

BPCE 2024, an ambitious business development plan deeply aligned with the ongoing transformation of society

Paris, July 8th 2021

After a 12-year period of transformation, Groupe BPCE, which boasts an extremely robust financial profile with strong positions in each of its business lines, is fully prepared to step up the pace of its business development by helping its customers to meet their investment needs during this period of economic recovery.

The Covid crisis raised people's awareness, and accelerated the emergence, of profound social trends such as the growing digitalization of society, the adoption of hybrid working practices, and the acceleration of the energy transition. But it also gave birth to far-reaching expectations regarding the local dimension, the need for social support and trust: a set of expectations with which the multi-brand cooperative banking model of Groupe BPCE is perfectly aligned.

Groupe BPCE intends to fully grasp this momentum and to **realize the full potential of its multi-brand, entrepreneurial cooperative banking model in order to be a front-ranking player in banking, insurance and asset management useful for all.**

The BPCE 2024 strategic plan is based on 3 strategic priorities:

- **Winning spirit:** additional revenues worth €1.5 billion in 5 priority areas,
- **Customer:** the highest quality of service with a tailored customer relationship model,
- **Climate:** concrete and measurable commitments within the framework of a "net zero" trajectory.

It is also informed by 3 key principles:

- **Simple:** a simpler, more intelligible, and more efficient organization,
- **Innovative:** strong ambitions in data and the future of work, a foundation for innovation in HR,
- **Secure:** an improvement in the Group's economic performance and confirmation of its role as a trusted third party

Laurent Mignon, Chairman of the Management Board of Groupe BPCE, said:

"Twelve years after its creation, and thanks to an acceleration in its transformation, Groupe BPCE now commands strong positions in each of its business lines with robust financial fundamentals that stand among the industry's very best in Europe.

The crisis from which we are now emerging has been an eye-opener and a force that has accelerated the pace of underlying trends, with which our Group, thanks to its multi-entrepreneurial and decentralized cooperative model, is perfectly aligned. These are the trends that have guided the choice of our major objectives as we drew up our new BPCE 2024 strategic plan with a view to making them areas of new conquest in sectors such as health care, the energy transition, and insurance and to confirm our commitment to the climate underpinned by a concrete and measurable plan of action.

With this new plan, we are going to release the full potential of all our companies – notably the Banques Populaires and the Caisses d'Epargne – in their drive to support all our customers in the realization of their projects as we gradually emerge from the health crisis.

This ambitious plan also counts on the tremendous capacity of all our employees to commit their energies and deliver value to our clients and cooperative shareholders. To achieve this, we are going to simplify the Group's organizational structure and its IT resources, and make innovation serve the ambitions of our new strategic plan, particularly with regard to data and the future of work. Lastly, we have also set ourselves a set of ambitious growth and financial targets.

At the end of this plan, we will not only have conquered new territories by supporting the economic recovery and the realization of our customers' projects but we will also have established Groupe BPCE as a front-ranking player in banking, insurance and asset management, a financial institution united around its companies and one that responded in full to the major economic and social challenges generated by the crisis."

THREE STRATEGIC PRIORITIES: WINNING SPIRIT, CUSTOMER, CLIMATE



Speed up the pace of the Group's development:

- 5 priority areas with a **target of additional revenues of approximately €1.5bn** :
 - 2 growth drivers aligned with societal challenges: **environmental transition and healthcare**;
 - 2 key activities to be given greater impetus, sources of new value creation: **non-life insurance and consumer credit**;
 - 1 customer segment to be developed: **Intermediate-sized Enterprises (ISEs)**.
- Speed up the Group's **growth in the international arena by developing the activities of its global business lines**: Asset & Wealth Management, and Corporate & Investment Banking.



Provide its customers with the highest quality service:

- A **three-pronged customer relationship model** delivering the best possible experience to its Retail Banking customers: *Trustworthy, Digital Inside, Useful Data*;
- A **pragmatic, locally-based** approach to branch coverage nationwide;
- **NPS targets for 2024** for all the Group's companies and business lines.



Make the Climate an area of priority action for all Group companies:

- **Aligning the Group with a "Net Zero" trajectory**;
- **One of the very first banking groups to set short-, medium- and long-term milestones** for achieving this alignment objective;
- Development of **measurement and control tools** for all the Group's portfolios;
- **Support for all customers** in their environmental transition.

THREE KEY PRINCIPLES: SIMPLE, INNOVATIVE, AND SECURE



SIMPLE

- A **simpler, more transparent organization for the Group**
- A **simplified organization of our information systems**
- **Acceleration in the transformation of banking services.**



INNOVANT

- A scaling up of our activities in Data and the development of open banking;
- **Acceleration in developments in payments to support the digitalization of commerce**;
- Imagine the future of work, a foundation for HR innovation.



