560	1.21%	3.81%
Management	48,023	47,512	1.08%	8.87%
TOTAL	**36,127**	**35,586**	**1.52%**	**18.21%**

Permanent staff excl. work-study contracts present at December 31. Pro forma of 2013 data.

BREAKDOWN OF PERMANENT STAFF (EXCL. PERMANENT WORK-STUDY) PRESENT AT DECEMBER 31, 2014 BY SALARY BRACKET



Work arrangements, working hours

Within the Group, working hours are governed by agreements specific to each Group company. The average annual number of hours worked per week ranges between 35 and 39 hours, with compensatory measures such as additional days off awarded to employees.

Generally, employees working on a collectively bargained work schedule may choose to work on a part-time basis.

In 2014, 11.7% of permanent staff worked part-time, and 92% of those working part-time were women.

PERMANENT STAFF WORKING PART-TIME BY GENDER AND STATUS

	2014			2013		
Part time	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Non-management	6,654	485	**7,139**	6,635	464	**7,099**
Management	1,767	247	**2,014**	1,684	231	**1,915**
TOTAL	**8,421**	**732**	**9,153**	**8,319**	**695**	**9,014**

Permanent incl. work-study present at December 31. Pro forma of 2013 data.

BREAKDOWN OF PART-TIME PERMANENT STAFF BY WORKING HOURS

	2014			2013		
Part time	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Less than 50%	253	39	**292**	245	44	**289**
50%	394	61	**455**	408	67	**475**
Between 50% and 80%	2,650	252	**2,902**	2,720	217	**2,937**
80%	2,465	172	**2637**	2,401	167	**2,568**
More than 80%	2,659	208	**2,867**	2,545	200	**2,745**
TOTAL	**8,421**	**732**	**9,153**	**8,319**	**695**	**9,014**

Permanent incl. work-study present at December 31, 2014. Pro forma of 2013 data.

TRAINING

The scope of the training data includes the Banque Populaire banks and Caisses d'Epargne as well as their digital subsidiaries i-BP and IT-CE and the BPCE central institution.

This scope represents 90% of permanent staff (incl. work-study contracts) covered by the human resources data.

PERMANENT STAFF WORKING PART-TIME BY GENDER AND STATUS

The total number of training hours in 2014 – more than 1,976,000 – is testament to the efforts of all the Group's companies to train their employees to operate in a demanding and ever-changing banking industry.

This volume is up from 2013, as is the number of employees trained.

90% of permanent staff included in the scope of review took part in at least one training session in 2014.

85% of training initiatives are devoted to job skills and maintaining employee value on the job market.

	2014			2013		
Employees trained	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Non-management	26,213	14,038	**40,251**	26,200	14,371	**40,571**
Management	8,805	14,072	**22,877**	8,269	13,825	**22,094**
TOTAL	**35,018**	**28,110**	**63,128**	**34,469**	**28,196**	**62,665**

Trained permanent staff incl. work-study present at December 31.

BREAKDOWN OF TRAINING HOURS BY GENDER AND STATUS

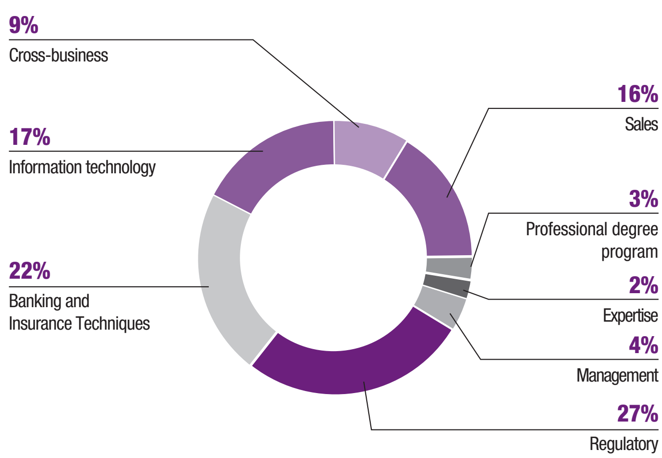
	2014			2013		
Hours of training	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Non-management	751,527	497,746	**1,249,273**	774,924	509,918	**1,284,842**
Management	287,979	439,520	**727,499**	267,888	420,625	**688,513**
TOTAL	**1,039,506**	**937,266**	**1,976,772**	**1,042,812**	**930,543**	**1,973,355**

Trained permanent staff incl. work-study present at December 31.

BREAKDOWN OF PERMANENT STAFF TRAINED BY AREA OF TRAINING

In today's increasingly regulated banking industry, training initiatives are mainly targeted at regulatory and technical areas.

Next come areas relating to technology, and training devoted to the sales network.



6

6.3.2 Employees: helping to build and develop the Group

HR EXCELLENCE, HR ASPECTS OF THE 2014-2017 STRATEGIC PLAN

Managerial and human issues are central to our "Growing differently" strategic plan with three key words: **AMBITION, PARTICIPATION and CUSTOMERS**. Success rests both on the efficiency of the management chain of command, from top management down to local managers, and on the commitment of all men and women at the Group's companies.

For "Growing differently", management is a powerful lever for differentiation. It encourages employee commitment to customer service, the ability to implement change rapidly, and teamwork for performance and innovation. Each of our companies takes its own approach to management and HR, emphasizing its own values and identity. Groupe BPCE collectively draws on this lever for differentiation by focusing the management chain of command on strong, simple, shared principles and by strengthening employee commitment.

The "HR Excellence for Better Customer Service" project defines the HR vision of what behavior is expected from employees and managers as well as the operational version of that vision, i.e. our HR commitments for the 2014-2017 period.

Three HR issues have been raised in the quest for HR excellence. These issues rely on identifying shared behaviors while applying the three keywords of the strategic plan.

Managers who set ambitious goals

The management chain values teamwork, shares strategy, imparts meaning, and achieves the expected results. This chain mobilizes the energies and talents of its teams. Managers promote mobility, diversity, and professional development among their employees while guiding change and creating conditions for success.

Men and women motivated to participate on a regular basis

The Group's employees are fully invested in their jobs and actively contribute to earnings and performance. They take action and are proactive within the scope of their responsibility. They are active in their own professional development, open to change, and able to adapt constantly. They participate in Group projects and are recognized for their contributions.

Sustainable performance for better customer service

The Group's employees orient their actions to meet customer needs. Operational excellence and quality of service are central to each company's systems. Innovation and taking the initiative are valued at every level. Quality of working conditions is an area being constantly improved.

HR policy defined at the Group level benefits from fundamentals shared by all the companies, which are proven in HR practices and in implementation of structuring systems, namely:

- an HR function that co-builds solutions with the business lines;
- social solidarity organized between all of the Group's companies;
- early executive management to help the Group develop;
- an efficient corporate finance control system, making it possible to manage and monitor HR policies, in particular employment, which draws on shared tools;
- internal communication in support of this strategy for all HR subjects.

GROUPE BPCE, A MAJOR RECRUITER

In 2014, companies within the scope recruited 3,597 permanent staff and 2,286 employees on work-study contracts, including 127 fixed-term professional training and apprenticeship positions.

Groupe BPCE offers the opportunity to work in a people-centered company while taking advantage of the career and mobility opportunities of a large corporate group.

Thanks to its presence at schools and universities throughout all regions, Groupe BPCE helps young people enter into employment and develop their qualifications. Based on their individual situation, each young recruit is given the choice of either an apprenticeship or professional training contract to work towards anything from a "bac + 3" (e.g. professional degree in banking) to "bac + 5" (e.g. Master of Finance) qualification.

In response to its regular sales recruitment needs, Groupe BPCE has enhanced its main recruitment websites in order to provide better information about its commitments and its various businesses. Additionally, all openings in the Group's companies are listed in a single employment portal for applicants to see.

With a commitment to the quality of service provided to their customers and to the quality of life in the workplace of their employees, our companies offer an integration and training system that may be adapted to the needs of each new hire along with a wide range of career paths, promoting employee loyalty and professionalism.

TRAINING FOR SKILLS DEVELOPMENT, TO IMPROVE CUSTOMER SATISFACTION AND STEER THE GROUP IN ITS TRANSFORMATION

The training policy fully supports the Group's ambitions for the integration, training, and skills development of its employees, in order to:

- support a strong job security policy;
- meet the challenges of the digital age;
- continue the development of *bancassurance* and other goals of the Group's strategic plan;

- give employees the means to reconcile regulatory constraints and professional efficiency;
- cultivate the wealth of our cooperative banking model;
- help strengthen the Group's solvency and liquidity balances.

All Groupe BPCE companies are committed to a responsible human resources development policy, which:

- respects people in all of their diversity;
- is firmly committed to valuing employee skills and promoting their professional development;
- to ensure both the integration of our new employees and the growth of all of employee skills, in order to guide their professional development and help them adapt to changes in the banking industry.

The training policy directly contributes to this commitment by the Group to ensure professional development is appropriate for meeting the challenges of customer satisfaction, in the context of a changing customer relationship that relies on multiple channels.

Groupe BPCE maintained a high level of training investment in 2014, with 92% of employees trained. In support of its "Growing differently" strategic plan, the training policy more specifically targets skills development initiatives in order to promote:

- professional efficiency;
- support for the activities of the Group's companies;
- the security of career paths;
- educational innovation to help employees learn, particularly through the success of the virtual classroom model;
- the constant professional development of the human resources teams and management at all levels.

Developing the skills needed for the activities of the Group's companies

Our commitment to maintaining individual and collective skills within our teams for the benefit of customers requires us to continuously upgrade the technical skills of our employees. This is achieved by strengthening their qualifications and professional development in order to anticipate changes in the ways customers want to interact with us. Our training policy meets the main operational objectives of the Group's strategic project and is adapted according to markets and processes.

In 2014, the Group's companies continued their training efforts:

- to ensure that their employees are fully proficient in the products available for sale, amid constantly increasingly sophisticated regulatory and tax constraints;
- and to allow them to assimilate all of the distribution channels of the customer relationship.

Over the past year, the Group also expanded its certified training programs. A new accounting certificate granted by ESCP Europe was added to the certified training courses offered. 832 employees participated in this new program in 2014.

Secure career paths

Groupe BPCE sought to overhaul its contractual framework, in accordance with the French Act of March 5, 2014 on professional training, employment, and social democracy.

Beginning on January 1, 2015, the deployment of Personal Training Accounts (CPFs) will provide employees with even more training options to help achieve their professional goals.

Having observed businesses in action and anticipated changes in work positions and skills, the Group set up:

- systems for the management of human resources and skills development, particularly through professional evaluation interviews to assess training needs, steer the transformation of banking professions and support employees' professional goals;
- rules promoting inter-company mobility, facilitated in the best possible conditions through a simplified hiring process, support measures, mobility programs, and the organized implementation of collaborative meetings on this matter between human resource directors in local regions;
- additional measures aimed at achieving wage equality and a successful work-life balance.

This commitment to responsible HR development policy was also demonstrated in 2014, particularly through the Group companies' training plans, including:

- special emphasis on new employee acclimation systems;
- initiatives to raise awareness among managers and employees about change management associated with changes in the business and as required by circumstances, and lifelong career training opportunities;
- support provided to each employee when adapting to changes in their profession and when preparing for career advancement;
- high-level initiatives to support the professional development of employees, more than 25% of whom were awarded a certification;
- deployment of decentralized mobility committees across all regions;
- additional measures in favor of promoting women to management positions, both through national programs to prepare women for leadership positions and through corporate programs targeting the development professional skills and qualifications for women.

Educational innovation to help employees "learn differently"

The Group's training catalog promotes new forms of training (virtual classes, e-learning, serious games), which are combined with classroom training to achieve greater educational benefits on both individual and group levels.

This new training mix, which is both tailored to the specific needs of its target groups and better aligned with educational objectives, was considerably expanded over the past year.

In 2014, within the training scope under review, 13,300 of Groupe BPCE's permanent staff took part in a virtual class, while 52,500 took e-learning courses.

The Group's companies have a broad array of over 500 e-learning modules, which are regularly updated, and a catalog of some 60 virtual classes.

Support for the human resources teams and management at all levels

Finally, Groupe BPCE's training policy directly helped the entire management community set the 2014-2017 strategic project in motion. Managerial training programs were adapted accordingly.

Because they are partners who work closely with managers to serve human development, the human resources teams are also constantly seeking to upgrade their skills. Those teams continued adapting to the use of new digital technologies for recruitment, training, career management, and mobility among the Group's employees.

6.3.3 A committed and responsible approach

DIVERSITY POLICY

True to its cooperative values, Groupe BPCE is a full-service bank that is open to all and accessible to customers on a local level.

Since its creation, the Group has taken concrete actions to promote diversity so that its own workforce better reflects its customer base.

As a signatory to the Diversity Charter since 2010, Groupe BPCE has established objectives in three priority areas: equality between men and women, employing people with disabilities, and equal opportunity hiring.

OBJECTIVES FOR GENDER EQUALITY IN THE WORKPLACE

With women representing 55% of its permanent staff, Groupe BPCE is now aiming for a more equitable gender balance among the various business lines and levels of management.

Numerous initiatives were carried out with this aim in mind in 2014.

Awareness-building and training for the companies' main decision-makers

After providing all employees with a guide to gender equality, the Group's companies developed awareness-building events primarily intended for managers (conferences, discussion groups, etc.). In addition, a comprehensive training program was offered to upgrade the qualifications of each company's gender equality officers as well as human resources staff and managers.

Support specifically provided to women

Groupe BPCE is committed to supporting all women within the company at the various stages of their careers.

450 female executives have taken part in the "Career Success for Women" program as of late 2014. The "Management for Women" program, intended for women outside management positions, launched in 2013 and is being rolled out among the companies.

Throughout the year, events were held to facilitate women's access to decision-making positions by increasing their visibility. Special get-togethers (breakfasts, speed meetings, etc.) with executives are being organized not just by companies, but also on the Group level.

Creation of women's networks

Created in 2012, the women's network of Groupe BPCE (Les Elles de BPCE, or "The Women of BPCE") currently has a membership of 325 women and 28 local networks. In line with the HR policy of gender equality, these networks are valuable forums for discussion and mutual assistance. On October 15, 2014, the leaders of Groupe BPCE reaffirmed their commitments to promoting gender equality at a national meeting that brought together more than 200 women from the network.

In 2014, Groupe BPCE took part in the survey on executive confidence in gender equality organized by the "Financi'Elles" network of women in finance. The analysis of results will make it possible to enhance the action plan for the coming years.

This shared effort among the companies produced positive results in 2014:

- Women held 38.3% of the management positions covered by the employee data;
- 45% of women were registered in management training programs offered by Groupe BPCE's Human Resources division.

A STRONG COMMITMENT TO PEOPLE WITH DISABILITIES

In 2014, Groupe BPCE maintained its commitment to employment for people with disabilities. With this in mind, it renewed industry-wide agreements for the Banque Populaire banks and Caisses d'Epargne and the Natixis agreement for the 2014-2016 period.

This year, Groupe BPCE rolled out communications initiatives regarding its new commitments until 2016 (brochures intended for all employees, awareness-building initiatives as part of Employing Persons with Disabilities week).

Launched in 2010, the responsible procurement and disabilities policy ("PHARE") contributes to the professional and social inclusion of persons with disabilities by sub-contracting some operations to companies working with people with disabilities. At the fifth PHARE Seminar held on November 5, 2014 in Paris, Groupe BPCE reaffirmed its commitment to increase its purchases from companies working with people with disabilities, with the goal of rising from €10 to 14 million in purchases a year by 2016. Orders by Groupe BPCE to those companies contributed to the entry into employment of persons with disabilities.

EQUAL OPPORTUNITIES

Since 2010, the Group has worked with the Our Neighborhoods Have Talent non-profit ("Nos Quartiers ont des Talents") to promote the employment of young graduates under the age of 30 who have at least four years' higher education but come from priority neighborhoods or disadvantaged social backgrounds.

In 2014, Group BPCE was recognized by "Nos Quartiers ont des Talents" at the non-profit's fifth conference, held at the Cité du Cinéma on November 27.

An equal opportunity award was given to honor the commitment of the Group, which has been working through different initiatives for four years: participating in the non-profit's Board of Directors, gradually rolling out mentorship programs among the companies in the region, and holding internal events to encourage new mentors to get involved.

In total, since 2011, 120 mentors have assisted 460 young people, more than 200 of whom have now found a job.

LABOR RELATIONS

Organization of labor dialog at the Group BPCE level

Dialog with employee representatives at the Groupe BPCE level is carried out through two bodies:

- **the Group Works Committee**, a body for information, discussion and dialog about the Group's activity, financial position, evolution, and job outlook, met three times in 2014.

  These meetings helped identify the progress made in implementing the strategic plan and in cross-business organizational projects (information systems, insurance, and international). More specifically, matters involving the review of the consolidated financial statements and human resources information were the subject of work by the economic commission and the job training commission, respectively;
- **the strategic committee**, as stipulated by the 2011 GPEC agreement, met in October 2014 to follow up on the current strategic plan (2014-2017).

Collective bargaining agreements

Most of the collective bargaining agreements are the result of negotiations conducted at the local level of the Group's companies. For 2014, about 60 agreements have been signed in multiple fields like employee savings plans, professional equality, working hours, and work-time management plans.

In both the Banque Populaire and Caisse d'Epargne networks, several texts were signed in 2014:

- with respect to the Caisse d'Epargne network, the agreement regarding the provident insurance system was amended to take legal and regulatory changes into account. This necessary change also resulted in an amendment to the healthcare coverage system. Furthermore, the agreement setting out the conditions under which unions, the intranet, and messaging are made available was renewed for three years, and a document revising labor's right to organize was also signed. Finally, a new training agreement was signed that takes into account the provisions of the National Cross-Professional Agreement (ANI) of December 14, 2013 and the Act of March 5, 2014 regarding employment and social democracy;
- for the Banque Populaire network, the agreement regarding the provident insurance system was also revised. Training was also the subject of a new agreement signed in October.

At the Groupe BPCE level, the final quarter of the year saw negotiations begin for the intergenerational contract *(contrat de génération)* and Occupation and Skills Forecasting (GPEC).

OCCUPATIONAL HEALTH AND SAFETY

Improving quality of life in the workplace

Several years ago, all of the Group's companies set up systems for managing psychosocial risks.

As a result, several systems address voluntary treatment of psychosocial risks (PSR): measuring risks (questionnaire, surveys), identifying vulnerable populations (monitoring and alert system), raising awareness among managers, and support for persons experiencing difficulty (counseling and psychological support group).

Groupe BPCE is committed to developing a workplace quality-of-life policy to move beyond simple risk prevention and promote long-term employee engagement.

In addition, the occupational quality-of-life approach recommended within the Group is aimed at strengthening the appeal of the Group's businesses and increasing the commitment, professional motivation, and loyalty of all employees, while also reducing stress at work and lowering absenteeism.

Within the Group, this structured approach facilitates:

- the involvement and commitment of all employees;
- an accurate understanding of the realities of work and people (aspirations, skills, personal constraints, etc.);
- acting with a long-term view by changing the way work is organized.

Group BPCE's Human Resources division works with all of the Group's companies to constantly improve the quality of working life within the Group through quality of working life (QWL) action plans, setting up "quality of working life" management reporting, assisting in transformations by measuring the human impact generated, and putting up a dedicated website for the human resources directors of all the companies in the Group.

Occupational Health and Safety Conditions

Within the Group, policies and budgets relating to health and safety conditions fall within the remit of each of the entities and the CHSCT committees established with employee representatives.

As well as expenditure on specific programs to improve occupational health and safety, Group companies implement more traditional monitoring and prevention programs.

For several years, the average number of meetings with the CHSCT committees of companies covered under the scope has been significant, demonstrating the desire to build a lasting, constructive social dialog with the help of these committees.

Workplace accidents

Consolidated 2014 data is not yet available on the matter, however, the average number of workplace accidents (including while commuting) has been generally stable over the last several years.

Given the nature of our companies' businesses and the fact that the majority of the accidents take place during home-work commutes, the Group has not established specific mechanisms for monitoring the average rate of severity.

However, all of the Group's companies maintain a committee that oversees occupational health, safety and working conditions, which is primarily responsible for protecting the health and safety of employees. Each of these committees oversees the improvement of safety and workplace conditions as well as compliance with applicable legal and regulatory provisions.

ABSENTEEISM

The most recent evaluation of overall absenteeism at the Group (including parental leave, illness and other reasons) was about 8%. Absenteeism is generally higher among women, mainly due to maternity leave.

The Group is not able to differentiate absences related specifically to occupational illness, which is very rare in the banking sector.

Groupe BPCE and its companies want to address a genuine shared concern, which is to better identify absenteeism in order to more accurately distinguish between different causes, making it possible to take more targeted action.

To do so, Groupe BPCE provides its companies with a structured approach for identifying, analyzing, acting, and preventing absenteeism so they can:

- reduce direct and indirect costs (replacement, etc.);
- increase performance (quality of service, productivity, etc.);
- address social issues (loss of morale and motivation, etc.).

EMPLOYMENT AND HR OPERATIONS

An HR information management system that is constantly changing and innovating

The HR information and human resources management system used by Groupe BPCE's companies is proceeding with its development and continuous improvement efforts, while still expanding its functional scope to cover all HR processes: It is also gradually incorporating all of the Group's companies in order to pool and standardize control over our HR policies from a local, regional, and global perspective.

More specifically, Groupe BPCE remains active in adopting new technologies and in digital innovation. For this reason, it has committed itself to turning HR into a paperless office in order to improve operational efficiency in serving all of its companies, human resources professionals, and employees.

For this reason, key projects (due to their scale or potential for adding value) were conducted in 2014 by Groupe BPCE's human resources function in collaboration with all of its companies, and in particular:

- converting employee files to digital format;
- posting job offers on social media;
- digitizing and streamlining the process for employee orientation;
- increasingly offering virtual classes through structured systems for inviting people, tracking their progress, and ensuring completion;
- giving Groupe BPCE managers strategic HR steering tools on tablets (Dashboard RH) allowing them to access them at all times, even while on the go, thus improving their agility, responsiveness, and ability to take part in the analysis and steering of HR policies.

These projects, which show the Group's desire to fully commit itself to what is known as "HR 2.0" and serve as a model to others, are supplemented by background studies aimed at gleaning what can be learned from certain proven principles of customer relations management in order to adapt them for employee relations management. For this reason, consideration is being given to a strategic "Employee CRM" program, which should help the Group and its businesses combine new technologies and take action to learn more about employees and their expectations in a more fluid personalized interaction space created with and for employees.

Dashboard RH, the HR innovation to help company directors "Manage Differently"

Groupe BPCE's Employment and HR Operations department has developed an iPad app for HR directors and executive directors at the Banque Populaire banks and Caisses d'Epargne to help them track the most important HR indicators (staff, compensation, absenteeism, payroll, etc.) for both networks while offering a detailed view of each company. This innovative, constantly updated app makes it easier to track and manage company HR policies, and is part of the digitization efforts initiated by Groupe BPCE's HR department.

Career Observatory

Because it operates under a system of multiple labor agreements and multiple professional networks, Groupe BPCE has instituted a method of predictive employment analysis based on reliable, consistent criteria, for the Banque Populaire and Caisse d'Epargne networks and in close cooperation with the French trade associations for banking (AFB) and insurance.

To that end, the quantitative and qualitative studies conducted in 2014 on the impact of digital technology on sales management helped give a detailed picture of the transformational issues our banks are facing: It also provided the management and labor representatives of the National Labor Relations Commission (CPNE) for Banque Populaire, its counterpart for Caisse d'Epargne, and the Group Career Observatory *(Observatoire des métiers)*, created by the occupational and skills forecasting agreement signed in 2011 and renewed in 2014, with the basis for joint discussion and predictions for how these skills and qualifications will change. This forward analysis supplements the priorities of the Group's strategic plan, which in 2013 affirmed our companies' desire to combine the best aspects of in-branch sales relationships with the best aspects of digital sales relationships.

In parallel, a project to identify and analyze "sensitive" job types, which are characterized by a substantial change in the number of staff and/or skills required, was launched under the purview of the Group Career Observatory. It has helped steer employment policies in a forward-thinking direction by seeking to specifically prioritize whichever forms of assistance are deemed necessary.

INTERNATIONAL LABOR ORGANIZATION

Groupe BPCE's growth is pursued in accordance with fundamental human and social rights wherever it does business.

Freedom of association and the right to collective bargaining

Each entity monitors compliance with rules on freedom of association and working conditions in respect of its international activities.

Elimination of forced labor and abolition of child labor

In accordance with the Group's adherence to the Global Compact, each entity abstains from using forced or compulsory labor or child labor in accordance with the International Labor Organization's conventions, even if local laws authorize such practices.

Elimination of discrimination in employment

In its procurement policy, Groupe BPCE refers to its sustainable development policy, its adherence to the Global Compact and its commitments and to the founding texts of the Universal Declaration of Human Rights and the international conventions of the International Labor Organization.

Suppliers commit to respect these agreements in their countries of operation by signing contracts containing specific clauses in this respect.

One of the commitments of the Global Compact concerns respect for Human Rights.

6.4 Response to environmental challenges

6.4.1 Groupe BPCE's environmental approach

More than 30 years ago, Groupe BPCE became one of the first banking networks in France to incorporate ecological and environmental concerns into its internal practices, customer relations, and dealings with civil society stakeholders.

