Groupe BPCE

Full Rating Report

Ratings

Groupe BPCE	
Long-Term IDR	A+
Short-Term IDR	F1
Viability Rating	a+
Support Rating	5
Support Rating Floor	NF
BPCE S.A.	
Long-Term IDR	A+
Short-Term IDR	F1
Derivative Counterparty Rating	A+(dcr)
Natixis S.A.	
Long-Term IDR	A+
Short-Term IDR	F1
Derivative Counterparty Rating	A+(dcr)
Credit Foncier de France S.A.	
Long-Term IDR	A+
Short-Term IDR	F1
Banque Palatine S.A.	
Long-Term IDR	A+
Short-Term IDR	F1
Sovereign Risk	
Sovereign Long-Term Foreign- and Local-Currency IDRs	AA

Outlooks

Long-Term Foreign Currency IDRs	Stable
Sovereign Long-Term Foreign- and Local-Currency IDRs	Stable

Financial Data

Groupe BPCE

	31 Dec 18	31 Dec 17
Total assets (USDm)	1,459,156	1,510,938
Total assets (EURm)	1,273,926	1,259,850
Total equity (EURm)	72,571	70,088
Operating profit (EURm)	5,298	5,513
Net income (EURm)	3,819	3,705
Fitch comprehensive income (EURm)	3,774	3,141
Operating profit/risk-weighted assets (%)	1.4	1.4
Impaired loans/gross loans (%)	3.2	3.5
Fitch Core Capital/ adjusted risk-weighted assets (%)	15.8	15.5
Fully loaded common equity Tier 1 ratio (%)	15.9	15.4
Loans/customer deposits (%)	127	129

Source: Fitch Ratings, Fitch Solutions

Related Research

Groupe BPCE – Ratings Navigator (February 2019)

Analysts

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Key Rating Drivers

Strong, Diversified Company Profile: Groupe BPCE's (GBPCE) ratings reflect the group's strong and diversified company profile focused on French retail and commercial banking, fairly low risk appetite and sound asset quality as well as solid capitalisation and adequate liquidity.

Cooperative Structure: GBPCE is a cooperative banking group bound by a legally established cross-support mechanism comprising 14 Banques Populaires (BPs), 15 Caisses d'Epargne et de Prevoyance (CEPs), its central body BPCE S.A. and many affiliates, the largest being Natixis S.A., Credit Foncier de France S.A. (CFF) and Banque Palatine S.A.. Fitch Ratings has the same Issuer Default Ratings (IDRs) for GBPCE, BPCE S.A., the regional banks, Natixis, CFF and Banque Palatine.

Large French Banking Group: GBPCE mainly operates in France, where it is the second-largest player in retail and commercial banking. GBPCE has a universal bancassurance business model and a significant global franchise in asset management. The group's strategy is to expand its market positions primarily through organic growth and revenue synergies from cross-selling between group entities. Acquisitions will concentrate on asset and wealth management as well as on specialised financial services in Europe.

Fairly Low Risk Appetite: GBPCE's loan portfolio is mainly concentrated in France, and close to half consists of low-risk housing loans. A further 10% is with the French public sector. However, the bank's underwriting standards for professionals and corporates are average compared with French peers, although they are being progressively tightened. Market risk is modest.

Satisfactory Asset Quality: GBPCE's impaired loans/gross loans ratio was 3.2% at end-2018, approaching our 3% benchmark for an 'a' range asset quality score in France. The loan loss allowances/impaired loans ratio of slightly below 60% is moderate compared with French peers and leaves the group partially reliant on collateral valuation and realisation.

Recurring and Acceptable Earnings: GBPCE's revenue is affected by the low-interest-rate environment, but the group has generated recurring and acceptable earnings. The development of insurance and asset management provides a growing source of fee income. Cost efficiency is below average and we expect it to progressively improve.

Solid Capitalisation: Capitalisation is solid and benefits from internal capital generation and regular issuance of cooperative shares. The group has a common equity Tier 1 (CET1) ratio target of above or equal to 15.5%. The regulatory leverage ratio was satisfactory at 5.2% at end-2018.

Diversified Funding Sources: GBPCE benefits from the strong deposit franchise of its regional banks, but its two largest subsidiaries (Natixis and CFF) are mostly wholesale funded. As a result, only about half of total funding consists of deposits. Market funding is diversified, and high-quality liquid assets cover wholesale funding maturing over the next 12 months.

Rating Sensitivities

Sensitive to Financial Metrics: Ratings are sensitive to a deviation from the current capital trajectory, liquidity policies, earnings stability and/or an increase in risk appetite. Upside potential is limited and contingent on a significant franchise expansion or demonstration of exceptionally strong and stable financial metrics.

Economic Data

	2018 GDP per capita forecast (USD)	Ease of doing business (percentile)
France	42,676	83.6
'AA' rated countries median	42,676	91.9

Source: Fitch Ratings, World Bank

Operating Environment

Large and Diversified Economy

GBPCE mainly operates in France, which has a large, diversified and wealthy economy. French GDP growth was 1.6% in 2018 according to the national statistics office (INSEE), and Fitch forecasts growth of 1.4% in 2019 and 1.5% in 2020. Fitch affirmed France's Long-Term IDR at 'AA' with a Stable Outlook in January 2019. Public finances, although gradually improving, remain a rating weakness relative to the 'AA' rating category. However, the country's rating benefits from the sovereign's strong financial flexibility, helped by its access to deep and liquid capital markets as a core eurozone member. This compensates for a slightly lower Ease of Doing Business percentile than the 'AA' rated countries median.

Concentrated Banking Sector

The major French banks are large, and banking sector assets are significant at about 3.5x GDP on a consolidated basis. The sector is concentrated, with the top six banks totalling about 85% of the market by assets. Four (including GBPCE) are classified as global systemically important banks (G-SIBs) by the Financial Stability Board. There are high barriers to entry, as evidenced by foreign banks' failure to enter the market significantly through organic growth. The largest banks, including GBPCE, are supervised by the ECB. The regulatory environment is highly developed and transparent.

Company Profile

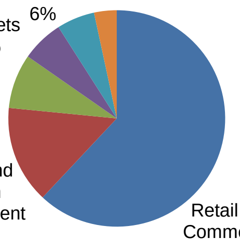
Second-Largest French Retail and Commercial Bank

GBPCE is France's fourth-largest banking group by total assets, but the second-largest in retail and commercial banking with strong market shares of 21% for customer loans and 21.5% for customer deposits and savings. It was created in 2009 through the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne, two French cooperative banking groups.

GBPCE has a universal bancassurance business model and a significant global franchise in asset management. The contribution from volatile market activities is modest, at consistently below 10% in recent years, a level that compares favourably with large international peers. The group generates about 80% of its revenue in France, the second contributor being the US (about 10%), where the bank is present in corporate and investment banking (CIB) and in asset management.

Revenue: Breakdown Per Business Lines[a]

2018



[a] Excluding corporate centre
Source: Fitch Ratings, GBPCE

French Networks Dominate Earnings

GBPCE's retail and commercial banking operations (including insurance and specialised financial services) are almost exclusively in France and generate about 70% of revenue (excluding the corporate centre). GBPCE operates two branch networks, which service a total of 15 million clients and include 14 BPs and 15 CEPs. The BPs and CEPs are competitors but have complementary strengths. The BPs have a notable franchise with SMEs and professionals, while the CEPs have historically focused more on individuals and public-sector entities.

