



FINANCIAL PERFORMANCE OF EUROPEAN BANKS IN THE CONTEXT OF THE COVID-19 CRISIS

KEY FINDINGS BASED ON INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2020

September 2020

TABLE OF CONTENTS

1.
EXECUTIVE
SUMMARY

2.
SAMPLE AND
METHODOLOGY

3.
KEY FINDINGS

KEY POINTS



x 3.1
Median increase in ECL Charge in P&L (H1 2020 vs H1 2019)



22%
Average increase in ECL allowance, i.e. stock of provisions for ECL on balance sheet (vs an average increase of 7% in gross credit exposure)



72%
Average share of ECL charge within Operating income before ECL in H1 2020 (vs 22% at YE 2019)

The increase in the ECL allowance is mainly explained by:

- i) a higher coverage ratio for stage 1 (+20%), and**
- ii) an increased proportion of stage 2 gross exposure**

1. EXECUTIVE SUMMARY

Increasing ECL charge and diminishing Operating income before ECL compared to H1 2019 have resulted in a lower profitability in H1 2020:

- All banks experienced a significant increase of their ECL Charge in H1 2020 compared to H1 2019 (median is x3.1);
- At the same time, most banks experienced a decrease in their H1 Operating income before ECL compared to H1 2019;
- As a consequence, the share of ECL charge within Operating income is much higher than the same period last year (the median ratio increased from 22% to 72%).

A general increase in global ECL coverage ratio has been observed in H2 2020:

- All banks in our sample experienced an increase in both their gross credit exposure and in their ECL allowance compared to YE 2019;
- However, for all banks but one, the ECL allowance increased much more (average @ +22%) than the gross credit exposure (average @ +7%);
- As a result, the average global ECL coverage ratio increased by 10% (from 1% at YE 2019 to 1.1% in H1 2020 on average).

The ECL allowance has increased for all banks during H1 2020 but the extent of the increase varies from one bank to another:

- H1 2020 ECL charge represented on average 33% of the ECL allowance opening balance at the beginning of 2020,
- But the individual results are quite diverse, ranging from 10% to 73%.
- Banks with the highest “incremental” ECL charges (as a % of opening loss allowance) had low Global ECL coverage ratios at YE 2019.

The increase in the ECL allowance may be explained mainly by:

- A higher Stage 1 coverage ratio (with an average increase of 20%);
- And an increased average proportion of Stage 2 gross carrying amounts (lower proportion of stage 1, proportion of stage 3 being stable).

Post-model adjustments have modified the ECL amounts, with significant differences from one bank to another:

- Eight banks have disclosed the amount of post-model adjustments, ranging from -66% to +23% of their reported ECL charge for H1 2020.
- Negative percentages (for two banks in our sample) mean that the adjustments actually reduced the amount of ECL that would have been reported otherwise.

Banks applied different strategies to the change in weightings allocated to negative and positive macro-economic scenarios:

- Two banks decided to increase the weight of the negative scenario(s). One bank has done so to reflect a higher level of uncertainty due to COVID-19;
- Two banks decided not to change the weightings compared to YE 2019;
- Two banks decided to reduce the weight of the negative scenario(s). One bank has done so due to the current situation being below the average of the credit cycle.



2. SAMPLE AND METHODOLOGY

Our sample is composed of **13 European banking groups** publishing their financial statements under the IFRS framework:



DISCLAIMER & METHODOLOGY

- Our analysis is based on publicly available information from the interim reports of the banks in our sample at 30 June 2020, some of which are unaudited.
- Media releases and investor-oriented presentations, or similar publications, have not been taken into account.
- Some figures presented (such as the ECL coverage ratio by stage or ECL charge for H1 expressed as a percentage of total ECL allowance) are not necessarily directly available in the interim reports : they are issued from our calculations using input data available in the interim reports. **Graphs using figures that required specific calculations are indicated with the “magnifying glass” sign.** The detailed methodology for producing such figures is explained below the graphs. Comparisons of such figures may sometimes be perilous simply because banks may not provide the necessary data for exactly the same scope of instruments, or because we needed to make some assumptions to render the data equivalent.
- If less than 13 banks appear in our graphs with anonymised banks, it means we did not manage to find all the data needed in the H1 2020 interim report for the bank in question.
- Comparison of quantitative findings should be done with care, as banks’ portfolios are different in nature and risk profile. Often more granular additional information (than that provided in the interim reports), e.g. by geographical area or by type of loan, would be necessary to fully understand the differences in the results of different banks.

3. KEY FINDINGS

3.1. GENERAL STATS

- 3.1.1: Net profit after tax
- 3.1.2: Operating profit or loss before the ECL charge
- 3.1.3: Increase in ECL Charge vs H1 2019
- 3.1.4: Share of impairment loss in operating profit or loss before the ECL charge
- 3.1.5: Impairment loss – what can we expect for full year 2020?
- 3.1.6: ECL allowance and gross credit exposure
- 3.1.7: ECL coverage ratio

3.2. EXPECTED CREDIT LOSSES (ECL)-RELATED FINDINGS

3.3. OTHER FINANCIAL INSTRUMENT-RELATED FINDINGS

3.4. OTHER FINANCIAL REPORTING-RELATED FINDINGS

3.1.1 NET PROFIT AFTER TAX

GRAPH 1: change in net profit after tax, in % (H1 2020 vs H1 2019)

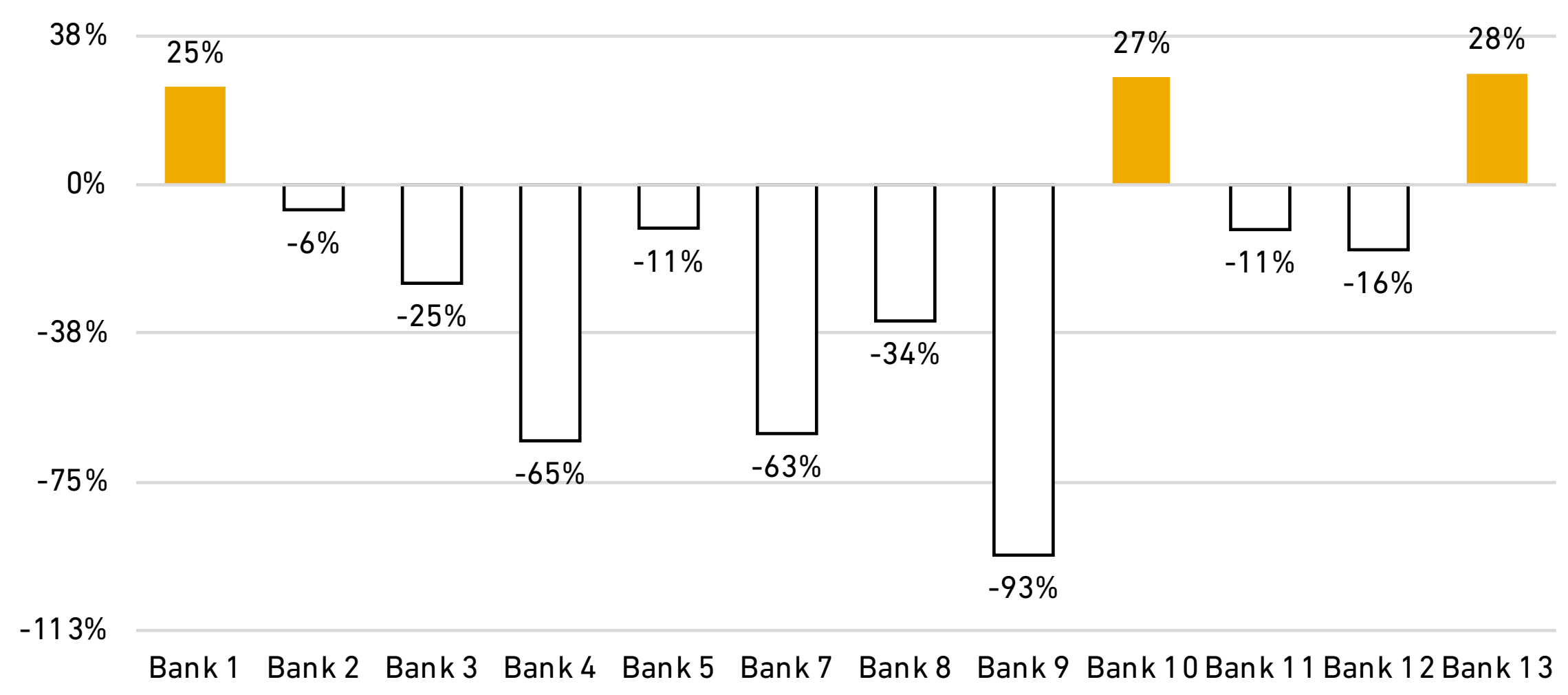


MAZARS INSIGHTS:

- Most of the banks (11 out of 13) experienced significant **decreases** in their net profit after tax, ranging from -18% to -353%, with a median reduction in P&L of -81% for these 11 banks.
- Only two banks in our sample saw a **positive** growth in their net profit after tax. The 104% P&L growth rate of Bank 6 is explained by a negative H1 profit level after tax.
- Out of these 11 banks, four have actually recorded a net loss for H1 2020 (i.e. a negative figure), with a maximum loss of -10bn €.
- The reasons for the decrease in net profit after tax are numerous. For example:
 - a significant increase in the impairment charges / ECL for financial instruments,
 - a reduction in revenue (interest revenue and / or fees revenue and / or market activities revenue due to adverse market conditions or dividend cancellation by some issuers of equity investments),
 - significant impairments of non-financial assets such as goodwill.

3.1.2 OPERATING PROFIT OR LOSS BEFORE THE ECL CHARGE

Graph 2: Change in operating P&L before ECL charge, in % (H1 2020 vs H1 2019)



MAZARS INSIGHTS:

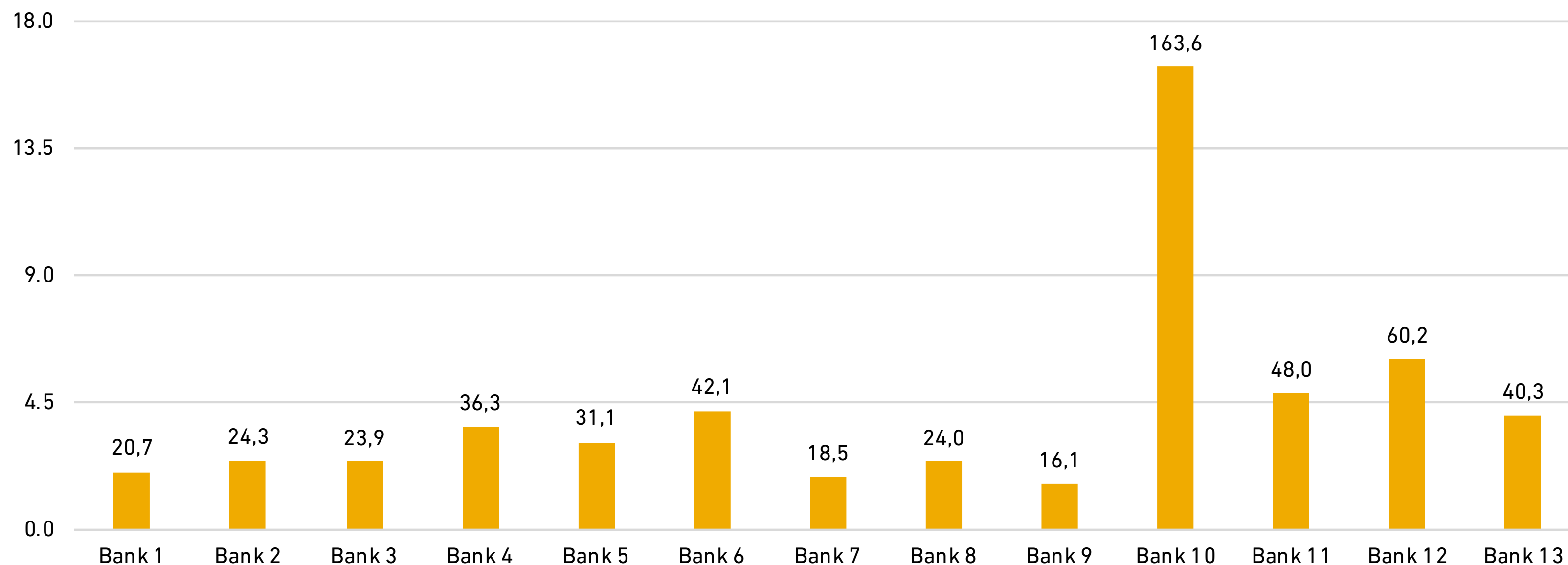
- Most of the banks (9 out of 13) experienced **decreases** in their operating profit before ECL.
- Only four banks in our sample saw a **positive** growth in their operating profit before ECL charge.
- Bank 6 is not represented on this graph as the growth of more than 500% is simply due to the fact that the 2019 H1 value was negative.



