GROUPE BPCE

Press Release

Paris, August 3, 2021

# Results for the 2nd quarter and 1st half of 2021

## H1-21: revenue growth of 16% to €12.5bn driven by all the business lines after a first half of 2020 impacted by the crisis

## Reported and underlying net income[1] of €1.9bn and €2.2bn respectively
## Positive jaws effect: cost/income ratio at 67.0%[1]

## Reported Q2-21 results[1]: net banking income up 22% to €6.3bn, with net income at €1.3bn

## Project to streamline the Group's organization proceeding on schedule

### Retail Banking and Insurance: strong commercial momentum in all business lines, very good performance in the BP and CE retail banking networks, revenues up by 10% in Q2-21 and by 7.6% in H1-21

- **Loan outstandings: up 7.8% YoY**, including +8.6% in residential mortgages, +6.8% in consumer credit, and +5.8% in equipment loans
- **Insurance: revenue growth of 5.9% in H1-21**, and a 50% increase in premiums
- **Financial Solutions & Expertise: net banking income up 8.4% in H1-21**, dynamic activity in all business lines
- **Digital: further growth in the take-up of digital tools in BP / CE networks with 12m active customers** (+14% vs. end-2020)

### Global Financial Services : revenues up 30.5% in H1-21

- **Asset & Wealth Management: assets under management equal to €1,183bn at end-June for Natixis IM, up 3% QoQ**
  Five consecutive quarters of positive net inflows on LT products, representing a total of €26bn over the period
  H1-21 net banking income up 15.4% year-on-year at constant exchange rates
- **Corporate & Investment Banking (Natixis CIB) : strong commercial activity and enhanced cost of risk**
  Growth in Global Market revenues, including good performances in FIC-T and Equity and a favorable baseline effect
  Global Finance revenues up 22% year-on-year in Q2-21, driven by Trade Finance and Infrastructure activities
  Gross operating income equal to €700 million in H1-21

### Positive jaws effect: cost/income ratio of 67.0% in H1-21, down 7pp vs. H1-20

- Operating expenses up 5.0%[3] year-on-year, in line with the recovery in business activities

### Continued prudent provisioning policy

- **Group cost of risk of €822m in H1-21, or 22bps**, down 45% vs. H1-20 and up 35% vs. H1-19
- Group cost of risk of €332m in Q2-21, or 17bps

### Capital adequacy level at end-June above their target for the end of 2021

- **CET1[2] ratio at 15.6%** at end-June 2021 including the full impact of the Natixis share buyback operation
- **Generation of organic of CET1 ratio equal to 13bps in Q2-21**

### Launch of Groupe BPCE's new strategic plan on July 8: an ambitious growth plan to support the recovery of the French economy and the needs of our customers

### Commitment to climate action: Groupe BPCE joins the "Net Zero Banking Alliance"

### On August 3rd, Moody's affirmed the A1 long term senior preferred rating with a stable outlook; on July 21st, R&I has affirmed the A+ long term senior preferred rating with a stable outlook

### Project to simplify the Group's organization:

- **Delisting of Natixis shares on July 21, 2021**
- **Finalization of the study[3] on the acquisition by BPCE of the Insurance and Payments activities of Natixis**

**Laurent Mignon, Chairman of the Management Board of Groupe BPCE**, said: *"The strong commercial momentum observed in the 1st quarter of the year gathered pace in the 2nd quarter in all our business lines and all our customer segments. Our presence alongside our customers, and the massive support we provided them at the height of the crisis in 2020 is now bearing fruit with a sharp increase in our financing activities responding to their new needs associated with the economic recovery. Our "BPCE 2024" strategic plan has a good start and, as of this quarter, we have taken very tangible steps in favor of the energy transition, which will enable us to answer to the strong expectations of society at large in this area. With the delisting of Natixis, we have taken a decisive step this quarter in our drive to simplify our corporate structure, a project to which we will be devoting our energies over the next few months in order to complete the creation of a powerful and innovative multi-brand cooperative banking group, pursuing strong strategic ambitions at the service of its customers, its employees, and its cooperative shareholders."*

[1] See note on methodology and excluding the Coface contribution [2] Estimate at end-June 2021 [3] Any project resulting from this study will be submitted, if required, to the relevant social & economic committees for consultation purposes

GROUPE BPCE

The quarterly financial statements of Groupe BPCE for the period ended June 30, 2021, approved by the Management Board at a meeting convened on August 2, 2021, were verified and reviewed by the Supervisory Board, chaired by Thierry Cahn, at a meeting convened on August 3, 2021.

## Groupe BPCE:

| Restated figures €m | Q2-21 | Q2-20 | % Change | H1-21 | H1-20 | % Change |
|---|---|---|---|---|---|---|
| **Net banking income** | **6,337** | **5,183** | **22.3%** | **12,455** | **10,726** | **16.1%** |
| Operating expenses | (4,151) | (3,837) | 8.2% | (8,806) | (8,383) | 5.0% |
| *o/w expenses excluding Single Resolution Fund* | *(4,161)* | *(3,842)* | *8.3%* | *(8,384)* | *(7,983)* | *5.0%* |
| **Gross operating income** | **2,187** | **1,346** | **62.5%** | **3,649** | **2,343** | **55.8%** |
| Cost of risk | (332) | (981) | (66.2)% | (822) | (1,484) | (44.6)% |
| **Income before tax** | **1,924** | **282** | **x6.8** | **2,965** | **829** | **x3.6** |
| Income tax | (509) | (129) | x3.9 | (921) | (385) | x2.4 |
| Non-controlling interests | (108) | (3) | ns | (194) | (30) | ns |
| **Net income – Group share excl. Coface net contribution** | **1,308** | **150** | **x8.7** | **1,851** | **415** | **x4.5** |
| Coface net contribution | | (19) | | 5 | (102) | |
| **Reported net income – Group share** | **1,308** | **131** | **x10.0** | **1,856** | **312** | **x5.9** |

Following the announcement made on February 25, 2020 of the Group's decision to sell a 29.5% stake in Coface, the contribution made by this subsidiary to the income statement is presented on a separate line: 'Coface net contribution.'
From an accounting standpoint, the Coface capital loss is classified under 'Gain or loss on other assets' and the Coface residual stake impairment is listed under 'Share in net income of associates.' See the annexes for the reconciliation with the accounting view.

## Exceptional items

| €m | | | Q2-21 | Q2-20 | H1-21 | H1-20 |
|---|---|---|---|---|---|---|
| Revaluation of assets associated with DSN denominated in foreign currencies | Net banking income | Corporate center | 1 | 2 | (2) | - |
| Contribution to the insurance guarantee fund | Net banking income | Insurance | | (9) | | (16) |
| Legal provision | Net banking income | CIB | (3) | | (19) | |
| Transformation and reorganization costs | Net banking income/ Operating expenses / Gains or losses on other assets | Business lines & Corporate center | (85) | (212) | (154) | (274) |
| Impact of Lebanon default on ADIR insurance | Associates | Insurance | | | | (14) |
| Disposals and impairment | Associates | Business lines & Corporate center | | (10) | | (10) |
| Capital loss | | Coface net contribution | | | | (112) |
| Residual stake valuation | | Coface net contribution | | (29) | 7 | (36) |
| **Total impact on income before tax** | | | **(88)** | **(258)** | **(168)** | **(462)** |
| **Total impact on net income – Group share** | | | **(65)** | **(163)** | **(141)** | **(307)** |

# 1. Groupe BPCE, underlying performance

| Underlying figures €m | Q2-21 | % Change vs. Q2-20 | % Change vs. Q2-19 | H1-21 | % Change vs. H1-20 | % Change vs. H1-19 |
|---|---|---|---|---|---|---|
| **Net banking income** | **6,334** | **22.0%** | **6.6%** | **12,465** | **16.0%** | **6.4%** |
| Operating expenses | (4,080) | 8.3% | 2.2% | (8,662) | 5.0% | 2.9% |
| *o/w expenses excluding Single Resolution Fund* | *(4,090)* | *8.5%* | *2.4%* | *(8,241)* | *5.0%* | *2.5%* |
| **Gross operating income** | **2,254** | **58.3%** | **15.8%** | **3,803** | **52.6%** | **15.5%** |
| Cost of risk | (332) | (66.1)% | 2.0% | (822) | (44.6)% | 34.8% |
| **Income before tax** | **2,012** | **x3.9** | **18.4%** | **3,140** | **x2.7** | **11.2%** |
| Income tax | (525) | x2.5 | (5.6)% | (937) | x1.9 | (4.9)% |
| Non-controlling interests | (114) | ns | (31.2)% | (207) | x5.0 | (17.1)% |
| Net income – Group share excl. Coface net contribution | 1,373 | x4.7 | 40.5% | 1,996 | x3.2 | 25.7% |
| **Net income – Group share excl. Coface net contribution** after IFRIC 21 restatement | **1,241** | **x6.6** | **42.0%** | **2,250** | **x2.6** | **25.3%** |
| *Cost/income ratio* | *66.9%* | *(8.1)pp* | *(2.5)pp* | *67.0%* | *(7.0)pp* | *(2.6)pp* |

*Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2. Changes express differences between Q2-21 and Q2-20, and between H1-21 and H1-20.*

In Q2-21, Groupe BPCE recorded 22.0% growth in **net banking income**, which now stands at 6,334 million euros, and an increase of 16.0% in H1-21 to 12,465 million euros, reflecting a strong rebound in commercial activity across all business lines compared with the first half of 2020 (a weak baseline for comparison) but also compared to the first half of 2019. Net banking income increased by 6.4% in H1-21 vs. H1-19.

