



PRESS RELEASE

Paris, 16 February 2016

Record results for BRED

+ For the first time in its history BRED has passed 1 billion euros in NBI, an increase of 8.7%

+ Net result €238m, a strong increase of 19%

On the conclusion of a particularly strong year in 2015, NBI at BRED Banque Populaire passed the symbolic threshold of 1 billion euros for the first time. This growth was also achieved profitably as the net result stands at 238 million euros, an increase of 19%. The details of the strategy that enabled BRED to achieve these results are set out below.

The commercial bank in France continues to grow with an increase of 4.6% (+€35.7m) in its NBI (excluding exceptional items) in spite of the highly competitive environment and unfavourable rates, thanks to the commercial bank's strategy of adapting to new behavioural trends among clients and to business developments, both by strengthening relationships with existing clients and by gaining new clients. The branch network posted an increase in NBI of 4.5% (+€26.1m), a remarkable performance. Wholesale Banking also enjoyed strong growth in NBI: +4.6% (+€4.2m). The commercial bank in France as a whole therefore contributed to 50% of total growth in NBI.

NBI in **commercial banking abroad and in French overseas territories** grew by 21.4% (+€9.1m), driven notably by the development banking subsidiaries and favourable currency effects.

The development of the client business enabled the **capital markets division** to produce a rise in NBI of 10.5% (+€8.1m).

NBI generated by consolidated investment management saw a rise of €17.6m.

Operating costs: €637.9m, +3.8%

Personnel expenses increased by €7.7m (+2.4%), of which €1.5m is associated with the effect of currency variations on the international subsidiaries. Employee profit-sharing schemes also benefit from the bank's performance, showing an increase of €5.3m (+13.9%).

Other operating costs increased slightly by 2.4%, notably effected by the new contribution of €4.7m paid to the European Single Resolution Mechanism.

Depreciation was impacted by the handover of the new administrative headquarters in Joinville in January 2015, increasing by €5.1m.

Operating ratio improves by some 3 points to 60.3%, one of the best levels in the industry

The highly favourable differential between the rapid increase in NBI (+8.7%) and the increase in operating costs (+3.8%) enabled BRED Banque Populaire to improve its operating ratio by around 3 points, reaching a highly satisfactory level (60.3%).

The cost of risk falls by -2.8%, standing at €83.6m

Net result rises sharply by €38m (+18.8%), giving BRED a high level of profitability

The consolidated net result of BRED Banque Populaire has reached €238.1m, up by 18.8%. Excluding exceptional items, the increase stands at 19.2% (€224.8m).

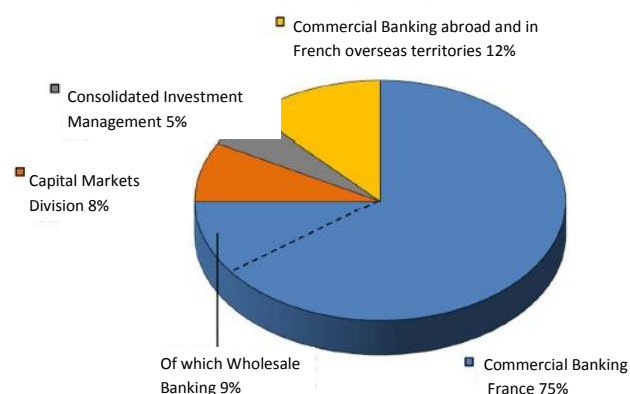
Comfortable solvency and liquidity ratios

With prudential equity of €2.7bn (+11.5%), BRED's CET1 ratio stands at 14.27%. The LCR liquidity ratio stands at 115%.

A bank adapting to the new norm

"These excellent results are the fruits of the positive development of all BRED's business activities", states Olivier Klein, CEO of BRED Banque Populaire. "For the commercial bank in France specifically, the strategy is based on three complementary pillars. The first consists of making the bank more accessible and more practical for our clients. The second is to offer them greater added value in the preparation and support we provide for their personal or corporate projects, over time. The third is based on enhancing the expertise of our advisors, the very crux of our client relationships. By combining the best of traditional and online banking and by exploiting the possibilities presented by the digital revolution, we are working hard to create the bank of tomorrow."

