

Paris, August 3, 2021

Results for the 2nd quarter and 1st half of 2021**H1-21: revenue growth of 16% to €12.5bn driven by all the business lines after a first half of 2020 impacted by the crisis****Reported and underlying net income¹ of €1.9bn and €2.2bn respectively
Positive jaws effect: cost/income ratio at 67.0%¹****Reported Q2-21 results¹: net banking income up 22% to €6.3bn, with net income at €1.3bn****Project to streamline the Group's organization proceeding on schedule****Retail Banking and Insurance: strong commercial momentum in all business lines, very good performance in the BP and CE retail banking networks, revenues up by 10% in Q2-21 and by 7.6% in H1-21**

- **Loan outstandings: up 7.8% YoY**, including +8.6% in residential mortgages, +6.8% in consumer credit, and +5.8% in equipment loans
- **Insurance: revenue growth of 5.9% in H1-21**, and a 50% increase in premiums
- **Financial Solutions & Expertise: net banking income up 8.4% in H1-21**, dynamic activity in all business lines
- **Digital: further growth in the take-up of digital tools in BP / CE networks with 12m active customers** (+14% vs. end-2020)

Global Financial Services : revenues up 30.5% in H1-21

- **Asset & Wealth Management: assets under management equal to €1,183bn at end-June for Natixis IM, up 3% QoQ**
Five consecutive quarters of positive net inflows on LT products, representing a total of €26bn over the period
H1-21 net banking income up 15.4% year-on-year at constant exchange rates
- **Corporate & Investment Banking (Natixis CIB) : strong commercial activity and enhanced cost of risk**
Growth in Global Market revenues, including good performances in FIC-T and Equity and a favorable baseline effect
Global Finance revenues up 22% year-on-year in Q2-21, driven by Trade Finance and Infrastructure activities
Gross operating income equal to €700 million in H1-21

Positive jaws effect: cost/income ratio of 67.0% in H1-21, down 7pp vs. H1-20

- Operating expenses up 5.0%³ year-on-year, in line with the recovery in business activities

Continued prudent provisioning policy

- **Group cost of risk of €822m in H1-21, or 22bps**, down 45% vs. H1-20 and up 35% vs. H1-19
- Group cost of risk of €332m in Q2-21, or 17bps

Capital adequacy level at end-June above their target for the end of 2021

- **CET1² ratio at 15.6%** at end-June 2021 including the full impact of the Natixis share buyback operation
- **Generation of organic of CET1 ratio equal to 13bps in Q2-21**

Launch of Groupe BPCE's new strategic plan on July 8: an ambitious growth plan to support the recovery of the French economy and the needs of our customers**Commitment to climate action: Groupe BPCE joins the "Net Zero Banking Alliance"****On August 3rd, Moody's affirmed the A1 long term senior preferred rating with a stable outlook; on July 21st, R&I has affirmed the A+ long term senior preferred rating with a stable outlook****Project to simplify the Group's organization:**

- **Delisting of Natixis shares on July 21, 2021**
- **Finalization of the study³ on the acquisition by BPCE of the Insurance and Payments activities of Natixis**

Laurent Mignon, Chairman of the Management Board of Groupe BPCE, said: "The strong commercial momentum observed in the 1st quarter of the year gathered pace in the 2nd quarter in all our business lines and all our customer segments. Our presence alongside our customers, and the massive support we provided them at the height of the crisis in 2020 is now bearing fruit with a sharp increase in our financing activities responding to their new needs associated with the economic recovery. Our "BPCE 2024" strategic plan has a good start and, as of this quarter, we have taken very tangible steps in favor of the energy transition, which will enable us to answer to the strong expectations of society at large in this area. With the delisting of Natixis, we have taken a decisive step this quarter in our drive to simplify our corporate structure, a project to which we will be devoting our energies over the next few months in order to complete the creation of a powerful and innovative multi-brand cooperative banking group, pursuing strong strategic ambitions at the service of its customers, its employees, and its cooperative shareholders."

¹ See note on methodology and excluding the Coface contribution ² Estimate at end-June 2021 ³ Any project resulting from this study will be submitted, if required, to the relevant social & economic committees for consultation purposes

The quarterly financial statements of Groupe BPCE for the period ended June 30, 2021, approved by the Management Board at a meeting convened on August 2, 2021, were verified and reviewed by the Supervisory Board, chaired by Thierry Cahn, at a meeting convened on August 3, 2021.

Groupe BPCE:

Restated figures €m	Q2-21	Q2-20	% Change	H1-21	H1-20	% Change
Net banking income	6,337	5,183	22.3%	12,455	10,726	16.1%
Operating expenses	(4,151)	(3,837)	8.2%	(8,806)	(8,383)	5.0%
<i>o/w expenses excluding Single Resolution Fund</i>	<i>(4,161)</i>	<i>(3,842)</i>	<i>8.3%</i>	<i>(8,384)</i>	<i>(7,983)</i>	<i>5.0%</i>
Gross operating income	2,187	1,346	62.5%	3,649	2,343	55.8%
Cost of risk	(332)	(981)	(66.2)%	(822)	(1,484)	(44.6)%
Income before tax	1,924	282	x6.8	2,965	829	x3.6
Income tax	(509)	(129)	x3.9	(921)	(385)	x2.4
Non-controlling interests	(108)	(3)	ns	(194)	(30)	ns
Net income – Group share excl. Coface net contribution	1,308	150	x8.7	1,851	415	x4.5
Coface net contribution		(19)		5	(102)	
Reported net income – Group share	1,308	131	x10.0	1,856	312	x5.9

Following the announcement made on February 25, 2020 of the Group's decision to sell a 29.5% stake in Coface, the contribution made by this subsidiary to the income statement is presented on a separate line: 'Coface net contribution.'

From an accounting standpoint, the Coface capital loss is classified under 'Gain or loss on other assets' and the Coface residual stake impairment is listed under 'Share in net income of associates.' See the annexes for the reconciliation with the accounting view.

Exceptional items

€m			Q2-21	Q2-20	H1-21	H1-20
Revaluation of assets associated with DSN denominated in foreign currencies	Net banking income	Corporate center	1	2	(2)	-
Contribution to the insurance guarantee fund	Net banking income	Insurance		(9)		(16)
Legal provision	Net banking income	CIB	(3)		(19)	
Transformation and reorganization costs	Net banking income/ Operating expenses / Gains or losses on other assets	Business lines & Corporate center	(85)	(212)	(154)	(274)
Impact of Lebanon default on ADIR insurance	Associates	Insurance				(14)
Disposals and impairment	Associates	Business lines & Corporate center		(10)		(10)
Capital loss		Coface net contribution				(112)
Residual stake valuation		Coface net contribution		(29)	7	(36)
Total impact on income before tax			(88)	(258)	(168)	(462)
Total impact on net income – Group share			(65)	(163)	(141)	(307)

1. Groupe BPCE, underlying performance

Underlying figures €m	Q2-21	% Change vs. Q2-20	% Change vs. Q2-19	H1-21	% Change vs. H1-20	% Change vs. H1-19
Net banking income	6,334	22.0%	6.6%	12,465	16.0%	6.4%
Operating expenses	(4,080)	8.3%	2.2%	(8,662)	5.0%	2.9%
<i>o/w expenses excluding Single Resolution Fund</i>	<i>(4,090)</i>	<i>8.5%</i>	<i>2.4%</i>	<i>(8,241)</i>	<i>5.0%</i>	<i>2.5%</i>
Gross operating income	2,254	58.3%	15.8%	3,803	52.6%	15.5%
Cost of risk	(332)	(66.1)%	2.0%	(822)	(44.6)%	34.8%
Income before tax	2,012	x3.9	18.4%	3,140	x2.7	11.2%
Income tax	(525)	x2.5	(5.6)%	(937)	x1.9	(4.9)%
Non-controlling interests	(114)	ns	(31.2)%	(207)	x5.0	(17.1)%
Net income – Group share excl. Coface net contribution	1,373	x4.7	40.5%	1,996	x3.2	25.7%
Net income – Group share excl. Coface net contribution after IFRIC 21 restatement	1,241	x6.6	42.0%	2,250	x2.6	25.3%
<i>Cost/income ratio</i>	<i>66.9%</i>	<i>(8.1)pp</i>	<i>(2.5)pp</i>	<i>67.0%</i>	<i>(7.0)pp</i>	<i>(2.6)pp</i>

Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2. Changes express differences between Q2-21 and Q2-20, and between H1-21 and H1-20.

In Q2-21, Groupe BPCE recorded 22.0% growth in **net banking income**, which now stands at 6,334 million euros, and an increase of 16.0% in H1-21 to 12,465 million euros, reflecting a strong rebound in commercial activity across all business lines compared with the first half of 2020 (a weak baseline for comparison) but also compared to the first half of 2019. Net banking income increased by 6.4% in H1-21 vs. H1-19.

