

A close-up photograph of a person's eye, showing detailed features like the iris, eyelashes, and surrounding skin with freckles. The eye is looking slightly to the right.

ACTIVITY
REPORT
2022

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ISABELLE GRATIANT
CHAIR OF THE BOARD OF DIRECTORS



OUR COOPERATIVE STATUS
ENSURES THAT WE ALWAYS
REMAIN ATTENTIVE TO
WHAT OUR STAKEHOLDERS
HAVE TO SAY.



IT IS ONLY BY WORKING TOGETHER THAT WE WILL BUILD A SOCIETY BASED ON FAIRNESS AND SOLIDARITY.

With its very good financial results, BRED has once again demonstrated its ability to provide constant support to all its stakeholders – customers, members, employees and partners – without ever neglecting the cooperative values that underpin its economic and social purpose. Quite the contrary. More than ever, what constitutes BRED's strength is its commitment to supporting all those that live and do business in its territories as part of a lasting relationship based on close proximity.

At a time when merchants, craftsmen and businesses find themselves in a very uncertain situation economically, socially and as regards the environment, and in which private individual customers, made vulnerable by the decline in their purchasing power, are prey to concerns, BRED remains a trusted partner.

Thanks to its cooperative model, it takes a long-term view of banking relations, works closely with its territories and gives pride of place to human relations.

BRED's financial solidity and the fact that its capital is held by its cooperative members thus allows it not to be influenced by short-term market pressures but to stay close to its customers in mainland and overseas France and to pursue its development internationally.

We are determined to contribute to the economic and social dynamism of the territories where we are established.

This involves working closely and in a very responsive way with local economic actors. Financing decisions are made locally and the savings collected in one region serve to finance projects in that same region. We also have strong ties with local associations in our regions and growing commitments in overseas territories, where we support employment, insertion and entrepreneurial culture, particularly for women and young people who are uneducated or have dropped out of school. Equality of opportunity is a priority element of our CSR policy since it contributes to economic development and social cohesion.

Thanks to our cooperative status, we are constantly attentive to what our stakeholders think and say, we are in direct touch with the challenges facing each of our territories and we help them manage the changes imposed by the latest developments. In August 2022, BRED obtained an A1 Sustainability Rating from Moody's, reflecting the high quality of the ESG (environmental, social and governance) performance of the commercial bank in France (mainland and overseas territories). This rating reflects BRED's advanced ability and determination to integrate ESG criteria into its strategy, its operations and its risk management. This approach, not dictated by any legal obligation, thus confirms BRED's determination to be a responsible and committed bank.

It is only by working together that we will build a society based on fairness and solidarity. ●

OLIVIER KLEIN
CHIEF EXECUTIVE OFFICER



TRUST, THE DRIVER OF PERFORMANCE.

What were the main challenges and issues in 2022?

Leaving aside the serious geopolitical events, the salient event of this past financial year was without doubt, for all banking institutions, the increase in interest rates orchestrated by the central banks in an attempt to contain inflation. These increases, which have been unfavourable in the short

term for banks' net interest margins, are not yet over.

The end of 2022 was also marked by a slight increase in the cost of risk. For several years this cost was below its historical average, for two reasons. On the one hand, very low long-term interest rates relative to growth rates; and on the other, legitimate



THE 2022 RESULTS CONFIRM BRED'S TRAJECTORY OVER THE PAST FEW YEARS.



state support for businesses during the pandemic. This situation allowed the survival of certain businesses that would not have survived had interest rates been "normal" or if there had been no pandemic. The cost of risk will gradually return to its historical average.

Looking beyond the banks' situation, the geopolitical context is tense and unstable, the war in Ukraine and how it will develop being particularly difficult to foresee. Energy prices – increases in which will continue to be felt in 2023 – remain a sensitive subject for all businesses, as well as for private individuals. Lastly inflation, the level of which, after remaining stable and very low and as such easily predictable, is now high, and leading to more difficult price and wage negotiations.

In this context, how were BRED's results in 2022?

BRED posted a remarkable year in 2022, continuing on the excellent trajectory of the past ten years. With a net banking income (NBI) and net income continuing to increase, by +12.4% and +23% respectively, we have once again turned in a fine performance this year. We can also point to

the very good level of the cost-to-income ratio (54.1%) and the 7.3% increase in equity, to €6.2 billion.

How do you explain these historic results?

This continuous growth is the result of our Banking without distance strategy, with its 100% advisory branches, backed by all the business lines in France and internationally. We adjust it continuously in line with economic and social developments. We have ceaselessly strengthened it by investing in digital technology but also in human resources, which alone can ensure lasting relations based on trust and provide the listening capability and expertise that our customers expect, be they private individuals or businesses of whatever size. I am convinced that this strategy will play a part in BRED's continued good performance in 2023 in all our markets.

The trading room also made very good progress. And our international banks saw remarkable growth.

How is BRED embarking on 2023?

Faced with this change of economic and financial paradigm, BRED will hold its



BRED HOLDS ALL THE TRUMP CARDS TO BE ABLE TO SMOOTHLY CONTINUE ITS DEVELOPMENT IN THE SERVICE OF ITS TERRITORIES' ECONOMIES.



course with the strategy that has served it well so far, while at the same time adjusting its practices to the shifts in this new environment. Its solidity will allow it to continue to contribute to the economic development of the territories where it operates by financing its customers' social life and business projects..

I would add that apart from its excellent figures, in 2022 BRED received the prize for the best private bank in France. And the prize for the best European money market bank, for the placement of short-term securities issued by major European companies with financial investors worldwide. Last but by no means least, it obtained a very good rating from Moody's for its actions in the area of Corporate Social Responsibility (CSR): A1.

What is your view of how BRED has evolved over the past ten years?

BRED has emerged from this decade greatly strengthened. It has seen its NBI projects at more than 80%, and multiplied its net income by 2.8x and its equity by 2.7x.

BRED consolidated or improved its positions in all markets, in mainland France, overseas France and abroad.

With its commercial bank in France, BRED has established its local proximity banking model, recognised for the quality of its advisory and other services. An expert and agile bank. BRED maintained its network of branches and modernised it to respond to its customers' new habits. Our 100% advisory branches are a real succes. In addition, its development outside France is bearing fruit.