Breakdown of NBI by business centre



NBI at subsidiaries and through bank shareholdings abroad is handled according to the percentage of control independently of the method of accounting treatment

Consolidated P&L of BRED Banque Populaire

Millions of euros	31/12/2013	31/12/2014	31/12/2015	2015/2014
NET BANKING INCOME	954.8	972.3	1057.2	8.7%
Personnel costs excluding profit-sharing	-321.6	-320.5	-328.2	2.4%
Profit-sharing	-35.5	-38.1	-43.4	13.9%
External services	-194.7	-192.0	-193.5	0.7%
Tax	-26.7	-29.8	-33.7	13.1%
Depreciation of assets excl. buildings	-35.5	-34.1	-39.2	14.7%
TOTAL COSTS	-614.1	-614.6	-637.9	3.8%
NET OPERATING INCOME	340.8	357.7	419.3	17.2%
Cost of risk	-81.3	-86.0	-83.6	-2.8%
OPERATING INCOME	259.5	271.7	335.6	23.5%
Share of income from companies using the equity method	21.4	22.7	26.8	17.8%
Gains or losses on other assets	1.1	0.0	0.3	NA
Impairment losses on goodwill			-11.0	NA
PRE-TAX INCOME	282.0	294.4	351.7	19.4%
Income tax	-97.8	92.6	-114.4	23.5%
NET RESULT	184.2	201.8	237.3	17.6%
Minority holdings	-1.6	-1.4	0.7	NA
NET RESULT (GROUP SHARE)	182.6	200.4	238.1	18.8%
Operating ratio	64.3%	63.2%	60.3%	-2.9 pt

Consolidated P&L excluding exceptional items of BRED Banque Populaire

Millions of euros	31/12/2013	31/12/2014	31/12/2015	2015/2014
NET BANKING INCOME	895.1	951.3	1,014.6	6.7%
Personnel costs excluding profit-sharing	-319.6	-319.9	-327.1	2.3%
Profit-sharing	-33.3	-36.8	-41.9	14.0%
External services	-183.5	-192.0	-197.5	2.8%
Tax	-26.7	-29.8	-29.0	-2.7%
Depreciation of assets excl. buildings	-35.5	-34.1	-39.2	14.7%
TOTAL COSTS	-598.6	-612.7	-634.7	3.6%
NET OPERATING INCOME	296.5	338.6	380.0	12.2%
Cost of risk	-77.8	-86.0	-83.6	-2.8%
OPERATING INCOME	218.7	252.6	296.3	17.3%
Share of income from companies using the equity method	22.5	22.7	26.8	17.8%
Gains or losses on other assets	1.1	0.0	0.3	NA
Impairment losses on goodwill		0.0	0.0	NA
PRE-TAX INCOME	242.3	275.4	323.3	17.4%
Income tax	-75.8	-85.4	-99.3	16.3%
NET RESULT	166.5	190.0	224.1	17.9%
Minority holdings	-1.6	-1.4	0.7	NA
NET RESULT (GROUP SHARE)	164.9	188.5	224.8	19.2%
Operating ratio	66.9%	64.4%	62.6%	-1.9 pt

The figures represent consolidated financial data of the BRED Group calculated using IFRS standards as adopted by the European Union. The figures have not been audited.

About BRED Banque Populaire

The commercial bank, and the largest of the BPCE Group, BRED is a *banque populaire coopérative* with 150,000 members and 2.9 billion euros of equity (2014).

The BRED Group has 5,000 employees of which 20% are based abroad and in French overseas territories. It consists of a retail bank, a corporate bank, a private bank, an asset management company, a trading room, an insurance company and banking subsidiaries in Southeast Asia, the Pacific, the Horn of Africa and Switzerland.

Its core business is commercial banking in France (in the regions of Ile-de-France, l'Aisne, Normandy and in the overseas departments of La Réunion, Mayotte, Martinique, Guadeloupe and French Guyana), and in other territories abroad where it is pursuing targeted growth on the Horn of Africa (Djibouti), in Oceania (New Caledonia, Vanuatu, Fiji) and in Asia (Laos, Cambodia).

A high street bank committed to the regions in which it operates, in France it is developing a network currently standing at 342 high street banks (of which 83 are abroad) and 38 specialist centres (of which 17 are abroad). In its regions, BRED maintains long-term relationships with nearly one million clients: retail customers, craftsman, shopkeepers, independent professionals, asset management clients, SMEs, midcaps, large corporates and institutions. In addition to credit, investment and everyday banking products, it offers all its clients the products and services of its trading room, its insurance company and other specialist subsidiaries of the BPCE Group.

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