The indicator shown in this **Graph2** is an indirect measure: we calculated it from the data in the income statements of the banks in our sample. This “operating profit before ECL charge” indicator includes salaries and other operating expenses, amortisation, depreciation or impairment charge for tangible and intangible non-financial assets (if any), but it does not include “non-operating” income or expense such as share in the income of associates and joint ventures or profit from disposal of non-financial assets. As the title indicates, it also excludes the ECL charge for the period. Given the diversity in the presentation of different lines in the income statement by European banks, this indicator should be seen as a **broad measure of revenue net of most operating expenses**, rather than a universal measure of net profitability before impairment (we cannot guarantee that exactly the same items are captured within this amount for all banks in the samples. Sometimes the income statement is not precise enough, so some allocations we operated could be seen as arbitrary).

3.1.3 INCREASE IN ECL CHARGE VS H1 2019

Graph 3: ECL charge multiplier effect: H1 2020 vs H1 2019



The data above should be interpreted with care, to avoid hasty conclusions.

We used the profit or loss statement information to extract this data, as often banks isolate the ECL / fin. Instruments impairment charge within a single line of P&L (such as a line called “cost of risk” in France). However, one bank in our sample has included part of the ECL charge relating to off-balance sheet commitments within another line of P&L, and even though we could include this part of charge for H1 2020 in our graph based on the information provided in the notes to financial statements, we were unable to identify the corresponding charge amount of such commitments for the comparative period.

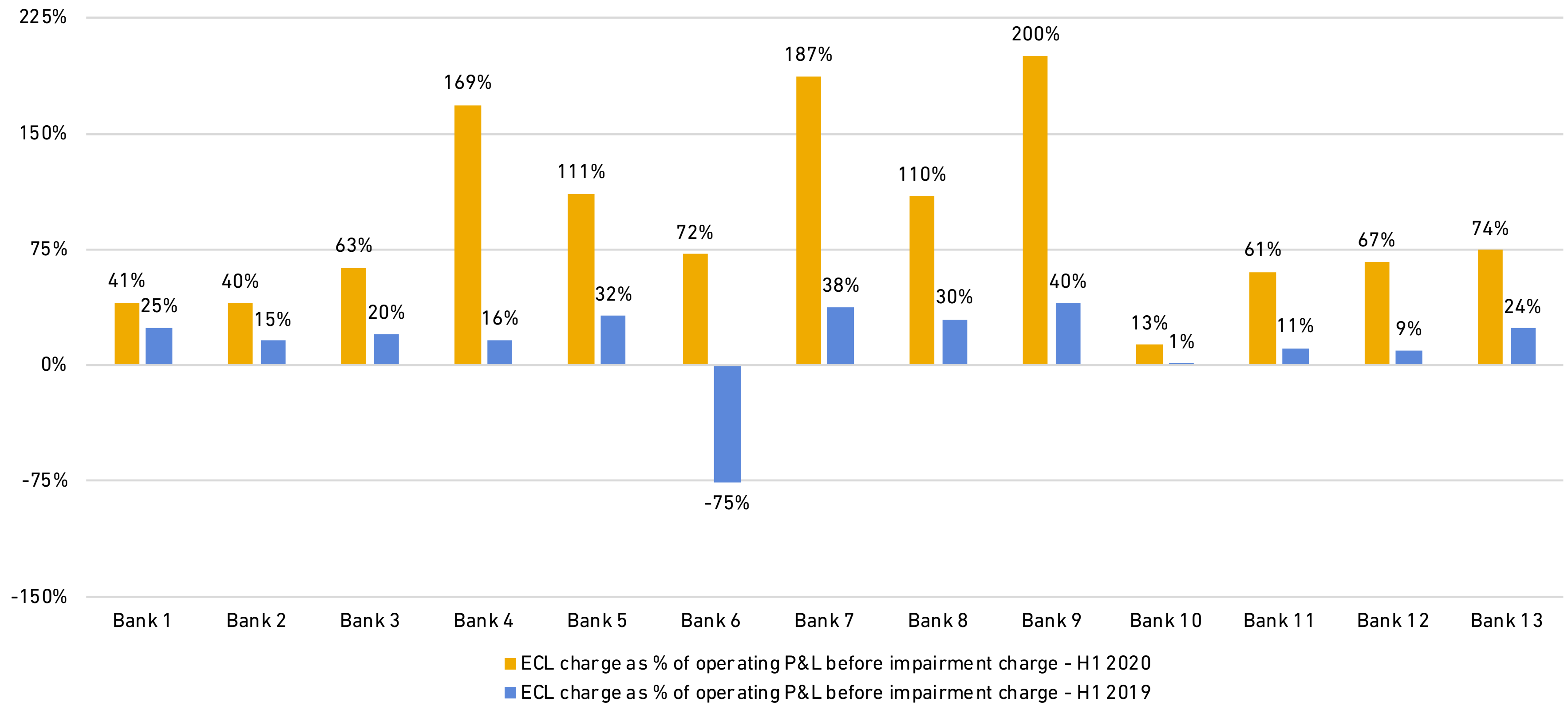
Another limitation of using the statement information directly is that often the ECL charge within the “cost of risk” (or similar) line is “aggregated” with factors that do not stem directly from the IFRS 9 ECL models, such as expenses relating to fraud or to disputes related to the financing activity. Lack of homogeneity as to the inclusion or not of such costs within the cost of risk line hinders comparison between banks.

MAZARS INSIGHTS:

- Banks use different terms when they refer to their impairment losses, net of reversals, calculated applying the IFRS 9 expected credit loss (ECL) methodology: loan credit losses, cost of risk, loan impairment charges. We most often use the term ‘ECL charge’ to designate an impairment loss recorded in P&L in a given period.
- Unsurprisingly, all of the banks in our sample have recorded significant additional impairment losses of their financial asset portfolio during H1 2020, in the context of the unprecedented COVID-19 crisis.
- The average increase is such that instead of using percentage increase figures, we have opted for the “multiplier effect” representation.
 - For instance, for Bank 12 ECL charge in H1 2020 is six times superior to the H1 2019 ECL charge.
 - The ECL charge was increased by 4.2 on average, and the median multiplier effect was 3.1.
- The potential reasons for the increase in the ECL charge are analysed in section 3.2.
- The increase in the ECL charge has to be analysed together with other relevant metrics, such as allocation of exposures by stages, ECL coverage ratio or the pre-crisis stock of impairment allowance (see next slides).
 - To illustrate : Bank 10 experienced a more than 16-fold increase in the ECL charge compared to the same period last year. But one should keep in mind that, at the end of 2019, Bank 10 had the highest share of Stage 1 exposures (97%) and the lowest coverage ratio for each stage. So their “starting point” was different from that of the other banks.

3.1.4 SHARE OF ECL CHARGE IN OPERATING PROFIT OR LOSS BEFORE ECL : H1 2020 VS H1 2019

Graph 4: ECL charge as a percentage of operating P&L before ECL



MAZARS INSIGHTS:

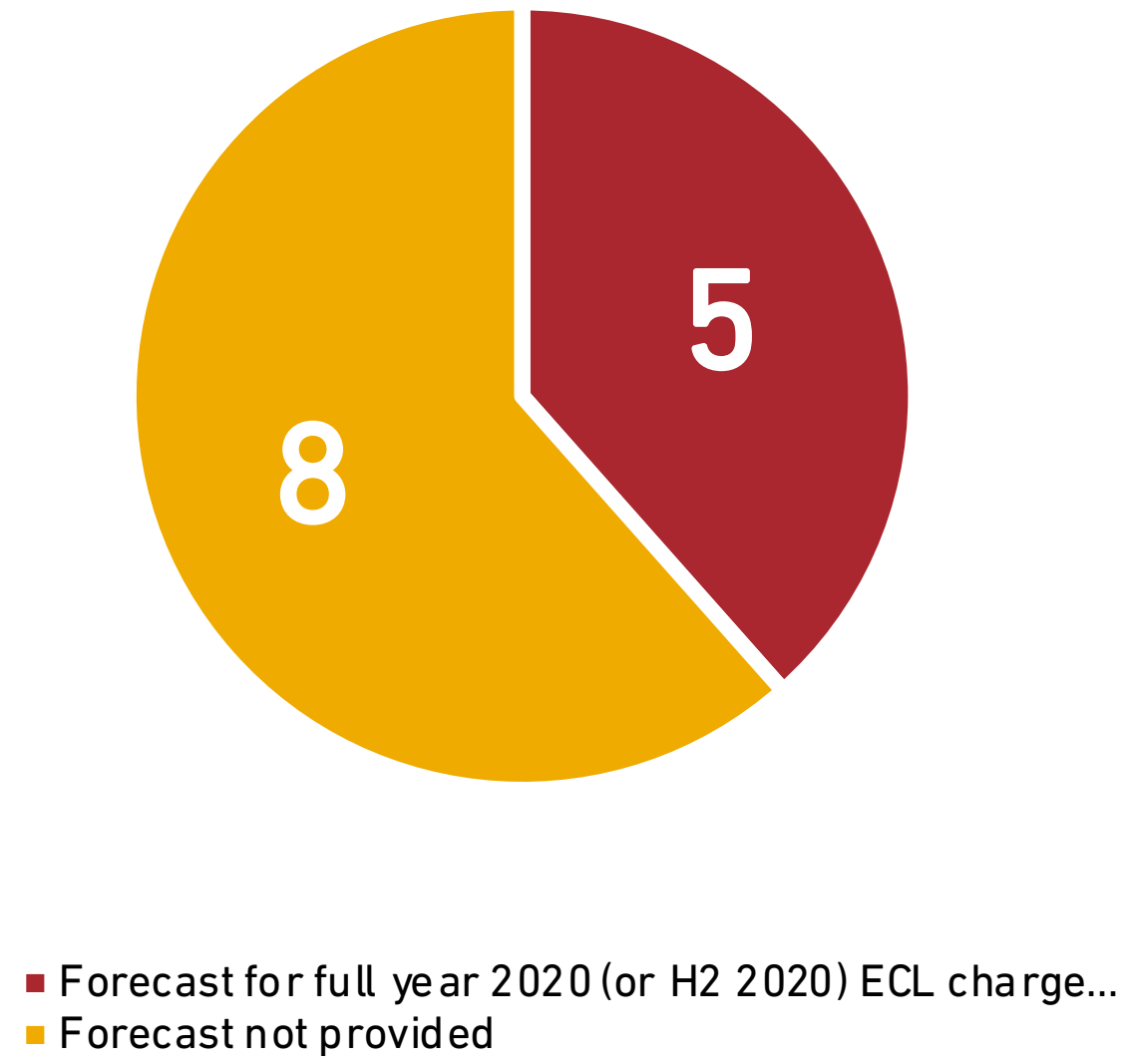
- The ECL charge represents a much more significant portion of the Operating profit or loss before ECL in H1 2020 compared to YE 2019.
- The median ratio of ECL charge divided by the operating profit before ECL amounted to **72%** in H1 2020 (against **22%** in H1 2019).
- Bank 6 appears with a negative value for H1 2019 as its operating income before ECL was negative in H1 2019.
- Bank 9 exhibits a ratio of 987% in H1 2020 because its ECL charge was nearly 10 times bigger than its operating profit before ECL.



See section 3.1 for an explanation of how we calculated **operating profit or loss before the ECL charge** for the denominator of the ratio.