The Retail Banking & Insurance division posted 10.0% growth in revenues in Q2-21 to 4,420 million euros, and 7.6% growth in H1-21 to 8,718 million euros reflecting the commercial dynamism of the two Banque Populaire and Caisse d'Epargne retail banking networks and all the business activities of the Financial Solutions & Expertise division. In the Insurance business, premium income enjoyed a sharp recovery (+50% in H1-21) and the share of unit-linked products increased to 28% of assets under management. Payments activities also showed a significant recovery compared with the first half of 2020, a period severely impacted by the measures taken in response to the Covid pandemic.

The Global Financial Services division includes the activities of the Asset & Wealth Management and Corporate & Investment Banking business lines. The division generated revenues of 1,770 million euros in Q2-21 and 3,483 million euros in H1-21, up by 45.6% and 30.5% respectively. In the Asset Management segment, the first half of 2020 suffered the negative impacts of lower market values and seed money markdowns while the Corporate & Investment Banking business was depressed by the cancellation of dividends that penalized the revenues of the Equity businesses and by xVA effects.

Operating expenses increased by 5.0% year-on-year in H1-21. Thanks to a positive jaws effect, the cost/income ratio stood at 67.0%, after restating to account for the IFRIC 21 impact in H1-21, down 7.0 percentage points vs. H1-20 and 2.6pp vs. H1-19.

Gross operating income increased significantly both in Q2-21 to 2,254 million euros (+58.3% vs. Q2-20, +15.8% vs. Q2-19) and in H1-21 to 3,803 million euros (+52.6% vs. H1-20, +15.5% vs. H1-19).

The **cost of risk** for Groupe BPCE fell sharply year-on-year: it stood at 332 million euros in Q2-21 (-66.1%) and 822 million euros in H1-21 (-44.6%). However, the cost of risk in the first half of 2021 remains higher than in the same period in 2019 (+34.8%) owing to the continuing pursuit of a prudent provisioning policy.

For Groupe BPCE, the amount of provisions for performing loans rated 'Stage 1' or 'Stage 2' came to 78 million euros in H1-21 vs. 538 million euros in H1-20. Provision for loans with proven risk rated 'Stage 3' stood at 743 million euros in H1-21 vs. 946 million euros in H1-20.

In Q2-21, the cost of risk stood at 17bps of gross customer loans for Groupe BPCE (55bps in Q2-20), including a very slight reversal of provisions on performing loans (-1bp in Q2-21 vs. 25bps in Q2-20) rated 'Stage 1' or 'Stage 2'.

The cost of risk stood at 18bps for Retail Banking & Insurance (45bps in Q2-20) including -1bps for the provisioning of performing loans (26bps in Q2-20) rated 'Stage 1' or 'Stage 2' and at 17bps for Corporate & Investment Banking (163bps in Q2-20) including 9bps for the provisioning of performing loans rated 'Stage 1' or 'Stage 2' vs. 39bps in Q2-20.

In H1-21, the cost of risk amounted to 22bps when expressed as a proportion of gross customer loan outstandings for Groupe BPCE (42bps in H1-20), including 2bps for the provisioning of performing loans (15bps in H1-20) rated 'Stage 1' or 'Stage 2'.

It stood at 21bps for Retail Banking & Insurance (34bps in H1-20), including 2bps for the provisioning of performing loans (15bps in H1-20) rated 'Stage 1' or 'Stage 2', and at 35bps for Corporate & Investment Banking (144bps in H1-20), including 8bps for the provisioning of performing loans rated 'Stage 1' or 'Stage 2', compared with 25bps in H1-20.

The ratio of non-performing loans to gross loan outstandings was 2.6% at June 30, 2021, up 0.1pp from end-2020.

Reported net income (Group share) in Q2-21 amounted to 1,308 million euros vs. 131 million euros in Q2-20. In H1-21, it reached 1,856 million euros, up significantly year-on-year compared with 312 million euros in H1-20.

Underlying net income (Group share), after being restated to account for the impact of IFRIC 21 and excluding the net contribution of Coface, amounted to 1,241 million euros in Q2-21 (multiplied by a factor of 6.6) and 2,250 million euros in H1-21 (multiplied by a factor of 2.6).

¹ See note on methodology and after restatement to account for the impact of IFRIC 21

2. Capital and loss-absorbing capacity

2.1 CET1¹ level

Groupe BPCE's CET1^{1,2} ratio at the end of June 2021 reached an estimated level of 15.6%, compared with 16.1% at March 31, 2021. Changes for the quarter can be broken down into:

- Retained earnings: +32bps,
- Change in risk-weighted assets: -19bps,
- Issuance and distribution of cooperative shares: +4bps,
- Full impact of Natixis minority shareholders buyback: -70pbs
- Other changes: +5bps.

At the end of June 2021, **Groupe BPCE held a buffer of 427bps** above the threshold for triggering the maximum distributable amount (MDA).

2.2 TLAC Ratio²

Total loss-absorbing capacity (TLAC) estimated at the end of June 2021 stands at 100.8 billion euros. The TLAC ratio, expressed as a percentage of risk-weighted assets, stood at an estimated 22.9% at the end of June 2021 (without taking account of preferred senior debt for the calculation of this ratio), well above the FSB requirements of 19.51%.

2.3 MREL Ratio²

Expressed as a percentage of risk-weighted assets at June 30, 2021, Groupe BPCE's subordinated MREL ratio and total MREL ratio were 22.9% and 29.5% respectively, well above the respective minimum SRB requirements of 19.5% and 25.0% respectively.

2.4 Leverage Ratio

At June 30, 2021, the estimated leverage ratio¹ was 5.7%. The adjusted leverage ratio requirement is set at 3.2%.

2.5 Liquidity reserves at a high level

The Liquidity Coverage Ratio (LCR) for Groupe BPCE is well above the regulatory requirements of 100%, standing at 160% based on the average of end-of-month LCRs in the 2nd quarter of 2021.

The volume of liquidity reserves reached 297 billion euros at the end of June 2021, representing an extremely high coverage ratio of 241% of short-term financial debts (including short-term maturities of medium-/long-term financial debt).

2.6 Medium-/long-term funding plan: approximately 68% of the 2021 plan already raised at July 9, 2021

The size of the MLT funding plan for 2021 has been revised and stands at 22 billion euros (excluding structured private placements and ABS). The plan can be broken down as follows:

- 5.5 billion euros of Tier 2 and/or non-preferred senior debt
- 6 billion euros in preferred senior debt
- 10.5 billion euros in covered bonds

The target for ABS is 1.5 billion euros.

As at July 9, 2021, Groupe BPCE had raised 14.9 billion euros (around 68% of the plan):

- 2.1 billion euros non-preferred senior debt
- 4.4 billion euros in preferred senior debt
- 8.4 billion euros in covered bonds

The amount raised in ABS is 0.4 billion euros.

¹ See notes on methodology ² As part of its annual resolvability assessment, Groupe BPCE has chosen to waive the possibility offered by Article 72b(3) of the Capital Requirements Regulation to use senior preferred debt for compliance with its TLAC/subordinated MREL requirements in 2021

3. RESULTS OF THE BUSINESS LINES

Unless specified to the contrary, the following financial data and related comments refer to the underlying results, i.e. results restated to exclude exceptional items, as presented on page 2. Changes express differences between Q2-21 and Q2-20, and between H1-21 and H1-20.

3.1 Retail Banking & Insurance

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	4,420	10.0%	8,718	7.6%
Operating expenses	(2,669)	6.0%	(5,414)	3.0%
Gross operating income	1,751	16.6%	3,304	16.0%
Cost of risk ⁽³⁾	(283)	(56.4)%	(670)	(29.7)%
Income before tax after IFRIC 21 restatement	1,455	75.7%	2,724	38.0%
Cost/income ratio ¹	61.0 %	(2.3)pp	61.4%	(2.7)pp

Loan outstandings enjoyed year-on-year growth of 7.8%, reaching a total of 628 billion euros at the end of June 2021, including a 8.6% increase in residential mortgages and growth of 6.8% and 5.8% respectively for consumer loans and equipment loans. At the end of June 2021, **customer deposits & savings** (excluding regulated savings centralized with the Caisse des Dépôts et Consignations) amounted to 543 billion euros (+6.8%) while sight deposits were up 9.4% year-on-year.

Net banking income generated by the Retail Banking & Insurance division in Q2-21 rose 10.0% to stand at 4,420 million euros. In H1-21, net banking income increased by 7.6%, to 8,718 million euros, including an 8.0% increase for the two Banque Populaire and Caisse d'Epargne retail banking networks. The Financial Solutions & Expertise and Payments divisions also benefited from extremely buoyant commercial momentum, with revenue growth of 8.4% and 18.5% respectively. The Insurance division saw year-on-year revenue growth of 5.9%.

