

Press Release

Changes in Groupe BPCE's overseas network

Paris, October 1st, 2014

In pursuit of the goals announced in its strategic plan "Growing differently", Groupe BPCE has announced plans to modify the structure of its overseas euro zone holdings with the potential disposal of all the equity interests held by BPCE International et Outre-Mer (BPCE IOM) in Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-et-Miquelon¹ to Caisse d'Épargne Provence-Alpes-Corse (CEPAC), which has already expressed its interest in this transaction.

This disposal project would allow the following in particular:

- To organize the Group's presence in the overseas euro zone around its two large retail networks: the Banques Populaires and the Caisses d'Épargne,
- To take full advantage of the strong complementarities between CEPAC and the overseas banks involved in this transaction in terms of customer base, business assets and geographical footprint,
- To give these entities the resources they need to continue investing in their organizational and technological structures with a view to facing the future digital challenges,
- To refocus BPCE IOM on worldwide local banking activities.

François Pérol, Chairman of the Management Board of Groupe BPCE said: *"this operation would create value for Groupe BPCE by allowing it to enhance the readability of its activities in the overseas euro zone and promote their future development. Ultimately, it would make CEPAC, which has been present in these regions since 1996, a top-ranking player focused on providing its cooperative shareholders and customers with long-term support."*

Alain Lacroix, Chairman of the CEPAC Management Board, said: *"Over the past five years, CEPAC has been implementing ambitious development plans in the French West Indies and Reunion Island. By combining its own strengths and expertise with the know-how of the teams working for Banque de la Réunion, Banque des Antilles Françaises and Banque de Saint-Pierre-*

¹ Groupe BPCE reminds that, at the time of the present press release, BPCE IOM holds:

- 100% of the capital and voting rights of Banque des Antilles Françaises,
- 88.9% of the capital and voting rights of Banque de la Réunion (a company listed on the Euronext Paris stock exchange – Compartment C), and
- 86.2% of the capital and voting rights of Banque de Saint-Pierre-et-Miquelon.

et-Miquelon, CEPAC will be able to pursue a future long-term growth strategy for the benefit of the men and women living in this part of the world.”

The project was presented to the respective works councils of BPCE IOM, CEPAC and of the entities concerned by this project on October 1st, 2014.

When the information/consultation procedures involving the different works councils shall have been completed, and provided that the different parties reach agreement about the terms and conditions of the project, BPCE IOM will file a simplified public tender offer – followed, in the event of success, by a squeeze-out procedure – on the listed shares of Banque de la Réunion. Assuming that these plans go ahead, the price offered by the bidder, BPCE IOM – on the basis of information currently in its possession – would be 142.6 euros per share, representing a premium of 34% above the closing share price as of October 1st, 2014. Compared to the 1 and 3 months volume-weighted average prices (VWAP) before this date, the premiums would amount to 35% and 46% respectively.

In compliance with the regulations of the AMF (the French financial markets authority), the fairness of the offer to the Banque de la Réunion shareholders from a financial standpoint – including in the perspective of a potential squeeze-out – will be examined by an independent expert appointed by the Board of Directors of Banque de la Réunion.

Should the parties reach an agreement, the operation could be finalized within the first half of 2015 provided that all the necessary authorizations are obtained and the information/consultation procedures involving the employees’ representative bodies of the entities concerned have been completed.

About Groupe BPCE

Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary commercial banking networks: the network of 19 Banques Populaires and the network of 17 Caisses d’Epargne. It also works through Crédit Foncier in the area of real estate financing. It is a major player in wholesale banking, asset management and financial services with Natixis. Groupe BPCE serves more than 36 million customers and enjoys a strong presence in France with 8,000 branches, 115,000 employees and more than 8.8 million cooperative shareholders.

About CEPAC

The Caisse d’Epargne Provence-Alpes-Corse pursues its activities in 9 French departments: Bouches du Rhône, Vaucluse, Alpes de Haute Provence, Hautes Alpes, Haute Corse, Corse du Sud, Réunion, Guadeloupe and Martinique. Its 2 million customers are served by the bank’s 2,750 employees, 268 branches and 10 business centers. Apart from providing local banking services, CEPAC offers a wide range of specialized services to corporate entities and local authorities, to companies active in the social economy, social housing bodies, mixed-economy companies and real-estate professionals.

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