

Paris, May 6, 2021

Results for the 1st quarter of 2021**10.4% growth in revenues to €6.1bn****Reported net income up threefold to €548m and underlying net income of €1,009m****Strict discipline on operating expenses, with a cost/income ratio of 67.1%¹****Stable cost of risk, illustrating a prudent provisioning policy****Rollout of the Group simplification project according to plan****Retail Banking & Insurance: 5.3% growth in revenues and gross operating income up 15.4%**

- **Loan outstandings: up 11.3% year-on-year**, including +8.3% for residential mortgages, +2.6% for consumer loans and +5.6% for equipment loans
- **Insurance: 5.1% growth in revenues**, premium growth of 32% and **gross operating income growth of 7.4%**
- **Financial Solutions & Expertise: gross operating income up 5.8%**, notably driven by Leasing activities

Asset & Wealth Management: assets under management of €1,153bn² at end-March

- **Net inflows of €6 billion in LT products** driven by Fixed Income, Equity and ESG strategies
- Net banking income up 4.9% year-on-year at constant exchange rates

Corporate & Investment Banking: revenues up 43.3% year-on-year at constant exchange rates

- Growth in Global Markets revenues reflected good performances in FIC-T and Equity businesses and a favorable basis of comparison
- Global Finance year-on-year revenues up 13%, driven by business with corporates and in the Infrastructure segment
- Gross operating income of €364 million

Control of operating expenses: positive jaws effect generating a cost/income ratio of 67.1%

- Limited 0.8%³ increase in operating expenses year-on-year
- Expenses stable in the Banque Populaire and Caisse d'Epargne networks
- Cost/income ratio of 58.6% in the Corporate & Investment Banking division

Pursuit of a resolutely prudent provisioning policy

- **Group cost of risk equal to €490 million, representing 26 bps vs. 29 bps in Q1-20**
- Occurred risk (S3): marginal increase in Retail Banking & Insurance and a significant reduction in the Corporate & Investment Banking division

Very robust capital position, well above regulatory requirements

- **CET1⁴ ratio of 16.1%** at end-March 2021, 492 bps above the MDA trigger threshold

Group simplification project⁵ well on track, AMF approval received on April 15 for the tender offer on Natixis shares not already held**Next strategic plan to be presented in July 2021**

Laurent Mignon, Chairman of the Management Board of Groupe BPCE, said: *"I would like to pay tribute once again to the commitment of all our teams, who have continued to demonstrate their strong motivation and great efficiency in serving all our customers in all our business lines. We will resolutely continue, as Banques Populaires and Caisses d'Epargne have done until now, to support the recovery and the turnaround of the French economy. The Group, which is highly capitalized and has completed its transformation, is now embarking on its simplification of its structures in order to provide to all its businesses the resources they need to develop their activities."*

¹ See note on methodology and excluding the Coface contribution ² Excluding H₂O AM ³ Excluding direct regulatory costs ⁴ Estimate at end-March 2021 ⁵ This change is subject to obtaining the approval of the relevant regulatory authorities

The quarterly financial statements of Groupe BPCE for the period ended March 31, 2021, approved by the Management Board at a meeting convened on May 4, 2021, were verified and reviewed by the Supervisory Board, chaired by Pierre Valentin, at a meeting convened on May 6, 2021.

Groupe BPCE:

Restated figures €m	Q1-21	Q1-20	% Change
Net banking income	6,099	5,448	11.9%
Operating expenses	(4,641)	(4,524)	2.6%
<i>o/w expenses excluding Single Resolution Fund</i>	<i>(4,210)</i>	<i>(4,120)</i>	<i>2.2%</i>
Gross operating income	1,457	925	57.6%
Cost of risk	(490)	(504)	(2.7)%
Income before tax	1,043	475	x2.2
Income tax	(410)	(242)	69.7%
Non-controlling interests	(86)	11	ns
Net income – Group share excl. Coface & H₂O AM net contribution	547	244	x2.2
Coface net contribution	5	(83)	
H ₂ O AM net contribution	(4)	21	
Reported net income – Group share	548	181	x3

Following the divestment announced on February 25, 2020 of 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. Following the announcement of the divestment of the majority equity interest in H₂O AM, this entity's contribution to net income is isolated on a single P&L line. In Q1-21, contribution to net income is exclusively derived from an FX effect (EUR/GBP) and has an impact on the reported and restated accounts. See the annexes for the reconciliation with the accounting view.