Internally, the Group has implemented a policy to lower its environmental impact, which is adapted for each of the companies it encompasses. This approach relies on three tools:

- reliable indicators;
- actions to reduce carbon footprint;
- the establishment of a special business function.

INDICATORS

The first tool is a series of measurement indicators inspired by the GRI. Some of these indicators directly measure the impact of the Group's activities on the environment. Since 2009, a great deal of work has been conducted to make them reliable and consistent on the Group level. At the same time, a project was launched to create a carbon review system specifically for the banking industry. By doing so, the Group became the first bank in France to publish its carbon review each year as a way of tracking its own greenhouse gas emissions. In 2014, the French environment and energy management agency (ADEME), CSR research center ORSE, and consulting firm Carbone 4 used this initiative as a model for the banking sector.

ACTION PLANS

The second tool is launching actions to reduce environmental impact, which have focused on lowering the carbon footprint caused by the four major sources of greenhouse gases within the Group: energy, buildings, procurement, and travel.

- Energy: the Group's Sustainable Development division is working with the Logistics division to develop a tool for reporting energy efficiency improvement actions specific to the real estate and energy business;
- procurement: reducing procurement's carbon footprint is handled by BPCE Procurement through its Responsible Procurement Charter;
- travel: lowering carbon emissions from travel is the responsibility of each individual business, which take the specific features of their local transport grids into account;
- at this stage, the issues of water and biodiversity, which complement the actions taken against climate change, are not the subject of any Group-wide measures. They are handled on a case-by-case basis according to their regional context.

BUSINESS FUNCTION

The Group's Sustainable Development division operates a dedicated function aimed at proposing and initiating improvement campaigns and sharing the best practices applied within the Group's various businesses. Under this framework, a "carbon club" meets once or twice a year and is attended by all of the Group's sustainable development officers. An intranet site will be added in early 2015.

6.4.2 Reducing the carbon footprint

CLIMATE CHANGE

Since 2013, the Group's Sustainable Development division has been reinforcing its tool for documenting the Group's industry-specific carbon footprint. This tool is used to create greenhouse gas (GHG) emissions assessments using a method compatible with that of ADEME, the ISO 14064 standard, and the Greenhouse Gas Protocol.

The tool makes it possible to estimate the GHG emissions from the bank's branch and head office operations. Emissions caused by bank products, however, are excluded from the analysis.

After three years spent collecting carbon data using a stable benchmark shared by all of the Group's companies, the method is able to provide:

- an estimate of each company's greenhouse gas emissions;
- a map of those emissions:
  - by source: energy, procurement of goods and services, business travel, fixed assets, and other,
  - by scope[1].

(1) The GHG Protocol divides an entity (or organization)'s GHG emissions into the following scopes:

- scope 1: direct emissions caused by fossil fuel combustion (oil, gas, coal, etc.) and liquid refrigerant leaks from resources owned or operated by the company;

- scope 2: indirect emissions caused by purchasing or producing electricity, steam, heat or cold;

- scope 3: Sum of all other indirect emissions (from the supply chain, expanded to include freight and human transport).

Note that the regulatory requirements under Article 75 of the Grenelle environmental framework cover Scope 1 and Scope 2.

Each year, this tool tells the sustainable development officers the level of their unit's emissions and how it has changed, and gives them a reliable benchmark so they can create a local plan for reducing greenhouse gas emissions.

Every year, the Group's Sustainable Development division places a special focus on training the sustainable development function by holding sessions:

- to raise awareness of energy and climate issues;
- to provide training in the Group tools used to calculate the Group's greenhouse gas emissions.

NUMBER OF GROUP ENTITIES THAT HAVE CONDUCTED A CARBON REVIEW

Carbon review	2014	2013
Number of entities	55	42

This investment produced positive results in terms of both the number of officers trained on the Group carbon review system and the number of entities having conducted a carbon review. In 2013, the data collected concerned only the Banques Populaires banks and the Caisses d'Epargne (head offices and branches).

In 2014, these entities' French subsidiaries were added to the scope, along with two foreign subsidiaries, namely BICEC (Cameroon) and Banque de Nouvelle-Calédonie for the energy data.

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON REVIEW BY SCOPE (EMISSIONS IN TCO_2EQ)

Indicators	2014	2013	Change 2013/2014	Subsidiaries' share *(%)*
Direct greenhouse gas emissions Scope 1	40,977	41,607	(2%)	7%
Indirect greenhouse gas emissions Scope 2	38,562	34,404	12%	13%
Indirect greenhouse gas emissions Scope 3	600,844	622,177	3%	7%
Greenhouse gas emissions excl. Kyoto	549	1,382	(60%)	0%
TOTAL	**680,932**	**699,570**	**(3%)**	**7%**

The new entities included in the scope for 2014 are: Caisse d'Epargne Midi-Pyrénées, Banque de Nouvelle Calédonie, BICEC (Cameroon), Albian-IT and the Group companies' French subsidiaries.

Thanks to a national policy on energy, procurement optimization and reduction plans within the entities, between 2013 and 2014 the Group reduced its carbon footprint by 3%, i.e. from 699,570 tCO_2eq in 2013 to 680,932 tCO_2eq in 2014.

Best practices for reducing emissions include:

- for "business travel": Crédit Coopératif and Caisse d'Epargne Normandie are among the first businesses in France to pay their employees a per-kilometer bonus for commuting by bike;
- for "liquid refrigerants": the regulatory requirement under Article R. 543-82 of the French Environmental Code, which requires service providers in charge of maintaining air conditioning systems to report on liquid refrigerant refills, provides accurate quantitative data and reflects changes in how air conditioning systems are refilled. These data are monitored more closely by the function and have led to significant reduction initiatives. Overall, CO_2 reductions in this category amount to 13%;
- for "energy": emissions in this category increased due to the expansion of the scope. Initiatives are being established in the businesses: energy audits for buildings, the use of renewable sources, and the installation of automated controllers in branches.

It should be noted that more and more entities are using renewable energy as sources of the electricity they consume. Currently, the tool used to calculate CO_2 emissions does not take into account indirectly-associated emissions factors. Consequently, CO_2 emissions associated with energy consumption may be overvalued.

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON REVIEW BY SOURCE (EMISSIONS IN TCO_2EQ)

Indicators	2014	2013	Change 2013/2014	Subsidiaries' share *(%)*
Energy	70,902	67,014	6%	5%
Liquid refrigerants	7,180	8,282	(13%)	2%
Purchases	182,727	208,675	(12%)	4%
Business travel	50,671	47,446	7%	8%
Daily work commute	95,571	102,149	(6%)	3%
Customer and visitor travel	51,500	51,756	0%	6%
Property, plant and equipment and intangible assets	141,454	126,823	12%	14%
Other sources: freight and waste	80,927	87,425	(7%)	3%
TOTAL	**680,932**	**699,570**	**(3%)**	**6%**

6

ENERGY CONSUMPTION

Groupe BPCE is continuing to implement actions intended to:

- reduce its energy consumption and improve the energy efficiency of its buildings;
- encourage its staff to limit their energy consumption at its main sites.

The increase in the data presented below is largely attributable to the expansion of the reporting scope.

SPENDING ON ENERGY

Indicators	2014
Total spending on electricity (€ tax inclusive)	58,505,398
Total spending on natural gas (€ tax inclusive)	3,956,027
Total spending on heating oil (€ tax inclusive)	624,706
Total spending on energy from other sources (€ tax inclusive)	20,077,210

Total energy consumption for 2014 is estimated at 684,481,849 kWh, broken down as follows:

ENERGY CONSUMPTION

Indicators	2014	2013
Total final energy consumption *(kWh)* (1)	684,481,849	631,849,610
Share of renewable energy in total final energy consumption *(kWh)*	34,700,704	47,033,465
Total energy consumption *(kWh/m²)*	213	189
Total heating oil consumption (purchases made) *(liters)*	737,017	765,876
Total electricity consumption *(kWh)*	560,184,322	498,520,809
Total gas consumption (kWh HHV Higher Heating Value)	81,873,720	86,639,215
Total consumption of heating systems *(kWh)*	25,219,833	29,329,415
Total consumption of cooling systems *(kWh)*	18,050,603	18,394,502

*(1) Sum of lines: kWh of electricity + kWh HHV of gas / 1.11 + liters of heating oil * 9.86 + kWh of steam + kWh of cooling.*

ENERGY SAVINGS CERTIFICATES (CEES)

Indicators	2014
Value of CEEs *(in €)*	17,587

MEASURES TAKEN TO REDUCE TRAVEL-RELATED ENERGY CONSUMPTION

Indicators	2014	2013
Fuel consumption (gas and diesel oil) of company cars, fleet cars and the motor pool *(liters)*	7,249,321	6,791,833
Business travel in private cars *(km)*	73,845,475	85,471,526
Total fuel consumption for business travel in cars(1) *(liters)*	13,156,959	13,629,555
Average gram$_s$ of CO2 per km (as stated by manufacturer) for company cars and fleet cars *(grams of CO_2/km)*	125	118
Business travel by train (km)	72,546,255	55,950,648
Business travel by air, short-haul(2) *(km)*	18,339,364	15,780,150
Business travel by air, medium- and long-haul *(km)*	46,041,547	38,807,578

(1) Sum of indicators: GASOLINE consumption by company and fleet cars + DIESEL consumption by company and fleet cars + business travel in private cars; km-to-liter conversion for the private car indicator with the ratio from the carbon review user's guide: 0.08 liter/km.

(2) Travel under 1,000 km.

To improve energy consumption related to business travel, 19 companies have set up company travel plans covering 504 locations and 20,317 employees.

They encourage their employees to take more environmentally friendly means of transportation, or to carpool for commuting to and from work and for business travel. Additionally, some cars in the fleet have been replaced be vehicles that emit less CO_2.

Finally, to limit travel, conference rooms have been outfitted with videoconferencing and teleconferencing equipment.

6.4.3 Pollution, waste management, sustainable use of resources and protection of biodiversity

Groupe BPCE implements measures to avoid all forms of pollution and damage to natural resources caused by its operations. It is committed to reducing and streamlining the consumption of commodities and seeks to maximize the efficiency of its waste management system in order to produce less waste.

In 2014, the Carbon Club met to decide on best internal practices for efficient management of energy, recycling, and transportation.

WASTE MANAGEMENT

The bank complies with regulations on recycling and ensures that its subcontractors are also compliant with respect to the following:

- waste arising from work on Group buildings;
- waste electrical and electronic equipment (WEEE);
- office furniture;
- light bulbs;
- management of liquid refrigerants;
- office consumables (paper, printed material, ink cartridges, etc.).

BANKING-RELATED WASTE

Indicators	2014	2013
Total spending on waste management services *(€ excl.VAT)*	4,766,833	5,428,739
Volume of waste produced (metric tons)*	24,013	27,811
Amount of recycled ink and toner cartridges	155,558	165,693

* *Non-hazardous industrial waste, fluorescent/neon tubes and compact fluorescent light bulbs, waste electrical and electronic equipment (WEEE).*

SUSTAINABLE USE OF RESOURCES

PAPER CONSUMPTION

Indicators	2014
Virgin paper (A4) per FTE *(kg)* *	20.7
Recycled paper (A4) and/or FSC- or PEFC-certified paper per FTE *(kg)* *	42.6

* *Reams of A4 purchased during the year.*

WATER MANAGEMENT

The bank does not have a significant impact on water consumption and wastewater besides personal use in its offices and branches. However, several initiatives are in place to reduce water consumption (encouraging employees to reduce their water consumption).

WATER CONSUMPTION

Indicators	2014	2013
Total spending on water *(€ tax inclusive)*	2,706,677	2,848,741
Total water consumption *(m^3)*	979,296	725,813

POLLUTION

As Groupe BPCE is a service-based group, it is not concerned by issues relative to noise pollution and ground use. Its offices and commercial premises often cover several floors so its ground occupancy is much smaller than that of an industrial activity spread over a single level.

The same is true for water, air and soil pollution, in view of the nature of the Group's activities (with respect to greenhouse gas emissions, refer to 6.4.2 "Reducing the carbon footprint" under "Climate change").

With respect to light pollution, Groupe BPCE refers to the regulation in force since July 1, 2013 limiting light pollution, energy consumption and nighttime lighting for non-residential buildings such as shops and offices[1].

BIODIVERSITY MANAGEMENT

Biodiversity is an important component of Groupe BPCE's environmental stance, in the same way as other aspects (reducing the carbon footprint, developing green banking products, etc.).

A number of major initiatives have been pursued by the Group companies in this regard:

- Banque Populaire des Alpes and Banque Populaire Atlantique's support for corporate funding of the French League for the Protection of Birds;
- Fondation Banque Populaire du Sud's support for non-profits working for the protection of diversity through its "environment" jury (Bassin de Thau ecosystem and the Gard department bird sanctuary);
- Caisse d'Epargne Aquitaine Poitou-Charentes's involvement in a three-year plan in partnership with the French National Forests Office. In 2014, six hectares were reforested under this initiative;
- the Banque Populaire Rives de Paris Executive Committee's approval of a new rooftop beehive installation at the bank and Caisse d'Epargne Picardie's financing of five beehives;
- Crédit Coopératif's support for biodiversity preservation efforts through donations stemming from shared return products benefiting non-profits, partnerships and investments in solidarity-based UCITS linked to organizations managing sensitive natural areas (nature reserves);
- Caisse d'Epargne d'Auvergne et du Limousin's donations to the Jardins de Cocagnes de Haute-Vienne community market gardens and its support for environmental projects during Solidary Week.

6.4.4 Managing environmental and societal risks

ENVIRONMENTAL RISKS

The Group's activities have no major direct impact on the environment. Environmental risk mainly arises from the Group's banking business. This risk arises when environmental criteria are not taken into account in the projects being financed.

Such risks are mainly associated with financing in other countries with fewer environmental regulations and where large-scale projects can give rise to environmental risks. These risks are mainly managed by Natixis through its asset management and project financing activities via specific frameworks used to analyze the projects' social and environmental impacts (Equator Principles).

For 2014, Groupe BPCE recorded no provisions or guarantees to cover environmental risks in its financial statements.

RESPONSIBLE MARKETING

CSR analysis of new products and services

In September 2010, Groupe BPCE introduced an approval procedure for new banking and financial products and services aimed at customers of both networks. In particular, the procedure aims to ensure that the risks associated with marketing products to customers are adequately managed. It does this by ensuring that all relevant regulatory requirements are taken into account in a product's design, promotional literature and sale.

It draws on the various areas of expertise within the Group (including in particular legal, finance, risk, information systems and compliance). Contributions from experts in these areas are brought together within the Review and Validation Committee for New Groupe BPCE Products (CEVANOP), and each product must be approved before it can be brought to market.

A similar procedure applies to the sales process, and in particular the remote selling process, as well as sales materials used regularly vis-à-vis the Group's customers.

The Group has not implemented a systematic CSR labeling scheme across all of its banking products. Products with a significant CSR component (environmental products, social and solidarity-based products) form part of a specific range to enable customers to easily identify them (see 6.5.2 "Responsible Investment").

The new products approval procedure (CEVANOP) meets the criteria laid out in Article L. 225 of the Grenelle 2 Act on measures taken in favor of consumers' health and safety. In this area, banking products for individual customers are not directly concerned by these issues, and banking regulations are particularly strict in terms of consumer protection.

Responsible marketing in private equity

Natixis has a private equity business that invests in unlisted SMEs in the form of Natixis Capital Investment (NCI). NCI consists of six asset management companies specializing in private equity in France (Naxicap Partners and Alliance Entreprendre), venture capital (Seventure Partners) and funds of funds (Euro-PE for Europe, Caspian-PE for the United States and Eagle Asia Management for Asia).

(1) *See Decree of January 25, 2013 establishing guidelines for non-residential lighting from offices, shops, storefronts and display windows. Source: http://www.legifrance.gouv.fr/*

The commitment of Natixis' private equity business

The French asset management companies from the private equity business are members of AFIC (French Association of Investors for Growth), which reinforced its commitment to non-financial criteria by establishing an ESG (environmental, social, governance) commission in February 2013. This commission is tasked with promoting the integration of ESG non-financial criteria among private equity companies that are members of AFIC and their affiliates. A framework document on information and discussion among managers and investors has been written.

Additionally, in June 2013 AFIC joined the UN Principles for Responsible Investment as a Network Supporter. When raising funds from third-party investors with an interest in ESG issues, the relevant asset management firms from the venture capital and growth capital segments were enlisted to share their ESG strategies and practices. Over the fund's lifetime, the manager provides the investor comprehensive information allowing investors to determine whether the manager is in compliance with the investment policy and ESG procedures established upon the creation of the fund.

Incorporating social and environmental criteria into financing activities

By signing the Equator Principles in December 2010, Natixis, as a responsible bank, acknowledged the importance of evaluating the environmental and social (E&S) risks and impacts of the projects it finances and adopted a methodology accepted by many financial institutions so that its clients can manage, minimize, and remedy the impacts they cause as best they can.

After an initial year devoted to adjusting its organization, establishing internal procedures and loan approval procedures, and providing training, Natixis has been applying the Equator Principles since 2012 within every project financing teams, where mostly allocated to a clearly-identified project.

Natixis' areas of activity that are eligible for the Equator Principles mainly concern infrastructure, energy (onshore and offshore oil and gas), electricity, renewable energy, and mining and metals all over the world.

IMPLEMENTATION AND ORGANIZATION

An Environmental and Social Responsibility (ESR) team dedicated to integrating CSR aspects into Wholesale Banking's financing businesses was set up in 2011 within its Corporate Secretariat to establish the organization needed to apply the Equator Principles and monitor their application.

This organization is based on the joint involvement of the business lines and the ESR team in assessing and managing transactions.

Business lines are directly responsible for analyzing and monitoring E&S aspects of transactions, which are components of the overall risk assessment in their own right. Each transaction analyzed is ranked according to the IFC's classification system (A = significant impacts, B = limited impacts, C = minimal or no impacts), which are part of the internal credit approval process.

For the most sensitive projects (category A, and B if necessary), an independent expert reviews the E&S documentation in order to validate the conclusions of the initial client analysis, visiting the site and conducting interviews as needed to determine what additional actions are required to correct and mitigate the impacts as far as possible. An action plan is then drawn up and included in the project's financial documentation so the borrower is obliged to comply with the appropriate actions throughout the life of the credit facility.

For projects in categories A and B, the ESR team conducts a second review of the project's E&S documentation and the independent expert's report if one is required, alongside the analysis performed by the business line. For projects arranged by Natixis, the ESR team is also called out to assist business lines in preparing and tracking the independent expert's work, as well as in carrying out the steps leading up to the financial close[1]. Particular attention is paid to projects based in non-designated countries[2] showing clear potential E&S risks.

An E&S appendix summarizing the key part of the project's assessment must be included in credit applications for any new transaction submitted for approval. This appendix is drawn up by the business line and – for category A and B projects – by the ESR team, which approves or corrects the classification and sets out its position and recommendations.

As the E&S appendix is an integral part of the loan application, each member of the loan approval body is aware of any conclusions and recommendations before making a decision. A separate process applies to category A projects, with decisions made by a higher-ranking credit approval body.

Transactions are monitored for E&S concerns throughout the life of the loan.

If the ESR team deems it necessary, it can inform Wholesale Banking's senior management of any E&S aspect of transactions, particularly, but not exclusively, by means of a business committee.

The ESR team is also called on to take part in monitoring and managing E&S risks and impacts for projects taking place outside the scope of the Equator Principles.

TRAINING THE TEAMS

ESR provides regular training for the various employees affected by E&S transaction management, particularly the Equator Principles. The business lines, Risk Management, Compliance, and all of the support functions from the Europe, Americas, and Asia regions have received this training.

Changes made in the third version of the Equator Principles (EP III) were presented to the teams through a training program that is scheduled to continue into 2015.

MAIN CHANGES MADE BY EP III

The EP III revision gave rise to a new version of the Equator Principles dated June 2013, meeting many needs expressed during a study and opinion survey conducted in 2010/2011 (the Strategic Review).

The main changes made by the revision are an expansion of the Equator Principles' scope to include all four types of financing or services related to a project: project financing, project financing advisory services, project-related corporate financing, and bridge loans associated with them.

6

(1) With the conditions lifted.

(2) Namely the countries not on the list of designated countries available on the website of the Equator Principles Association.

Furthermore, some changes were introduced to incorporate CO_2 emissions for the highest-polluting projects, recognizing the principle of due diligence in the matter of human rights, and reporting principles for increased transparency.

BUSINESS

This report incorporates new data that Equator Principles Financial Institutions (or EPFIs) are required to disclose as of January 1, 2014, to implement the June 2013 version of the Equator Principles.

Transactions evaluated under the Equator Principles are now included if they have reached their financial close[1] during the reporting period, which for Natixis runs from January 1 to December 31, 2014.

The details of Natixis' activity during the period are given in the graphs below[2]:

NUMBER OF PROJECT LOANS THAT REACHED FINANCIAL CLOSE

DETAILED BREAKDOWN BY CATEGORY

By sector	Category A	Category B	Category C	By region	Category A	Category B	Category C
Mining	5	-	-	North & South America	4	11	1
Infrastructure	-	4	-	Europe	1	2	-
Oil and gas	4	4	-	Middle East and Africa	1	1	-
Electricity (Renewables)	( )	8 (5)	1 (1)	Asia/Oceania	3	2	-

By country designation(1)	Category A	Category B	Category C	Independent review(2)	Category A	Category B	Category C
Designated countries	5	11	1	Yes	9	16	1
Non-designated countries	4	5	-	No	-	-	-

(1) The list of designated countries is available on the Equator Principles Association's website. Countries not on that list are considered non-designated countries.

(2) A review by an independent consultant is required for most transactions. However, low-impact transactions are not always reviewed by an independent consultant.

NUMBER OF CORPORATE PROJECT LOANS THAT REACHED FINANCIAL CLOSE

BREAKDOWN BY CATEGORY

By sector	Category A	Category B	Category C	By region	Category A	Category B	Category C
Mining	-	-	-	North & South America	1	1	-
Infrastructure	-	-	-	Europe	1	-	-
Oil and gas	1	-	-	Middle East and Africa	-	-	-
Electricity (of which renewables)	1 ( )	1 ( )	- ( )	Asia/Oceania	-	-	-

By country designation(1)	Category A	Category B	Category C	Independent review(2)	Category A	Category B	Category C
Designated countries	1	-	-	Yes	2	1	-
Non-designated countries	1	1	-	No	-	-	-

(1) With the conditions lifted.

(2) Note that the number of transactions reviewed in 2014 is much higher than the transactions closed during that same year, due to abandoned transactions that did not reach their financial close and for other transactions, the time needed to reach financial close.

NUMBER OF ADVISORY SERVICES MANDATES SIGNED FOR PROJECT FINANCING

BREAKDOWN BY SECTOR AND BY REGION

By sector		By region	
Mining		North & South America	2
Infrastructure	3	Europe	2
Oil and gas	1	Middle East and Africa	2
Electricity (of which renewables)		Asia/Oceania	
Other	2		

DISCLOSURE OF NAMES OF PROJECT LOANS THAT REACHED FINANCIAL CLOSE IN 2014

EPFIs (Equator Principles Financial Institutions) are now required to disclose to the Equator Principles Association, on an annual basis, all closed project loans that were evaluated. The first disclosure of the transactions' names, industry, and home country published by the EPFI will be made public on June 30, 2015 and will be available at the Association's website (http://www.equator-principles.com/index.php/about-ep/about-ep).

In the context of its commitments and as an EPFI, Natixis will disclose this information about its business.

EXCLUSION POLICY IN THE ARMS SECTOR

Under Group policy, the Banque Populaire and Caisse d'Epargne networks and Natixis may not finance or invest in businesses involved in manufacturing, selling or storing anti-personnel mines or cluster bombs.

This policy applies to corporate financing, proprietary investments and third-party activities managed by Natixis Asset Management, which has set up a process to raise its customers' awareness. This policy is taken into account by decision-making bodies (Credit Committee, Investment Committee, etc.) applicable to each activity.

Additionally, besides its exclusion policy, Natixis has instituted very specific criteria for the arms sector that apply to each transaction, which set rules for the types of equipment affected and the eligibility conditions of import and export countries.