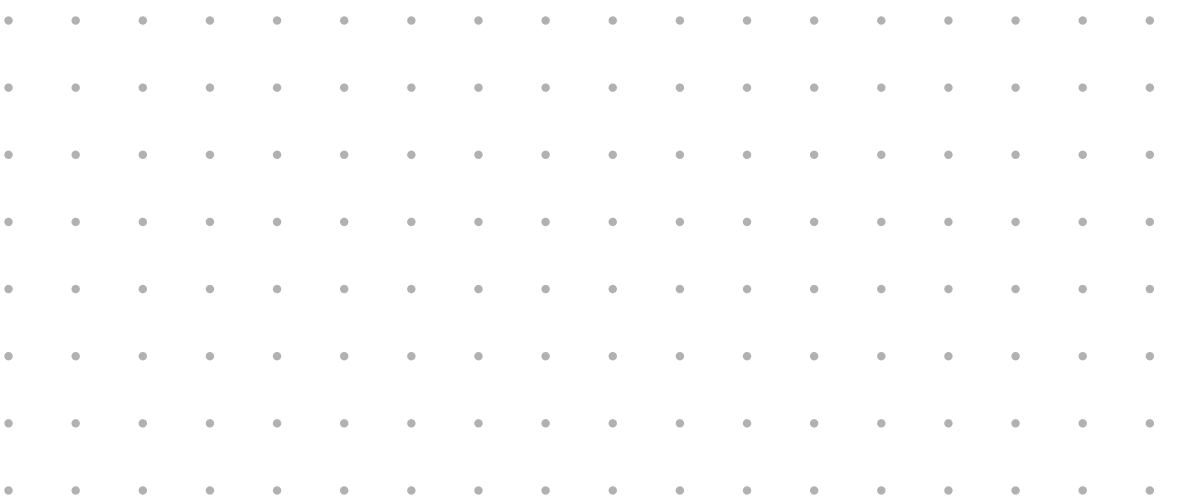
3.1.5 IMPAIRMENT LOSS – WHAT CAN WE EXPECT FOR FULL YEAR 2020?

GRAPH 5: Forecasts of the ECL amount for full year 2020



MAZARS INSIGHTS:

- According to our analysis of the interim reports, only the British, German and Swiss banks of our sample ventured to make forecasts as to the further evolution of the ECL impairment charge in 2020 (see **Graph 5**).
 - Two of them provided a range of potential ECL estimates for different macroeconomic scenarios for full year 2020: these forecasts, expressed as a multiple of the 2020 H1 ECL charge, range :
 - > from 1.2 to 1.9 for one bank,
 - > and from 1.6 to 1.9 for the second bank.
 - One bank discloses the forecast figures in basis points, which makes this information difficult to exploit.
 - Two banks provide no exact figures for full year 2020, but indicate their ECLs are expected to be lower in H2 than in H1 2020. This corroborates with the full year 2020 forecasts expressed as a multiple of H1 2020

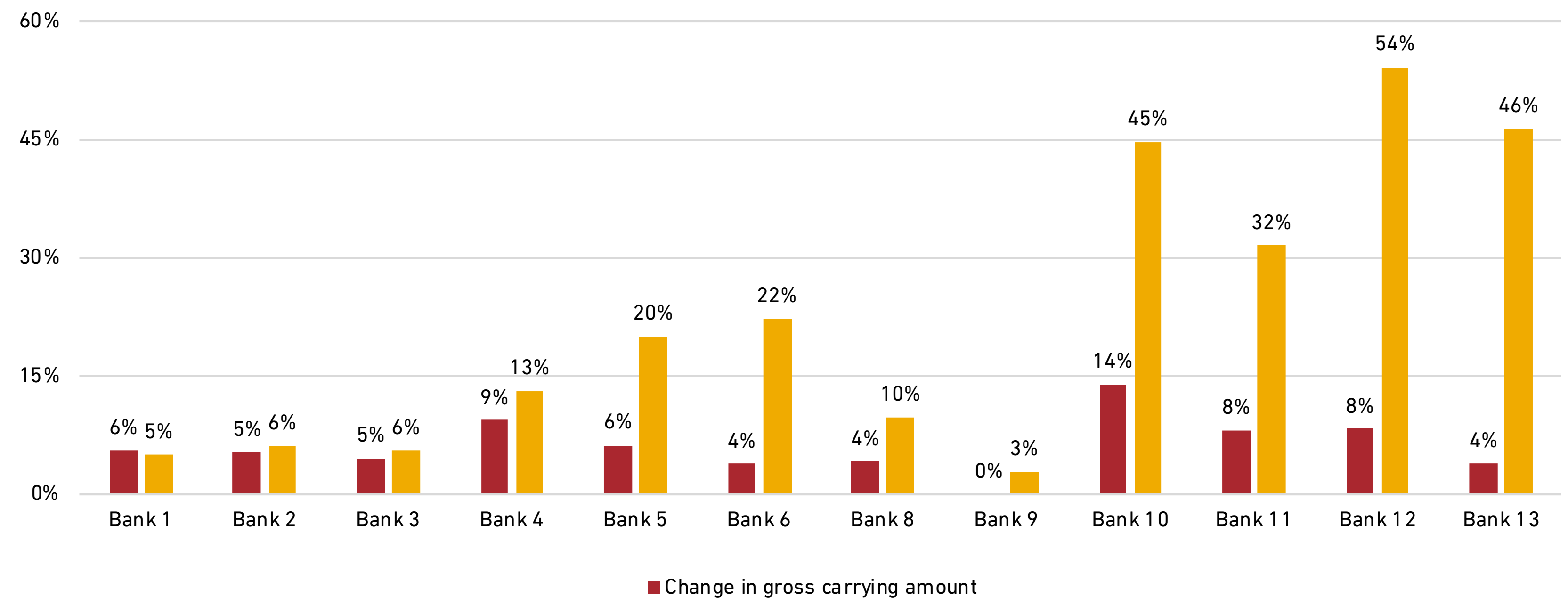


charge above. One of these banks further adds that impairment in H2 is expected to remain above the level experienced in recent years, assuming no change in macroeconomic forecasts.

- In a nutshell, based on the information above, we could reasonably **expect the H2 2020 ECL charge to be significant but lower** than (or similar to) the one recorded at 30 June 2020. However, as with any forecast, this expectation implies uncertainty especially as to the severity of COVID-19 in H2 2020 and its economic consequences.

3.1.6 ECL ALLOWANCE AND GROSS CREDIT EXPOSURE

Graph 6: Increase in gross credit exposure and in ECL allowance in H1 2020 compared to YE 2019



Note that the definition of the (gross) exposure is not always provided and for some banks it may differ from the definition of a “gross carrying amount” under IFRS 9, which is supposed to reflect more or less the notional amount before impairment (e.g. fair value rather than gross carrying amount may be included for assets measured at FV-OCI with recycling to P&L). The amounts of off-balance sheet commitments have been excluded from the data on exposures by some banks. The figures in Graph 6 allow, however, to have some indication as to the change in volumes of instruments subject to the IFRS 9 impairment model.

Note that some banks did not disclose the total amounts of their ECL allowance: for several banks, the amount of ECL provisions for loan commitments and guarantees issued was not provided. When possible, we then also excluded such items from the gross exposure values.



MAZARS INSIGHTS:

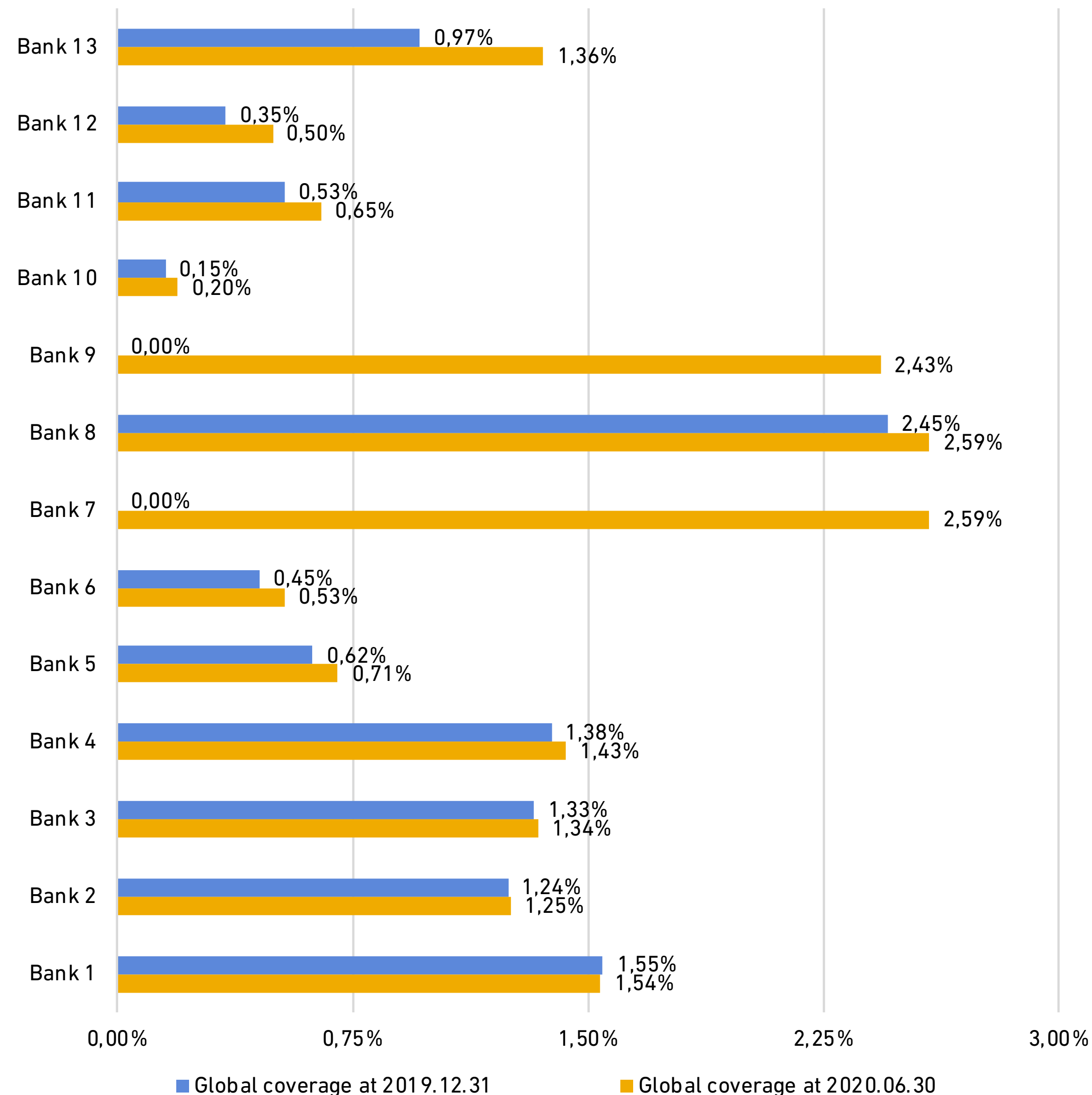
- In H1 2020, all the banks in our sample (with data available) experienced an increase in **both** their gross credit exposure and in their ECL allowance compared to YE 2019 (see **Graph 6**).
- However, the ECL allowance increased much more on average (+22%) than the gross credit exposure (+7%).
- Bank 1 was the only bank with credit exposure increasing slightly faster than its ECL allowance.
- Bank 7 is excluded from Graph 6 as it disclosed neither information on ECL allowance nor that on gross credit exposure at YE 2019, thus rendering the period-over-period comparison impossible. Bank 9 did not provide the gross exposure figure for YE 2019, hence the absence of the “change in gross carrying amount” column for that bank.

3.1.7 ECL COVERAGE RATIO

MAZARS INSIGHTS:

- An increase in the coverage ratio signifies, as a general rule, a deterioration of the credit quality of the related exposures.
- At 30 June 2020, all banks experienced an increase in their global coverage ratio, except for Bank 1 (the global coverage of which decreased from 1.55% to 1.54%).
- The global coverage ratio **increased by 10% on average** (from 1% to 1.1%) for the 11 banks with comparative information for YE 2019 available in their H1 2020 interim report.
- This increase can be explained by the ECL allowance growing at a faster rate on average than the gross exposure during the same period (see previous page).
- Banks 7 and 9 did not disclose all data necessary to compute the ratio for YE 2019 in the interim reports, hence the absence of the comparative columns for these banks in **Graph 7**.
- A detailed analysis of the coverage ratio by stage may be found in section 3.2.

GRAPH 7: global ECL coverage ratio



We calculated the coverage ratio for each bank by dividing the ECL allowance on the balance-sheet by the gross credit exposure (using data in **Graph 6**).

The limitations of data used to calculate these metrics are explained on previous slide.