This success reflects the commitments of all our employees, in all our business lines, from private individuals to major corporates, to the implementation of our Banking without distance strategy. We have worked tirelessly to encourage talent to emerge by promoting equal opportunities. Everyone within the BRED community, France and abroad, is conscious of our bank's determination and ability to combine ethics with effectiveness, whether for our customers or our employees. One cannot function with the other. And vice versa. It's a crucial factor for any business aiming to be pertinent and fair. ●

PERFORMANCE

PROXIMITY TRUST

EFFECTIVENESS
COOPERATION

ETHICS

TERRITORIES

ENTREPRENEURSHIP

MEMBERSHIP

EXPERTISE

COLLECTIVE

ADVICE

BRED AT A GLANCE

200,000

MEMBERS

€6.2 billion

IN SHAREHOLDER'S EQUITY

6,300

EMPLOYEES

30% OF THEM IN OVERSEAS
FRANCE AND ABROAD

1.3 million

CUSTOMERS

Private individuals, HNWIs, professionals,
businesses and institutional customers

SPECIALIST SUBSIDIARIES

PREPAR-VIE
ASSURANCE

Life insurance, non-life
and personal protection



Automated KYC
& electronic signature
solutions

ADAXTRA
CAPITAL

Private equity

INGEPAR
Ingénierie - Finance - Investissement

Arranger of structured
financing and tax-free
investments for the
development of French
overseas territories

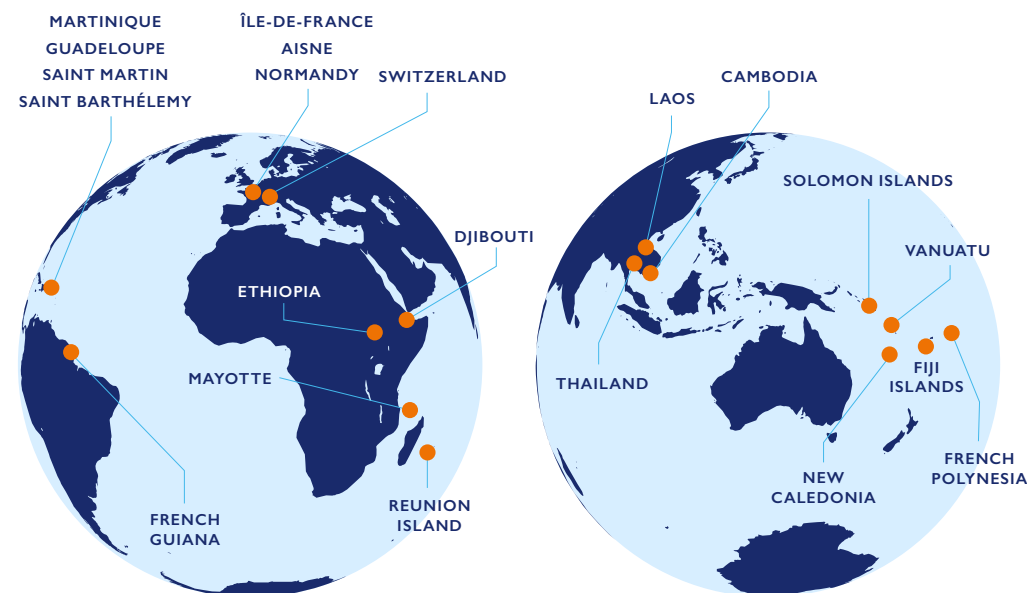
PROMEPAR
ASSET MANAGEMENT

Asset management

BIC-BRED (Suisse) SA
Commodity Trade Finance & Corporate Banking

Financing
of international trade

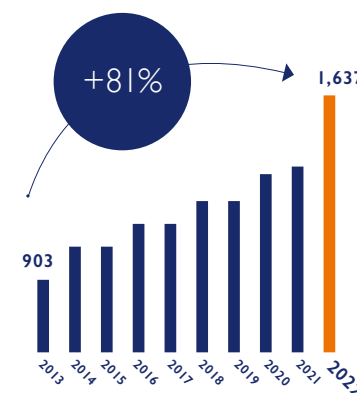
OUR BRANCHES



475 BRANCHES INCLUDING 75 ABROAD

HISTORIC RESULTS

**GROWTH OF CONSOLIDATED
ACCOUNTING NET BANKING
INCOME** (in millions of euros)

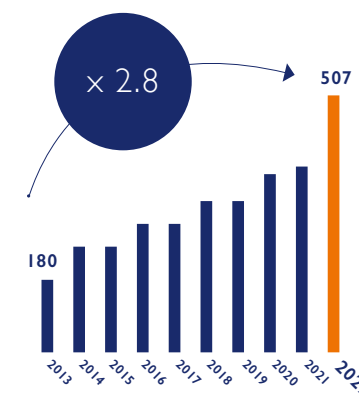


€1,636.8M IN NET BANKING INCOME

+12.4%

RELATIVE TO 2021

**GROWTH OF CONSOLIDATED
ACCOUNTING NET PROFIT**
(in millions of euros)



€507.4M NET PROFIT

+23%

RELATIVE TO 2021

GROWTH IN NET BANKING INCOME BY ACTIVITY

- COMMERCIAL BANKING, FRANCE +8.3%
- INTERNATIONAL DIVISION +32.9% (AT CONSTANT EXCHANGE RATES)

COST-TO-
INCOME RATIO

54.1%

CET1
SOLVENCY
RATIO

15.7%

HIGHLIGHTS OF 2022

INNOVATIONS, PERFORMANCE, PARTNERSHIPS - BRED DISTINGUISHED ITSELF IN EVERY AREA THIS PAST YEAR.

BEST PRIVATE BANK 2022



* Category: Private Bank affiliated with a multi-activity bank

Following an initial distinction in 2021, BRED Banque Privée was named best private bank in France in the category “Affiliated private bank” in 2022.