SECURE

- A set of **ambitious economic performance objectives** and a drive to ensure our long-term financial strength;
- Une **confirmation of the current risk appetite framework**;
- A valorization of the **role as a trusted third party** in customer interactions.

2024 AMBITIONS

◦ Key figures ◦

GROUPE BPCE

2024 target for net banking income: approx. €25.5bn

with an average annual growth rate of 3.5%
including €1.5bn in additional NBI

- ▶ related to two growth drivers:
 - ENVIRONMENTAL TRANSITION
>€300m (2024 vs. 2020)
 - HEALTH CARE
>€250m (2024 vs. 2020)

- ▶ related to three priority markets:
 - NON-LIFE INSURANCE **>€300m**
 - CONSUMER CREDIT **>€300m**
 - ISE **>€300m**

Cost/income ratio < 65%

Cost of risk: <25bps
in 2024

CET 1 objective > 15.5%

100% of the Group on a trajectory of carbon neutrality (Net zero)

- ▶ 2050 target for CIB portfolios
- ▶ 2030 target for the general funds of
Natixis Assurances

Rollout of Green Evaluation Models on 100% of portfolios

**15% reduction in
the Group's own carbon footprint**
(vs. 2019)

RETAIL BANKING & INSURANCE

Regional banks



Business lines serving retail banking activities

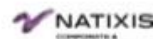
Insurance Payments

Financial Services
& Expertise

GLOBAL FINANCIAL SERVICES

Asset &
Wealth
Management

Corporate &
Investment
Banking



BANQUES REGIONALES



Principal active individual customers

+340,000

Active professional customers

+40,000

Active corporate customers

+8,100

Customer equipment rate for P&C and personal protection insurance

PROFESSIONALS **35%** | INDIVIDUALS **34%**

Principal active individual customers

+410,000

Active professional customers

+35,000

Active corporate customers

+6,400

Customer equipment rate for P&C and personal protection insurance

PROFESSIONALS **23%** | INDIVIDUALS **36%**

100% of our entities in the **TOP 4 NPS** in their region, in all their markets

DIGITAL NPS >+40 over the life of the plan*

* Individual and professional customers

BUSINESS LINES SERVING RETAIL BANKING ACTIVITIES

INSURANCE

Revenue 2020-2024 CAGR: ~ 6 %	Equipment rate for P&C and Personal Protection: INDIVIDUALS 35 %	Growth of PROFESSIONAL P&C contracts: +50%	Percentage of unit-linked products in gross inflows: 40%	NPS for the P&C customer relationship platform: >40
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FINANCIAL SERVICES & SOLUTIONS

BPCE FINANCEMENT Capture personal loan applications from customers using banking services BANQUES POPULAIRES 2 out of 3		BPCE LEASE New production with the Group €5.5bn	CEGC Penetration rate BANQUES POPULAIRES* 80%		CAISSES D'ÉPARGNE 90%
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* Guarantees for real-estate loans (excl.BRED).

ONEY



500,000 payment accounts (on a mobile application rolled out in two European countries)	NEW LOAN PRODUCTION INCLUDING 3X4X Average annual growth rate 18%
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PAYMENTS

Net banking income 2020-2024 CAGR ~ 9%	PROCESSING Volume of transactions 2020-2024 CAGR ~10%	DIGITAL Merchant flows
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		2020-2024 CAGR >30%
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GLOBAL FINANCIAL SERVICES

KEY FIGURES

Net banking income 2020-2024 CAGR 5%	Share of revenues from international activities in 2024 >60%
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© **ASSET & WEALTH MANAGEMENT**



Net banking income 2020-24 CAGR >3%	2020-24 cumulative net inflows: ~€100bn	>€600bn: of assets under management in the sustainable or impact investing category, representing 50% of As- sets under Management
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© **CORPORATE & INVESTMENT BANKING**

Net banking income 2020-24 CAGR ~ 7 %	Additional revenues with the 8 core industries (2024 vs. 2020) +€500m	Target for aligning the balance sheet on a trajectory of +1.5°C (by 2050)
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BPCE 2024 • MORE UNITED, MORE USEFUL, MORE ROBUST:



The massive economic stimulus plans launched by the French government, the expected rebound in consumption spending, and the accommodating monetary policy all justify a certain optimism as far as the outlook for economic growth is concerned. Because its business model is perfectly aligned with society's expectations, and because after more than 10 years of transformation it is now fully prepared, Groupe BPCE intends to harness the energies of its strategic plan "*BPCE 2024*" to seize these new opportunities, to provide concrete responses to the concerns of its customers and of society at large, and to release the full potential of its cooperative, multi-brand and entrepreneurial business model in order to be a top-tier player in banking, insurance and asset management services useful for all.