The Retail Banking & Insurance division posted 10.0% growth in revenues in Q2-21 to 4,420 million euros, and 7.6% growth in H1-21 to 8,718 million euros reflecting the commercial dynamism of the two Banque Populaire and Caisse d'Epargne retail banking networks and all the business activities of the Financial Solutions & Expertise division. In the Insurance business, premium income enjoyed a sharp recovery (+50% in H1-21) and the share of unit-linked products increased to 28% of assets under management. Payments activities also showed a significant recovery compared with the first half of 2020, a period severely impacted by the measures taken in response to the Covid pandemic.

The Global Financial Services division includes the activities of the Asset & Wealth Management and Corporate & Investment Banking business lines. The division generated revenues of 1,770 million euros in Q2-21 and 3,483 million euros in H1-21, up by 45.6% and 30.5% respectively. In the Asset Management segment, the first half of 2020 suffered the negative impacts of lower market values and seed money markdowns while the Corporate & Investment Banking business was depressed by the cancellation of dividends that penalized the revenues of the Equity businesses and by xVA effects.

**Operating expenses** increased by 5.0% year-on-year in H1-21. Thanks to a positive jaws effect, the cost/income ratio stood at 67.0%, after restating to account for the IFRIC 21 impact in H1-21, down 7.0 percentage points vs. H1-20 and 2.6pp vs. H1-19.

Gross operating income increased significantly both in Q2-21 to 2,254 million euros (+58.3% vs. Q2-20, +15.8% vs. Q2-19) and in H1-21 to 3,803 million euros (+52.6% vs. H1-20, +15.5% vs. H1-19).

The **cost of risk** for Groupe BPCE fell sharply year-on-year: it stood at 332 million euros in Q2-21 (-66.1%) and 822 million euros in H1-21 (-44.6%). However, the cost of risk in the first half of 2021 remains higher than in the same period in 2019 (+34.8%) owing to the continuing pursuit of a prudent provisioning policy.

For Groupe BPCE, the amount of provisions for performing loans rated 'Stage 1' or 'Stage 2' came to 78 million euros in H1-21 vs. 538 million euros in H1-20. Provision for loans with proven risk rated 'Stage 3' stood at 743 million euros in H1-21 vs. 946 million euros in H1-20.

In Q2-21, the cost of risk stood at 17bps of gross customer loans for Groupe BPCE (55bps in Q2-20), including a very slight reversal of provisions on performing loans (-1bp in Q2-21 vs. 25bps in Q2 20) rated 'Stage 1' or 'Stage 2'.
The cost of risk stood at 18bps for Retail Banking & Insurance (45bps in Q2-20) including -1bps for the provisioning of performing loans (26bps in Q2-20) rated 'Stage 1' or 'Stage 2' and at 17bps for Corporate & Investment Banking (163bps in Q2-20) including 9bps for the provisioning of performing loans rated 'Stage 1' or 'Stage 2' vs. 39bps in Q2-20.

In H1-21, the cost of risk amounted to 22bps when expressed as a proportion of gross customer loan outstandings for Groupe BPCE (42bps in H1-20), including 2bps for the provisioning of performing loans (15bps in H1-20) rated 'Stage 1' or 'Stage 2'.
It stood at 21bps for Retail Banking & Insurance (34bps in H1-20), including 2bps for the provisioning of performing loans (15bps in H1-20) rated 'Stage 1' or 'Stage 2', and at 35bps for Corporate & Investment Banking (144bps in H1-20), including 8bps for the provisioning of performing loans rated 'Stage 1' or 'Stage 2', compared with 25bps in H1-20.

The ratio of non-performing loans to gross loan outstandings was 2.6% at June 30, 2021, up 0.1pp from end-2020.

**Reported net income (Group share)** in Q2-21 amounted to 1,308 million euros vs. 131 million euros in Q2-20. In H1-21, it reached 1,856 million euros, up significantly year-on-year compared with 312 million euros in H1-20.

**Underlying net income (Group share), after being restated to account for the impact of IFRIC 21** and excluding the net contribution of Coface, amounted to 1,241 million euros in Q2-21 (multiplied by a factor of 6.6) and 2,250 million euros in H1-21 (multiplied by a factor of 2.6).

[1] See note on methodology and after restatement to account for the impact of IFRIC 21

## 2. Capital and loss-absorbing capacity

### 2.1 CET1[1] level

**Groupe BPCE's CET1[1,2] ratio at the end of June 2021 reached an estimated level of 15.6%,** compared with 16.1% at March 31, 2021. Changes for the quarter can be broken down into:

- Retained earnings: +32bps,
- Change in risk-weighted assets: -19bps,
- Issuance and distribution of cooperative shares: +4bps,
- Full impact of Natixis minority shareholders buyback: -70pbs
- Other changes: +5bps.

At the end of June 2021, **Groupe BPCE held a buffer of 427bps** above the threshold for triggering the maximum distributable amount (MDA).

### 2.2 TLAC Ratio[2]

Total loss-absorbing capacity (TLAC) estimated at the end of June 2021 stands at 100.8 billion euros. The TLAC ratio, expressed as a percentage of risk-weighted assets, stood at an estimated 22.9% at the end of June 2021 (without taking account of preferred senior debt for the calculation of this ratio), well above the FSB requirements of 19.51%.

### 2.3 MREL Ratio[2]

Expressed as a percentage of risk-weighted assets at June 30, 2021, Groupe BPCE's subordinated MREL ratio and total MREL ratio were 22.9% and 29.5% respectively, well above the respective minimum SRB requirements of 19.5% and 25.0% respectively.

### 2.4 Leverage Ratio

At June 30, 2021, the estimated leverage ratio[1] was 5.7%. The adjusted leverage ratio requirement is set at 3.2%.

### 2.5 Liquidity reserves at a high level

The Liquidity Coverage Ratio (LCR) for Groupe BPCE is well above the regulatory requirements of 100%, standing at 160% based on the average of end-of-month LCRs in the 2nd quarter of 2021.
The volume of liquidity reserves reached 297 billion euros at the end of June 2021, representing an extremely high coverage ratio of 241% of short-term financial debts (including short-term maturities of medium-/long-term financial debt).

### 2.6 Medium-/long-term funding plan: approximately 68% of the 2021 plan already raised at July 9, 2021

The size of the MLT funding plan for 2021 has been revised and stands at 22 billion euros (excluding structured private placements and ABS). The plan can be broken down as follows:

- 5.5 billion euros of Tier 2 and/or non-preferred senior debt
- 6 billion euros in preferred senior debt
- 10.5 billion euros in covered bonds

The target for ABS is 1.5 billion euros.

As at July 9, 2021, Groupe BPCE had raised 14.9 billion euros (around 68% of the plan):

- 2.1 billion euros non-preferred senior debt
- 4.4 billion euros in preferred senior debt
- 8.4 billion euros in covered bonds

The amount raised in ABS is 0.4 billion euros.

[1] See notes on methodology [2] As part of its annual resolvability assessment, Groupe BPCE has chosen to waive the possibility offered by Article 72b(3) of the Capital Requirements Regulation to use senior preferred debt for compliance with its TLAC/subordinated MREL requirements in 2021

## 3. RESULTS OF THE BUSINESS LINES

*Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2. Changes express differences between Q2-21 and Q2-20, and between H1-21 and H1-20.*

### 3.1 Retail Banking & Insurance

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 4,420 | 10.0% | 8,718 | 7.6% |
| Operating expenses | (2,669) | 6.0% | (5,414) | 3.0% |
| **Gross operating income** | **1,751** | **16.6%** | **3,304** | **16.0%** |
| Cost of risk[(3)] | (283) | (56.4)% | (670) | (29.7)% |
| **Income before tax** after IFRIC 21 restatement | **1,455** | **75.7%** | **2,724** | **38.0%** |
| *Cost/income ratio*[1] | *61.0 %* | *(2.3)pp* | *61.4%* | *(2.7)pp* |

**Loan outstandings** enjoyed year-on-year growth of 7.8%, reaching a total of 628 billion euros at the end of June 2021, including a 8.6% increase in residential mortgages and growth of 6.8% and 5.8% respectively for consumer loans and equipment loans. At the end of June 2021, **customer deposits & savings** (excluding regulated savings centralized with the Caisse des Dépôts et Consignations) amounted to 543 billion euros (+6.8%) while sight deposits were up 9.4% year-on-year.

**Net banking income** generated by the Retail Banking & Insurance division in Q2-21 rose 10.0% to stand at 4,420 million euros. In H1-21, net banking income increased by 7.6%, to 8,718 million euros, including an 8.0% increase for the two Banque Populaire and Caisse d'Epargne retail banking networks. The Financial Solutions & Expertise and Payments divisions also benefited from extremely buoyant commercial momentum, with revenue growth of 8.4% and 18.5% respectively. The Insurance division saw year-on-year revenue growth of 5.9%.

**Operating expenses** totaled 2,669 million euros in Q2-21 (+6.0%) and 5,414 million euros in H1-21 (+3.0%). Thanks to a positive jaws effect, the **cost/income ratio** (after being restated to account for the impact of IFRIC 21) enjoyed a 2.3pp year-on-year improvement in Q2-21 to 61.0% and 2.7pp year-on-year improvement in H1-21 to 61.4%.

The division's **gross operating income** enjoyed strong growth of 16.0% in H1-21, rising to 3,304 million euros, reflecting the good performance of the business lines and the impact of strict cost control since the beginning of the year.

The **cost of risk** stood at 283 million euros in Q2-21, down 56.4%, and at 670 million euros in H1-21, down 29.7%. The cost of risk has declined in the two Banque Populaire and Caisse d'Epargne retail banking networks as well as for Oney Bank and Banque Palatine. It has risen, however, for the Financial Solutions & Expertise businesses, in line with the Group's prudent provisioning policy.

For the division as a whole, **income before tax** (after being restated to account for the impact of IFRIC 21) amounted to 1,455 million euros in Q2-21 and to 2,724 million euros in H1-21, up 38.0% year-on-year.