This gold award, presented at the Wealth and Performance Summit, is a huge success for BRED’s private bank, distinguished by its peers. For the Private Management and Wealth Management teams, it is recognition of their professionalism which they combine with expertise, quality relationships and the quest for excellence. Its growth trajectory is thus rewarded. ●



VALVIE INVEST PATRIMOINE II
BANQUE POPULAIRE



PERI BRED
BANQUE POPULAIRE

TWO LABELS OF EXCELLENCE IN RETIREMENT SAVINGS

The PREPAR VIP II life insurance contract, distributed by BRED, and its individual retirement savings scheme (Peri) were rewarded in 2022 for the second year in a row, with the label of Excellence of Dossiers de l’Épargne!



THREE AWARDS FOR BRED’S TRADING ROOM

Thanks to its trading room, BRED has been recognised as the best bank for placing short-term debt of major European issuers with investors worldwide. It received three awards:

- Best European Money Market Dealer
- Best NEU CP Money Market Dealer
- Best Corporate Money Market Dealer



SNAPSHOT: QR CODE PAYMENT!

BRED innovates with this new instant payment solution for its overseas customers. Simple, secure and accessible from the BREDConnect mobile app, this new service offers customers – merchants, professionals and private individuals – with occasional electronic payment needs the possibility of being paid via their smartphone, without the need for a payment terminal or a bank card. ●



HELLO, BRED RÉUNION?

BRED opens a new Customer Relations Centre (CRC) in Saint-Denis, Réunion.

This new CRC, which follows in the footsteps of the CRCs of Joinville in Île-de-France, Caen in Normandy and Fort-de-France in Martinique, enables our advisers to be more responsive in answering the queries of our mainland and overseas customers. The latter can contact BRED from 6 am to midnight. ●

“MY RETIREMENT SPACE”

Preparing for retirement is more than ever a topical issue. To support its private individual customers, BRED offers subscribers to BREDConnect a dedicated space for them to prepare their retirement, as well as a wealth of information on the subject.



BRED ESPACE HAS A NEW LOOK

BRED Espace, BRED’s online banking service, evolves daily so as always to align with the expectations of its affinity customers. To accompany this development, BRED Espace has a new look: new design, clear ergonomics made for browsing on mobiles, new content. Online banking that responds to the particular characteristics of each of its customers, be they in overseas France, expatriates, students, professionals, etc.

MASTER STROKE

This past summer the French men’s fencing team beat Italy to win a new world championship title in Cairo. Hats off to Alex Fava*, who manages a dual role as communication manager at BRED and top-level sportsman. He is now getting ready for the Paris Olympics in 2024! ●

* See testimony, page 20.

BRED AT THE FINISHING POST OF THE ROUTE DU RHUM

Armel Le Cléac’h, skipper of the Maxi Banque Populaire XI, finished seventh in the 2022 Route du Rhum, the most prestigious transatlantic yacht race. On his arrival in Guadeloupe, he was given a warm welcome by BRED employees and customers, who shared the special moment. ●



ALONGSIDE GROUPE GORGÉ IN THE ACQUISITION OF IXBLUE

“Today BRED has demonstrated its renewed trust by accompanying us in the acquisition of iXblue, which will allow us to create a top-level global player in cutting edge technologies for critical missions,”

👉 said Raphaël Gorgé, Chairman and CEO of Groupe Gorgé. The financing of this French technological leader, on a bought deal basis, fits entirely with BRED’s strategy of accompanying its key account customers at the highest level in their strategic transactions.



Sustainability Rating

MOODY’S | ESG Solutions

ESG PERFORMANCES

BRED obtained the very high level A1 rating for the quality of the ESG (environment, social and governance) performances of the commercial bank in France (mainland and overseas), from Moody’s ESG Solutions. This rating reflects BRED’s “advanced” ability and determination to integrate ESG criteria into its strategy, its operations and the management of its risks.

BRED ROOTED IN THE REGIONS

FOR MORE THAN A CENTURY
BRED HAS BEEN BRINGING THE SAME
SPIRIT OF ENTREPRENEURSHIP
TO BEAR IN ACCOMPANYING EACH
OF ITS CUSTOMERS IN THEIR LIFE AND
BUSINESS PROJECTS.

Its cooperative model, which places the customer at the heart of its governance, gives it a long-term view of the banking relationship, detailed knowledge of regional issues and strong, local proximity with its customers, in each of its regions, in mainland France, the overseas French territories and internationally.

Its strategy of Banking without distance, with its 100 advisory branches, is constantly adapted to its customers' habits in order to offer them the best of everyday banking and advisory banking. The synergies between the various business lines – private banking and wealth management, wholesale banking, insurance, asset management and private equity, international trade finance, trading room – make it an all-round bank offering the most pertinent investment and placement solutions.

BRED relies on the expertise and engagement of its employees to make its strategy of Banking without distance a reality. Driven by a sense of advice as a service, they all work for the success of its agile, sustainable and people-centred model.

Customers, members, employees, partners... they describe how their projects and dreams become reality with BRED.

Present in 41 countries in three geographical regions (Africa, the Antilles and Europe), the RUBIS Group specialises in the distribution of energy for everyday life. Being aware as it is of the stakes involved in the energy transition, the group has recently embarked upon a strategic move into energy from renewable sources by acquiring Photosol, one of the main independent producers of photovoltaic energy in France.



BRUNO KRIEF

CFO OF RUBIS

BRED has a network with a similar geographic coverage to ours, so it is quite natural for us to have been working together for more than twenty years. It is a relationship for the long-term. Our subsidiaries in the Antilles, Réunion, and Djibouti are supported by the teams of BRED's business centres and by the Wholesale Banking business (BGC) teams. We appreciate our advisers' readiness to listen and their understanding of our group and its needs as well as their responsiveness in the financing solutions proposed and the management of our flows. BRED is an important bank in RUBIS' pool of banks and we hope to continue our partnership for many years to come.

MAXENCE BLIN

MANAGER OF CHEZ MAX



◀ **Aged just 25, this young entrepreneur acquired the family hairdressing salon and opened 13 more in Normandy under the name Chez Max, hairdresser-barber. Accompanied by his BRED adviser, he has also opened a training centre and is considering developing it as a franchise.**

In 2016, I took over my parents' salon in Caen as a barber shop.

