



Public limited company (société anonyme) with a share capital of €5,019,776,380.80  
Registered office: 30 avenue Pierre Mendès France, 75013 Paris  
542 044 524 Paris Trade Registry

# **Risk and Pillar III Report update as of 03.31.2017**

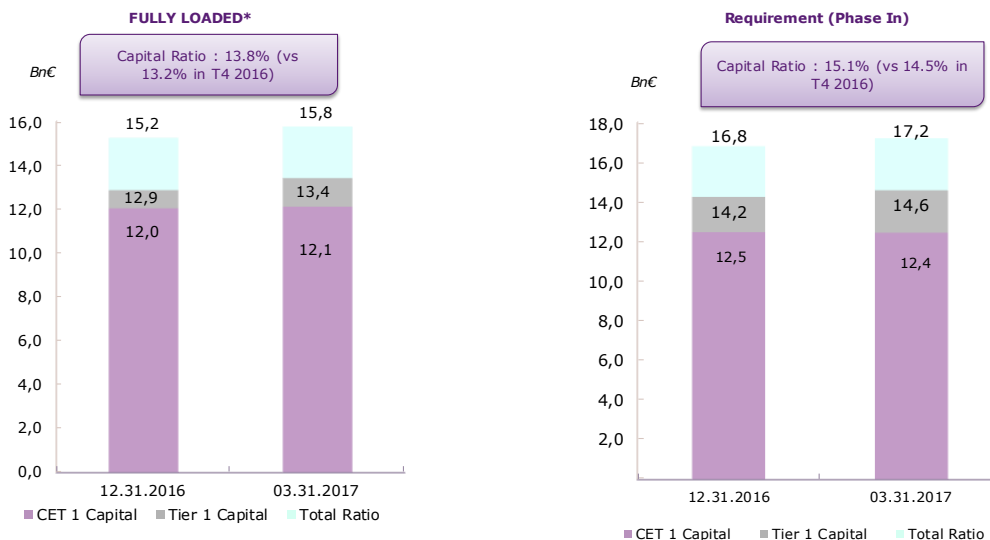
**Table of contents**  
**Update by chapter of the Risk and Pillar III Report 2016**

<b>1. Key Figures .....</b>	<b>3</b>
<b>4. Credit and Counterparty Risks .....</b>	<b>7</b>
<b>4.1 Credit and Counterparty risks .....</b>	<b>7</b>
<b>Table NX01 : EAD, RWA and Capital requirement by approach and by Basel exposure category .....</b>	<b>7</b>
<b>Table EU OV1 : Overview of RWAs .....</b>	<b>9</b>
<b>9. Overall interest rate, Liquidity, Structural foreign exchange risks .....</b>	<b>10</b>
<b>9.2 Management of liquidity and funding risks .....</b>	<b>10</b>
<b>9.2.6 Reserves and operational management of ratios.....</b>	<b>10</b>
<b>9.2.6.3 Oversight of the leverage ratio .....</b>	<b>10</b>
<b>Table LR1 : Comparison of Accounting exposures and Leverage exposures .....</b>	<b>10</b>
<b>14. Appendix .....</b>	<b>11</b>
<b>Appendix 3 : Leverage ratio common disclosure template (LR2).....</b>	<b>11</b>