[1] See note on methodology and after restatement to account for the impact of IFRIC 21

### 3.1.1 Banque Populaire retail banking network

*The Banque Populaire network comprises the 14 Banques Populaires, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel, and the Mutual Guarantee Companies.*

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 1,738 | 17.1% | 3,407 | 11.5% |
| Operating expenses | (1,048) | 5.5% | (2,119) | 2.6% |
| **Gross operating income** | **690** | **40.6%** | **1,287** | **30.1%** |
| Cost of risk[(2)] | (136) | (53.0)% | (301) | (25.8)% |
| **Income before tax** after IFRIC 21 restatement | **556** | **x2.8** | **1,034** | **65.9%** |
| *Cost/income ratio*[1] | *60.9%* | *(6.8)pp* | *61.6%* | *(5.3)pp* |

**Loan outstandings** rose by 9.6% year-on-year to 267 billion euros at the end of June 2021. **Customer deposits & savings** increased by 8.9% year-on-year to 341 billion euros at the end of June 2021 (+8.8% for on-balance sheet savings & deposits excluding regulated savings centralized with the Caisse des Dépôts et Consignations).

In Q2-21, **net banking income** stood at 1,738 million euros, up 17.1% compared with the same period last year. In H1-21, it rose by 11.5% to 3,407 million euros, including an 18.6% increase in net interest income to 2,068 million euros and a 6.0% rise in commissions to 1,337 million euros.

**Operating expenses** rose at a rate significantly lower than the growth in revenues both in Q2-21 and in H1-21 by 5.5% and 2.6% respectively. This led to a 6.8pp improvement in the cost/income ratio (after being restated to account for the impact of IFRIC 21) to 60.9% in Q2-21 and a 5.3pp improvement in H1-21 to 61.6%. **Gross operating income** rose by 30.1% in H1-21 to reach 1,287 million euros.

The **cost of risk** stood at 136 million euros in Q2-21 (-53.0%) and at 301 million euros in H1-21 (-25.8%).

**Income before tax** (after being restated to account for the impact of IFRIC 21) rose significantly to 556 million euros in Q2-21 and to 1,034 million euros in H1-21.

## 3.1.2 Caisse d'Epargne retail banking network

*The Caisse d'Epargne network comprises 15 individual Caisses d'Epargne along with their subsidiaries.*

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 1,825 | 3.6% | 3,620 | 5.1% |
| Operating expenses | (1,128) | 6.2% | (2,281) | 2.8% |
| **Gross operating income** | **696** | **(0.3)%** | **1,339** | **9.2%** |
| Cost of risk[(2)] | (66) | (76.0)% | (219) | (44.8)% |
| **Income before tax** after IFRIC 21 restatement | **620** | **51.1%** | **1,147** | **34.4%** |
| *Cost/income ratio*[1] | *62.5%* | *1.5pp* | *62.3%* | *(1.4)pp* |

**Loan outstandings** rose by 6.5% year-on-year to 325 billion euros at the end of June 2021 while **customer deposits & savings** enjoyed a 4.7% year-on-year increase to 489 billion euros (+5.0% for on-balance sheet deposits & savings excluding regulated savings centralized with the Caisse des Dépôts et Consignations).

**Net banking income** recorded 3.6% year-on-year growth in Q2-21 to reach 1,825 million euros and rose by 5.1% in H1-21 to reach 3,620 million euros, including a 9.5% increase in net interest income to 2,043 million euros and a 5.0% rise in commissions to 1,655 million euros.

**Operating expenses** rose by 6.2% in Q2-21, leading to a slight increase (+1.5pp) in the cost/income ratio (after being restated to account for the impact of IFRIC 21) to 62.5%. Expenses rose by only 2.8% in H1-21, resulting in a 1.4pp improvement in the cost/income ratio, which now stands at 62.3%.

**Gross operating income** in H1-21 rose by 9.2% to reach 1,339 million euros. In Q2-21, it remained virtually stable at 696 million euros.

The **cost of risk** amounted to 66 million euros in Q2-21 (-76.0%) and to 219 million euros (-44.8%) in H1-21.

**Income before tax** (after being restated to account for the impact of IFRIC 21) rose to 620 million euros in Q2-21 and to 1,147 million euros in H1-21.

[1] See note on methodology and after restatement to account for the impact of IFRIC 21

### 3.1.3 Financial Solutions & Expertise

| Underlying figures €m | Q2-21 | % Change | H1-21 | % Change |
|---|---|---|---|---|
| Net banking income | 302 | 15.0% | 597 | 8.4% |
| Operating expenses | (153) | 8.4% | (309) | 3.7% |
| **Gross operating income** | **148** | **22.6%** | **287** | **13.9%** |
| Cost of risk | (30) | 17.5% | (61) | 21.2% |
| **Income before tax** after IFRIC 21 restatement | **117** | **23.6%** | **229** | **11.9%** |
| *Cost/income ratio*[1] | *51.2 %* | *(2.9)pp* | *51.4 %* | *(2.3)pp* |

The **net banking income** generated by the Financial Solutions & Expertise division rose by 15.0% in Q2-21 to 302 million euros and by 8.4% in H1-21 to 597 million euros, driven by the good performance of the different business lines in a context of economic recovery.

In the Consumer credit segment, personal loan outstandings reached the record-breaking level of 7 billion euros in H1-21, up 39% year-on-year.
In the Sureties & financial guarantees business, gross premiums written were up 21% in H1-21 year-on-year in the personal loan guarantee business.
The Retail securities services business reported robust levels of activity with 3% growth in trading volumes in the French equity market compared with the already extremely dynamic 1st half of 2020.
In Leasing, business remained buoyant with the two retail banking networks in the production of new equipment leasing and long-term automobile leasing contracts.
Business recovery was confirmed in the Factoring business with factored sales up 33% in Q2-21 year-on-year.
For Socfim, new production remained at high levels in Q2-21 following in the wake of a good first quarter of the year (+14% vs. Q2-20).

**Operating expenses** remained under tight control with a year-on-year increase of 8.4% in Q2-21 to 153 million euros and a 3.7% increase in H1-21 to 309 million euros. This resulted in a 2.9pp decline in the cost/income ratio to 51.2% in Q2-21 and a 2.3pp decline in H1-21 to 51.4%. **Gross operating income** increased by 22.6% in Q2-21 to stand at 148 million euros. In H1-21, it stood at 287 million euros (+13.9%).

With the continued pursuit of a prudent provisioning policy, the **cost of risk** rose by 17.5% compared with Q2-20 to 30 million euros, and increased by 21.2% compared with H1-20 to 61 million euros.

**Income before tax**, restated to account for the impact of IFRIC 21, stood at 117 million euros in Q2-21, representing year-on-year growth of 23.6% and reached 229 million euros in H1-21, up 11.9% over the past 12 months.

### 3.1.4 Insurance

*The results presented below concern the Insurance division of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.*

| Underlying figures €m | Q2-21 | % Change | H1-21 | % Change |
|---|---|---|---|---|
| Net banking income | 252 | 6.7% | 492 | 5.9% |
| Operating expenses | (124) | 6.6% | (262) | 5.0% |
| **Gross operating income** | **128** | **6.7%** | **230** | **7.0%** |
| **Income before tax after IFRIC 21 restatement** | **125** | **10.1%** | **240** | **6.2%** |
| Cost/income ratio[1] | 50.8% | (0.6)pp | 51.7% | (0.1)pp |

**Net banking income** rose by 6.7% in Q2-21 to reach 252 million euros, and increased by 5.9% in the 1st half of 2021 to stand at 492 million euros.
**Premiums**[2] increased sharply in Q2-21 to 3.7 billion euros (+79%) and rose in H1-21 to 7.9 billion euros (+50%), with strong growth in life and personal protection insurance (+95% in Q2-21 and +58% in H1-21) and continued growth in property & casualty insurance (+12% in Q2-21 and +8% in H1-21).

**Assets under management**[2] reached 78.1 billion euros at the end of June 2021. Since the end of 2020, AuM have grown by 7%, with net inflows of 1.9 billion euros in euro funds and 2.1 billion euros on unit-linked products.
Unit-linked funds accounted for 28% of assets under management at the end of June 2021 (+3pp year-on-year) and 38% of gross inflows in H1-21.
In P&C insurance, the customer equipment rate of the Banque Populaire retail banking network reached 29.3% (+0.6pp compared with Q1-21) while that of the Caisse d'Epargne network came to 32.5% (+0.4pp compared with Q1-21).

[1] See notes on methodology and after restatement to account for IFRIC 21 [2] Excluding the reinsurance agreement with CNP

**Operating expenses** increased by 6.6% in Q2-21 to 124 million euros and by 5.0% in H1-21 to 262 million euros. The cost/income ratio remained virtually stable in the first half of 2021 at 51.7%. **Gross operating income** rose by 7.0% in H1-21 to 230 million euros.

**Income before tax** (restated to account for the impact of IFRIC 21) came to 125 million euros in Q2-21 (+10.1%) and to 240 million euros in H1-21 (+6.2%).

### 3.1.5 Payments

*The results presented below are those reported by Natixis' Payments division. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.*

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 118 | 37.7% | 235 | 18.5% |
| Operating expenses | (101) | 10.5% | (203) | 10.3% |
| **Gross operating income** | **17** | **ns** | **31** | **ns** |
| vCost of risk | (7) | ns | (7) | ns |
| **Income before tax** after IFRIC 21 restatement | **10** | **ns** | **25** | **55.0%** |
| *Cost/income ratio*[1] | *86.0%* | *(21.2)pp* | *86.4%* | *(6.4)pp* |

Net banking income was up by 37.7% in Q2-21 to 118 million euros and by 18.5% in H1-21 to 235 million euros, although H1-2020 represents a low baseline for comparison considering the negative impacts of the Covid lockdown measures on business activities, especially in April and May.