I became known through social media; I wanted to be an entrepreneur and I quickly opened other salons at strategic sites. After consulting BRED on a personal property project, I chose them for my professional activity because of the quality of their support and advice. I have an excellent relationship with my adviser, based on transparency and mutual trust. My adviser is more than just a banking adviser; he knows how to accompany me at each stage of the life of my enterprise, whether, for example, to put in place a salary savings scheme or to think about a franchise network. The business is becoming more structured and diversifying, but it remains a family business and firmly rooted in its local area, just like BRED. For me, these regional roots and this detailed knowledge of the local fabric are essential, and I'm proud, as a member, to be able to converse with local players and BRED experts on subjects that are always enriching.

BENJAMIN AUBÉRY

GENERAL MANAGER OF CAP CRÉOLE

After buying Cap Créole in 2018, I wanted to invest in a second production unit. As a BRED customer ever since I had my very first bank account, I was accompanied by my adviser in bringing my project to fruition. What makes our relationship so special is the proximity with my BRED business centre, its whole team is concerned with my projects, they love our products and these human relations are lasting. As the head of a company I appreciate their thorough knowledge of the local economy and the fact that they are also able to take a step back and give us a more detached vision of the business. This expertise is essential for sustaining new projects such as the move to online sales and the opening of a shop in Paris!



◀ **With 43 employees, this Antillean SME is the leader in Guadeloupe and Martinique in the production of Caribbean smoked fish. Recognised as an Entreprise du Patrimoine Vivant (EPV, "Living Heritage Company") for its know-how, well established in supermarkets and restaurants and through its five local shops, it has a promising future ahead of it and looks forward to continuing its development with BRED.**

With more than 30 stores flying the colours of nine brands and annual revenues of €35 million, this family group is the leader in personal equipment in Martinique, Guadeloupe and Saint-Martin. Accompanied by BRED from the start, the business still has plenty of growth potential.



PHILIPPE BELLAÏCHE

MANAGER OF DINE FASHION GROUP IN THE ANTILLES

Some of our stores in the Antilles, such as Promod, Pimkie, Celio or Okaidi are among the best points of sale of these franchises! If the clothing market in Martinique, Guadeloupe and Saint-Martin is so buoyant, that is largely thanks to our ability to import new models by air in just 72 hours, to restock every week and above all to sell at the same price as in mainland France. We are one of the biggest importers by air in the Antilles and thanks to the bank guarantees issued by BRED, covering all our shipments, we have won the trust of our suppliers, which greatly facilitates shipments. I tend to be loyal when it comes to business, but apart from that I am very attached to BRED and have absolute confidence in its ability to continue managing all my accounts as it has done for over forty years. Whether I need a new loan for an acquisition or some personal advice on investments, I prefer to have a single point of contact with real proximity in terms of both the relationship and the decisions. So it was entirely naturally that I became a member, to be able to follow BRED's projects in the territory.

ALEX FAVA

WORLD FENCING CHAMPION
AND BRED EMPLOYEE



Top-level sportsman, team gold medal winner in 2022, Alex Fava is a corporate communications officer at BRED.

I think top-level athletes represent very interesting profiles for businesses since they bring together two worlds that can contribute to one another. My work helps me to adopt a professional approach to my sport, particularly in terms of rigour and initiative-taking, as well as finding a solution to each problem and maximising the effectiveness of my training time. On the other hand, sport gives me certain aptitudes in terms of engagement, sense of effort, managing pressure and teamwork, which help me in my day-to-day work. I am lucky enough to have a flexible working hours arrangement which allows me to train every day and to take part in the very numerous trips involved throughout the season. A considerable part of this medal belongs to BRED, since BRED provides me with the balance that is so beneficial to sporting performance and my colleagues constantly send me positive vibes. As I prepare for the Olympic Games, I am both happy and proud that BRED invests in and supports sports.

FLORENT VALLÉE

MANAGER FOR EMERGENCY
AND RESCUE OPERATIONS WITH THE RED CROSS



Very quickly after the outbreak of war in Ukraine, BRED provided support to the operations of the Red Cross in providing local populations and refugees with the basic necessities, healthcare and shelter... Human proximity, the spirit of cooperation and the international network unite these two partners on many levels.

BRED immediately showed its faith in us even though we had very little idea what was going to be involved. For structures like ours, such support is vital if we are to come to the aid of local populations quickly. French generosity made us one of the biggest providers of equipment in situ and helped supply 900,000 migrant kits. The Red Cross also owes much to its network abroad for creating a chain of solidarity all along the routes taken by refugees. In France too, our local roots in 1,200 centres allow us to adapt to individual needs and to respond to the real needs of those we support. Whether in a disaster situation or on an everyday basis, our actions are based on human relations and are taken with a long-term view since we are lucky enough to have partners whose engagement is also long term!

BANKING WITHOUT DISTANCE

IZIPIZI IS A STORY OF ENCOUNTERS. THAT OF ITS THREE FOUNDERS AND THAT OF BRED WITH A PROMISING YOUNG ENTERPRISE THAT HAS NOT STOPPED GROWING. SINCE 2010, BRED HAS BEEN ABLE TO CONSTANTLY RENEW ITS ACCOMPANIMENT AND ADAPT TO THE SHIFTING CHALLENGES OF THE EYEWEAR BRAND.

Hiding behind every business creator are inexhaustible reserves of energy and inventiveness and long hours of work. And BRED stands by them.

The bank took the risk of accompanying Izipizi from the very beginning, even though two of its three co-founders had only just left school. That was in 2010. Since then the business has developed, launching new ranges of glasses, recruiting talented new employees and needing financing. Investments, hedging exchange rates, exports... The issues facing Izipizi have become increasingly complex.

In twelve years, BRED has seen this customer grow. It is now managed as a business centre. Last summer, on the occasion of a change in shareholding, co-founder Charles Brun insisted that BRED lead a syndicate alongside three committed banks. BRED once again demonstrated its ability to accompany this flourishing enterprise.



Originally from Lyon, Charles Brun is 36 and has a daughter aged 7 months. Following an academic career that took him first to Canada and then to Paris, he started out working in mergers and acquisitions. Embarking on the Izipizi adventure meant realising his dream of becoming an entrepreneur, bringing a project to life with the people of his choosing.