6.5 Response to societal challenges

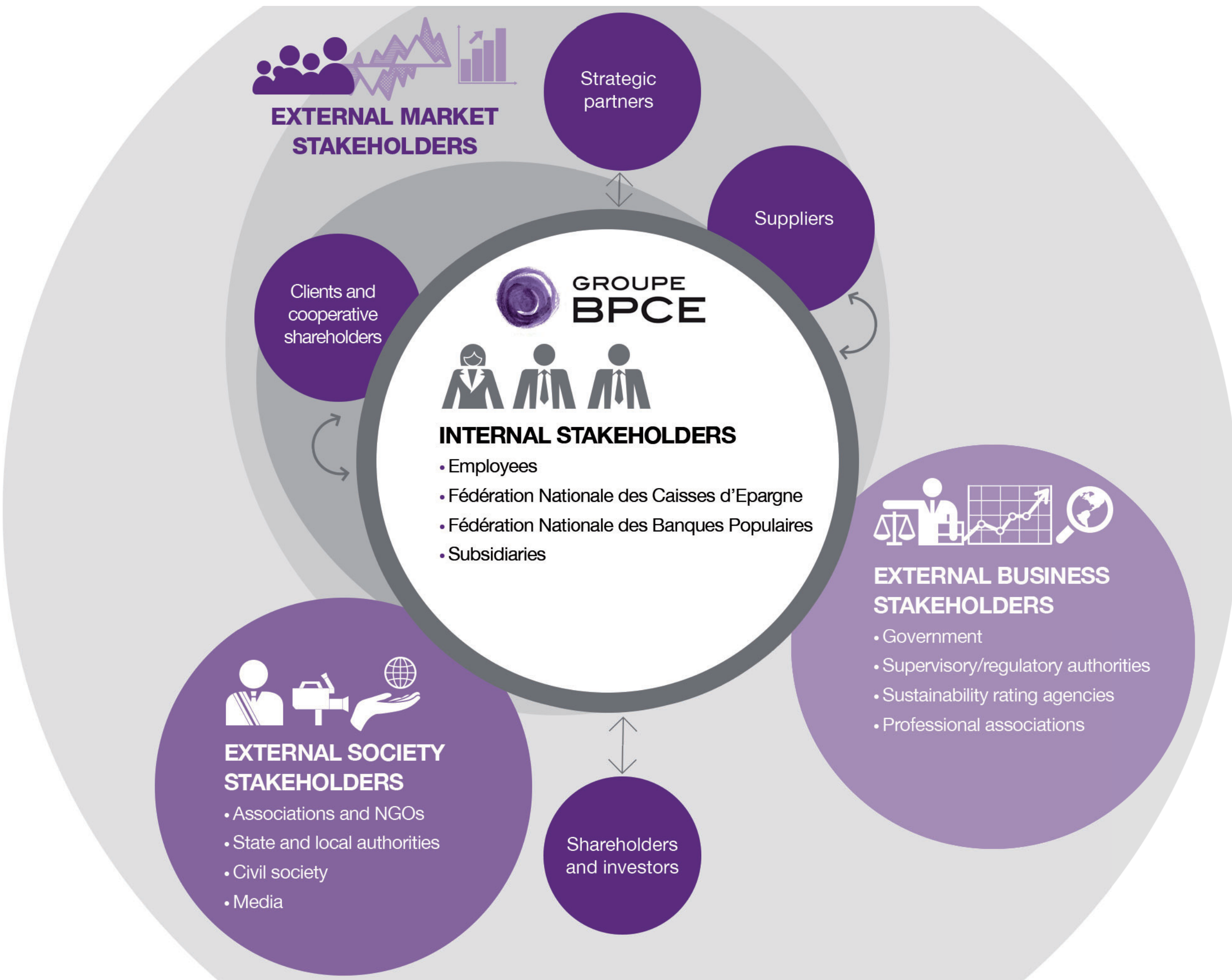
6.5.1 Relations with stakeholders

MAPPING OF STAKEHOLDERS AND SOCIETAL CHALLENGES

Groupe BPCE's recognized experience in finance and sustainable development has led its companies to work with a variety of stakeholders on social, societal and environmental projects. Additionally, it is regularly called on by its stakeholders to state its position on certain issues related to its social responsibility.

As part of its 2014-2017 "Growing Differently" strategic plan, Groupe BPCE launched a project to use its cooperative model as a basis for a new dynamic between employees, customers, and communities. It is doing so to set itself apart and enhance its relationships with stakeholders on a day-to-day basis.

In order to follow GRI-G4 reporting principles more precisely, the Group launched an annual stakeholder mapping project in 2014. A methodology will be used to fully identify categories of stakeholders and their needs.



6.5.2 Responsible investment

Within the Group, there are three structures that offer socially responsible investment[1] (SRI) products: Natixis Asset Management (Natixis AM) and its subsidiary Mirova, Ecofi Investissements (Crédit Coopératif's asset management company) and Banque Palatine.

ASSETS UNDER MANAGEMENT IN OPEN-ENDED AND DEDICATED SRI AND SOLIDARITY-BASED FUNDS AND EMPLOYEE SAVINGS PLANS

Indicator *(in billions of euros)*	**2014**	**2013**
Natixis AM	12.8	9
*of which Mirova**	*4.6*	*NA*
Ecofi Investissements	3.7	4.3
Banque Palatine	0.1	0.1
TOTAL ASSETS UNDER MANAGEMENT IN OPEN-ENDED AND DEDICATED SRI AND SOLIDARITY-BASED FUNDS AND EMPLOYEE SAVINGS PLANS	**16.6**	**13.4**

* *Mirova is a subsidiary of Natixis Asset Management that has been dedicated to responsible investment since January 1, 2014.*

ASSETS UNDER MANAGEMENT IN SRI AND SOLIDARITY-BASED FUNDS AS A SHARE OF TOTAL ASSETS UNDER MANAGEMENT

Indicator *(as a %)*	**2014**	**2013**
Natixis AM	4.1%	3.1%
Ecofi Investissements	55.6%	65.3%
Banque Palatine	3%	2.8%

SOLIDARITY-BASED FUNDS

Indicator *(AUM in millions of euros)*	**2014**	**2013**
90:10 funds* Natixis	1,964.4	1,763.4
90:10 funds* Ecofi Investissements	217.1	191.8
Total assets under management in 90:10 funds	**2,181.5**	**1,955.2**
Funds invested in solidarity-based companies by Natixis	129.4	Not disclosed
Funds invested in solidarity-based companies by Ecofi Investissements	25.7	Not disclosed
TOTAL FUNDS INVESTED IN SOLIDARITY-BASED COMPANIES BY NATIXIS AND ECOFI	**155.1**	**NOT DISCLOSED**

* *90:10 funds combine SRI management of listed securities and management of unlisted solidarity-based securities.*

Natixis Asset Management is Groupe BPCE's main asset management entity. At end-2014 it had a total of €12.8 billion in assets under management in a broad range of socially responsible investment (SRI) funds. €4.6 billion of these assets are managed by Mirova, which has been dedicated to responsible investment since 2012, and became a subsidiary of Natixis Asset Management on January 1, 2014.

As of December 31, 2014, Banque Palatine held €92,329,349 in assets under management in SRI funds, via seven funds investing in equities, diversified assets, bonds and money market instruments. Two equity funds and a diversified fund were awarded the Novethic label in 2014: Palatine Or Bleu, which focuses on water (the largest fund, with €33,654,724 in assets under management), Gérer Multifactoriel Euro and Palatine Actions Défensives Euro.

Ecofi Investissements is a Crédit Coopératif subsidiary that applies an SRI filter to 55.6% of its investments, with €3.72 billion under management analyzed using environmental, social and governance (ESG) criteria. This restrictiveness of the SRI filter varies according to the fund: "Committed SRI" for the ethical and solidarity-based range and "Responsible SRI" for the rest. Potential investments for SRI include 2,100 European securities. The Committed SRI filter selects the best-rated 50% of companies, while the Responsible SRI filter excludes the lowest-rated 30%. The possible range of investments remains broad enough that mutual fund performance is not affected.

(1) *Definition of SRI: AFG/FIR: On July 1, 2013, the AFG (French Asset Management Association) and the FIR (Forum for Responsible Investment) clarified the definition of Socially Responsible Investment (SRI) for the industry. "SRI refers to an investment that aims to reconcile economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development, regardless of their sector of activity. By influencing market players' governance and behavior, SRI promotes responsible business."*

RESPONSIBLE MANAGEMENT POLICY

In late 2013, Natixis AM entered a new era in its commitments to responsible investment. Such investments have always been central to its business, as shown by the growth of its SRI6 and solidarity-based skills over more than 25 years. Six years after signing the United Nations Principles for Responsible Investment, (UN-PRI), Natixis AM is reaffirming its commitment by structuring and deploying an ambitious responsible asset management policy applied to all of its investment processes. This approach is the result of deep consideration given over the course of several years, and focuses on four main commitments that encompass multiple initiatives:

- ensuring asset management teams properly understand the issues involved in sustainable development through Mirova's sustainability research;
- taking ESG (environmental, social, and governance) criteria into account in all of its investment processes;
- an incentive-based voting and commitment policy;
- in-depth involvement in jointly building and promoting the principles of responsible investment.

As of late 2014, Natixis AM had:

- eight topic-oriented studies conducted on sustainable development issues;
- six reports published on sustainable development issues;
- a list of 3,000 issuers rated on ESG criteria;
- a voting record for 1,100 securities, 16,000 resolutions analyzed worldwide, 33% of resolutions approved, and 110 issuers contacted as part of engagement actions for environmental, social, and governance issues in 2013.

Additionally, Natixis Asset Management was persuaded by the potential opportunities provided by sustainable development issues to create Mirova, which became a subsidiary dedicated to responsible investment on January 1, 2014. Its approach consists of developing innovative financial products that place ESG aspects at the center of the process for generating investment ideas. Mirova offers investors long-term solutions that create value both financially and from an environmental, economic, or social perspective. It has developed a global approach to responsible investment: equity, interest, general infrastructure and renewable energy, impact investing (solidarity-based investments in unlisted companied or projects with a social and/or environmental impact), advisory services for institutional investors in how to exercise their voting rights and hold discussions with companies.

Ecofi Investissements is convinced that shareholder votes in companies' general meetings and dialog with companies are essential to encouraging them to take ESG issues more seriously in their business. With this in mind, votes are cast:

- regardless of whether a minimum capital holdings threshold has been met;
- with a socially responsible objective implemented by the ethics department for all of Ecofi Investissements' mutual funds (OPCs);
- with regular support for the filing of outside shareholder resolutions, including those which call for:
  - separating the offices of Chief Executive Officer and Chairman,
  - publishing an environmental risk management report;
- Ecofi totaled 3,248 resolutions voted on by the end of 2014, 35% of which were voted down for 204 Annual General Shareholders' Meetings of different issuers.

For its dialog policy, Ecofi Investissements engages with companies individually, by questioning the management of some companies that represent a significant portion of its portfolio but are controversial in terms of major issues such as business ethics or gender equality. A collective dialogue has also been implemented by participating in shareholder coalitions that question companies on major ESG issues (diversity and gender equality, palm oil procurement, and access to medication in developing countries) and the controversies they are facing (incidents concerning pollution, respect for human rights, corruption, money laundering, etc.)

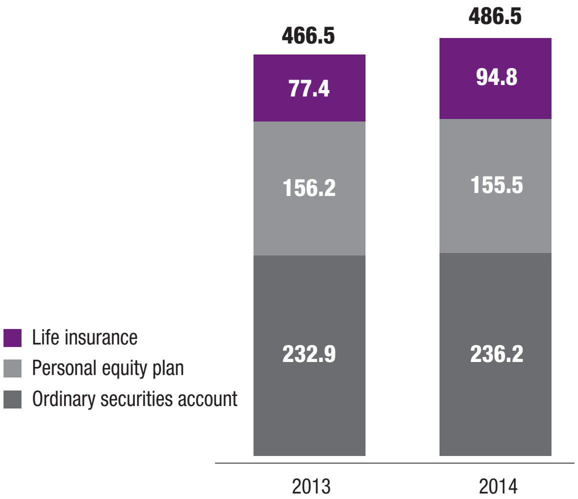
SALE OF SRI AND SOLIDARITY-BASED FUNDS BY THE BANQUE POPULAIRE BANKS AND CAISSES D'EPARGNE

The Banque Populaire banks and Caisses d'Epargne offer different socially responsible investment (SRI) products in order to meet the needs of clients who are concerned about the impact of their investment decisions. It includes the line of responsible investments managed by Mirova, the Natixis Asset Management subsidiary that pioneered SRI in France, which encompasses theme- and solidarity-based responsible funds. The Finansol and Novethic labels awarded to some of these funds are a sign of the quality of this product line.

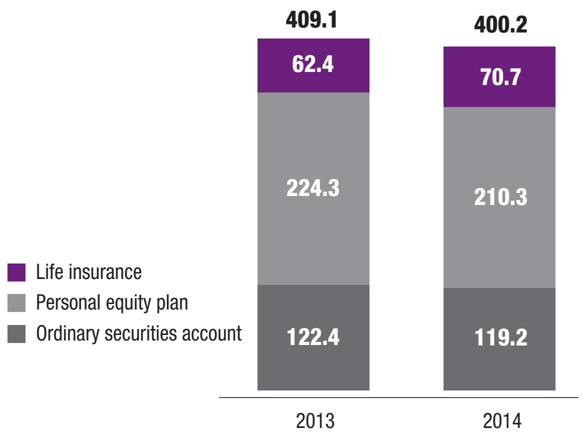
The Banque Populaire banks and Caisses d'Epargne distributed €886.7 million in SRI and solidarity-based funds to their customers in 2014 (€875.6 million in 2013).

Indicator *(AUM in millions of euros)*	**2014**	**2013**
SRI funds sold – Caisse d'Epargne network	400.2	409.1
SRI funds sold – Banque Populaire network	486.5	466.5
TOTAL SRI FUNDS SOLD BY THE BANQUE POPULAIRE BANKS AND CAISSES D'EPARGNE	**886.7**	**875.6**

CHANGE IN SRI-FUND AUM SOLD BY BANQUE POPULAIRE BANKS



CHANGE IN SRI-FUND AUM SOLD BY CAISSES D'EPARGNE



6.5.3 Solidarity-based finance

A number of financial tools have been developed at Groupe BPCE aimed at facilitating the financing of projects and organizations in the public interest.

For the sake of consistency, the listed assets in Ecofi Investissements' solidarity-based and shared-return funds are managed using the Committed SRI filter. They offer a full line of solidarity-based products, "90:10" shared-return funds, an open-ended range of solidarity-based company investment funds under the Responsible Choice brand and others specific to large businesses, with €261.2 million under management for various dedicated or topic-oriented investment vehicles.

Ecofi Investissements is now the fourth largest solidarity-based manager in the French market, and among the leaders by number of solidarity-based companies financed, 62 of which were financed in the amount of €25.7 million as of December 31, 2014, or 21 times more issuers financed and 24 times more assets financed than in 2003.

This support for solidarity-based companies comes through the 90:10 mutual funds, the open-ended line of Responsible Choice solidarity-based company investment funds, and similar funds for large businesses[(1)].

The Caisses d'Epargne offer 90:10 funds including the Insertion Emplois mutual fund line. This line was created in partnership with France Active (a not-for-profit organization supporting business creation) in 1994 and is managed by Mirova, Natixis Asset Management's responsible investment subsidiary. The Insertion Emplois line is divided into three funds with complementary risk/return profiles totaling nearly €360 million under management as of the end of 2014. As well as taking direct investments, these mutual funds also receive life insurance investments, capital from institutional investors and employee savings.

Solidarity mechanisms have been developed on the basis of the passbook savings accounts. The Banque Populaire banks offer the CODEVair passbook savings account, which funds environmental projects. Furthermore, Crédit Coopératif distributes AGIR shared return funds, with total savings of €339,751,000.

Financial solidarity mechanisms have also been developed on the basis of payment instruments. An example is the AGIR card, which can be used to support approximately 50 partner associations through donations made with each payment.

EMPLOYEE SHARE OWNERSHIP PLAN

The legal requirement to include a solidarity-based fund in any employee savings plan encouraged the Group to develop a wide range of investment solutions in this area. To this end, Mirova created the specialized professional fund (FPS) Natixis Solidaire, an innovative investment product dedicated to solidarity-based employee savings management which had €101 million in assets at December 31, 2014. This allows for investment in a large number of solidarity-based companies, support for a multitude of projects in a range of sectors and the achievement of tangible social results. Awarded the Financol label, the FPS helps finance structures such as the French association for the right to economic initiative (ADIE), Habitat et Humanisme (a charity helping homeless people find shelter), NEF (a cooperative providing solidarity-based financing solutions), SIFA (an association providing financial support to solidarity-based companies) and Terre de Liens, which helps responsible organic farmers.

Thanks to the investment of their solidarity-based buckets in this FPS, all of the solidarity-based company investment funds offered in the employee savings schemes distributed by Natixis Interépargne and the Groupe BPCE networks benefit from this innovation.

After dedicated solidarity-based company investment funds for Orange and Schneider Electric, Ecofi Investissements created AXA Future Génération, an employee savings fund that supports the social and solidarity-based economy and which has been certified by the prefecture as a solidarity-based company.

The fund is based on the idea that aging today can be a source of opportunities, and that the sector has attractive prospects in terms of growth, employment, and innovation. It has been built to help solidarity-based companies whose business is central to these challenges build solutions for tomorrow. AXA Future Génération is a "purely solidarity-based" investment centered on the concept: "Act to live better together for longer". It is currently invested, for instance, in ANDES (the National Association of Doctors and Science), a chain of solidarity-based groceries, and the Habitats Solidaires cooperative.

(1) 12 open-ended funds invested in solidarity-based companies: Ecofi Contrat Solidaire, Ecofi Agir Développement Durable, Choix Solidaire, Confiance Solidaire, Agir avec la Fondation Abbé Pierre, Agir avec la Fondation Nicolas Hulot pour la Nature et l'Homme, Agir Fondation pour la Recherche Médicale, Faim et Développement Trésorerie, Faim et Développement Solidarité, Faim et Développement Equilibre, Faim et Développement Agir CCFD, Epargne Solidaire; three open-ended solidarity-based company investment funds: Choix Responsable Prudence, Choix Responsable Développement, Choix Responsable Engagement; four dedicated employee savings funds invested in solidarity-based companies: Schneider Énergie Sicav Solidaire, Schneider Énergie Solidaire, Dynamis Solidaire, AXA Future Génération.

6.5.4 Microloans and financial inclusion

FINANCIAL INCLUSION

Pursuant to the French banking law of July 26, 2013 on the separation and regulation of banking activities, the French Association of Credit Institutions and Investment Firms (AFECEI) is responsible for drafting a chart requiring banks to put in place measures by November 5, 2015 to detect and advise individuals in vulnerable situations. Groupe BPCE has begun this work, which will capitalize on the currently existing systems within the branches.

Furthermore, Groupe BPCE participates in the work of the Banking Inclusion Observatory created in 2014 at the Bank of France. This observatory is tasked with collecting information on access to banking services by individuals not acting for professional reasons, on how such people use banking services and on the initiatives taken by credit institutions in this matter. This observatory is also tasked with defining, producing and analyzing indicators regarding banking inclusion, aimed particularly at evaluating how credit institution practices in this area are changing[1].

Below are the 2014 stock and production figures for basic banking services[2] and the range of alternative payments[3] offered to customers of the Group's institutions.

BASIC BANKING SERVICES

Indicator *(number of customers)*	**2014**	**2013**
Basic banking service flow (incl. BPCE IOM subsidiaries, excl. Crédit Coopératif)	11,214	7,069
Basic banking service stock (incl. BPCE IOM subsidiaries, excl. Crédit Coopératif)	28,841	15,181
Alternative payment range flow (incl. BPCE IOM subsidiaries, excl. Crédit Coopératif)	16,853	23,328
Alternative payment range stock (incl. BPCE IOM subsidiaries, excl. Crédit Coopératif)	57,200	49,301

Within the context of the banking law of July 26, 2013 on the separation and regulation of bank activities, the Banque Populaire banks and Caisses d'Epargne launched a range of solutions adapted to the needs of vulnerable customers who will be able to benefit from a range of banking services under preferred conditions. Beginning in 2015, this program will replace the alternative payment range of services. Furthermore, in order to help branches learn the new program, an e-learning module was deployed in October among financial advisors at both banking networks.

INITIATIVES BY THE CAISSES D'EPARGNE

Personal and professional microloans

The Caisses d'Epargne are now the leading provider of personal microloans and among the leaders in professional microloans according to the Banque de France's Microfinance Unit. They are the only banks that offer support services adapted to the needs of microloan borrowers, via the Parcours Confiance association and the Créa-Sol microfinance institution. A total of 70 advisors are dedicated to this activity across France, alongside over 600 partners providing support for borrowers. In 2014, 4,861 personal microloans and 1,471 professional microloans were granted.

The Caisses d'Epargne play an active role in microloan development. At the national level, they are represented on the steering and monitoring body of the *Fonds de cohésion sociale* (social cohesion fund). They also take part in workshops with representatives from the personal microloans business coordinated by the *Caisse des Dépôts et Consignations* (CDC).

In 2014, three major areas for research and experimentation emerged:

- energy insecurity and inadequate housing: the Caisses d'Epargne continued their regional experiments around home microloans, in order to allow low-income owner-occupiers to finance the renovation of their home. By the end of December 2014, 278 home microloans had been approved;
- female entrepreneurship: the Caisses d'Epargne published their third survey of women entrepreneurs, with an emphasis on guidance. They also held the third national women entrepreneurs' day on October 1, 2014 at the microbusiness trade show;
- mobility: FNCE continued its commitment to inclusive social mobility by partnering with the inclusive mobility lab, alongside other companies and the Wimoov association (formerly Voitures & Co). The National Federation participated in the second symposium on inclusive mobility held on December 3, 2013.

Finally, the Caisses d'Epargne maintained their international commitments through their involvement in the European Microfinance Network (EMN) and the European Savings Bank Group (ESBG). FNCE attended the social business initiative conference held by the European Commission (Strasbourg, January 16 and 17, 2014), in the "Microfinance in the Green Economy" workshop. FNCE also participated in the workgroup of the European Microfinance Network (EMN) on the social performance of microfinance, and contributed to a European study on the matter published in late 2014.

(1) *http://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000027759951&dateTexte=&categorieLien=cid*

(2) *"Basic banking services" refers to a free service that includes (Decree No. 2001-45): the opening, maintenance and closing of accounts; one address change per year; the provision of statements of account information, upon request; the provision of a monthly statement detailing the transactions made on accounts; resources for remote consultation of account balances; identification details for bank transfers; cash operations; the cashing of checks and wiring of bank transfers; over-the-counter deposits and withdrawals in cash at the account holding organization; pre-authorized debit; interbank payment orders or bank transfers; two bank check forms per month or equivalent payment methods offering the same services; and a payment card for which each use authorized by the issuing credit institution (Decree No. 2006-384).*

(3) *"Alternative payments range" refers to basic banking services combined with services (complementary or charged by the bank) such as transfers, two bank checks per month and remote account viewing.*

Vulnerable customers

The Caisses d'Epargne continued their efforts to better reach and meet the needs of vulnerable customers. For example, a number of Caisses d'Epargne launched tests aimed at improving detection of vulnerable customers and finding better ways to promote Finances & Pédagogie services among this customer segment. The efforts underway are aimed at establishing a procedure to target vulnerable customers as early as possible as well as developing products and services tailored to their needs.

Financial education

Since its creation in 1957, the Finances & Pédagogie association has been supported by the Caisses d'Epargne. Through this partnership, in 2014, 24 employees in local regions created an educational program focused on money-related issues. This financial education project is mainly devoted to teaching young people and offering them jobs, informing people in economically and financially unstable situations, and training professionals in social action to support these demographic groups.

In 2014, nearly 2,700 sessions were held with about 38,000 interns. They included:

- 13,500 young people from schools and vocational centers;
- 18,000 people receiving guidance from entities in the social and solidarity-based economy or other social organizations;
- nearly 1,200 social workers and volunteers from the social services divisions of associations, mentorship organizations, and local governments.

All of these actions are intended as concrete responses to current issues of banking inclusion and preventing excessive debt.

The association's services are centered on workshops/training that, above all, allow a space for dialog to be established.

Nearly 3,500 topics were covered in 2014:

- 64% involved budgeting and money issues in everyday life;
- 21% involved the bank and banking relationships;
- and nearly 15% involved issues related to credit and overindebtedness.

The association is now an essential, recognized force in financial education in France.

INITIATIVES BY THE BANQUE POPULAIRE BANKS

Personal and professional microloans

The Banque Populaire banks have established close ties with networks that encourage business creation and economic organizations throughout the French regions, including *Initiative France*, *France Active*, *Réseau Entreprendre*, BGE (formerly Boutiques de Gestion), etc. The Banque Populaire banks are also major players in microloan research in France via their support for the Microfinance Research Chairs at Audencia École de Management and ESC Dijon.

In line with their position, the Banque Populaire banks primarily direct their microfinance initiatives towards professional microloans. In 2014, with the signing of a framework agreement between ADIE and the FNBP, the network of Banque Populaire banks reaffirmed and strengthened its support for ADIE, and in for particular young micro-entrepreneurs. The FNBP, represented by its Chief Executive Officer, is now a member of ADIE's Board of Directors. In 2014, the Banque Populaire banks remained ADIE's leading banking partner. The Banque Populaire banks also top up start-up loans requiring no personal guarantees for young people set up by ADIE, and through their federation co-fund CréaJeunes youth programs and other activities for ADIE's young beneficiaries. The Banque Populaire banks and the FNBP also partnered with ADIE's "There's No Right Age To Start A Business" campaign aimed mainly at promoting ADIE to young start-up creators.

Finally, the Banque Populaire banks grant additional start-up loans requiring no personal guarantees under the Initiative France program, and many of these banks have set up agreements with the incubator France Active.

Crédit Coopératif is one of the main players in personal microloans through its strong commitment to support networks (the French Red Cross, Secours Catholique, Missions Locales, etc.) and a partnership between its subsidiary BTP Banque with Pro-BTP (a social protection agency for construction workers) to enable apprentices in the construction sector to buy a vehicle.