Banque Palatine, which targets medium-sized corporates, complements the BPs and CEPs. The housing loan expertise of CFF is now integrated into the BPs and CEPs. Specialised financial services subsidiaries (factoring, leasing, consumer finance and guarantees) mainly work for the branch networks and were transferred to the group's central body, BPCE S.A., from Natixis at end-1Q19.

Developing Insurance Franchise

GBPCE has both life and non-life insurance businesses. Market shares are still below the group's natural market shares but are growing. Since January 2016, all new life insurance savings contracts have been offered by Natixis Assurances, which had nearly EUR60 billion of assets under management (AuM) at end-2018. Previously, the CEP distributed life insurance contracts manufactured externally by CNP Assurances. In non-life insurance, BPCE

Related Criteria

Bank Rating Criteria (October 2018)
Short-Term Ratings (May 2019)

Assurances is now 100% owned by the group and will extend its product offering to the BPs from 2020.

Global Asset Manager

GBPCE has a strong global franchise in asset management with Natixis Investment Managers (close to 15% of revenue), which ranks among the top 20 global asset managers by AuM (EUR808 billion at end-2018) and the top 10 in terms of revenue due to a focus on higher-margin active fund management. AuM are split about 50/50 between the US and Europe, the largest affiliates being Loomis Sayles, Harris Associates and Ostrum Asset Management. Natixis Wealth Management had EUR26 billion in AuM at end-2018.

Niche Player in Corporate and Investment Banking

CIB activities (about 15% of revenue) are operated by Natixis and are well balanced between markets and corporate banking. They are predominantly in Europe, with a selective approach in the Americas and Asia. Natixis holds strong positions in asset-based financing (energy, aviation, infrastructure and commercial real estate), where it follows an originate-to-distribute strategy. The bank is developing a small multi-boutique financial advisory business through bolt-on acquisitions. Markets activities are modest and are split 70/30 between fixed income and equities (essentially equity derivatives following the sale of the French cash equities to Oddo BHF SCA in July 2018 and closure of international desks).

Management and Strategy

Successful Management Team

GBPCE's top management has a high degree of depth, experience and credibility and has successfully reshaped the group since its creation in 2009. A smooth transition took place in June 2018, with the CEO and CFO of Natixis being appointed as group CEO and CFO. GBPCE's management is subject to some form of market scrutiny, Natixis being listed. There are frequent transfers of senior staff between BPCE S.A., the regional banks and Natixis, which we view as positive. Cooperative values positively influence GBPCE's corporate culture.

Sound Corporate Governance

GBPCE's corporate governance is sound and provides reasonable protection of creditors' interests. BPCE S.A.'s supervisory board counts 19 members: seven representatives of the BPs, seven from the CEPs, three independents and two employees. Independent members provide outside perspective and chair the risks, audit, nominations and remunerations committees. As a cooperative, GPCE is exposed to a limited level of short-term market pressure. Related parties correspond essentially to contractual relationships with CNP Assurances.

Developing Synergies from Core Franchises

GBPCE's 2020 strategic plan aims at maintaining a strong market position in retail and commercial banking in France by developing revenue synergies, mainly through insurance and specialised financial services. GBPCE's management is on track to execute the plan. Expansion in Europe is expected to be prudent and through specialised financial services (consumer finance, leasing or factoring).

Natixis has a EUR2.5 billion budget for acquisitions, notably in asset management, targeting the Asia-Pacific region and alternative asset classes. In CIB, growth will come from further development of the existing four areas of expertise (energy, aviation, infrastructure and commercial real estate) and of the advisory franchise.

About EUR800 million of non-recurring transformation costs are expected to generate close to EUR1 billion in annual cost savings in 2020. One further merger of CEPs should lead to a total of 14 BPs and 14 CEPs in 2020. The group targets cost/income ratios of 64% for retail and commercial banking activities, 68% for asset and wealth management and 60% for CIB (67%, 66% and 64% in 2018 according to the group and excluding non-recurring items).

Financial Targets

	2020 target	2018
Revenue	>EUR25bn	EUR23.9bn[a]
LICs/ average gross loans	20 to 30bp	19bp
CET1 ratio	>=15.5%	15.5%[b]
TLAC ratio	>21.5%[c]	22.5%

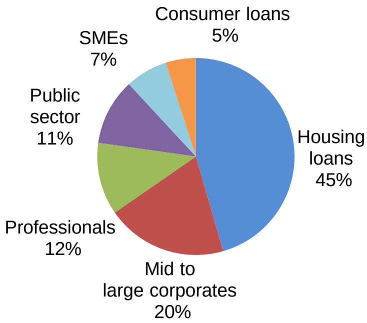
LICs: loan impairment charges
[a] Excluding non-recurring items
[b] Pro forma for announced transactions except Oney Bank
[c] From January 2019
Source: Fitch Ratings, GBPCE

Risk Appetite

Mainly Exposed to Credit Risk

GBPCE's fairly low risk appetite reflects the group's cooperative nature, its focus on France and its centralised and sound risk controls. GBPCE is mainly exposed to credit risk and, at end-2018, 80% of its credit risk exposure (including off-balance sheet and interbank loans) was to French counterparties. Litigation risk is moderate.

Customer Loan Book
At end-2018



Source: Fitch Ratings, GBPCE

Customer loans grew at a healthy rate of 5% in 2018 (net of the impact of IFRS 9), driven by the regional banks, while CFF's outstanding loans declined and Natixis distributed a large share of its production. Housing loans are conservatively underwritten, in line with French banking peers. Origination is based on borrowers' capacity to repay, and loans generally have a fixed rate over their entire term. Principal is generally fully amortising, avoiding refinancing risk. Loans historically originated by CFF typically target low-income borrowers and are higher risk, but are frequently covered by a 50% guarantee on their ultimate loss by the French state.

Consumer finance loans are only originated to existing clients and present limited risk. Underwriting criteria for professionals and corporates are average compared to peers. The CEPs and CFF have significant exposure to local authorities and social housing companies, which are very low risk. Most of the lending business outside France is conducted by Natixis and is mainly to large corporates or in asset financing.

GBPCE's investment policy is fairly prudent and essentially focused on highly rated fixed-income securities, although pockets of risk exist, notably in equities.

Modest Market Risk Appetite

GBPCE has a low appetite for market risk. Its trading assets excluding derivatives account for a reasonable share of around 3% of total assets (EUR39 billion at end-2018). Market activities are client driven. GBPCE's value-at-risk (99% confidence level; one-day holding period; one-year look-back period) is modest and ranged between EUR6 million and EUR17 million in 2018. GBPCE's exposure to financial assets at fair value classified as Level 3 instruments (about EUR14 billion) was manageable at end-2018, representing below 25% of Fitch Core Capital (FCC).

Non-trading market risk mainly arises from interest-rate risk in the group's banking book. As for other French banks, fixed-rate housing loans are the main source of interest-rate risk, corporate loans generally being floating-rate. Interest-rate gaps are closed using macro hedges. GBPCE maintains conservative interest-rate sensitivity limits. The group conducts a variety of stress tests, the least favourable scenario being a decrease of the yield curve. In this scenario, the annual impact was limited to about 1% of 2018 revenue at end-September 2018.

Interest-rate risk from GBPCE's insurance activities is mitigated by a 3% policyholder participation reserve at end-2017 and a low minimum guaranteed rate of 0.15% on the general account life insurance contracts, in line with the French market. Unit-linked life insurance products accounted for 23% of AuM at end-2018, slightly above market average (20%).