This BPCE 2024 business development plan presents a common signature: "*More United, More Useful, More Robust*":

- **More united**, because Groupe BPCE, a cooperative, multi-brand and entrepreneurial institution, is strengthening its ability to act collectively through greater simplicity, more joint initiatives, and more shared investments,
- **More useful**, because Groupe BPCE, thanks to its unique cooperative banking model, provides concrete answers to the major social issues of concern to its cooperative shareholders, customers, employees, and partners,
- **More robust**, because Groupe BPCE is ready to seize every opportunity for growth by drawing on the wealth of expertise of its multi-company, multi-brand business model, notably in targeted areas.

A single goal: to be a leader in banking, insurance, and asset management services accessible to all

"*BPCE 2024 – More United, More Useful, More Robust*" is an ambitious business development plan based on **three strategic priorities**, **three key priorities** and **strong ambitions for each of its business lines** (Retail Banking & Insurance, and Global Financial Services).

Three strategic priorities: WINNING SPIRIT, CUSTOMERS, CLIMATE

- **Winning spirit.** Because the Group is founded on a future-oriented business model, it intends to speed up its pace of development through a strategy of customer conquest,
- **Customers.** Because a strong local and regional presence is written in its very DNA, the Group undertakes to provide its customers with the highest quality of service over the long term,
- **Climate.** Because climate change is the major challenge of our time, the Group has made it an area of priority action for all its business lines and companies.



1. WINNING SPIRIT: a Group setting out to conquer

To pursue its business development, Groupe BPCE has identified five priority areas with a target of additional global revenues in the region of €1.5 billion and is continuing to step up the pace of its international development.

TWO MAJOR GROWTH DRIVERS ALIGNED WITH SOCIETAL CHALLENGES

- **The environmental transition** with a target of additional net banking income of more than €300 million by 2024 (vs. 2020). Groupe BPCE intends to support all its customers in this market, which concerns both:
 - Retail Banking (with five priority markets: energy renovation, renewable energies, mobility, companies in transition, green savings/insurance offerings, etc.). In this way, the Group is aiming to achieve a target of additional €12 billion in loan outstandings related to energy renovation and renewable energies by 2024 for the Banques Populaires and Caisses d'Epargne,
 - Corporate & Investment Banking, with a target of green revenues¹ multiplied by a factor of 1.7 between 2020 and 2024,
 - Asset management, with the development of a leading ESG offering consistent with affiliates' convictions and client requirements, and ambitious objectives (50% of assets under management in the sustainable² or impact³ category).
- **Health care**, with a target of additional net banking income of more than €250 million in 2024 (vs. 2020) and additional financing outstandings in the health care sector of €7 billion. Already a leader in the financing of public hospitals, Groupe BPCE intends to become the benchmark partner in the health care sector: Reference player among health professionals (public hospital sector, self-employed professionals, future health professionals),
- Recognized financier of health care infrastructure (care homes and residential homes for the elderly, nursing homes, public hospitals, private clinics) via notably the inclusion of health care as a new core industry of the Corporate & Investment Banking division,
- Partner of health care companies and of the innovative ecosystem (e-health, biotech, medtech, etc.),
- Benchmark player in the field of dependency care.

SPEEDING UP THE DEVELOPMENT OF TWO KEY ACTIVITIES, SOURCES OF NEW VALUE CREATION:

- **Non-life insurance and personal protection**, with a target of additional net banking income of more than €300 million by 2024 (vs. 2020). As a fully-fledged bancassurance company, the Group will base its activities on its latest-generation platform in order to develop this new growth area: it is targeting a 35% equipment rate among individual customers for P&C and personal protection insurance and a 50% increase in professional P&C contracts.
- **Consumer credit**, with a target of additional net banking income of more than €300 million by 2024 (vs. 2020) thanks to the new sales potential represented by customers of the Banques Populaires and Caisses d'Epargne, Groupe BPCE wants to position itself as a leader in this market with the launch of new solutions (instant personal loans, digital revolving credit, debt restructuring) and the development of digital tools and online assistance. The objective for 2024 is to capture two-thirds of the personal loans taken out by Banque Populaire customers and three-quarters of the loans taken out by Caisse d'Epargne customers.

A CUSTOMER MARKET IDENTIFIED FOR FUTURE DEVELOPMENT

- **Intermediate-sized enterprises (ISEs)**, with a target of additional net banking income of more than €300 million by 2024 (vs. 2020). To achieve this, Groupe BPCE intends to capitalize on its strong regional presence and improve intra-group coordination (enhanced access to the Group's expertise and platforms and strengthening of collaboration between individual banks). These measures should enable it to add 500 new clients and increase its financing outstandings by €5 billion by 2024.