Operating expenses totaled 2,669 million euros in Q2-21 (+6.0%) and 5,414 million euros in H1-21 (+3.0%). Thanks to a positive jaws effect, the **cost/income ratio** (after being restated to account for the impact of IFRIC 21) enjoyed a 2.3pp year-on-year improvement in Q2-21 to 61.0% and 2.7pp year-on-year improvement in H1-21 to 61.4%.

The division's **gross operating income** enjoyed strong growth of 16.0% in H1-21, rising to 3,304 million euros, reflecting the good performance of the business lines and the impact of strict cost control since the beginning of the year.

The **cost of risk** stood at 283 million euros in Q2-21, down 56.4%, and at 670 million euros in H1-21, down 29.7%. The cost of risk has declined in the two Banque Populaire and Caisse d'Epargne retail banking networks as well as for Oney Bank and Banque Palatine. It has risen, however, for the Financial Solutions & Expertise businesses, in line with the Group's prudent provisioning policy.

For the division as a whole, **income before tax** (after being restated to account for the impact of IFRIC 21) amounted to 1,455 million euros in Q2-21 and to 2,724 million euros in H1-21, up 38.0% year-on-year.

¹ See note on methodology and after restatement to account for the impact of IFRIC 21

3.1.1 Banque Populaire retail banking network

The Banque Populaire network comprises the 14 Banques Populaires, including CASDEN Banque Populaire and Crédit Coopératif and their subsidiaries, Crédit Maritime Mutuel, and the Mutual Guarantee Companies.

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	1,738	17.1%	3,407	11.5%
Operating expenses	(1,048)	5.5%	(2,119)	2.6%
Gross operating income	690	40.6%	1,287	30.1%
Cost of risk ⁽²⁾	(136)	(53.0)%	(301)	(25.8)%
Income before tax after IFRIC 21 restatement	556	x2.8	1,034	65.9%
Cost/income ratio ¹	60.9%	(6.8)pp	61.6%	(5.3)pp

Loan outstandings rose by 9.6% year-on-year to 267 billion euros at the end of June 2021. **Customer deposits & savings** increased by 8.9% year-on-year to 341 billion euros at the end of June 2021 (+8.8% for on-balance sheet savings & deposits excluding regulated savings centralized with the Caisse des Dépôts et Consignations).

In Q2-21, **net banking income** stood at 1,738 million euros, up 17.1% compared with the same period last year. In H1-21, it rose by 11.5% to 3,407 million euros, including an 18.6% increase in net interest income to 2,068 million euros and a 6.0% rise in commissions to 1,337 million euros.

Operating expenses rose at a rate significantly lower than the growth in revenues both in Q2-21 and in H1-21 by 5.5% and 2.6% respectively. This led to a 6.8pp improvement in the cost/income ratio (after being restated to account for the impact of IFRIC 21) to 60.9% in Q2-21 and a 5.3pp improvement in H1-21 to 61.6%. **Gross operating income** rose by 30.1% in H1-21 to reach 1,287 million euros.

The **cost of risk** stood at 136 million euros in Q2-21 (-53.0%) and at 301 million euros in H1-21 (-25.8%).

Income before tax (after being restated to account for the impact of IFRIC 21) rose significantly to 556 million euros in Q2-21 and to 1,034 million euros in H1-21.

3.1.2 Caisse d'Epargne retail banking network

The Caisse d'Epargne network comprises 15 individual Caisses d'Epargne along with their subsidiaries.

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	1,825	3.6%	3,620	5.1%
Operating expenses	(1,128)	6.2%	(2,281)	2.8%
Gross operating income	696	(0.3)%	1,339	9.2%
Cost of risk ⁽²⁾	(66)	(76.0)%	(219)	(44.8)%
Income before tax after IFRIC 21 restatement	620	51.1%	1,147	34.4%
<i>Cost/income ratio¹</i>	62.5%	1.5pp	62.3%	(1.4)pp

Loan outstandings rose by 6.5% year-on-year to 325 billion euros at the end of June 2021 while **customer deposits & savings** enjoyed a 4.7% year-on-year increase to 489 billion euros (+5.0% for on-balance sheet deposits & savings excluding regulated savings centralized with the Caisse des Dépôts et Consignations).

Net banking income recorded 3.6% year-on-year growth in Q2-21 to reach 1,825 million euros and rose by 5.1% in H1-21 to reach 3,620 million euros, including a 9.5% increase in net interest income to 2,043 million euros and a 5.0% rise in commissions to 1,655 million euros.

Operating expenses rose by 6.2% in Q2-21, leading to a slight increase (+1.5pp) in the cost/income ratio (after being restated to account for the impact of IFRIC 21) to 62.5%. Expenses rose by only 2.8% in H1-21, resulting in a 1.4pp improvement in the cost/income ratio, which now stands at 62.3%.

Gross operating income in H1-21 rose by 9.2% to reach 1,339 million euros. In Q2-21, it remained virtually stable at 696 million euros.

The **cost of risk** amounted to 66 million euros in Q2-21 (-76.0%) and to 219 million euros (-44.8%) in H1-21.

Income before tax (after being restated to account for the impact of IFRIC 21) rose to 620 million euros in Q2-21 and to 1,147 million euros in H1-21.

¹ See note on methodology and after restatement to account for the impact of IFRIC 21

3.1.3 Financial Solutions & Expertise

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	302	15.0%	597	8.4%
Operating expenses	(153)	8.4%	(309)	3.7%
Gross operating income	148	22.6%	287	13.9%
Cost of risk	(30)	17.5%	(61)	21.2%
Income before tax after IFRIC 21 restatement	117	23.6%	229	11.9%
Cost/income ratio ¹	51.2 %	(2.9)pp	51.4 %	(2.3)pp

The **net banking income** generated by the Financial Solutions & Expertise division rose by 15.0% in Q2-21 to 302 million euros and by 8.4% in H1-21 to 597 million euros, driven by the good performance of the different business lines in a context of economic recovery.

In the Consumer credit segment, personal loan outstandings reached the record-breaking level of 7 billion euros in H1-21, up 39% year-on-year.

In the Sureties & financial guarantees business, gross premiums written were up 21% in H1-21 year-on-year in the personal loan guarantee business.

The Retail securities services business reported robust levels of activity with 3% growth in trading volumes in the French equity market compared with the already extremely dynamic 1st half of 2020.

In Leasing, business remained buoyant with the two retail banking networks in the production of new equipment leasing and long-term automobile leasing contracts.

Business recovery was confirmed in the Factoring business with factored sales up 33% in Q2-21 year-on-year.

For Socfim, new production remained at high levels in Q2-21 following in the wake of a good first quarter of the year (+14% vs. Q2-20).

Operating expenses remained under tight control with a year-on-year increase of 8.4% in Q2-21 to 153 million euros and a 3.7% increase in H1-21 to 309 million euros. This resulted in a 2.9pp decline in the cost/income ratio to 51.2% in Q2-21 and a 2.3pp decline in H1-21 to 51.4%. **Gross operating income** increased by 22.6% in Q2-21 to stand at 148 million euros. In H1-21, it stood at 287 million euros (+13.9%).

With the continued pursuit of a prudent provisioning policy, the **cost of risk** rose by 17.5% compared with Q2-20 to 30 million euros, and increased by 21.2% compared with H1-20 to 61 million euros.

Income before tax, restated to account for the impact of IFRIC 21, stood at 117 million euros in Q2-21, representing year-on-year growth of 23.6% and reached 229 million euros in H1-21, up 11.9% over the past 12 months.

3.1.4 Insurance

The results presented below concern the Insurance division of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	252	6.7%	492	5.9%
Operating expenses	(124)	6.6%	(262)	5.0%
Gross operating income	128	6.7%	230	7.0%
Income before tax after IFRIC 21 restatement	125	10.1%	240	6.2%
Cost/income ratio ¹	50.8%	(0.6)pp	51.7%	(0.1)pp

Net banking income rose by 6.7% in Q2-21 to reach 252 million euros, and increased by 5.9% in the 1st half of 2021 to stand at 492 million euros.

Premiums² increased sharply in Q2-21 to 3.7 billion euros (+79%) and rose in H1-21 to 7.9 billion euros (+50%), with strong growth in life and personal protection insurance (+95% in Q2-21 and +58% in H1-21) and continued growth in property & casualty insurance (+12% in Q2-21 and +8% in H1-21).

Assets under management² reached 78.1 billion euros at the end of June 2021. Since the end of 2020, AuM have grown by 7%, with net inflows of 1.9 billion euros in euro funds and 2.1 billion euros on unit-linked products.

Unit-linked funds accounted for 28% of assets under management at the end of June 2021 (+3pp year-on-year) and 38% of gross inflows in H1-21.

