



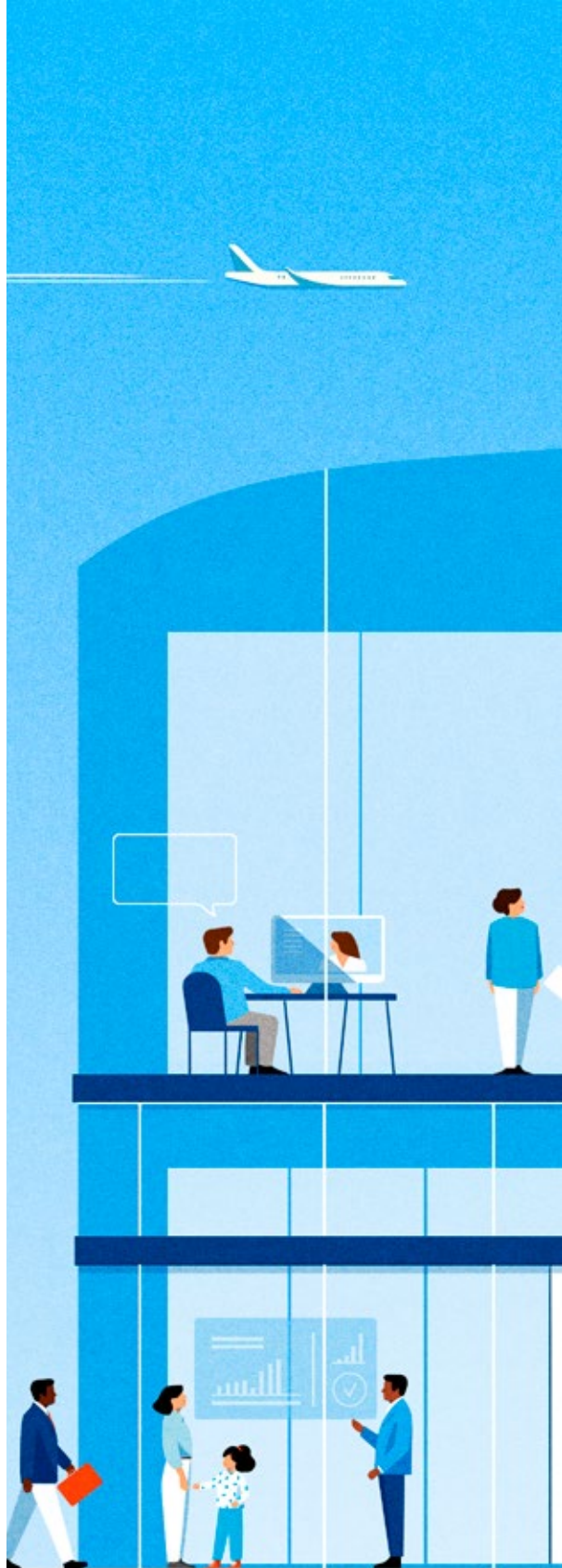
# THE JOURNEY OF BANKING WITHOUT DISTANCE

ACTIVITY REPORT 2020

BRED   
BANQUE POPULAIRE



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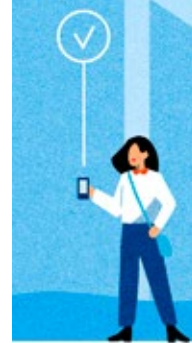
## BRED: BANKING WITHOUT DISTANCE

BRED is a member of the Banque Populaire group of cooperative banks. It has 200,000 cooperative members, €5 billion of equity capital and 6,000 employees, 30% of whom are located outside France or in French overseas collectivities. It operates in Greater Paris, in Normandy, and in the French overseas *départements*, as well as through its commercial banking subsidiaries in Southeast Asia, the South Pacific, the Horn of Africa and Switzerland.

A local bank committed to its communities, its network consists of 475 agencies, including 75 outside France. It maintains long-term relationships with over 1.3 million clients.

BRED Banque Populaire, a member of the BPCE Group, is engaged in a range of diversified businesses – retail banking, corporate and institutional banking, private banking, asset management, securities trading, an insurance company and international trade.

In 2020, BRED recorded consolidated NBI of €1,283 million. It posted net profit of €307 million.



“  
**BANKING  
IS A PROFESSION.  
FOR BRED,  
IT IS ALSO  
A RESPONSIBILITY.**  
”

2020 has been a uniquely paradoxical year for our Banque Populaire. On the one hand, a public health crisis has resulted in an economic and social crisis, but on the other hand, we can all be proud of our efforts, our strategy and our results!

BRED's strength lies in its ability to cope with all situations.

More present and active than ever in its territories, with a greater commitment overseas and a relentless determination to have an international profile, it has not closed any branches, unlike other banking organisations, and, far from cutting back on staff, it has, on the contrary, continued to recruit personnel.

In such a challenging time for public health, its strength has also been to combine the protection of its employees with the service it offers its customers.

Sustained efforts in the area of digitalisation have made it possible to meet the challenge of remote working.

A century ago, at the end of an exhausting war for the nation, the founders of our bank demonstrated exceptional foresight, using their entrepreneurial vision to intelligently put themselves at the service of a mutualised economy of recovery and sharing.

I do not think it is an exaggeration to say that we are paying them a fine tribute by continuing their work with the same foresight.