Exceptional items

€m			Q1-21	Q1-20
Revaluation of assets associated with DSN denominated in foreign currencies	Net banking income	Corporate center	(3)	(2)
Contribution to the insurance guarantee fund	Net banking income	Insurance		(7)
Legal provision	Net banking income	CIB	(15)	
Transformation and reorganization costs	Net banking income/ Operating expenses / Gains or losses on other assets	Business lines & Corporate center	(64)	(62)
Impact of Lebanon default on ADIR insurance	Associates	Insurance		(14)
Capital loss		Coface net contribution		(112)
Residual stake valuation		Coface net contribution	3	(6)
Exchange rate fluctuations		H ₂ O AM net contribution	(6)	
Total impact on income before tax			(85)	(203)
Total impact on net income – Group share			(78)	(145)

1. Groupe BPCE, underlying performance

Underlying figures €m	Q1-21	Q1-20	% Change
Net banking income	6,131	5,552	10.4%
Operating expenses	(4,582)	(4,484)	2.2%
<i>o/w expenses excluding Single Resolution Fund</i>	<i>(4,151)</i>	<i>(4,080)</i>	<i>1.7%</i>
Gross operating income	1,549	1,068	45.0%
Cost of risk	(490)	(504)	(2.8)%
Income before tax	1,128	633	78.4%
Income tax	(412)	(279)	47.7%
Non-controlling interests	(93)	(28)	x3.3
Net income – Group share excl. Coface net contribution	624	325	x2
Net income – Group share excl. Coface net contribution after IFRIC 21 restatement	1,009	666	51.5%
<i>Cost/income ratio</i>	<i>67.1%</i>	<i>73.1%</i>	<i>(6.0)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 Q1-21 and Q1-20.

Groupe BPCE recorded 10.4% growth in Q1-21 **net banking income** to 6.1 billion euros, reflecting the strong commercial momentum achieved by all the business lines and a market environment that proved to be more favorable overall than in Q1-20.

In the Retail Banking & Insurance division, the two Banque Populaire and Caisse d'Épargne retail banking networks put up a solid performance, as did the Insurance and Payments businesses and all the activities grouped together within the Financial Solutions & Expertise division. The Retail Banking & Insurance division reported 5.3% growth in revenues.

In Asset Management, net inflows on long-term products reached 6 billion euros in the first quarter of 2021, driven by Fixed Income and Equity expertise in North America and ESG strategies in Europe. Assets under management, excluding H₂O AM, rose to 1,153 billion euros.

Revenues generated by the Corporate & Investment Banking division rebounded sharply compared with Q1-20, a period marked by the cancellation of dividends and XVA effects. The 38.3% growth in revenues also includes high levels of business activity in the Credit (FICT) and DCM businesses in addition to higher portfolio revenues reported by Global Finance.

Operating expenses rose by 2.2% year-on-year in Q1-21, impacted by a 14.8% increase in regulatory costs and the inclusion of the contribution to the Single Resolution Fund for a total of €431 million.

When restated to account for all regulatory costs, operating expenses only increased by 0.8%, illustrating the continued application of strict cost control measures in all the Group's businesses.

The Banque Populaire and Caisse d'Épargne retail banking networks recorded a 0.2% decline in their operating expenses over the year while the FSE division reported a 0.5% decrease over the same period. The increase in operating expenses in the Insurance, Asset Management & Wealth Management and Corporate & Investment Banking divisions remained lower than growth in revenues. The development of the Payments business, in a constantly changing environment, involves investments that explain the 10.2% rise in Q1-21 expenses.

All these factors produced positive jaws effects both for the business lines as well as for Groupe BPCE as a whole in Q1-21, with the cost/income ratio standing at 67.1% after restatement to account for the IFRIC 21 impact, down 6.0pp year-on-year.

Gross operating income rose sharply in Q1-21 to 1,549 million euros (+45.0% year-on-year).

The **cost of risk** for Groupe BPCE stood at 490 million euros for the quarter, down 2.8% year-on-year. The Retail Banking & Insurance division saw its cost of risk rise by 28%. In the Corporate & Investment Banking division, the cost of risk continued to decline from the high point reached in the 2nd quarter of 2020 (-58.2% in Q1-21 vs. Q1-20).

For Groupe BPCE, the amount of provisions for performing loans rated 'Stage 1' or 'Stage 2' amounted to 92 million euros in Q1-21 vs. 84 million euros in Q1-20. The amount of provisions for occurred risks came to 398 million euros in Q1-21 compared with 420 million euros in Q1-20.

When expressed as a proportion of customer loan outstandings, the cost of risk stood at 26 bps for Groupe BPCE in Q1-21 (29 bps in Q1-20), including 5bps for the provisioning of performing loans (also 5bps in Q1-20) rated 'Stage 1' or 'Stage 2.'

It stood at 25 bps for Retail Banking & Insurance division (21 bps in Q1-20), including 5 bps for the provisioning of performing loans (also 5bps in Q1-20) rated 'Stage 1' or 'Stage 2,' and at 53 bps for the Corporate & Investment Banking division (123 bps in Q1-20), including 6 bps for the provisioning of performing loans (11bps in Q1-20) rated 'Stage 1' or 'Stage 2.'

The ratio of non-performing loans to gross loan outstandings stood at 2.6% at March 31, 2021, up 0.1pp from the end of 2020.