**BRED HAS ALWAYS BEEN
A TRUSTED AND TRUSTING
PARTNER OF IZIPIZI.
IT HAS SUPPORTED US AT
ALL STAGES OF OUR DEVELOPMENT.**



CHARLES BRUN
CO-FOUNDER OF IZIPIZI



A BORN ENTREPRENEUR

FOR CHARLES BRUN, CO-FOUNDER OF THE IZIPIZI EYEWEAR BRAND, LOYALTY IS MORE THAN JUST A WORD. HE MET HIS TWO PARTNERS IN HIGH SCHOOL, AND BRED HAS BEEN THEIR BANKING PARTNER SINCE THEY FIRST STARTED OUT.

Twelve years after its creation, Izipizi has become a flourishing business. Can you tell us how it started?

First and foremost, Izipizi is a story of friendship, since I co-founded the company with Xavier Aguera and Quentin Couturier, whom I have known since 2004. We were 17 years old, in high school, and we had already decided that one day we would set up a business together. A few years later, in 2009 – the time it took for each of us to advance along our respective paths – we reunited with the idea for a project that would become Izipizi.

How did your relationship with BRED start?

Originally, Quentin had imagined a kind of lorgnette with a chain, inspired by the ballpoint pen made freely available to customers in bank branches, post offices, etc. This was for his mother, who had become long-sighted with age and complained about often forgetting her glasses and not being able to read menus in restaurants. Quentin was looking to market his invention, and Xavier and I decided to base our master's in entrepreneurship at the ESCP Business School on his project. We presented a complete market study at the end of our course and won the Paris Initiative Enterprise award from the Paris Mayor's office.

This allowed us to obtain a loan granted by the Paris Mayor's office and a bank loan granted by BRED for a total amount of €150,000. This sum acted as a launching pad, and it was at that point that our partnership with BRED started.

Nearly twelve years on from its creation, what has Izipizi become?

After three years we made some changes to our offering. We designed the first line of reading glasses that would become our trademark: aesthetic, coloured glasses accessible to all. It was this change that led to the business really taking off. Since then, we have not looked back. Reading glasses, sunglasses for babies, children and adults, special glasses for sports, and recently glasses that help you sleep... in less than ten years we have developed a complete range of glasses for the whole family, and for each particular moment. They are sold at 7,000 points of sale and in 89 countries. We employ 180 people, 120 of them at the Paris head office. It is important to us that our teams adhere to our company's values of respect and sustainable commitment. We regularly share with them our vision and our goals. 2023 will be another year rich in projects. More than ever, the adventure continues, and we are counting on BRED to remain at our side. ●



IZIPIZI IS A GREAT FRENCH SUCCESS STORY. IN 10 YEARS, THEY HAVE MANAGED TO ESTABLISH THEIR BRAND AND WE ARE PROUD TO ACCOMPANY THEM ON THIS MAGNIFICENT ENTREPRENEURIAL ADVENTURE, WHICH NOW GOES WELL BEYOND OUR BORDERS.

CAMILLE CARTON
MANAGER OF THE PARIS-EST BUSINESS CENTRE



Izipizi is among the 30 companies certified Best workplaces in the 50 to 250 employees category in France (source: Great Place to Work ranking 2022)



Izipizi's range of glasses has been expanded with new models at a steady pace since 2013. It currently has more than 1,500 catalogue items. The latest is a pair of glasses to help you sleep thanks to an anti-blue light filter.



Izipizi glasses are sold in 12 own-name shops in London, Paris, Brussels, Lyon and Nice. Others are set to open shortly.