¹ Revenues from the Green and Sustainable Hub, the Renewables sector and the dark green and medium green customers and transactions as per the Green Weighting Factor

² equivalent to Article 8 of the Sustainable Finance Disclosure Regulation (SFDR)

³ equivalent to Article 9 of the SFDR

OUTLOOK FOR NEW GROWTH IN THE INTERNATIONAL ARENA

- This drive for new growth also applies to the Group's **global business lines**: in both Asset Management and Corporate & Investment Banking, Groupe BPCE confirms the United States as its 2nd-largest market after France and is stepping up the pace of its development in the Asia-Pacific region. From 2020 to 2024, 75% of cumulative net inflows will be generated outside France in the Asset Management business.
- The Group's growth strategy in Europe involves **developing the specialized financing business** from Oney and seizing acquisition opportunities in the consumer credit and leasing business activities.



2. CUSTOMERS: a resolutely customer-oriented Group

Because a strong local and regional presence is written in its very DNA, Groupe BPCE undertakes to provide its customers with the highest quality service. All of the Group's businesses and companies have set themselves Net Promoter Score (NPS) targets for 2024. To realize the ambition of delivering the best possible experience to its Retail Banking customers, the Group is building on its "3D" relationship model combined with a pragmatic, locally-based approach to branch coverage of the regions.

A "3D" RELATIONSHIP MODEL THAT GUARANTEES THE BEST POSSIBLE CUSTOMER EXPERIENCE IN RETAIL BANKING, BASED ON 3 PRIORITIES:

- **"Trustworthy"**: customer advisors play a pivotal role in forming a long-term trusting relationship thanks to their advisory role that guarantees the creation of strong, local ties and the fact that they accompany customers at key moments in their lives through a dense and varied branch network. They play their role as sources of advice and reassurance, with clear and transparent contracts,
- **"Digital Inside"**: a 100% accessible bank with omnichannel pathways and digital spaces at the level of "digital native" players, and a Digital Inside strategy extended from BtoC to BtoB,
- **"Useful Data"**: the collection of useful customer data with an enhanced personalization of pathways and solutions provided, and managed consent to ensure that customers retain control over their own data

For 2024, Groupe BPCE has set targets to improve the quality of its customer relations still further, with 100% of its branches and business centers achieving a positive NPS and 100% of the Group's banking institutions in the Top 4 NPS in their regions and in all their markets. Groupe BPCE is also aiming to achieve a Digital Net Promoter Score of more than 40 over the life of the plan.

A PRAGMATIC, LOCALLY-BASED APPROACH TO BRANCH COVERAGE OF THE REGIONS

- The distribution and relationship model provides a consistent response to the Group's strong local presence, ensuring the creation of close relationships founded on physical, digital and decision-making proximity: customer advisors or account managers supported by experts, customer relationship centers, middle-offices, mobile applications, and websites.
- **Branch networks that facilitate the forging of close relationships and customized advice** and that are constantly adapting to the type of territory they serve (rural/urban), changes in population flows, societal trends (digital, etc.), competitors, etc.
- **Varied branch formats designed to match market realities and customer expectations**: consultancy branches, multisite branches, specialized branches, periodic branches, seasonal branches, e-branches, sustainable development branches, etc.
 - **Banque Populaire network**: present in 61% of catchment areas covering 90% of the population in metropolitan France
~2,900 branches
~12,500 customer advisors
 - **Caisse d'Epargne network**: present in 89% of catchment areas covering ~97% of the population in metropolitan France
~3,700 branches
~12,900 customer advisors



3. CLIMATE: a Group committed to a “Net Zero” trajectory

Because climate change is the major challenge of our time, Groupe BPCE has made it an area of priority action for all its business lines and companies and has announced that it is joining the “Net Zero Banking Alliance,” an international initiative launched by UNEP-FI aimed at achieving carbon neutrality by 2050. This means that it is committed to aligning its portfolios with a zero net emissions trajectory by 2050 but also committed to setting immediately short-, medium- and long-term milestones for achieving this alignment objective using the measurement tools at its disposal. Groupe BPCE is one of the very first banking groups to have adopted milestones of this kind.

For the financing portfolios of the Corporate & Investment Banking division, which accounts for nearly 80% of the Group's exposure to the most carbon-intensive sectors, it is aiming to achieve carbon neutrality by 2050, with intermediate stages in 2024 (2.5°C) and 2030 (2.2°C). Regarding the general fund of Natixis Assurances, the goal is to achieve this objective by 2030 with an intermediate phase in 2024 (2°C).