# 1. KEY FIGURES

## EXECUTIVE SUMMARY 03.31.2017

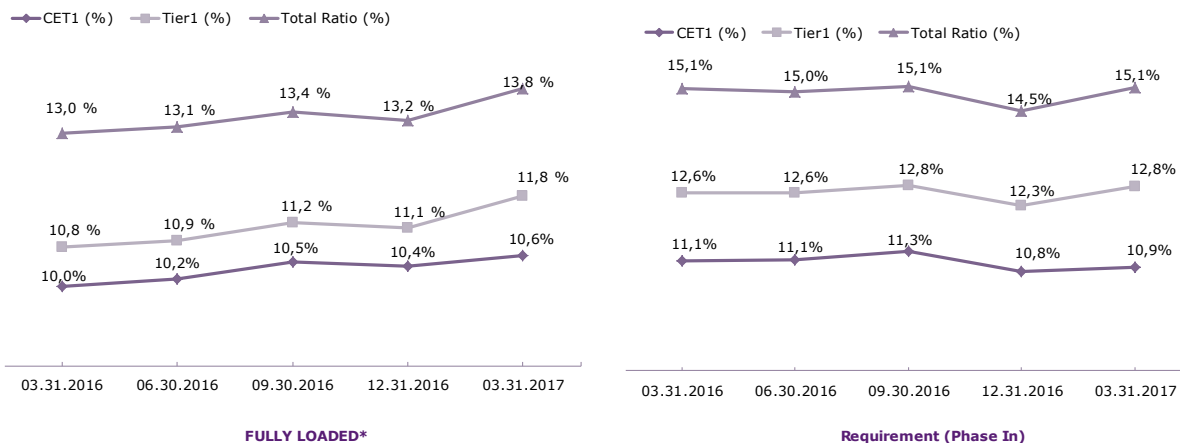
### ■ Main capital and solvency ratio figures



\* Fully loaded, i.e. applying all CRD IV rules without transitional measures

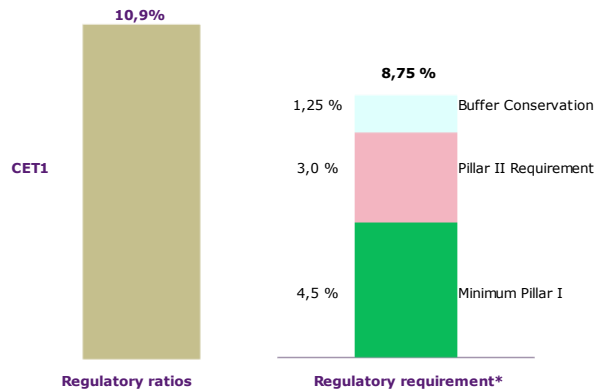
(in million of euros)	FULLY LOADED		Requirement (Phase In)	
	03.31.2017	12.31.2016	03.31.2017	12.31.2016
Common equity (CET1)	12 112	12 034	12 435	12 474
Tier 1	13 417	12 872	14 579	14 244
Total capital	15 760	15 248	17 203	16 799
Risk weighted assets	114 120	115 499	114 120	115 524
Ratio CET1	10,6 %	10,4 %	10,9 %	10,8 %
Ratio Tier 1	11,8 %	11,1 %	12,8 %	12,3 %
<b>Total capital ratio</b>	<b>13,8 %</b>	<b>13,2 %</b>	<b>15,1 %</b>	<b>14,5 %</b>

### ■ Changes in main capital ratio figures



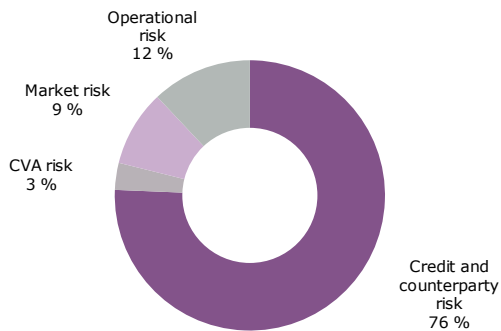
\* without transitional measures

## ■ Regulatory Capital

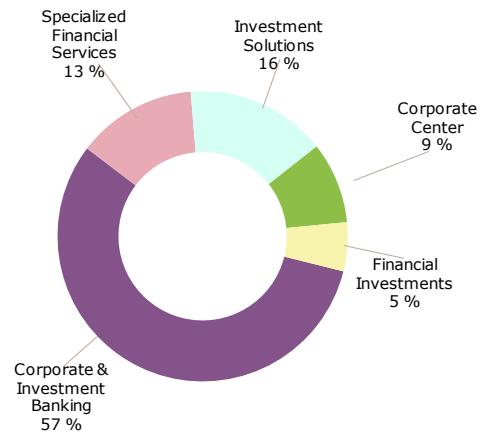


\*ECB Minimum prudential requirements based on the supervisory review and evaluation process (SREP)