Innovative legislation has brought about new requirements for companies. BRED's cooperative auditor, who carries out a fully independent audit within our bank on an annual basis,

emphasised that the requirements of the new law, their implementation and the evolution of our statutes and internal rules are all perfectly consistent.

One of BRED's greatest assets is its speed of reaction.

And this has enabled us to provide rapid support for our most vulnerable customers, to whom we have paid particular attention. It remains one of our priorities to facilitate access to banking services.

Our concerns were once again focused on training, gender diversity in career opportunities, participatory management and active listening in order to improve working conditions. We have continued our policy of taking account of energy and ecological transition criteria.

As part of the unprecedented €300 billion government plan to support businesses, many government-guaranteed loans have been contracted and our teams have taken into account each borrower's situation and tailored their repayment plans. The density of the responses and the effectiveness of the solutions we provided during 2020 make us optimistic and give us hope. A hope that we would like to see shared by all our employees, by our 200,000 cooperative customers, who represent the richness of France's socio-cultural fabric, and by all our partners.

More than ever, BRED, a bank founded on proximity and solidarity, is far, very far from the markers of the ultra-liberal economy. What makes it proud and useful are its values and the cooperative model to which it is attached. Banking is a profession.

For BRED, it is also a responsibility.

# ISABELLE GRATIANT

Chair of the Board of Directors

“A PARADOXICAL YEAR”

### How did BRED react to the triple public health, economic and financial crisis?

**Olivier Klein:** BRED's results in this pandemic crisis testify to its resilience and the relevance of the course it has taken, as well as to its ability to meet the challenges that commercial banks have been facing for several years.

BRED's net banking income (NBI) stood at €1,283 million, a rise of 2.5% (up 2.8% excluding non-recurring items) in all its activities, both in France and in other countries. Growth of 3.6% in income from Commercial banking in France, which accounts for two-thirds of BRED's growth in NBI, was made possible by stepping up our strategy of distance-free banking and the transformations carried out over the past few years to provide our customers with even more added value.

The pandemic has seen us focusing on providing the essential service of commercial banking, a service that each of our customers is entitled to expect and which is, above all, essential to the proper functioning of society and its economy, ensuring the servicing of payments not only for individuals and companies but also for institutions, extending credit deadlines for sectors in difficulty, and setting up new loans needed for companies, starting with micro-businesses and SMEs, to be able to continue to operate, and, in some cases, survive during this period

All our employees have played their part and all our branches have remained open. It was essential for us to be present for each of our customers and to ensure the closest possible relationship with each of

them, whether they are private individuals, retailers, craftsmen, self-employed professionals or small or large companies. We wanted to be at their side and support them during this period.

This human link is one of the fundamental strengths of our business. Our cooperative values and our commitment to the economy, to our regions and to the men and women who work daily to make them flourish, make more sense than ever.

In our foreign business, too, we have maintained growth in our NBI, which rose 3.5% at constant exchange rates, in the Horn of Africa, in Southeast Asia and in the South Pacific. These territories experienced the pandemic to a lesser degree than in Europe and managed to sustain their economies despite a drop in tourism, in certain cases, due to the closure of borders. Our businesses involving financing international trade also performed well.

We have continued to invest in making the customer experience smoother and improving our model of a global relation of proximity.

BRED's cost-to-income ratio was stable at 60.1%. It remains one of the best in the French banking sector.

Thanks to the intervention of the French government and the European Central Bank, the economy has been protected up until now, meaning that BRED has not had to increase its provisions for credit risk. However, provisions have been made to prepare for the financial difficulties that some economic sectors will face in the future. This led to a net profit of €270 million, down 11.9%, reflecting a very good performance considering the context.

## OLIVIER KLEIN

CEO

**“THE CRISIS HAS CONFIRMED OUR STRATEGY  
OF BANKING WITHOUT DISTANCE”**



“

THE HUMAN  
CONNECTION IS  
ONE OF THE  
FUNDAMENTAL ASSETS  
OF OUR BUSINESS.

”



## OUR CLIENTS NEED CLOSE RELATIONSHIPS MORE THAN EVER

These results and the solidity of BRED, with a solvency ratio of 17.3%, demonstrate the bank's ability to support economic recovery.

### People talk a lot about the “post-crisis world”. Does the crisis pose a challenge to the BRED model?

I am not sure that there will be a “post-crisis world”. The pandemic is greatly speeding up transformations that were already taking place. In the banking sector, the persistent context of low rates, combined with the risk of partial disintermediation, continues to have a negative impact on profitability. The downsizing already observed at several banks, with the loss of a growing number of branches and bank advisors, is intensifying. The shift in customer behaviour, with fewer and fewer customers visiting branches for everyday transactions, under the influence of the digital revolution, has been further accentuated by the pandemic.

At BRED, the crisis has confirmed our strategy of banking without distance. It has proved the wisdom of maintaining and strengthening local roots and a global relationship of proximity with each of our customers, in each of our territories. Although technology has profoundly changed the way we do business, our customers increasingly demand high value-added advice, whether in our branches or remotely.

This is why we have extended our “100% advisory” branches to our entire network. In concrete terms, our customers can count on their advisors being fully available and attentive to their needs. They will leave their meeting – whether physical or over the phone – with precise, in-depth answers to their needs, whatever the degree of expertise this requires. Our advisors receive constant training

to increase their expertise in the specific types of clients they cater for, so they can create greater added value and act more proactively.