To achieve this, Groupe BPCE has set itself **four major objectives**:

- **Align the Group's portfolios with a “net zero” emissions trajectory** by prioritizing the portfolios where the bank can have the greatest impact, i.e. those that concentrate the most greenhouse gas-intensive sectors,
- **Support all customers in their environmental transition** whether for financing, investment, savings or insurance needs, with access to a privileged advisory and strategic dialogue service, providing expertise, solutions, and a long-term vision,
- **Extend our sustainable financing strategy:** expanded issuance policy (theme of energy transition alongside green & social bond issues), ESG savings and investment products for customers, O2D (originate-to-distribute) approach in financing new production of green & social assets
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- **Speed up the reduction of our own environmental footprint**, with an objective of reducing, by 2024, the Group's own carbon footprint by 15% compared to its 2019 level, with four priority areas: real estate, employee mobility, purchasing, and digital practices.

These commitments are supported by dedicated measurement tools:

- The Green Weighting Factor methodology (GWF) used since 2018 to score the climate and environmental impact of each Corporate & Investment Banking asset
- Systematized use of the "Green Evaluation Models" methodology to give a climate score to other balance sheet activities. The Group will consequently extend its measurement and alignment work to other Group portfolios on the basis of internal models enhanced by specific data – corporate loans (use of the CDP supplier), home loans (partnership with CSTB to obtain energy performance reviews for financed assets), loans to local authorities (government data).

By 2024, the "Green Evaluation Models" methodology will be rolled out to cover 100% of the Group's portfolios.

Three key principles: SIMPLE, INNOVATIVE, AND SECURE

To meet these challenges, Groupe BPCE is basing its action on three key principles:

- **Simple:** because the Group is seeking greater efficiency and customer satisfaction, it is aiming for greater simplicity,
- **Innovative:** because the Group is driven by an entrepreneurial spirit and is aware of the reality of the changes taking place, it strengthens its capacity for innovation;

- **Secure:** because the strategic plan is a long-term project, the Group is giving priority to the security of its development model in terms of its ambitions.



TO BE SIMPLE means:

- **Making the organizational structure more transparent.** This means consolidating all the business lines serving the retail banking networks: Insurance, Payments, Financial Solutions & Expertise and to create a new "Global Financial Services" entity bringing together the Group's global businesses, Asset Management & Wealth Management and Corporate & Investment Banking.
- **Simplifying the organization of its information systems by:**
 - The grouping together of IT production within a single Group entity, BPCE-IT: gains in terms of quality, customer and employee satisfaction, security and innovation,
 - Plans to set up a joint team for the development of retail software by bringing together the IT teams of the Banques Populaires, the Caisses d'Epargne, the FSE business lines,
 - A cloud transformation program: a firm commitment to the public cloud for its collaborative solutions, for innovation in Data and artificial intelligence, and for its non-banking applications, and the taking of a strong position in the creation of a European sovereign cloud.
- **Accelerate the transformation of its banking services** by optimizing key processes in Retail Banking and Insurance, by strengthening pooled resources and cooperation, and by creating a banking operations department with a focus on enhanced customer contact.



TO BE INNOVATIVE means:

- **Scaling up our activities in Data by investing** up to €400 million over the life of the plan, with the aim of placing the use of Data at the service of the business activities and of all the bank's functions: sales development (personalization of the advisor/customer relationship, prediction of key moments in customers' lives, management of satisfaction), operational efficiency (automated collection and verification of documents, fraud detection, process optimization), risks, finance, human resources.
- **Investing in new technological markets** (*Fintech / Insurtech*) with 7 priority areas (open banking, insurance, cybersecurity, employee benefits, RegTech, expenses & savings coaching, green) as well as with the setting up of a market place via digital channels providing access to non-Group partners.
- **Speeding up developments in Payments to support the digitalization of commerce** by being a key partner in digital commerce, a benchmark platform for "employee benefits", and by becoming by 2024 a European leader in split payment solutions with Oney. Groupe BPCE also intends to capitalize on the pan-European payment solutions initiative (EPI – European Payment Initiative) in which BPCE is a founding shareholder.
- **Imagining the future of work by:**
 - **Transforming its work patterns** and by developing hybrid working for approximately 50,000 Group employees (60% in Flex Office) - Setting up of "Well," a collaborative and decentralized approach making it possible to set up, in each Group company, work spaces, operating methods, and management styles suited to hybrid working (examples for the *Communauté BPCE* and for Global Financial Services: offer up to 10 days per month of teleworking - real estate portfolio in the Duo Towers starting in 2022),
 - **Developing training as a pillar of the employee experience** – BPCE Campus (including the Tech & Digital Academy) by highlighting a corporate culture, behaviors and processes to prepare employees for the future of banking professions,
 - **Setting up induction programs to welcome new employees**, particularly young people and apprentices,
 - **Fixing targets** for the conversion rate of apprentices (50%), gender mix with 35% of women in senior management positions and approximately 50% of women among the executive staff.