In P&C insurance, the customer equipment rate of the Banque Populaire retail banking network reached 29.3% (+0.6pp compared with Q1-21) while that of the Caisse d'Epargne network came to 32.5% (+0.4pp compared with Q1-21).

¹ See notes on methodology and after restatement to account for IFRIC 21 ² Excluding the reinsurance agreement with CNP

Operating expenses increased by 6.6% in Q2-21 to 124 million euros and by 5.0% in H1-21 to 262 million euros. The cost/income ratio remained virtually stable in the first half of 2021 at 51.7%. **Gross operating income** rose by 7.0% in H1-21 to 230 million euros.

Income before tax (restated to account for the impact of IFRIC 21) came to 125 million euros in Q2-21 (+10.1%) and to 240 million euros in H1-21 (+6.2%).

3.1.5 Payments

The results presented below are those reported by Natixis' Payments division. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	118	37.7%	235	18.5%
Operating expenses	(101)	10.5%	(203)	10.3%
Gross operating income	17	ns	31	ns
vCost of risk	(7)	ns	(7)	ns
Income before tax after IFRIC 21 restatement	10	ns	25	55.0%
<i>Cost/income ratio¹</i>	<i>86.0%</i>	<i>(21.2)pp</i>	<i>86.4%</i>	<i>(6.4)pp</i>

Net banking income was up by 37.7% in Q2-21 to 118 million euros and by 18.5% in H1-21 to 235 million euros, although H1-2020 represents a low baseline for comparison considering the negative impacts of the Covid lockdown measures on business activities, especially in April and May.

In Payment Processing & Services, revenues were up 18% in H1-21. The number of card transactions grew by 17% in H1-21, with contactless payments accounting for approximately 47% in Q2-21 vs. approximately 36% in Q2-20. Mobile phone payment volumes increased 2.6x vs. Q2-20 and instant payment volumes increased 2.1x vs. Q2-20.

Within the Digital segment, PayPlug increased its year-on-year business volume by 78% in H1-21, including a strong acceleration of activity with Groupe BPCE's retail banking networks (year-on-year business volumes multiplied by a factor of 3.3 in H1-21). For Dalenys, business volumes also enjoyed strong growth (+46% year-on-year in H1-21).

Operating expenses increased year-on-year by 10.5% in Q2-21 and by 10.3% in H1-21. Thanks to a positive jaws effect, the cost/income ratio improved to 86.4% in H1-21 (-6.4pp).

Gross operating income rebounded significantly to 31 million euros in H1-21.

Income before tax (restated to account for the impact of IFRIC 21) amounted to 10 million euros in Q2-21 (-6 million euros in Q2-20) and 25 million euros in H1-21 (+55%).

3.1.6 Oney Bank

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	101	(10.2)%	205	(8.2)%
Operating expenses	(70)	0.7%	(142)	(1.1)%
Gross operating income	31	(27.8)%	63	(20.8)%
Cost of risk	(20)	(11.1)%	(40)	(14.0)%
Income before tax after IFRIC 21 restatement	11	(46.0)%	23	(30.2)%
<i>Cost/income ratio¹</i>	<i>69.1%</i>	<i>7.6pp</i>	<i>69.1%</i>	<i>4.8pp</i>

Oney bank recorded a 20.6% increase in new loan production in H1-21 rising to 1,640 million euros, 46% of which in split payment solutions (up 21% year-on-year), 33% in assigned credit, 12% in revolving credit, and 9% in personal loans.

Loan outstandings totaled 2.5 billion euros at June 30, 2021, down 4% year-on-year, reflecting the closure of sales outlets in the wake of health restrictions, with a notably impact on consumer credit behavior.

3.1.7 Bank Palatine

Loan outstandings increased by 3.2% year-on-year in H1-21.

In H1-21, **net banking income** amounted to 163 million euros, marginally down by 0.3%. In Q2-21, it grew by 11.5% to 85 million euros.

Operating expenses increased by 4.0% in Q2-21 and by 4.9% in H1-21.

Gross operating income in H1-21 contracted by 7.1% year-on-year to 65 million euros, including a recovery in Q2-21 to 41 million euros (+20.8%).

The **cost of risk** stood at 24 million euros in Q2-21 (-35.7%) and at 42 million euros in H1-21 (-23.8%).

Income before tax (after being restated to account for the impact of IFRIC 21) amounted to 16 million euros in Q2-21 (vs 4 million euros in Q2-20) and stood at 24 million euros in H1-21 (+51.4%). -

¹ See note on methodology and after restatement to account for the impact of IFRIC 21

3.2 Global Financial Services

The GFS division includes the Asset & Wealth Management activities and the Corporate & Investment Banking activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those published by Natixis.

Underlying figures €m	Q2-21	% Change	H1-21	% Change
Net banking income	1,770	45.6%	3,483	30.5%
Operating expenses	(1,202)	19.0%	(2,373)	10.4%
Gross operating income	568	x2.8	1,111	x2.1
Cost of risk	(27)	(90.5)%	(110)	(77.0)%
Income before tax after IFRIC 21 restatement	533	ns	1,024	ns
Cost/income ratio ¹	68.5 %	(15.5)pp	67.6 %	(12.2)pp

Revenues increased by 45.6% in Q2-21 year-on-year and by 30.5% in H1-21 year-on-year.

Thanks to a strong positive jaws effect, **gross operating income** increased by a factor of 2.8 in Q2-21 and by a factor of 2.1 in H1-21. The cost/income ratio improved significantly by 15.5pp to 68.5% in Q2-21 and by 12.2pp to 67.6% in H1-21.

The **cost of risk** fell sharply: - 90.5% to 27 million euros in Q2-21 and -77.0% to 110 million euros in H1-21.

Income before tax (after being restated to account for the impact of IFRIC 21) enjoyed extremely significant growth to 533 million euros in Q2-21 (vs. -86 million euros in Q2-20) and to 1,024 million euros in H1-21 (vs. 70 million euros in H1-20).

¹ See note on methodology and after restatement to account for the impact of IFRIC 21

3.3 Asset & Wealth management

The Asset & Wealth Management business line includes the Asset Management and Wealth Management activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.

Underlying figures Excl H ₂ O AM €m	Q2-21	% Change	H1-21	% Change	Constant FX % Change
Net banking income	831	21.5%	1,586	16.3%	22.6%
Operating expenses	(605)	15.9%	(1,186)	9.7%	15.1%
Gross operating income	226	39.4%	400	41.4%	52.4%
Income before tax after IFRIC 21 restatement	225	48.1%	402	45.0%	
Cost/income ratio ¹	73.0%	(3.5)pp	74.6%	(4.5)pp	

Underlying figures Including H ₂ O AM €m	Q2-21	% Change	H1-21	% Change	Constant FX % Change
Net banking income	851	20.8%	1,625	9.9%	15.4%
Operating expenses	(620)	16.4%	(1,214)	9.1%	14.3%
Gross operating income	232	34.4%	411	12.3%	18.9%
Income before tax after IFRIC 21 restatement	230	41.2%	410	13.7%	
Cost/income ratio ¹	72.9%	(2.8)pp	74.6%	(0.5)pp	

Unless specified to the contrary, the following comments relate to the key financial figures that do not include the contribution of H₂O AM.

In Q2-21, the division's **net banking income** amounted to 831 million euros, up 21.5%, and to 1,586 million euros in H1-21 (+16.3% at current exchange rates and +22.6% at constant exchange rates), including an increase in management fees and growth in average assets under management.

In H1-21, net banking income (including H₂O AM) increased by 15.4% year-on-year at constant exchange rates. Net banking income includes 20 million euros in Asset Management performance fees in Q2-21, generated by a number of North American and European affiliates, a level of performance in line with Q2-20.

In Asset Management, the fee rate (excluding performance fees) was approximately 24bps overall (+1.2bps vs. Q1-21) and approximately 38bps if Ostrum AM is excluded (+1.1bps vs. Q1-21). The margin rate is approximately 35bps for US affiliates and approximately 39bps for European affiliates, if Ostrum AM is excluded. For Ostrum AM, the margin rate is approximately 3bps.

In Asset Management, **net inflows**² on long-term products (excluding Ostrum AM) reached approximately 5 billion euros in the 2nd quarter of 2021, driven by the good momentum of the North American affiliates and by Private Asset strategies. Ostrum AM recorded outflows of 4 billion euros in Q2-21.

At June 30, 2021, **assets under management**² stood at 1,183 billion euros in the Asset Management segment; this metric increased in Q2-21 thanks to net inflows of approximately 1 billion euros, a positive market effect of 35 billion euros, and a negative currency translation (and other) effect of 6 billion euros.

Operating expenses for the division were up 15.9% in Q2-21 and rose by 9.7% in H1-21 (+15.1% at constant exchange rates). Thanks to a positive jaws effect, the cost/income ratio improved by 4.5pp in H1-21 to 74.6%.