We are also developing new and more comprehensive solutions to support each client in their life and business projects. In 2020, we were the first and only bank to offer our professional customers a platform of extra-banking services that is fully integrated into their account management area and meets the criteria of security, practicality and added value that our customers require. These services will be enhanced and developed for private customers.

This strategy is backed up by heavy investment in technological innovations. Everything possible is done to free them from repetitive tasks with no added value. This approach is applied throughout BRED's value chain; this enables us to make the most of our specialist skills and to strengthen synergies that constantly serve our customers.

Our size is a key advantage that sets us apart from our competitors, because it allows our customers to benefit from our financial strength and expertise, while at the same time ensuring close relationships and fostering the cross-fertilisation of all our know-how.

The pandemic is greatly speeding up transformations that were already taking place.

#BankingWithoutDistance

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At the end of the day, we are right where our clients expect us to be. We have stayed true to our core business: supporting our clients in their life and business projects, with a long-term vision.

### How do you see the crisis ending?

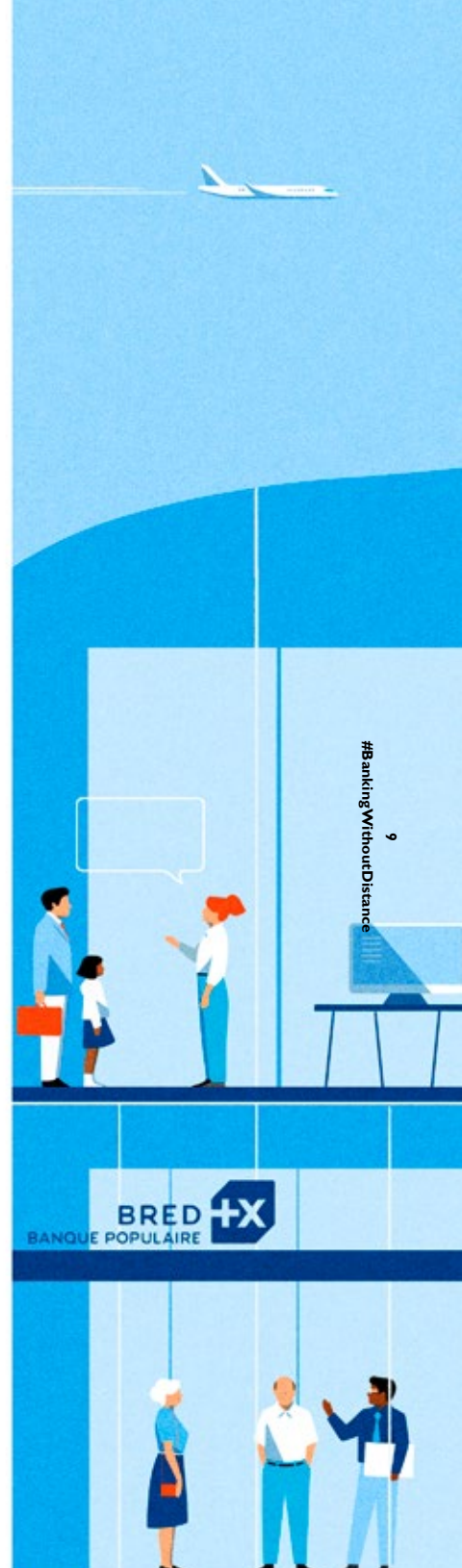
Government actions to support businesses and households in the face of the potentially devastating economic and human effects of the pandemic were essential. Governments therefore took the right measures, with the speed demanded by the situation.

We will only have a clearer view of the economic reality and the difficulties faced by companies and households once the current support measures have been gradually phased out. We hope that the strength of national and European recovery and forward-looking policies along with the spread of vaccines will enable us to recover as of 2021, with a substantial growth rate.

We will also need to support growth by implementing structural policies that help to release the country's many growth potentials.

As a bank, it will be our responsibility to continue to do our job to the best of our ability, in line with our cooperative values, to support our customers – companies and individuals alike – and thus contribute with them to the sustainable development of the communities we serve.

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## A PASSPORT FOR PROXIMITY

**Banking without distance** is the formula that embodies the promise we make to the client to bring ever more value to the relationship. It is the conviction that being among the best in the digital world is a necessary but not sufficient condition for satisfying customers and contributing to economic and regional development. Banking without distance means choosing to be increasingly close to customers, giving high value-added advice and investing in people.

It means abolishing distance, both physical and relational. It means promoting proximity to our customers in three areas: our relationship, our decision-making and our management.

The same approach is applied in each of the territories where we operate, in mainland France and overseas, as well as in emerging countries, and for all our clients, whether they are individuals, private banking clients, professionals, companies of all sizes, institutions, etc.

In 2020, BRED delivered even more added value to its customers and greater convenience in its relationships through two innovations that are unique in France to date.

### ▼ — BY APPOINTMENT ONLY

BRED receives its customers by appointment only. In order to meet the new expectations of customers who can increasingly carry out their day-to-day transactions independently and are more than ever in need of advice, BRED welcomes them by appointment to its 100% advisory branches, whether face-to-face or over the telephone. Customers are thus guaranteed the availability of their advisors, whose expertise is constantly being enhanced and who are more proactive in assisting their customers.



### ▼ — BRED SERVICES PRO+

BRED is the first French bank to offer professionals innovative, comprehensive and secure digital services and tools via a single interface and authentication, so simplifying the administrative management of their business and enabling them to focus more on developing their revenue.