Reported net income (Group share) (excluding the net contribution of Coface and H₂O AM in Q1-21) stood at 547 million euros, double the figure recorded in Q1-20.

Underlying net income (Group share), after being restated to account for the impact of IFRIC 21 and excluding the net contribution of Coface, stood at 1,009 million euros in Q1-21, equal to an increase of 51.5%.

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 March 2021 reached an estimated level of 16.1%, compared with 16.0% at December 31, 2020. Changes for the quarter can be broken down into:

- Retained earnings: +11bps,
- Change in risk-weighted assets: -10bps,
- Issuance and distribution of cooperative shares: +4bps,
- Other changes: +3bps.

At the end of March 2021, **Groupe BPCE held a buffer of 492bps** above the threshold for triggering the maximum distributable amount (MDA).

2.2 TLAC Ratio²

Total loss-absorbing capacity (TLAC) estimated at the end of March 2021 stands at 103.6 billion euros. The TLAC ratio, expressed as a percentage of risk-weighted assets, stood at an estimated 23.9% at the end of March 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 Ratio

Expressed as a percentage of risk-weighted assets at March 31, 2021, Groupe BPCE's subordinated MREL ratio and total MREL ratio were 23.9% (without taking account of preferred senior debt for the calculation of this ratio) and 30.7% respectively, well above the respective minimum SRB requirements of 19.5%² and 25.0%².

2.4 Leverage Ratio

At March 31, 2021, the estimated leverage ratio¹ was 5.4%^{3,4}.

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 165% based on the average of end-of-month LCRs in the 1st quarter of 2021.

The volume of liquidity reserves reached 318 billion euros at the end of March 2021, representing an extremely high coverage ratio of 234% of short-term financial debts (including short-term maturities of medium-/long-term financial debt).

2.6 Medium-/long-term funding plan: approximately 54% of the 2021 plan already raised at the end of April

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:

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

The target for ABS is 1.5 billion euros.

By the end of April, Groupe BPCE had raised 11.8 billion euros (around 54% of the plan):

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

The amount raised in ABS is 0.4 billion euros.

¹ See notes on methodology ²Based on estimated TLOF and RWAs as at March 31, 2020 ³ The leverage ratio would stand at 5.8% if centralized outstandings of regulated savings are excluded from the calculation of the denominator of the ratio, subject to the agreement of the ECB and following the decision dated July 13, 2018 of the General Court of the European Union ⁴ After deduction of Central Bank exposures from the denominator of the leverage ratio

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 Q1-21 and Q1-20.

3.1 Retail Banking & Insurance

Underlying figures €m	Q1-21	% Change
Net banking income	4,298	5.3%
Operating expenses	(2,745)	0.3%
Gross operating income	1,553	15.4%
Cost of risk	(387)	28%
Income before tax after IFRIC 21 restatement	1,269	10.7%
Cost/income ratio ⁽¹⁾	61.9 %	(3.0)pp

Loan outstandings enjoyed year-on-year growth of 11.3%, reaching 621 billion euros at the end of March 2020, including 8.3% growth in residential mortgages and an increase of 2.6% and 5.6% respectively for consumer loans and equipment loans. At the end of March 2020, **customer deposits & savings** (excluding centralized regulated savings) amounted to 535 billion euros (+11.0%) while sight deposits were up 22.8% year-on-year.

Net banking income generated by the Retail Banking & Insurance division rose by 5.3% in Q1-21 to stand at 4,298 million euros, including an increase of almost 6% 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 2.4% and 3.9% respectively. The Insurance division saw year-on-year revenue growth of 5.1%.

Operating expenses totaled 2,745 million euros in Q1-21, virtually stable year-on-year, resulting in a positive jaws effect. The **cost/income ratio** (after being restated to account for the impact of IFRIC 21) saw a 3.0pp year-on-year improvement in Q1-21 to 61.9%.

The division's **gross operating income** enjoyed strong growth of 15.4% in Q1-21, rising to 1,553 million euros, reflecting the good performance of the business lines and the impact of strict cost control.

The **cost of risk** stood at 387 million euros in Q1-21, representing a 28% increase compared with the 1st quarter last year, and can be broken down as follows: 165 million euros for the Banque Populaire network, 153 million euros for the Caisse d'Epargne network, 31 million euros for the activities pursued by FSE, 20 million euros for Oney Bank, and 18 million euros for Banque Palatine.

For the division as a whole, **income before tax** (after being restated to account for the impact of IFRIC 21) amounted to 1,269 million euros in Q1-21, up 10.7% 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	Q1-21	% Change
Net banking income	1,669	6.2%
Operating expenses	(1,071)	(0.1)%
Gross operating income	598	19.7%
Cost of risk	(165)	41.8%
Income before tax after IFRIC 21 restatement	478	12.6%
Cost/income ratio ⁽¹⁾	62.3 %	(3.8)pp

Loan outstandings rose by 15.7% year-on-year to 264 billion euros at the end of March 2020. **Customer deposits & savings** increased by 12.8% year-on-year to 335 billion euros at the end of March 2020 (+11.2% for on-balance sheet savings & deposits excluding centralized regulated savings).

