

**BRED DISPLAYS RESILIENCE WITH HIGHER NBI DESPITE A YEAR  
MARKED BY THE HEALTH CRISIS**

**NET BANKING INCOME INCREASES + 2.8 %  
(excluding non-recurring items)**

**GROWTH IN NBI IN COMMERCIAL BANKING FRANCE (+ 3.6 %)  
AND THE INTERNATIONAL DIVISION (+ 3.5 %)**

**OUTSTANDING LOANS TO THE FRENCH ECONOMY (+ 14.4 %)**

**EXCELLENT COST/INCOME RATIO OF 60.1 %**

**GROSS OPERATING PROFIT UP +2.8 %**

**STABLE COST ON IMPAIRED OUTSTANDINGS**

**OVERALL COST OF RISK DOUBLED IN ANTICIPATION OF THE ECONOMIC  
IMPACT OF THE CRISIS**

**NET INCOME OF €270M**

**CET1 CAPITAL ADEQUACY RATIO REINFORCED  
TO 17.3 %**

**SHAREHOLDERS' EQUITY OF €5.0BN**

## Growth in NBI in a deteriorated economic environment due to the health crisis

Adjusted for non-recurring items, BRED's consolidated net banking income increased by 2.8%, totalling €1.265bn.

Accounting NBI was also recorded up 2.5% at 1.283bn.

These figures reflect the good resilience of BRED, thanks to the choice of its *Banking without distance* model, focusing both on digital and on value added advisory services.

In the economic context marked by the health crisis, **Commercial Banking France** posted **good NBI growth of 3.6 %**. Customer loan outstandings showed strong momentum (+ 14.4 % for Commercial Banking France). To support and economy and its customers, the BRED network mobilised its efforts to enable eligible customers to access the French State-guaranteed loan (PGE) scheme, with close to 12,600 loans granted and €2bn disbursed in 2020. 1,200 moratoriums were also granted across the different customer segments.

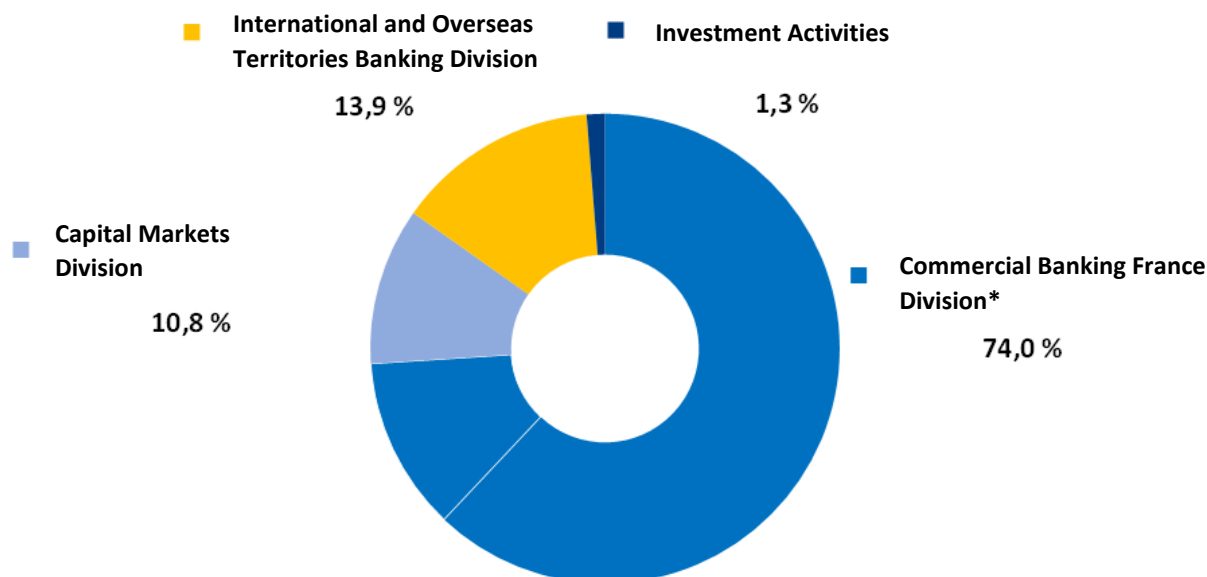
**The International and Overseas Territories Banking division** posted a **3.5 % increase in NBI at constant currencies**. It benefited from strong growth in its activity in Cambodia and excellent performances in international trade financing in Geneva.

**The Capital Markets activities**, in which risk exposure had been reduced as of autumn 2019, **achieved very good results, with NBI up + 22.1 %**, despite the turbulent markets.

The Consolidated Investment Management division recorded NBI of €17.1m in 2020, which is lower than in 2019 due to the smaller contribution of the investment portfolios.

### Breakdown of NBI by division

(excluding non-recurring items<sup>1</sup>)



\* Including ALM

<sup>1</sup> The NBI of the banking subsidiaries and controlling interests abroad is stated here in accordance with the percentage of the holding, independently of the accounting treatment.