Financial Profile

Asset Quality

Satisfactory Asset Quality

GBPCE's impaired loans/gross loans ratio is slowly improving and was 3.2% at end-2018, slightly above our 3% benchmark for an 'a' range asset quality score for banks operating in France. This reflects the combination of low-risk retail and local authorities' exposures with higher-risk loans to professionals and corporates.

As other French banks, GBPCE's policy is to keep impaired loans on balance sheet until they are fully resolved, which tends to inflate impaired loans ratios. This contrasts with some jurisdictions with a swifter write-off policy. GBPCE's loan loss allowances/impaired loans ratio is moderate (59% at end-2018) compared with French peers', but is higher than similarly rated European banks'. This leaves the group partially reliant on collateral valuation and realisation. Loan impairment charges are contained and were about 20bp of gross loans in 2018, in line with the French sector average.

Note on Charts

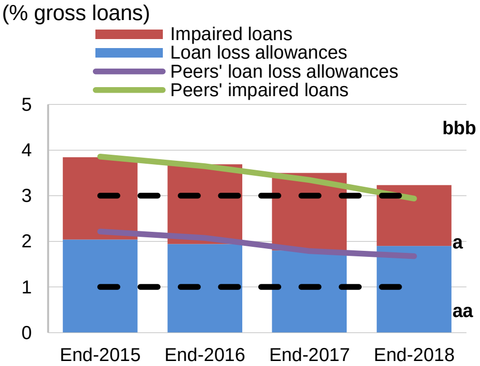
Black dashed lines in the Asset Quality chart and further in the report represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Peer average includes:

Groupe BPCE (Viability Rating: a+), BNP Paribas S.A. (a+), Credit Agricole (a+), Credit Mutuel Alliance Federale (a+), Societe Generale S.A. (a), Cooperatieve Rabobank U.A. (a+), Lloyds Banking Group plc (a), ING Bank N.V. (a+) and Nordea Bank Abp (aa−).

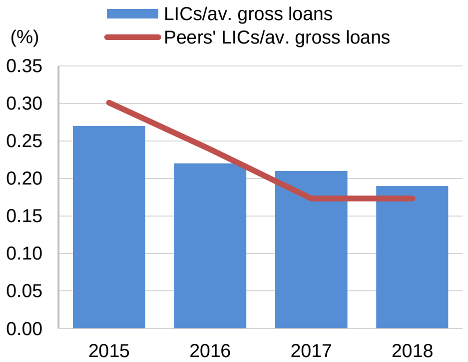
Asset Quality

(% gross loans)



Source: Fitch Ratings, Banks

Loan Impairment Charges (LICs)

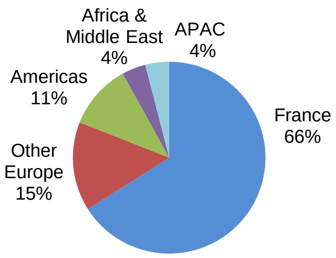


Source: Fitch Ratings, Banks

GBPCE's loan book is dominated by retail lending and in particular housing loans, which represent about 45%. Fitch does not consider this concentration to be high risk, as housing lending in France is primarily based on debt service coverage. Deterioration in the performance of the housing loans portfolio could come from a significant relaxation of origination criteria and a marked deterioration in France's economic environment. Both scenarios are unlikely. Fitch expects property prices to hold up fairly well unless interest rates significantly increase.

Corporate Exposure by Geography

At end-2018
EUR323bn



Source: Fitch Ratings, GBPCE

Consumer loans account for a modest 5% of GBPCE's loan book and are exclusively directed to its branch networks' customers. This results in a better performance than for specialised consumer lenders. Loans to the low-risk French public sector represent about 10% of GBPCE's loan book.

Corporate loans represent about 40% of the loan book and are extended by the BPs, the CEPs, Natixis and Banque Palatine. GBPCE is mainly exposed to French companies, with most of its remaining corporate loans being to other European countries and the US. Loans to SMEs are a more vulnerable asset class, but the quality of the portfolio is slowly improving on the back of improved economic conditions in France and a progressive tightening in underwriting criteria. GBPCE's corporate loan book does not present major individual concentrations. The largest sectoral exposure is real estate (about 20% of the group's corporate exposure at end-2018).

Financial assets in the banking book (about EUR80 billion at end-2018) consist mainly of fixed-income instruments (about 95%). Pockets of risks appear manageable. Equity instruments accounted for EUR4.5 billion at end-2018, or 8% of FCC, and exposure to the Italian and Spanish sovereigns amounted to around EUR7 billion, or 12% of FCC.

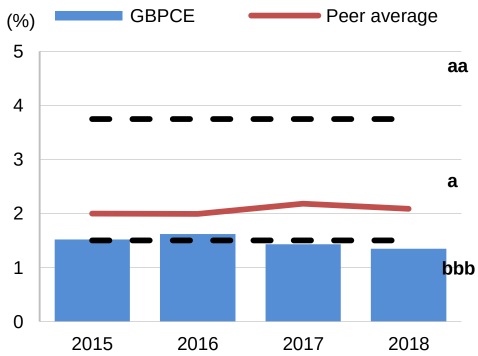
Earnings and Profitability

Stable Earnings Despite Pressure

GBPCE's diversified business model allows the group to generate recurring and satisfactory, albeit moderate, profitability. The group has generated close to EUR4 billion in annual net income over the past four years on average. The development of insurance and asset management supports the share of revenue coming from non-interest income (above 60% in 2018). GBPCE does not focus on return on equity, but has generated a relatively stable return on equity of about 6% over the past four years.

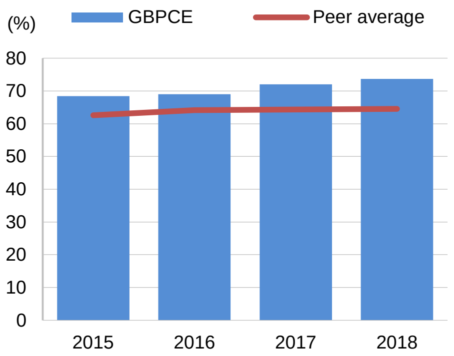
Like its peers, GBPCE's retail banking business is suffering from the low-interest-rate environment, but revenue in this segment should have reached a trough in 2018 as the three-year-long wave of renegotiations and early repayments of fixed-rate housing loans has come to an end. In 2018, profitability was also penalised by a market loss at Natixis of EUR260 million coming from equity derivatives activities in Asia and a restructuring charge of EUR334 million related to CFF.

Operating Profit/RWAs



Source: Fitch Ratings, Banks

Cost Efficiency



Source: Fitch Ratings, Banks

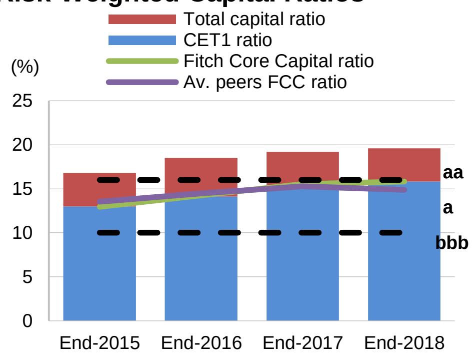
Cost efficiency is weaker than at peers with a cost/income ratio of above 70%, but should benefit from investments in digitalisation and successive mergers of regional banks. As a result, operating profit/risk-weighted assets (RWAs) was lower than peers' in 2018 (1.5% when adjusting for the market loss at Natixis and the restructuring charge at CFF).