In Payment Processing & Services, revenues were up 18% in H1-21. The number of card transactions grew by 17% in H1-21, with contactless payments accounting for approximately 47% in Q2-21 vs. approximately 36% in Q2-20. Mobile phone payment volumes increased 2.6x vs. Q2-20 and instant payment volumes increased 2.1x vs. Q2-20.
Within the Digital segment, PayPlug increased its year-on-year business volume by 78% in H1-21, including a strong acceleration of activity with Groupe BPCE's retail banking networks (year-on-year business volumes multiplied by a factor of 3.3 in H1-21). For Dalenys, business volumes also enjoyed strong growth (+46% year-on-year in H1-21).

**Operating expenses** increased year-on-year by 10.5% in Q2-21 and by 10.3% in H1-21. Thanks to a positive jaws effect, the cost/income ratio improved to 86.4% in H1-21 (-6.4pp).
**Gross operating income** rebounded significantly to 31 million euros in H1-21.

**Income before tax** (restated to account for the impact of IFRIC 21) amounted to 10 million euros in Q2-21 (-6 million euros in Q2-20) and 25 million euros in H1-21 (+55%).

### 3.1.6 Oney Bank

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 101 | (10.2)% | 205 | (8.2)% |
| Operating expenses | (70) | 0.7% | (142) | (1.1)% |
| **Gross operating income** | **31** | **(27.8)%** | **63** | **(20.8)%** |
| Cost of risk | (20) | (11.1)% | (40) | (14.0)% |
| **Income before tax** after IFRIC 21 restatement | **11** | **(46.0)%** | **23** | **(30.2)%** |
| *Cost/income ratio*[1] | *69.1%* | *7.6pp* | *69.1%* | *4.8pp* |

Oney bank recorded a 20.6% increase in new loan production in H1-21 rising to 1,640 million euros, 46% of which in split payment solutions (up 21% year-on-year), 33% in assigned credit, 12% in revolving credit, and 9% in personal loans.
Loan outstandings totaled 2.5 billion euros at June 30, 2021, down 4% year-on-year, reflecting the closure of sales outlets in the wake of health restrictions, with a notably impact on consumer credit behavior.

### 3.1.7 Bank Palatine

**Loan outstandings** increased by 3.2% year-on-year in H1-21.

In H1-21, **net banking income** amounted to 163 million euros, marginally down by 0.3%. In Q2-21, it grew by 11.5% to 85 million euros.
**Operating expenses** increased by 4.0% in Q2-21 and by 4.9% in H1-21.

**Gross operating income** in H1-21 contracted by 7.1% year-on-year to 65 million euros, including a recovery in Q2-21 to 41 million euros (+20.8%).

The **cost of risk** stood at 24 million euros in Q2-21 (-35.7%) and at 42 million euros in H1-21 (-23.8%).

**Income before tax** (after being restated to account for the impact of IFRIC 21) amounted to 16 million euros in Q2-21 (vs - 4 million euros in Q2-20) and stood at 24 million euros in H1-21 (+51.4%).

[1] See note on methodology and after restatement to account for the impact of IFRIC 21

## 3.2 Global Financial Services

*The GFS division includes the Asset & Wealth Management activities and the Corporate & Investment Banking activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those published by Natixis.*

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** |
|---|---|---|---|---|
| Net banking income | 1,770 | 45.6% | 3,483 | 30.5% |
| Operating expenses | (1,202) | 19.0% | (2,373) | 10.4% |
| **Gross operating income** | **568** | **x2.8** | **1,111** | **x2.1** |
| Cost of risk | (27) | (90.5)% | (110) | (77.0)% |
| **Income before tax** after IFRIC 21 restatement | **533** | **ns** | **1,024** | **ns** |
| *Cost/income ratio*[1] | *68.5 %* | *(15.5)pp* | *67.6 %* | *(12.2)pp* |

Revenues increased by 45.6% in Q2-21 year-on-year and by 30.5% in H1-21 year-on-year.

Thanks to a strong positive jaws effect, **gross operating income** increased by a factor of 2.8 in Q2-21 and by a factor of 2.1 in H1-21. The cost/income ratio improved significantly by 15.5pp to 68.5% in Q2-21 and by 12.2pp to 67.6% in H1-21.

The **cost of risk** fell sharply: - 90.5% to 27 million euros in Q2-21 and -77.0% to 110 million euros in H1-21.

**Income before tax** (after being restated to account for the impact of IFRIC 21) enjoyed extremely significant growth to 533 million euros in Q2-21 (vs. -86 million euros in Q2-20) and to 1,024 million euros in H1-21 (vs. 70 million euros in H1-20).

[1] See note on methodology and after restatement to account for the impact of IFRIC 21

## 3.3 Asset & Wealth management

*The Asset & Wealth Management business line includes the Asset Management and Wealth Management activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.*

| **Underlying figures Excl $H_2O$ AM** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** | **Constant FX % Change** |
|---|---|---|---|---|---|
| Net banking income | 831 | 21.5% | 1,586 | 16.3% | 22.6% |
| Operating expenses | (605) | 15.9% | (1,186) | 9.7% | 15.1% |
| Gross operating income | 226 | 39.4% | 400 | 41.4% | 52.4% |
| **Income before tax** after IFRIC 21 restatement | **225** | **48.1%** | **402** | **45.0%** | |
| *Cost/income ratio*[1] | *73.0%* | *(3.5)pp* | *74.6%* | *(4.5)pp* | |

| **Underlying figures Including $H_2O$ AM** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** | **Constant FX % Change** |
|---|---|---|---|---|---|
| Net banking income | 851 | 20.8% | 1,625 | 9.9% | 15.4% |
| Operating expenses | (620) | 16.4% | (1,214) | 9.1% | 14.3% |
| Gross operating income | 232 | 34.4% | 411 | 12.3% | 18.9% |
| **Income before tax** after IFRIC 21 restatement | **230** | **41.2%** | **410** | **13.7%** | |
| *Cost/income ratio*[1] | *72.9%* | *(2.8)pp* | *74.6%* | *(0.5)pp* | |

Unless specified to the contrary, the following comments relate to the key financial figures that do not include the contribution of $H_2O$ AM.

In Q2-21, the division's **net banking income** amounted to 831 million euros, up 21.5%, and to 1,586 million euros in H1-21 (+16.3% at current exchange rates and +22.6% at constant exchange rates), including an increase in management fees and growth in average assets under management.
In H1-21, net banking income (including $H_2O$ AM) increased by 15.4% year-on-year at constant exchange rates.
Net banking income includes 20 million euros in Asset Management performance fees in Q2-21, generated by a number of North American and European affiliates, a level of performance in line with Q2-20.

In Asset Management, the fee rate (excluding performance fees) was approximately 24bps overall (+1.2bps vs. Q1-21) and approximately 38bps if Ostrum AM is excluded (+1.1bps vs. Q1-21). The margin rate is approximately 35bps for US affiliates and approximately 39bps for European affiliates, if Ostrum AM is excluded. For Ostrum AM, the margin rate is approximately 3bps.

In Asset Management, **net inflows**[2] on long-term products (excluding Ostrum AM) reached approximately 5 billion euros in the 2nd quarter of 2021, driven by the good momentum of the North American affiliates and by Private Asset strategies. Ostrum AM recorded outflows of 4 billion euros in Q2-21.

At June 30, 2021, **assets under management**[2] stood at 1,183 billion euros in the Asset Management segment; this metric increased in Q2-21 thanks to net inflows of approximately 1 billion euros, a positive market effect of 35 billion euros, and a negative currency translation (and other) effect of 6 billion euros.

**Operating expenses** for the division were up 15.9% in Q2-21 and rose by 9.7% in H1-21 (+15.1% at constant exchange rates). Thanks to a positive jaws effect, the cost/income ratio improved by 4.5pp in H1-21 to 74.6%.

**Gross operating income** amounted to 400 million euros in H1-21 (+41.4% compared with H1-20, +52.4% at constant exchange rates).
If $H_20$ AM is included, gross operating income stood at 411 million euros in H1-21, representing growth of 12.3%.

**Income before tax** (after being restated to account for the impact of IFRIC 21) stood at 225 million euros in Q2-21 (+48.1%) and 402 million euros in H1-21 (+45.0%).

[1] See note on methodology and after restatement to account for the impact of IFRIC 21 [2] Asset Management: Europe including Dynamic Solutions and Vega IM, excluding H20 AM (€17bn AuM as at June 30, 2021); North America including WCM IM

## 3.3 Corporate & Investment Banking

*The Corporate & Investment Banking business line (CIB) includes the Global markets, Global finance, Investment banking and M&A activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.*

| **Underlying figures** €m | **Q2-21** | **% Change** | **H1-21** | **% Change** | **Constant Fx % Change** |
|---|---|---|---|---|---|
| Net banking income | 919 | 79.8% | 1,859 | 56.1% | 63.0% |
| Operating expenses | (583) | 21.9% | (1,159) | 11.8% | 14.9% |
| **Gross operating income** | **336** | **x10.2** | **700** | **x4.5** | |
| Cost of risk | (28) | (90.0)% | (109) | (76.8)% | |
| **Income before tax** after IFRIC 21 restatement | **303** | **ns** | **614** | **ns** | |
| *Cost/income ratio*[1] | *64.3%* | *(31.0)pp* | *61.4%* | *(24.0)pp* | |

**Net banking income** posted by the Corporate & Investment Banking division reached 1,859 million euros in H1-21, up 56.1% year-on-year (+63.0% at constant exchange rates) compared to H1-20, a period marked by a large number of dividend cancellations penalizing the revenues of the Equity businesses and by xVA effects.

In the Global Markets segment, FICT revenues reached 287 million euros in Q2-21 and 617 million euros in H1-21, including an increased contribution from the credit, rates and treasury activities that offset the contraction in revenues from the foreign exchange businesses.
For the Equity business line, more favorable market conditions and good business momentum with the retail banking networks generated revenues of 108 million euros in Q2-21 and 275 million euros in H1-21.