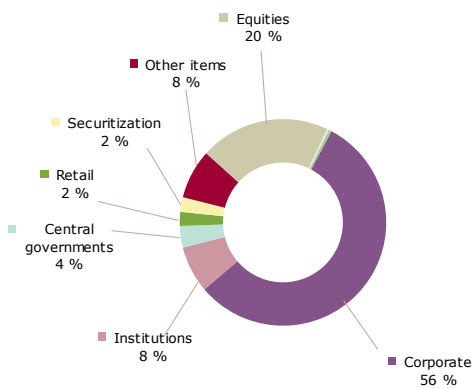
### ■ Capital requirements by risk type



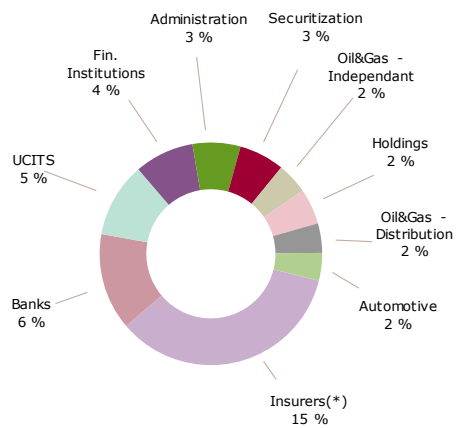
### ■ Capital requirements by key business line



### Credit and counterparty RWA by category of exposure

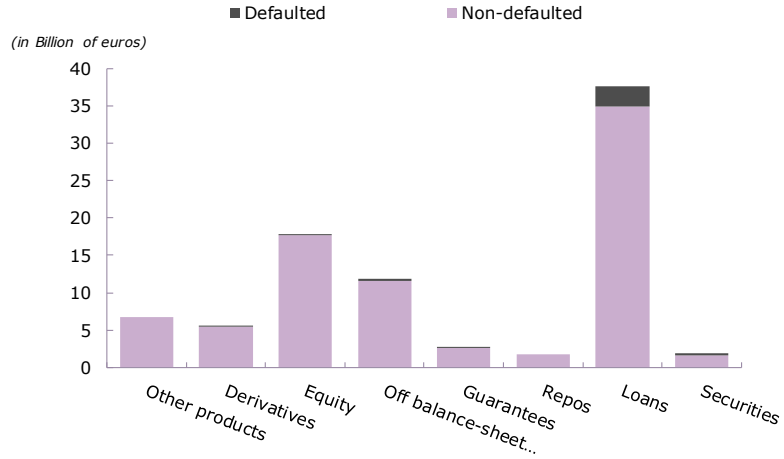


### Credit and counterparty RWA by business sector



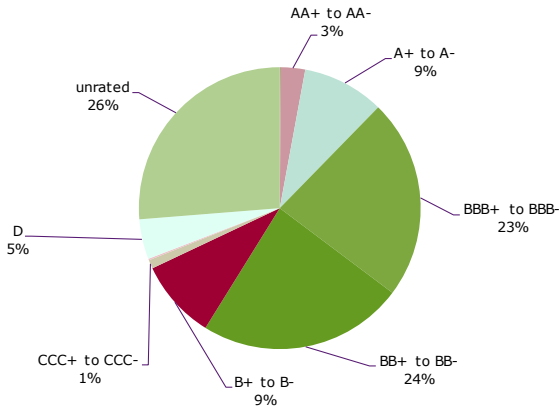
\* including participations in insurance companies