Capitalisation and Leverage

Solid Capitalisation

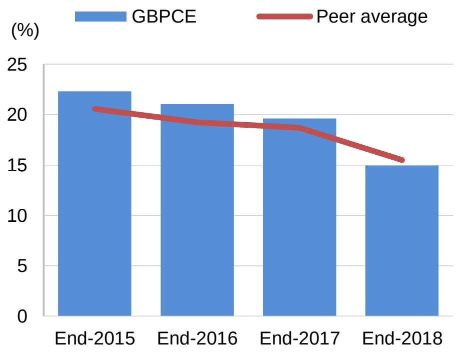
GBPCE's capitalisation is solid. At end-2018, its fully loaded CET1 ratio was 15.9%, and 15.5% pro forma for the transfer of the specialised financial services subsidiaries of Natixis to BPCE S.A. and different other items. The group's CET1 ratio is already consistent with the end-2020 target of at least 15.5%. This provides GBPCE with an ample buffer over the 9.8% CET1 and 13.3% total capital Supervisory Review and Evaluation Process (SREP) requirements for 2019, to which a 0.25% countercyclical buffer will be added for French exposures from July 2019 (and 0.5% from April 2020).

Risk-Weighted Capital Ratios



Source: Fitch Ratings, Banks

Net Impaired Loans/Fitch Core Capital



Source: Fitch Ratings, Banks

Capitalisation is supported by stable profit generation combined with a modest payout ratio (around 20% on average over 2015-2017, according to Fitch's calculations) explained by its cooperative structure. The remuneration of GBPCE's cooperative shares placed with retail customers is capped by law at the three-year average corporate bond yield plus 200bp. The group also regularly issues cooperative shares. In 2018, this contributed to a 0.3% increase in the CET1 ratio. The group's leverage ratio was satisfactory at 5.2% at end-2018.

Unreserved impaired loans accounted for a manageable 15% of FCC at end-2018. GBPCE's CET1 ratio benefits from the treatment of its insurance subsidiaries under the "Danish compromise", but Fitch estimates this benefit to have a limited impact on the ratios. The FCC ratio was about 16% at end-2018 when deducting the net asset value of insurance subsidiaries from the FCC and an estimate of insurance RWAs from regulatory RWAs.

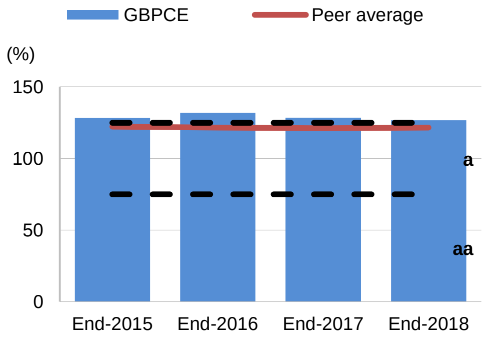
GBPCE's total loss-absorbing capacity (TLAC) ratio was 22.5% at end-2018 with no reliance on senior preferred debt, above the 21.5% requirement expected for 2021. Fitch estimates that GBPCE's qualifying junior debt buffer was about 4.5% of regulatory RWAs at end-2018, excluding subordinated debt issued by insurance entities. In addition, GBPCE had issued about EUR12.5 billion of non-preferred senior debt (about 3% of RWAs).

Funding and Liquidity

Diversified Funding Sources

GBPCE benefits from the strong deposit franchise of the BPs and CEPs. About half of total funding consists of deposits, a lower share than at French cooperative peers because GBPCE's two largest subsidiaries (Natixis and CFF) remain mostly wholesale funded. The loans/customer deposits ratio has been slightly improving, but remains higher than most French peers'.

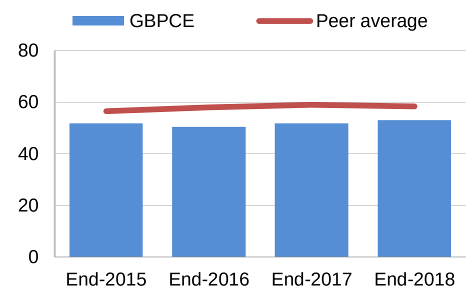
Loans/Deposits Ratio



Source: Fitch Ratings, Banks

Customer Deposit Funding

(% of total funding including pref.shares & hybrids)



Source: Fitch Ratings, Banks

Customer deposits are complemented by access to the interbank market (about 20% of funding) and to the wholesale capital markets (25%-30% of funding). Short-term wholesale funding was EUR127 billion at end-2018, or an acceptable 10%-15% of total funding. Wholesale funding is diversified in terms of products and currencies. In October 2018, GBPCE issued its first RMBS for an amount of EUR1 billion to expand funding sources.

GBPCE's liquidity management is fairly prudent. The group had a cash and high-quality liquid assets reserve of close to EUR130 billion at end-2018, corresponding to around 10% of total assets excluding insurance assets. This reserve covered short-term wholesale funding and medium- to long-term funding maturing over the next 12 months. GBPCE's liquidity coverage ratio was above 110% at end-2018.

Support

GBPCE's Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that, although possible, sovereign support cannot be relied upon. In Fitch's view, legislative, regulatory and policy initiatives (including the implementation of the EU's Bank Recovery and Resolution Directive) have substantially reduced the likelihood of sovereign support for EU commercial banks in general. This implies that senior creditors would probably be required to participate in losses, if necessary, instead of, or ahead of, the bank receiving sovereign support, despite GBPCE's systemic importance.

Debt Ratings

Preferred and non-preferred senior debt ratings are aligned because the group's buffers of qualifying junior debt and non-preferred senior debt (in combination about 7.5% of risk-weighted assets at end-2018) are not sufficient to justify an uplift to the preferred senior debt ratings under our criteria.

Subordinated debt issued by BPCE S.A. and Natixis S.A. and deeply subordinated debt issued by BPCE S.A. are all notched down from GBPCE's Viability Rating (VR) in accordance with Fitch's assessment of each instrument's respective non-performance and relative loss severity risk profiles.

We rate subordinated Tier 2 debt one notch below GBPCE's VR to reflect below-average recoveries for this type of debt. Legacy deeply subordinated Tier 1 securities are rated four notches below GBPCE's VR to reflect the high loss severity risk of these securities (two notches from the VR) as well as a higher risk of non-performance (an additional two notches) relative to the group's VR.