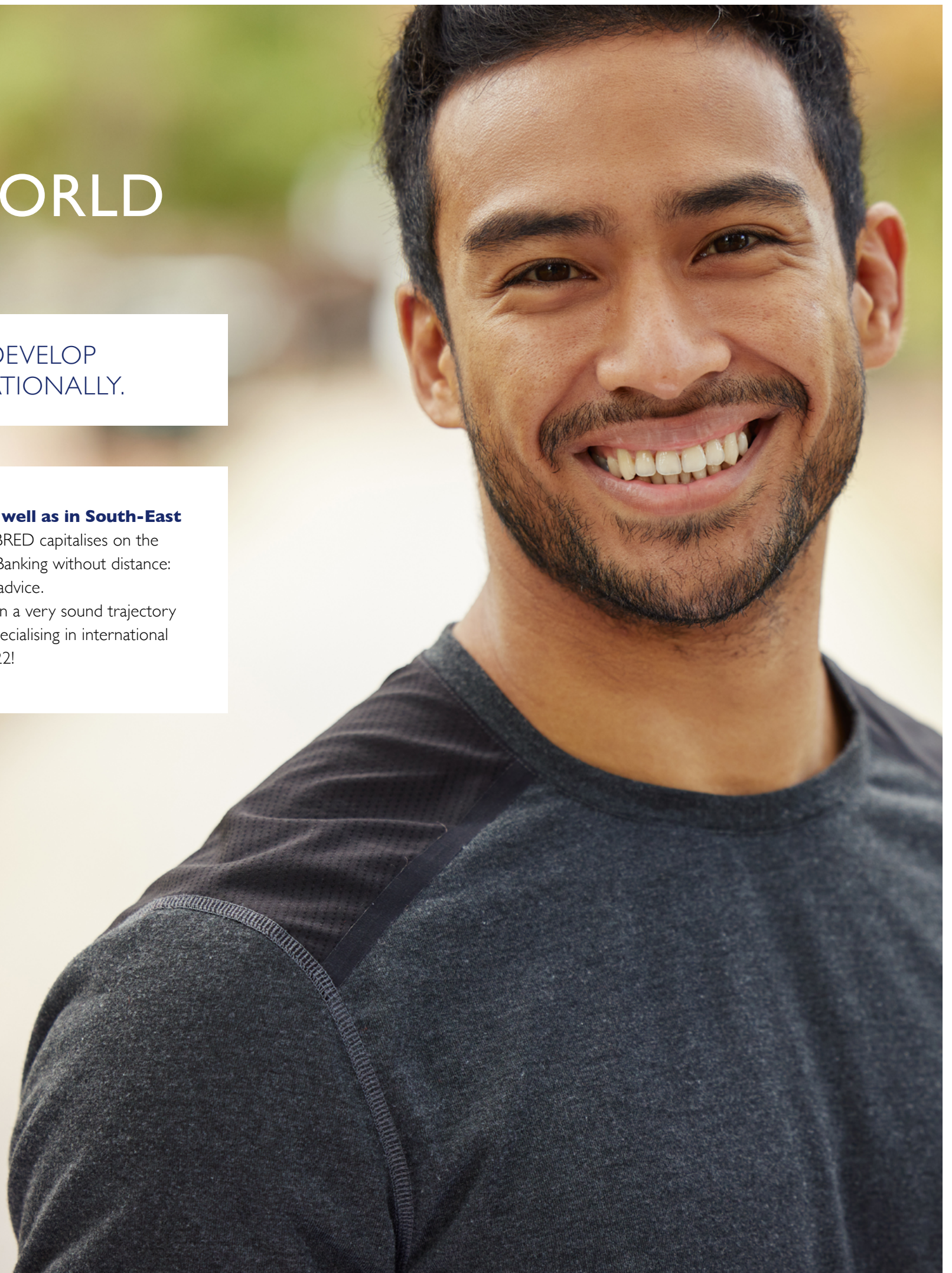
BRED OPEN TO THE WORLD

BRED CONTINUES TO DEVELOP
ITS ACTIVITIES INTERNATIONALLY.

Present in the South Pacific as well as in South-East Asia and the Horn of Africa, BRED capitalises on the

success factors behind its strategy of Banking without distance: local proximity and high-added-value advice.

Its commercial banking activities are on a very sound trajectory and its subsidiary BIC BRED Suisse, specialising in international trade finance, set a new course in 2022!



BIC BRED SUISSE SETS UP IN DUBAI

GOAL

To become a reference player in the financing of commodities trading in Dubai

ACTION

Dubai currently occupies an indisputable place in international trade, and more particularly in the commodities market. For some years now, this crossroads, ideally located between Europe, Africa and the East, has been attracting numerous traders, who tune their activity to world demand and adapt to geopolitical factors.

BIC BRED Suisse, BRED's Geneva subsidiary specialising in financing commodity flows, set up in Dubai in order to offer its expertise to commodity traders established in the region. "Our presence in the Dubai International Finance Centre (DIFC), the biggest financial hub in the region, will allow us to pursue the development of our portfolio of customers locally with the goal of contributing actively to securing supplies of commodities, which is a strategic issue for nations," explains Yassine El Halaissi, head of the Dubai branch.

This branch thus provides BIC BRED Suisse with a strategic growth lever in the Middle East. "In our line of business, you have to have in-depth knowledge of customers and stay really close to them. Having a local presence



Yassine El Halaissi,
head of the Dubai branch.

is undeniably a strong plus point since monitoring and securing these transactions requires a great deal of interaction with customers at every stage of the value chain." The teams of BIC BRED Suisse in Dubai provide real quality of service, which is much appreciated by traders operating in Africa, the Middle East and the Indian sub-continent. "To diversify our offering, we also give our customers access to BRED's extensive banking coverage, particularly in Africa, and we continue our development in new regions such as the Indian sub-continent. Our customers and the region's financial players also benefit from the services of BRED's trading room," adds Yassine El Halaissi.

10 YEARS OF BRED BANK FIJI

GOAL

To strengthen our presence in Fiji

ACTION

Ten years after its establishment, BRED Bank Fiji has posted strong growth in its business over the past three years. 2022 was a particularly successful year: net profit increased by 700%, reaching an all-time high of FJD (Fijian dollars) 20.1 million. BRED Bank Fiji will reinvest its profits in the country, opening new branches.



THREE NEW BRANCHES IN CAMBODIA



GOAL

To consolidate our positioning as banking leader in Cambodia

ACTION

BRED Bank Cambodia, a 100% subsidiary of BRED, started its commercial banking activity in 2017; it is the only French bank, indeed the only European bank, in the country. In just a few years, it has become a reference bank for the middle and upper classes in the major urban centres, and for businesses. In 2022, its network grew from 9 to 13 branches and now also includes a business centre dedicated to businesses.

QR CODE PAYMENT IN THE SOLOMON ISLANDS

GOAL

To offer merchants an innovative solution for occasional electronic payment needs

ACTION

In 2022, BRED Bank Solomon put in place QR code payment for merchants and individual entrepreneurs. This innovation is the first solution of its kind delivered by a commercial bank in the Solomon Islands. For merchants displaying the QR code in their store, the solution is quick, effective, from their Smartphone and without having to handle money. For BRED Bank Solomon customers who scan the QR code and validate the payment, the transfer is direct and free of charge. By deploying this banking solution in Asia-Pacific, BRED Bank Solomon has once again demonstrated its capacity for innovation for its local customers.

A FIRST 100% ADVISORY BRANCH IN DJIBOUTI



GOAL

To offer the people of Djibouti a high-added-value service

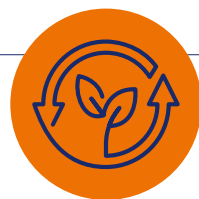
ACTION

Banque pour le Commerce et l'Industrie – Mer Rouge (BCIMR) is a universal bank that plays a large part in financing the economy of Djibouti, representing around 25% of the local banking market. It is the country's leading bank for infrastructure projects and major businesses. BCIMR is deploying BRED's strategy of Banking without distance with the opening of its first 100% advisory branch. It is also pursuing its digital transformation with the aim of better serving its customers. A secure and freely accessible space for everyday banking transactions and dedicated advisers to respond to its customers' life and business projects.

BANKING BASED ON SOLIDARITY AND RESPONSIBILITY

FAITHFUL TO ITS HISTORY AND ITS COOPERATIVE VALUES, BRED SUPPORTS MORE THAN 100 ASSOCIATIONS LOCALLY INVESTED IN ACTIONS IN FAVOUR OF SOCIAL INSERTION, SOLIDARITY AND EQUAL OPPORTUNITIES. FOCUS ON FLAGSHIP ACTIONS OF 2022.

ENERGY TRANSITION



SIX KEY ACTIONS

1 FINANCING THE ENERGY TRANSITION

€83M

worth of projects financed to produce energy from renewable sources.