**Credit and counterparty RWA by type of exposure with default/non-default\***



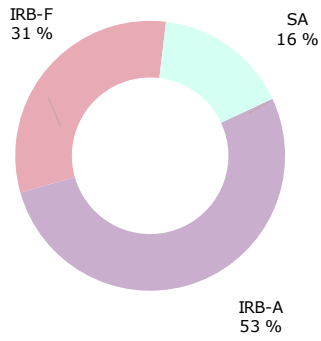
\* : Excluding contributions to the default fund of a CCP

**RWA by S&P Grade**

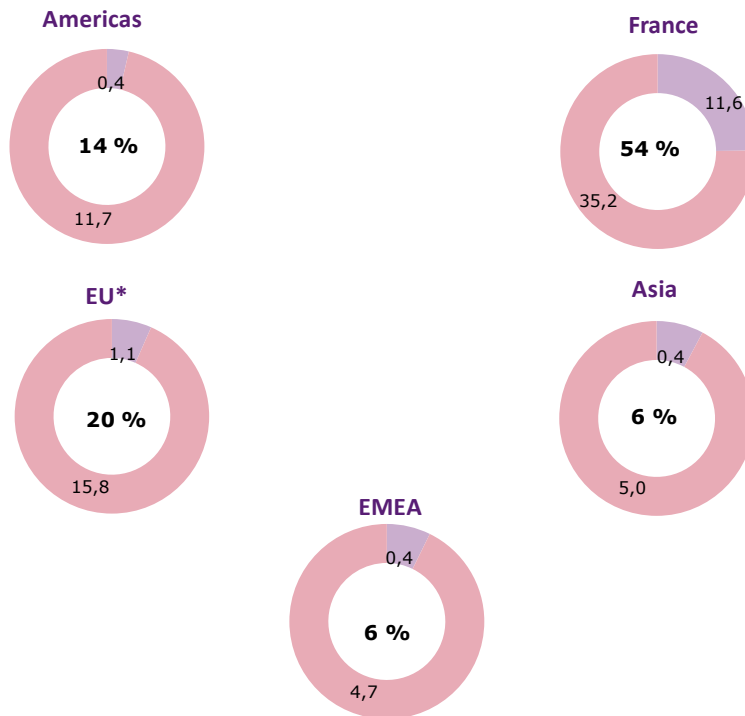


\* Excluding exposures with French State (deferred tax assets - DTAs), investments and with contributions to the default fund of a CCP

**Credit and counterparty RWA by approach**



**Credit and counterparty RWA by geographical area(\*\*) and approach**



\* EU : supranational counterparties are also disclosed in this category  
 \*\* Country risk