In Q1-21, **net banking income** stood at 1,669 million euros, up 6.2% compared with the same period last year. If provisions for home-purchase savings schemes are excluded, it increased by 5.8% to 1,670 million euros, including a 15.1% increase in net interest income to 1,013 million euros and a 2.0% decline in commissions to 648 million euros.

Operating expenses remained virtually stable in Q1-21. This led to a 3.8pp improvement in the cost/income ratio (after being restated to account for the impact of IFRIC 21) to 62.3%. **Gross operating income** rose by 19.7% to reach 598 million euros.

The **cost of risk** stood at 165 million euros in Q1-21 (+41.8% year-on-year). **Income before tax** (after being restated to account for the impact of IFRIC 21) was up 12.6% to 478 million euros in Q1-21.

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	Q1-21	% Change
Net banking income	1,795	6.6%
Operating expenses	(1,153)	(0.4)%
Gross operating income	643	21.9%
Cost of risk	(153)	26.1%
Income before tax after IFRIC 21 restatement	527	19.0%
Cost/income ratio ⁽¹⁾	62.1%	(4.4)pp

Loan outstandings rose by 8.7% year-on-year to 320 billion euros at the end of March 2020 while **customer deposits & savings** enjoyed an 8.4% year-on-year increase to 484 billion euros (+11.2% for on-balance sheet deposits & savings excluding centralized regulated savings).

Net banking income recorded 6.6% year-on-year growth in Q1-21 to reach 1,795 million euros. If provisions for home-purchase savings schemes are excluded, net banking income grew by 5.7% during the period to a total of 1,800 million euros, including a 9.2% increase in net interest income to 1,006 million euros and a 1.9% rise in commissions to 816 million euros.

Operating expenses saw a 0.4% year-on-year decline in Q1-21. This led to a 4.4pp improvement in the Q1-21 cost/income ratio (after being restated to account for the impact of IFRIC 21) to 62.1%. **Gross operating income** rose by 21.9% to reach 643 million euros in Q1-21.

The **cost of risk** amounted to 153 million euros in Q1-21, up by 26.1% year-on-year.

Income before tax (after being restated to account for the impact of IFRIC 21) rose by 19.0% in Q1-21 to reach 527 million euros.

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

3.1.3 Financial Solutions & Expertise

Underlying figures (pro forma) €m	Q1-21	% Change
Net banking income	295	2.4%
Operating expenses	(156)	(0.5)%
Gross operating income	139	5.8%
Cost of risk	(31)	25.2%
Income before tax after IFRIC 21 restatement	112	1.9%
<i>Cost/income ratio⁽¹⁾</i>	<i>51.5%</i>	<i>(1.7)pp</i>

The **net banking income** generated by the Financial Solutions & Expertise division rose by 2.4% in Q1-21 to 295 million euros, driven by the good performance of the different business lines.

In the Consumer credit segment, the good sales momentum for personal loans in both retail banking networks led to a 22% year-on-year increase in new loan production in Q1-21.

In the Sureties & financial guarantees business, gross premiums written were up 5% year-on-year in the residential mortgage guarantee activity.

The Retail securities services business maintained buoyant levels of activity with an 8% increase in trading volumes in the French equity market compared with the already extremely dynamic 1st quarter of 2020.

In Leasing, equipment finance grew by 5% in Q1-21 with high levels of automobile leasing business.

In Factoring, factored sales remained in line with Q1-20.

Operating expenses remained under tight control with a year-on-year decline of 0.5% in Q1-21 to 156 million euros. This resulted in a 1.7pp decline in the cost/income ratio to 51.5%. **Gross operating income** increased by 5.8% year-on-year in Q1-21 to 139 million euro.

The **cost of risk** rose by 25.2% compared with Q1-20, to 31 million euros.

Income before tax, restated to account for the impact of IFRIC 21, stood at 112 million euros in Q1-21, representing year-on-year growth of 1.9%.

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. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

Underlying figures €m	Q1-21	% Change
Net banking income	240	5.1%
Operating expenses	(138)	3.6%
Gross operating income	102	7.4%
Income before tax after IFRIC 21 restatement	116	2.3%
<i>Cost/income ratio⁽¹⁾</i>	<i>52.7%</i>	<i>0.8pp</i>

Net banking income rose by 5.1% in Q1-21 to reach 240 million euros.

Premiums² increased sharply in Q1-21 to 4.3 billion euros (+32% year-on-year), with strong growth in life and personal protection insurance (+36%) and continued growth in property and casualty insurance (+4%).