Peer Group – Ratings Navigator Scores

The scores in this table reflect the mid-points of the key rating factors' ranges published in the individual banks' Ratings Navigators

			Business profile				Financial profile			
Name	IDR/ Outlook	VR	Operating environment	Company profile	Management and strategy	Risk appetite	Asset quality	Earnings and profitability	Capitalisation and leverage	Funding and liquidity
Groupe BPCE	A+/Stable	a+	aa−	a+	a+	a+	a−	a	a+	a
Cooperatieve Rabobank U.A.	AA−/Stable	a+	aa−	a+	a	a+	a	a− pos	a pos	a+
ING Bank N.V.	AA−/Stable	a+	aa−	a+	a+	a	a	a pos	a+	a+
Nordea Bank Abp	AA−/Stable	aa−	aa−	aa−	aa−	aa−	a+	a+	aa−	a+
BNP Paribas S.A.	A+/Stable	a+	aa−	a+	a+	a	bbb pos	a+	a−	a
Credit Agricole	A+/Stable	a+	aa−	aa−	a+	a+	a	a+	a+ pos	a+
Credit Mutuel Alliance Federale	A+/Stable	a+	aa−	a+	a	a+	a	a	aa−	a
Lloyds Banking Group plc	A+/Stable	a	aa− neg	a+	a+	a	a	a	a	a
Societe Generale S.A.	A/Stable	a	aa−	a	a	a	bbb pos	a	a−	a

Influence/importance: Lower Moderate Higher
'pos' stands for Positive Outlook; 'neg' stands for Negative Outlook
Source: Fitch Ratings

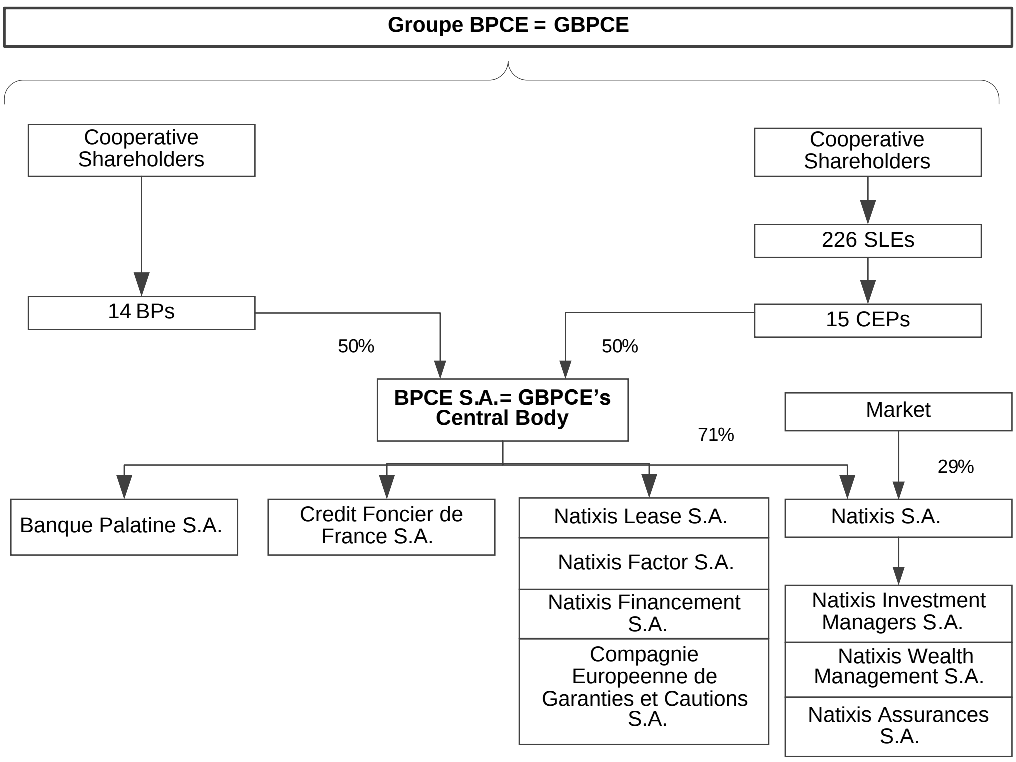
Appendix: Group Structure

GBPCE is composed of regional cooperative banks joined together financially, commercially and legally by a framework of mutual cooperation with a common strategic focus and brand name. It is not a legal entity. BPCE S.A., the group's central body, is evenly held by the BPs and CEPs, which in turn are owned by nine million cooperative customers. BPCE S.A. holds the group's subsidiaries, the largest being Natixis, 71% owned by BPCE S.A., the rest being listed.

In accordance with the French Financial and Monetary Code, BPCE S.A. is responsible for ensuring that group entities bound by the solidarity mechanism meet liquidity and solvency requirements at all times. For this purpose, the central body can access the resources of all entities that are part of the cross-support mechanism. BPCE S.A. also manages a joint solidarity fund worth about EUR1.3 billion at end-2018.

Entities affiliated to BPCE S.A. include 14 BPs, 15 CEPs and the group's main subsidiaries, Natixis, CFF and Banque Palatine. The group publishes consolidated accounts, and the entities affiliated to BPCE S.A. share a common strategy and coordinated marketing activities. Risk management is also centralised. We consequently assign group ratings in accordance with *Annex 4* of our *Bank Rating Criteria* and have the same IDRs for all of these entities.

Groupe BPCE's Structure



BPs: Banques Popularies
CEPs: Caisses d'Epargne et de Prevoyance
SLEs: Societes Locales d'Epargne
Source: Fitch Ratings, GBPCE

Groupe BPCE
Income Statement

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm Audited - Unqualified	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	18,395.1	16,060.0	1.39	17,502.0	1.59	18,349.0	1.71	18,993.0	1.86
2. Other Interest Income	8,500.0	7,421.0	0.64	8,439.0	0.77	8,608.0	0.80	9,121.0	0.89
3. Dividend Income	136.3	119.0	0.01	257.0	0.02	237.0	0.02	231.0	0.02
4. Gross Interest and Dividend Income	**27,031.5**	**23,600.0**	**2.05**	**26,198.0**	**2.38**	**27,194.0**	**2.53**	**28,345.0**	**2.77**
5. Interest Expense on Customer Deposits	5,242.5	4,577.0	0.40	5,505.0	0.50	5,238.0	0.49	5,598.0	0.55
6. Other Interest Expense	11,755.2	10,263.0	0.89	10,204.0	0.93	10,815.0	1.01	11,457.0	1.12
7. Total Interest Expense	**16,997.7**	**14,840.0**	**1.29**	**15,709.0**	**1.42**	**16,053.0**	**1.49**	**17,055.0**	**1.67**
8. Net Interest Income	**10,033.7**	**8,760.0**	**0.76**	**10,489.0**	**0.95**	**11,141.0**	**1.04**	**11,290.0**	**1.10**
9. Net Fees and Commissions	10,959.2	9,568.0	0.83	9,451.0	0.86	8,781.0	0.82	9,159.0	0.89
10. Net Gains (Losses) on Trading and Derivatives	933.5	815.0	0.07	2,646.0	0.24	2,394.0	0.22	1,734.0	0.17
11. Net Gains (Losses) on Assets and Liabilities at FV	1,582.9	1,382.0	0.12	531.0	0.05	34.0	0.00	545.0	0.05
12. Net Gains (Losses) on Other Securities	66.4	58.0	0.01	546.0	0.05	1,130.0	0.11	515.0	0.05
13. Net Insurance Income	3,543.9	3,094.0	0.27	(248.0)	(0.02)	311.0	0.03	190.0	0.02
14. Other Operating Income	370.0	323.0	0.03	305.0	0.03	367.0	0.03	309.0	0.03
15. Total Non-Interest Operating Income	**17,455.9**	**15,240.0**	**1.32**	**13,231.0**	**1.20**	**13,017.0**	**1.21**	**12,452.0**	**1.22**
16. Total Operating Income	**27,489.6**	**24,000.0**	**2.08**	**23,720.0**	**2.15**	**24,158.0**	**2.25**	**23,742.0**	**2.32**
17. Personnel Expenses	12,174.5	10,629.0	0.92	10,327.0	0.94	10,025.0	0.93	9,886.0	0.97
18. Other Operating Expenses	8,084.2	7,058.0	0.61	6,772.0	0.61	6,648.0	0.62	6,362.0	0.62
19. Total Non-Interest Expenses	**20,258.7**	**17,687.0**	**1.54**	**17,099.0**	**1.55**	**16,673.0**	**1.55**	**16,248.0**	**1.59**
20. Equity-accounted Profit/ Loss - Operating	325.3	284.0	0.02	276.0	0.03	259.0	0.02	280.0	0.03
21. Pre-Impairment Operating Profit	**7,556.2**	**6,597.0**	**0.57**	**6,897.0**	**0.63**	**7,744.0**	**0.72**	**7,774.0**	**0.76**
22. Loan Impairment Charge	1,394.0	1,217.0	0.11	1,339.0	0.12	1,385.0	0.13	1,602.0	0.16
23. Securities and Other Credit Impairment Charges	93.9	82.0	0.01	45.0	0.00	38.0	0.00	230.0	0.02
24. Operating Profit	**6,068.3**	**5,298.0**	**0.46**	**5,513.0**	**0.50**	**6,321.0**	**0.59**	**5,942.0**	**0.58**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	0.0	0.00	111.0	0.01
26. Goodwill Impairment	18.3	16.0	0.00	85.0	0.01	154.0	0.01	n.a.	-
27. Non-recurring Income	17.2	15.0	0.00	88.0	0.01	203.0	0.02	0.0	0.00
28. Non-recurring Expense	0.0	0.0	0.00	0.0	0.00	0.0	0.00	56.0	0.01
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	126.0	0.01
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	**6,067.2**	**5,297.0**	**0.46**	**5,516.0**	**0.50**	**6,370.0**	**0.59**	**6,123.0**	**0.60**
32. Tax expense	1,692.9	1,478.0	0.13	1,811.0	0.16	1,882.0	0.18	2,323.0	0.23
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**4,374.3**	**3,819.0**	**0.33**	**3,705.0**	**0.34**	**4,488.0**	**0.42**	**3,800.0**	**0.37**
35. Change in Value of AFS Investments	(738.8)	(645.0)	(0.06)	28.0	0.00	(340.0)	(0.03)	802.0	0.08
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	190.1	166.0	0.01	(699.0)	(0.06)	118.0	0.01	471.0	0.05
38. Remaining OCI Gains/(losses)	497.1	434.0	0.04	107.0	0.01	(106.0)	(0.01)	154.0	0.02
39. Fitch Comprehensive Income	**4,322.7**	**3,774.0**	**0.33**	**3,141.0**	**0.28**	**4,160.0**	**0.39**	**5,227.0**	**0.51**
40. Memo: Profit Allocation to Non-controlling Interests	908.3	793.0	0.07	681.0	0.06	500.0	0.05	558.0	0.05
41. Memo: Net Income after Allocation to Non-controlling Interests	3,466.0	3,026.0	0.26	3,024.0	0.27	3,988.0	0.37	3,242.0	0.32
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	846.0	0.08	748.0	0.07	791.0	0.08
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