**Operating expenses** rose by 2.3 % on a reported basis (2.7.% excluding non-recurring items), reflecting the proactive investment decisions in technology, the modernisation of the network and international development.

**Gross operating income thus increased by 2.8 %.**

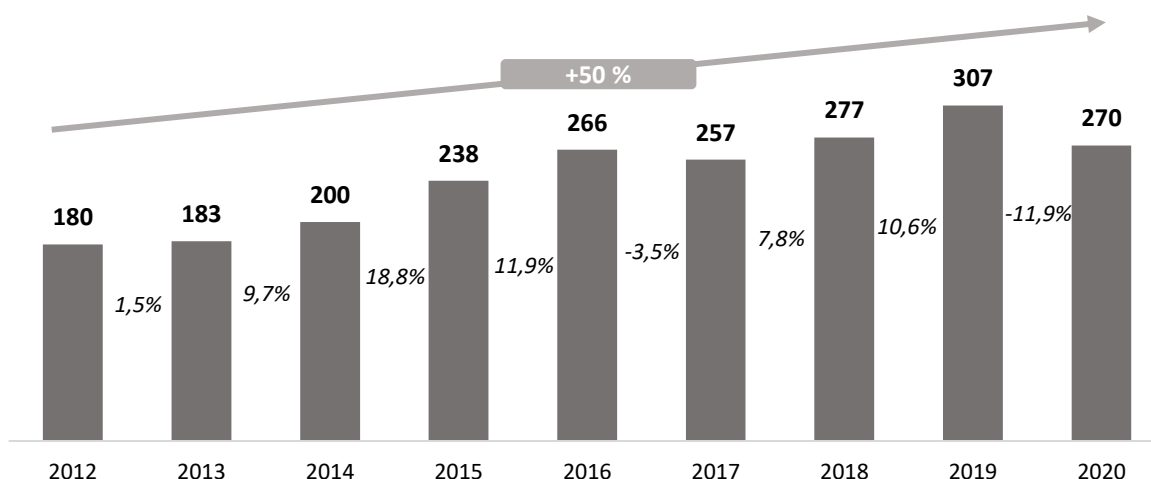
**There was a further slight improvement in the cost-to-income ratio over the year.** It decreased steadily between 2012 and 2020, from 67.2 % to 60.1 %.

**The cost of risk doubled to €162m.** The cost of risk on impaired loans decreased by 1.6%. The rise in the cost of risk therefore stems solely from the provisioning for performing loans to anticipate upcoming restructuring or payment defaults in certain sectors as a result of the sharp recession in 2020.

In this context, **consolidated net income was very resilient, down 11.9% at €270.1m.**

## Growth in consolidated net accounting income

(in millions of euros)



## Very solid solvency and liquidity ratios

Shareholder's equity stood at €5.0bn, up 1.9 %. The **CET1** capital adequacy ratio stands at a good level of **17.33 %** and the overall ratio at **17.57 %**.

The **LCR** liquidity ratio was **160 %** at 31 December 2020, for a regulatory minimum requirement of 100%.

## BRED consolidated income statement

Figures in €m

	2019	2020	Change
NET BANKING INCOME	1,252.0	1,283.1	+2.5 %
TOTAL EXPENSES	-753.4	-770.5	+2.3 %
GROSS OPERATING PROFIT	498.6	512.6	+2.8 %
Operating ratio	60.2%	60.1%	-0.1 pt
COST OF RISK	-79.9	-161.6	x2
OPERATING PROFIT	418.6	351.0	-16.2 %
Share of companies accounted for under the equity method	25.3	18.9	-25.2 %
Gains or losses on other assets and change in value of goodwill	3.8	5.2	+37.9 %
PRE-TAX PROFIT ON ORDINARY ACTIVITIES	447.7	375.1	-16.2 %
Income tax	-139.7	-104.8	-25.0%
NET INCOME	307.9	270.3	-12.2 %
Minority interests	-1.2	-0.1	-87.3 %
NET INCOME GROUP SHARE	306.8	270.1	-11.9 %

### About BRED

BRED is a cooperative people's bank, supported by its 200,000 members, €5.0bn in equity and 6,000 employees, 25 % of whom work outside mainland France and the French Overseas Departments. It operates in the Greater Paris region, Normandy and in the French Overseas Departments, as well as in South East Asia, the South Pacific, the Horn of Africa and Switzerland via its commercial banking subsidiaries.

As a community bank with strong ties in local areas, it has a network of 400 business sites in France. It maintains a long-term relationship with more than one million customers.

As part of the BPCE Group, BRED Banque Populaire operates in various activity sectors: retail banking, corporate banking for large - cap companies and institutional investors, wealth management, international banking, asset management, trading, insurance, and international trade financing.

In 2020, BRED reported consolidated NBI of €1.28bn, up + 2.5 %, and net income of €270m.

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