Global finance revenues, standing at 393 million euros, grew by 22% compared with Q2-20, buoyed up by higher loan portfolio revenues, particularly with corporates and in the Real Assets (especially Infrastructure) and Trade Finance segments. In H1-21, revenues increased by 18% year-on-year to 728 million euros.
Investment banking and M&A revenues amounted to 135 million euros in Q2-21 and to 231 million euros in H1-21. For Debt Capital Market activities, revenues were up 10% in H1-21 despite a lower contribution in Q2-21. For the M&A segment, revenues doubled in Q2-21 and increased by 20% in H1-21, driven by contributions from Natixis Partners and Solomon Partners.

**Operating expenses** increased by 11.8% in H1-21 (+14.9% at constant exchange rates). Thanks to this positive jaws effect, the cost/income ratio improved by 24pp to 61.4% in H1-21.
**Gross operating income** stood at 336 million euros in Q2-21 and 700 million euros in H1-21.

The **cost of risk** improved in Q2-21 to stand at 28 million euros (-90.0%) and at 109 million euros in H1-21 (-76.8% year-on-year).

As a result, **income before tax** (after being restated to account for the impact of IFRIC 21) increased to 303 million euros in Q2-21 and to 614 million euros in H1-21.

[1] See notes on methodology and after restatement to account for IFRIC 21

# ANNEXES

## Notes on methodology

**Presentation of restated and pro-forma quarterly results**
In its capacity as the central institution, BPCE SA organizes, coordinates and supervises a certain number of activities or services on behalf of the Group and, notably, of the Banque Populaire and Caisse d'Epargne retail banking networks (strategic oversight, coordination of commercial policies, centralized management of refinancing, major projects, etc.). The contribution of the central institution is presented under the Corporate center division.
The rules governing the re-invoicing by BPCE SA of expenses recorded with respect to the missions it pursues in its central institution capacity were modified in the fourth quarter of 2020. As a result and for comparison purposes, the 2019 and 2020 quarterly income statements of the Retail Banking & Insurance and Corporate center divisions have been restated for past periods

**Restatement of the impact of IFRIC 21**
The results, cost/income ratios and ROE, after being restated to account for the impact of IFRIC 21, are calculated on the basis of ¼ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a given quarter, or ½ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a 6-month period. In practice, for Groupe BPCE, the principal taxes concerned by IFRIC 21 are the company social solidarity contribution (C3S) and contributions and levies of a regulatory nature (systemic risk tax levied on banking institutions, contribution to ACPR control costs, contribution to the Single Resolution Fund and to the Single Supervisory Mechanism).

**Net banking income**
Customer net interest income, excluding regulated home savings schemes, is computed on the basis of interest earned from transactions with customers excluding net interest on centralized savings products *(Livret A, Livret Développement Durable, Livret Epargne Logement* passbook savings accounts*)* in addition to changes in provisions for regulated home purchase savings schemes. Net interest on centralized savings is assimilated to commissions.

**Operating expenses**
The operating expenses correspond to the aggregate total of the 'Operating Expenses' (as presented in the Group's universal registration document, note 4.7 appended to the consolidated financial statements of Groupe BPCE) and 'Depreciation, amortization and impairment for property, plant and equipment and intangible assets.'

**Cost of risk**
The cost of risk is expressed in basis points and measures the level of risk per business line as a percentage of the volume of loan outstandings; it is calculated by comparing net provisions booked with respect to credit risks of the period to gross customer loan outstandings at the beginning of the period.

**Loan outstandings and Deposits & Savings**
Restatements regarding transitions from book outstandings to outstandings under management (Loans and Deposits & Savings) are as follows:
- Deposits & Savings: the scope of outstandings under management excludes debt securities (certificates of deposit and savings bonds)
- Loan outstandings: the scope of outstandings under management excludes securities classified as customer loans and receivables and other securities classified as financial operations.

**Capital adequacy & deduction of IPC**
- **Common Equity Tier 1** is determined in accordance with the applicable CRR/CRD IV rules and after deduction of irrevocable payment commitments
- **Additional Tier-1 capital** takes account of subordinated debt issues that have become non-eligible and subject to ceilings at the phase-out rate in force.
- The **leverage ratio** is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures. Securities financing operations carried out with clearing houses are offset on the basis of the criteria set forth in IAS 32, without consideration of maturity and currency criteria.
  Following the decision of July 13, 2018 handed down by the General Court of the European Union, Groupe BPCE again requested the agreement of the ECB to exclude the centralized outstandings of regulated savings from the calculation of the denominator of the ratio.

**Total loss-absorbing capacity**
The amount of liabilities eligible for inclusion in the numerator used to calculate the Total Loss-Absorbing Capacity (TLAC) ratio is determined on the basis of our understanding of the Term Sheet published by the FSB on November 9, 2015: "Principles on Loss-Absorbing and Recapitalization Capacity of G-SIBs in Resolution."
This amount is comprised of the following 4 items:
- Common Equity Tier 1 in accordance with the applicable CRR/CRD IV rules,
- Additional Tier-1 capital in accordance with the applicable CRR/CRD IV rules,
- Tier-2 capital in accordance with the applicable CRR/CRD IV rules,
- Subordinated liabilities not recognized in the capital mentioned above and whose residual maturity is greater than 1 year, namely:
  - The share of additional Tier-1 capital instruments not recognized in common equity (i.e. included in the phase-out),
  - The share of the prudential discount on Tier-2 capital instruments whose residual maturity is greater than 1 year,
  - The nominal amount of senior non-preferred securities maturing in more than 1 year.

Eligible amounts differ slightly from the amounts adopted for the numerator of the capital adequacy ratios; these eligible amounts are determined using the principles defined in the Term Sheet published by the FSB on November 9, 2015.

**Liquidity**
Total liquidity reserves comprise the following:
- Central bank-eligible assets include: ECB-eligible securities not eligible for the LCR, taken for their ECB valuation (after the ECB haircut), securities retained (securitization and covered bonds) that are available and ECB-eligible taken for their ECB valuation (after ECB haircut) and private receivables available and eligible for central bank funding (ECB and the Federal Reserve), net of central bank funding.
- LCR eligible assets comprising the Group's LCR reserve taken for their LCR valuation.
- Liquid assets placed with central banks (ECB and the Federal Reserve), net of US Money Market Funds deposits and to which fiduciary money is added.

Short-term funding corresponds to funding with an initial maturity of less than, or equal to, 1 year and the short-term maturities of medium-/long-term debt correspond to debt with an initial maturity date of more than 1 year maturing within the next 12 months. Customer deposits are subject to the following adjustments:
- Addition of security issues placed by the Banque Populaire and Caisse d'Epargne retail banking networks with their customers, and certain operations carried out with counterparties comparable to customer deposits
- Withdrawal of short-term deposits held by certain financial customers collected by Natixis in pursuit of its intermediation activities.

**Simplified Public Tender Offer on Natixis shares**

On February 9, 2021, BPCE SA announced its intent to acquire the shares in Natixis SA's capital that it did not already own, i.e. approximately 29.3% at December 31, 2020, and to file a simplified tender offer ("*offre publique d'achat simplifiée*") with the French stock market regulator AMF (*Autorité des Marchés Financiers*).

After the tender offer was declared compliant by the AMF on April 15, the various necessary regulatory approvals were subsequently obtained, enabling the simplified public tender offer to proceed on June 4, 2021.

On June 30, 2021, BPCE SA held 79.71% of Natixis shares (percentage of ownership expressed as a proportion of the total number of shares settled and delivered as at the balance sheet date, excluding treasury shares held by Natixis). The earnings generated by the Natixis Group in the 2nd quarter of the year and attributed to BPCE were computed on the basis of this percentage.

**Result of the Simplified Public Tender Offer on Natixis shares**

The simplified tender offer for 29.3% of the share capital of Natixis S.A., which closed on July 9, 2021, enabled Groupe BPCE to hold more than 90% of the share capital and voting rights of Natixis. The squeeze-out was subsequently implemented on July 21, 2021.

## Reconciliation of restated data to reported data

### Q2-21

| | GROUPE BPCE | | | GROUPE BPCE | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q2-21 Reported | Coface | Q2-21 Restated | Q2-20 reported | Coface | Q2-20 restated |
| Net banking income | 6,337 | | 6,337 | 5,183 | | 5,183 |
| Operating expenses | (4,151) | | (4,151) | (3,837) | | (3,837) |
| **Gross operating income** | **2,187** | | **2,187** | **1,346** | | **1,346** |
| Cost of risk | (332) | | (332) | (981) | | (981) |
| Share in net income of associates | 80 | | 80 | 20 | 28 | 48 |
| Gains or losses on other assets | (10) | | (10) | (131) | | (131) |
| **Income before tax** | **1,924** | | **1,924** | **255** | **28** | **282** |
| Income tax | (509) | | (509) | (129) | | (129) |
| Non-controlling interests | (108) | | (108) | 5 | (8) | (3) |
| **Net income – excl. Coface net contribution** | | | **1,308** | | **19** | **150** |
| Coface – Net contribution | | | | | | (19) |
| **Net income – Group share** | **1,308** | | **1,308** | **131** | | **131** |

### H1-21

| | GROUPE BPCE | | | GROUPE BPCE | | |
|---|---|---|---|---|---|---|
| In millions of euros | H1-21 Reported | Coface | H1-21 Restated | H1-20 reported | Coface | H1-20 restated |
| Net banking income | 12,455 | | 12,455 | 10,726 | | 10,726 |
| Operating expenses | (8,806) | | (8,806) | (8,383) | | (8,383) |
| **Gross operating income** | **3,649** | | **3,649** | **2,343** | | **2,343** |
| Cost of risk | (822) | | (822) | (1,484) | | (1,484) |
| Share in net income of associates | 156 | (7) | 149 | 68 | 33 | 101 |
| Gains or losses on other assets | (11) | | (11) | (242) | 112 | (130) |
| **Income before tax** | **2,972** | **(7)** | **2,965** | **685** | **145** | **829** |
| Income tax | (921) | | (921) | (385) | | (385) |
| Non-controlling interests | (196) | 2 | (194) | 13 | (43) | (30) |
| **Net income – excl. Coface net contribution** | | **(5)** | **1,851** | | **102** | **415** |
| Coface – Net contribution | | | 5 | | | (102) |
| **Net income – Group share** | **1,856** | | **1,856** | **312** | | **312** |