Groupe BPCE
Balance Sheet

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	398,247.8	347,693.0	27.29	322,188.0	25.57	302,434.0	24.48	289,809.0	24.84
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	361,588.1	315,687.0	24.78	332,250.0	26.37	331,885.0	26.87	312,310.0	26.77
6. Less: Loan Loss Allowances	14,451.5	12,617.0	0.99	11,777.0	0.93	12,278.0	0.99	12,310.0	1.06
7. Net Loans	**745,384.3**	**650,763.0**	**51.08**	**642,661.0**	**51.01**	**622,041.0**	**50.36**	**589,809.0**	**50.56**
8. Gross Loans	**759,835.8**	**663,380.0**	**52.07**	**654,438.0**	**51.95**	**634,319.0**	**51.35**	**602,119.0**	**51.62**
9. Memo: Impaired Loans included above	24,549.4	21,433.0	1.68	22,918.0	1.82	23,427.0	1.90	23,098.0	1.98
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	96,997.1	84,684.0	6.65	78,118.0	6.20	81,258.0	6.58	80,977.0	6.94
2. Reverse Repos and Securities Borrowing	112,353.5	98,091.0	7.70	98,914.0	7.85	100,634.0	8.15	86,484.0	7.41
3. Derivatives	68,159.4	59,507.0	4.67	62,773.0	4.98	75,614.0	6.12	76,968.0	6.60
4. Trading Securities and at FV through Income	81,935.1	71,534.0	5.62	64,157.0	5.09	79,943.0	6.47	77,165.0	6.61
5. Securities at FV through OCI / Available for Sale	45,916.8	40,088.0	3.15	53,472.0	4.24	100,157.0	8.11	95,984.0	8.23
6. Securities at Amortised Cost / Held to Maturity	36,396.2	31,776.0	2.49	5,179.0	0.41	9,483.0	0.77	10,665.0	0.91
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	**164,248.2**	**143,398.0**	**11.26**	**122,808.0**	**9.75**	**189,583.0**	**15.35**	**183,814.0**	**15.76**
9. Memo: Government Securities included Above	28,385.3	24,782.0	1.95	61,043.0	4.85	60,317.0	4.88	65,042.0	5.58
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	4,619.4	4,033.0	0.32	4,112.0	0.33	3,891.0	0.31	3,666.0	0.31
12. Investments in Property	896.8	783.0	0.06	1,994.0	0.16	1,980.0	0.16	2,020.0	0.17
13. Insurance Assets	126,332.0	110,295.0	8.66	91,192.0	7.24	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
15. Total Earning Assets	**1,318,990.6**	**1,151,554.0**	**90.39**	**1,102,572.0**	**87.52**	**1,075,001.0**	**87.03**	**1,023,738.0**	**87.76**
C. Non-Earning Assets									
1. Cash and Due From Banks	87,575.0	76,458.0	6.00	94,702.0	7.52	83,919.0	6.79	71,119.0	6.10
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	5,061.5	4,419.0	0.35	4,461.0	0.35	4,510.0	0.37	4,710.0	0.40
5. Goodwill	5,141.7	4,489.0	0.35	4,304.0	0.34	4,397.0	0.36	4,354.0	0.37
6. Other Intangibles	1,372.2	1,198.0	0.09	1,167.0	0.09	1,073.0	0.09	1,102.0	0.09
7. Current Tax Assets	999.9	873.0	0.07	1,470.0	0.12	501.0	0.04	1,119.0	0.10
8. Deferred Tax Assets	3,635.5	3,174.0	0.25	3,081.0	0.24	4,097.0	0.33	4,988.0	0.43
9. Discontinued Operations	3,022.7	2,639.0	0.21	1,195.0	0.09	947.0	0.08	22.0	0.00
10. Other Assets	33,356.4	29,122.0	2.29	46,898.0	3.72	60,795.0	4.92	55,383.0	4.75
11. Total Assets	**1,459,155.6**	**1,273,926.0**	**100.00**	**1,259,850.0**	**100.00**	**1,235,240.0**	**100.00**	**1,166,535.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	599,581.7	523,469.0	41.09	509,173.0	40.42	481,515.0	38.98	469,789.0	40.27
2. Deposits from Banks	87,868.3	76,714.0	6.02	73,966.0	5.87	69,508.0	5.63	60,271.0	5.17
3. Repos and Securities Lending	121,618.6	106,180.0	8.33	113,954.0	9.05	103,913.0	8.41	91,677.0	7.86
4. Commercial Paper and Short-term Borrowings	88,692.9	77,434.0	6.08	78,186.0	6.21	81,125.0	6.57	61,965.0	5.31
5. Customer Deposits and Short-term Funding	**897,761.5**	**783,797.0**	**61.53**	**775,279.0**	**61.54**	**736,061.0**	**59.59**	**683,702.0**	**58.61**
6. Senior Unsecured Debt	159,719.2	139,444.0	10.95	138,771.0	11.01	151,226.0	12.24	161,448.0	13.84
7. Subordinated Borrowing	19,888.7	17,364.0	1.36	17,192.0	1.36	19,895.0	1.61	17,913.0	1.54
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	28,034.8	24,476.0	1.92	22,695.0	1.80	20,964.0	1.70	18,246.0	1.56
10. Total LT Funding	**207,642.8**	**181,284.0**	**14.23**	**178,658.0**	**14.18**	**192,085.0**	**15.55**	**197,607.0**	**16.94**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	24,244.7	21,167.0	1.66	26,990.0	2.14	24,163.0	1.96	23,762.0	2.04
13. Total Funding	**1,129,649.0**	**986,248.0**	**77.42**	**980,927.0**	**77.86**	**952,309.0**	**77.10**	**905,071.0**	**77.59**
14. Derivatives	69,209.7	60,424.0	4.74	62,762.0	4.98	71,149.0	5.76	74,624.0	6.40
15. Total Funding and Derivatives	**1,198,858.7**	**1,046,672.0**	**82.16**	**1,043,689.0**	**82.84**	**1,023,458.0**	**82.85**	**979,695.0**	**83.98**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	7,529.9	6,574.0	0.52	6,392.0	0.51	6,499.0	0.53	5,665.0	0.49
4. Current Tax Liabilities	300.1	262.0	0.02	311.0	0.02	325.0	0.03	362.0	0.03
5. Deferred Tax Liabilities	1,012.5	884.0	0.07	687.0	0.05	781.0	0.06	878.0	0.08
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	2,400.8	2,096.0	0.16	717.0	0.06	813.0	0.07	9.0	0.00
8. Insurance Liabilities	113,228.6	98,855.0	7.76	93,549.0	7.43	75,816.0	6.14	59,562.0	5.11
9. Other Liabilities	51,363.2	44,843.0	3.52	42,983.0	3.41	58,091.0	4.70	54,850.0	4.70
10. Total Liabilities	**1,374,693.7**	**1,200,186.0**	**94.21**	**1,188,328.0**	**94.32**	**1,165,783.0**	**94.38**	**1,101,021.0**	**94.38**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	382.6	334.0	0.03	321.0	0.03	321.0	0.03	321.0	0.03
2. Pref. Shares and Hybrid Capital accounted for as Equity	956.4	835.0	0.07	1,113.0	0.09	2,422.0	0.20	2,762.0	0.24
G. Equity									
1. Common Equity	74,336.5	64,900.0	5.09	61,947.0	4.92	58,109.0	4.70	53,532.0	4.59
2. Non-controlling Interest	8,086.5	7,060.0	0.55	6,742.0	0.54	6,880.0	0.56	6,777.0	0.58
3. Securities Revaluation Reserves	922.0	805.0	0.06	2,101.0	0.17	1,889.0	0.15	2,267.0	0.19
4. Foreign Exchange Revaluation Reserves	224.5	196.0	0.02	84.0	0.01	603.0	0.05	487.0	0.04
5. Fixed Asset Revaluations and Other Accumulated OCI	(446.7)	(390.0)	(0.03)	(786.0)	(0.06)	(767.0)	(0.06)	(632.0)	(0.05)
6. Total Equity	**83,122.9**	**72,571.0**	**5.70**	**70,088.0**	**5.56**	**66,714.0**	**5.40**	**62,431.0**	**5.35**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equity	84,079.3	73,406.0	5.76	71,201.0	5.65	69,136.0	5.60	65,193.0	5.59
8. Total Liabilities and Equity	**1,459,155.6**	**1,273,926.0**	**100.00**	**1,259,850.0**	**100.00**	**1,235,240.0**	**100.00**	**1,166,535.0**	**100.00**
9. Memo: Fitch Core Capital	67,465.2	58,901.0	4.62	56,805.0	4.51	52,946.0	4.29	48,356.0	4.15
Exchange rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