3. KEY FINDINGS

3.1. GENERAL STATS

3.2. EXPECTED CREDIT LOSSES (ECL)-RELATED FINDINGS

3.2.1: main figures and COVID-19 impact

3.2.2: post-model adjustments and management overlays

3.2.3: staging / transfers between stages 1, 2 and 3

3.2.4: macro-economic scenarios used to model the ECL

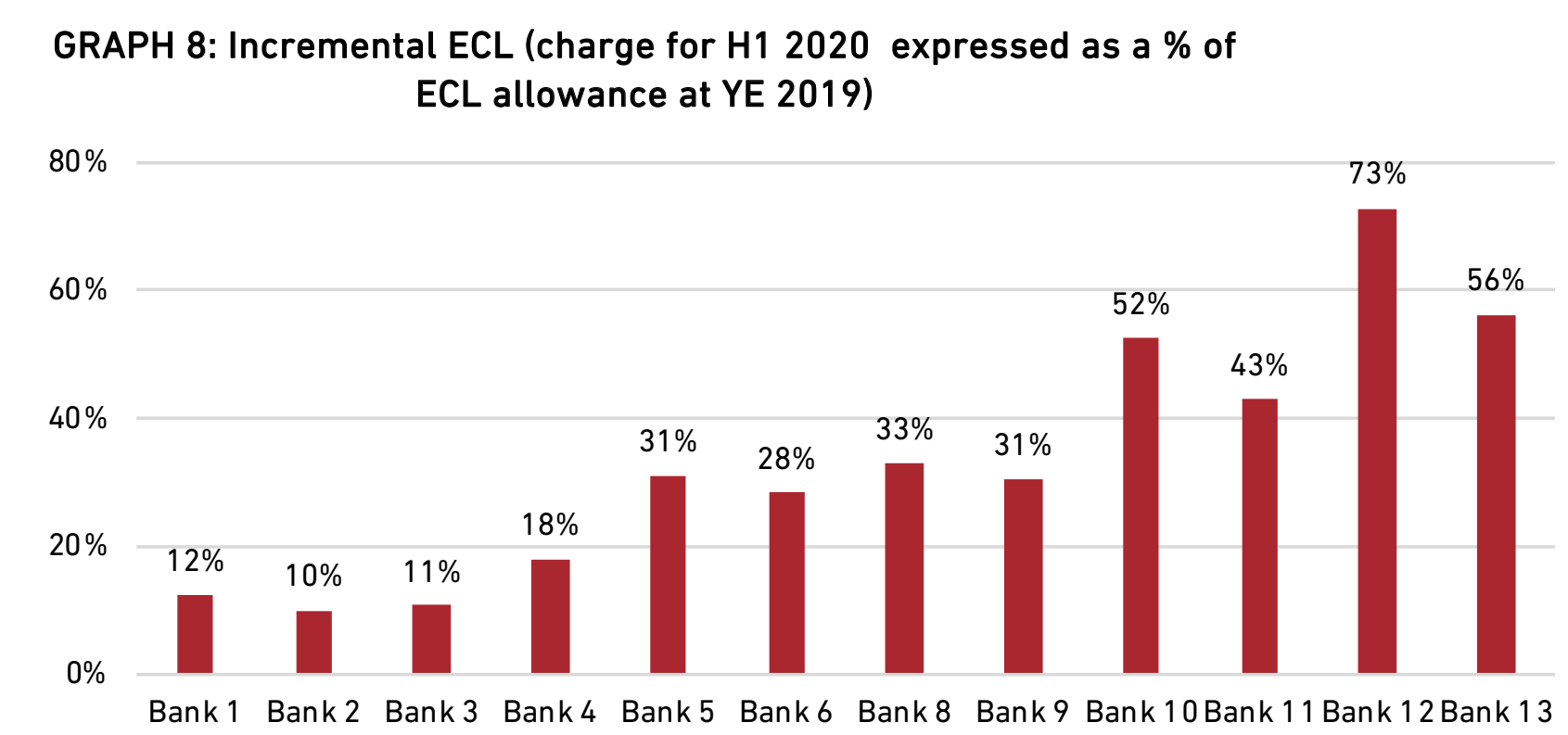
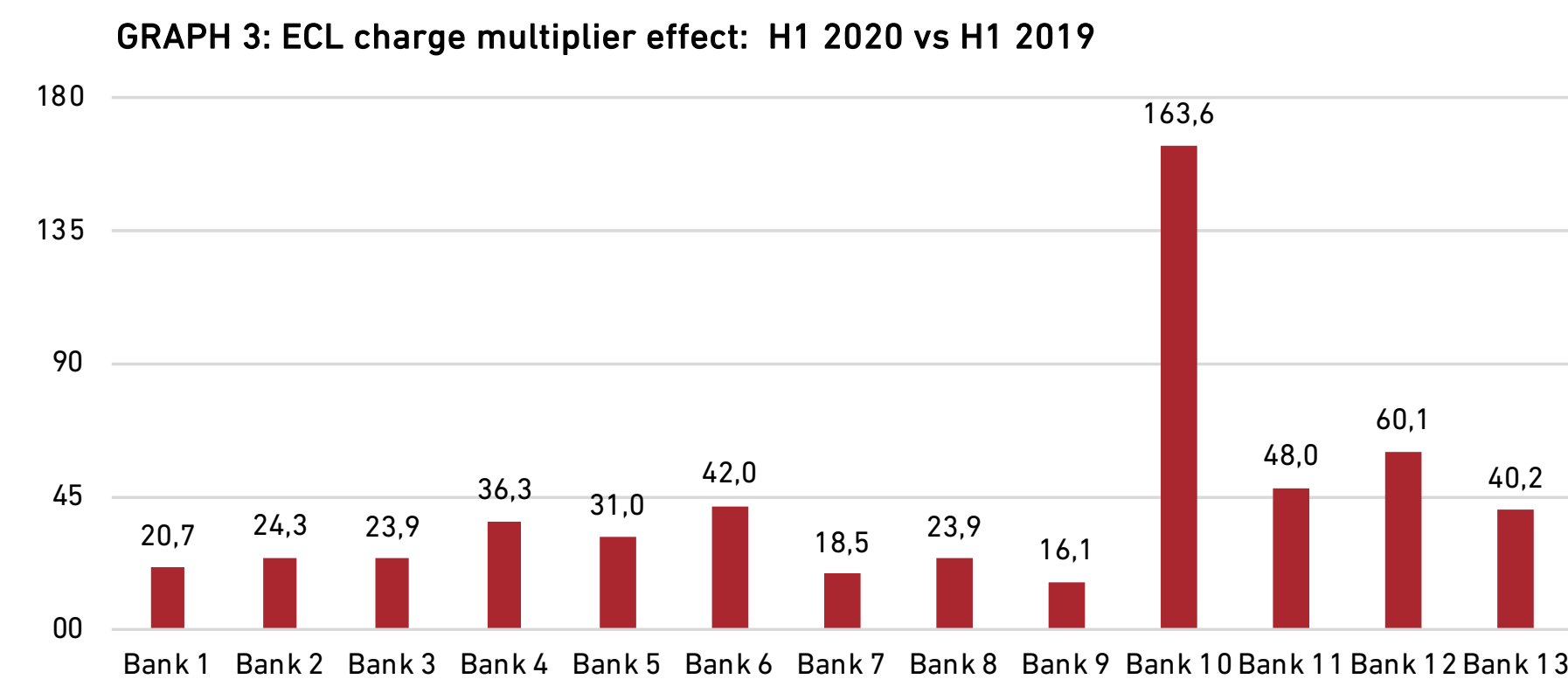
3.2.5: sensitivity of ECL estimates to changes in assumptions and calculation inputs

3.2.6: information relating to sectors most affected by COVID-19

3.3. OTHER FINANCIAL INSTRUMENT-RELATED FINDINGS

3.4. OTHER FINANCIAL REPORTING-RELATED FINDINGS

3.2.1 ECLs HAVE INCREASED SIGNIFICANTLY DURING H1 2020 (1/2)



Note that some banks did not disclose the total amounts of their ECL allowance: for several banks the amount of ECL provisions for loan commitments and guarantees issued was not provided.

MAZARS INSIGHTS:

- As previously shown in **Graph 3**, most banks in our sample experienced significant increases in their ECL charge in H1 2020 compared to the same period last year.
- **Graph 8** further illustrates the significance of the H1 2020 impairment charges. The H1 2020 ECL charge represented on average **33%** of the accumulated ECL allowance at YE 2019 for the 12 banks in the sample providing the data necessary to calculate this ratio in their interim reports (Bank 7 is excluded as it did not disclose its ECL allowance at YE 2019). The individual results are quite diverse, ranging from 10% to 73%.

- **Graph 8**, when analysed together with data on ECL coverage in **Graph 7**, also puts into perspective the figures in **Graph 3**:
 - Several banks (such as Bank 10 and Bank 12) that experienced significant ECL charge increases (Graph 3) also experienced very significant incremental ECL figures (Graph 8).
 - Among the four banks with the highest ratio in Graph 8:
 - › Three banks had a low global ECL coverage ratio at YE 2019 (see Bank 10, Bank 11 and Bank 12), and
 - › Bank 13 experienced a significant increase in its ECL coverage ratio in H1 2020 compared to YE 2019.

3.2.1 ECLs HAVE INCREASED SIGNIFICANTLY DURING H1 2020 (2/2)

WHY?



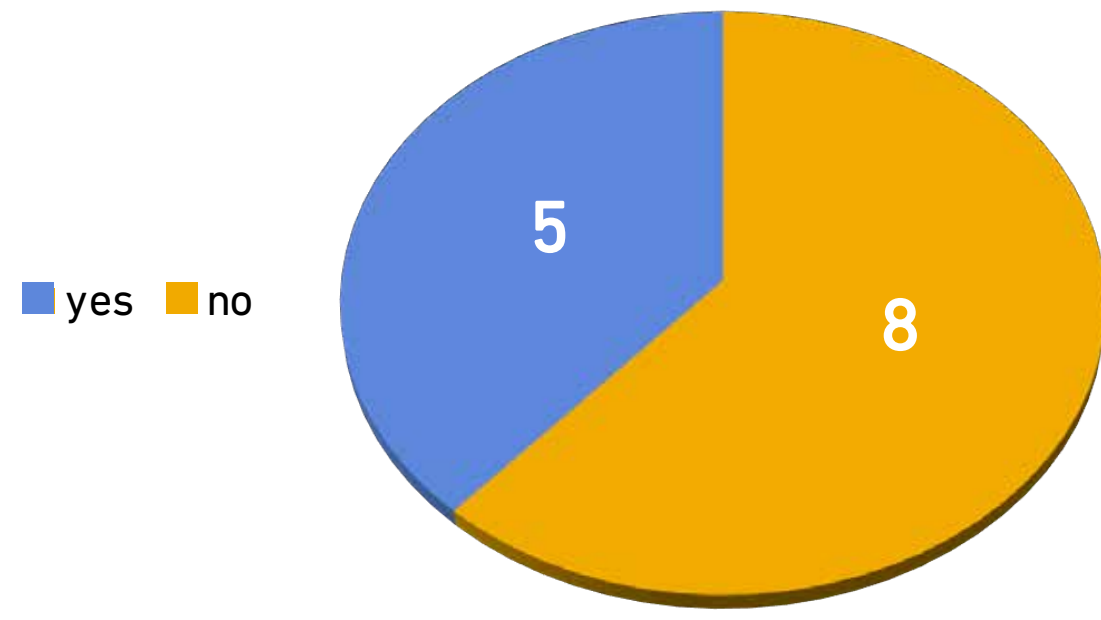
MAZARS INSIGHTS:

- COVID-19 is definitely to blame for this spectacular increase in ECL, with the following recurring justifications / explanations provided in the financial communications of banks in our sample (this is a non-exhaustive list):
 - **Worsening macro-economic outlook** and its impact on the forward-looking projections implemented in the banks' IFRS 9 ECL models.
 - **Management overlays** or other **post-model adjustments** aiming to better reflect aspects and expectations that are not yet correctly captured by the IFRS 9 models. (For instance, provisions for sectors that are the most affected by the crisis).
 - Some banks mention **deteriorated ratings and the resulting transfers into Stage 2** (which trigger a switch to a lifetime ECL allowance, instead of the supposedly smaller 12-months allowance), but this is not necessarily the case for all banks: in many countries generalised relief and customer support measures (such as payment holidays) have prevented some borrowers from defaulting / experiencing past due payments.
- Some banks explain part of the ECL charge increase by the **growth in credit volumes**, spurred by incentives from the State in the form of guaranteed loans or similar measures.
- Less frequently, banks point to impairments of **individual significant exposures**, often based on expert judgement.
- However, as we will see in the next slide, COVID-19 only partially explains the ECL increase observed.

