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Groupe BPCE is the second largest banking group in France and a global systemically important bank (G-SIB). It serves the retail and insurance business in France by means of its two distribution networks, Banque Populaire and Caisse d'Épargne as well as Banque Palatine. With Natixis, it is active worldwide in corporate and investment banking, asset management and payment flows, serving approximately 36 million customers across 40 countries. BPCE SA (BPCE) is the central bank within France's Groupe BPCE. In total, 50% of shares of BPCE are held by 15 Caisses d'Épargne (savings banks), while the other 50% is held by 14 Banques Populaires (cooperative banks). Within the Group, BPCE is responsible for strategy, coordination and management as well as liquidity management, capitalisation and risk management. The bank operates in the Retail Banking & Insurance (75% of 9M-2020), Asset & Wealth Management (13%) and Corporate & Investment Banking (12%) business segments. In addition to the above-mentioned Natixis (71% share, 29% in free float), a number of other shareholdings are also part of the Group. In the reporting as of September 30, 2020, a CET1 ratio of 15.9% was reported (ECB requirement: 9.32%). The reported MREL ratio of 30.8% was also above the current regulatory minimum (25.4%). Against the background of the expected impact of the pandemic on asset quality, significant provisions were also recognized, whereas the NPL ratio was moving sideways at 2.7%.

Ratings Groupe BPCE

	Rating	Outlook
Fitch	A+	Negative
Moody's	A1	Stable
S&P	A+	Negative

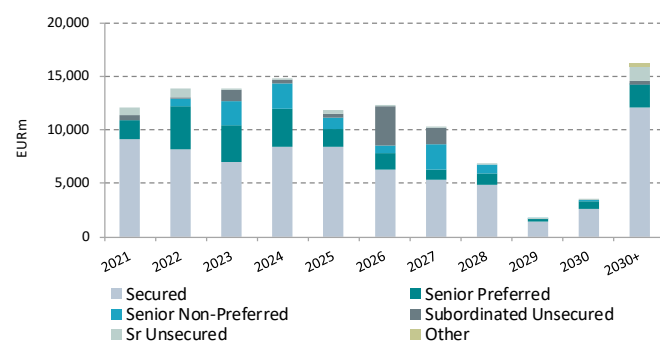
Homepage

groupebpce.com/en/

Balance Sheet

(EURm)	2018Y	2019Y	2020H1
Net Loans to Customers	749,805	781,985	793,585
Total Securities	195,289	220,466	235,267
Total Deposits	530,449	559,853	621,045
Tier 1 Common Capital	62,178	65,992	66,096
Total Assets	1,273,926	1,338,064	1,433,392
Total Risk-weighted Assets	392,420	421,599	430,456

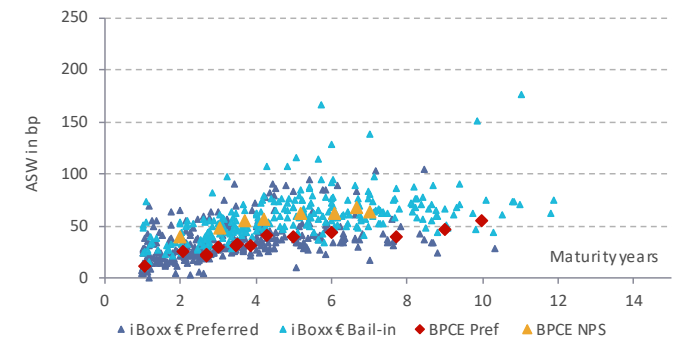
Redemption Profile



Income Statement

(EURm)	2018Y	2019Y	2020H1
Net Interest Income	8,641	8,660	4,353
Net Fee & Commission Income	9,568	9,585	4,413
Net Trading Income	2,255	2,262	389
Operating Expense	17,687	17,582	8,383
Credit Commitments Impairment	1,170	1,312	1,473
Pre-tax Profit	5,297	5,538	685