Groupe BPCE
Summary Analytics

	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	2.08	2.42	2.56	2.71
2. Interest Income on Loans/ Average Gross Loans	2.45	2.72	2.95	3.18
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.89	1.12	1.10	1.22
4. Interest Expense/ Average Interest-bearing Liabilities	1.41	1.52	1.60	1.70
5. Net Interest Income/ Average Earning Assets	0.77	0.97	1.05	1.08
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.67	0.84	0.92	0.93
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	0.77	0.97	1.05	1.08
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.35	1.43	1.62	1.52
2. Non-Interest Expense/ Gross Revenues	73.70	72.09	69.02	68.44
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	19.69	20.07	18.38	23.57
4. Operating Profit/ Average Total Assets	0.42	0.44	0.52	0.50
5. Non-Interest Income/ Gross Revenues	63.50	55.78	53.88	52.45
6. Non-Interest Expense/ Average Total Assets	1.39	1.37	1.38	1.37
7. Pre-impairment Op. Profit/ Average Equity	9.31	10.10	12.08	13.01
8. Pre-impairment Op. Profit/ Average Total Assets	0.52	0.55	0.64	0.66
9. Operating Profit/ Average Equity	7.47	8.07	9.86	9.95
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	5.39	5.43	7.00	6.36
2. Net Income/ Average Total Assets	0.30	0.30	0.37	0.32
3. Fitch Comprehensive Income/ Average Total Equity	5.32	4.60	6.49	8.75
4. Fitch Comprehensive Income/ Average Total Assets	0.30	0.25	0.34	0.44
5. Taxes/ Pre-tax Profit	27.90	32.83	29.54	37.94
6. Net Income/ Risk Weighted Assets	0.97	0.96	1.15	0.97
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	15.81	15.52	14.26	12.95
2. Tangible Common Equity/ Tangible Assets	5.20	5.06	4.87	4.74
3. Equity/ Total Assets	5.70	5.56	5.40	5.35
4. Basel Leverage Ratio	5.20	5.10	5.00	4.90
5. Common Equity Tier 1 Capital Ratio	15.80	15.30	14.10	13.00
6. Fully Loaded Common Equity Tier 1 Capital Ratio	15.90	15.40	14.20	12.90
7. Tier 1 Capital Ratio	15.90	15.40	14.50	13.30
8. Total Capital Ratio	19.60	19.20	18.50	16.80
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	14.97	19.61	21.06	22.31
10. Impaired Loans less Loan Loss Allowances/ Equity	12.15	15.90	16.71	17.28
11. Cash Dividends Paid & Declared/ Net Income	n.a.	22.83	16.67	20.82
12. Risk Weighted Assets/ Total Assets	30.80	30.66	31.65	33.55
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	3.23	3.50	3.69	3.84
2. Growth of Gross Loans	1.37	3.17	5.35	1.58
3. Loan Loss Allowances/ Impaired Loans	58.87	51.39	52.41	53.29
4. Loan Impairment Charges/ Average Gross Loans	0.19	0.21	0.22	0.27
5. Growth of Total Assets	1.12	1.99	5.89	(4.64)
6. Loan Loss Allowances/ Gross Loans	1.90	1.80	1.94	2.04
7. Net Charge-offs/ Average Gross Loans	0.31	0.22	0.18	0.24
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.23	3.50	3.69	3.84
F. Funding and Liquidity				
1. Loans/ Customer Deposits	126.73	128.53	131.73	128.17
2. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	53.01	51.83	50.42	51.73
4. Interbank Assets/ Interbank Liabilities	110.39	105.61	116.90	134.35
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	2.81	5.74	2.50	5.30