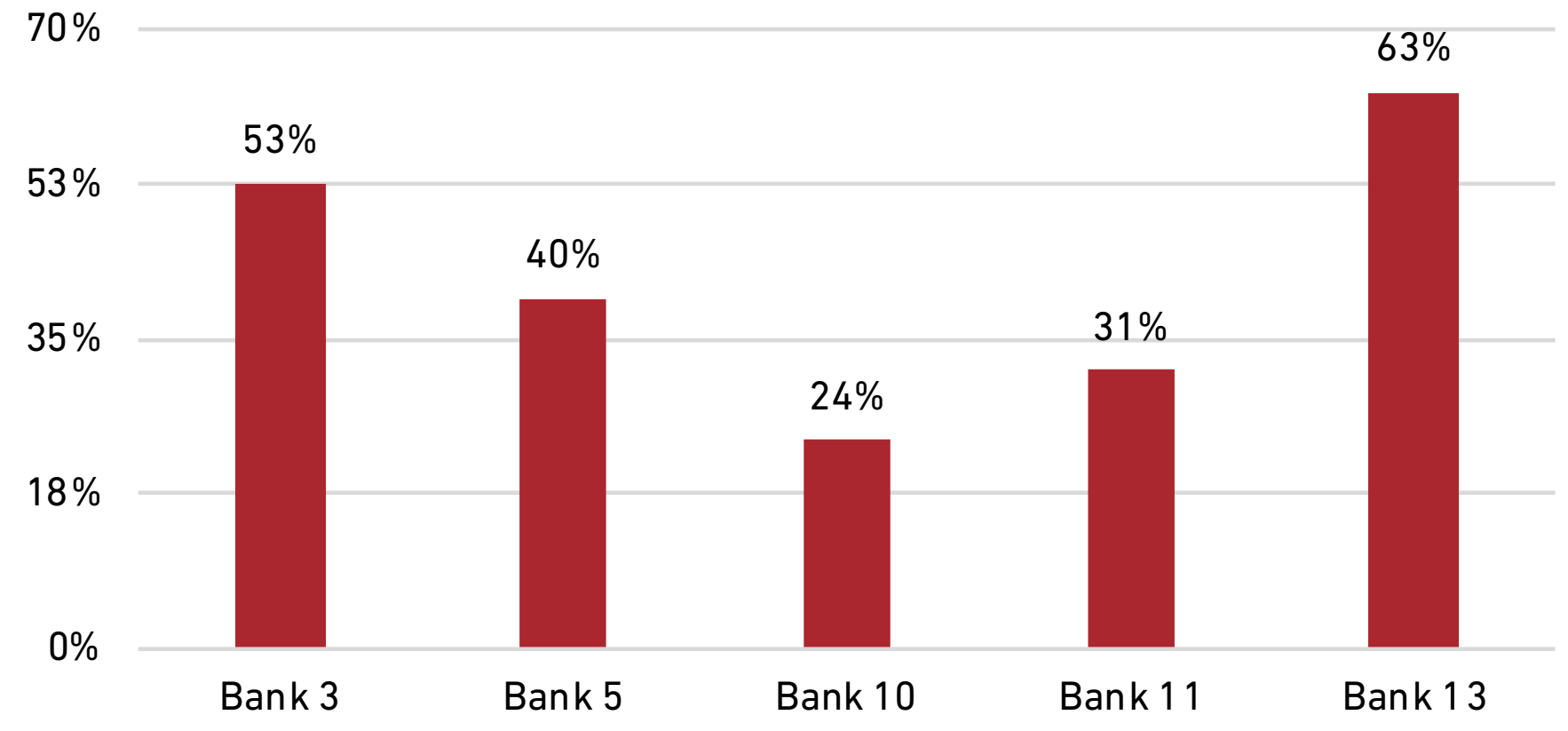


3.2.1 ECL CHARGE: THE IMPACT OF COVID-19

GRAPH 9: banks having specifically quantified the impact of COVID-19 on their ECL charge



GRAPH 10: COVID-19 impact as a percentage of H1 2020 ECL charge



MAZARS INSIGHTS:

- Contrary to their financial communication at Q1 2020 (or their communication outside of financial statements), few banks disclosed in their interim financial statements the exact impact (in units of currency) that COVID-19 had on their ECL charge as of H1 2020 (see **Graph 9**).
- Out of the five banks having disclosed an explicit COVID-19-related ECL figure (see **Graph 10**):
 - Two banks do not explain in further detail the impacts
 - And the other three banks tend to attribute the impact to worsening macro-economic scenarios and forward-looking inputs as a consequence of COVID-19.
- For these banks, COVID-19 is to “blame” for 24% to 63% of their H1 ECL charge.
 - It cannot be excluded that some part of the management overlays / post-model adjustments (see section 3.2.2) also relate to COVID-19: the amounts relating to such adjustments have not been included in Graph 10 unless explicitly linked to COVID-19 in the interim reports.

3.2.1 BREAKDOWN OF THE GROSS CREDIT EXPOSURE BY STAGE

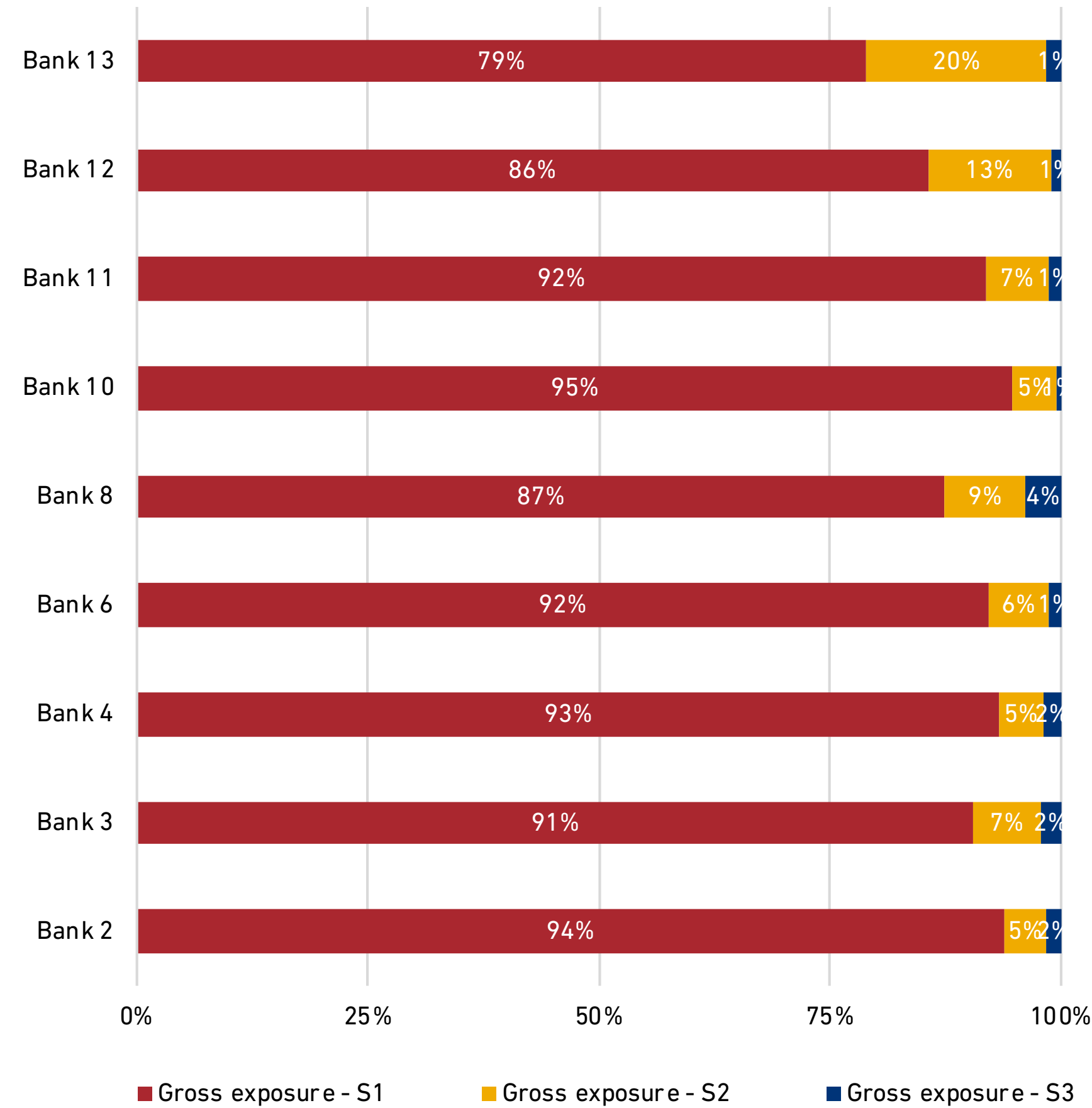
MAZARS INSIGHTS:

- The general trend, on average, has been a transfer of 3% of gross credit exposure from Stage 1 to Stage 2 in H1 2020.
- The average proportion of Stage 2 has increased from 5.5% to 8.5% while the average share of Stage 1 has decreased from 93% to 90%
- The share of Stage 3 has remained stable.

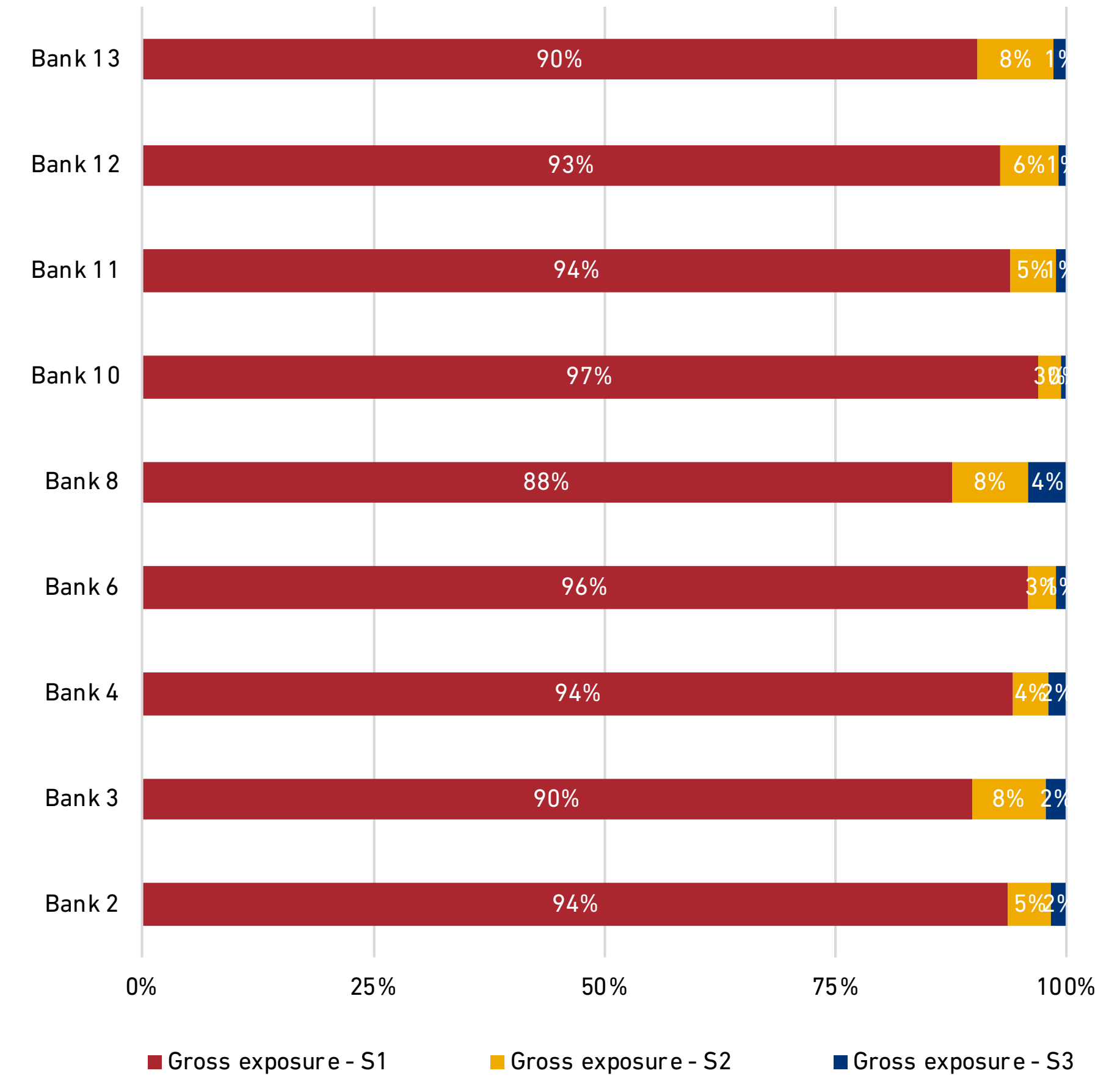


Note that for some banks the Stage 3 amounts include POCI. Some banks provided a breakdown by stage for most asset classes, but not necessarily all asset classes. The allocations by stages therefore are not directly comparable across banks. Comparability of the weight of Stage 3 may be further hindered by potentially different write-off policies.