# Reconciliation of alternative performance measures to reported data

## Q2-21

| In millions of euros | | Net banking income | Operating expenses | Income before tax | Net income - Group share excluding Coface |
|---|---|---|---|---|---|
| **Restated Q2-21 results** | | **6,337** | **(4,151)** | **1,924** | **1,308** |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | *Corporate center* | 1 | | 1 | 2 |
| Transformation and reorganization costs | *Business lines/ Corporate center* | 6 | (70) | (85) | (65) |
| Legal provision | | (3) | | (3) | (2) |
| **Q2-21 results excluding exceptional items & Coface net contribution** | | **6,334** | **4,080** | **2,012** | **1,373** |

## H1-21

| In millions of euros | | Net banking income | Operating expenses | Income before tax | Net income - Group share excluding Coface |
|---|---|---|---|---|---|
| **Restated H1-21 results** | | **12,455** | **(8,806)** | **2,965** | **1,851** |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | *Corporate center* | (2) | | (2) | (8) |
| Transformation and reorganization costs | *Business lines/ Corporate center* | 11 | (143) | (154) | (128) |
| Legal provision | | (19) | | (19) | (10) |
| **H1-21 results excluding exceptional items & Coface net contribution** | | **12,465** | **8,662** | **3,140** | **1,996** |

# Reconciliation of alternative performance measures to reported data

## Q2-20

| In millions of euros | | Net banking income | Operating expenses | Associates | Gains or losses on other assets | Income before tax | Net income - Group share excluding Coface |
|---|---|---|---|---|---|---|---|
| **Restated Q2-20 results** | | **5,183** | **(3,837)** | **48** | **(131)** | **282** | **150** |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | *Corporate center* | 2 | | | | 2 | 6 |
| Transformation and reorganization costs | *Business lines/ Corporate center* | | (71) | | (141) | (212) | (133) |
| Contribution to the insurance guarantee fund | *Insurance* | (9) | | | | (9) | (5) |
| Disposals and impairment | *Business lines/ Corporate center* | | | (10) | | (10) | (10) |
| **Q2-20 results excluding exceptional items & Coface net contribution** | | **5,190** | **(3,766)** | **58** | **10** | **511** | **292** |

## H1-20

| In millions of euros | | Net banking income | Operating expenses | Associates | Gains or losses on other assets | Income before tax | Net income - Group share excluding Coface |
|---|---|---|---|---|---|---|---|
| **Restated H1-20 results** | | **10,726** | **(8,383)** | **101** | **(130)** | **829** | **415** |
| Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies | *Corporate center* | 0 | | | | 0 | 0 |
| Transformation and reorganization costs | *Business lines/ Corporate center* | | (133) | | (141) | (274) | (175) |
| Impact of Lebanon default on ADIR insurance | *Insurance* | | | (14) | | (14) | (10) |
| Contribution to the insurance guarantee fund | *Insurance* | (16) | | | | (16) | (8) |
| Disposals and impairment | *Business lines/ Corporate center* | | | (10) | | (10) | (10) |
| **H1-20 results excluding exceptional items & Coface net contribution** | | **10,742** | **(8,250)** | **125** | **11** | **1,143** | **618** |

# Reconciliation of 2020 data to pro forma data

| Retail banking and Insurance | Q1-20 | | | | Q2-20 | | | | Q3-20 | | | | Q4-20 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income |
| **Reported figures** | **4,140** | **(2,803)** | **1,032** | **685** | **4,074** | **(2,585)** | **844** | **537** | **4,162** | **(2,629)** | **1,211** | **818** | **4,081** | **(2,796)** | **527** | **289** |
| Analytical adjustments | 1 | 2 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 2 | 1 |
| Central institution's expenses | (65) | 7 | (58) | (39) | (65) | 7 | (58) | (39) | (65) | 7 | (58) | (39) | 194 | (21) | 173 | 118 |
| **Pro forma figures** | **4,076** | **(2,794)** | **977** | **646** | **4,010** | **(2,577)** | **789** | **499** | **4,098** | **(2,620)** | **1,156** | **780** | **4,276** | **(2,816)** | **702** | **407** |

| Global financial services | Q1-20 | | | | Q2-20 | | | | Q3-20 | | | | Q4-20 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income |
| **Restated figures** | **1,462** | **(1,136)** | **134** | **41** | **1,223** | **(1,014)** | **(71)** | **(46)** | **1,447** | **(1,085)** | **135** | **54** | **1,896** | **(1,251)** | **465** | **225** |
| Analytical adjustments | (8) | (3) | (11) | (6) | (8) | (3) | (11) | (6) | (8) | (3) | (11) | (6) | (8) | (3) | (11) | (6) |
| **Pro forma figures** | **1,454** | **(1,140)** | **124** | **36** | **1,215** | **(1,017)** | **(82)** | **(51)** | **1,439** | **(1,088)** | **124** | **49** | **1,888** | **(1,254)** | **(454)** | **219** |

| Corporate center | Q1-20 | | | | Q2-20 | | | | Q3-20 | | | | Q4-20 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income | Net banking income | Operating expenses | Income before tax | Net income |
| **Restated figures** | **(58)** | **(606)** | **(619)** | **(461)** | **(115)** | **(238)** | **(491)** | **(341)** | **(98)** | **(191)** | **(263)** | **(169)** | **326** | **(309)** | **77** | **114** |
| Analytical adjustments | 7 | 2 | 9 | 4 | 7 | 1 | 9 | 5 | 7 | 1 | 9 | 5 | 7 | 1 | 9 | 4 |
| Central institution's expenses | 65 | (7) | 58 | 39 | 65 | (7) | 58 | 39 | 65 | (7) | 58 | 39 | (194) | 21 | (173) | (118) |
| **Pro forma figures – excl. Coface net contribution** | **13** | **(612)** | **(553)** | **(418)** | **(42)** | **(244)** | **(425)** | **(297)** | **(26)** | **(197)** | **(197)** | **(125)** | **139** | **(286)** | **(88)** | **1** |

## Groupe BPCE: restated income statement per business line

| | RETAIL BANKING & INSURANCE | | GLOBAL FINANCIAL SERVICES | | CORPORATE CENTER | | GROUPE BPCE | | |
|---|---|---|---|---|---|---|---|---|---|
| Restated figures<br>In millions of euros | Q2-21 | Q2-20pf | Q2-21 | Q2-20pf | Q2-21 | Q2-20pf | Q2-21 | Q2-20pf | % |
| Net banking income | 4,420 | 4,010 | 1,766 | 1,215 | 151 | (42) | 6,337 | 5,183 | 22.3% |
| Operating expenses | (2,687) | (2,577) | (1,208) | (1,017) | (255) | (244) | (4,151) | (3,837) | 8.2% |
| **Gross operating income** | **1,733** | **1,433** | **558** | **199** | **(104)** | **(286)** | **2,187** | **1,346** | **62.5%** |
| Cost of risk | (283) | (651) | (27) | (286) | (21) | (44) | (332) | (981) | (66.2)% |
| **Income before tax** | **1,466** | **789** | **534** | **(82)** | **(75)** | **(425)** | **1,924** | **282** | **x6.8** |
| .8Income tax | (392) | (262) | (138) | 22 | 21 | 111 | (509) | (129) | x3.9 |
| Non-controlling interests | (31) | (28) | (96) | 9 | 18 | 16 | (108) | (3) | ns |
| **Net income – excl. Coface** | **1,043** | **499** | **300** | **(51)** | **(35)** | **(297)** | **1,308** | **150** | **x8.7** |
| **Coface – Net contribution** | | | | | | **(19)** | | **(19)** | **ns** |
| **Net income – Group share** | **1,043** | **499** | **300** | **(51)** | **(35)** | **(317)** | **1,308** | **131** | **x10.0** |

| | RETAIL BANKING & INSURANCE | | GLOBAL FINANCIAL SERVICES | | CORPORATE CENTER | | GROUPE BPCE | | |
|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | H1-21 | H1-20pf | H1-21 | H1-20pf | H1-21 | H1-20pf | H1-21 | H1-20pf | % |
| Net banking income | 8,718 | 8,086 | 3,465 | 2,669 | 272 | (29) | 12,455 | 10,726 | 16.1% |
| Operating expenses | (5,447) | (5,371) | (2,392) | (2,156) | (966) | (856) | (8,806) | (8,383) | 5.0% |
| **Gross operating income** | **3,271** | **2,715** | **1,073** | **513** | **(695)** | **(885)** | **3,649** | **2,343** | **55.8%** |
| Cost of risk | (670) | (953) | (110) | (479) | (41) | (52) | (822) | (1,484) | (44.6)% |
| **Income before tax** | **2,633** | **1,766** | **961** | **41** | **(630)** | **(977)** | **2,965** | **829** | **x3.6** |
| Income tax | (731) | (568) | (250) | (12) | 60 | 195 | (921) | (385) | x2.4 |
| Non-controlling interests | (63) | (53) | (197) | (45) | 66 | 67 | (194) | (30) | x6.5 |
| **Net income – excl. Coface** | **1,839** | **1,145** | **515** | **(16)** | **(504)** | **(715)** | **1,851** | **415** | **x4.5** |
| **Coface – Net contribution** | | | | | **5** | **(102)** | **5** | **(102)** | **ns** |
| **Net income – Group share** | **1,839** | **1,145** | **515** | **(16)** | **(498)** | **(817)** | **1,856** | **312** | **x5.9** |