Assets under management² reached 75.7 billion euros at the end of March 2021. Since the end of 2020, AuM have grown by 4%, with net inflows of 1.1 billion euros in euro funds and 1.1 billion euros on unit-linked products.

Unit-linked funds accounted for 27% of assets under management at the end of March 2021 (+4pp year-on-year) and 37% of gross inflows in Q1-21.

In P&C insurance, the client equipment rate of the Banque Populaire retail banking network reached 28.7% (+0.8pp compared with Q4-20) while that of the Caisse d'Epargne network came to 32.1% (+0.6pp compared with Q4-20).

Operating expenses increased by 3.6% in Q1-21 to 138 million euros. The cost/income ratio increased by 0.8pp in Q1-21 to 52.7%. **Gross operating income** rose by 7.4% in Q1-21 to 102 million euros.

Income before tax (restated to account for the impact of IFRIC 21) came to 116 million euros in Q1-21 (+2.3%).

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

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. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

Underlying figures €m	Q1-21	% Change
Net banking income	117	3.9%
Operating expenses	(102)	10.2%
Gross operating income	15	(25.9)%
Income before tax after IFRIC 21 restatement	15	(31.0)%

Despite the series of lockdown measures, **net banking income** rose by 3.9% in Q1-21 to 117 million euros.

In the Payment Processing & Services business, the number of card transactions enjoyed year-on-year growth of 2%, with a share of contactless payments of approximately 45% in Q1-21.

In the Merchant Solutions segment, in Q1-21, PayPlug multiplied its business volume by a factor of 2.1 year-on-year, including a sharp acceleration in business activities with Groupe BPCE's retail banking networks (business volume multiplied by a factor of 4.7 year-on-year). For Dalenys, business volumes also enjoyed strong growth (+30% year-on-year in Q1-21).

Operating expenses rose by 10.2% year-on-year in Q1-21. **Gross operating income** fell by 25.9% during the quarter.

Income before tax (after being restated to account for the impact of IFRIC 21) stood at 15 million euros in Q1-21, down 31.0%.

3.1.6 Oney Bank

Underlying figures €m	Q1-21	% Change
Net banking income	103	(6.0)%
Operating expenses	(72)	(2.8)%
Gross operating income	32	(12.5)%
Cost of risk	(20)	(16.7)%
Income before tax after IFRIC 21 restatement	12	(2.5)%
<i>Cost/income ratio⁽¹⁾</i>	<i>69.0%</i>	<i>2.0pp</i>

Oney Bank recorded a 10% increase in new loan production compared with Q1-20, rising to 766 million euros. This result can be broken down as follows: 47% in split payment solutions (up 33% year-on-year), 34% in assigned credit, 11% in revolving credit, and 8% in personal loans.

3.1.7 Bank Palatine

Loan outstandings enjoyed year-on-year growth of 12.1% in Q1-21.

In the 1st quarter of 2021, **net banking income** stood at 78 million euros, down 10.6% year-on-year while **operating expenses** rose by 5.5%.

Gross operating income in Q1-21 fell by 33.1% year-on-year to 24 million euros.

The **cost of risk** came to 18 million euros in Q1-21, up 1.6% compared with the same period last year.

Income before tax (after being restated to account for the impact of IFRIC 21) stood at 8 million euros for the period compared with 20 million euros in Q1-20.

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

3.2 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. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

Underlying figures €m	Q1-21	% Change	Constant FX % Change	Q1-21 incl. H ₂ O AM	% Change
Net banking income	755	11.1%	17.4%	773	(0.1)%
Operating expenses	(581)	3.9%	9.0%	(594)	2.3%
Gross operating income	174	44.1%	58.1%	179	(7.4)%
Income before tax after IFRIC 21 restatement	177	41.3%		180	(8.9)%
Cost/income ratio ⁽¹⁾	76.4%	-5.2pp	-5.8pp	76.4%	1.8pp

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

In Q1-21, the division's **net banking income** totaled 755 million euros, up 11.1% compared with Q1-20 (+17.4% at constant exchange rates), including 689 million euro in revenues from Asset Management (+12% year-on-year), 41 million euro in revenues from Wealth Management (+0.9% year-on-year) and 25 million euro in revenues from Employee Savings (+4% year-on-year). At constant exchange rates and including H₂O AM, the net banking income grew by 4.9%.

Net banking income includes 18 million euros in performance fees in the Asset Management business, chiefly generated by Loomis in Q1-21. Performance fees came to 3 million euros in Q1-20.

In Asset Management, the fee rate (excluding performance fees) stood at approximately 23bps overall and came to about 37bps if Ostrum AM is excluded (-0.7bps vs. Q4-20). The fee rate is approximately 34bps for US affiliates and about 39bps for European affiliates, if Ostrum AM is excluded. For Ostrum AM, the fee rate is at around 3bps.