## AT THE HEART OF OUR COOPERATIVE CULTURE

Our cooperative model gives us a long-term vision of the banking relationship, defines our proximity to our territories and prioritises the human relationship. It is the meaning of our commitment to our customers, members, partners and employees, making a sustainable contribution to the development of our territories.

### Strong support for the sustainable development of our communities

BRED contributes to the sustainable development of communities, in view of the strong links between cooperative banks and the territories in which they operate. A solid, economically committed bank contributes to the growth and employment of its community, just as a healthy and growing community enables its regional banks to thrive. This convergence is essential. Our outstanding loans rose by 17% in 2020 to €25.3 billion.

### Customer-focused governance

BRED's cooperative members are the only holders of its share capital and they are all customers. Our cooperative model ensures our independence from the financial markets. The bank's activity therefore remains solely focused on serving its customers and its territories, in accordance with its "purpose". The fact that 95% of our profits are taken back into reserves strengthens the foundation of our future development, with the long term always in view.

Cooperative members are regularly invited to meetings for information and discussion.

The Board of Directors consists of 18 cooperative members representing the range of regions in which BRED operates and the activities of its customers, as well as two employees. The Board determines BRED's strategic orientations.

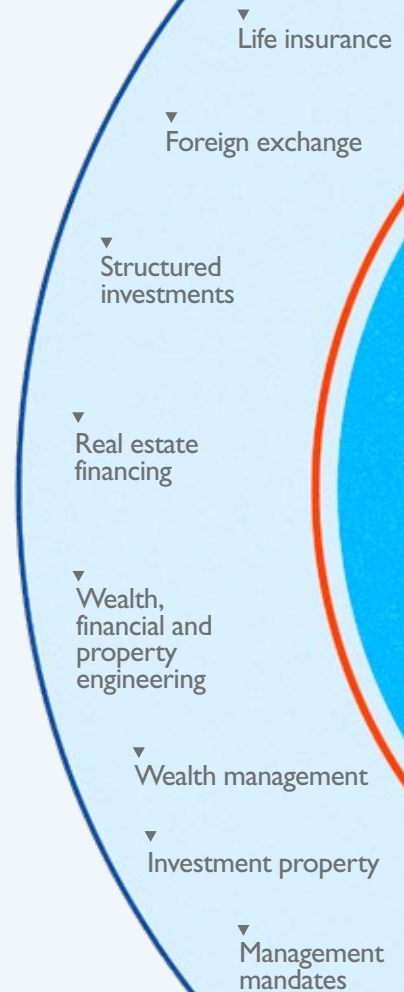


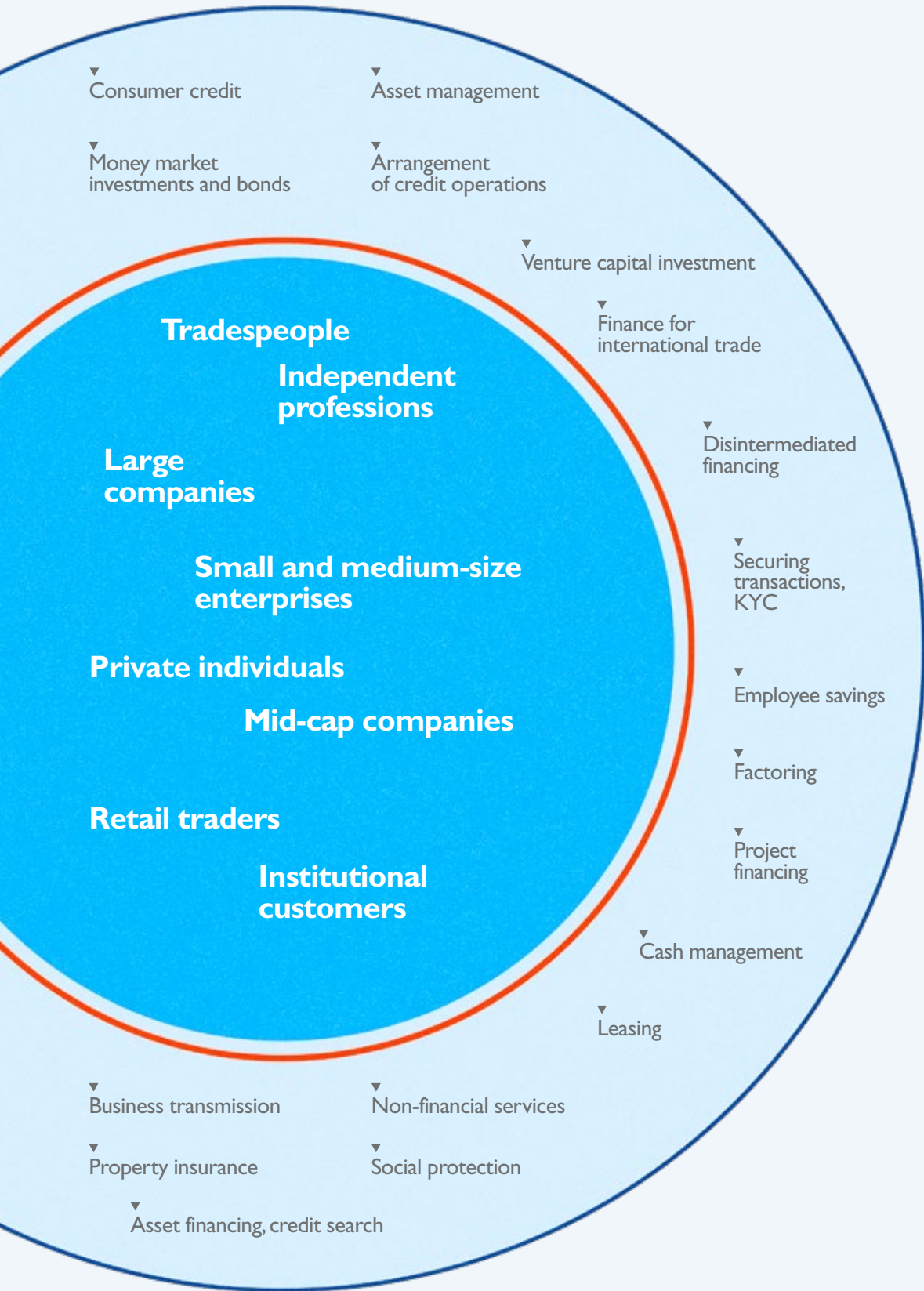
BRED  
BANQUE POPULAIRE



## EXPERTISE AND ADDED VALUE FOR ALL OUR CLIENTS

Faithful to its values and convinced that the future of banking lies in human proximity and advice, BRED strongly believes in a constant concern for the added value it delivers to all its customers, whether they are individuals, private investors, professionals, institutions or companies of all sizes. Its diverse range of expertise and businesses, coupled with its network, trading desk and subsidiaries, make it a full-service bank capable of offering its clients all the benefits of a large group, both in France and internationally.





## OUR INTERNATIONAL JOURNEY

3 QUESTIONS FOR...

**STÉPHANE MANGIAVACCA** – INTERNATIONAL DIRECTOR

▼ **“BRED IS CONSOLIDATING ITS INTERNATIONAL POSITIONING BY STEPPING UP THE DEVELOPMENT OF ITS MODEL OF BANKING WITHOUT DISTANCE, WHICH HAS BEEN SO SUCCESSFUL IN FRANCE.”**