2 ACCOMPANYING OUR CUSTOMERS IN THEIR TRANSITION TO SUSTAINABILITY

87%

of the major corporate customers we have financed have been subjected to an ESG analysis.

3 REDUCING BRED'S DIRECT CARBON FOOTPRINT

Goal for 2030:

40%

reduction in energy consumption for buildings with a surface area of more than 1,000 m². An essential lever for reducing CO₂ emissions, this action plan will make it possible to improve the energy label of all BRED's sites.

4 RECYCLING OUR WASTE AND PARTICIPATING IN THE CIRCULAR ECONOMY

Working with ATF Gaia, a specialist enterprise in the sector, allows:

- 8.5 metric tons of electronic waste and obsolete IT equipment to be recycled
- 66% of equipment to be re-used
- 155 metric tons of CO₂ emissions avoided
- employment of 9 persons with disabilities.

5 OFFERING OUR CUSTOMERS SUSTAINABLE INVESTMENT SOLUTIONS

€2,476M

assets in funds that include environmental and social criteria in their management policy are sold by BRED.

6 INVESTING IN SUSTAINABLE DEVELOPMENT PROJECTS

55%

of proprietary financial investments are in funds with an ESG policy, with an increase of almost 12% in the topic of 'energy transition'.

PRIORITY TO EQUAL OPPORTUNITIES!

PARTNERSHIPS

"INNOVATION CAMPUS FOR HIGH SCHOOLS" AT THE COLLÈGE DE FRANCE

BRED is a partner in this innovative scheme. The principle: teachers from the Collège de France visit high schools in rural areas and sensitive urban areas to share their expertise, particularly in economics and social sciences.

SUPPORTING STUDENTS WITH ALLIANCE FRANÇAISE PARIS ÎLE-DE-FRANCE

In 2022, BRED cemented a new partnership with Alliance Française which finances a programme of international scholarships. They allow four students from Fiji, Vanuatu, Cambodia and Laos to benefit from a scholarship of €22,000 to finance their study fees and accommodation in Paris.

SUPPORT FOR MAJOR CAUSES

SPONSORSHIP

AT THE JOINVILLE CHRISTMAS MARKET WITH ADIE

BRED employees were invited to discover the ADIE (Association for the Right to Economic Initiative) Christmas market where entrepreneurs showcased their environmentally responsible or hand-made products. BRED has been a sponsor of ADIE for 25 years. It supports such training programmes as "Je Deviens Entrepreneur" and finances the Créadie award every year, in each of its territories, to recognise and reward the remarkable projects led by micro-entrepreneurs.

"HEC STAND UP" IN THE SERVICE OF FEMALE ENTREPRENEURSHIP

BRED provides financial support to the "HEC Stand Up" accompaniment and training programme in Guadeloupe, Martinique and Réunion. This programme allows women from all social and cultural backgrounds to access high-level training in order to realise their entrepreneurial project and fast-track the launch.

675 female entrepreneurs certified since 2019.

ODYSSÉE BUSINESS GAME SCHOOL

BRED, engaged alongside the Odyssee association which combats school drop outs among young people in Guadeloupe, supports their Business Game School project. An innovative, fun teaching tool to raise the awareness of young people, from 8th grade through to vocational level, of the world of enterprise and economics. Nine hundred students have already discovered it and a partnership has been concluded with BRED Guadeloupe and îles du Nord.

"À LA BASTILLE" WITH "LES ENFANTS DE LA SCÈNE"

On the agenda in May 2022 was "À la Bastille!" at the Le Ranelagh theatre in Paris. The show allowed children to discover historical figures and touch on essential notions such as the principle of democracy. It was put on by the association "Les Enfants de la Scène", of which BRED is a partner. The sum collected from sales of the programme was donated to the secular scouting and guiding association "Éclaireuses et Éclaireurs de France".

AT THE COLLÈGE DE FRANCE WITH THE CHAMPOLLION EXHIBITION

To mark the European Heritage Days, the *Champollion 1822* exhibition was held at the Collège de France as part of the celebrations of the bicentenary of the deciphering of hieroglyphs. This exhibition took place in the framework of the sponsorship in place with the Collège de France since 2019, whereby BRED provides financial support for this institution's promotion of heritage, by means of free exhibitions open to the public.



BRED, COMMITTED TO ITS EMPLOYEES

EQUALITY, DIVERSITY, SOCIAL RESPONSIBILITY. THREE ESSENTIAL AXES FOR BRED, WHICH IS COMMITTED TO ACCOMPANYING AND MOTIVATING ITS EMPLOYEES AND EARNING THEIR LOYALTY.

EMPLOYABILITY

BRED contributes to increasing its employees' skills and strengthens their employability by means of its training programmes, the BRED Management School, created in 2015 in partnership with HEC, and the BRED School of Advisers.

94%

OF OUR EMPLOYEES TOOK AT LEAST ONE TRAINING COURSE.

6%

THE PERCENTAGE OF THE TOTAL PAYROLL THAT BRED DEVOTES TO TRAINING, SIX TIMES THE LEGAL MINIMUM.

DIVERSITY AND PROFESSIONAL EQUALITY

The BRED Pluriel association, open to BRED employees, promotes diversity and inclusion. It aims to support access by people with diverse profiles to positions of responsibility, carries out specific actions designed to raise awareness of all players in the organisation and plays the role of observer and think tank.

Since 2020, BRED's approach has been acknowledged by the professional equality label awarded for four years by Afnor, the French standards organisation.

82 / 100

THE RATIO OF WOMEN TO MEN.

DISABILITY AND INSERTION

Within BRED, a special unit guides actions aimed at insertion and encourages the retention of workers with disabilities in employment.

86

EMPLOYEES WITH DISABILITIES WERE SUPPORTED BY THE UNIT IN 2022, INCLUDING

27

WITH AN ADAPTATION OF THEIR WORKSTATION.

COMPANY AGREEMENTS

Signed in 2021 for three years, the new agreement on the Quality of Life at Work covers employees' day-to-day life: living conditions at work, working from home, ecological renovation of the branches and offices, access for persons with reduced mobility, etc.