Senior Unsecured Bonds



Company Ratios

	2018Y	2019Y	2020H1	2018Y	2019Y	2020H1	
Net Interest Margin	0.77	0.74	0.72	Liquidity Coverage Ratio	129.23	140.69	147.04
ROAE	5.34	4.98	0.78	IFRS Tier 1 Leverage Ratio	5.15	5.19	4.86
Cost-to-Income	72.79	71.56	79.44	NPL/ Loans at Amortised Cost	3.27	3.12	3.24
Core Tier 1 Ratio	15.84	15.65	15.35	Reserves/NPLs	1.88	1.81	1.83

As of: 15.01.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

Strengths / Opportunities

- Strong market position, well diversified
- Very good capitalisation

Risks / Weaknesses

- Earnings situation adversely impacted by low interest rate environment
- Room for improvement in terms of cost efficiency

Covered Bonds

Author: Henning Walten, CIIA

Outstanding covered bonds with a volume of EUR 28.4bn

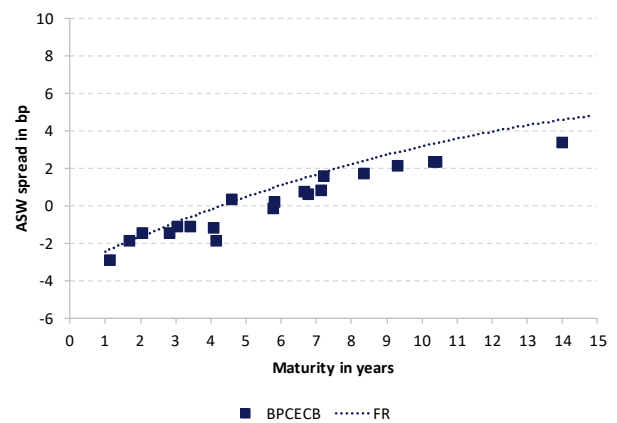
As of 30 September 2020, BPCE SFH had outstanding covered bonds with a volume of EUR 28.4bn, compared to cover assets of EUR 37.8bn. The reported OC ratio was 13.8%. In the iBoxx EUR Covered, the institute was represented in January 2021 with 20 EUR benchmarks with a total volume of EUR 21.85 billion, making it one of the five largest issuers in the iBoxx EUR Covered.

Programme data

30 September 2020	Mortgage
Covered bonds outstanding	EUR 28.375bn
Cover pool volume	EUR 37.838bn
Current OC (nominal / legal)	13.8% / 5.0%
Type	100% Residential
Main country	100% France
Main region	15.8% Ile-de-France
Number of mortgage loans	565,215
Share of 10 largest exposures	0.01%
LTV (unindexed / indexed)	70.5% / 63.2%
Fixed interest (Cover Pool / CBs)	99.1% / 99.5%
WAL (Cover Pool / CBs)	7.1y / 6.6y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / AAA

Source: Issuer, Rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview (BMK) – France



Bonds covered by residential assets from France

The cover pool is composed entirely of residential assets, which are also located exclusively in France. With 565,215 loans denominated in EUR 66,900 on average and a share of the ten largest exposures in the cover pool of 0.01%, the cover pool can be described as highly granular. 78.0% of the loans were used to finance owner-occupied residential property, while 19.1% can be assigned to the category "buy-to-let/non-owner occupied". Geographically, Ile-de-France (15.8%) and the Auvergne-Rhône-Alpes region (14.2%) dominate. In addition, the two regions bordering the Mediterranean Sea, Provence-Alpes-Côte d'Azur and Occitanie, account for a further 12.7% and 10.0% respectively. With regard to the share of fixed rates, a high share can be noted both on the side of the issued securities and the cover assets. Non-performing loans are not included in the cover assets.

Rating and regulatory treatment

The covered bonds issued by BPCE are rated Aaa/AAA by Moody's and S&P. From a regulatory perspective, the issued bonds benefit from a preferred risk weight of 10% in accordance with the CRR, irrespective of the issue volume. In the context of LCR management, benchmark deals can also be used as Level 1 assets in our view. In addition, the covered bonds are eligible for purchase under the two purchase programmes CBPP3 and PEPP and can also be pledged as collateral under repo transactions with the Eurosystem.

Appendix

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