### **How would you assess the bank's international activity in 2020?**

A very positive assessment despite the unusual nature of this past year. We have maintained the momentum of the last few years. The NBI of our universal commercial banks abroad rose by 2.3%, driven primarily by our activities in Switzerland, Cambodia and Fiji. Covid-19 has impacted the territories in which we operate to differing degrees. In this context, some economies proved particularly resilient, such as Djibouti. We have continued to serve international financial institutions. Meanwhile, our subsidiary BIC BRED Suisse's business in financing international trade is experiencing strong development, reflecting its ability to serve a growing number of customers while maintaining control over credit risk.

### **What is BRED's international strategy?**

BRED is consolidating its international positioning by stepping up the development of its model of banking without distance, which has been so successful in France. In this way, we are meeting the expectations of a customer

base of companies of all sizes as well as high-potential, demanding private clients who are looking for an advisory bank that applies the best standards in terms of risk management and compliance.

### **How do you see your prospects?**

We are confident that our growth trajectory will continue while limiting our risks in the current environment. We will speed up our development in high-potential markets, especially in Cambodia and Fiji.

2021 will also see the redeployment of BIC BRED Paris, which will support the BRED Group's development outside France by providing financing in countries where our subsidiaries are established and in countries we are targeting.

“  
**WE WILL SPEED UP OUR DEVELOPMENT IN HIGH-POTENTIAL MARKETS, ESPECIALLY IN CAMBODIA AND FIJI.**  
”





## IN FIGURES

# 1.3 million

clients

# 6,000

employees including 30% outside France  
and in overseas collectivities

# 400

agencies in France and the  
French overseas *départements*

# 75

agencies outside  
France and in overseas  
collectivities

# €5 bn

of equity capital

# €1,283 m

of NBI in 2020

# €270 m

of net profit in 2020

# 6%

of the annual payroll  
devoted to training

“Our size is a key advantage that sets us apart from our competitors, because it allows our customers to benefit from our financial strength and expertise, while at the same time ensuring close relationships and fostering the cross-fertilisation of all our know-how.”

OLIVIER KLEIN  
CEO

**“BRED is consolidating its international positioning by stepping up the development of its model of banking without distance, which has been so successful in France.”**

**STÉPHANE MANGIAVACCA**  
INTERNATIONAL  
DIRECTOR

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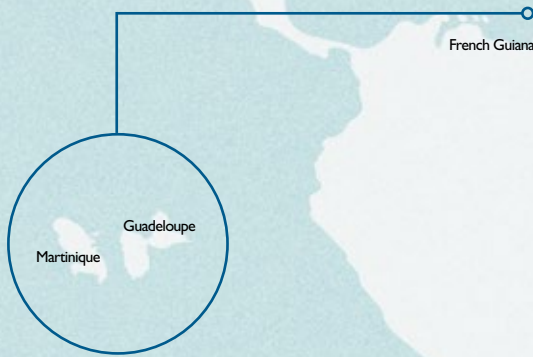


French Guiana

**— A NEW CRC IN FORT-DE-FRANCE**

As a cooperative bank strongly rooted in its territories, BRED has been particularly implicated in the economic and social life of Martinique for over 30 years. Supporting local jobs and economic development, it has opened a telephone customer relations centre in Fort-de-France.

The new centre will operate alongside those located in Joinville (in the Paris region) and Caen (in Normandy). It will increase the speed of response to customer requests, handling over 70,000 calls per year.