Banking education

The Banque Populaire banks have invested in banking education, and some branches offer support to vulnerable customers. Via their Federation they are also members of the Finances & Pédagogie association. Some branches also offer innovative budget education solutions, such as free online budget simulators to help better understand and monitor cash flow, among other measures. Others invite their shareholders to special receptions during which theater groups present the banking business and the Banque Populaire banks' cooperative model in a humorous way through a series of sketches aimed at the general public and young people in particular.

Vulnerable customers

Banque Populaire Atlantique manages the *Atlantique Coopération* agency, which aims to meet the needs of customers experiencing financial or social difficulties. Through personal microloans and support from bank volunteers, these customers are able to recover and maintain their financial health before being reintegrated with the traditional banking system. *Atlantique Coopération* is also tasked with promoting professional microloans through its partnerships with business creation and recovery organizations. Ten Banque Populaire banks have set up specialized structures to identify, support and monitor customers in financial difficulty, offering the possibility of refunding fees and providing for special treatment in cases of over-indebtedness. Other Banque Populaire banks have similar programs in operation at their traditional branches.

In 2014, the Audencia chair published the first Audencia Banque Populaire report on financial vulnerability. This was the first time that a quantified study focused on evaluating proficiency in basic financial concepts, financial behavior, attitudes towards money or spending, and the perceived financial situation of French people, all in a single survey.

GROUP SOLIDARITY-BASED LOANS WITH SUPPORT

In total, Groupe BPCE issued 24,008 solidarity-based loans with support in 2014 (vs. 22,252 in 2013), amounting to €577 million (vs. €610 million in 2013). These solidarity-based loans are broken down as follows (microloans, NACRE (*Nouvel accompagnement à la création d'entreprise* – new support for business creation) top-up loans and start-up loans provided by Initiative France).

SUMMARY OF MICROLOANS[1] WITH SUPPORT ISSUED BY GROUPE BPCE

	New loans in 2014		New loans in 2013	
Type of loans *(in euros)*	**Number**	**Amount**	**Number**	**Amount**
Personal banking microloans	6,369	15,430,928[1]	5,061	11,669,273
Personal non-banking microloans	1,345	3,122,014	1,195	2,738,199
Professional banking microloans guaranteed by France Active	2,253	66,949,787[2]	2,218	62,092,548
Non-banking professional microloans	5,261[3]	18,094,493	4,346	13,371,755
GROUPE BPCE TOTAL (CAISSES D'EPARGNE, BANQUE POPULAIRE BANKS, CREDIT COOPERATIF INCLUDED)	**15,228**	**103,597,222**	**12,820**	**89,871,775**

(1) *For the Caisses d'Epargne, the production of personal banking microloans in 2014 totaled €10,543,800 (excluding specific product code ACC019 for Caisse d'Epargne Bretagne Pays de la Loire).*
(2) *For the Caisses d'Epargne, the production of professional microloans guaranteed by France Active in 2014 totaled €31,151,987.*
(3) *The production of ADIE microloans (in number of loans) in 2014 (excluding Crédit Coopératif) was €10,848,508.*

The microloan business of the Banque Populaire banks and the Caisses d'Epargne has ranked Groupe BPCE as the leading French bank in microfinance for many years. In personal microloans guaranteed by the *Fonds de Cohésion Sociale* ("social cohesion fund"), the Group accounted for 45.8% market share at June 30, 2014. In professional microloans, it accounts for one-third of total activity, in particular with 35.4% of market share at end-2014. In 2014, despite the emergence of new players, the Group retained its position as market leader, with 15,228 microloans issued, totaling €103.6 million (vs. 12,820 in 2013 totaling €89.9 million).

GROUPE BPCE NACRE TOP-UP LOANS[2]

	New loans in 2014		New loans in 2013	
Issuing network *(in euros)*	**Number**	**Payments**	**Number**	**Payments**
Banque Populaire banks (incl. Crédit Coopératif)	2,324	89,881,678	2,375	95,389,000
Caisses d'Epargne	1,206	49,099,917	1,316	57,222,000
GROUPE BPCE TOTAL	**3,530**	**140,870,175**	**3,691**	**152,611,000**

In 2014 Groupe BPCE granted over €140.9 million in top-up loans to entrepreneurs benefiting from the "NACRE" scheme (*Nouvel accompagnement à la création et à la reprise d'entreprise* – new support for business creation). Finally, it has bolstered its position as the leading bank group to partner with Initiative France platforms, which distributed an estimated[3] €332 million in top-up loans to supplement start-up loans in 2014.

LOANS TO SUPPLEMENT START-UP LOANS PROVIDED BY INITIATIVE FRANCE (ESTIMATE AT 1/30/2015)

	New loans in 2014		New loans in 2013	
Issuing network *(in euros)*	**Number**	**Payments**	**Number**	**Payments**
Banque Populaire banks (incl. Crédit Coopératif)	3,500	233,200,000	3,799	250,600,822
Caisses d'Epargne	1,750	99,200,000	1,942	116,636,867
GROUPE BPCE TOTAL	**5,250**	**332,400,000**	**5,741**	**367,237,689**

(1) *Microloans: Loans issued to borrowers in vulnerable situations covered by a guarantee and supported by a public interest organization. Caps on funds issued as established by the Lagarde Act of July 1, 2010.*

(2) *France Active – Fafi.*

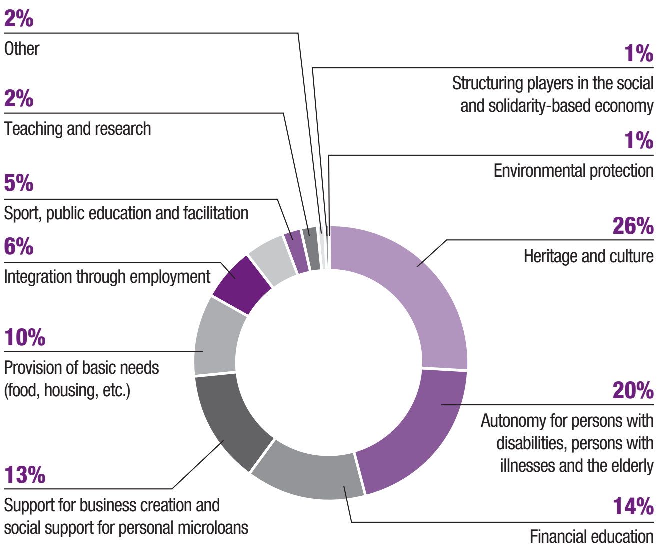
(3) *The estimates were made by Initiative France on the basis of the data provided by 165 respondents (71% of the platforms) on their annual online survey. These data were then extrapolated to the 231 platforms on the network. The survey is accessible from late December to mid-February, and the data collected are in regard to the full year (from January 1, 2014 to December 31, 2014).*

6.5.5 Patronage and partnerships

SPONSORSHIP ACTIVITIES BY THE CAISSES D'EPARGNE

A commitment to philanthropic activity lies at the heart of the history, identity and values of the Caisses d'Epargne. As a result of this historic commitment, the Caisses d'Epargne are among the leading patrons in France. In 2014, patronage activities represented nearly €19.4 million. Over 1,100 local projects – primarily solidarity-based – were supported.

DONATION AMOUNTS BY CATEGORY



In line with its identity as a cooperative bank with strong local ties, each of the Caisses d'Epargne draws up its own philanthropic strategy according to local requirements. To implement this strategy, the Caisses d'Epargne can either operate directly or via dedicated regional structures: nine foundations under the auspices of the Fondation Caisse d'Epargne pour la Solidarité, four corporate foundations and two charity funds.

The banks also regularly invite applications for funding; in 2014 the focus was on the following themes:

- "including people with disabilities in the ordinary professional environment" (Caisse d'Epargne Alsace);
- "innovation and home life" (Caisse d'Epargne Nord France Europe);
- "working together to help young people build a better future" (Caisse d'Epargne Bretagne Pays de Loire);
- "helping women find jobs in Picardy" (Caisse d'Epargne Picardie foundation);
- "providing underprivileged youths aged 15 to 25 with a path to employment" (Caisse d'Epargne Aquitaine Poitou-Charentes foundation).

The Caisses d'Epargne share a commitment to following a structured and local approach, focusing on initiatives that have a significant social impact. They are supported by a network of 17 philanthropy managers, who build a common approach through the sharing of tools and best practices.

Besides initiatives decided upon regionally, the Caisses d'Epargne support the Caisse d'Epargne network charity fund, the Fondation Caisses d'Epargne pour la Solidarité, and the Fondation Belem.

In 2014, the Caisses d'Epargne commemorated World War I through a partnership with the Mission du Centenaire memorial center, the Fédération Nationale des Caisses d'Epargne (FNCE), and the Caisses d'Epargne network charity fund. The Mission du Centenaire and the Charity Fund each committed a total of €100,000 to match the contributions of the Caisses d'Epargne that sponsored selected projects in their own regions. By the end of 2014, 21 local initiatives had been selected and supported totaling €112,000 for the entire Caisse d'Epargne network.

More generally, the Caisse d'Epargne network charity fund promotes and supports public interest initiatives aimed at fighting exclusion and financial hardship as well as initiatives and programs providing humanitarian, educational, health care, social and cultural assistance. The charity fund supports the Finances & Pédagogie association.

The Fondation Caisses d'Epargne pour la solidarité was created by the Caisses d'Epargne in 2001 and is recognized as being in the general public interest (www.fces.fr). Its general interest mission is to combat all types of dependency linked to age, illness and disability. The foundation is active in the medico-social and healthcare sectors and boasts a network of 115 institutions and services. With 6,980 beds in care homes (EHPAD structures for dependent people and EHPA structures providing non-medical care), it is the leading non-profit private-sector player in France for seniors needing assistance. The Foundation also provides home support, mainly via remote assistance services. It also supports adults with disabilities and provides follow-up care and rehabilitation in four centers. With 5,900 employees caring for and supporting vulnerable individuals, the Foundation is at the heart of an activity that is playing an increasing role across society.

The Fondation Belem was set up by the Caisses d'Epargne in 1980 following the purchase of the Belem three-master to enable the ship to continue sailing (www.fondationbelem.com). Recognized as being in the general public interest, its purpose is to promote France's maritime history and to keep the last-remaining major 19th-century French sail ship among the nation's cultural assets. In 2014, Belem spent eight months sailing from the English Channel to the Aegean Sea, welcoming more than a thousand experienced sailors and novices over 124 days at sea, and 29,000 visitors during 23 days open to the public. For Easter 2014, the Fondation Belem organized Belem's return to Venice, in partnership with the city. This event was centered on rediscovering the boat's Italian history.

The Caisses d'Epargne also support comics (Angoulême International Comics Festival) and music (Esprit Musique: espritmusique.fr) through patronage and sponsorship activities.

SPONSORSHIP ACTIVITIES BY THE BANQUE POPULAIRE BANKS

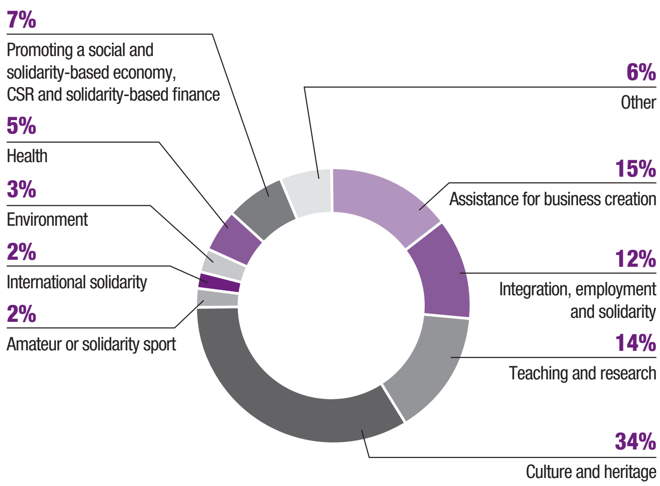
The Banque Populaire banks' local patronage and partnerships

The Banque Populaire banks are involved in initiatives in support of civil society in various areas. They have a strong involvement in supporting business creation (through microloans in particular), integration and solidarity, and actively support education and research. In order to take effective action in the local

6

public interest and to structure their patronage, nine Banque Populaire banks have their own foundation. Action taken by Crédit Coopératif and its foundation is mainly focused on supporting and promoting the social and solidarity-based economy, while the CASDEN Banque Populaire banks naturally focus on education and research. In 2014, patronage activities by the Banque Populaire network represented €10.1 million.

DONATION AMOUNTS BY CATEGORY



The Banque Populaire network's national partnerships

In line with the Banque Populaire banks' local initiatives, FNBP maintains a patronage partnership policy whose priorities for action are microfinance, education, and professional inclusion. At the request of the Banque Populaire banks, FNBP has created a donation fund to finance projects eligible for patronage as part of the patronage and partnerships policy it carries out for the Banque Populaire banks. The main partners involved in 2014 were ADIE, the Banque Populaire financial vulnerability and microloan Research Chairs at the Audencia and ESC Dijon business schools, *Entreprendre pour Apprendre* ("Learn Through Business") and the *Réseau Entreprendre* network. The FNBP federation is also a member of the European Microfinance Network (EMN) and Finances & Pédagogie.

Banque Populaire Corporate Foundation

The Banque Populaire Corporate Foundation is the patronage vehicle of the 19 Banque Populaire banks. As part of the Fédération Nationale des Banques Populaires (FNBP), its purpose is to support the development of young instrumentalists and composers of classical music, persons with disabilities and young artists. Expert panels select candidates in the three categories and refer the winners to the Foundation's Board of Directors, which decides on how to allocate the financial support. The Board of Directors is composed of Banque Populaire bank Chairmen and Chief Executive Officers, an employee representative and panel Chairmen. The Banque Populaire Corporate Foundation demonstrates its long-term commitment by supporting its winning candidates for between one and three years. For over 20 years, these actions have been in line with the values of the Banque Populaire banks, focusing on solidarity and encouraging action. In 2014, the Banque Populaire Corporate Foundation supported 14 winning candidates in music (young instrumentalists and composers), 10 winners from the disability category and eight winners from the art category.

SPONSORSHIP ACTIVITIES BY NATIXIS

The fight against malaria

Malaria is a parasitic disease that affects over 100 countries mostly situated in tropical regions. It kills over 600,000 people every year, even though simple prevention and treatment methods are available. Pregnant women and young children are particularly vulnerable. For the tenth year in a row, Natixis actively supported malaria prevention programs in endemic areas as well as malaria research projects.

On the ground, since 2005 Natixis has supported the NGO Plan France in its efforts to establish prevention programs in Cameroon, Burkina Faso and Togo. In 2014, the bank continued to support a mother and child health care program led by the NGO Plan International, which includes a sizable anti-malaria effort targeting 18,000 children and 4,000 pregnant women in 52 villages in Togo.

The activities supported in 2014 sought to educate families and improve the quality of and access to health care for children under five and pregnant women. The communities in the targeted region, which include over 91,000 people, will indirectly benefit from the project.

Since 2005, Natixis has also provided support to research programs by the Pasteur Institute devoted to the study of treatment-resistant malaria parasites. In 2014, Natixis co-sponsored the creation of a global map of artemisinin resistance in endemic areas. This data will provide the WHO and local health authorities with the information they need to alter their drug regimens accordingly.

Cancer research

According to WHO (World Health Organization) estimates, cancer is a leading cause of death worldwide, causing more than 8.2 million deaths in 2012. Annually, the number of cases of cancer is expected to increase from 14 million in 2012 to 22 million over the next two decades (GLOBOCAN 2012, IARC).

In 2011, Natixis initiated a five-year partnership with Institut Gustave Roussy, Europe's leading cancer research institute, through its Research Foundation. Gustave Roussy has always strongly associated care with fundamental and clinical research, earning it world-renowned expertise in therapeutic innovation in cancer research.

Natixis supports the Gustave Roussy Foundation's "Revolution Against Cancer", a research program to find personalized cancer treatments that assists three young research teams studying the mechanisms by which cancer proliferates. The partnership between Natixis and the Gustave Roussy Foundation will help accelerate cancer research and will likely speed the development of new treatments by several years.

In 2014, Natixis was a partner in the "Colon Drive" event organized by Gustave Roussy in March. The aim of this initiative was to build public awareness of colon cancer.

As part of this sponsorship, Natixis also conducted several campaigns to build awareness among its own employees: conferences and videoconferences with representatives from the institute, a cancer facts quiz, a special page on the intranet, an internal action event held in October 2014, and more.

Natixis employees also showed their commitment to Gustave Roussy through widespread participation in Odysséa, a race to raise money for the fight against breast cancer. For the 2014 edition of Odysséa, Natixis came in second among all participating companies, with the most registrations within a single company.

6.6 CSR reporting methodology

This section aims to explain the methodology applied by Groupe BPCE in its CSR reporting.

6.6.1 CSR reporting structure

Sustainable development indicators based on the guidelines of the GRI (Global Reporting Initiative) are used with respect to the 42 themes covered by the Decree of April 24, 2012 on corporate social responsibility transparency requirements. These were supplemented by indicators specific to the banking sector, adjusted based on the fourth generation of GRI standards released in 2013 and integrated with Groupe BPCE's indicator guidelines. The indicator guidelines were also updated to incorporate the 2014 regulatory changes, the feedback from sustainable development officers in charge of reporting, and the Statutory Auditors' recommendations for fiscal year 2013.

Environmental indicators

For fiscal year 2014, the internal environmental indicators were collected from the entities' sustainable development officers in collaboration with their logistics officers via data entry files supplied by the Group's sustainable development division and the SPIDER computer tool.

For the carbon review, the methodology used is that defined in ISO 14064. Data are collected annually by each entity's sustainable development Manager.

Most of the emissions factors are based on ADEME's emissions factors and are updated annually. In accordance with the general principles of carbon accounting, the integration of emission factors specific to Groupe BPCE is encouraged in the following cases:

- to compensate for a lack of appropriate factors; and
- to replace ADEME's emissions factors (or factors from any other public or semi-public source) when they are not relevant.

Green growth indicators are business indicators (eco-loans) collected from centralized databases for both networks. Entities are asked to validate their data prior to the data collection campaign.

Human resources indicators

No major changes were made to the human resources indicators so as to ensure stability and to allow for comparison. In view of the expansion of the scope of consolidation in 2014, and to improve readability over the two-year period, the 2013 human resources data were readjusted pro forma and consequently differ substantially from the data presented in the report for the previous fiscal year.

Permanent contracts include work-study contracts with an indefinite term.

Fixed-term contracts include fixed-term work-study contracts (professionalization contracts and apprenticeships).

Employees included in the headcount at December 31, 2014 include those departing on that date and those whose contract has been suspended.

New Hires data refer to new hires on permanent and fixed-term contracts signed between January 1, 2014 and December 31, 2014, including work-study contracts (professionalization and apprenticeships).

Departures data include staff on permanent contracts leaving between December 31, 2013 and December 30, 2014 for the following reasons (broken down quantitatively): dismissal, resignation, departure during a trial period, mutually-agreed termination, transfer within the Group and retirement.

The rate of absenteeism indicated is a projection of the average rates observed over the three years prior to the reference year, calculated in calendar days based on theoretical hours worked. This estimate is used because data for the reference year were unavailable on the publication date of the registration document.

Human resources data (excluding training) are extracted from two centralized information systems managed by Group Human Resources Operations, namely the "Services" data center for companies in the Caisse d'Epargne network and the "Perse" info center for all other entities.

The data extracted from the two information systems are verified following a regular control process at Group level according to the human resources indicators defined for the registration document.

Indicators related to training are extracted from the new "SI Apogée Formation" tool, which was rolled out in 2013. These data cover all of the training sessions assigned under the plan for a given year and approved by the training departments of the companies within the scope reviewed at the date the data were extracted.

Societal indicators

Societal indicators are mainly business indicators such as socially responsible investments and loans to local authorities and to social housing operators and the social and solidarity-based economy. Data are extracted from centralized databases. Their accuracy is regularly verified at Group level. Indicators related to patronage, microloans and cooperative identity are provided by the two networks' federations and by the Group's outside partners (ADIE, France Active, Initiative France). Procurement indicators are provided by BPCE Procurement.

REPORTING STRUCTURE

Working group sessions attended by members of the Group's Sustainable Development division and sustainable development officers from the Group's companies were held in 2014 on CSR indicators and the carbon review. These sessions worked on the assessment of the 2013 campaign, changes to guidelines and indicators and updates to the user guides.

At the same time, a project was conducted with the Group's business divisions (IT, Human Resources, Real Estate & Logistics, Procurement, etc.) and federations (FNBP, FNCE) aimed at making better use of centralized databases.

Finally, various initiatives were taken in 2014 in collaboration with all of the stakeholders of the CSR chapter aimed at encouraging Group entities to incorporate CSR reporting processes into their operations. These included:

- reviewing the 2013 reporting campaign and presenting the results to the entire sustainable development function;
- distribution of a memorandum within the Group reminding recipients of the regulations and detailing the reporting process for the businesses;
- organization of a one-day conference for all sustainable development officers from every entity to inform them about the importance of CSR reporting and answer their questions about the data collection process;
- building awareness among the Group's business functions about CSR reporting issues through visits by the sustainable development team (Real Estate & Logistics Conference, seminar for BPCE IOM legal advisers, etc.);
- building awareness among new sustainable development officers through training days devoted to the carbon review system;
- organization of two conference calls attended by nearly all of the sustainable development officers to provide support and answer questions about the collection of carbon data.

EXCLUSIONS

Given the nature of Groupe BPCE's activities, some themes covered by the Decree of April 24, 2012 were not deemed to be relevant.

- **measures to prevent, reduce and remedy air, water, and soil pollution[1] seriously affecting the environment**: these issues are largely irrelevant to the Group's activities; however, they are taken into account in financing activities, particularly where the Equator Principles apply;
- **noise and other pollution and ground use**: as Groupe BPCE is a service-based group, it is not concerned by issues relative to noise pollution and ground use. Its offices and commercial premises often cover several floors so its ground occupancy is much smaller than that of an industrial activity spread over a single level.

PURPOSE OF THE USER GUIDE

The user guide, addressed to all contributors to the Group's CSR reporting processes, was updated for 2014. It specifies the following with respect to the Group's registration document (but also for each entity; i.e. annual management report or registration document):

- the regulatory context;
- the timeline;
- the reporting process (scope, rules on extrapolation for incomplete data, consolidation rules and the information control process);
- a glossary.

This guide also relies on a CSR reporting standard that specifies all of the indicators published, their definitions, their units, the corresponding GRI reference, their sources, how they are calculated and collected, and examples of controls to carry out.

A Group carbon review user guide was also brought up to date in 2014. The guide is intended to promote the carbon review system. The purpose of this guide is to:

- present the general principles of the method developed by the Group;
- review the system's history and the most recent changes to the system;
- offer a uniform presentation of the reporting rules for Groupe BPCE's greenhouse gas emissions reviews (reporting period, scope, extrapolation rules, etc.);
- enable departments to establish action plans for carbon reduction while meeting the requirements of Article 75 of the Grenelle 2 Act, which concerns greenhouse gas emissions reviews and the Local Climate-Energy Plan ("PCET") plan.

REPORTING PERIOD

The published data covers the period from January 1, 2014 to December 31, 2014. Where physical data are not exhaustive for the period, the contributors made approximate calculations to estimate the value of the missing data from average ratios provided by Groupe BPCE (see user guides) based on FTEs or the area covered. The contributors reviewed the estimates used and sent their comments along with the information provided and approved by the Group.

COMPARABILITY

This year, Groupe BPCE chose only to report figures for a single year for some indicators, namely those that have undergone a major change in definition since 2013 and those that were newly introduced in 2014.

CONTROLS

Each entity is responsible for the accuracy of its CSR data. The same applies to Groupe BPCE's operational divisions.

On the Group level, all of the data compiled are subject to a control process with respect to the units and the consistency of the figures. Differences between a given year and the previous year are subject to a review process. Where such differences are inadequately accounted for, requests for explanation are addressed to employees.

If any data published in the management report for the previous year proves inaccurate, a correction is made with an accompanying explanation on the bottom of the same page.

(1) Greenhouse gas emissions are covered in the "climate change" section.

6.6.2 Reporting scope for 2014

Groupe BPCE's long-term objective is to meet the regulatory requirement of consolidating CSR reporting on a statutory scope of consolidation (the same as used for the publication of the Group's financial statements). The scope established for 2014 was defined as reasonably as possible under the circumstances. This scope varies depending on the type of indicator. The scope will be expanded every year, with the aim of reaching the statutory scope of consolidation.

HUMAN RESOURCES INDICATORS – REPORTING SCOPE

In 2014, the reporting scope reviewed for human resources indicators (excluding training) included the following:

- the Banque Populaire banks;
- Banque Chaix, Banque de Savoie, Banque Dupuy, de Parseval, Banque Marze and Crédit Commercial du Sud-Ouest;
- the Caisses d'Epargne;
- the Caisses du Crédit Maritime;
- Groupe BPCE's IT subsidiaries, namely i-BP and IT-CE;
- BPCE and Natixis SA.

This year, the scope was expanded to incorporate human resources data from Crédit Coopératif and the Caisses du Crédit Maritime.

With respect to training data, the scope is limited to the Banque Populaire banks, Caisses d'Epargne, BPCE, and the IT subsidiaries of Groupe BPCE. This scope covers 77% of the total headcount of Groupe BPCE.