In Asset Management, **net inflows**² on long-term products came to approximately 6 billion euros in the 1st quarter of 2021, driven by good momentum from the North American affiliates in fixed income and equity strategies, while the money market segment experienced net outflows of 2 billion euros. In Europe, good performance in ESG and private assets strategies offset the outflows observed in life insurance.

At March 31, 2021, **assets under management**² (excluding H₂O AM) in the Asset Management segment amounted to 1,153 billion euros. They increased in the 1st quarter thanks to net inflows of 4 billion euros, a positive market effect of 9 billion euros, and a positive currency translation effect of 22 billion euros.

The division's **operating expenses** increased by 3.9% in Q1-21 (+9.0% at constant exchange rates). Thanks to a positive jaws effect, the cost/income ratio improved by 5.2pp to 76.4%.

Gross operating income amounted to 174 million euros in Q1-21 (+44.1% compared with Q1-20, +58.1% at constant exchange rates).

If H₂O AM is included, gross operating income stood at 179 million euro in Q1-21, down 7.4%.

Income before tax¹ (after being restated to account for the impact of IFRIC 21) stood at 177 million euros in Q1-21 (+41.3%).

¹ See notes on methodology and after restatement to account for the impact of IFRIC 21 ² Asset Management: Europe including Dynamic Solutions and Vega IM, excluding H₂O AM (€18bn AuM as at 03/31/2021); US 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. For a more detailed analysis of the business lines and results of Natixis, please refer to the press release published by Natixis that may be consulted online at www.natixis.com

Underlying figures €m	Constant FX		
	Q1-21	% Change	% Change
Net banking income	940	38.3%	43.3%
Operating expenses	(576)	3.1%	5.9%
Gross operating income	364	x3.0	x3.3
Cost of risk	(81)	(58.2)%	
Income before tax after IFRIC 21 restatement	311	ns	
<i>Cost/income ratio⁽¹⁾</i>	<i>58.6%</i>	<i>(19.4)pp</i>	<i>(20.0)pp</i>

In Q1-21, the **net banking income** posted by the Corporate & Investment Banking division rose sharply year-on-year by 38.3% (+43.3% at constant exchange rates) to 940 million euros.

In the Global markets segment, FICT revenues, at 330 million euros, were down year-on-year owing to a lower contribution from the foreign exchange and treasury activities that had previously benefited from the high market volatility in Q1-20. These results, however, include solid growth in the credit activities.

For the Equity business, the first quarter of 2020 had been marked by the cancellation of dividends, creating a negative impact on the valuation of derivatives). Favorable market conditions in Q1-21 and good momentum with the retail banking networks resulted in a recovery in revenues to 167 million euros versus a negative result of -33 million euros in Q1-20.

Global finance revenues, standing at 336 million euros, enjoyed 13% growth compared with Q1-20, buoyed up by higher loan portfolio revenues, notably with corporates and in the Real Estate and Infrastructure segments.

Investment banking and M&A revenues benefitted from the positive momentum of the Debt Capital Market activities while M&A activities suffer from a comparison with a high base period in Q1-20.

Operating expenses rose by 3.1% in Q1-21 (+5.9% at constant exchange rates). Thanks to this positive jaw effect, the cost/income ratio improved by 19.4pp to 58.6%.

Gross operating income reached 364 million euros, increasing threefold compared with Q1-20.

The **cost of risk** in Q1-21 improved significantly compared with Q1-20, at 81 million euros (-58.2% year-on-year), benefiting from a more favorable environment overall but impacted by a number of outstanding disputes in the tourism and aviation sectors.

Income before tax (after being restated to account for the impact of IFRIC 21) came to 311 million euros in Q1-21.

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.

Reconciliation of restated data to reported data

Q1-21

In millions of euros	GROUPE BPCE				GROUPE BPCE			
	Q1-21 Reported	Coface	H ₂ O AM	Q1-21 Restated	Q1-20 reported	Coface	H ₂ O AM	Q1-20 restated
Net banking income	6,117		(19)	6,099	5,543		(95)	5,448
Operating expenses	(4,655)		14	(4,641)	(4,546)		22	(4,524)
Gross operating income	1,462		(5)	1,457	997		(73)	925
Cost of risk	(490)			(490)	(504)			(504)
Share in net income of associates	77	(8)		69	47	6		53
Gains or losses on other assets	(1)		8	7	(111)	112		1
Income before tax	1,048	(8)	3	1,043	430	118	(73)	475
Income tax	(412)		2	(410)	(256)		14	(242)
Non-controlling interests	(88)	2		(86)	8	(35)	38	11
Net income – excl. Coface & H₂O AM net contribution		(5)	4	547		83	(21)	244
Coface – Net contribution				5				(83)
H ₂ O AM – Net contribution				(4)				21
Net income – Group share	548			548	181			181

Restated results excluding Coface: reconciliation of alternative performance measures to reported data