TO BE SECURE, means giving priority in the pursuit of its ambitions to the security of its business development model by basing its action on 3 key principles

- **Improving its economic performance and ensuring its long-term financial strength** by significantly increasing its profitability through the activation of growth levers, simplification of the operating model, and the tight management of the cost of risk, and by strengthening its capital adequacy.
- **Tightly managing risks by confirming the Group's current level of risk appetite and investing in risk management systems.**
- **Confirming its role as a trusted third party to its customers** by:
 - Committing to a relationship model founded on trust (managers who embody the brand with a culture of customer satisfaction, with clarity and transparency in contracts and pricing),
 - Placing data ethics at the heart of its action (customer-friendly use of data with consent management),
 - Enhancing its technological security (secure payments, access to online banking, etc.) with an additional €80 million investment in cybersecurity. In addition, the Group is participating in the French government's "Cyber Campus" initiative.

STRONG BUSINESS LINE AMBITIONS

● RETAIL BANKING & INSURANCE

Implementation of an ambitious and profitable development strategy for its business lines as a locally-based cooperative banker and insurer

- A strategy focused on the relationship with customer advisors who embody the bond of trust
- A strategy based on the density of our local presence, digital technology, and the ethical use of data for the benefit of our customers and employees
- A strategy differentiated by brand

1. 2024 ambitions of the **BANQUES POPULAIRES**

- **To reassert their leadership in their traditional customer markets** (consolidating their position as the leading bank for SMEs by intensifying their focus on VSEs and companies with revenues greater than €5 million, and remaining No.1 in the National Education sector) and **adopt a winning spirit by becoming an "inner circle" bank** for its ISE customers, and in the professional customer segment, by becoming the No.1 banker in this market in the next 10 years,
- **To enhance their efficiency in serving individual customers, notably young people** (apprenticeships, student entrepreneurship, schools, etc.), **entrepreneurs** by becoming the preferred asset management bank for entrepreneurs, senior executives, and their families, and **the French civil service** by gaining new market share,
- **To expand their presence in promising sectors of future development:** bank specializing in payment flows and e-commerce, green finance and health care, and a bank providing expertise.

By 2024, the Banques Populaires aim to make even more significant progress in increasing the number of principal active individual customers (+340,000), the number of active professional customers (+40,000) and active corporate customers (+8,100).

Finally, in the insurance sector, the aim is to achieve an equipment rate in P&C and personal protection insurance of 34% for individuals and 35% for professionals.

2. 2024 ambitions of the **CAISSES D'EPARGNE**

- **To be a banker useful to all French people at a local level:** build their future clientele by focusing on the young people market – assert themselves as the “family bank” – make support for senior citizens a recognized area of expertise – support premium customers in all their needs – give meaning to savings and useful loans,
- **To reassert their role as banks facilitating cooperation and territorial cohesion:** ensure the coordination and success of projects in the regions – Institutional customers (maintain their position as the leading bank for local authorities and social housing managers – remain a benchmark banker for the Social & Solidarity-based Economy) – Professionals and Corporate customers: grow our market share through targeted customer acquisition and the development of areas of expertise,

- **To structure the Caisses d'Epargne and develop their activities in promising sectors of future development:** bank specializing in green finance and health care, e-commerce and digital transformation with the promotion of global payment solutions.

By 2024, the Caisses d'Epargne aim to increase the number of principal active individual customers (+410,000), the number of active professional customers (+35,000) and active corporate customers (+6,400).

Finally, in the insurance sector, the aim is to achieve an equipment rate in P&C and personal protection insurance of 36% for individuals and 23% for professionals.

3. 2024 ambitions of **BANQUE PALATINE**

To continue its drive into more upmarket segments with a view to attracting a target clientele of ISEs and Private Banking customers by capitalizing on the specialist know-how of its teams and on the full use of the Group's IT and sales platforms:

- Develop the share of commissions in the bank's net banking income,
- Develop synergies with the Groupe BPCE's business lines,
- Promote synergies with business leaders by developing a Private Banking clientele via a network focused on the corporate segment, comprised of mixed branches

4. 2024 ambitions of the **INSURANCE** division

- **Accelerate on P&C1 and personal protection insurance and roll out innovative life insurance and healthcare offerings** (commercial momentum with the retail banking networks, rollout of innovative offerings in life and health insurance, faster development in professional P&C market – automotive, comprehensive, and health insurance)
- **Position the general fund on a more ambitious trajectory than the Paris Agreement** (alignment with a +2°C trajectory by 2024 and +1.5°C trajectory by 2030) and promote SRI-labeled unit-linked funds,
- **Continue our investments in terms of customer experience and efficiency** (best-in-class client and advisor experiences, particularly by leveraging the potential of data and digital).