ENVIRONMENTAL AND SOCIETAL INDICATORS – REPORTING SCOPE

In 2013, the reporting scope reviewed for environmental and societal indicators included the following (except as duly acknowledged in the Groupe BPCE 2013 registration document):

- the companies of the Banque Populaire network, composed of the Banque Populaire banks, in the "head office and branches" scope;
- the companies of the Caisse d'Epargne network, excluding Caisse d'Epargne Midi-Pyrénées on the "Climate Change" indicators, in the "head office and branches" scope;
- BPCE, i-BP, IT-CE, Natixis France, Banque Palatine, Crédit Foncier, Fédération Nationale des Caisses d'Epargne (FNCE); the head office of BPCE International et Outre-mer (BPCE IOM) for certain indicators (FTE, m², gasoline and diesel consumption by company and fleet cars and travel by train and air) and its subsidiaries for customers receiving "basic banking services" and the "alternative payment range".

This CSR 2013 target reporting scope (scaled to 2014 headcount) covered between 81% and 83% of the Group's staff.

In 2014, the CSR target reporting scope used for the environmental and societal indicators increased by 6%, expanding to encompass the companies' French subsidiaries, and now covers 86% of the Group's staff.

It includes the following entities (barring specifically mentioned exceptions):

- the companies of the Banque Populaire network, composed of the Banque Populaire banks and their subsidiaries in France;
- the companies of the Caisse d'Epargne network and their subsidiaries in France;
- BPCE, i-BP, IT-CE, Natixis SA and its subsidiaries in France, Banque Palatine and its subsidiaries in France, Crédit Foncier and CFI; the head office of BPCE International et Outre-mer (BPCE IOM) for certain indicators (FTE, m², gasoline and diesel consumption by company and fleet cars and travel by train and air) and its subsidiaries for customers receiving "basic banking services" and the "alternative payment range";
- for the results of the carbon reviews, in "energy", the scope also includes ALBIAN IT and Fédération Nationale des Caisses d'Epargne. For Natixis' results, it concerns the scope of Natixis and its subsidiaries excluding Equity interests and excluding BPCE Assurances;
- BICEC (Banque Internationale du Cameroun pour l'Epargne et le Crédit) and BNC (Banque de Nouvelle Calédonie) as pilot entities in 2014 internationally, for a certain number of environmental and societal indicators.

The number of entities included in the CSR 2014 reporting scope is more than double that of 2013. The aim is to improve this percentage for the next reporting period.

The methodologies and scopes related to Banque Palatine, BRED Banque Populaire, Crédit Coopératif, Crédit Foncier and Natixis are outlined in the entities' management reports.

DIFFICULTIES AND LIMITS

It is difficult to analyze and interpret the data owing to the large number of information systems in use within Groupe BPCE. The reporting scopes vary according to the type of data (human resources, environmental, societal or business data).

6.7 Report by one of the Statutory Auditors, a designated independent third-party body, on the consolidated social, environmental and societal information contained in the management report

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditor of BPCE, a designated independent third-party body accredited by the French Accreditation Committee (COFRAC) under no. 3-1049[(1)], we hereby present our statement on the consolidated social, environmental and societal information for the year ended December 31, 2014, presented in the management report (hereinafter "the CSR Information") in accordance with the provisions of Article L. 225-105-1 of the French Commercial Code.

Responsibility of the company

The Management Board is responsible for establishing a management report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the protocol used by the company (hereinafter "the Protocol"), a summary of which appears in the management report ("CSR Reporting Methodology" section) and is available upon request addressed to the company's head office.

Independence and quality control

Our independence is defined by the rules and regulations, the ethical code of the profession and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system which included documented policies and procedures aiming at ensuring compliance with the ethical rules, professional standards and applicable rules and regulations.

Statutory Auditors' responsibility

It is our responsibility, based on the work performed, to:

- attest that the required CSR Information has been disclosed in the management report or that, in the event that any CSR Information has been omitted, an explanation has been provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Statement attesting to the disclosure of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented, in all material aspects, in a truthful manner in accordance with the Protocol (Reasoned opinion on the truthfulness of the CSR Information).

Our work was carried out by a team of five people between October 2014 and March 2015 for a duration of approximately 16 weeks. To assist us in conducting our work, we called on the CSR specialists of our firms.

We performed the work outlined below in accordance with the professional standards applicable in France, the Decree of May 13, 2013 establishing the terms by which independent third-party bodies must carry out their responsibilities and, with respect to the reasoned opinion on the truthfulness of the CSR Information, the ISAE 3000 international standard[(2)].

Statement attesting to the disclosure of CSR Information

Based on discussions with the appropriate divisional managers, we analyzed the report on guidelines for sustainable development (with respect to the social and environmental impacts resulting from the company's activities), the company's societal commitments and, where applicable, the associated initiatives and programs.

We compared the CSR Information presented in the management report with the list provided by Article R. 225-105-1 of the French Commercial Code.

For any consolidated Information that has been omitted, we verified that the explanations provided complied with the provisions of the third paragraph of Article R. 225-105 of the French Commercial Code.

(1) *The extent of which is available at www.cofrac.fr*

(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

We verified that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L. 233-1 and the companies it controls as defined by Article L. 233-3 of the French Commercial Code, within the methodological limitations set out in paragraph 6.6 ("CSR Reporting Methodology") of the management report.

Based on our work, and taking into account the limits referred to above, we attest that the required CSR Information is presented in the management report.

Reasoned opinions on the truthfulness of the CSR Information

Nature and scope of our work

We had three meetings with the individuals responsible for the preparation of CSR information for the divisions in charge of information collection and, where applicable, the managers of internal controls and risk management, in order to:

- assess the Protocol with respect to its relevance, completeness, reliability, objectivity and clarity, taking into account best practices in the sector where applicable;
- verify the implementation of a reporting, consolidation, handling and control process, targeting the completeness and the consistency of the CSR Information, and obtain an understanding of the internal control and risk management procedures relating to the preparation of the CSR Information.

We established the nature and scope and our tests and controls based on the nature and importance of the CSR Information with respect to the company's characteristics, the social and environmental challenges associated with its activities and its guidelines on sustainable development and best practices in the sector.

For the CSR Information we considered to be of greatest importance(1):

- at the level of the consolidating entity, we: consulted documentary sources and carried out interviews to validate the qualitative information (organization, policies, measures); performed analytical procedures on the quantitative information and verified, on a sample basis, calculations and the consolidation of the data; and verified their coherence and consistency with the other information contained in the management report;
- for the representative sample of entities we selected(2) based on their activities, their contribution to the consolidated indicators, their location and a risk analysis, we carried out interviews to verify the correct application of procedures and the implementation of sample-based detailed tests, which consisted of verifying calculations and reviewing the associated evidence. The sample selected represents 16% of staff, between 15% and 17% of quantitative environmental information and 100% of quantitative societal information.

We assessed the coherence of the other consolidated CSR Information based on our knowledge of the company.

Finally, where information was totally or partially absent, we assessed the relevance of the justifications provided.

We believe that the sampling methods and sample sizes we used in exercising our professional judgment allow us to express limited assurance; a higher level of assurance would have required more extensive work. Owing to the use of sampling techniques and other limits inherent to the operation of any internal information and control system, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

On the basis of our work, nothing has come to our attention that causes us to believe that the CSR Information, as a whole, has not been presented in a truthful manner, in accordance with the Protocol.

Paris La Défense, March 18, 2015

KPMG S.A.

Anne Garans	Marie-Christine Jolys
Partner	Partner
Climate Change & Sustainability Services	

(1) Social indicators: Breakdown of headcount by contract, status and gender; Recruits and departures with permanent contracts, including dismissals; Breakdown of permanent staff by working hours.
Environmental indicators: Number of reams of A4 paper per FTE; Energy consumption (electricity, gas, heating oil, hot and cold water); Total fuel consumption (gasoline and diesel) for business travel made by company cars, service cars and the car pool; Greenhouse gas emissions related to energy consumption.
Societal indicators: Portion of total purchases made from SMEs/ISEs; Outstanding solidarity-based SRI (Natixis); New loans approved by the Parcours Confiance association; Number of ADIE microloans with support.
Qualitative social information: Training policy followed; Equality policy implemented; Employment and insertion of persons with disabilities.
Qualitative societal information: Patronage policies; Description of measures taken to prevent corruption.

(2) Indicators excluding personal microloans and professional microloans approved by advisors from the Parcours Confiance association, ADIE microloans with support, Outstanding solidarity-based SRI and portion of total purchases made from SMEs/ISEs: Banque Populaire Val de France, Banque Populaire Occitane, Caisse d'Epargne Loire-Centre, Caisse d'Epargne Loire Drôme Ardèche, BRED, Crédit Coopératif, Banque Palatine.
Personal microloans and professional microloans approved by advisors from the Parcours Confiance association indicator: Caisse d'Epargne Loire-Centre, Caisse d'Epargne Loire Drôme Ardèche.
Number of ADIE microloans with support indicator: Association pour le droit à l'initiative économique/Association for the right to economic initiative.
Outstanding solidarity-based SRI indicator: Natixis Asset Management.
Portion of total purchases made from SMEs/ISEs indicator: BPCE Achats.

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7.1 Memorandum and articles of association

7.1.1 General information

BPCE

50, avenue Pierre Mendès-France – 75013 Paris

A French limited liability company (society anonym) with a Management Board and a Supervisory Board, governed by its articles of association, the regulations applicable to commercial companies, and the French Monetary and Financial Code (*Code monétaire et financier*).

The company was incorporated on January 22, 2007, the date on which BPCE, a non-trading company, was formed to hold the assets contributed by Groupe Banque Populaire and Groupe Caisse d'Epargne. The company's duration is 99 years.

Paris Trade and Companies Register

Number: 493,455,042

NAF (business activity) code: 6419Z

The company's fiscal year runs from January 1 to December 31.

7.1.2 Appropriation of earnings

Distributable income is comprised of the income for the fiscal year, less any losses brought forward and any sums allocated to the legal reserve, plus any retained earnings.

The sums distributed are comprised of the distributable income plus any reserves available to the company.

If the full amount of a preferred dividend for a given year has not been distributed, no dividend may be paid to shareholders of category "A" or "B" shares during the incorporation period, or to any shareholders after the end of the incorporation period.

The Ordinary General Shareholders' Meeting, upon a proposal by the Management Board, is entitled to deduct any sums it deems suitable to be carried forward to the following year or to be allocated to one or more extraordinary, general, or special reserve funds. Any sums decided on by the Annual General Shareholders' Meeting upon a proposal by the Management Board may be allocated to these funds. In addition, the Annual General Shareholders' Meeting may decide, upon a proposal by the Management Board, to distribute a dividend from all or part of the sums available for distribution, under the terms and conditions set forth in the company's articles of association.

The Ordinary General Shareholders' Meeting, upon a proposal by the Management Board, may opt to grant shareholders the option of receiving some or all of their dividend in cash or in shares. This option may also be offered for interim dividends.

7.1.3 Annual General Shareholders' Meetings

Annual General Shareholders' Meetings are called and convened in accordance with regulations in force. Annual General Shareholders' Meetings take place in the registered offices or in any other place specified in the notice of the meeting.

The Annual General Shareholders' Meeting called to approve the annual financial statements of the previous fiscal year convenes within five months of the balance sheet date.

Only the A Class Shareholders, the B Class Shareholders and the owners of Common Shares are entitled to take part in the Annual General Shareholders' Meetings. Their participation is subject to the registration in the name of the shareholder by the third business day preceding the Annual General Shareholders' Meeting at twelve midnight, Paris time, in the registered share accounts maintained by the company.

The shareholder, if he cannot personally attend the Annual General Shareholders' Meeting, may select one of the following three options:

- to grant a proxy to another shareholder or to his spouse; or
- to vote by absentee ballot; or
- to send a power of attorney to the company without designating a representative.

Annual General Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice-Chairman. In the absence of both, Annual General Shareholders' Meetings are chaired by a member of the Supervisory Board specially appointed for this purpose by the Supervisory Board. Failing this, the Annual General Shareholders' Meeting itself elects its Chairman.

The Annual General Shareholders' Meeting appoints its officers.

The duties of scrutineer are performed by two consenting shareholders representing, themselves or as proxies, the greatest number of Shares. The officers of the Annual General Shareholders' Meeting appoint a Secretary who may be selected outside the shareholders' ranks.

A register of attendance is kept in accordance with regulations in force.

The Ordinary General Shareholders' Meeting convened on first notice may validly transact business if the shareholders present or represented own at least one-fifth of the voting shares. The Ordinary General Shareholders' Meeting convened on second notice may validly transact business regardless of the number of shareholders present or represented.

Resolutions of the Ordinary General Shareholders' Meeting are carried by majority vote of the shareholders present or represented, including the shareholders who have voted by absentee ballot.

The Extraordinary Shareholders' Meeting convened on first notice may validly transact business only if the shareholders present or represented own at least one-fourth of the voting shares. The Extraordinary Shareholders' Meeting, convened on second notice, may validly transact business only if the shareholders present or represented own at least one-fifth of the voting shares.

The resolutions of the Extraordinary Shareholders' Meeting are carried by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders who have voted by absentee ballot.

Ordinary and Extraordinary Shareholders' Meetings exercise their respective powers in accordance with regulations in force.

Copies or extracts of the minutes of the Annual General Shareholders' Meeting are validly certified by the Chairman of the Supervisory Board, by the Vice-Chairman, a member of the Management Board, or by the Secretary of the Annual General Shareholders' Meeting.

The details concerning the participation of shareholders at the Annual General Shareholders' Meeting are listed in Chapter 2, point 2.3.4.

7.1.4 Company documents

Documents relating to the company such as its articles of association, financial statements, and the Management Board and Statutory Auditor reports presented at Annual General Shareholders' Meetings may be viewed at the company's registered office and are also available on BPCE's website: www.bpce.fr.

7.2 Share capital

7.2.1 Share capital at December 31, 2014

The share capital amounts to one hundred and fifty-five million seven hundred and forty-two thousand three hundred and twenty euros (€155,742,320). It is divided into 31,148,464 fully paid-up shares with a nominal value of five euros (€5) each, divided into two categories:

- 15,574,232 category "A" shares;
- 15,574,232 category "B" shares.

Shares in BPCE are neither listed nor traded on any market.

The company did not pledge its own shares over the course of 2014.

It should be noted that, in the wake of the decision taken by the Annual General Shareholders' Meeting on December 16, 2010, BPCE held 3,860,000 category "C" treasury shares bought back from *Société de prise de participation de l'État* (SPPE) until January 5, 2011, at which time it canceled said shares and reduced its share capital to €505,831,755.

At its meeting of March 14, 2011, the Management Board recorded the buyback of the last shares held by SPPE, *i.e.* 2,573,653 category "C" shares for a total of €1,220,208,723.54. These shares were held as treasury shares by BPCE until April 18, 2011, at which time it canceled said shares and reduced its share capital to €467,226,960. During this same period, BPCE also redeemed the deeply subordinated notes held by SPPE for a total of €1,072,070,137.

Subsequent to these transactions, BPCE's category "C" shares have lapsed, and the company's share capital continues to be equally divided between the Caisses d'Epargne (category "A" shares) and the Banque Populaire banks (category "B" shares).

On September 28, 2012, Banque Populaire Lorraine Champagne bought back 9,431 category "B" BPCE shares held by Segimlor.

One of the steps in the simplification of the Group's structure consisted in 2013 of an increase in BPCE's stake in the Banque Populaire banks and in the Caisses d'Epargne for an amount of €2 billion *via* a reduction in BPCE's capital and the exceptional payment of a cash dividend deducted from "Additional paid-in capital."

The increase in this stake had to be approved by a decision of BPCE's Extraordinary General Shareholders' Meeting, which met on July 11, 2013. The implementation of this decision was subject to a condition precedent, namely the permanent buyback of all cooperative investment certificates (CICs) followed by their cancellation and the corresponding reduction of the share capital of each of the Banque Populaire banks and Caisses d'Epargne.

At its meeting of August 6, 2013, BPCE's Management Board duly noted that the conditions precedent had been met and decided to carry out a capital reduction of €311,484,640 by decreasing the nominal value of the company's shares from €15 to €5, and by paying a dividend of €311,484,640 consisting of the amount of the capital reduction, *i.e.* €10 per share held.

The Management Board therefore duly noted the permanent reduction of the company's capital by a nominal amount of €311,484,640, bringing it down from €467,226,960 to €155,742,320, and also decided to pay an exceptional cash dividend to shareholders, in proportion to their equity investment in the company, totaling €1,688,515,360 deducted from "Additional paid-in capital."

On November 28, 2013, BRED Banque Populaire bought back 15,812 category "B" BPCE shares held by Cofibred.

On November 27, 2014, Banque Populaire Lorraine Champagne absorbed Banque Populaire d'Alsace and adopted the new name Banque Populaire Alsace Lorraine Champagne.

7.2.2 Category "A" and "B" shares

DEFINITION

Category "A" shares are shares held by category "A" shareholders, which are the Caisses d'Epargne and issued by the company in accordance with Articles L. 228-11 et seq. of the French Commercial Code.

Category "B" shares are shares held by category "B" shareholders, which are the Banque Populaire banks and minority shareholders, and issued in accordance with the articles of the French Commercial Code mentioned above.

FORM AND MEANS OF REGISTRATION IN A SECURITIES ACCOUNT

The shares issued by the company may only be held in registered form. They are recorded in a register and shareholder accounts are held by either the company or an approved intermediary.

RIGHTS OF CATEGORY "A" AND "B" SHARES

Category "A" and "B" shares have the same rights, with the exception of the special rights attributed during the incorporation period, as set forth in the company's articles of association.

These special rights are attached to each share category, and can be exercised at Ordinary General Shareholders' Meetings.

The special rights expire at the end of the incorporation period. Consequently, at the end of that period, category "A" and "B" shares will be automatically converted into ordinary shares bearing equivalent rights.

Each category "A" and "B" share entitles its holder to one vote at Annual General Shareholders' Meetings.

The rights of category "A" and "B" shareholders may not be changed without the approval of a General Shareholders' Meeting convened specifically for this purpose, in accordance with the applicable laws.

INCORPORATION PERIOD

When BPCE was first established, on July 31, 2009, two distinct share categories were created – one for former CNCE shareholders and one for former BFBP shareholders – in order to guarantee parity for the shareholders of the two companies owning BPCE during the five-year incorporation period. The incorporation period may be extended by the Annual General Shareholders' Meeting. After the incorporation period, category "A" and "B" shares will be automatically converted into ordinary shares.

Until the end of the incorporation period, in the event of a cash capital increase with pre-emptive subscription rights during which certain holders of category "A" or "B" shares do not exercise all of their subscription rights, the other holders of category "A" or "B" shares (as the case may be) will be entitled to exercise the non-exercised subscription rights, in excess of their own subscription rights, before other shareholders.

In addition, category "A" and "B" shares may not be transferred during the incorporation period, except for transfers among category "A" shareholders and among category "B" shareholders, subject to the pre-emptive rights held by other shareholders of the same category.

During the incorporation period, seven members of the company's Supervisory Board will be appointed from among candidates proposed by category "A" shareholders, and seven members of the company's Supervisory Board will be appointed from among candidates proposed by category "B" shareholders. The Supervisory Board may deliberate validly only if at least two of the members proposed by category "A" shareholders and at least two of the members proposed by category "B" shareholders are present.

The company's General Shareholders' Meeting of December 20, 2012 decided to abolish the incorporation period, which is scheduled to end on the date of the Annual General Shareholders' Meeting in May 2015.

The Annual General Shareholders' Meeting decided to preserve the equal ownership structure of BPCE's share capital and to maintain the Supervisory Board's current composition of seven members proposed by category "A" shareholders, seven members proposed by category "B" shareholders and four external members.

An equal split will also be maintained in the appointment of observers, with three appointed from candidates proposed by category "A" shareholders and three appointed from candidates proposed by category "B" shareholders, plus Natixis, which is an observer by operation of the law.

The Combined General Meeting of July 11, 2013 reduced the number of non-voting directors proposed by category "A" and category "B" shareholders to two, and decided that the Chairman of the Fédération Nationale des Caisses d'Epargne and the Chairman of the Fédération Nationale des Banques Populaires, who cannot be members of the Supervisory Board, be non-voting directors as of right.

The Annual General Shareholders' Meeting of December 20, 2013 also decided to introduce a 10-year period of non-transferability from July 31, 2009 to July 31, 2019, during which only free conveyance within the same network is possible.

The new Articles of Association have already defined the system for the period commencing August 1, 2019: free conveyance of shares within the same network will remain possible and transfers other than free conveyance (*i.e.* to shareholders of another category or to third parties) will also become possible.

Transfers of shares will be subject to a pre-emptive right that may be exercised by shareholders of the same category. The transfer of any shares that are not covered by the pre-emptive right will require the prior approval of the Supervisory Board deliberating with a qualified majority (12 out of 18 members). In the event approval is not obtained, the Management Board will have to find a solution.

The Annual General Shareholders' Meeting also decided to shift Groupe BPCE's solidarity mechanism towards a greater pooling of resources by changing the order of priority in terms of coverage (network funds and the Mutual Guarantee Fund ahead of capacity-based contributions).

Finally, the Annual General Shareholders' Meeting decided to improve the Group's solvency support mechanism by establishing a bonus and netting system that encourages shareholder institutions to contribute to the achievement of the Group target.

7.3 Ownership structure and distribution of voting rights

7.3.1 Ownership structure over the past three years

Shareholders	Share capital at 12/31/2014			Share capital at 12/31/2013			Share capital at 12/31/2012		
	No. of shares	% share capital	% voting rights	No. of shares	% share capital	% voting rights	No. of shares	% share capital	% voting rights
CE Alsace	401,759	1.29%	1.29%	401,759	1.29%	1.29%	401,759	1.29%	1.29%
CE Aquitaine Poitou-Charentes	1,176,510	3.78%	3.78%	1,176,510	3.78%	3.78%	1,176,510	3.78%	3.78%
CE d'Auvergne et du Limousin	612,154	1.97%	1.97%	612,154	1.97%	1.97%	612,154	1.97%	1.97%
CE de Bourgogne Franche-Comté	814,658	2.62%	2.62%	814,658	2.62%	2.62%	814,658	2.62%	2.62%
CE Bretagne Pays de Loire	1,084,672	3.48%	3.48%	1,084,672	3.48%	3.48%	1,084,672	3.48%	3.48%
CE Côte d'Azur	625,348	2.01%	2.01%	625,348	2.01%	2.01%	625,348	2.01%	2.01%
CE Ile-de-France	2,167,033	6.96%	6.96%	2,167,033	6.96%	6.96%	2,167,033	6.96%	6.96%
CE Languedoc-Roussillon	663,993	2.13%	2.13%	663,993	2.13%	2.13%	663,993	2.13%	2.13%
CE Loire-Centre	722,595	2.32%	2.32%	722,595	2.32%	2.32%	722,595	2.32%	2.32%
CE Loire Drôme Ardèche	496,094	1.59%	1.59%	496,094	1.59%	1.59%	496,094	1.59%	1.59%
CE Lorraine Champagne-Ardenne	1,034,535	3.32%	3.32%	1,034,535	3.32%	3.32%	1,034,535	3.32%	3.32%
CE de Midi-Pyrénées	756,562	2.43%	2.43%	756,562	2.43%	2.43%	756,562	2.43%	2.43%
CE Nord France Europe	1,207,197	3.88%	3.88%	1,207,197	3.88%	3.88%	1,207,197	3.88%	3.88%
CE Normandie	787,783	2.53%	2.53%	787,783	2.53%	2.53%	787,783	2.53%	2.53%
CE Picardie	547,607	1.76%	1.76%	547,607	1.76%	1.76%	547,607	1.76%	1.76%
CE Provence-Alpes-Corse	1,198,712	3.85%	3.85%	1,198,712	3.85%	3.85%	1,198,712	3.85%	3.85%
CE Rhône Alpes	1,277,020	4.10%	4.10%	1,277,020	4.10%	4.10%	1,277,020	4.10%	4.10%
Total category "A" shares	**15,574,232**	**50.00%**	**50.00%**	**15,574,232**	**50.00%**	**50.00%**	**15,574,232**	**50.00%**	**50.00%**
BP des Alpes	632,493	2.03%	2.03%	632,493	2.03%	2.03%	632,493	2.03%	2.03%
BP d'Alsace	-	-	-	704,547	2.26%	2.26%	704,547	2.26%	2.26%
BP Alsace Lorraine Champagne	1,748,766	5.61%	5.61%	-	-	-	-	-	-
BP Aquitaine Centre Atlantique	801,910	2.57%	2.57%	801,910	2.57%	2.57%	801,910	2.57%	2.57%
BP Atlantique	681,543	2.19%	2.19%	681,543	2.19%	2.19%	681,543	2.19%	2.19%
BP Bourgogne Franche-Comté	989,679	3.18%	3.18%	989,679	3.18%	3.18%	989,679	3.18%	3.18%
BRED Banque Populaire	1,495,870	4.80%	4.80%	1,495,870	4.80%	4.80%	1,480,058	4.75%	4.75%
BP Côte d'Azur	388,172	1.25%	1.25%	388,172	1.25%	1.25%	388,172	1.25%	1.25%
BP Loire et Lyonnais	553,183	1.78%	1.78%	553,183	1.78%	1.78%	553,183	1.78%	1.78%
BP Lorraine Champagne	-	-	-	1,044,219	3.35%	3.35%	1,044,219	3.35%	3.35%
BP du Massif Central	431,814	1.39%	1.39%	431,814	1.39%	1.39%	431,814	1.39%	1.39%
BP du Nord	435,113	1.40%	1.40%	435,113	1.40%	1.40%	435,113	1.40%	1.40%
BP Occitane	1,240,395	3.98%	3.98%	1,240,395	3.98%	3.98%	1,240,395	3.98%	3.98%
BP de l'Ouest	751,505	2.41%	2.41%	751,505	2.41%	2.41%	751,505	2.41%	2.41%
BP Provençale et Corse	242,457	0.78%	0.78%	242,457	0.78%	0.78%	242,457	0.78%	0.78%
BP Rives de Paris	1,391,269	4.47%	4.47%	1,391,269	4.47%	4.47%	1,391,269	4.47%	4.47%
BP du Sud	640,118	2.06%	2.06%	640,118	2.06%	2.06%	640,118	2.06%	2.06%
BP Val de France	1,342,454	4.31%	4.31%	1,342,454	4.31%	4.31%	1,342,454	4.31%	4.31%
CASDEN Banque Populaire	1,493,410	4.79%	4.79%	1,493,410	4.79%	4.79%	1,493,410	4.79%	4.79%
Crédit Coopératif	313,964	1.01%	1.01%	313,964	1.01%	1.01%	313,964	1.01%	1.01%
Cofibred	0	0.00%	0.00%	0	0.00%	0.00%	15,812	0.05%	0.05%
Segimlor	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr or Mrs Guy Bruno	55	0.00%	0.00%	55	0.00%	0.00%	55	0.00%	0.00%
Georges Doittau estate	23	0.00%	0.00%	23	0.00%	0.00%	23	0.00%	0.00%
Mr Jacques Galiegue	17	0.00%	0.00%	17	0.00%	0.00%	17	0.00%	0.00%
Mr Claude Raffetin	8	0.00%	0.00%	8	0.00%	0.00%	8	0.00%	0.00%
Mr Robert Arnaud	7	0.00%	0.00%	7	0.00%	0.00%	7	0.00%	0.00%
Mr Jean-Michel Laty	6	0.00%	0.00%	6	0.00%	0.00%	6	0.00%	0.00%
Unallocated shares	1	0.00%	0.00%	1	0.00%	0.00%	1	0.00%	0.00%
Total category "B" shares	**15,574,232**	**50.00%**	**50.00%**	**15,574,232**	**50.00%**	**50.00%**	**15,574,232**	**50.00%**	**50.00%**
TOTAL	**31,148,464**	**100.00%**	**100.00%**	**31,148,464**	**100.00%**	**100.00%**	**31,148,464**	**100.00%**	**100.00%**

Changes in BPCE's share capital are set out under point 7.2.1 (above).