**OVERSEAS**

**Martinique and French Guiana**  
**Northern Islands**





▼  
**EUROPE**

*BIC BRED Suisse – Banque  
Internationale de Commerce  
– International trade financing –  
Switzerland*

▼  
**MAINLAND FRANCE**

*Normandy  
The Paris region*

▼  
**HORN OF AFRICA**

*BCIMR – Bank for  
Commerce and Industry  
Red Sea – Djibouti  
Ethiopia – Representative office*



Djibouti  
Ethiopia

▼  
**OVERSEAS**  
*Reunion Island and Mayotte*



Mayotte  
La Réunion

▼  
**IN FIGURES**

**14 million**  
connections per month on  
BREDConnect

**96%**  
of transfers are carried out  
through BREDConnect



Myanmar  
Laos  
Thailand  
Cambodia

## SOUTH-EAST ASIA

**BFL – Banque Franco-Lao – Laos**

**BBC – BRED Bank Cambodia – Cambodia**

**Myanmar – Representative office**

**BRED IT – IT subsidiary – Thailand**

## — LAOS: 10TH ANNIVERSARY IN 2020

BFL (Bank Franco-Lao) celebrated its 10th anniversary in 2020. A 70%-owned subsidiary of the BRED Group, it was the first European bank to gain a foothold in Laos, and has demonstrated its ability to bring its international expertise to bear alongside an in-depth knowledge of the local market. Professional customers and businesses have taken note, and make up 65% of Lao customers. Applying the BRED Group's cooperative values, BFL is also committed to humanitarian causes, particularly in favour of social inclusion and access to employment for women.

## — A MODERNISED HEAD OFFICE IN DJIBOUTI

BCIMR has built new headquarters on the Marabout Plateau in Djibouti's financial district to support its growth. This new working space is designed to provide greater comfort for both customers and employees, and includes a new branch to welcome high-end customers.

## — A NEW HEAD OFFICE FOR BRED REUNION-MAYOTTE

The new head office of BRED Reunion Island is located at 1-3 rue de Paris in Saint-Denis, in the heart of the historic centre, opposite the town hall. This new building includes a branch, a wealth management centre, a corporate business centre, and offices for the regional management and support functions, some fifty employees in all.



## — MENTORING AND FINANCIAL EDUCATION IN LAOS

BFL (Banque Franco-Lao) is taking action in Lao communities by collaborating with the UNFPA, an association dealing with women's health and education issues. Through this partnership, BFL has helped to train around thirty mentors who will help women in isolated rural communities. As a player in the local economy, BFL is also committed to the As a player in the local economy, BFL is also committed to the financial education of young women through training workshops on "access to finance", which have already benefited around one hundred girls.

## — SUPPORT FOR BUSINESSWOMEN IN CAMBODIA

BRED Bank Cambodia has introduced the Shine Better Business Academy programme, intended to improve access to positions of responsibility for women. This initiative makes more resources available to women by providing access to expert advice and networks to help them grow their businesses. The Women's Leadership Workshop, the first workshop of 2020, was hosted by Eva Nguyen Binh, French Ambassador to the Kingdom of Cambodia, and Guillaume Perdon, CEO of BRED Bank Cambodia. It was attended by 17 Cambodian businesswomen.

## — SOLOMON ISLANDS: PROFITABILITY IN 2 YEARS

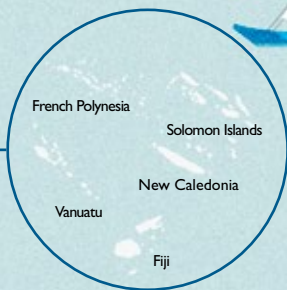
BRED Bank Solomon, which was created in 2018, has successfully established itself in the local banking landscape and become profitable in barely two years. Adopting the BRED Group's fundamentals of proximity, high value-added services and innovation, BRED Bank Solomon has succeeded in convincing its customers by relying as much on a physical presence through a network of ATMs and branches as on cutting-edge online banking products and services. These efforts have proved to be highly successful as BRED Bank Solomon is now the second largest bank in terms of financing and has recently opened a branch in the centre of the capital city, Honiara.

## — VANUATU: LEADING BANK FOR MARKET SHARE ON LOANS

Vanuatu is an archipelago consisting of more than 80 principal islands. In this setting, BRED Bank Vanuatu has decided to reach out beyond the cities to access customers in rural areas. Having installed the largest network of ATMs in the country, BRED Bank Vanuatu is also the only local bank to have developed its own online banking platform. For individuals, professionals and businesses, it is a solid bank capable of following them in all their investment projects and meeting their daily banking needs. As a result, BRED Bank Vanuatu is the leading bank in terms of market share on loans.

## — FLOOD RELIEF IN CAMBODIA

Cambodia was hit by numerous floods throughout October 2020, with serious consequences: more than 3 million Cambodians were affected by this disaster. To provide support for the victims, BRED Bank Cambodia employees organised a collection of donations. A total of \$5,000 was donated and distributed to victims through the Cambodian Red Cross.



## OCEANIA

**BCI NC – Caledonian Investment Bank – New Caledonia**

**BVL – BRED Bank Vanuatu Ltd – Vanuatu**

**BBS – BRED Bank Solomon – Solomon Islands**

**BBF – BRED Bank Fiji – Fiji**

## SPECIALISED SUBSIDIARIES

### PROMEPAR

ASSET MANAGEMENT

**Asset management.** Since 1992, Promepar has focused on a single business: asset management, which includes multi-management and direct active securities management. With committed and experienced asset managers and a robust organisation, Promepar strives to provide the best possible service for its clients.