Q1-21

In millions of euros	Net banking income	Operating expenses	Income before tax	Net income - Group share excluding Coface
Restated Q1-21 results	6,099	(4,641)	1,043	547
H ₂ O AM restatement	(19)	14	3	4
Revaluation of assets associated with deeply subordinated notes denominated in foreign currencies	<i>Corporate center</i> (3)		(3)	(10)
Transformation and reorganization costs	<i>Business lines/ Corporate center</i> 4	(73)	(64)	(59)
Legal provision	(15)		(15)	(8)
Exchange rate fluctuations	<i>H₂O AM</i>		(6)	(4)
Q1-21 results excluding exceptional items & Coface net contribution	6,131	(4,582)	1,128	624

Q1-20

In millions of euros	Net banking income	Operating expenses	Associates	Income before tax	Net income - Group share excluding Coface
Restated Q1-20 results	5,448	(4,524)	53	475	244
H ₂ O AM restatement	(95)	22		(73)	(21)
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>	(62)		(62)	(42)
Impact of Lebanon default on ADIR insurance	<i>Insurance</i>		(14)	(14)	(10)
Contribution to the insurance guarantee fund	<i>Insurance</i> (7)			(7)	(3)
Q1-20 results excluding exceptional items & Coface net contribution	5,552	(4,484)	67	633	325

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

Asset & Wealth Management	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	680	(557)	123	54	684	(527)	149	73	720	(563)	148	67	1,012	(684)	322	153
Analytical adjustments		(2)	(2)	(1)		(2)	(2)	(1)	1	(2)	(1)	(1)	1	(2)	(1)	(1)
Pro forma figures – excl. H2O AM net contribution	680	(559)	121	53	684	(529)	147	71	720	(565)	147	67	1,012	(685)	321	152

Corporate & Investment Banking	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	688	(557)	(61)	(33)	519	(477)	(230)	(120)	703	(510)	(4)	(3)	894	(555)	190	98
Analytical adjustments	(8)	(1)	(9)	(5)	(8)	(1)	(9)	(5)	(9)	(1)	(10)	(5)	(8)	(1)	(9)	(5)
Pro forma figures	680	(559)	(70)	(38)	511	(478)	(240)	(124)	695	(512)	(13)	(8)	885	(556)	181	93

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

Q1-21

In millions of euros	RETAIL BANKING & INSURANCE		ASSET & WEALTH MANAGEMENT		CORPORATE & INVESTMENT BANKING		CORPORATE CENTER		GROUPE BPCE		
	Q1-21	Q1-20pf	Q1-21	Q1-20pf	Q1-21	Q1-20pf	Q1-21	Q1-20pf	Q1-21	Q1-20pf	%
Net banking income	4,298	4,076	755	680	925	680	121	13	6,099	5,448	11.9%
Operating expenses	(2,760)	(2,794)	(587)	(559)	(583)	(559)	(711)	(612)	(4,641)	(4,524)	2.6%
Gross operating income	1,538	1,281	168	121	342	121	(590)	(598)	1,457	925	57.6%
Cost of risk	(387)	(302)	(2)	1	(81)	(194)	(20)	(8)	(490)	(504)	(2.7)%
Income before tax	1,167	977	167	121	264	(70)	(555)	(553)	1,043	475	x2.2
Income tax	(340)	(306)	(43)	(39)	(66)	19	39	84	(410)	(242)	69.7%
Non-controlling interests	(32)	(24)	(43)	(29)	(58)	13	47	51	(86)	11	ns
Net income – excl. Coface & H₂O AM net contribution	796	646	80	53	139	(38)	(468)	(418)	547	244	x2.2
Coface – Net contribution							5	(83)	5	(83)	ns
H₂O – Net contribution			(4)	21					(4)	21	ns
Net income – Group share	796	646	76	74	139	(38)	(463)	(501)	548	181	x3

Groupe BPCE: restated quarterly series

GROUPE BPCE					
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21
Net banking income	5,448	5,163	5,487	6,312	6,099
Operating expenses	(4,524)	(3,827)	(3,894)	(4,343)	(4,641)
Gross operating income	925	1,335	1,593	1,969	1,457
Cost of risk	(504)	(981)	(589)	(924)	(490)
Income before tax	475	271	1,093	1,116	1,043
Net income – excl. Coface & H₂O AM net contribution	244	148	713	654	547
Coface – Net contribution	(83)	(19)	(29)	(5)	5
H₂O – Net contribution	21	2	(10)	(27)	(4)
Net income – Group share	181	131	674	624	548