Graph 11: Allocation of gross credit exposure at 30 June 2020 by stage



Graph 12: Allocation of gross credit exposure at 31 December 2019 by stage

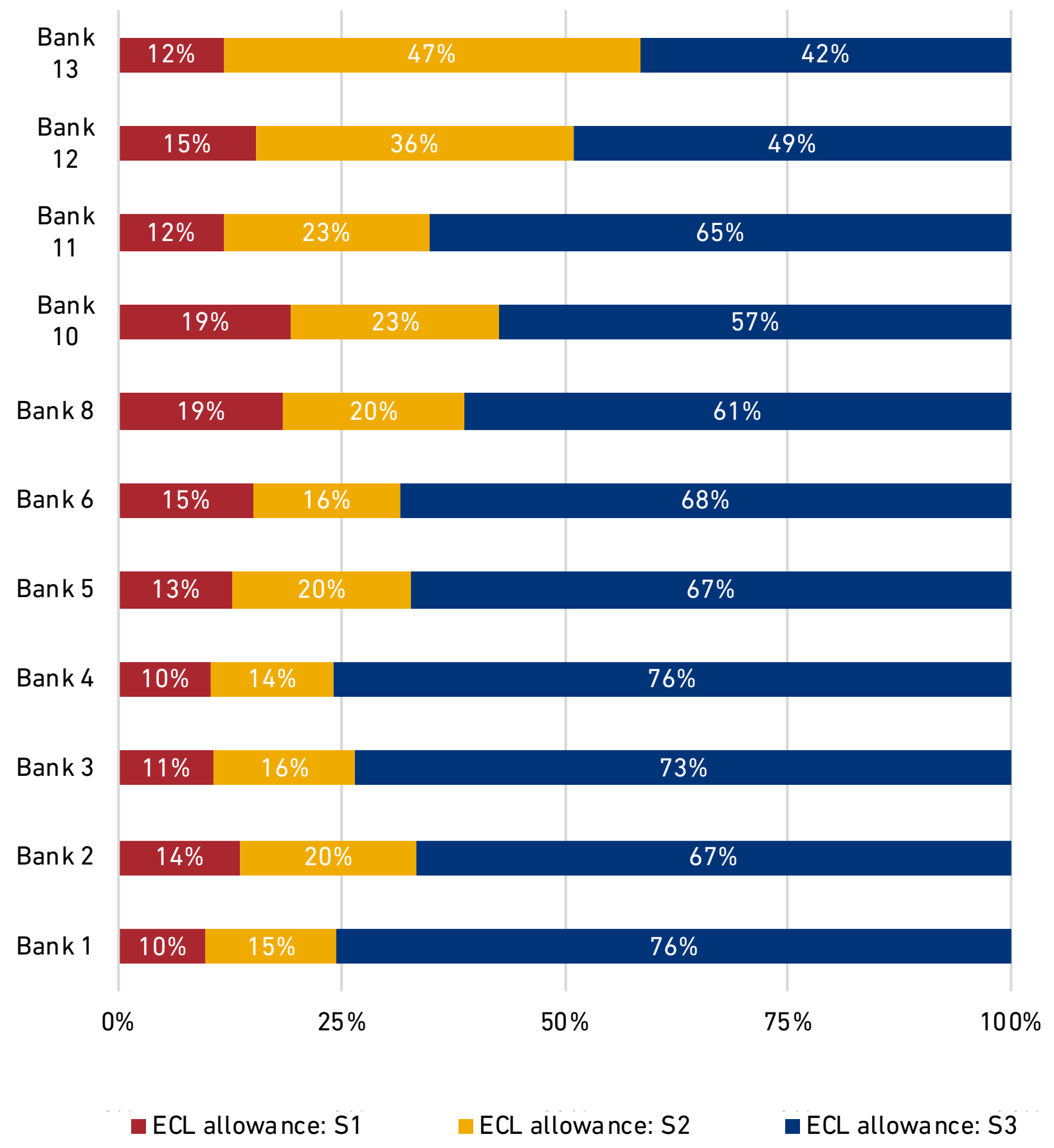


3.2.1 BREAKDOWN OF THE ECL ALLOWANCE BY STAGE

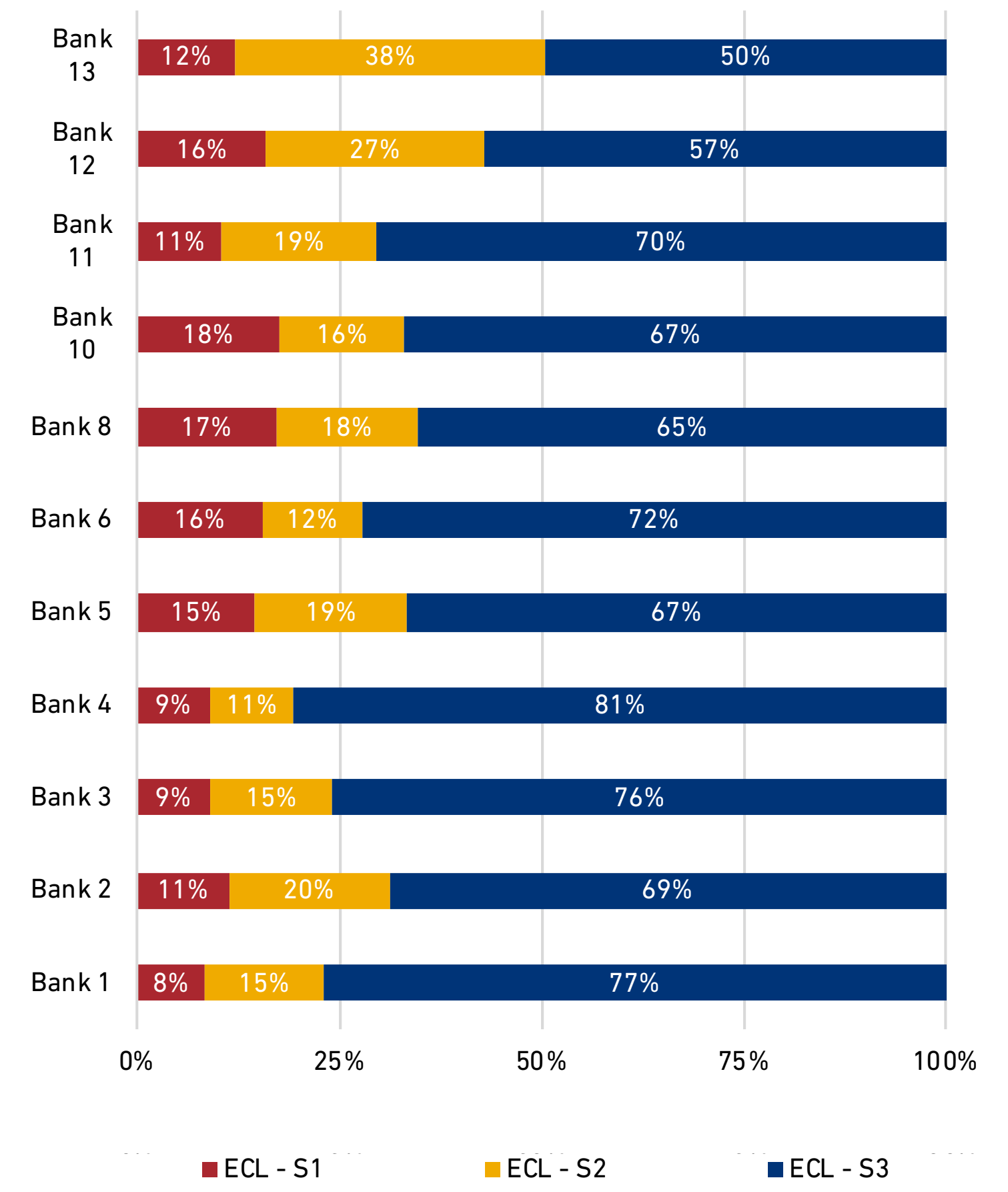
MAZARS INSIGHTS:

- The share of **Stage 2** ECL allowance has increased from 19% to 23% on an average.
- The share of **Stage 1** ECL allowance remains stable despite the decrease in Stage 1 credit exposure due to higher coverage ratio.
- The share of **Stage 3** ECL has decreased by 4% due to stable coverage ratio (whereas coverage ratio of Stage 1 and Stage 2 has increased significantly, see next slide).

Graph 13: Allocation of the ECL allowance at 30 June 2020 by stage



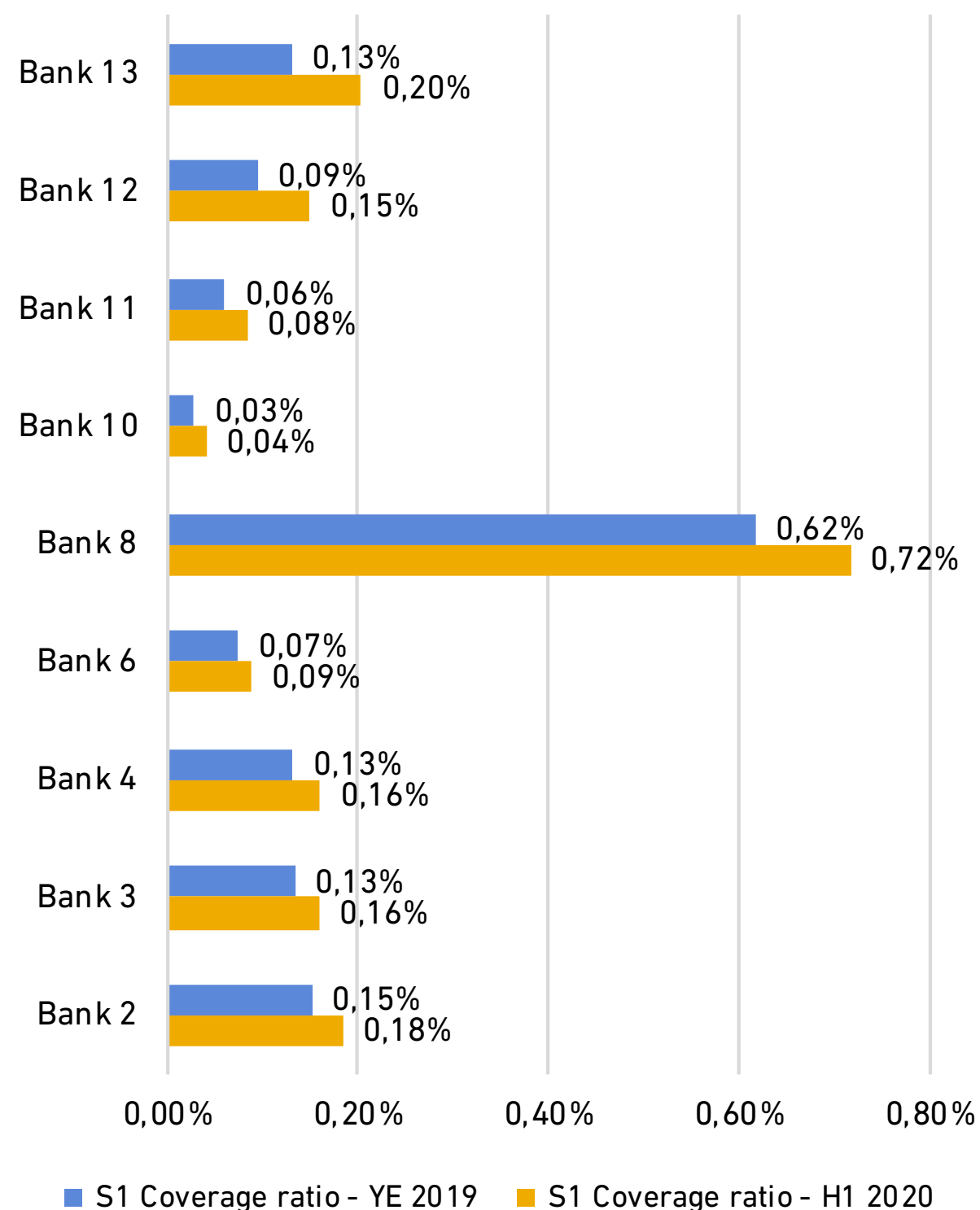
Graph 14: Allocation of the ECL allowance at 31 December 2019 by stage