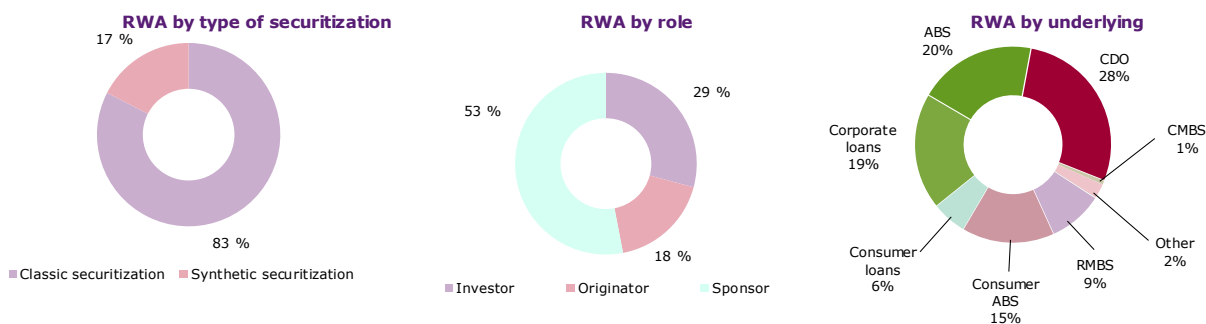
## ■ Leverage ratio phase in

Requirement (Phase In)	
(in billion of euros)	03.31.2017
Tier 1 Capital	14,6
Total assets on the prudential balance sheet	421,5
Adjustments for derivative financial instrum	- 31,3
Adjustments for securities financing transac	- 11,5
Adjustment for off-balance sheet items	36,4
Other adjustments	- 19,9
<b>Total leverage ratio exposure</b>	<b>395,2</b>
<b>Regulatory Ratio</b>	<b>3,7 %</b>
<i>of which deals with BPCE affiliates</i>	
	42,3

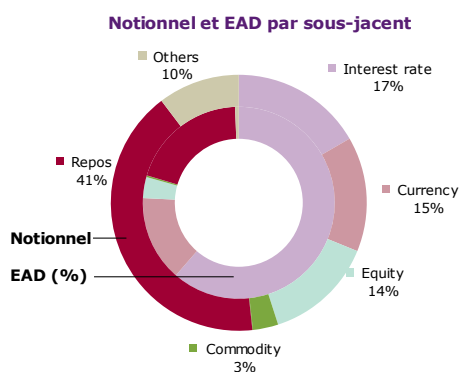
**Ratio without affiliates\*** **4,1 %**

\*Following the article 429(7) of the delegated act vision allowing Institutions to exclude exposures with affiliates (BPCE and subsidiaries, Banques Populaires, Caisses d'Epargne), (pending approval request from BCE). Excluding BPCE affiliates (BPCE and subsidiaries, Banques Populaires, Caisses d'Epargne), the pro forma, delegated act leverage ratio was 4,1 % as of 31st of December 2015 (3.5 % including BPCE affiliates)

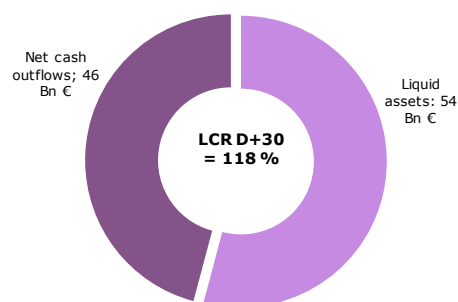
## ■ Securitization exposures in the banking book