The Insurance division is aiming to achieve 6% growth in its net banking income (2020-2024 CAGR), 50% growth in professional P&C contracts, and have 40% of gross inflows in unit-linked funds.

5. 2024 ambitions of the **FINANCIAL SOLUTIONS & EXPERTISE** division

The FSE (Financial Solutions & Expertise) division has defined a set of shared ambitions for its different business lines:

- To further increase the customer equipment rate and customer satisfaction,
- To invest in new growth areas: international, real estate professionals, lease financing solutions (long-term vehicle leasing)
- To be a driving force in promoting Corporate Social Responsibility (CSR) and Green Business

And, more specifically for each business line:

- **BPCE Financement: to become the No.1 bank for consumer credit in France** by increasing the equipment rate of Banque Populaire and Caisse d'Epargne customers with the offer of new solutions; its objective is to capture for BPCE Financement the personal loan applications from customers using banking services (2 out of 3 Banque Populaire customers, and 3 out of 4 Caisse d'Epargne customers),
- **CEGC: to optimize growth potential** in real estate loan guarantees, and promote unpaid rent guarantees and market sureties; its objective is achieve a penetration rate of 90% and 80% among Caisse d'Epargne and the Banque Populaire customers respectively,
- **BPCE Factor: to establish itself as the specialist in all aspects of receivables management** and to be the **leader in customer satisfaction** in its market; its objective is to sign 3,500 new contracts,
- **BPCE Lease: to pursue the development of its rental financing business** by consolidating its equipment and real-estate leasing activities, by gaining market share in long-term leasing solutions, and to share Energeco's expertise in the financing of renewable energies; its objective is to generate €5.5 billion with the retail banking networks,

- **SOCFIM:** to develop corporate finance and support real-estate professionals. Its objective is to increase its new loan production by 60%.

6. 2024 ambitions of **ONEY**

- **To support the transformation of all forms of commerce and become the European leader in split payment solutions** (with the target of developing its activities in 13 countries),
- **To develop prescribers** (major online retailers with partnerships with payment service providers, attract new customers among small retailers, and become an actor in the circular economy),
- **To develop new products** (rollout of digitalized in-store pathways, rollout of a digital personal loan and cash reserve offer in 7 countries, Pay-later and IBAN solutions).

ONEY's ambition is to reach 500 000 payment accounts on a mobile application rolled out in two European countries and an average annual growth rate (2020-24) of 18% of new loan production (including split payments).

7. 2024 ambitions of the **PAYMENTS** division

- **Make payments a comparative advantage for the retail networks and continue to develop its external clientele through the excellence of its offer and customer experience** (Accelerate growth for the networks in payments activities Become the French go-to player for the commerce digitalization; Create a best-in-class digital platform for employee benefits)
- **Invest in our platforms in order to provide a competitive offering and support new standards** (EPI, Request to Pay),
- **Orchestrate our portfolio of fintechs to provide a consistent offering, and capture synergies**

The Payments division aims to achieve an circa 9% CAGR over the period 2020-2024, with 30% growth of volumes in merchant acquisition flows and a direct customer share of over 55%.

GLOBAL FINANCIAL SERVICES

Groupe BPCE's Global Financial Services activities are today recognized by our clients for the same DNA: their wealth of expertise.

Building on this DNA, the ambition of the GFS division between now and 2024 is based on three key objectives: **diversify for the benefit of our clients and our development, commit to the energy transition and to responsible finance, and transform and invest to deliver sustainable value.**

Two global business lines with strong ambitions:

- Asset Management: reinforce Natixis Investment Managers' position as a global leader in asset management,
- Corporate & Investment Banking: become the go-to bank for our clients in selected and diversified areas of expertise.

8. 2024 ambitions of the **ASSET & WEALTH MANAGEMENT** division

THE DIVISION'S AMBITIONS

- **Pursue a selective and diversified development strategy for the benefit of our clients**
 - Advance our position among the world's top 15 asset management firms by strengthening our capabilities and our performance of four key areas of expertise (high-alpha strategies, private assets, Liabilities Driven investments/insurance investment management, quantitative investment management) and by accelerating our leadership in ESG
 - Accelerate our diversification by client type through strategic distribution partnerships and by geographic area beyond France and the United States
- **Become an ESG leader in Europe and develop an offering matching the diverse needs of our clients**
 - Assert strong ESG ambitions for Natixis IM, notably by measuring the carbon footprint and global temperature trajectory of our portfolios
 - Develop a leading ESG offering consistent with our affiliates' convictions and clients' needs

- Strengthen our capabilities to support our clients' ESG developments, notably by making these an integral part of the portfolio construction tools for our clients
- **Invest to strengthen the resilience and efficiency of our multi-affiliate model**
 - Continue to develop a best-in-class oversight framework
 - Simplify the operating model for our affiliates (shared services and targeted investments in technology) and maintain strict cost management
 - Play an active role in the consolidation trend and pursue a targeted acquisition strategy.