Gross operating income amounted to 400 million euros in H1-21 (+41.4% compared with H1-20, +52.4% at constant exchange rates).

If H₂O AM is included, gross operating income stood at 411 million euros in H1-21, representing growth of 12.3%.

Income before tax (after being restated to account for the impact of IFRIC 21) stood at 225 million euros in Q2-21 (+48.1%) and 402 million euros in H1-21 (+45.0%).

¹ See note on methodology and after restatement to account for the impact of IFRIC 21 ² Asset Management: Europe including Dynamic Solutions and Vega IM, excluding H20 AM (€17bn AuM as at June 30, 2021); North America including WCM IM

3.3 Corporate & Investment Banking

The Corporate & Investment Banking business line (CIB) includes the Global markets, Global finance, Investment banking and M&A activities of Natixis. Figures specifying the contribution to Groupe BPCE are different from those reported by Natixis.

Underlying figures €m	Q2-21		H1-21		Constant Fx % Change
		% Change		% Change	
Net banking income	919	79.8%	1,859	56.1%	63.0%
Operating expenses	(583)	21.9%	(1,159)	11.8%	14.9%
Gross operating income	336	x10.2	700	x4.5	
Cost of risk	(28)	(90.0)%	(109)	(76.8)%	
Income before tax after IFRIC 21 restatement	303	ns	614	ns	
Cost/income ratio ¹	64.3%	(31.0)pp	61.4%	(24.0)pp	

Net banking income posted by the Corporate & Investment Banking division reached 1,859 million euros in H1-21, up 56.1% year-on-year (+63.0% at constant exchange rates) compared to H1-20, a period marked by a large number of dividend cancellations penalizing the revenues of the Equity businesses and by xVA effects.

In the Global Markets segment, FICT revenues reached 287 million euros in Q2-21 and 617 million euros in H1-21, including an increased contribution from the credit, rates and treasury activities that offset the contraction in revenues from the foreign exchange businesses.

For the Equity business line, more favorable market conditions and good business momentum with the retail banking networks generated revenues of 108 million euros in Q2-21 and 275 million euros in H1-21.

Global finance revenues, standing at 393 million euros, grew by 22% compared with Q2-20, buoyed up by higher loan portfolio revenues, particularly with corporates and in the Real Assets (especially Infrastructure) and Trade Finance segments. In H1-21, revenues increased by 18% year-on-year to 728 million euros.

Investment banking and M&A revenues amounted to 135 million euros in Q2-21 and to 231 million euros in H1-21. For Debt Capital Market activities, revenues were up 10% in H1-21 despite a lower contribution in Q2-21. For the M&A segment, revenues doubled in Q2-21 and increased by 20% in H1-21, driven by contributions from Natixis Partners and Solomon Partners.

Operating expenses increased by 11.8% in H1-21 (+14.9% at constant exchange rates). Thanks to this positive jaws effect, the cost/income ratio improved by 24pp to 61.4% in H1-21.

Gross operating income stood at 336 million euros in Q2-21 and 700 million euros in H1-21.

The **cost of risk** improved in Q2-21 to stand at 28 million euros (-90.0%) and at 109 million euros in H1-21 (-76.8% year-on-year).

As a result, **income before tax** (after being restated to account for the impact of IFRIC 21) increased to 303 million euros in Q2-21 and to 614 million euros in H1-21.

¹ See notes on methodology and after restatement to account for IFRIC 21

ANNEXES

Notes on methodology

Presentation of restated and pro-forma quarterly results

In its capacity as the central institution, BPCE SA organizes, coordinates and supervises a certain number of activities or services on behalf of the Group and, notably, of the Banque Populaire and Caisse d'Epargne retail banking networks (strategic oversight, coordination of commercial policies, centralized management of refinancing, major projects, etc.). The contribution of the central institution is presented under the Corporate center division.

The rules governing the re-invoicing by BPCE SA of expenses recorded with respect to the missions it pursues in its central institution capacity were modified in the fourth quarter of 2020. As a result and for comparison purposes, the 2019 and 2020 quarterly income statements of the Retail Banking & Insurance and Corporate center divisions have been restated for past periods

Restatement of the impact of IFRIC 21

The results, cost/income ratios and ROE, after being restated to account for the impact of IFRIC 21, are calculated on the basis of $\frac{1}{4}$ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a given quarter, or $\frac{1}{2}$ of the amount of taxes and contributions resulting from the interpretation of IFRIC 21 for a 6-month period. In practice, for Groupe BPCE, the principal taxes concerned by IFRIC 21 are the company social solidarity contribution (C3S) and contributions and levies of a regulatory nature (systemic risk tax levied on banking institutions, contribution to ACPR control costs, contribution to the Single Resolution Fund and to the Single Supervisory Mechanism).

Net banking income

Customer net interest income, excluding regulated home savings schemes, is computed on the basis of interest earned from transactions with customers excluding net interest on centralized savings products (*Livret A*, *Livret Développement Durable*, *Livret Epargne Logement* passbook savings accounts) in addition to changes in provisions for regulated home purchase savings schemes. Net interest on centralized savings is assimilated to commissions.

Operating expenses

The operating expenses correspond to the aggregate total of the 'Operating Expenses' (as presented in the Group's universal registration document, note 4.7 appended to the consolidated financial statements of Groupe BPCE) and 'Depreciation, amortization and impairment for property, plant and equipment and intangible assets.'

Cost of risk

The cost of risk is expressed in basis points and measures the level of risk per business line as a percentage of the volume of loan outstandings; it is calculated by comparing net provisions booked with respect to credit risks of the period to gross customer loan outstandings at the beginning of the period.

Loan outstandings and Deposits & Savings

Restatements regarding transitions from book outstandings to outstandings under management (Loans and Deposits & Savings) are as follows:

- Deposits & Savings: the scope of outstandings under management excludes debt securities (certificates of deposit and savings bonds)
- Loan outstandings: the scope of outstandings under management excludes securities classified as customer loans and receivables and other securities classified as financial operations.

Capital adequacy & deduction of IPC

- **Common Equity Tier 1** is determined in accordance with the applicable CRR/CRD IV rules and after deduction of irrevocable payment commitments
- **Additional Tier-1 capital** takes account of subordinated debt issues that have become non-eligible and subject to ceilings at the phase-out rate in force.
- The **leverage ratio** is calculated using the rules of the Delegated Act published by the European Commission on October 10, 2014, without transitional measures. Securities financing operations carried out with clearing houses are offset on the basis of the criteria set forth in IAS 32, without consideration of maturity and currency criteria.

Following the decision of July 13, 2018 handed down by the General Court of the European Union, Groupe BPCE again requested the agreement of the ECB to exclude the centralized outstandings of regulated savings from the calculation of the denominator of the ratio.

Total loss-absorbing capacity

The amount of liabilities eligible for inclusion in the numerator used to calculate the Total Loss-Absorbing Capacity (TLAC) ratio is determined on the basis of our understanding of the Term Sheet published by the FSB on November 9, 2015: "Principles on Loss-Absorbing and Recapitalization Capacity of G-SIBs in Resolution."

This amount is comprised of the following 4 items:

- Common Equity Tier 1 in accordance with the applicable CRR/CRD IV rules,
- Additional Tier-1 capital in accordance with the applicable CRR/CRD IV rules,
- Tier-2 capital in accordance with the applicable CRR/CRD IV rules,
- Subordinated liabilities not recognized in the capital mentioned above and whose residual maturity is greater than 1 year, namely:
 - o The share of additional Tier-1 capital instruments not recognized in common equity (i.e. included in the phase-out),
 - o The share of the prudential discount on Tier-2 capital instruments whose residual maturity is greater than 1 year,
 - o The nominal amount of senior non-preferred securities maturing in more than 1 year.

Eligible amounts differ slightly from the amounts adopted for the numerator of the capital adequacy ratios; these eligible amounts are determined using the principles defined in the Term Sheet published by the FSB on November 9, 2015.

Liquidity

Total liquidity reserves comprise the following:

- Central bank-eligible assets include: ECB-eligible securities not eligible for the LCR, taken for their ECB valuation (after the ECB haircut), securities retained (securitization and covered bonds) that are available and ECB-eligible taken for their ECB valuation (after ECB haircut) and private receivables available and eligible for central bank funding (ECB and the Federal Reserve), net of central bank funding.
- LCR eligible assets comprising the Group's LCR reserve taken for their LCR valuation.
- Liquid assets placed with central banks (ECB and the Federal Reserve), net of US Money Market Funds deposits and to which fiduciary money is added.

Short-term funding corresponds to funding with an initial maturity of less than, or equal to, 1 year and the short-term maturities of medium-/long-term debt correspond to debt with an initial maturity date of more than 1 year maturing within the next 12 months. Customer deposits are subject to the following adjustments:

- Addition of security issues placed by the Banque Populaire and Caisse d'Epargne retail banking networks with their customers, and certain operations carried out with counterparties comparable to customer deposits
- Withdrawal of short-term deposits held by certain financial customers collected by Natixis in pursuit of its intermediation activities.