## ■ Focus on Counterparty risk



## ■ Liquidity Coverage Ratio



## 4. CREDIT AND COUNTERPARTY RISKS

### 4.1 Credit and Counterparty risks

**TABLE NX01 : EAD, RWA AND CAPITAL REQUIREMENT BY APPROACH AND BY BASEL EXPOSURE CATEGORY**

<i>(in million of euros)</i>	03.31.2017			12.31.2016*		
	EAD	RWA	EPF	EAD	RWA	EPF
<b>Credit risk</b>						
<b>Internal approach</b>	<b>182,082</b>	<b>65,954</b>	<b>5,276</b>	<b>175,830</b>	<b>65,643</b>	<b>5,251</b>
Equities	5,699	17,244	1,379	5,620	16,826	1,346
Central governments or central banks	44,407	710	57	36,305	748	60
Other items	943	234	19	934	233	19
Retail	768	206	16	813	217	17
Corporates	114,911	43,308	3,465	115,021	43,496	3,480
Institutions	8,120	2,802	224	9,632	2,719	217
Securitization	7,234	1,450	116	7,505	1,404	112
<b>Standardized approach</b>	<b>60,088</b>	<b>13,070</b>	<b>1,046</b>	<b>70,860</b>	<b>13,526</b>	<b>1,082</b>
Equities	169	326	26	118	259	21
Central governments or central banks	7,864	1,839	147	8,503	2,027	162
Other items	7,059	6,454	516	7,306	6,538	523
Retail	2,289	1,683	135	2,571	1,892	151
Corporates	1,878	1,305	105	1,916	1,257	100
Institutions	38,016	484	39	46,759	538	43
Exposures at default	220	241	19	206	215	17
Exposures secured by mortgages on immovable property	297	126	10	221	97	8
Collective investment undertaking	105	105	9	282	282	23
Exposures to institutions and corporates with a short-term credit assessment	1,579	91	7	2,315	124	10
Securitization	612	416	33	663	297	24
<b>Sub-total credit risk</b>	<b>242,170</b>	<b>79,024</b>	<b>6,322</b>	<b>246,690</b>	<b>79,169</b>	<b>6,333</b>
<b>Counterparty Risk</b>						
<b>Internal approach</b>	<b>37,769</b>	<b>6,456</b>	<b>517</b>	<b>36,048</b>	<b>7,047</b>	<b>564</b>
Central governments or central banks	6,043	197	16	4,069	195	16
Corporates	14,038	3,726	298	15,579	4,371	350
Institutions	17,000	2,424	194	15,528	2,364	189
Securitization	688	109	9	872	117	9
<b>Standardized approach</b>	<b>19,731</b>	<b>588</b>	<b>47</b>	<b>19,093</b>	<b>479</b>	<b>38</b>
Central governments or central banks	1,023	146	12	2,150	134	11
Retail	1	1		2	1	
Corporates	27	20	2	140	5	
Institutions	18,354	342	27	16,639	298	24
Exposures at default						
Exposures to institutions and corporates with a short-term credit assessment	326	79	6	162	41	3
<b>CCP default fund exposure</b>	<b>265</b>	<b>264</b>	<b>21</b>	<b>285</b>	<b>273</b>	<b>22</b>
<b>Sub-total counterparty risk</b>	<b>57,765</b>	<b>7,308</b>	<b>585</b>	<b>55,426</b>	<b>7,799</b>	<b>624</b>

<b>Market risk</b>						
<b>Internal approach</b>		<b>4,881</b>	<b>391</b>		<b>5,437</b>	<b>435</b>
<b>Standardized approach</b>		<b>5,504</b>	<b>440</b>		<b>5,646</b>	<b>452</b>
Equity risk		392	31		414	33
Foreign exchange risk		2,945	236		2,916	233
Commodities risk		685	55		708	57
Interest rate risk		1,482	118		1,608	129
<b>Sub-total market risk</b>		<b>10,385</b>	<b>831</b>		<b>11,083</b>	<b>887</b>
<b>CVA</b>	<b>11,031</b>	<b>3,679</b>	<b>294</b>	<b>11,129</b>	<b>3,736</b>	<b>299</b>
<b>Settlement-delivery risk</b>		<b>15</b>	<b>1</b>		<b>28</b>	<b>2</b>
<b>Operational risk (standardized approach)</b>		<b>13,709</b>	<b>1,097</b>		<b>13,709</b>	<b>1,097</b>
<b>TOTAL</b>		<b>114,120</b>	<b>9,130</b>		<b>115,524</b>	<b>9,242</b>

\*pro forma 2017 Q1 CCP default fund exposure is transferred to counterparty risk



