



PRESS RELEASE

Paris, 3 September 2021

BRED GROUP SHOWS POSITIVE GROWTH IN ALL ITS ACTIVITIES

BRED Group continues growth in France and internationally. Its financial solidity and the relevance of its “banking without distance” model ensure that it fully supports the economic recovery.

Commercial banking France and the capital markets division continue their strong momentum

In the first half of the year, commercial banking France once again confirmed its very strong momentum, with revenues up 7% compared with the first half of 2020, after a cumulative increase of 45% over the past eight years. This growth was driven by changes in savings deposits and loan outstandings, the increase in market share and better customer equipment, which strongly offset the effects of lower margins. Outstanding customer loans increased by 16.7% and deposits by 8.1% compared with the first half of 2020.

These results were made possible by the intensification of the overall close relationship in each of the customer segments in France.

Branches fully dedicated to advisory

This trend in the network is the result of ongoing investments in branches and digital tools, as well as the training of its advisors, which are wholly dedicated to customer advisory services.

In 2020, BRED Group rolled out a branch model fully dedicated to advisory. This new organisation allows our advisors to spend more time on their customers’ projects. Customers choose their methods of interaction: telephone, video or face-to-face at the branch.

This new organisation has led to a sharp increase in meetings and new relationships, while the attrition rate has declined significantly. In addition, the average coverage rate has passed the threshold of 10 products per customer, with significant growth in property and casualty and personal protection insurance. The unit-linked rate in life insurance inflows increased to reach 58%.

A leading business partner

BRED is a major partner for companies of all sizes, SMEs, ISEs, large corporations and institutional investors. BRED has strongly supported its corporate clients during the pandemic, both in credit and in advisory services (€2.3 billion in government-backed loans since April 2020).

It provides tailored solutions in flow management, international development and structured financing.

It is also supported by its trading floor, which posted an excellent performance in the first half, and which is a key player in the European money market. It further strengthened its leading position with more than €100 billion in outstanding negotiable debt securities placed with international investors.

BRED is also a recognised player in the private debt segment, also through financing incorporating non-financial criteria (ESG), with more than €1 billion arranged to date on behalf of SMEs and ISEs.

BRED is one of the five French banks and 39 European banks to have been selected by the European Commission as Primary Dealers for the placement of its debt issues under the NextGenerationEU plan. It also places the short-term debt (less than one year) of Austria, Ireland, Belgium, the Netherlands and Estonia.

BRED consolidates its international growth

BRED has strengthened its international presence and posted revenue growth of around 18% at constant exchange rates. It benefited from strong growth in Cambodia and the Fiji Islands, as well as an excellent performance in international trade financing in Geneva.

BRED Group carried out two capital increases to speed its development in Asia-Pacific. A first of USD 35 million for its subsidiary BRED Bank Cambodia, the leading European commercial bank in Cambodia, a second of USD 36.5 million for its subsidiary BRED Bank Fiji, which significantly increased its market share in the first half of the year.

BIC BRED Suisse, its subsidiary specialising in international trade financing, posted a very good performance, mainly due to the 19% increase in its client portfolio in one year and the rise in commodity prices.

Very good half-year results

**NET BANKING INCOME INCREASES
FROM 25% TO €764.7m**

**COMMERCIAL BANKING FRANCE NBI
UP 7%**

**INTERNATIONAL BANKING NBI
UP 18%
(at constant exchange rates)**

**COST/INCOME RATIO
OF 53.1%**

NET INCOME OF €237m

EQUITY OF €5.2bn

BRED Group posted a sharp increase in consolidated net banking income (NBI): +25% to €764.7m. Excluding exceptional items, NBI increased by 28.1% to €761.5m.

Operating expenses increased by 6.7%, reflecting ongoing investments in IT systems and the digitisation of processes, the modernisation of the branch network, as well as in international development. Restated for the increase in variable remuneration resulting from improved results, operating expenses increased by 2%.

This led to a 55.2% increase in gross operating income (65.5% excluding exceptional items).

BRED thus has a cost/income ratio of 53.1%.

The cost of risk amounted to €54m, down 27%. There was no reversal of provisions on performing loans and receivables (phases 1 and 2) in the first half of the year.

The Group share of net profit for the first half was €237.1m. Excluding exceptional items, it came in at €235.1m.

Shareholders' equity amounted to €5.2 billion at 30 June 2021, with an excellent overall solvency ratio of 17%.

About BRED Group

BRED is a cooperative Banque Populaire, supported by its 200,000 members, 5.2 billion euros in equity, and 6,000 employees - including 30% outside France and in the French Overseas Collectivities. It operates in the Greater Paris region, Normandy and in the French Overseas Departments, as well as in Southeast 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 475 business sites in France. It maintains a long-term relationship with 1.3 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.

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