### PREPAR-VIE

ASSURANCE

**Insurance solutions.** Since 1984, Prepar-Vie has been designing and managing life insurance and provident savings products for individuals, professionals and businesses, customers of BRED, its partners or itself.

### ADAXTRA

CAPITAL

**Venture capital investments.** A 360° view of non-listed investments enabling investment in high-performance professional funds and expanding SMEs, either through life insurance or directly.

### INGEPAR

Ingénierie - Finance - Investissement

**Arranger of structured financing and tax-free investments for the development of French overseas territories.** A major player in financial engineering for overseas projects, Ingepar merged with Fipromer in December 2019, establishing it as a benchmark player in financial engineering for the asset management market.

### VIALINK

**Benchmark RegTech.** Vialink develops agile technological solutions for electronic signature and KYC process automation. As a trusted third party vendor, it offers its innovative artificial intelligence solutions to assist finance companies in automating their KYC processes using an API platform that is easy to integrate.

### BIC - BRED (Suisse) SA

Commodity Trade Finance & Corporate Banking

**Finance for international trade.** Active in Geneva for 25 years, the Banque Internationale de Commerce – BRED (Suisse) SA specialises in financing commodities trading. Its mission is to support the development of trading companies active in the areas of energy, agricultural and metal commodities.

### BIC BRED PARIS

**International finance.** BIC BRED Paris finances international trading companies and supports BRED's international development through financing in countries where the BRED Group operates or is seeking to set up operations.

## A SHARED VISION

BRED is guided by its values, having made the choice to focus on people, and is committed to working alongside men and women who strive daily to achieve social cohesion and economic dynamism in their regions.

### Human capital

By enhancing and developing the skills of each employee, BRED's policies promote employability, fairness, equality and diversity. It continually invests in training and new technologies so that its employees, who are relieved of non-value-added tasks, can fully develop their expertise and be entrepreneurs in their business areas, thereby contributing to the collective success of the model of banking without distance.

### Equal opportunities and access to knowledge

BRED actively supports the world of education and research to promote access to knowledge and employment. In particular, it is committed to organisations working for equal opportunities and access to knowledge, to foster the emergence of talented individuals and ensure their access to the best courses of study, regardless of their origin.

BRED contributes to the funding of cultural, social and educational projects promoting the professional integration of young people in danger of exclusion. It operates through partnerships with Adie (Association for the Right to Economic Initiatives) and the "Écoles de la 2<sup>e</sup> Chance" (Second Chance Schools) Foundation, of which it is a founder member.

### Energy transition and the environment

BRED supports the Task Force on Carbon Pricing in Europe, as it is convinced that climate change is a major challenge for the coming decades. Since 2018, in line with this commitment, BRED has included an analysis of environmental risks in the decision-making process for loans granted to its customers. It is also pursuing an active policy to reduce its direct carbon footprint, in line with the objectives of the Paris Climate Agreement.



### — FEMALE ENTREPRENEURS IN GUADELOUPE RECOGNISED IN 2020

BRED promotes women's business projects by supporting the HEC Stand Up programme. Following two months of online courses and four days of face-to-face sessions, 35 businesswomen in Guadeloupe were awarded diplomas certifying their training.



### — GENDER EQUALITY LABEL

Afnor renewed our Gender Equality label in 2020. A demanding label in terms of results, it assesses the actions implemented in terms of professional equality and acknowledges our commitment to a process of continuous improvement.

# 92

cases of paternity leave were taken and paid at the full rate.



### — BRED SELECTION SOCIALLY RESPONSIBLE INVESTMENT

Promepar AM, BRED's asset management subsidiary, has donated part of the management fees of its BRED Selection SRI fund (after payment of all external administrative costs and rebates) to the "Écoles de la 2<sup>e</sup> Chance" (Second Chance Schools) Foundation, which is working to promote knowledge transfer and equal opportunities.

## SUMMARY OF RESULTS 2020

**BRED's consolidated net banking income has grown for the eighth consecutive year, rising 2.5% to €1,283 million, an increase of €31 million. Excluding non-recurring items, NBI growth stood at 2.8%, a figure that confirms that the BRED Group has made the right strategic choices.**

**“Net profit stood at €270 million in 2020, an increase of 50% since 2012.”**

Operating expenses reported rose 2.3% (2.7% excluding non-recurring items), reflecting decisions in favour of investments in technology, the modernisation of the network, advisor training and international development.

The cost-to-income ratio improved slightly in 2020, standing at 60.1%, one of the best levels in the sector in France.

The overall cost of risk doubled ahead of the economic consequences of the crisis, while the actual cost of risk (on impaired loans) dropped by 1.6%.

The BRED Group recorded a net profit of €270.1 million in 2020, down 11.9%.

Group share of equity totalled €5 billion, up 1.9% on the previous year.

The CET1 solvency ratio was at a very good level (17.33%), and the overall ratio stood at 17.57%.