Simplified Public Tender Offer on Natixis shares

On February 9, 2021, BPCE SA announced its intent to acquire the shares in Natixis SA's capital that it did not already own, i.e. approximately 29.3% at December 31, 2020, and to file a simplified tender offer ("*offre publique d'achat simplifiée*") with the French stock market regulator AMF (*Autorité des Marchés Financiers*).

After the tender offer was declared compliant by the AMF on April 15, the various necessary regulatory approvals were subsequently obtained, enabling the simplified public tender offer to proceed on June 4, 2021.

On June 30, 2021, BPCE SA held 79.71% of Natixis shares (percentage of ownership expressed as a proportion of the total number of shares settled and delivered as at the balance sheet date, excluding treasury shares held by Natixis). The earnings generated by the Natixis Group in the 2nd quarter of the year and attributed to BPCE were computed on the basis of this percentage.

Result of the Simplified Public Tender Offer on Natixis shares

The simplified tender offer for 29.3% of the share capital of Natixis S.A., which closed on July 9, 2021, enabled Groupe BPCE to hold more than 90% of the share capital and voting rights of Natixis. The squeeze-out was subsequently implemented on July 21, 2021.

Reconciliation of restated data to reported data

Q2-21

In millions of euros	GROUPE BPCE			GROUPE BPCE		
	Q2-21 Reported	Coface	Q2-21 Restated	Q2-20 reported	Coface	Q2-20 restated
Net banking income	6,337		6,337	5,183		5,183
Operating expenses	(4,151)		(4,151)	(3,837)		(3,837)
Gross operating income	2,187		2,187	1,346		1,346
Cost of risk	(332)		(332)	(981)		(981)
Share in net income of associates	80		80	20	28	48
Gains or losses on other assets	(10)		(10)	(131)		(131)
Income before tax	1,924		1,924	255	28	282
Income tax	(509)		(509)	(129)		(129)
Non-controlling interests	(108)		(108)	5	(8)	(3)
Net income – excl. Coface net contribution			1,308		19	150
Coface – Net contribution						(19)
Net income – Group share	1,308		1,308	131		131

H1-21

In millions of euros	GROUPE BPCE			GROUPE BPCE		
	H1-21 Reported	Coface	H1-21 Restated	H1-20 reported	Coface	H1-20 restated
Net banking income	12,455		12,455	10,726		10,726
Operating expenses	(8,806)		(8,806)	(8,383)		(8,383)
Gross operating income	3,649		3,649	2,343		2,343
Cost of risk	(822)		(822)	(1,484)		(1,484)
Share in net income of associates	156	(7)	149	68	33	101
Gains or losses on other assets	(11)		(11)	(242)	112	(130)
Income before tax	2,972	(7)	2,965	685	145	829
Income tax	(921)		(921)	(385)		(385)
Non-controlling interests	(196)	2	(194)	13	(43)	(30)
Net income – excl. Coface net contribution		(5)	1,851		102	415
Coface – Net contribution			5			(102)
Net income – Group share	1,856		1,856	312		312

Reconciliation of alternative performance measures to reported data

Q2-21

		Net banking income	Operating expenses	Income before tax	Net income - Group share excluding Coface
In millions of euros					
Restated Q2-21 results		6,337	(4,151)	1,924	1,308
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	<i>Corporate center</i>	1		1	2
Transformation and reorganization costs	<i>Business lines/ Corporate center</i>	6	(70)	(85)	(65)
Legal provision		(3)		(3)	(2)
Q2-21 results excluding exceptional items & Coface net contribution		6,334	4,080	2,012	1,373

H1-21

		Net banking income	Operating expenses	Income before tax	Net income - Group share excluding Coface
In millions of euros					
Restated H1-21 results		12,455	(8,806)	2,965	1,851
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	<i>Corporate center</i>	(2)		(2)	(8)
Transformation and reorganization costs	<i>Business lines/ Corporate center</i>	11	(143)	(154)	(128)
Legal provision		(19)		(19)	(10)
H1-21 results excluding exceptional items & Coface net contribution		12,465	8,662	3,140	1,996

Reconciliation of alternative performance measures to reported data

Q2-20

In millions of euros

		Net banking income	Operating expenses	Associates	Gains or losses on other assets	Income before tax	Net income - Group share excluding Coface
Restated Q2-20 results		5,183	(3,837)	48	(131)	282	150
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	<i>Corporate center</i>	2				2	6
Transformation and reorganization costs	<i>Business lines/ Corporate center</i>		(71)		(141)	(212)	(133)
Contribution to the insurance guarantee fund	<i>Insurance</i>	(9)				(9)	(5)
Disposals and impairment	<i>Business lines/ Corporate center</i>			(10)		(10)	(10)
Q2-20 results excluding exceptional items & Coface net contribution		5,190	(3,766)	58	10	511	292

H1-20

In millions of euros

		Net banking income	Operating expenses	Associates	Gains or losses on other assets	Income before tax	Net income - Group share excluding Coface
Restated H1-20 results		10,726	(8,383)	101	(130)	829	415
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	<i>Corporate center</i>	0				0	0
Transformation and reorganization costs	<i>Business lines/ Corporate center</i>		(133)		(141)	(274)	(175)
Impact of Lebanon default on ADIR insurance	<i>Insurance</i>			(14)		(14)	(10)
Contribution to the insurance guarantee fund	<i>Insurance</i>	(16)				(16)	(8)
Disposals and impairment	<i>Business lines/ Corporate center</i>			(10)		(10)	(10)
H1-20 results excluding exceptional items & Coface net contribution		10,742	(8,250)	125	11	1,143	618

Reconciliation of 2020 data to pro forma data

Retail banking and Insurance	Q1-20				Q2-20				Q3-20				Q4-20			
	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income
In millions of euros																
Reported figures	4,140	(2,803)	1,032	685	4,074	(2,585)	844	537	4,162	(2,629)	1,211	818	4,081	(2,796)	527	289
Analytical adjustments	1	2	2	1	1	1	2	1	1	1	2	1	1	1	2	1
Central institution's expenses	(65)	7	(58)	(39)	(65)	7	(58)	(39)	(65)	7	(58)	(39)	194	(21)	173	118
Pro forma figures	4,076	(2,794)	977	646	4,010	(2,577)	789	499	4,098	(2,620)	1,156	780	4,276	(2,816)	702	407

Global financial services	Q1-20				Q2-20				Q3-20				Q4-20			
	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income
In millions of euros																
Restated figures	1,462	(1,136)	134	41	1,223	(1,014)	(71)	(46)	1,447	(1,085)	135	54	1,896	(1,251)	465	225
Analytical adjustments	(8)	(3)	(11)	(6)	(8)	(3)	(11)	(6)	(8)	(3)	(11)	(6)	(8)	(3)	(11)	(6)
Pro forma figures	1,454	(1,140)	124	36	1,215	(1,017)	(82)	(51)	1,439	(1,088)	124	49	1,888	(1,254)	(454)	219

Corporate center	Q1-20				Q2-20				Q3-20				Q4-20			
	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income	Net banking income	Operating expenses	Income before tax	Net income
In millions of euros																
Restated figures	(58)	(606)	(619)	(461)	(115)	(238)	(491)	(341)	(98)	(191)	(263)	(169)	326	(309)	77	114
Analytical adjustments	7	2	9	4	7	1	9	5	7	1	9	5	7	1	9	4
Central institution's expenses	65	(7)	58	39	65	(7)	58	39	65	(7)	58	39	(194)	21	(173)	(118)
Pro forma figures – excl. Coface net contribution	13	(612)	(553)	(418)	(42)	(244)	(425)	(297)	(26)	(197)	(197)	(125)	139	(286)	(88)	1

Groupe BPCE: restated income statement per business line

Restated figures In millions of euros	RETAIL BANKING & INSURANCE		GLOBAL FINANCIAL SERVICES		CORPORATE CENTER		GROUPE BPCE		
	Q2-21	Q2-20pf	Q2-21	Q2-20pf	Q2-21	Q2-20pf	Q2-21	Q2-20pf	%
Net banking income	4,420	4,010	1,766	1,215	151	(42)	6,337	5,183	22.3%
Operating expenses	(2,687)	(2,577)	(1,208)	(1,017)	(255)	(244)	(4,151)	(3,837)	8.2%
Gross operating income	1,733	1,433	558	199	(104)	(286)	2,187	1,346	62.5%
Cost of risk	(283)	(651)	(27)	(286)	(21)	(44)	(332)	(981)	(66.2)%
Income before tax	1,466	789	534	(82)	(75)	(425)	1,924	282	x6.8
.8Income tax	(392)	(262)	(138)	22	21	111	(509)	(129)	x3.9
Non-controlling interests	(31)	(28)	(96)	9	18	16	(108)	(3)	ns
Net income – excl. Coface	1,043	499	300	(51)	(35)	(297)	1,308	150	x8.7
Coface – Net contribution						(19)		(19)	ns
Net income – Group share	1,043	499	300	(51)	(35)	(317)	1,308	131	x10.0