Consolidated balance sheet

ASSETS (in millions of euros)	March 31, 2021	Dec. 31, 2020
Cash and amounts due from central banks	180,452	153,403
Financial assets at fair value through profit or loss	199,117	196,260
Hedging derivatives	8,146	9,608
Financial assets at fair value through shareholders' equity	51,192	49,630
Financial assets at amortized cost	26,795	26,732
Loans and receivables due from credit institutions and similar at amortized cost	97,768	90,018
Loans and receivables due from customers at amortized cost	752,597	746,809
Revaluation difference on interest rate risk-hedged portfolios	7,302	8,941
Insurance activity investments	126,090	124,566
Current tax assets	672	747
Deferred tax assets	3,600	3,667
Accrued income and other assets	14,539	16,367
Non-current assets held for sale	2,210	2,599
Investments in associates	4,446	4,586
Investment property	775	770
Property, plant and equipment	6,154	6,222
Intangible assets	1,034	1,038
Goodwill	4,370	4,307
TOTAL ASSETS	1,487,257	1,446,269

LIABILITIES (in millions of euros)	March 31, 2021	Dec. 31, 2020
Amounts due to central banks		
Financial liabilities at fair value through profit or loss	187,798	191 371
Hedging derivatives	13,906	15 262
Debt securities	236,099	228 201
Amounts due to credit institutions	159,212	138 416
Amounts due to customers	645,169	630 837
Revaluation difference on interest rate risk-hedged portfolios	189	243
Current tax liabilities	986	485
Deferred tax liabilities	1,166	1 239
Accrued expenses and other liabilities	21,148	22 662
Liabilities associated with non-current assets held for sale	1,971	1 945
Insurance-related liabilities	117,760	114 608
Provisions	5,695	6 213
Subordinated debt	16,442	16 375
Shareholders' equity	79,715	78 412
<i>Equity attributable to equity holders of the parent</i>	<i>73,863</i>	<i>72 683</i>
Non-controlling interests	5,852	5 728
TOTAL LIABILITIES	1,487,257	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		
	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%	Q1-21	Q1-20pf	%
Net banking income	1,669	1,572	6.2%	1,795	1,684	6.6%	295	288	2.4%	240	222	8.4%	117	113	3.9%	181	197	(8.1)%	4,298	4,076	5.5%
Operating expenses	(1,078)	(1,092)	(1.2)%	(1,158)	(1,175)	(1.5)%	(157)	(159)	(0.7)%	(138)	(134)	3.6%	(103)	(93)	10.6%	(125)	(141)	(11.6)%	(2,760)	(2,794)	(1.2)%
Gross operating income	591	480	23.1%	638	509	25.4%	138	130	6.2%	102	88	15.7%	14	19	(28.4)%	56	56	0.8%	1,538	1,281	20.0%
Cost of risk	(165)	(117)	41.8%	(153)	(121)	26.1%	(31)	(24)	25.2%				0	2	ns	(38)	(42)	(9.0)%	(387)	(302)	28.0%
Income before tax	440	372	18.2%	485	388	25.0%	107	105	1.8%	104	77	35.1%	14	21	(34.8)%	18	14	31.5%	1,167	977	19.5%
Income tax	(128)	(115)	11.4%	(145)	(124)	17.7%	(30)	(32)	(6.5)%	(28)	(26)	7.6%	(4)	(6)	(39.4)%	(4)	(3)	48.9%	(340)	(306)	11.0%
Non-controlling interests	(1)	(1)	9.6%	(1)	0	ns				(22)	(15)	49.6%	(3)	(4)	(33.0)%	(4)	(3)	25.4%	(32)	(24)	31.8%
Net income - Group share	310	255	21.4%	338	264	28.2%	77	73	5.4%	54	36	49.2%	7	10	(32.8)%	10	8	28.3%	796	646	23.1%

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
Net banking income	4,076	4,010	4,098	4,276	4,298
Operating expenses	(2,794)	(2,577)	(2,620)	(2,816)	(2,760)
Gross operating income	1,281	1,433	1,478	1,460	1,538
Cost of risk	(302)	(651)	(343)	(746)	(387)
Income before tax	977	789	1,156	702	1,167
Net income – Group share	646	499	780	407	796

Banque Populaire and Caisse d'Épargne networks

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

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

Financial Solutions & Expertise

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

Insurance

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

Payments

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

Other networks

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

Asset & Wealth Management

ASSET & WEALTH MANAGEMENT					
In millions of euros	Q1-20pf	Q2-20pf	Q3-20pf	Q4-20pf	Q1-21
Net banking income	680	684	720	1,012	755
Operating expenses	(559)	(529)	(565)	(685)	(587)
Gross operating income	121	155	156	327	168
Cost of risk	1	(11)	(10)	(7)	(2)
Income before tax	121	147	147	321	167
Net income – excl. H₂O net contribution	53	71	67	152	80
H₂O – Net contribution	21	2	(10)	(27)	(4)
Net income – Group share	74	73	57	126	76

Corporate & Investment Banking

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

Corporate center

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

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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 105,000 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'Epargne 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: Moody's (A1, outlook stable), Standard & Poor's (A+, outlook negative), Fitch (A+, outlook negative), and R&I (A+, outlook stable).

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