**TABLE EU OV1: OVERVIEW OF RWAS**

	RWA		Minimum capital requirements
	03.31.2017	12.31.2016	03.31.2017
<i>(in million of euros)</i>			
<b>Credit risk (excluding CCR)</b>	74,348	74,776	5,948
Of which the standardised approach	12,393	12,995	991
Of which the foundation IRB (FIRB) approach	8,244	7,914	660
Of which the advanced IRB (AIRB) approach	39,016	39,499	3,121
Of which equity IRB under the simple risk-weighted approach or the IMA	14,695	14,368	1,176
<b>CCR</b>	10,878	11,418	870
Of which mark to market	5,166	5,687	413
Of which original exposure			
Of which the standardised approach			
Of which internal model method (IMM)			
Of which risk exposure amount for contributions to the default fund of a CCP	264	273	21
Of which CVA	3,679	3,736	294
<b>Settlement risk</b>	15	28	1
<b>Securitisation exposures in the banking book (after the cap)</b>	1,975	1,818	158
Of which IRB approach	1,439	1,365	115
Of which IRB supervisory formula approach (SFA)	120	156	10
Of which internal assessment approach (IAA)			
Of which standardised approach	416	297	33
<b>Market risk</b>	10,385	11,083	831
Of which the standardised approach	5,504	5,646	440
Of which IMA	4,881	5,437	391
<b>Large exposures</b>			
<b>Operational risk</b>	13,709	13,709	1,097
Of which basic indicator approach			
Of which standardised approach	13,709	13,709	1,097
Of which advanced measurement approach			
<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	2,810	2,692	225
<b>Floor adjustment</b>			
<b>Total</b>	114,120	115,524	9,130

## 9. OVERALL INTEREST RATE, LIQUIDITY, STRUCTURAL FOREIGN EXCHANGE RISKS

### 9.2 Management of liquidity and funding risks

#### 9.2.6 Reserves and operational management of ratios

##### 9.2.6.3 Oversight of the leverage ratio

**TABLE LR1: COMPARISON OF ACCOUNTING EXPOSURES AND LEVERAGE EXPOSURES**

*(in million of euros)*

	<b>Items</b>	<b>03.31.2017</b>	<b>12.31.2016</b>
1	Total assets as per published financial statements	421,508	442,725
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")		
4	Adjustments for derivative financial instruments	- 31,293	- 38,832
5	Adjustments for securities financing transactions "SFTs"	- 11,486	- 20,183
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	36,371	37,038
7	Other adjustments	- 19,873	- 19,129
8	<b>Total leverage ratio exposure</b>	<b>395,227</b>	<b>401,619</b>

## 14. APPENDIX

### APPENDIX 3: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (LR2)

(in million of euros)

		03.31.2017	12.31.2016
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	265,939	269,576
2	(Asset amounts deducted in determining Tier 1 capital)	- 4,568	- 4,487
3	<i>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</i>	<i>261,371</i>	<i>265,089</i>
<b>Derivative exposures</b>			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	8,666	10,175
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	21,834	20,744
<b>EU-5a</b>	<b>Exposure determined under Original Exposure Method</b>		
6	<b>Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework</b>		
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	- 15,305	- 14,642
8	<b>(Exempted CCP leg of client-cleared trade exposures)</b>		
9	Adjusted effective notional amount of written credit derivatives	23,653	25,607
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	- 22,160	- 24,437
11	<i>Total derivative exposures (sum of lines 4 to 10)</i>	<i>16,688</i>	<i>17,447</i>
<b>Securities financing transaction exposures</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	92,283	102,227
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	- 20,807	- 27,432
14	Counterparty credit risk exposure for SFT assets	9,321	7,250
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013		
15	Agent transaction exposures		
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)		
16	<i>Total securities financing transaction exposures (sum of lines 12 to 15a)</i>	<i>80,797</i>	<i>82,045</i>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposures at gross notional amount	85,025	85,713
18	(Adjustments for conversion to credit equivalent amounts)	- 48,654	- 48,675
19	<i>Other off-balance sheet exposures (sum of lines 17 to 18)</i>	<i>36,371</i>	<i>37,038</i>
<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>			
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))		
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))		
<b>Capital and total exposures</b>			
20	Tier 1 capital	14,579	14,244
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	395,227	401,619
<b>Leverage ratio</b>			
22	Leverage ratio	3.69%	3.55%
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>			
EU-23	Choice on transitional arrangements for the definition of the capital measure		
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013		



30, avenue Pierre Mendès France  
75013 Paris

Tél. : +33 1 58 32 30 00

[www.natixis.com](http://www.natixis.com)

 GROUPE BPCE