SHAREHOLDERS OWNING MORE THAN 5% OF THE SHARE CAPITAL OR VOTING RIGHTS

Shareholders	No. of shares	% share capital	% voting rights
CE Ile-de-France	2,167,033	6.96%	6.96%
BP Alsace Lorraine Champagne	1,748,766	5.61%	5.61%

BPCE currently has no employee share ownership agreements in place.

7.3.2 Improper control

The company is controlled as described in paragraph 7.3.1; however, the company believes there is no risk of said control being exercised improperly.

7.3.3 Changes of control

To BPCE's knowledge, and in accordance with European regulations, there are no agreements that could lead to a change in control of the company at a subsequent date.

In accordance with Article L. 512-106 of the French Monetary and Financial Code, "the central institution of the Caisses d'Epargne and the Banque Populaire banks (...) is incorporated as a public limited company in which the Banque Populaire banks and the Caisses d'Epargne together hold the absolute majority of the share capital and voting rights."

7.4 Material contracts

As of the date of publication of this financial information, with the exception of the agreements referred to in Chapter 7.6 (related-party agreements), BPCE has not entered into any material contracts other than those entered into in the normal course of business.

7.5 Material changes

The financial statements for the 2014 fiscal year were approved by the Management Board on February 9, 2015. Since that date, there have been no material changes in Groupe BPCE's financial or commercial situation.

The BPCE Supervisory Board duly noted the agreements entered into in previous fiscal years, on which no observations were recorded, and decided not to perform the annual review of related-party agreements authorized before August 2, 2014 and entered into between BPCE and one of its wholly-owned subsidiaries.

7.6 Statutory Auditors' special report on related party agreements and commitments

Shareholder's Meeting called to approve the financial statements for the fiscal year ended December 31, 2014

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BPCE

Registered office: 50 avenue Pierre Mendès-France 75013 Paris

Share capital: €155,742,320

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on related-party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of the contractual agreements and commitments indicated to us or that we may have identified in the performance of our assignment. It is not our role to comment as to whether they are beneficial or to ascertain whether any other agreements or commitments exist. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required to inform you in accordance with Article R. 225-58 of the French Commercial Code concerning the execution during the year of the agreements and commitments already approved by the Annual General Shareholders' Meeting.

We performed the procedures we considered necessary to comply with the professional code of the Compagnie Nationale des Commissaires aux Comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

For the purposes of this report:

- "BPCE" designates the central institution resulting from the combination of the networks of Caisse d'Epargne and Banque Populaire, a French joint stock company (société anonyme) with a Management Board and a Supervisory Board since July 31, 2009;
- "CE Participations" designates the former Caisse Nationale des Caisses d'Epargne (CNCE), a French joint stock company (société anonyme) with a Management Board and a Supervisory Board, renamed CE Participations on July 31, 2009, which is a French limited liability company (société anonyme) with a Board of Directors, and is the holding company for all CNCE equity interests and operations not transferred to BPCE in 2009 and which was merged with BPCE through absorption on August 5, 2010;
- "BP Participations" designates the former Banque Fédérale des Banques Populaires (BFBP), a French joint stock company (société anonyme) with a Board of Directors, renamed BP Participations on July 31, 2009, as the holding company for all of the Banque Populaire network's equity interests not transferred to BPCE in 2009 and which was merged with BPCE through absorption on August 5, 2010.

7.6.1 Agreements and commitments to be submitted for the approval of the Annual General Shareholders' Meeting

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR

In accordance with Article L. 225-88 of the French Commercial Code, we were informed of the following agreements and commitments approved by the Supervisory Board.

AGREEMENTS WITH THE SHAREHOLDERS AND THE SUBSIDIARIES

Agreements related to the securitization of home loans issued by the Banque Populaire banks and the Caisses d'Epargne

Persons involved as of the date of the transaction: Catherine Amin-Garde, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche and Member of the BPCE Supervisory Board; Didier Patault, Chairman of the Management Board of Caisse d'Epargne Ile-de-France, Member of the Natixis Board of Directors and Member of the BPCE Supervisory Board; Francis Henry, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Lorraine Champagne-Ardenne and Member of the BPCE Supervisory Board; Pierre Mackiewicz, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur and Member of the BPCE Supervisory Board; Yves Toublanc, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Rhône Alpes and Member of the BPCE Supervisory Board; Pierre Valentin, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon, Member of the Natixis Board of Directors and Member of the BPCE Supervisory Board; Alain Denizot, Chairman of the Management Board of Caisse d'Epargne Nord France Europe and Member of the BPCE Supervisory Board; Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France and Member of the BPCE Supervisory Board; Thierry Cahn, Chairman of the Board of Directors of Banque Populaire d'Alsace, Member of the Natixis Board of Directors and Member of the BPCE Supervisory Board; Alain Condaminas, Chief Executive Officer of Banque Populaire Occitane, Member of the Natixis Board of Directors and Member of the BPCE Supervisory Board; Catherine Halberstadt, Chief Executive Officer of Banque Populaire du Massif Central, Member of the Natixis Board of Directors and Member of the BPCE Supervisory Board.

In November 2013, the *Autorité de contrôle prudentiel et de résolution* (ACPR – the French prudential supervisory authority for the banking and insurance sector) stated that in order to be eligible as collateral for the ECB, internal securitizations (special purpose vehicles) had to be true sales of fully-owned assets.

To ensure the sustainability of its liquidity reserve, BPCE replaced its stock of BPCE Home Loans with securities created during a legally perfect sale of assets: the institutions will sell the loans to a securitization fund and will receive units of the fund in exchange. These units will be loaned to BPCE and will be eligible for ECB financing operations.

The transaction in question involved portfolios of home loans to individual customers of the Banque Populaire banks and the Caisses d'Epargne for a maximum amount of EUR 50 billion, used to cover the EUR 30 billion in non-eligible assets, to meet the requirements of the rating agencies to obtain a AAA rating, and to provide some leeway to carry out one or more subsequent issues.

This intra-group transaction called for the signing of the following agreements, all of which were authorized by the Supervisory Board on April 2, 2014:

- agreements entered into between BPCE, Natixis, the Banque Populaire banks and the Caisses d'Epargne:
  - Master Home Loans Purchase and Servicing Agreement: this agreement lays down the terms of the sale to the Master Home Loans securitization fund (or first securitization fund) and of the servicing of home loans by the participants,
  - Class A Notes Subscription Agreement: this agreement lays down the terms of subscription by the participants for Class A notes issued by the Master Home Loans securitization fund (or first securitization fund),
  - Data Protection Agreement: this agreement lays down the terms of conservation and delivery by the data protection agent of a decryption key that can be used to decrypt data contained in individual files of encrypted data provided by the vendors to the asset management company,
  - Subscription Agreement: this agreement lays down the terms of subscription by the participants for bonds, additional units and residual units issued by the demutualization securitization fund (or second securitization fund),
  - Netting Agreement: this agreement lays down the terms, between the participants (including BPCE), for the delegation and offsetting of certain payment obligations in respect of the various agreements pertaining to the Master Home Loans securitization fund (first securitization fund) and the demutualization securitization fund (second securitization fund) with a view to reducing the amounts paid in cash by the different parties as much as possible;
- agreements entered into between BPCE, the Banque Populaire banks and the Caisses d'Epargne:
  - Intra-Group Loan Agreement: this agreement lays down the terms of provision by each participant, in its capacity as lender, to BPCE, in its capacity as borrower, of a loan whose purpose is to give BPCE the liquidity needed to carry out the cash deposits required under the guarantee set out in the Reserve Cash Deposits Agreement concerning the loan servicing reserve and the general reserve. No participant actively or passively holds joint and several liability with respect to the other participants, and each participant acts individually as to its rights and obligations in respect of the agreement with BPCE. These loans are not accompanied by any specific guarantee or surety;
- agreements entered into between BPCE, Natixis and Caisse d'Epargne Loire Drôme Ardèche, Caisse d'Epargne Ile-de-France, Caisse d'Epargne Lorraine Champagne-Ardenne, Caisse d'Epargne Côte d'Azur, Caisse d'Epargne Rhône Alpes, Caisse d'Epargne Languedoc-Roussillon, Caisse d'Epargne Nord France Europe, Banque Populaire Val de France, Banque Populaire d'Alsace, Banque Populaire Occitane, Banque Populaire du Massif Central:
  - Specially Dedicated Account Bank Agreement: this agreement lays out the terms under which each participant, in its capacity as servicing agent, may open a specially dedicated account (within the meaning of Article L. 214-173 of the French Monetary and Financial Code) dedicated to the Master Home Loans securitization fund (or first securitization fund), to which it may credit the sums collected in respect of the loans sold;

- Reserve Cash Deposits Agreement: this agreement lays down the terms under which BPCE (the reserve provider) may set up and operate the general reserve and the loan servicing reserve.

This agreement had no impact on BPCE's 2014 financial statements.

AGREEMENTS WITH SUBSIDIARIES

Agreement governing the acquisition of Crédit Foncier's securitization portfolio by BPCE

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board and Chairman of the Board of Directors of Crédit Foncier; Daniel Karyotis, Member of the BPCE Management Board and permanent representative of BPCE to Crédit Foncier; Francis Henry, Member of the BPCE Supervisory Board and Member of the Crédit Foncier Board of Directors; Catherine Halberstadt, Member of the BPCE Supervisory Board and Member of the Crédit Foncier Board of Directors; Pierre Desvergnes, Member of the BPCE Supervisory Board and Member of the Crédit Foncier Board of Directors.

In order to allow Crédit Foncier to focus on its core business and to improve its solvency, the Board of Directors at its meeting of June 25, 2014 authorized the acquisition of Crédit Foncier's securitization portfolio by BPCE.

There are three phases to this transaction:

- the sale of the portfolio by Crédit Foncier to BPCE at its actual value;
- payment by BPCE of a subsidy for the percentage of the haircut corresponding to the carrying cost;
- payment by Crédit Foncier to BPCE of an extraordinary dividend equal to the amount of the subsidy.

The sale price will be paid by offsetting BPCE's debt holdings on Crédit Foncier resulting from the refinancing lines set up between the two parties.

This transaction resulted in the recognition of €7,398.06 in income in BPCE's 2014 financial statements.

Memorandum of Understanding between CNP Assurances, BPCE and Natixis

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances; Daniel Karyotis, Member of the BPCE Management Board and Permanent Representative of BPCE to Natixis; Alain Condaminas, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Catherine Halberstadt, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Didier Patault, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Thierry Cahn, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Pierre Valentin, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Gérard Bellemon, Member of the BPCE Supervisory Board and Member of the Natixis Assurances Board of Directors.

The Memorandum of Understanding between CNP, BPCE and Natixis was authorized by the Supervisory Board at its meeting of November 4, 2014. Its main provisions are included in the Framework Protocol Agreement authorized by the Supervisory Board at its meeting of February 18, 2015.

AGREEMENTS WITH COMPANY DIRECTORS

Pension plan for Groupe BPCE directors

Persons involved as of the date of the transaction: Daniel Karyotis, Member of the BPCE Management Board.

At its meeting of October 1, 2014, the Supervisory Board authorized the application of the pension plan for Groupe BPCE directors, defined by the rules of the pension plan for Groupe BPCE directors dated July 1, 2014, for Daniel Karyotis.

AGREEMENTS AND COMMITMENTS SINCE THE FISCAL YEAR-END

We have been informed of the following agreements and commitments authorized by the Supervisory Board since the end of the fiscal year.

FRAMEWORK PROTOCOL AGREEMENT AND AGREEMENTS RELATIVE TO THE NEW PARTNERSHIPS BETWEEN CNP ASSURANCES AND GROUPE BPCE

The Supervisory Board at its meeting of August 6, 2013 authorized François Pérol to create an Insurance division at Natixis and to undertake negotiations with CNP Assurances to have the Group's life insurance activities internalized within Natixis Assurances.

The negotiations undertaken with CNP between October 2013 and July 2014 led to the establishment of the guidelines for the future partnership between BPCE, Natixis and CNP Assurances, which were authorized by the Supervisory Board at its meeting of July 31, 2014.

Discussions with CNP continued and first resulted in a Memorandum of Understanding between CNP Assurances, BPCE and Natixis, authorized by the Supervisory Board at its meeting of November 4, 2014, which led to a Framework Protocol Agreement and the specific contracts provided for in this protocol ("the New Partnership Agreements") authorized by the Supervisory Board at its meeting of February 18, 2015, the main provisions of which are:

Framework Protocol Agreement between CNP Assurances, BPCE and Natixis

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances; Daniel Karyotis, Member of the BPCE Management Board and Permanent Representative of BPCE to Natixis; Alain Condaminas, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Catherine Halberstadt, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Didier Patault, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Thierry Cahn, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Pierre Valentin, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Gérard Bellemon, Member of the BPCE Supervisory Board and Member of the Natixis Assurances Board of Directors.

The purpose of this Agreement is to:

- enact the non-renewal of Current Agreements;
- establish, organize and structure the contractual agreement formed by the New Partnership Agreements, for which it forms the umbrella agreement;
- set the duration of the New Partnership Agreements at seven years as from January 1, 2016. After this seven-year period, BPCE may either extend the new partnership agreements for a period of three years as from January 1, 2023 or purchase all outstanding CNP policies. BPCE may purchase the policies outstanding at December 31, 2020, and, in 2020 and 2022, CNP may indicate to BPCE that it wishes to discuss the possible sale of its outstanding policies;
- define and set out the functioning of the Partnership Monitoring Committee (and any sub-committees it may set up); and
- more broadly, organize and structure relations between the Parties, as part of the Renewed Partnership.

Agreements between CNP Assurances, BPCE, Natixis and ABP Vie (a subsidiary of Natixis Assurances)

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances; Daniel Karyotis, Member of the BPCE Management Board and Permanent Representative of BPCE to Natixis; Alain Condaminas, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Catherine Halberstadt, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Didier Patault, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Thierry Cahn, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; Pierre Valentin, Member of the BPCE Supervisory Board and Member of the Natixis Board of Directors; and Gérard Bellemon, Member of the BPCE Supervisory Board and Member of the Natixis Assurances Board of Directors.

- New business reinsurance treaty – Tranche 2 – signed between ABP Vie and CNP Assurances, in the presence of BPCE and Natixis: 90% quota-share reinsurance by CNP Assurances of new business with former CNP clients.
- Tranche 2 reinsurance allocation agreement between ABP Vie, CNP Assurances and BPCE in the presence of Natixis, with the purpose of setting out the terms for managing events:
  - the provision by BPCE to CNP Assurances of the list of policyholders, at the frequency and according to the terms provided for in said agreement, as of the observance of a market shock (interest rate or behavioral shock); and
  - the implementation of the tests needed to ensure the correct functioning of the calculation and information sharing mechanisms provided for in said agreement.
- EuroCroissance allocation agreement between CNP Assurances, BPCE and ABP Vie, in the presence of Natixis, with the purpose of setting out the terms for managing events (similar terms to the Tranche 2 reinsurance allocation agreement).

EuroCroissance agreement signed between CNP Assurances and ABP Vie in the presence of BPCE

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; and Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances.

The EuroCroissance agreement provides for the compensation of technical commitments resulting from payments made by customers covered by EuroCroissance funds (a vehicle that gives rise to a Technical Diversification Provision), as of January 1 of the year in which a market shock (interest rate or behavioral shock) is observed, regardless of the date on which the corresponding policy was subscribed for with ABP Vie.

Pension savings agreements between CNP Assurances and BPCE

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board of BPCE, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances.

- Pension savings partnership agreement signed between CNP Assurances and BPCE, under which the Caisse d'Epargne network will no longer distribute CNP Assurances' life insurance and endowment policies as of January 1 2016, (barring exceptions provided for in the agreement).
- Set-up of a pension plan mechanism between CNP Assurances and BPCE, based on two contracts: an outstandings stabilization guarantee for CNP Assurances, which will be triggered in the event of excess redemptions or a shortfall in future payments in relation to expected amounts, and an outperformance remuneration contract for BPCE if the opposite should occur. These two additional contracts will apply to all of CNP Assurances' life insurance and endowment contracts intended for pensions savings; the agreements will cease to apply in the event of a market shock (interest rate or behavioral shock) and will then be renegotiated. BPCE granted a guarantee to CNP Assurances under which it will bear any additional taxation arising in respect of the pension plan mechanism, it being agreed that the mechanism will have no fiscal impact on CNP Assurances.
- Amendment to the commission agreement relating to life insurance for pension savings, notably with a view to extending the agreement until the expiry of the last pension savings life insurance policy managed by CNP Assurances. The remuneration of distributors follows the "sharing of fortunes" principle (contractual percentage applied to inflows and outstandings), which may be topped up, if applicable, by additional remuneration depending on the type of contract.

Agreements concerning payment protection insurance, provident insurance and health insurance

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board of BPCE, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances.

- For individual provident insurance:
  - individual provident insurance commission agreement between CNP Assurances and BPCE. The remuneration of distributors is based on the premiums paid by policyholders or on the technical results of each distributor's portfolio, depending on the type of contract.
- For collective payment protection insurance:
  - exclusive seven-year partnership agreement between CNP Assurances, BPCE, ABP Vie and ABP Prévoyance with coinsurance by CNP Assurances and two Natixis Assurances subsidiaries (ABP Vie and ABP Prévoyance) for 66% and 34%, respectively, covering all policies sold by the Banque Populaire network (with the exception of BRED, Crédit Coopératif and CASDEN), the Caisse d'Epargne network, Banque Palatine and Crédit Foncier. In the event the agreement is renewed, the coinsurance will be equally shared between CNP Assurances (50%) and the two Natixis Assurances subsidiaries (50%);
  - management and service level agreement between CNP Assurances and BPCE defining the terms of the relationship between the agents (Banque Populaire network (with the exception of BRED, Crédit Coopératif and CASDEN), Caisse d'Epargne network, Banque Palatine and Crédit Foncier) and the insurer (CNP Assurances) and setting out the actions to be carried out by each party for the management of insurance applications, payouts and payment processing. The financial terms are set for each type of contract and each entity;
  - remuneration agreement between BPCE, CNP Assurances, ABP Vie and ABP Prévoyance defining the terms of the financial relationship between the insurer and the lending banks (Banque Populaire network (with the exception of BRED, Crédit Coopératif and CASDEN), Caisse d'Epargne network, Banque Palatine and Crédit Foncier), regarding the distribution of collective payment protection insurance policies as of January 1, 2016 and for the duration of the agreement. The financial terms are set for each type of contract and each entity.

Shareholders' agreement between CNP Assurances, Natixis Assurances and BPCE in the presence of Ecureuil Vie Développement, relating to Ecureuil Vie Développement (EVD)

Persons involved as of the date of the transaction: François Pérol, Chairman of the BPCE Management Board of BPCE, Chairman of the Natixis Board of Directors and Member of the Board of Directors of CNP Assurances; Jean Yves Forel, Member of the BPCE Management Board and Member of the Board of Directors of CNP Assurances; Gérard Bellemon, Member of the BPCE Management Board and Member of the Board of Directors of Natixis Assurances.

- EVD's role is to serve as an interface between the Caisse d'Epargne network, Natixis Assurances and CNP;
- By December 31, 2015, CNP will sell to Natixis Assurances 2% of the capital and voting rights in EVD, bringing Natixis Assurances' stake in EVD to 51%. The sale price is set at €48 per share, for a total amount of €3,552 for the 74 shares that represent 2% of the share capital.

7.6.2 Agreements and commitments approved in prior fiscal years by the Annual General Shareholders' Meeting

AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS FISCAL YEARS

In accordance with Article R. 225-57 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the Annual General Shareholders' Meeting in previous years, was continued in 2014.

AGREEMENTS EXECUTED WITH THE SHAREHOLDERS

Memorandum of Understanding concerning the Group's solvency contribution mechanism

In its capacity as the Group's central institution, BPCE is the guarantor of the Group's solvency. Therefore, in accordance with Articles L. 511-31 and L. 512-107 of the French Monetary and Financial Code and its articles of association, BPCE is responsible for taking all steps necessary in order to guarantee the solvency of the Group and of each of the institutions comprising the Banque Populaire and the Caisse d'Epargne network. BPCE is in particular responsible for implementing the appropriate internal solidarity mechanisms within the Group.

BPCE examined the creation of a balanced mechanism of contribution to the Group's regulatory capital on the basis of a bonus/compensation scheme, in order to prompt all affiliated institutions to participate in the attainment of the Group's target.

During its meeting of December 12, 2012, the Supervisory Board approved and authorized the principle, terms and conditions of BPCE's participation in the Memorandum of Understanding concerning Groupe BPCE's solvency contribution mechanism and authorized the execution of the said Memorandum by and between BPCE, the Caisses d'Epargne and the Banque Populaire banks.

In order to take into account the buyback and cancellation of the CICs and the transition to Basel III, the Supervisory Board, at its meeting of October 2, 2013, authorized the signing of an amendment to the memorandum of understanding, eliminating Article 3.a concerning the restatement of CICs.

This transaction resulted in the recognition of an expense of €5,571,414.38 on BPCE's 2014 financial statements.

Collateral remuneration agreement between BPCE and the Banque Populaire banks

The purpose of the agreement is to determine the basis for calculation and payment under which the Banque Populaire banks will receive a payment from BPCE in return for transferring assets that are eligible for ECB Monetary Policy operations.

The BPCE Supervisory Board approved the signing of this agreement on February 24, 2010.

This transaction resulted in the recognition of an expense of €30,148,197.38 on BPCE's 2014 financial statements.

Collateral remuneration agreement between BPCE and Caisses d'Epargne

The purpose of the agreement is to determine the bases for calculation and payment under which the Caisses d'Epargne will receive a payment from BPCE in return for transferring assets that are eligible for ECB Monetary Policy Operations.

At its meeting of June 24, 2009, the CNCE Supervisory Board authorized the signing of this agreement, entered into for three years and renewable automatically for another three-year period, unless terminated in advance.

This transaction resulted in the recognition of an expense of €73,578,204.29 on BPCE's 2014 financial statements.

Guarantee granted (as a protection mechanism) by the Caisses d'Epargne to Triton (formerly GCE SRD) and BPCE

A protection mechanism has been set up safeguarding, at the Caisses d'Epargne level, economic exposure to certain proprietary workout Portfolio Management (listed and unlisted medium- and long-term and delegated management portfolio) operated by CE Participations in the form of 314 separate total return swaps.