## Groupe BPCE: restated quarterly series

| GROUPE BPCE | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 5,543 | 5,183 | 5,511 | 6,303 | 6,117 | 6,337 |
| Operating expenses | (4,546) | (3,837) | (3,905) | (4,356) | (4,655) | (4,151) |
| **Gross operating income** | **997** | **1,346** | **1,606** | **1,947** | **1,462** | **2,187** |
| Cost of risk | (504) | (981) | (589) | (924) | (490) | (332) |
| **Income before tax** | **548** | **282** | **1,083** | **1,069** | **1,041** | **1,924** |
| **Net income – excl. Coface** | **265** | **150** | **703** | **628** | **543** | **1,308** |
| **Coface – Net contribution** | **(83)** | **(19)** | **(29)** | **(5)** | **5** | |
| **Net income – Group share** | **181** | **131** | **674** | **624** | **548** | **1,308** |

## Consolidated balance sheet

| **ASSETS** (in millions of euros) | **June 30, 2021** | **Dec. 31, 2020** |
|---|---|---|
| Cash and amounts due from central banks | 151,361 | 153,403 |
| Financial assets at fair value through profit or loss | 186,044 | 196,260 |
| Hedging derivatives | 7,662 | 9,608 |
| Financial assets at fair value through shareholders' equity | 50,043 | 49,630 |
| Financial assets at amortized cost | 27,218 | 26,732 |
| Loans and receivables due from credit institutions and similar at amortized cost | 99,064 | 90,018 |
| Loans and receivables due from customers at amortized cost | 757,573 | 746,809 |
| Revaluation difference on interest rate risk-hedged portfolios | 6,833 | 8,941 |
| Insurance activity investments | 129,175 | 124,566 |
| Current tax assets | 642 | 747 |
| Deferred tax assets | 3,476 | 3,667 |
| Accrued income and other assets | 14,282 | 16,367 |
| Non-current assets held for sale | 2,434 | 2,599 |
| Investments in associates | 4,383 | 4,586 |
| Investment property | 774 | 770 |
| Property, plant and equipment | 6,089 | 6,222 |
| Intangible assets | 1,037 | 1,038 |
| Goodwill | 4,354 | 4,307 |
| **TOTAL ASSETS** | **1,452,445** | **1,446,269** |

| **LIABILITIES** (in millions of euros) | **June 30, 2021** | **Dec. 31, 2020** |
|---|---|---|
| Amounts due to central banks | | |
| Financial liabilities at fair value through profit or loss | 162,369 | 191,371 |
| Hedging derivatives | 13,523 | 15,262 |
| Debt securities | 229,051 | 228,201 |
| Amounts due to credit institutions | 153,187 | 138,416 |
| Amounts due to customers | 648,664 | 630,837 |
| Revaluation difference on interest rate risk-hedged portfolios | 198 | 243 |
| Current tax liabilities | 1,014 | 485 |
| Deferred tax liabilities | 1,140 | 1,239 |
| Accrued expenses and other liabilities | 21,476 | 22,662 |
| Liabilities associated with non-current assets held for sale | 2,173 | 1,945 |
| Insurance-related liabilities | 121,014 | 114,608 |
| Provisions | 5,451 | 6,213 |
| Subordinated debt | 16,262 | 16,375 |
| **Shareholders' equity** | **76,923** | **78,412** |
| *Equity attributable to equity holders of the parent* | *76,266* | *72,683* |
| Non-controlling interests | *657* | 5,728 |
| **TOTAL LIABILITIES** | **1,452,445** | **1,446,269** |

# Retail Banking & Insurance

## Quarterly income statement

| | BANQUE POPULAIRE NETWORK | | | CAISSE D'EPARGNE NETWORK | | | FINANCIAL SOLUTIONS & EXPERTISE | | | INSURANCE | | | PAYMENTS | | | OTHER NETWORKS | | | RETAIL BANKING & INSURANCE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % | Q2-21 | Q2-20pf | % |
| Net banking income | 1,738 | 1,483 | 17.1% | 1,825 | 1,761 | 3.6% | 302 | 262 | 15.4% | 252 | 229 | 9.9% | 118 | 85 | 37.7% | 187 | 189 | (1.5)% | 4,420 | 4,010 | 10.2% |
| Operating expenses | (1,056) | (1,016) | 3.9% | (1,136) | (1,086) | 4.5% | (156) | (141) | 10.3% | (124) | (116) | 6.7% | (101) | (94) | 7.4% | (114) | (123) | (6.9)% | (2,687) | (2,577) | 4.3% |
| **Gross operating income** | **682** | **468** | **45.8%** | **689** | **675** | **2.1%** | **146** | **120** | **21.3%** | **128** | **113** | **13.2%** | **16** | **(9)** | **ns** | **72** | **67** | **8.5%** | **1,733** | **1,433** | **20.9%** |
| Cost of risk | (136) | (289) | (53.0)% | (66) | (276) | (76.0)% | (30) | (26) | 17.5% | | | | (7) | 0 | ns | (44) | (60) | (26.5)% | (283) | (651) | (56.4)% |
| **Income before tax** | **559** | **187** | **x3.0** | **625** | **398** | **56.9%** | **116** | **95** | **22.3%** | **128** | **111** | **15.5%** | **10** | **(9)** | **ns** | **28** | **7** | **x4.0** | **1,466** | **789** | **85.8%** |
| Income tax | (140) | (66) | x2.1 | (176) | (137) | 28.3% | (32) | (28) | 13.5% | (35) | (34) | 5.2% | (3) | 3 | ns | (6) | 1 | ns | (392) | (262) | 49.7% |
| Non-controlling interests | (1) | 0 | ns | (5) | 2 | ns | | | | (19) | (23) | (16.9)% | (1) | 2 | ns | (5) | (9) | (46.8)% | (31) | (28) | 9.3% |
| **Net income - Group share** | **418** | **120** | **x3.5** | **445** | **263** | **69.0%** | **84** | **67** | **26.0%** | **74** | **55** | **35.2%** | **6** | **(4)** | **ns** | **17** | **(2)** | **ns** | **1,043** | **499** | **x2.1** |

## Half-year income statement

| | BANQUE POPULAIRE NETWORK | | | CAISSE D'EPARGNE NETWORK | | | FINANCIAL SOLUTIONS & EXPERTISE | | | INSURANCE | | | PAYMENTS | | | OTHER NETWORKS | | | RETAIL BANKING & INSURANCE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of euros | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % | H1-21 | H1-20pf | % |
| Net banking income | 3,407 | 3,055 | 11.5% | 3,620 | 3,446 | 5.1% | 597 | 550 | 8.5% | 492 | 451 | 9.2% | 235 | (198) | 18.5% | 368 | 387 | (4.8)% | 8,718 | 8,086 | 7.8% |
| Operating expenses | (2,134) | (2,108) | 1.3% | (2,293) | (2,262) | 1.4% | (313) | (300) | 4.5% | (263) | (250) | 5.1% | (204) | (188) | 9.0% | (239) | (264) | (9.4)% | (5,447) | (5, 371) | 1.4% |
| **Gross operating income** | **1,272** | **947** | **34.3%** | **1,327** | **1,184** | **12.1%** | **284** | **250** | **13.5%** | **230** | **201** | **14.3%** | **30** | **10** | **x3.0** | **129** | **122** | **5.0%** | **3,271** | **2,715** | **20.5%** |
| Cost of risk | (301) | (406) | (25.8)% | (219) | (397) | (44.8)% | (61) | (50) | 21.2% | | | | (7) | 2 | ns | (82) | (102) | (19.3)% | (670) | (953) | (29.7)% |
| **Income before tax** | **998** | **558** | **78.8%** | **1,109** | **786** | **41.1%** | **223** | **200** | **11.5%** | **233** | **188** | **23.5%** | **23** | **12** | **88.4%** | **47** | **21** | **x2.2** | **2,633** | **1,766** | **49.1%** |
| Income tax | (268) | (181) | 47.8% | (321) | (260) | 23.2% | (62) | (60) | 2.8% | (64) | (60) | 6.3% | (6) | (4) | 73.0% | (10) | (2) | x5.0 | (731) | (568) | 28.8% |
| Non-controlling interests | (3) | (1) | 97.8% | (6) | 1 | ns | | | | (41) | (38) | 9.4% | (4) | (2) | 78.2% | (9) | (13) | (28)% | (63) | (53) | 19.7% |
| **Net income - Group share** | **728** | **376** | **93.8%** | **783** | **527** | **48.5%** | **161** | **140** | **15.3%** | **128** | **91** | **40.7%** | **13** | **6** | **x2.2** | **27** | **6** | **x4.5** | **1,839** | **1,145** | **60.6%** |

# Quarterly series

## Retail Banking & Insurance

| RETAIL BANKING & INSURANCE | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20 pf | Q2-20 pf | Q3-20 pf | Q4-20 pf | Q1-21 | Q2-21 |
| Net banking income | 4,076 | 4,010 | 4,098 | 4,276 | 4,298 | 4,420 |
| Operating expenses | (2,794) | (2,577) | (2,620) | (2,816) | (2,760) | (2,687) |
| **Gross operating income** | **1,281** | **1,433** | **1,478** | **1,460** | **1,538** | **1,733** |
| Cost of risk | (302) | (651) | (343) | (746) | (387) | (283) |
| **Income before tax** | **977** | **789** | **1,156** | **702** | **1,167** | **1,466** |
| **Net income – Group share** | **646** | **499** | **780** | **407** | **796** | **1,043** |