In millions of euros	RETAIL BANKING & INSURANCE		GLOBAL FINANCIAL SERVICES		CORPORATE CENTER		GROUPE BPCE		
	H1-21	H1-20pf	H1-21	H1-20pf	H1-21	H1-20pf	H1-21	H1-20pf	%
Net banking income	8,718	8,086	3,465	2,669	272	(29)	12,455	10,726	16.1%
Operating expenses	(5,447)	(5,371)	(2,392)	(2,156)	(966)	(856)	(8,806)	(8,383)	5.0%
Gross operating income	3,271	2,715	1,073	513	(695)	(885)	3,649	2,343	55.8%
Cost of risk	(670)	(953)	(110)	(479)	(41)	(52)	(822)	(1,484)	(44.6)%
Income before tax	2,633	1,766	961	41	(630)	(977)	2,965	829	x3.6
Income tax	(731)	(568)	(250)	(12)	60	195	(921)	(385)	x2.4
Non-controlling interests	(63)	(53)	(197)	(45)	66	67	(194)	(30)	x6.5
Net income – excl. Coface	1,839	1,145	515	(16)	(504)	(715)	1,851	415	x4.5
Coface – Net contribution					5	(102)	5	(102)	ns
Net income – Group share	1,839	1,145	515	(16)	(498)	(817)	1,856	312	x5.9

Groupe BPCE: restated quarterly series

GROUPE BPCE						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	5,543	5,183	5,511	6,303	6,117	6,337
Operating expenses	(4,546)	(3,837)	(3,905)	(4,356)	(4,655)	(4,151)
Gross operating income	997	1,346	1,606	1,947	1,462	2,187
Cost of risk	(504)	(981)	(589)	(924)	(490)	(332)
Income before tax	548	282	1,083	1,069	1,041	1,924
Net income – excl. Coface	265	150	703	628	543	1,308
Coface – Net contribution	(83)	(19)	(29)	(5)	5	
Net income – Group share	181	131	674	624	548	1,308

Consolidated balance sheet

ASSETS (in millions of euros)	June 30, 2021	Dec. 31, 2020
Cash and amounts due from central banks	151,361	153,403
Financial assets at fair value through profit or loss	186,044	196,260
Hedging derivatives	7,662	9,608
Financial assets at fair value through shareholders' equity	50,043	49,630
Financial assets at amortized cost	27,218	26,732
Loans and receivables due from credit institutions and similar at amortized cost	99,064	90,018
Loans and receivables due from customers at amortized cost	757,573	746,809
Revaluation difference on interest rate risk-hedged portfolios	6,833	8,941
Insurance activity investments	129,175	124,566
Current tax assets	642	747
Deferred tax assets	3,476	3,667
Accrued income and other assets	14,282	16,367
Non-current assets held for sale	2,434	2,599
Investments in associates	4,383	4,586
Investment property	774	770
Property, plant and equipment	6,089	6,222
Intangible assets	1,037	1,038
Goodwill	4,354	4,307
TOTAL ASSETS	1,452,445	1,446,269

LIABILITIES (in millions of euros)	June 30, 2021	Dec. 31, 2020
Amounts due to central banks		
Financial liabilities at fair value through profit or loss	162,369	191,371
Hedging derivatives	13,523	15,262
Debt securities	229,051	228,201
Amounts due to credit institutions	153,187	138,416
Amounts due to customers	648,664	630,837
Revaluation difference on interest rate risk-hedged portfolios	198	243
Current tax liabilities	1,014	485
Deferred tax liabilities	1,140	1,239
Accrued expenses and other liabilities	21,476	22,662
Liabilities associated with non-current assets held for sale	2,173	1,945
Insurance-related liabilities	121,014	114,608
Provisions	5,451	6,213
Subordinated debt	16,262	16,375
Shareholders' equity	76,923	78,412
<i>Equity attributable to equity holders of the parent</i>	76,266	72,683
Non-controlling interests	657	5,728
TOTAL LIABILITIES	1,452,445	1,446,269

Retail Banking & Insurance

Quarterly income statement

In millions of euros	BANQUE POPULAIRE NETWORK			CAISSE D'EPARGNE NETWORK			FINANCIAL SOLUTIONS & EXPERTISE			INSURANCE			PAYMENTS			OTHER NETWORKS			RETAIL BANKING & INSURANCE		
	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%	Q2-21	Q2-20pf	%
Net banking income	1,738	1,483	17.1%	1,825	1,761	3.6%	302	262	15.4%	252	229	9.9%	118	85	37.7%	187	189	(1.5)%	4,420	4,010	10.2%
Operating expenses	(1,056)	(1,016)	3.9%	(1,136)	(1,086)	4.5%	(156)	(141)	10.3%	(124)	(116)	6.7%	(101)	(94)	7.4%	(114)	(123)	(6.9)%	(2,687)	(2,577)	4.3%
Gross operating income	682	468	45.8%	689	675	2.1%	146	120	21.3%	128	113	13.2%	16	(9)	ns	72	67	8.5%	1,733	1,433	20.9%
Cost of risk	(136)	(289)	(53.0)%	(66)	(276)	(76.0)%	(30)	(26)	17.5%				(7)	0	ns	(44)	(60)	(26.5)%	(283)	(651)	(56.4)%
Income before tax	559	187	x3.0	625	398	56.9%	116	95	22.3%	128	111	15.5%	10	(9)	ns	28	7	x4.0	1,466	789	85.8%
Income tax	(140)	(66)	x2.1	(176)	(137)	28.3%	(32)	(28)	13.5%	(35)	(34)	5.2%	(3)	3	ns	(6)	1	ns	(392)	(262)	49.7%
Non-controlling interests	(1)	0	ns	(5)	2	ns				(19)	(23)	(16.9)%	(1)	2	ns	(5)	(9)	(46.8)%	(31)	(28)	9.3%
Net income - Group share	418	120	x3.5	445	263	69.0%	84	67	26.0%	74	55	35.2%	6	(4)	ns	17	(2)	ns	1,043	499	x2.1

Half-year income statement

In millions of euros	BANQUE POPULAIRE NETWORK			CAISSE D'EPARGNE NETWORK			FINANCIAL SOLUTIONS & EXPERTISE			INSURANCE			PAYMENTS			OTHER NETWORKS			RETAIL BANKING & INSURANCE		
	H1-21	H1-20pf	%	H1-21	H1-20pf	%	H1-21	H1-20pf	%	H1-21	H1-20pf	%	H1-21	H1-20pf	%	H1-21	H1-20pf	%	H1-21	H1-20pf	%
Net banking income	3,407	3,055	11.5%	3,620	3,446	5.1%	597	550	8.5%	492	451	9.2%	235	(198)	18.5%	368	387	(4.8)%	8,718	8,086	7.8%
Operating expenses	(2,134)	(2,108)	1.3%	(2,293)	(2,262)	1.4%	(313)	(300)	4.5%	(263)	(250)	5.1%	(204)	(188)	9.0%	(239)	(264)	(9.4)%	(5,447)	(5,371)	1.4%
Gross operating income	1,272	947	34.3%	1,327	1,184	12.1%	284	250	13.5%	230	201	14.3%	30	10	x3.0	129	122	5.0%	3,271	2,715	20.5%
Cost of risk	(301)	(406)	(25.8)%	(219)	(397)	(44.8)%	(61)	(50)	21.2%				(7)	2	ns	(82)	(102)	(19.3)%	(670)	(953)	(29.7)%
Income before tax	998	558	78.8%	1,109	786	41.1%	223	200	11.5%	233	188	23.5%	23	12	88.4%	47	21	x2.2	2,633	1,766	49.1%
Income tax	(268)	(181)	47.8%	(321)	(260)	23.2%	(62)	(60)	2.8%	(64)	(60)	6.3%	(6)	(4)	73.0%	(10)	(2)	x5.0	(731)	(568)	28.8%
Non-controlling interests	(3)	(1)	97.8%	(6)	1	ns				(41)	(38)	9.4%	(4)	(2)	78.2%	(9)	(13)	(28)%	(63)	(53)	19.7%
Net income - Group share	728	376	93.8%	783	527	48.5%	161	140	15.3%	128	91	40.7%	13	6	x2.2	27	6	x4.5	1,839	1,145	60.6%