This protection mechanism was set up through the following transactions:

- the purchase from CE Participations by BPCE and the Caisses d'Epargne, according to their stake in CE Participations, of all the entire share capital of GCE SRD 007 (now Triton) followed by GCE SRD 007's cash capital increase;
- the signing by CE Participations and GCE SRD 007 of an FBF master agreement relating to futures transactions, a master confirmation agreement, a service level agreement by GCE SRD 007 and BPCE, a financing agreement under which the Caisses d'Epargne, in their capacity as partners of GCE SRD 007, provide the latter with the cash necessary to meet its commitments under the total return swap contracts and the service level agreement and an agreement relating to interim transactions on proprietary trading activities covered by the protection mechanism since January 1, 2010;
- in addition, the Caisses d'Epargne, CE Participations and BPCE entered into a guarantee agreement, under which the Caisses d'Epargne, in their capacity as partners of GCE SRD 007, grant a non-joint guarantee to CE Participations and BPCE as surety and guarantee for the obligations and commitments of GCE SRD 007 under the total return swap contracts and the sums due under the service level agreement.

At its meeting of June 3, 2010, the Supervisory Board authorized the signing of the guarantee agreement between BPCE, CE Participations and the Caisses d'Epargne and authorized it for signature.

This agreement had no impact on BPCE's 2014 financial statements.

Dated senior loan agreements between three Banque Populaire banks and BPCE

The purpose of the contracts signed on June 24, 2009 under the framework of the reclassification of the Regional banks' (formerly HSBC) securities to the Banques Populaires banks backing the securities (Banque Populaire Provençale et Corse, Banque Populaire des Alpes, Banque Populaire du Sud) was to loan, at 3M Euribor +0.93%, the following amounts in principal:

- €102,000,000 to Banque Populaire du Sud; BPCE SA group recorded €1,189,444.66 in income in its 2014 accounts under this agreement;
- €49,000,000 to Banque Populaire Provençale et Corse; BPCE SA group recorded €292,040.00 in income in its 2014 accounts under this agreement;
- €30,000,000 to Banque Populaire Alpes; BPCE SA group recorded €178,800.00 in income in its 2014 accounts under this agreement.

Dated subordinated loan agreements between two Banque Populaire banks and BPCE

The agreements entered into on June 24, 2009 between BPCE, the Banque Populaire Provençale et Corse and the Banque Populaire des Alpes, as part of the reclassification of the Regional banks' (formerly HSBC) securities to the Banque Populaire banks backing the securities have the following characteristics:

- with the Banque Populaire Provençale et Corse, for a loan principal of €100,000,000 at the three-month EURIBOR rate +1.55%; BPCE SA group recorded €1,794,733.33 in income in its 2014 accounts under this agreement;
- with the Banque Populaire Alpes, for a loan principal of €80,000,000 at the three-month EURIBOR rate +1.55%; BPCE SA group recorded €1,435,786.67 in income in its 2014 accounts under this agreement.

Tax guarantee between the Caisses d'Epargne and CE Participations

In accordance with the terms of the bargaining agreement signed on February 24, 2010, the Caisses d'Epargne have signed a tax guarantee in favor of CE Participations, whose rights and obligations are being transferred to BPCE as a result of the merger through absorption of CE Participations.

This tax guarantee is aimed at ensuring CE Participations' right to carry forward tax losses, deduct specific expenses and, where applicable, review the corresponding tax savings factored into the valuation of CE Participations as well as the risk of any back taxes in respect of a taxation period or fraction of a taxation period preceding the date of the merger involving CE Participations.

At its meeting of June 3, 2010, the Supervisory Board authorized the signing of the tax guarantee between CE Participations and the Caisses d'Epargne in presence of BPCE and authorized it for signature.

This agreement had no impact on BPCE's 2014 financial statements.

Tax guarantee between the Banques Populaires and BP Participations

In accordance with the terms of the bargaining agreement signed on February 24, 2010, the Banques Populaire banks have signed a tax guarantee in favor of BP Participations, whose rights and obligations are being transferred to BPCE as a result of the merger through absorption of BP Participations.

This tax guarantee is aimed at ensuring BP Participations' right to carry forward tax losses, deduct specific expenses and, where applicable, review the corresponding tax savings factored into the valuation of BP Participations as well as the risk of any back taxes in respect of a taxation period or fraction of a taxation period preceding the date of the merger involving BP Participations.

At its meeting of June 3, 2010, the Supervisory Board authorized the signing of the tax guarantee between BP Participations and the Banque Populaire banks in presence of BPCE and authorized it for signature.

This transaction resulted in the recognition of an expense of €434,868.99 on BPCE's 2014 financial statements.

AGREEMENTS WITH SUBSIDIARIES

Natixis or its subsidiaries

Invoicing agreement related to the affiliation of Natixis

CNCE, central institution of the former Groupe Caisse d'Epargne and BFBP, central institution of the former Groupe Banque Populaire, authorized the affiliation of Natixis with CNCE and BFBP, which, in the said capacity, were responsible for ensuring the smooth functioning of Natixis and received in consideration remuneration calculated in accordance with the invoicing agreement executed on May 31, 2007.

As BPCE replaced CNCE and BFBP as the central institution, effective from July 31, 2009, and decided to revise the amount of the contribution remunerating the services provided by BPCE in connection with the affiliation of Natixis, a further agreement was executed on December 21, 2010, triggering the termination of the invoicing agreement executed in 2007 (the latter was in face until March 31, 2010), effective from April 1, 2010, against an annual flat-rate amount of €22,000,000 with an indexation clause effective from 2011.

When the 2012 budget was set, in order to take the overall context into account, a decision was made to revise the amount of the contribution based on the actual cost of the public policy assignments carried out by BPCE on behalf of Natixis.

The parties decided to enter into a new invoicing agreement for that purpose, which outright replaced the agreement of Tuesday, December 21, 2010.

Said new agreement became effective from January 1, 2012.

During its meeting of February 22, 2012, the Supervisory Board approved the terms and conditions of the new invoicing agreement with Natixis and authorized the execution thereof.

This transaction resulted in the recognition of €30,000,000 in income on BPCE's 2014 financial statements.

Albiant-IT Shareholders' Agreement

As part of the 2010-2013 Strategic Plan, Groupe BPCE decided to pool its information systems, which up to now had been managed separately by each of the Group's entities. These operations began with the datacenters that host the information systems hardware and the high-speed networks that connect them. The hardware will ultimately be consolidated into two target datacenter campuses: Albiréo, initially owned by the Banque Populaire banks, and Antarès, initially owned by Natixis.

The articles of association and shareholder structure of Albiréo changed, forming the company Albiant-IT, which currently holds the Group's datacenter assets and delivers related services.

A decision was made to implement a shareholders' agreement between BPCE, i-BP, Natixis and GCE Technologies, intended to set out the major outlines of the shared policy and objectives to be reached, to organize the governance and relationships of the parties within the company, and to establish the conditions for transferring shares between shareholders.

This agreement has a term of 25 years.

At its meeting of December 15, 2011, the Supervisory Board authorized BPCE to join the Albiant-IT shareholders' agreement.

This agreement had no impact on BPCE's 2014 financial statements.

Purchase of Natixis securities and the issue and purchase of perpetual deeply subordinated notes

The transaction is intended to allow BPCE to issue new Tier-1 instruments in exchange for the old Tier-1s issued by Natixis, NBP Capital Trust I, and NBP Capital Trust III. Natixis' Tier-1 investors were therefore given the option of exchanging their securities for new Tier-1 securities issued by BPCE.

The Natixis securities collected by BPCE in this exchange were then transferred to Natixis, which canceled them, with all earnings from the transaction being transferred to Natixis. This transaction helped Natixis maintain its Tier-1 status.

Under the terms of this contract:

- Natixis bought from BPCE all of the bonds and other securities that Natixis, NBP Capital Trust I, and NBP Capital Trust III had issued, which were contributed to the exchange offers made by BPCE; the securities provided to the Offers were acquired by BPCE in exchange for the delivery of new bonds it had issued;
- BPCE underwrote perpetual deeply subordinated notes that were issued by Natixis for a total nominal amount equal to the price at which the securities provided to the offers were acquired by BPCE.

At the July 31, 2009 meeting, the Supervisory Board of BPCE authorized the signing of the Natixis securities purchase contract and authorized BPCE to underwrite perpetual subordinated notes issued by Natixis.

This transaction resulted in the recognition of an expense of €111,286,060.35 on BPCE's 2014 financial statements.

Protection mechanism in favor of Natixis concerning a portion of the workout portfolio assets

BPCE and Natixis jointly agreed to establish a mechanism to protect Natixis against future losses and the volatility of income generated from its workout portfolio assets.

On November 12, 2009, the BPCE Supervisory Board approved the following agreements concerning the guarantee on a portion of the workout portfolio assets:

- a financial guarantee (risk pooling) and its rider No. 1 granted by BPCE to Natixis;
- two total return swap contracts – one for assets denominated in euros and one for assets denominated in US dollars – and the ISDA Master Agreement (and its Appendix) governing the relationship between the parties in the swap contracts; and
- a call option granted by BPCE to Natixis.

This transaction resulted in the recognition of an expense of €357,253.60 on BPCE's 2014 financial statements.

On May 11, 2011, the BPCE Supervisory Board approved the following guarantee agreement concerning the Chapel securities included in the workout portfolio assets:

- one total return swap contract for the Chapel securities, concurrently with the redemption of Chapel's assets by Natixis, previously housed in the structure named Sahara.

This transaction resulted in the recognition of €58,394,237.99 in income on BPCE's 2014 financial statements.

Credit and financial guarantee master agreements with Natixis within the framework of the state support mechanism

These agreements enabled Natixis to borrow from CNCE and BFBP against collateral.

INTRAGROUP FINANCIAL GUARANTEE MASTER AGREEMENTS

The guarantee agreement does not provide for any compensation. This therefore had no impact on BPCE's 2014 financial statements.

INTRAGROUP CREDIT MASTER AGREEMENTS

These include mirror loans, subject to the same terms as the agreements signed by CNCE and BFBP with Société de Financement de l'Économie Française (SFEF).

This transaction resulted in the recognition of €7,431,412.59 in income on BPCE's 2014 financial statements.

ALLOCATION AGREEMENT BETWEEN BPCE, NATIXIS, NATIXIS TRANSPORT FINANCE AND SFEF

Within the framework of the implementation of the credit master agreements and financial guarantee master agreements signed on November 14, 2008, and in order to allow for the settlement of receivables allocated as collateral, an allocation account was opened specifically in favor of SFEF and is subject to an agreement between Natixis, Natixis Transport Finance, SFEF and BPCE, signed on September 21, 2009.

As of December 31, 2014, the amount of outstanding receivables given as collateral to SFEF by BPCE was nil.

REPRESENTATION MANDATE BETWEEN BPCE AND NATIXIS

Within the framework of the allocation agreement entered into between BPCE, Natixis, Natixis Transport Finance and the SFEF, Natixis has given authority to BPCE to carry out in its name and on its behalf all transactions relating to the implementation of this agreement.

This mandate signed on September 21, 2009 is granted until December 31, 2014.

This agreement had no impact on BPCE's 2014 financial statements.

Joint and several guarantee agreement between CNCE and Natixis

On October 1, 2004, CNCE and CDC IXIS Capital Markets entered into an agreement by which CNCE provides a joint and several guarantee on the debts of CDC IXIS Capital Markets to third parties.

This guarantee was granted for an indefinite period. CNCE may unilaterally terminate this agreement provided that it announces its intention six months before the termination becomes effective.

This agreement was granted prior approval by the Supervisory Board during its September 30, 2004 meeting.

Following the merger of Ixis Corporate & Investment Bank with Natixis, this guarantee was renewed in favor of Natixis.

This agreement had no impact on BPCE's 2014 financial statements.

Acquisition of Natixis Algérie

Natixis Algérie was founded in 1999 (under the name Natexis Al Amena), and is fully-owned by Natixis. It primarily works with corporates. In 2004, Natixis Algérie and BFBP launched a retail banking business and, in 2006, a leasing business.

The prerequisite to the offer is the prior unwinding of the loan granted to ABC, Natixis Algérie's sister company in charge of building the future registered office, by transferring the loan to another bank operating in Algeria.

BPCE purchased Natixis Algérie shares for 7,325 million Algerian dinars (DZD), *i.e.* €73 million at the exchange rate prevailing on July 31, 2009.

At the August 25, 2009 meeting, BPCE's Supervisory Board authorized the acquisition of all Natixis-owned shares of Natixis Algérie for DZD 7,325 million.

This transaction was not conducted in 2014 and therefore had no impact on BPCE's 2014 financial statements.

Guarantee given by CNCE to Natixis Asset Management (formerly IXIS Asset management)

CNCE (taking over the rights of CDC IXIS following the Refondation project of December 31, 2004) granted Natixis Asset Management a guarantee to cover the operational risk associated with its contract to manage the assets of Fondation Julienne Dumeste, to the exclusion of any performance guarantee.

This agreement had no impact on BPCE's 2014 financial statements.

Two agreements entered into within the scope of the new guarantee granted by CNCE (representing the rights of CDC Ixis following the "Refondation" project of December 31, 2004) to Natixis Structured Products to create a special purpose vehicle (SPV)

These agreements were signed following the sale of Labouchère Bank to allow Natixis Capital Markets (formerly IXIS Corporate and Investment Bank) to carry out transactions on the secondary market, and particularly for Japan, as part of a 10 billion EMTN program. The creation of this SPV, which is located in Jersey, required the following guarantee:

- an amendment to the commitment letter signed on May 28, 2003 by CNCE and Natixis Capital Markets to include this SPV within the scope of this letter;
- a joint and several guarantee between CNCE and Natixis Structured Products enabling the guarantee provided by CNCE to be transferred to Natixis Structured Products.

This agreement had no impact on BPCE's 2014 financial statements.

Guarantee granted by AEW Europe to CNCE (representing the rights of CDC IXIS following the "Refondation" of December 31, 2004)

IXIS AEW Europe granted a guarantee on the EPI fund (a €500 million fund established by AEW Europe), following the payment by CNCE of €50 million into this fund.

This agreement had no impact on BPCE's 2014 financial statements.

Exercise of call option on NGAM shares transferred by CE Participations

On December 18, 2009, CE Participations and Natixis Participations 1 signed a purchase agreement under the terms of which CE Participations sold, on this date, the shares that it held in NGAM to Natixis Participations 1.

This purchase agreement notably provides for the possible payment of an additional price consideration to CE Participations in certain circumstances that it defines.

This agreement had no impact on BPCE's 2014 financial statements.

Other subsidiaries

Invoicing agreement related to the affiliation of BPCE IOM

CNCE, central institution of the former Groupe Caisse d'Epargne, authorized the affiliation of Financière Océor (now renamed BPCE IOM) with CNCE, which, in the said capacity, was responsible for ensuring the smooth functioning of its subsidiary and received in consideration remuneration calculated in accordance with the invoicing agreement executed on December 11, 2007.

As BPCE replaced CNCE as central institution, effective from July 31, 2009, and decided to revise the amount of the contribution remunerating the services supplied by CNCE in connection with the affiliation of Financière Océor (now renamed BPCE IOM), a further agreement was executed on December 21, 2010, triggering the termination of the invoicing agreement executed in 2007 (the latter agreement being effective until December 31, 2010) and effective from January 1, 2011, against an annual flat-rate amount of €1,300,000 with an indexation clause effective from 2012.

When the 2012 budget was set, in order to take the overall context into account, a decision was made to revise the amount of the contribution based on the actual cost of the public policy assignments carried out by BPCE on behalf of BPCE IOM.

The parties decided to enter into a new invoicing agreement for that purpose, which outright replaced the agreement of December 21, 2010.

Said new agreement became effective from January 1, 2012.

During the meeting of February 22, 2012, the Supervisory Board approved the terms and conditions of the new invoicing agreement with BPCE IOM and authorized the execution thereof.

This transaction resulted in the recognition of €7,653,000.00 in income on BPCE's 2014 financial statements.

Delegation and service agreement and its amendments with BPCE IOM

In addition to redeploying the duties assigned to BPCE IOM, an internal restructuring plan in line with Groupe BPCE's new international development strategy and inspired by the goal of optimizing the oversight of Groupe BPCE's International and Overseas territories equity investments led to the implementation of a general framework agreement, tantamount to an outsourcing contract, between BPCE and BPCE IOM, under which BPCE will provide services for BPCE IOM in various listed fields.

That agreement became effective from January 1, 2010. The total annual flat-rate fee paid by BPCE IOM to BPCE is €500,000 without tax.

As an extension of the initial agreement entered into on June 30, 2010, the parties wished to expand the framework of services defined *via* an amendment, including assistance in the area of sales development, signed on November 9, 2010.

A Recommendation was made as part of an Inspection led by ACP in 2011 for the scope of BPCE IOM, which showed that the Permanent and Periodic Control services carried out under the agreement are being performed for the benefit of all BPCE IOM entities, not just the holding company. It then proved necessary to make the operational scope of the Permanent Control/Periodic Control services match the contractual scope of the Agreement.

As an extension of the initial agreement entered into on June 30, 2010 and Amendment No. 1, the parties wished to extend, *via* the Amendment, the benefit of the Audit and Compliance services provided by BPCE to all present and future subsidiaries of BPCE IOM, and to update certain provisions of the initial agreement, as some provisions were no longer valid at the date of issuance of Amendment No. 2.

During its meeting of October 3, 2012, the Supervisory Board approved the terms and conditions of amendment No. 2 to the agreement and authorized the execution thereof.

This transaction resulted in the recognition of €460,000.00 in income on BPCE's 2014 financial statements.

Purchase of perpetual deeply subordinated notes issued by BPCE IOM (formerly Financière Océor)

Upon the request of the French Banking Commission, BPCE IOM (formerly Financière Océor) called on BPCE to help shore up its Tier-1 capital, so that the Tier-1 ratio would be at least 7.5%, as the minimum capital requirement (Tier-1 + Tier-2) would need to kept at 10%.

In order for the Tier-1 ratio to reach 8% and the capital adequacy ratio 11.3%, an agreement was reached with the Banking Commission to add €250 million to the capital of BPCE IOM (formerly Financière Océor), which would issue deeply subordinated notes in the amount of €150 million.

At its November 12, 2009 meeting, the BPCE Supervisory Board approved the agreement for the purchase of the perpetual deeply subordinated notes issued by BPCE IOM (formerly Financière Océor).

This agreement had no impact on BPCE's 2014 financial statements.

In accordance with the provisions of Article 4.3.1 (i) of the agreement, BPCE IOM did not pay the expected fee on November 18, 2014 in the amount of €15,750,000.00.

Service delivery agreement between BPCE (formerly CNCE) and BPCE IOM (formerly Financière Océor) (Market Back Office management)

This agreement, signed on June 22, 2006 (superseding the one signed between the parties on June 15, 2004) governs back-office services provided by BPCE (formerly CNCE) to BPCE IOM (formerly Financière Océor) concerning market transactions (securities and credit portfolio), including related first-level accounting controls.

This transaction resulted in the recognition of €100,000.00 in income on BPCE's 2014 financial statements.

Invoicing agreement related to the affiliation of Banque Palatine

CNCE, central institution of the former Groupe Caisse d'Epargne, authorized the affiliation of Banque Palatine with CNCE, which, in the said capacity, was responsible for the smooth functioning of its subsidiary and received in consideration remuneration in accordance with the invoicing agreement executed on December 11, 2007.

As BPCE replaced CNCE as central institution effective from July 31, 2009 and decided to revise the amount of the contribution remunerating the services supplied by it in connection with Banque Palatine's affiliation, a further agreement was executed on December 21, 2010, triggering the termination of the invoicing agreement executed in 2007, effective from July 1, 2010, against an annual flat-rate amount of €1,100,000.00 with an indexation clause effective from 2011.

When the 2012 budget was set, in order to take the overall context into account, a decision was made to revise the amount of the contribution based on the actual cost of the public policy assignments carried out by BPCE on behalf of Banque Palatine.

The parties decided to enter into a new invoicing agreement for that purpose, which outright replaced the agreement of December 21, 2010.

Said new agreement became effective from January 1, 2012.

During its meeting of February 22, 2012, the Supervisory Board approved the terms and conditions of the new invoicing agreement with Banque Palatine and authorized the execution thereof.

This transaction resulted in the recognition of €1,850,000.00 in income on BPCE's 2014 financial statements.

Invoicing agreement related to the affiliation of Crédit Foncier

CNCE, central institution of the former Groupe Caisse d'Epargne, authorized the affiliation of Crédit Foncier with CNCE, which, in this capacity, was responsible for the smooth functioning of its subsidiary and received in consideration remuneration in accordance with the invoicing agreement executed on December 11, 2007.

As BPCE replaced CNCE as a central institution effective from July 31, 2009 and decided to revise the amount of the contribution remunerating the services supplied by it in connection with the affiliation of Crédit Foncier, a further agreement was executed on August 5, 2011 (effective retroactively as from January 1, 2011), in the annual all-in amount of €6,700,000.00 with an indexation clause effective from 2012.

When the 2012 budget was set, in order to take the overall context into account, a decision was made to revise the amount of the contribution based on the actual cost of the public policy assignments carried out by BPCE on behalf of Crédit Foncier.

The parties decided to enter into a new invoicing agreement for that purpose, which outright replaced the agreement of August 5, 2011.

Said new agreement became effective from January 1, 2012.

During its meeting of February 22, 2012, the Supervisory Board approved the terms and conditions of the new invoicing agreement with Crédit Foncier and authorized the execution thereof.

This transaction resulted in the recognition of €9,382,000.00 in income on BPCE's 2014 financial statements.

CNP Assurances shareholders' agreement

The French government, Caisse des Dépôts et Consignations, CNCE, and La Poste, as shareholders which together own the majority of CNP Assurances' shares and voting rights, entered into a shareholders' agreement on September 2, 1998 by which the parties wished to show their intention to remain invested in the capital in the long term and to set certain share-transfer rules between themselves as well as expressing their shared intention to reinforce business development of CNP in France and abroad.

Under Amendment 5 to the agreement, signed on July 27, 2009 by the different parties, BPCE became a party to the CNP Assurances shareholder agreements.

This agreement had no impact on BPCE's 2014 financial statements.

Sopassure shareholders' agreement

In preparation for the implementation of the above-mentioned CNP Assurances shareholders' agreement, the French government, Caisse des Dépôts et Consignations, CNCE and La Poste signed a shareholders' agreement on December 19, 2000 that established a holding company named Sopassure to be created by La Poste and CNCE (of which La Poste is the majority shareholder) with a view to grouping their respective equity interests in CNP and which expresses the strategic interest of its shareholders for CNP.

Under Amendment 1 to the agreement, BPCE became party to the Sopassure shareholders' agreement in 2009.

This agreement had no impact on BPCE's 2014 financial statements.

BPCE Assurances (formerly GCE Assurances) shareholders' agreement

On May 14, 2008, CNCE entered into a shareholders' agreement with MURACEF, MAIF, and MACIF to establish the relationships between shareholders in the capital of GCE Assurances and to set forth various rights and obligations in the event one of the parties sells some or all of its shares in BPCE Assurances.

Under the Amendment to the agreement, signed on July 24, 2009, BPCE became party to the BPCE Assurances shareholders' agreement and agreed to stand in for CNCE regarding all its rights and obligations under the shareholders' agreement.

This agreement had no impact on BPCE's 2014 financial statements.

Amendment to MiFID agreement

The CNCE lending activity managed in 2005 was sold to various Groupe Caisse d'Epargne subsidiaries. To this end, CNCE sold to IXIS Corporate & Investment Bank on November 18, 2005 its mid- and long-term French regional public sector financing activities, under a partial transfer of goodwill.

A memorandum of understanding between CNCE, IXIS CIB and Crédit Foncier regarding the transfer of outstanding regional public-sector loans from IXIS CIB to Crédit Foncier was signed on February 19, 2007.

On November 20, 2009, BPCE (taking over the rights of CNCE), Natixis (taking over the rights of IXIS CIB) and Crédit Foncier signed an amendment to the agreement specifying the obligations resulting from the MiFID directive for derivatives activities and concerning the categorization of Natixis' counterparties and the notification of their category.

This agreement had no impact on BPCE's 2014 financial statements.

Amendment to the "Package PLS – Package PLI" agreement with Crédit Foncier

On December 14, 2005, CNCE and Crédit Foncier entered into a Package PLS (state-sponsored rental accommodation loans) and Package PLI (intermediate rental loans) partnership agreement to implement a new regulated loan distribution strategy, which was amended as follows: the scope of the loans in question was extended to PLSs, PLIs, PSLAs (social lease ownership loans) and open-ended loans for new flows and similar transactions, as were the fee calculation rules.

This agreement had no impact on BPCE's 2014 financial statements.

Amendment to the financial intermediary agreement for Local Authorities and Institutions

On June 19, 2008, CNCE, Crédit Foncier and Compagnie de Financement Foncier signed a financial intermediary agreement for local authorities and institutions, which took effect on January 1, 2007. The main aim of this agreement was to define the terms of fees and commissions paid to the Caisses d'Epargne in their role as financial intermediaries for Groupe Crédit Foncier, which holds the loans granted to local authority and institutional clients on its balance sheet.

Given the financial context, an exceptional waiver was granted for the primary fees and commissions for financial intermediaries on the new flows due for 2008.