## Banque Populaire and Caisse d'Épargne networks

| BANQUE POPULAIRE NETWORK | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 1,572 | 1,483 | 1,588 | 1,672 | 1,669 | 1,738 |
| Operating expenses | (1,092) | (1,016) | (1,053) | (1,082) | (1,078) | (1,056) |
| **Gross operating income** | **480** | **468** | **535** | **590** | **591** | **682** |
| Cost of risk | (117) | (289) | (114) | (309) | (165) | (136) |
| **Income before tax** | **372** | **187** | **434** | **280** | **440** | **559** |
| **Net income – Group share** | **255** | **120** | **313** | **182** | **310** | **418** |

| CAISSE D'EPARGNE NETWORK | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 1,684 | 1,761 | 1,705 | 1,767 | 1,795 | 1,825 |
| Operating expenses | (1,175) | (1,086) | (1,077) | (1,209) | (1,158) | (1,136) |
| **Gross operating income** | **509** | **675** | **627** | **558** | **638** | **689** |
| Cost of risk | (121) | (276) | (162) | (354) | (153) | (66) |
| **Income before tax** | **388** | **398** | **476** | **202** | **485** | **625** |
| **Net income – Group share** | **264** | **263** | **326** | **98** | **338** | **445** |

## Financial Solutions & Expertise

| FINANCIAL SOLUTIONS & EXPERTISE | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 288 | 262 | 284 | 300 | 295 | 302 |
| Operating expenses | (159) | (141) | (150) | (154) | (157) | (156) |
| **Gross operating income** | **130** | **120** | **134** | **146** | **138** | **146** |
| Cost of risk | (24) | (26) | (35) | (32) | (31) | (30) |
| **Income before tax** | **105** | **95** | **99** | **114** | **107** | **116** |
| **Net income – Group share** | **73** | **67** | **69** | **81** | **77** | **84** |

## Insurance

| INSURANCE | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 222 | 229 | 221 | 233 | 240 | 252 |
| Operating expenses | (134) | (116) | (117) | (123) | (138) | (124) |
| **Gross operating income** | **88** | **113** | **104** | **110** | **102** | **128** |
| **Income before tax** | **77** | **111** | **103** | **106** | **104** | **128** |
| **Net income – Group share** | **36** | **55** | **51** | **52** | **54** | **74** |

## Payments

| PAYMENTS | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 113 | 85 | 117 | 115 | 117 | 118 |
| Operating expenses | (93) | (94) | (97) | (102) | (103) | (101) |
| **Gross operating income** | **19** | **(9)** | **20** | **13** | **14** | **16** |
| **Income before tax** | **21** | **(9)** | **20** | **14** | **14** | **10** |
| **Net income – Group share** | **10** | **(4)** | **10** | **7** | **7** | **6** |

## Other networks

| OTHER NETWORKS | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 197 | 189 | 184 | 189 | 181 | 187 |
| Operating expenses | (141) | (123) | (127) | (146) | (125) | (114) |
| **Gross operating income** | **56** | **67** | **57** | **44** | **56** | **72** |
| Cost of risk | (42) | (60) | (32) | (52) | (38) | (44) |
| **Income before tax** | **14** | **7** | **24** | **(14)** | **18** | **28** |
| **Net income – Group share** | **8** | **(2)** | **11** | **(11)** | **10** | **17** |

## Global Financial Services: restated quarterly income statement per business line

| | ASSET AND WEALTH MANAGEMENT | | CORPORATE & INVESTMENT BANKING | | GLOBAL FINANCIAL SERVICES | | |
|---|---|---|---|---|---|---|---|
| In millions of euros | Q2-21 | Q2-20pf | Q2-21 | Q2-20pf | Q2-21 | Q2-20pf | % |
| Net banking income | 851 | 705 | 915 | 511 | 1,766 | 1,215 | 45.3% |
| Operating expenses | (625) | (539) | (583) | (478) | (1,208) | (1,017) | 18.9% |
| **Gross operating income** | **226** | **166** | **332** | **33** | **558** | **199** | **x2.8** |
| Cost of risk | 0 | (11) | (28) | (275) | (27) | (286) | (90.5)% |
| **Income before tax** | **226** | **157** | **307** | **(240)** | **534** | **(82)** | **ns** |
| **Net income – Group share** | **120** | **73** | **179** | **(124)** | **300** | **(51)** | **ns** |

| | ASSET AND WEALTH MANAGEMENT | | CORPORATE & INVESTMENT BANKING | | GLOBAL FINANCIAL SERVICES | | |
|---|---|---|---|---|---|---|---|
| In millions of euros | H1-21 | H1-20pf | H1-21 | H1-20pf | H1-21 | H1-20pf | % |
| Net banking income | 1,625 | 1,479 | 1,840 | 1,191 | 3,465 | 2,699 | 29.8% |
| Operating expenses | (1,226) | (1,120) | (1,166) | (1,036) | (2,392) | (2,156) | 10.9% |
| **Gross operating income** | **399** | **359** | **674** | **154** | **1,073** | **513** | **x2.1** |
| Cost of risk | (2) | (10) | (109) | (469) | (110) | (479) | (77.0)% |
| **Income before tax** | **390** | **351** | **571** | **(310)** | **961** | **41** | **ns** |
| **Net income – Group share** | **197** | **147** | **319** | **(162)** | **515** | **(16)** | **ns** |

# Quarterly series

## Global Financial Services

| GLOBAL FINANCIAL SERVICES | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 1,454 | 1,215 | 1,439 | 1,888 | 1,698 | 1,766 |
| Operating expenses | (1,140) | (1,017) | (1,088) | (1,254) | (1,184) | (1,208) |
| **Gross operating income** | **314** | **199** | **351** | **635** | **515** | **558** |
| Cost of risk | (193) | (286) | (209) | (158) | (83) | (27) |
| **Income before tax** | **124** | **(82)** | **124** | **454** | **428** | **534** |
| **Net income – Group share** | **36** | **(51)** | **49** | **219** | **215** | **300** |

## Asset & Wealth Management

| ASSET & WEALTH MANAGEMENT | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 774 | 705 | 745 | 1,003 | 773 | 851 |
| Operating expenses | (581) | (539) | (577) | (698) | (601) | (625) |
| **Gross operating income** | **193** | **166** | **168** | **305** | **173** | **226** |
| Cost of risk | 1 | (11) | (10) | (7) | (2) | 0 |
| **Income before tax** | **194** | **157** | **138** | **273** | **164** | **226** |
| **Net income – Group share** | **74** | **73** | **57** | **126** | **76** | **120** |

## Corporate & Investment Banking

| CORPORATE & INVESTMENT BANKING | | | | | | |
|---|---|---|---|---|---|---|
| En millions d'euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 680 | 511 | 695 | 885 | 925 | 915 |
| Operating expenses | (559) | (478) | (512) | (556) | (583) | (583) |
| **Gross operating income** | **121** | **33** | **183** | **330** | **342** | **332** |
| Cost of risk | (194) | (275) | (199) | (152) | (81) | (28) |
| **Income before tax** | **(70)** | **(240)** | **(13)** | **181** | **264** | 307 |
| **Net income – Group share** | **(38)** | **(124)** | **(8)** | **93** | **139** | **179** |

## Corporate center:

| CORPORATE CENTER | | | | | | |
|---|---|---|---|---|---|---|
| In millions of euros | Q1-20pf | Q2-20pf | Q3-20pf | Q4-20pf | Q1-21 | Q2-21 |
| Net banking income | 13 | (42) | (26) | 139 | 121 | 151 |
| Operating expenses | (612) | (244) | (197) | (286) | (711) | (255) |
| **Gross operating income** | **(598)** | **(286)** | **(223)** | **(148)** | **(590)** | **(104)** |
| Cost of risk | (8) | (44) | (38) | (20) | (20) | (21) |
| Share in income of associates | 51 | 43 | 48 | 71 | 51 | 64 |
| Net gains or losses on other assets | 3 | (137) | 16 | 9 | 4 | (13) |
| **Income before tax – excl. Coface net contribution** | **(553)** | **(425)** | **(197)** | **(88)** | **(555)** | **(35)** |
| **Coface – Net contribution** | **(83)** | **(19)** | **(29)** | **(5)** | **5** | |
| **Net income – Group share** | **(501)** | **(317)** | **(154)** | **(3)** | **(463)** | **(36)** |

GROUPE BPCE

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The financial information presented in this document relating to the fiscal period ended June 30, 2021 has been drawn up in compliance with IFRS standards, as adopted in the European Union. This financial information is not the equivalent of summary financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".

Preparation of the financial information 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 this financial information and the information available at the balance sheet date. Actual future results may differ from these estimates.

The limited review procedures relating to the condensed consolidated financial statements for the interim period ended June 30, 2021 have been substantially completed. The reports of the statutory auditors regarding the limited review of these condensed consolidated financial statements will be published following the finalization of their verification.

**About Groupe BPCE**

*Groupe BPCE, with its business model as a universal cooperative bank represented by 9 million cooperative shareholders, is currently the 2nd-largest banking group in France. With its 100,000 employees, it serves a total of 36 million customers – individuals, professionals, corporates, investors, and local government bodies – around the world. It operates in the retail banking and insurance sectors in France via its two major Banque Populaire and Caisse d'Epargne banking networks, along with Banque Palatine. With Natixis, it also runs global business lines specializing in Asset & Wealth management, Corporate & Investment Banking, Insurance and Payments. Through this structure, it is able to offer its customers a comprehensive, diversified range of products and services: solutions in savings, investment, cash management, financing, and insurance. The Group's financial strength is recognized by four financial rating agencies: The Group's financial strength is recognized by four financial rating agencies: Moody's (A1, outlook stable), Standard & Poor's (A, outlook stable), Fitch (A+, outlook negative) and R&I (A+, outlook stable).*

**Groupe BPCE press contact**
Christophe Gilbert: 33-1 40 39 66 00
Email: christophe.gilbert@bpce.fr

**Groupe BPCE analyst relations**
Roland Charbonnel: 33-1 58 40 69 30
François Courtois: 33-1 58 40 46 69
Email: bpce-ir@bpce.fr

**groupebpce.com**