2024 OBJECTIVES

- Net banking income: 2020-2024 CAGR >3% assuming a very limited market effect and excluding external growth
- Cumulative net inflows (2021-2024): €100bn
- ESG Assets under management: >€600 billion in sustainable or impact category, representing 50% of the assets under management
- - 2pts decrease in Natixis IM's cost/income ratio between 2020 and 2024

9. 2024 ambitions of the **CORPORATE & INVESTMENT BANKING** division

- **Diversify our clients, our expertise, our geographical footprint**
 - Strengthen our differentiating expertise (O2D and Green & Sustainable Hub) and diversify on our eight core industries including Healthcare and Technology
 - Increase our support for corporate clients, including French mid-caps, with a commercial banking offering, while continuing to develop our privileged relationships with institutional clients
 - Reassert our global dimension and our ability to support our clients in the Americas and Asia-Pacific regions and be a "go-to Europe" bank.
- **Be our clients' go-to financial partner for their energy transition**
 - Embrace our role as a go-to adviser and financial partner, and support our clients in their energy transition strategy
 - Align our portfolio with a +2.5°C trajectory by 2024 and +1.5°C by 2050, leveraging the Green Weighting Factor
 - Broaden the dynamic beyond the climate to incorporate social, natural resources, and biodiversity dimensions
- **Accelerate our investments to strengthen our resilience, competitiveness and attractiveness**
 - Step up our investments in technology to strengthen our robustness, competitiveness, time-to-market and operational efficiency
 - Attract and develop new talent, further enhancing our attractiveness
 - Develop the Natixis Corporate & Investment Banking brand

2024 OBJECTIVES

- Net banking income average 2020-2024 CAGR: ~7%.
- Additional revenues from the 8 core industries (2024 vs 2020): + €500m
- Target to align the balance sheet with a +2.5°C trajectory by 2024 and +1,5°C by 2050
- 2021-2024 investments in technology ~€400m
- Cost/income ratio: -10pts in 2024 vs 2020

AN AMBITIOUS FINANCIAL TRAJECTORY

The growth objectives of the different business lines over the 2021-2024 period **should generate revenues of approximately €25.5 billion by 2024**, equivalent to an **average annual growth rate of 3.5% over the period**, broken down as follows:

- 71% in the Retail Banking & Insurance business lines
- 29% for Global Financial Services

FORECASTS ACCOMPANIED BY AN OPERATIONAL EFFICIENCY PROGRAM

Groupe BPCE is targeting **cost savings of around €800 million per year**:

- Retail banking & Insurance: rationalization and performance of IT resources, modernization of banking services, optimization and pooling of resources (real estate, purchasing, etc.),
- Global Financial Services: optimization of IT and processes, optimization of organizational structures, real-estate strategy, purchasing.

The aggregate, non-recurring transformation costs over the 2021-2024 period are estimated at €900 million.

For all the business lines, the Group anticipates a positive jaws effect, with an objective of achieving a cost/income ratio of less than 65% in 2024.

CAPITAL ADEQUACY MAINTAINED AT A HIGH LEVEL

Groupe BPCE has set itself the target of achieving a **CET1 ratio of over 15.5%** (baseline: 15.3% as at Dec. 31, 2020 after the project to simplify and develop the Group's business lines).

It is estimated that retained earnings will exceed 330bps over the life of the plan, with an increase in risk-weighted assets (RWA) of approximately 3% per year.

Groupe BPCE should consequently benefit from a buffer of €8 billion in 2024 vs. its minimum CET1 ratio target of 15.5%.

The estimated TLAC/subordinated MREL ratio is higher than 23.5% (with a Tier 2 target¹ ≥ 2.5%, a level of senior non-preferred debt ≥ 5.5%, and a management buffer of 200bps against the planned SRB requirement as of 2022 of 21.5%).



www.bpce2024.groupebpce.com

¹ cf In accordance with capital adequacy standards as defined in article 72 of the Capital Requirements Regulation

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'Epargne banking networks, along with Banque Palatine. With Natixis, it also runs global business lines specializing in Asset & Wealth management, Corporate & Investment Banking, 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 stable), Fitch (A+, outlook negative), and R&I (A+, outlook stable).

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