Quarterly series

Retail Banking & Insurance

RETAIL BANKING & INSURANCE						
In millions of euros	Q1-20 pf	Q2-20 pf	Q3-20 pf	Q4-20 pf	Q1-21	Q2-21
Net banking income	4,076	4,010	4,098	4,276	4,298	4,420
Operating expenses	(2,794)	(2,577)	(2,620)	(2,816)	(2,760)	(2,687)
Gross operating income	1,281	1,433	1,478	1,460	1,538	1,733
Cost of risk	(302)	(651)	(343)	(746)	(387)	(283)
Income before tax	977	789	1,156	702	1,167	1,466
Net income – Group share	646	499	780	407	796	1,043

Banque Populaire and Caisse d'Épargne networks

BANQUE POPULAIRE NETWORK						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	1,572	1,483	1,588	1,672	1,669	1,738
Operating expenses	(1,092)	(1,016)	(1,053)	(1,082)	(1,078)	(1,056)
Gross operating income	480	468	535	590	591	682
Cost of risk	(117)	(289)	(114)	(309)	(165)	(136)
Income before tax	372	187	434	280	440	559
Net income – Group share	255	120	313	182	310	418

CAISSE D'EPARGNE NETWORK						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	1,684	1,761	1,705	1,767	1,795	1,825
Operating expenses	(1,175)	(1,086)	(1,077)	(1,209)	(1,158)	(1,136)
Gross operating income	509	675	627	558	638	689
Cost of risk	(121)	(276)	(162)	(354)	(153)	(66)
Income before tax	388	398	476	202	485	625
Net income – Group share	264	263	326	98	338	445

Financial Solutions & Expertise

FINANCIAL SOLUTIONS & EXPERTISE						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	288	262	284	300	295	302
Operating expenses	(159)	(141)	(150)	(154)	(157)	(156)
Gross operating income	130	120	134	146	138	146
Cost of risk	(24)	(26)	(35)	(32)	(31)	(30)
Income before tax	105	95	99	114	107	116
Net income – Group share	73	67	69	81	77	84

Insurance

INSURANCE						
	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
In millions of euros						
Net banking income	222	229	221	233	240	252
Operating expenses	(134)	(116)	(117)	(123)	(138)	(124)
Gross operating income	88	113	104	110	102	128
Income before tax	77	111	103	106	104	128
Net income – Group share	36	55	51	52	54	74

Payments

PAYMENTS						
	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
In millions of euros						
Net banking income	113	85	117	115	117	118
Operating expenses	(93)	(94)	(97)	(102)	(103)	(101)
Gross operating income	19	(9)	20	13	14	16
Income before tax	21	(9)	20	14	14	10
Net income – Group share	10	(4)	10	7	7	6

Other networks

OTHER NETWORKS						
	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
In millions of euros						
Net banking income	197	189	184	189	181	187
Operating expenses	(141)	(123)	(127)	(146)	(125)	(114)
Gross operating income	56	67	57	44	56	72
Cost of risk	(42)	(60)	(32)	(52)	(38)	(44)
Income before tax	14	7	24	(14)	18	28
Net income – Group share	8	(2)	11	(11)	10	17

Global Financial Services: restated quarterly income statement per business line

In millions of euros	ASSET AND WEALTH MANAGEMENT		CORPORATE & INVESTMENT BANKING		GLOBAL FINANCIAL SERVICES		
	Q2-21	Q2-20pf	Q2-21	Q2-20pf	Q2-21	Q2-20pf	%
Net banking income	851	705	915	511	1,766	1,215	45.3%
Operating expenses	(625)	(539)	(583)	(478)	(1,208)	(1,017)	18.9%
Gross operating income	226	166	332	33	558	199	x2.8
Cost of risk	0	(11)	(28)	(275)	(27)	(286)	(90.5)%
Income before tax	226	157	307	(240)	534	(82)	ns
Net income – Group share	120	73	179	(124)	300	(51)	ns

In millions of euros	ASSET AND WEALTH MANAGEMENT		CORPORATE & INVESTMENT BANKING		GLOBAL FINANCIAL SERVICES		
	H1-21	H1-20pf	H1-21	H1-20pf	H1-21	H1-20pf	%
Net banking income	1,625	1,479	1,840	1,191	3,465	2,699	29.8%
Operating expenses	(1,226)	(1,120)	(1,166)	(1,036)	(2,392)	(2,156)	10.9%
Gross operating income	399	359	674	154	1,073	513	x2.1
Cost of risk	(2)	(10)	(109)	(469)	(110)	(479)	(77.0)%
Income before tax	390	351	571	(310)	961	41	ns
Net income – Group share	197	147	319	(162)	515	(16)	ns

Quarterly series

Global Financial Services

GLOBAL FINANCIAL SERVICES						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	1,454	1,215	1,439	1,888	1,698	1,766
Operating expenses	(1,140)	(1,017)	(1,088)	(1,254)	(1,184)	(1,208)
Gross operating income	314	199	351	635	515	558
Cost of risk	(193)	(286)	(209)	(158)	(83)	(27)
Income before tax	124	(82)	124	454	428	534
Net income – Group share	36	(51)	49	219	215	300

Asset & Wealth Management

ASSET & WEALTH MANAGEMENT						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	774	705	745	1,003	773	851
Operating expenses	(581)	(539)	(577)	(698)	(601)	(625)
Gross operating income	193	166	168	305	173	226
Cost of risk	1	(11)	(10)	(7)	(2)	0
Income before tax	194	157	138	273	164	226
Net income – Group share	74	73	57	126	76	120

Corporate & Investment Banking

CORPORATE & INVESTMENT BANKING						
En millions d'euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	680	511	695	885	925	915
Operating expenses	(559)	(478)	(512)	(556)	(583)	(583)
Gross operating income	121	33	183	330	342	332
Cost of risk	(194)	(275)	(199)	(152)	(81)	(28)
Income before tax	(70)	(240)	(13)	181	264	307
Net income – Group share	(38)	(124)	(8)	93	139	179

Corporate center:

CORPORATE CENTER						
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21	Q2-21
Net banking income	13	(42)	(26)	139	121	151
Operating expenses	(612)	(244)	(197)	(286)	(711)	(255)
Gross operating income	(598)	(286)	(223)	(148)	(590)	(104)
Cost of risk	(8)	(44)	(38)	(20)	(20)	(21)
Share in income of associates	51	43	48	71	51	64
Net gains or losses on other assets	3	(137)	16	9	4	(13)
Income before tax – excl. Coface net contribution	(553)	(425)	(197)	(88)	(555)	(35)
Coface – Net contribution	(83)	(19)	(29)	(5)	5	
Net income – Group share	(501)	(317)	(154)	(3)	(463)	(36)

DISCLAIMER

This press release may contain forward-looking statements and comments relating to the objectives and strategy of Groupe BPCE. By their very nature, these forward-looking statements inherently depend on assumptions, project considerations, objectives and expectations linked to future events, transactions, products and services as well as on suppositions regarding future performance and synergies.

No guarantee can be given that such objectives will be realized; they are subject to inherent risks and uncertainties and are based on assumptions relating to the Group, its subsidiaries and associates and the business development thereof; trends in the sector; future acquisitions and investments; macroeconomic conditions and conditions in the Group's principal local markets; competition and regulation. Occurrence of such events is not certain, and outcomes may prove different from current expectations, significantly affecting expected results. Actual results may differ significantly from those anticipated or implied by the forward-looking statements. Groupe BPCE shall in no event have any obligation to publish modifications or updates of such objectives.

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The financial information presented in this document relating to the fiscal period ended June 30, 2021 has been drawn up in compliance with IFRS standards, as adopted in the European Union. This financial information is not the equivalent of summary financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".

Preparation of the financial information requires Management to make estimates and assumptions in certain areas with regard to uncertain future events. These estimates are based on the judgment of the individuals preparing this financial information and the information available at the balance sheet date. Actual future results may differ from these estimates.

The limited review procedures relating to the condensed consolidated financial statements for the interim period ended June 30, 2021 have been substantially completed. The reports of the statutory auditors regarding the limited review of these condensed consolidated financial statements will be published following the finalization of their verification.

About Groupe BPCE

Groupe BPCE, with its business model as a universal cooperative bank represented by 9 million cooperative shareholders, is currently the 2nd-largest banking group in France. With its 100,000 employees, it serves a total of 36 million customers – individuals, professionals, corporates, investors, and local government bodies – around the world. It operates in the retail banking and insurance sectors in France via its two major Banque Populaire and Caisse d'Épargne banking networks, along with Banque Palatine. With Natixis, it also runs global business lines specializing in Asset & Wealth management, Corporate & Investment Banking, Insurance and Payments. Through this structure, it is able to offer its customers a comprehensive, diversified range of products and services: solutions in savings, investment, cash management, financing, and insurance. The Group's financial strength is recognized by four financial rating agencies: The Group's financial strength is recognized by four financial rating agencies: Moody's (A1, outlook stable), Standard & Poor's (A, outlook stable), Fitch (A+, outlook negative) and R&I (A+, outlook stable).

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