Groupe BPCE
Reference Data

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	52,452.5	45,794.0	3.59	45,006.0	3.57	42,766.0	3.46	40,558.0	3.48
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	137,113.6	119,708.0	9.40	117,145.0	9.30	116,352.0	9.42	106,505.0	9.13
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	925,483.7	808,000.0	63.43	831,000.0	65.96	831,500.0	67.31	801,100.0	68.67
B. Average Balance Sheet									
1. Average Loans	749,756.0	654,579.7	51.38	644,127.7	51.13	621,410.7	50.31	597,833.3	51.25
2. Average Earning Assets	1,298,921.7	1,134,032.7	89.02	1,083,985.3	86.04	1,063,350.3	86.08	1,044,405.3	89.53
3. Average Total Assets	1,458,775.7	1,273,594.3	99.97	1,244,447.0	98.78	1,207,173.0	97.73	1,186,339.7	101.70
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	1,203,456.7	1,050,686.3	82.48	1,031,060.3	81.84	1,006,098.0	81.45	1,004,519.7	86.11
6. Average Common equity	72,382.4	63,194.0	4.96	59,972.7	4.76	55,699.7	4.51	51,748.3	4.44
7. Average Equity	81,205.5	70,897.0	5.57	68,280.0	5.42	64,122.0	5.19	59,745.7	5.12
8. Average Customer Deposits	591,064.5	516,033.0	40.51	493,314.3	39.16	478,298.7	38.72	457,821.0	39.25
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	76,948.0	67,180.0	5.27	53,862.0	4.28	53,752.0	4.35	52,545.0	4.50
Loans & Advances 3 - 12 Months	59,558.5	51,998.0	4.08	52,771.0	4.19	49,175.0	3.98	46,652.0	4.00
Loans and Advances 1 - 5 Years	234,009.9	204,304.0	16.04	196,646.0	15.61	189,176.0	15.31	177,827.0	15.24
Loans & Advances > 5 years	374,867.8	327,281.0	25.69	339,382.0	26.94	329,938.0	26.71	312,785.0	26.81
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	87,231.4	76,158.0	5.98	68,161.0	5.41	73,314.0	5.94	71,161.0	6.10
Loans & Advances to Banks 3 - 12 Months	5,830.1	5,090.0	0.40	3,757.0	0.30	2,386.0	0.19	3,346.0	0.29
Loans & Advances to Banks 1 - 5 Years	1,290.9	1,127.0	0.09	2,996.0	0.24	2,737.0	0.22	3,177.0	0.27
Loans & Advances to Banks > 5 Years	2,644.7	2,309.0	0.18	3,204.0	0.25	2,821.0	0.23	3,293.0	0.28
Liability Maturities:									
Retail Deposits < 3 months	489,035.7	426,956.0	33.51	407,941.0	32.38	379,664.0	30.74	367,597.0	31.51
Retail Deposits 3 - 12 Months	31,285.5	27,314.0	2.14	28,334.0	2.25	25,808.0	2.09	22,091.0	1.89
Retail Deposits 1 - 5 Years	59,458.9	51,911.0	4.07	52,832.0	4.19	56,243.0	4.55	63,852.0	5.47
Retail Deposits > 5 Years	19,801.7	17,288.0	1.36	20,066.0	1.59	19,800.0	1.60	16,249.0	1.39
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	25,962.8	22,667.0	1.78	18,428.0	1.46	18,782.0	1.52	16,610.0	1.42
Deposits from Banks 3 - 12 Months	9,671.8	8,444.0	0.66	6,894.0	0.55	6,464.0	0.52	5,130.0	0.44
Deposits from Banks 1 - 5 Years	36,650.5	31,998.0	2.51	34,461.0	2.74	22,294.0	1.80	14,379.0	1.23
Deposits from Banks > 5 Years	15,583.2	13,605.0	1.07	14,183.0	1.13	21,968.0	1.78	24,152.0	2.07
Senior Debt Maturing < 3 months	54,784.5	47,830.0	3.75	46,357.0	3.68	53,357.0	4.32	45,856.0	3.93
Senior Debt Maturing 3-12 Months	50,993.2	44,520.0	3.49	50,286.0	3.99	52,869.0	4.28	39,649.0	3.40
Senior Debt Maturing 1- 5 Years	72,619.5	63,401.0	4.98	61,544.0	4.89	66,375.0	5.37	76,241.0	6.54
Senior Debt Maturing > 5 Years	70,014.9	61,127.0	4.80	58,770.0	4.66	59,750.0	4.84	61,667.0	5.29
Total Senior Debt on Balance Sheet	**248,412.2**	**216,878.0**	**17.02**	**216,957.0**	**17.22**	**232,351.0**	**18.81**	**223,413.0**	**19.15**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	1,125.9	983.0	0.08	433.0	0.03	1,464.0	0.12	738.0	0.06
Subordinated Debt Maturing 3-12 Months	9.2	8.0	0.00	197.0	0.02	594.0	0.05	1,416.0	0.12
Subordinated Debt Maturing 1- 5 Year	2,899.0	2,531.0	0.20	692.0	0.05	1,447.0	0.12	2,555.0	0.22
Subordinated Debt Maturing > 5 Years	15,854.6	13,842.0	1.09	15,870.0	1.26	16,390.0	1.33	13,204.0	1.13
Total Subordinated Debt on Balance Sheet	**19,888.7**	**17,364.0**	**1.36**	**17,192.0**	**1.36**	**19,895.0**	**1.61**	**17,913.0**	**1.54**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	449,478.1	392,420.0	30.80	386,331.0	30.66	390,981.0	31.65	391,382.0	33.55
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	(22,760.8)	(19,871.5)	(1.56)	(20,271.5)	(1.61)	(19,816.3)	(1.60)	(18,049.5)	(1.55)
3. Fitch Core Capital Adjusted Risk Weighted Assets	**426,717.3**	**372,548.5**	**29.24**	**366,059.5**	**29.06**	**371,164.7**	**30.05**	**373,332.5**	**32.00**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**426,717.3**	**372,548.5**	**29.24**	**366,059.5**	**29.06**	**371,164.7**	**30.05**	**373,332.5**	**32.00**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	83,122.9	72,571.0	5.70	70,088.0	5.56	66,714.0	5.40	62,431.0	5.35
2. Fair-value adjustments relating to own credit risk on debt issued	(108.8)	(95.0)	(0.01)	314.0	0.02	116.0	0.01	(26.0)	(0.00)
3. Non-loss-absorbing non-controlling interests	938.1	819.0	0.06	799.0	0.06	968.0	0.08	1,006.0	0.09
4. Goodwill	5,141.7	4,489.0	0.35	4,304.0	0.34	4,397.0	0.36	4,354.0	0.37
5. Other intangibles	1,372.2	1,198.0	0.09	1,167.0	0.09	1,073.0	0.09	1,102.0	0.09
6. Deferred tax assets deduction	1,198.1	1,046.0	0.08	1,178.0	0.09	1,421.0	0.12	2,079.0	0.18
7. Net asset value of insurance subsidiaries	6,898.7	6,023.0	0.47	6,149.0	0.49	6,025.0	0.49	5,508.0	0.47
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**67,465.2**	**58,901.0**	**4.62**	**56,805.0**	**4.51**	**52,946.0**	**4.29**	**48,356.0**	**4.15**
Exchange Rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

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