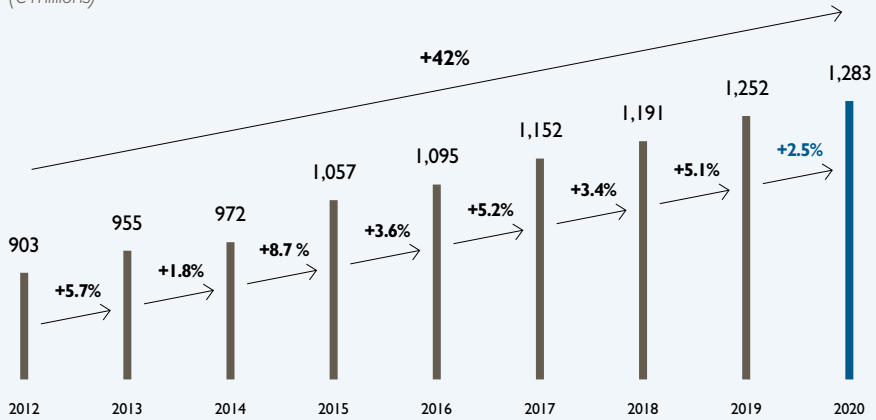
The LCR liquidity ratio stood at 160% as at December 31, 2020, with a minimum regulatory requirement of 100%.

Consolidated  
NBI 2020

€1,283 million +2.5%

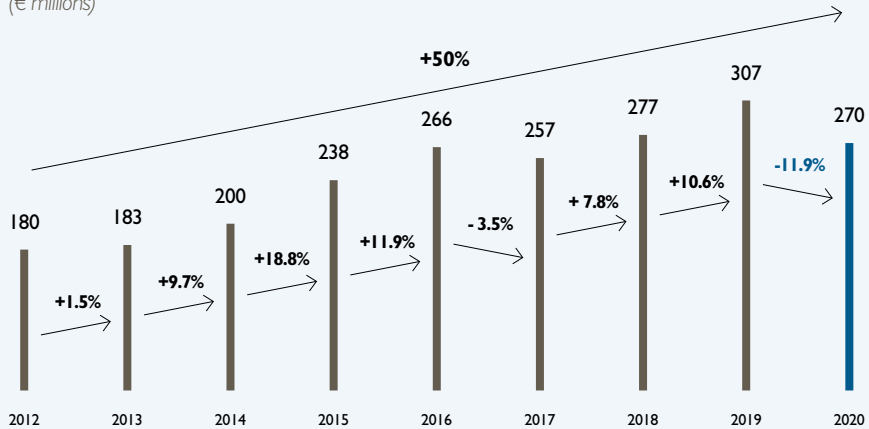
Growth in BRED's consolidated net banking income

(€ millions)



Growth in BRED's consolidated net profit

(€ millions)



## SUMMARY OF RESULTS 2020

### CONSOLIDATED INCOME STATEMENT: KEY FIGURES

#### BRED Group consolidated income statement (under IFRS 9)

(in millions of euros)

	2020	Variation
Net interest margin and similar	810.3	+3.4%
Fee income	472.8	+0.9%
<b>Net banking income</b>	<b>1,283.1</b>	<b>+2.5%</b>
Personnel costs	-437.0	+1.7%
External services – excl. contribution to BPCE	-166.4	-2.2%
Taxes and duties – excl. SRF	-30.9	+2.3%
Rental expenses (IFRS 16)	-29.6	+5.8%
Depreciation and impairment excl. leases	-44.9	+7.1%
<b>Operating expenses excl. SRF and contribution to BPCE</b>	<b>-708.7</b>	<b>+1.2%</b>
Single resolution fund (SRF)	-22.2	+12.4%
Contribution to BPCE	-39.6	+17.6%
<b>Expenses</b>	<b>-770.5</b>	<b>+2.3%</b>
<b>Gross operating profit</b>	<b>512.6</b>	<b>+2.8%</b>
Cost-to-income ratio	60.1%	-0.1pt
Cost of risk on performing loans (levels 1 and 2)	-79.7	NA
Cost of risk on depreciated loans (level 3)	-81.9	-1.6%
<b>Cost of risk</b>	<b>-161.6</b>	<b>x2</b>
<b>Operating profit</b>	<b>351.0</b>	<b>-16.2%</b>
Share of profits of associates	18.9	-25.2%
Net gains or losses on other assets and change in value of goodwill	5.2	+37.9%
<b>Pre-tax profit</b>	<b>375.1</b>	<b>-16.2%</b>
Corporate income tax	-104.8	-25.0%
<b>Net profit</b>	<b>270.3</b>	<b>-12.2%</b>
Minority interests	-0.1	-87.3%
<b>Net profit attributable to equity holders of the parent company</b>	<b>270.1</b>	<b>-11.9%</b>



**BRED Group consolidated income statement excluding non-recurring items (under IFRS 9)***(in millions of euros)*

	<b>2020</b>	<b>Variation</b>
<b>Net banking income</b>	<b>1,265.1</b>	<b>+2.8%</b>
<b>Operating expenses excl. SRF and contribution to BPCE</b>	<b>-708.1</b>	<b>+1.3%</b>
<b>Expenses</b>	<b>-763.7</b>	<b>+2.7%</b>
<b>Gross operating profit</b>	<b>501.4</b>	<b>+2.8%</b>
Cost-to-income ratio	60.4%	0.0pt
<b>Cost of risk</b>	<b>-161.6</b>	<b>x2</b>
<b>Operating profit</b>	<b>339.8</b>	<b>-16.6%</b>
<b>Pre-tax profit</b>	<b>366.6</b>	<b>-17.8%</b>
<b>Net profit</b>	<b>262.8</b>	<b>-16.0%</b>
<b>Net profit attributable to equity holders of the parent company</b>	<b>262.7</b>	<b>-15.7%</b>



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