An amendment was signed in fiscal year 2011.

This agreement had no impact on BPCE's 2014 financial statements.

AGREEMENTS WITH COMPANY DIRECTORS

Commitments maturing or likely to mature because of the termination or change of position of members of the Management Board

The Supervisory Board meeting of April 4, 2012 approved the commitments matured or likely to mature in case of termination or change of office of members of the Management Board at this date.

Due to the renewal of the BPCE Management Board, the commitments already taken by the Supervisory Board at its meeting of April 4, 2012 were presented and approved by the Supervisory Board at its meeting of November 21, 2012 in order to expand them to include the members of the new Management Board.

At its meeting of February 17, 2013, the Supervisory Board stipulated that Laurent Mignon, in his capacity as a Member of the Management Board (temporarily on February 17, 2013 and permanently on August 6, 2013) will not benefit from specific commitments due or liable to be due as a result of the termination or change of his duties as a Member of the BPCE Management Board.

Indemnity due in the event of termination

The Supervisory Board has decided that in the event their term of office is involuntarily terminated (by a decision-making body) for reasons other than serious misconduct, change of position within Groupe BPCE or retirement, members of the BPCE Management Board may be paid fixed pay equal to no less than 12 months of pay (fixed and variable pay) and no more than 24 months, awarded to those with 12 years of seniority within the Group.

The payment of the director termination indemnity causes the former director to lose any right to the specific additional pension schemes or to the retirement severance which he or she might possibly claim.

In case of redeployment in Groupe BPCE, under an employment contract, the termination of such employment contract, notified more than 12 months after the removal of the corporate office, gives a right, except in case of gross negligence or willful misconduct, to the payment of the sole dismissal indemnity provided for in the applicable collective bargaining agreement. Conversely, in case of termination of such employment contract, notified less than 12 months after the removal of the corporate office, the termination gives a right, except in case of gross negligence or willful misconduct, to the payment of the director termination indemnity, subject to the deduction of the indemnity that might be paid in respect of the employment contract's termination.

The director termination indemnity is due only if the Group generated a positive net income for accounting purposes over the last financial year preceding the termination of the relevant corporate office.

The amount of the indemnity is equal to the monthly benchmark pay x (12 months + 1 month per year of seniority within the Group).

The monthly benchmark pay, taken into account for the calculation, is equal to 1/12th of the aggregate of the fixed pay (not including any benefits) paid in respect of the last calendar year of work and the average of the variable pay (whether paid immediately or in arrears) in respect of the last three calendar years of work.

For the calculation of the benchmark pay, the pay taken into account corresponds to the amounts paid in respect of the relevant corporate office.

The amount of the indemnity is capped at 24 times the monthly benchmark pay, which corresponds to a period of 12 years of seniority within the Group.

In case of payment of an average amount equal to at least 50% of the maximum variable component during the last 3 years of the then current term of office (or during the served term, supplemented where applicable by the term of the preceding office in case of renewal), the indemnity shall be paid in full.

If the amounts paid in respect of the variable share do not reach at least 33.33% of the maximum variable component over the said benchmark period, then no indemnity shall be paid. If the amounts paid range between 33.33% and 50% of the said component, then the amount of the indemnity shall be calculated on a straight-line basis, at the discretion of the company's deliberating body.

In any event, such indemnity is paid subject to the deduction of the indemnity that may be paid for termination of an employment contract, if any.

It was also decided that the members of the BPCE Management Board shall not be entitled to the automatic payment of an indemnity in case of non-renewal of their office; however, the Supervisory Board, acting on an opinion issued by the Appointments and Remuneration Committee, may decide to pay a director termination indemnity, after taking into consideration the circumstances under which the office was not renewed and the former director's past career within the Group. Such non-renewal shall not be followed by retirement or by a redeployment within Groupe BPCE.

The amount of this indemnity may not be higher than the indemnity paid in the event of termination.

Retirement indemnity

Upon a decision made by the Supervisory Board, members of BPCE's Management Board may benefit from a retirement indemnity equal to no less than 6 months and no more than 12 months of salary, for 10 years of seniority, without any minimum attendance conditions within the Group.

Payment of the retirement indemnity is subject to the same conditions as those which apply to the involuntary termination indemnity, *i.e.* that it is contingent on the Group achieving positive net income in the fiscal year immediately preceding the termination of the corporate office, and at the minimum average rate of the variable component during the last three years of the current term of corporate office.

The retirement indemnity may only be paid concurrently with the determination of the social security pension and provided that the beneficiary falls within the scope in question at the time of such determination.

In case of payment of the director termination indemnity or the corporate office non-renewal indemnity, the company director loses any right to a defined-benefit pension plan that he or she might claim and may not benefit from any retirement severance.

The monthly benchmark pay, taken into account for the indemnity calculation, is equal to 1/12th of the aggregate of the fixed pay (not including any benefits) paid in respect of the last calendar year of work and the average of the variable pay (whether paid immediately or in arrears) in respect of the last three calendar years of work.

For the calculation of the benchmark pay, the pay taken into account corresponds to the amounts paid in respect of the relevant corporate office.

The amount of the indemnity is then equal to the monthly benchmark pay x (6 + 0.6A), where A is the number, and where applicable the fractional number, of years during which terms of mandates have been held within the relevant scope of consolidation.

The amount of the indemnity is capped at 12 times the monthly benchmark pay, corresponding to a total term of office of 10 years. The indemnity is excluded from the calculation base of the annuities due in respect of the defined-benefit pension plans of which the company director is a beneficiary.

In any event, such indemnity is paid subject to the deduction of the retirement indemnity that may be paid in respect of an employment contract, if any.

This transaction resulted in the recognition of an expense of €3,999,693.00 on BPCE's 2014 financial statements.

Supplementary pension plans

The Supervisory Board decided that the same defined-contribution pension plan that applies to all BPCE employees (CGP) and the supplementary defined-contribution pension plan for company directors (IPRICAS) shall also apply to members of the BPCE Management Board under the same conditions as for employees of the Group, funded by a 3.5% contribution paid by the company.

Also, the Supervisory Board has given the authorization to maintain in favor of (i) Jean-Yves Forel, the benefit of the "Pension Guarantee" pension scheme, supplemented by a "Spouse Annuity" guarantee, in case of death prior to his retirement, such scheme being applicable to company directors of the former Groupe Banque Populaire and (ii) Daniel Karyotis, the benefit of the pension scheme applicable to Chairmen of Management Board of Caisses d'Epargne.

At its meeting of October 1, 2014, the Supervisory Board authorized the application of the pension plan for Groupe BPCE company directors, defined by the rules of the pension plan for Groupe BPCE company directors on July 1, 2014, for Daniel Karyotis; said plan replacing the pension plan applicable to Chairmen of the Management Boards of the Caisses d'Epargne.

As regards fiscal year 2014, the amount of the CGP and IPRICAS contributions paid by BPCE in favor of members of the Management Board were as follows:

- François Pérol from January 1 to December 31, 2014: €86,020;
- Jean-Yves Forel from January 1 to December 31, 2014: €48,485;
- Daniel Karyotis from January 1 to December 31, 2014: €49,055;
- Anne Mercier-Gallay from January 1 to December 31, 2014: €52,278.

Laurent Mignon is not a beneficiary.

No employment contract or suspended employment contract – Unemployment insurance

The Supervisory Board decided that the Chairman of the Management Board shall not be entitled to execute an employment contract with BPCE, including where such employment contract is suspended. If one or more members of the Management Board were, prior to having been appointed as members of the Management Board, party to an employment contract with BPCE or an entity of Groupe BPCE, then such employment contract shall be suspended.

It was also decided that the members of the Management Board may be affiliated with a private unemployment insurance scheme (GSC) with partial coverage of their contributions by the enterprise.

François Pérol waived the benefit of the unemployment insurance scheme.

Rules governing the maintenance of rights to receive pay for a period of 12 months in case of temporary work disability

The Supervisory Board decided that the Members of the Management Board shall benefit from the maintenance of their rights to receive pay for a period of 12 months in case of temporary work disability.

Social protection schemes applicable to all employees

The Supervisory Board decided that members of the Management Board may, under the same conditions as employees of the Group, benefit from the implementation of the social protection plans applied within BPCE in favor of all employees, namely the IPBP supplementary protection plan (up to tranche C), the MNCE medical expense reimbursement plan, and the death protection plan covering tranche D (above €290,976 in 2012) of the remuneration, as a complement to the applicable supplementary plan (this plan, insured with CNP, is funded by a 1.30% contribution, of which 0.39% is borne by the employee or the member of the Management Board).

AGREEMENTS AND COMMITMENTS APPROVED DURING THE PAST FISCAL YEAR

We were also informed during the previous fiscal year that the following agreements and commitments, already approved by the Annual General Shareholders' Meeting of May 16, 2014, which reviewed the Statutory Auditors' special report of March 21, 2014, were performed during the past fiscal year.

AGREEMENTS WITH SUBSIDIARIES

Share transfer agreement between BPCE/MURACEF (sellers) and Natixis Assurances (buyer)

Persons involved as of the date of the transaction: Mr Gérard Bellemon, a member of the BPCE Supervisory Board and member of the Board of Directors of Natixis Assurances.

At its meeting of August 6, 2013, the Supervisory Board approved the underlying principle of the planned disposal of BPCE Assurance between the sellers, BPCE and MURACEF and the buyer, Natixis Assurances. The preliminary memorandum of understanding was approved at its meeting of November 6, 2013.

On February 19, 2014, the Supervisory Board approved the conditions of the disposal agreement, particularly the selling price, the implementation of the disposal with coupon detached, the guarantees granted by BPCE, and the parties' approval of BPCE's takeover or funding, no later than June 20, 2014, of the subordinated loans taken out by BPCE Assurances.

This transaction resulted in the recognition of €91,592,637.41 in income on BPCE's 2014 financial statements.

Amendment to the agreement governing BPCE's US MTN program – 3(a)(2)

Persons involved as of the date of the transaction: Mr François Pérol, Chairman of the BPCE Management Board and Chairman of the Natixis Board of Directors, Mr Daniel Karyotis, member of the BPCE Management Board and permanent representative of BPCE at Natixis, Mr Alain Condaminas, member of the BPCE Supervisory Board and Member of the Natixis Board of Directors, Mr Thierry Cahn, member of the BPCE Supervisory Board and Member of the Natixis Board of Directors, Ms Catherine Halberstadt, member of the BPCE Supervisory Board and Member of the Natixis Board of Directors, Mr Didier Patault, member of the BPCE Supervisory Board and Member of the Natixis Board of Directors, Mr Pierre Valentin, member of the BPCE Supervisory Board and Member of the Natixis Board of Directors.

On April 9, 2013, BPCE established a medium-term notes (Notes) program in the United States within the framework of a scheme defined in Section 3(a)(2) of the Securities Act of 1933 (aka "Program 3(a)(2)"). The maximum total nominal amount of the program is $10 billion.

The proposal was thus made to change the limits of the Agreement concerning the guarantee:

- Notes issued under "Program 3(a)(2)" cannot exceed a total nominal amount of $6 billion per year;

- of which $3 billion cannot be loaned by BPCE to Natixis (where applicable, based on Natixis' funding needs, the proceeds from the Notes issued can be loaned by BPCE to Natixis at shorter maturities than those of the Notes).

On February 19, 2014, the Supervisory Board approved the signing of an amendment to the Agreement aimed at changing the sub-limits called for in Article 4 of the Agreement. Furthermore, the proceeds loaned to Natixis can be made available by BPCE for shorter maturities than those of the notes issued, depending on Natixis' funding needs.

This agreement had no impact on BPCE's 2014 financial statements.

Paris La Défense and Neuilly-sur-Seine, March 18, 2015

The Statutory Auditors

KPMG Audit *A department of KPMG SA*	PricewaterhouseCoopers Audit	Mazars
Jean-François Dandé	Anik Chaumartin	Michel Barbet-Massin
Marie-Christine Jolys	Agnès Hussherr	Jean Latorzeff

8 STATEMENT BY THE PERSON RESPONSIBLE

8.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND FOR THE ANNUAL FINANCIAL REPORT 518

Statement by the person responsible 518

8.1 Statement by the person responsible for the registration document and for the annual financial report

François Pérol,

Chairman of the BPCE Management Board

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 registration document is in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the financial statements of Groupe BPCE, BPCE SA group and BPCE have been prepared in accordance with applicable accounting standards and give a true and fair view of their respective assets, financial position and profit or loss, as well as those of all affiliated companies, and that the information relating to the management report that appears on pages 189 to 212 and 402 to 407 presents a true and fair picture of the development of their respective business, results and financial position and those of all affiliated companies, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified the information concerning the financial position and the financial statements of Groupe BPCE, BPCE SA group and BPCE as set out in the registration document and have read the entire document.

The historical financial information presented in this registration document was commented on in reports by the Statutory Auditors, as set out on pages 318 to 319, 400 to 401 and 447 to 448 of this document, concerning, respectively, the consolidated financial statements of Groupe BPCE, the consolidated financial statements of BPCE SA group, and the parent company financial statements of BPCE. The Statutory Auditors' reports referring to the consolidated financial statements of Groupe BPCE and BPCE SA group each contain one observation.

The financial information presented in the 2013 registration document, incorporated by reference, which was filed with the *Autorité des marchés financiers* (AMF – French financial markets authority) on March 21, 2014 under the number D. 14-0182, was commented on in reports by the Statutory Auditors, as set out on pages 287 to 288, 366 to 367 and 415 to 416 of said document, concerning, respectively, the consolidated financial statements of Groupe BPCE, the consolidated financial statements of BPCE SA group, and the parent company financial statements of BPCE. The Statutory Auditors' reports referring to the consolidated financial statements of Groupe BPCE and BPCE SA group each contain one observation.

The financial information presented in the 2012 registration document, incorporated by reference, which was filed with the *Autorité des marchés financiers* (AMF – French financial markets authority) on March 22, 2013 under the number D. 13-0203, was commented on in reports by the Statutory Auditors, as set out on pages 261 to 262, 330 to 331 and 376 to 377 of said document, concerning, respectively, the consolidated financial statements of Groupe BPCE, the consolidated financial statements of BPCE SA group, and the parent company financial statements of BPCE.

Paris, March 18, 2015

François Pérol

Chairman of the BPCE Management Board

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9.1 Documents on display

This document is available from the "Investors" section of the Group's website, or from the AMF website 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

9.2 Cross-reference table for the registration document

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In accordance with Article 28 of European regulation No. 809/2004 of April 29, 2004, the following information is incorporated by reference in this registration document:

- Groupe BPCE's consolidated financial statements for the fiscal year ended December 31, 2013 and the Statutory Auditors' report, presented on pages 202 to 288 of the registration document filed with the AMF on March 21, 2014 under number D. 14-0182;
- BPCE SA group's consolidated financial statements for the fiscal year ended December 31, 2013 and the Statutory Auditors' report, presented on pages 290 to 367 of the registration document filed with the AMF on March 21, 2014 under number D. 14-0182;
- BPCE's annual financial statements for the fiscal year ended December 31, 2013 and the Statutory Auditors' report, presented on pages 368 to 416 of the registration document filed with the AMF on March 21, 2014 under number D. 14-0182;
- Groupe BPCE's consolidated financial statements for the fiscal year ended December 31, 2012 and the Statutory Auditors' report, presented on pages 187 to 262 of the registration document filed with the AMF on March 22, 2013 under number D. 13-0203;
- BPCE SA group's consolidated financial statements for the fiscal year ended December 31, 2012 and the Statutory Auditors' report, presented on pages 264 to 331 of the registration document filed with the AMF on March 22, 2013 under number D. 13-0203;
- BPCE's annual financial statements for the fiscal year ended December 31, 2012 and the Statutory Auditors' report, presented on pages 332 to 377 of the registration document filed with the AMF on March 22, 2013 under number D. 13-0203.

9.4 Cross-reference table of main social and environmental information

Areas/Reference	GRI 4 equivalent	Grenelle 2 Act – Article 225 equivalent	NRE equivalent	Global Compact	Page No.
Strategy					
Reporting scope	G4-20; G4-21;G4-22; G4-32; G4-33	Art. R. 225-105			493
	G4-2; G4-56; G4-15, G4-16; G4-45; G4-47	Art. R. 225-105-1-I 2° a)	Art. 148-3.3°		450 – 452; 468 – 470; 474; 478
		Art. R. 225-105-1-I 2° a)			
Sustainable development strategy		Art. R. 225-105-1-I 3° b)			482
Environment					
Raw materials	G4-EN1; G4-EN2	Art. R. 225-105-1-I 2° c)	148-3 1°		477
Energy	G4-EN3 to G4-EN7	Art. R. 225-105-1-I 2° c)	148-3 1°		474 – 477
Water	G4-EN8 to G4-EN10	Art. R. 225-105-1-I 2° c)	148-3 1°		477
Biodiversity	G4-EN11; G4-EN12	Art. R. 225-105-1-I 2° e)	148-3 2°		478
	G4-EN15 to G4-EN19	Art. R. 225-105-1-I 2° d)	148-3 1°		474 – 475
Emissions, run-off and discharges	G4-EN23	Art. R. 225-105-1-I 2° b)	148-3 1°	7/8/9	477
	FS2; FS7; FS8; FS11	Art. R. 225-105-1 I 3° a)			457 – 459; 478 – 481; 483 – 488
Products and services	G4-EN27	Art. R. 225-105-1 I 3° a)			457 – 459; 478 – 481
Travel	G4-EN30		148-3 1°		475 – 476
Environmental approach		Art. R. 225-105-1-I 2° a)	148-3 5°	7/8/9	474 – 481; 491 – 493
Society					
	G4-S01; G4-S02	Art. R. 225-105-1-I 3° a)			456 – 457; 459 – 461; 482; 486; 490
Communities	FS14				456; 460 – 462
Anti-money laundering procedures	G4-SO3	Art. R. 225-105-1-I 3° d)		10	461
Product liability					
Labeling of products and services		Art. R. 225-105-1-I 3° b)		8	478 – 481; 483; 485
Responsible marketing	G4-PR1	Art. R. 225-105-1-I 3° d)			478 – 481
Legislative compliance	G4-PR9		148-3 6°	10	461
Economy					
Economic performance	G4-EC2			7/8/9	
Procurement policy	G4-EC5; G4-EC9	Art. R. 225–105-1-I 3° c)	Art. 148-2.9°	1/2	459 – 461
Indirect economic impacts	G4-EC6; G4-EC7	Art. R. 225-105-1-I 3° a)			456 – 459 ; 489 – 490
Employment, labor relations and decent work					
Employment & labor relations	G4-24; G4-10; G4-LA1	Art. R. 225-105-1-I 1° a), c) and d)	Art. 148–2.1°a)		463 – 467; 470 – 471; 482
	G4-LA8	Art. R. 225-105-1-I 1° d)	Art. 148-2.1° a) and b)		471
Occupational health and safety	G4-LA6; G4-LA7	Art. R. 225-105-1-I 1° b) and d)	Art. 148-2.2°		471 – 472
	G4-LA9	Art. R. 225-105-1-I 1° e)			
Training and education	G4-LA10	Art. R. 225-105-1-I 1° e)	Art. 148-2.6°		468 – 469
Diversity and equal opportunities	G4-LA12; G4-LA13	Art. R. 225-105-1-I 1°f)	Art. 148-2.3°	1/3/4/5/6	464 – 467; 470; 473
Human rights					
Freedom of association and right to collective bargaining	G4-HR4		Art. 148-2.4°		461; 473
Prohibition of child labor	G4-HR5				461; 473
Abolition of forced or compulsory labor	G4-HR6	Art. R. 225-105-1-I 1° g)		2/3/4/5	461; 473

9.5 Glossary

Acronyms	
EBA	European Banking Authority
ABS	Asset-Backed Securities
ACPR	Autorité de contrôle prudentiel et de résolution/French Prudential Supervisory Authority for the Banking and Insurance Sector)
ADEME	Agence de l'environnement et de la maîtrise de l'énergie/Agency for the environment and control of energy consumption
ADIE	Association pour le droit à l'initiative économique/Association for the right to economic initiative
AFEP-MEDEF	Association française des entreprises privées – Mouvement des entreprises de France/French business association
AFIC	Association professionnelle française du capital investissement/French private equity association
AFS	Available for sale
AGIRC	Association générale des institutions de retraite des cadres/General association of managers' pension institutions
ALM	Asset and Liability Management
AMF	Autorité des marchés financiers/French financial markets authority
AQR	Asset quality review
ARRCO	Association pour le régime de retraite complémentaire des salaries/Employees' supplementary pension scheme association
AT1	Additional Tier-1
ECB	European Central Bank
BDR	Banque des Décideurs en Région/Bank for regional decision-makers
EIB	European Investment Bank
MTN	Medium Term Note
BRRD	Banking recovery and resolution directive
CAPEB	Confédération de l'artisanat et des petites entreprises du bâtiment/Confederation of craftsmen and small companies in the building sector
CCF	Credit conversion factor
CIC	Cooperative investment certificates
CDD	Contrat de travail à durée determine/Fixed-term employment contract
CDI	Contrat de travail à durée indeterminée/Open-ended employment contract
CDO	Collateralized Debt Obligations
CEBS	Committee of European Banking Supervisors
CLO	Collateralized Loan Obligations
CDPC	Credit Derivative Product Companies
CDS	Credit Default Swap
CEGC	Compagnie Européenne de Garanties et de Cautions
CET1	Common Equity Tier-1
CMBS	Commercial Mortgage-Backed Securities
CPM	Credit Portfolio Management
CRBF	Comité de la réglemenation bancaire et financière/French Banking and Financial Regulation Committee
CRD	Capital Requirements Directive
CVA	Credit value adjustment
CRR	Capital Requirements Regulation
DOJ	Department of Justice
EAD	Exposure at default
EBICS	Electronic Banking Internet Communication Standard
EDTF	Enhanced disclosure task force
CR	Capital requirements
EL	Expected loss

Acronyms	
EMTN	Euro Medium Term Note
FTE	Full-time equivalent
EVPA	European Venture Philanthropy Association
FCPR	Fonds commun de placement à risqué/Venture capital investment fund
FGAS	Fonds de garantie à l'accession sociale/French state guarantee fund for subsidized loans
FIDEPPP	Fonds d'Investissement et de Développement des Partenariats Public-Privé/Fund for investment and development of public-private partnerships
FINREP	FINancial REPorting
SRF	Single Resolution Fund
FSB	Financial Stability Board
ALM	Asset and Liability Management
GAPC	Gestion active des portefeuilles cantonnés/Workout portfolio management
GRI	Global Reporting Initiative
G-SIBs	Global systemically important banks
HQE	Haute qualité environnementale/High Environmental Quality
IARD	Incendie, accidents et risques divers/property and casualty insurance
IDFC	Infrastructure Development Finance Company
IFRS	International Financial Reporting Standards
IRB	Internal ratings based approach
A-IRB	Advanced internal ratings based approach
F-IRB	Foundation internal ratings based approach
IRC	Incremental Risk Charge
IRS	Internal Revenue Service
SRI	Socially Responsible Investment
LBO	Leveraged buyout
AML-CTF	Anti-money laundering and counter terrorism financing
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
SSM	Single Supervisory Mechanism
MREL	Minimum requirement for own funds and eligible liabilities
SRM	Single Resolution Mechanism
NGAM	Natixis Global Asset Management
NPE	Non-performing exposure
NRE	Loi sur les nouvelles réglementations économiques/Law on New Economic Regulations
NSFR	Net Stable Funding Ratio
OH	Obligations de financement de l'habitat/Housing financing bond
P3CI	Prêt couvrant les certificats coopératifs d'investissements/Loan covering the cooperative investment certificates
BCP	Business Continuity Plan
PD	Probability of default
PERP	Plan d'Épargne retraite populaire/Retirement savings plan
PLI	Prêt locatif intermédiaire/Loan for investment in property to be rented at prices above "social" housing prices but below market prices for 6 (or 12) years
PLS	Prêt locatif social/Loan for the acquisition of property intended for low-income rental
SME	Small- and medium-sized enterprises
SMI	Small- and medium-sized industries
NBI	Net banking income
PSLA	Prêt social location-accession/Loan for property rent+buy schemes for low-income families
PTZ	Interest-free loan
RMBS	Residential Mortgage-Backed Security
ROE	Return On Equity

Acronyms	
RSSI	Responsable de la sécurité des systèmes d'information/Head of IT system security
RTT	Réduction du temps de travail/Reduction of working time
RWA	Risk-weighted assets
SCF	Société de credit foncier/a French legal covered bonds issuer
SCPI	Société civile de placement immobilier/Real estate investment trust
SEC	Securities and Exchange Commission
SEPA	Single Euro Payments Area
SFEF	Société de financement de l'économie française/SPV set up by the French government to refinance French banks during the financial crisis
SFS	Specialized Financial Services
IS	Information system
Socama	Sociétés de cautionnement mutuel artisanales/Small business Mutual Guarantee Companies
TLAC	Total loss absorbing capacity
VSB	Very small business
TRS	Total Return Swap
TSS	Titres supersubordonnés/deeply subordinated notes
EFTT	European financial transaction tax
TUP	Transmission universelle de patrimoine/Total transfer of assets and liabilities
T1 / T2	Tier-1 / Tier-2
CGU	Cash generating unit
VaR	Value at Risk

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