833

NEW EMPLOYEES, OF WHOM 521 ON PERMANENT AND 77 ON TEMPORARY EMPLOYMENT CONTRACTS AND 235 TRAINEES.

235

NEW TRAINEES WELCOMED.

ACCELERATING THE MOVEMENT TOWARDS PARITY

On 28 June 2022, Corinne Léger-Licoine, Operations Manager, Muriel Leclercq, Strategy & Transformation Manager, and Simone De Oliveira, Deputy General Manager in charge of information systems, took part in the third edition of the Parity Convention. This event brings together numerous figures from the worlds of politics, the media and business in round table sessions and workshops to delve into aspects of parity in society. As a partner, BRED is actively committed to playing a role in accelerating the movement in mainland France, the overseas territories and internationally.



Yann Algan, economist.

COOPERATION IS ESSENTIAL IN TIMES OF CRISIS.

ECONOMICS PROFESSOR AT HEC, MEMBER OF THE ECONOMIC ANALYSIS BOARD AND THE SCIENTIFIC BOARD OF NATIONAL EDUCATION, YANN ALGAN TALKS OF THE IMPORTANCE OF TRUST IN THE ABILITY TO LIVE TOGETHER IN SOCIETY.



BRED'S COOPERATIVE MODEL RESPONDS TO THE YOUNG GENERATIONS' QUEST FOR DIRECTION AND VALUES.



Has the proliferation of crises – climate change, the “gilets jaunes” movement, the COVID pandemic, war in Ukraine – influenced our confidence and our optimism?

Yes, the acceleration of crises has played a significant role in eroding citizens' confidence in institutions, experts and scientists, none of whom seem to be able to protect us from major social transformations and economic insecurity.

But there is an even deeper crisis - the erosion of trust in others and in our ability to live sociably together, which is linked to our post-industrial society, composed of isolated individuals. Isolated in our increasingly disembodied social relations, in territories losing public services, at work with a loss of collective landmarks. So we confine our trust to a very local circle. This is paradoxical, because the new crises of the 21st century – whether health or environment-related – show how necessary cooperation is in overcoming them.

More generally, what levers can be activated to restore confidence?

The search for meaning and values is currently a major concern of the population, particularly the younger generations. When looking for their first job, young people turn to responsible, good citizen structures that inspire confidence. Objectively, it is this essential confidence in management, colleagues, the economic prospects and the company's values that creates engagement. However it has been estimated that this intangible capital only concerns one in every two employees⁽¹⁾. It is as if businesses deprived themselves of half their human capital. We have to invest in managerial levers, the culture of feedback, training...

to develop self-confidence and confidence vis-à-vis institution, since its employees are its first ambassadors.

Do you think BRED's cooperative model is in itself a vector of confidence?

Indeed, BRED's cooperative model responds to the younger generations' quest for meaning and values and it conveys several dimensions of trust. Firstly, by treating its customers as citizens and acknowledging each one as a stakeholder.

Secondly, by embarking on long-term relations move forward with projects without pressure from the financial markets. Lastly, its being firmly rooted in the territories has a huge effect in terms of making people feel they belong to a community, which is fundamental for confidence.

As a teacher and someone who is passionate about education, you no doubt have some messages for our readers to restore their confidence?

When the French say they are less happy than citizens of equivalent countries, they are expressing a feeling sustained by the distrust of others, which in turn feeds into anxiety and uncertainty.

More generally, the observed lack of trust in others and in institutions is linked to the highly hierarchical model of our education. The PISA surveys show that French pupils spend two thirds of their time silently taking notes and only 6% get top marks for collective work⁽²⁾. We must develop teaching methods that teach group work, that develop cooperative micro-structures with role playing. Learning to do together restores confidence in others and develops our social skills. The good news is that you can learn it at any age! ●

(1) National index of confidence capital, Yann Algan and Sophie Vernay, 2020.

(2) PISA survey, 2017. PISA (the Programme for International Student Assessment) is a worldwide study by the OECD intended to test 15-year-old school pupils' reading, mathematics, and science literacy. The study takes place every three years, with an interruption in 2021 due to COVID.

SUMMARY OF THE 2022 RESULTS

CONSOLIDATED INCOME STATEMENT KEY FIGURES

BRED Group consolidated income statement (under IFRS 9)
(in millions of euros)

	2022	Increase
Net interest margin and other	1,059.0	+1.6%
Net fee income	585.3	+11.0%
Income & expenses from other activities	-7.5	-63.1%
Net banking income	1,636.8	+12.4%
Personnel costs	-527.3	+9.3%
External services - excluding BPCE contribution	-179.6	+1.7%
Taxes and duties - excluding SRF	-42.1	+36.6%
Rental expenses (IFRS 16)	-29.6	+2.5%
Depreciation and impairment excluding leases	-46.1	-1.4%
Operating expenses excluding SRF & BPCE contribution	-824.7	+10.0%
Single Resolution Fund (SRF)	-32.5	+17.3%
BPCE contribution	-29.0	+12.8%
Expenses	-886.2	+10.4%
Gross operating profit	750.7	+14.9%
Cost-to-income ratio	54.1%	-1 pt
Cost of risk on performing loans (levels 1 & 2)	-5.4	-84.3%
Cost of risk on depreciated loans (level 3)	-102.9	+14.5%
Cost of risk	-108.3	-12.8%
Operating profit	642.4	+21.4%
Share of profits of associates	26.1	-3.1%
Gains or losses on other assets and change in value of goodwill	1.1	+57.7%
Pre-tax profit	669.6	+20.3%
Corporate income tax	-152.7	+7.4%
Net profit	516.9	+24.7%
Minority interests	-9.4	NS
Net profit attributable to equity holders of the parent company	507.4	+23.0%

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

	2022	Increase
Net banking income	1,635.7	+11.7%
Operating expenses excluding SRF & BPCE contribution	-823.0	+8.6%
Expenses	-884.5	+9.0%
Gross operating profit	751.2	+15.0%
Cost-to-income ratio	54.1%	-1.3 pt
Cost of risk	-108.3	-13.2%
Operating profit	642.9	+21.7%
Pre-tax profit	672.6	+21.1%
Net profit	519.7	+25.8%
Net profit attributable to equity holders of the parent company	510.3	+24.2%

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