



# GROUPE BPCE

Bankers and insurers with a different perspective

## Press Release

### The ECB stress tests confirm the financial strength of Groupe BPCE

Paris, October 26, 2014

**The asset quality review and stress test exercise carried out by the ECB and EBA<sup>1</sup> confirm the financial strength of Groupe BPCE. The impact of the asset quality review is very limited (-29bp<sup>2</sup>) and leaves the pre-stress test Common Equity Tier 1 ratio at 10.0% at the end of 2013. ECB projections for end-2016 put this ratio at 7.0% under the adverse stress scenario<sup>3</sup>, leaving a comfortable margin of 150bp<sup>2</sup> above the 5.5% threshold required by the ECB and EBA<sup>1</sup>.**

- The impact of the asset quality review – amounting to -29bp<sup>2</sup> – is very limited and represents less than 0.1% of the Group's total assets, thereby confirming the adequate level of accounting provisions set by BPCE. The nature of this impact is mainly prudential. The Group's cautious provisioning policy has been applied since the beginning of 2014 and coincides with the conclusions of the asset quality review exercise. No accounting adjustments are expected in the forthcoming quarters.
- This prudential exercise demonstrates the Group's financial resilience under a very severe stress scenario having a very significant impact on the French economy, assuming, in particular, a sharp decline in real-estate prices (28% over 3 years).

Groupe BPCE also emphasizes the fact that, since the end of 2013, its capital adequacy has been further improved by more than 70bp<sup>2,4</sup> to reach the high level of 11.1% at the end of June 2014. The 2014-2017 strategic plan "Growing differently" targets further enhancement of the Group's capital adequacy.

The conclusion of this extremely far-reaching exercise – which involved considerable human resources both within the supervisory bodies working under the aegis of the ECB and within the Group itself – represents a major step forward in the creation of a European Banking Union.

The full results may be consulted on our website: [www.GroupeBPCE.fr](http://www.GroupeBPCE.fr).

#### About Groupe BPCE

*Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary commercial banking networks: the network of 19 Banque Populaire banks 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.*

#### Groupe BPCE press contact

Anne-Laure Declaye: 33 (0)1 58 40 61 79 / 33 (0)6 20 09 10 44  
[presse@Groupebpce.fr](mailto:presse@Groupebpce.fr)

#### Investor relations contact

Roland Charbonnel: 33 (0) 1 58 40 69 30



<sup>1</sup> European Banking Authority

<sup>2</sup> Basis points (1 basis point = 0.01%)

<sup>3</sup> Assumptions made by the ECB and EBA

<sup>4</sup> Increase in the Common Equity Tier 1 ratio