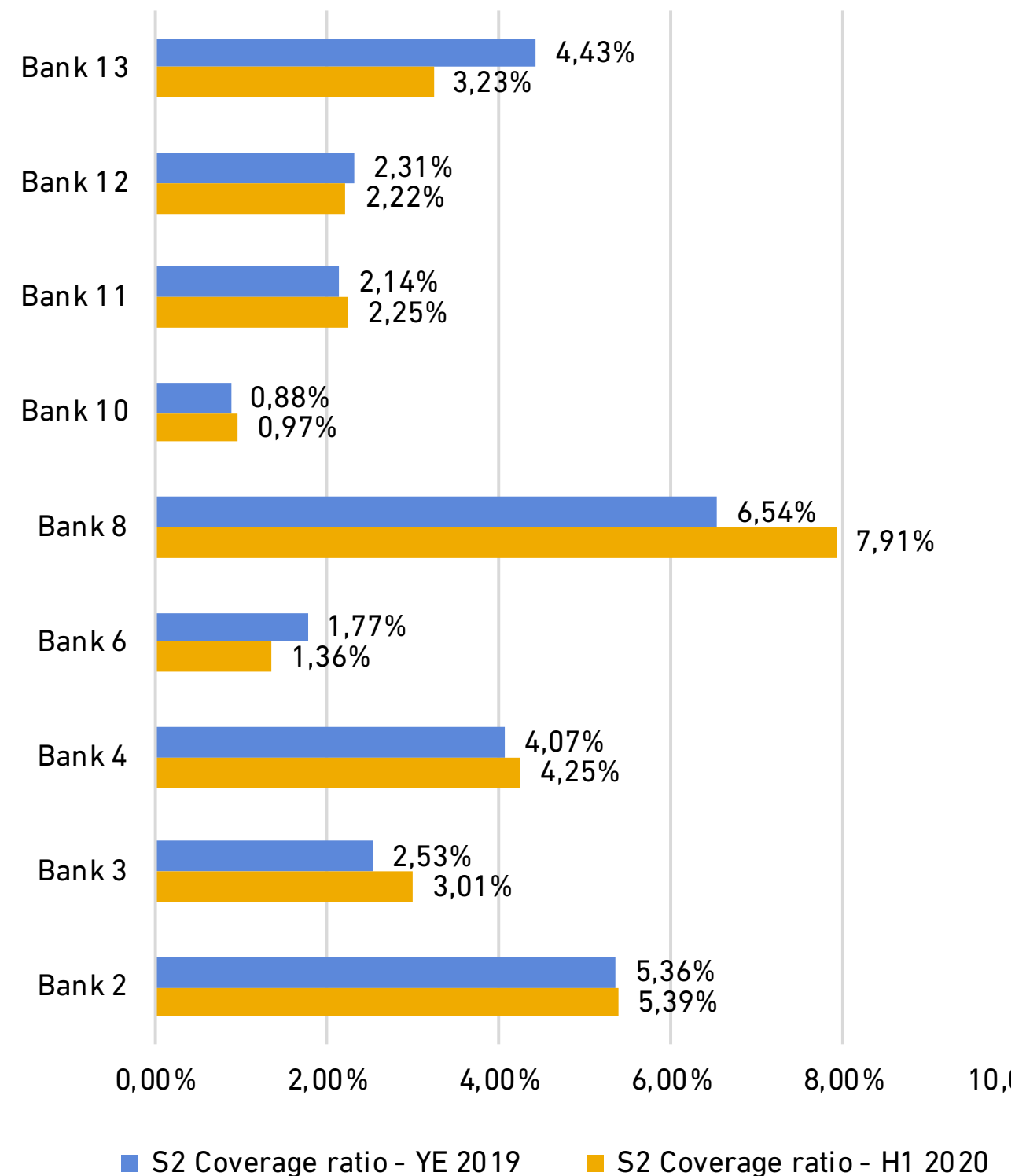
Note that for some banks the Stage 3 amounts include POCI. Some banks provided a breakdown by stage for most asset classes, but not necessarily all asset classes. The allocations by stages therefore are not directly comparable across banks. Comparability of the weight of Stage 3 may be further hindered by potentially different write-off policies.

3.2.1 ECL COVERAGE RATIO BY STAGE

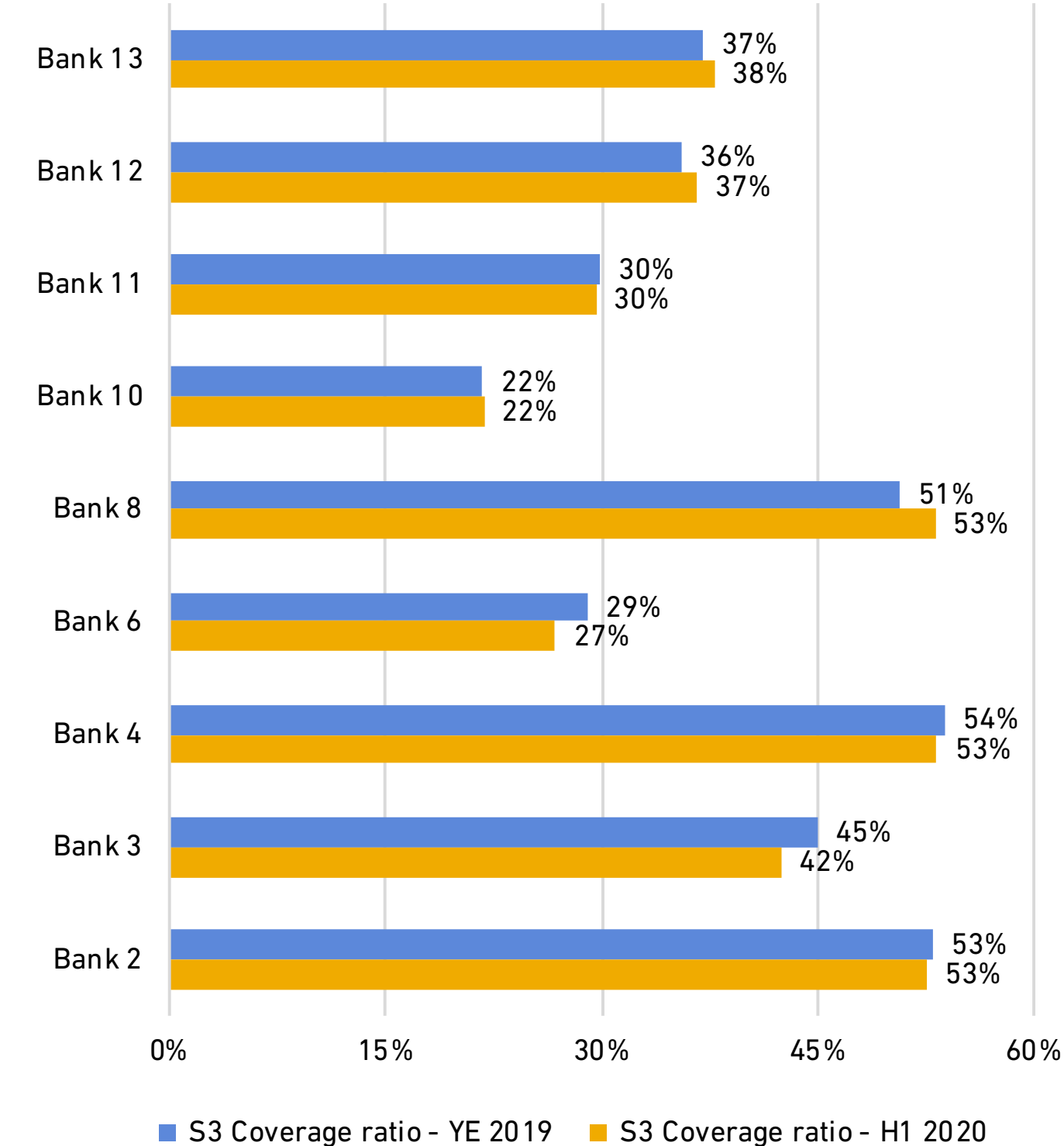
Graph 15: Stage 1 coverage ratio (H1 2020 and YE 2019)



Graph 16: Stage 2 coverage ratio (H1 2020 and YE 2019)



Graph 17: Stage 3 coverage ratio (H1 2020 and YE 2019)



MAZARS INSIGHTS:

- **All nine banks** disclosing data necessary to calculate the ECL coverage ratio by stage at both reporting dates have **increased their Stage 1 Coverage ratios, with an average increase of 20%** (from 0.16% at YE 2019 to 0.20% in H1 2020 on average).
- 2/3 of the banks have increased their Stage 2 ECL coverage ratio, with an average increase of +1.8%.
- The Stage 3 coverage ratio has remained more or less stable (-0.5% on average).



The limitations in relation to the data used to calculate these metrics are explained under Graphs 11 to 14. Our methodology for calculating the global coverage ratio is presented under **Graph 7**: the same methodology is applied for computing the ratio by stage.

3.2.2 POST-MODEL ADJUSTMENTS AND MANAGEMENT OVERLAYS (2/2)

MAZARS INSIGHTS:

- We present on this page the different names chosen by banks in our sample to designate the subsequent adjustments made to the initial ECL amounts computed using their IFRS 9 models.



POST-MODEL ADJUSTMENTS
HSBC

MANAGEMENT OVERLAYS
Deutsche Bank

TLA (TOP-LEVEL ADJUSTMENT)
Commerzbank

SECTOR ADJUSTMENTS AND ADJUSTMENTS FOR LOANS UNDER THE SIMPLIFIED APPROACH
Société Générale

EXPERT-JUDGEMENT OVERLAYS
UBS

MANAGEMENT ADJUSTMENTS
ING

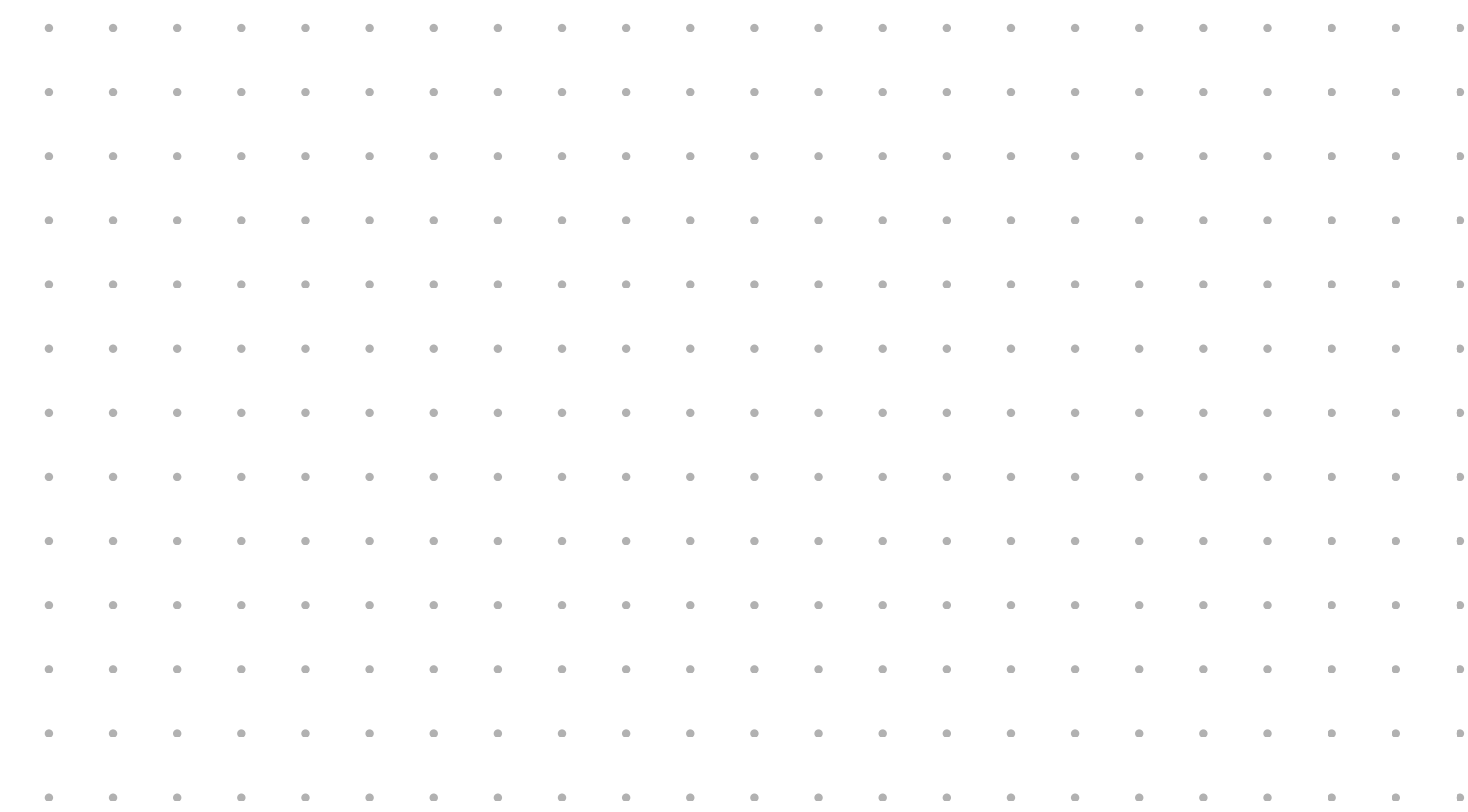
PROVISIONS OVERLAY
Santander

NON-MODELLED AND OTHER MANAGEMENT ADJUSTMENTS
Barclays

3.2.3 STAGING – HOW RELIEF MEASURES, SUCH AS INTEREST MORATORIA, HAVE BEEN TAKEN INTO ACCOUNT

MAZARS INSIGHTS:


- Eight banks in our sample gave some indication as to the integration of payment relief measures into the IFRS 9 staging analysis. All of them stated that, in compliance with the recent recommendations from authorities, they did not operate automatic transfers into Stage 2 or / and into “forborne” status for exposures subject to payment deferrals:
 - One bank mentioned a case-by-case analysis was applied to the most significant exposures and to those considered as having increased risks before the health crisis.
 - One bank said additional information was considered, without providing additional details.
 - One bank mentioned that internal credit processes have been activated, considering both qualitative and quantitative triggers, in order to ensure the proper classification in Stage 2 or Stage 3 (non-performing) of those credit exposures for which the increase in credit risk is unrelated to, or is significantly affected in the long term by, the Covid-19 outbreak.
 - One bank indicated they followed EBA guidelines, meaning that when a payment holiday is provided to a customer as part of a “general payment moratorium”, they do not consider this measure as an automatic trigger of reclassification or forbearance. They also stated that different relief measures had a mitigating effect on the deterioration of the credit quality of their portfolio.
 - One bank considered that in general such measures introduced by amendments to agreements cannot be understood as restructuring due to financial difficulties.
- One bank indicated that the granting of moratoria in the context of the health crisis has not been considered, in isolation, as an indicator of a significant increase in credit risk leading to an automatic transfer in Stage 2, **including maturity extension schemes for individuals that were classified as “forborne” for regulatory purposes.** They also specified that moratoria do not trigger the counting of past-due days as long as the new schedule of payment is respected.
- One bank explained that the absence of an automatic transfer to Stage 2 did not exempt the rigorous application of IFRS 9 in the monitoring of customer credit quality and, using individual or collective assessment techniques, the timely detection of a significant increase in credit risk (SICR) in certain transactions or groups of transactions. As such, **the macroeconomic deterioration caused by the pandemic has led to a Stage 2 classification of 8 bn € of assets.**
- One bank explained that, given limitations in the available credit information on these customers, the **identification of customers experiencing significant increases in credit risk** (particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues, or have extended those deferrals) **involves significant judgements.**




3.2.3 STAGING – WHAT CAN BE LEARNED ON TRANSFERS FROM THE RECONCILIATION TABLES (1/3)

MAZARS INSIGHTS:

- **Eight banks** in our sample have opted to provide such reconciliations in their interim statements. However **only five** of these banks have done so for the ECL allowance amounts **and** for the gross exposures subject to ECL impairment (the remaining three banks have presented only the reconciliation of the ECL allowance).

 The two types of reconciliations presented by the aforementioned five banks may be seen as examples of good practice, since the transfers in and out of every stage are presented separately, and thus the extent of each type of transfer may be understood for instruments existing at the beginning of the reporting period.

 Unfortunately, only one bank included detailed narrative explanations to help readers understand the transfers operated during H1 2020. Please refer to the document “Appendices”, section 3.2.3.

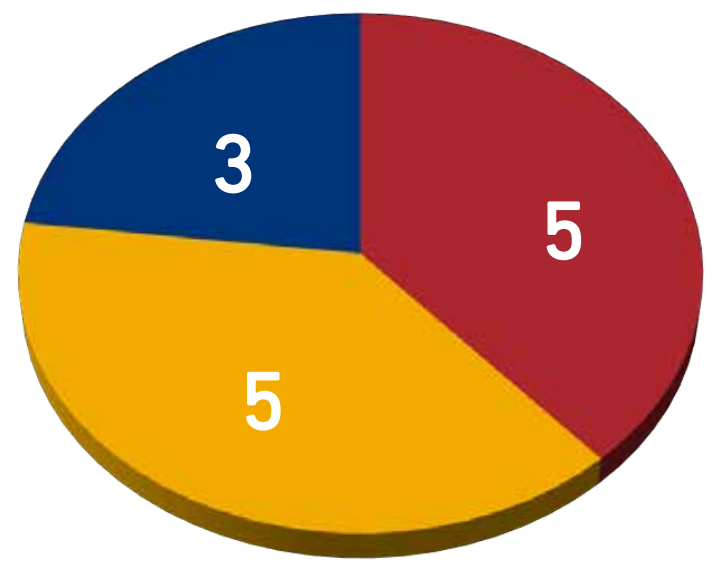
- Note that most banks do not cover the entire **scope** of instruments subject to impairment in their reconciliation tables (**Graph 21**): these five banks present 1 to 6 tables for the main category(ies) of their fin. instruments, with information on assets at FV-OCI missing systematically as a minimum.
- The three banks covering the entire scope (**Graph 21**) present reconciliation for each category of fin. instruments (4 to 6 tables).

SOME BACKGROUND INFO

As a reminder, **IFRS 7 § 35H** requires entities to disclose in their annual financial statements, prepared according to the IFRS standards, a detailed reconciliation of the ECL allowance from the opening to the closing balance. The changes in allowance balance have to be presented by stages and the different drivers of changes have to be explained by class of financial instruments. A similar reconciliation of the gross exposure is also suggested by **IFRS 7 § 35I** and § IG20B.

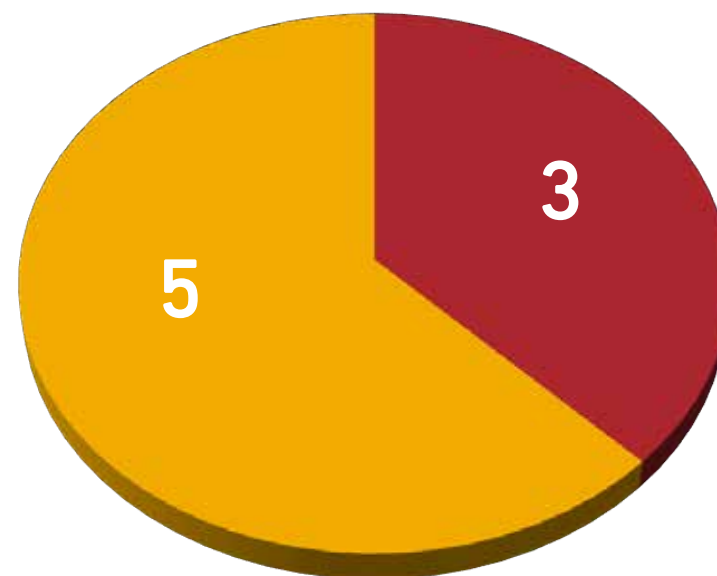
Such reconciliation tables, if presented at a sufficiently granular level, with sufficient level of detail (e.g. with transfers between different stages being presented separately for each stage, so that transfers in and out of a given stage may be seen), and also if accompanied by clear narrative explanations, may be a rich source of information of changes in credit quality of loans and other financial instruments during the reporting period.

GRAPH 20: reconciliation of changes in ECL amounts during H1 2020



- No detailed reconciliation information
- Reconciliation of both ECL and gross exposure
- Reconciliation of the ECL allowance amount only

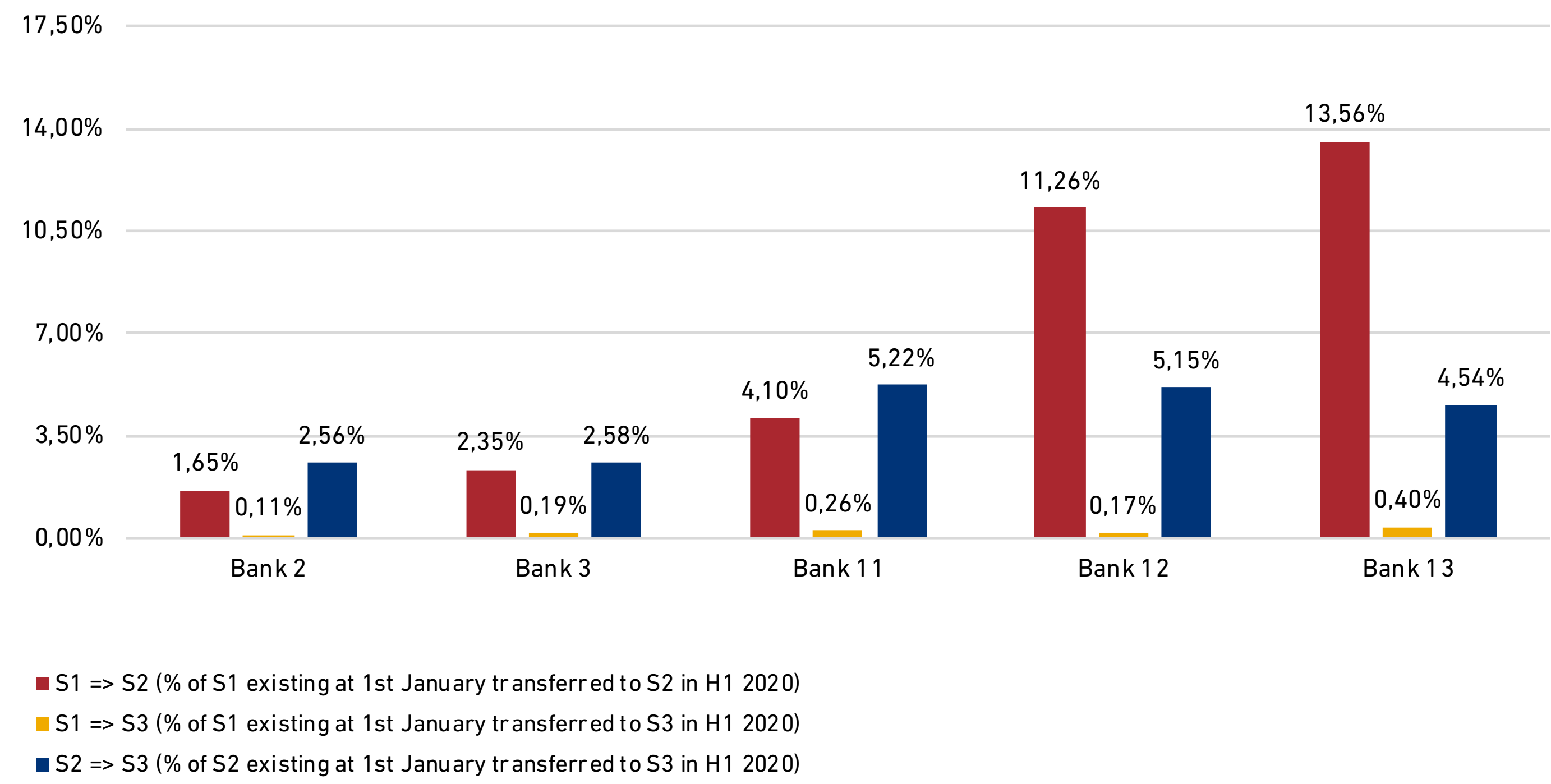
GRAPH 21: scope of instruments subject to ECL impairment covered by the reconciliation tables



- Full IFRS 9 ECL impairment scope covered
- Only part of the scope covered by the reconciliation

3.2.3 STAGING – WHAT CAN BE LEARNED ON TRANSFERS FROM THE RECONCILIATION TABLES (2/3)

GRAPH 22: extent of transfers (of gross exposures) at H1 2020 indicative of credit risk deterioration



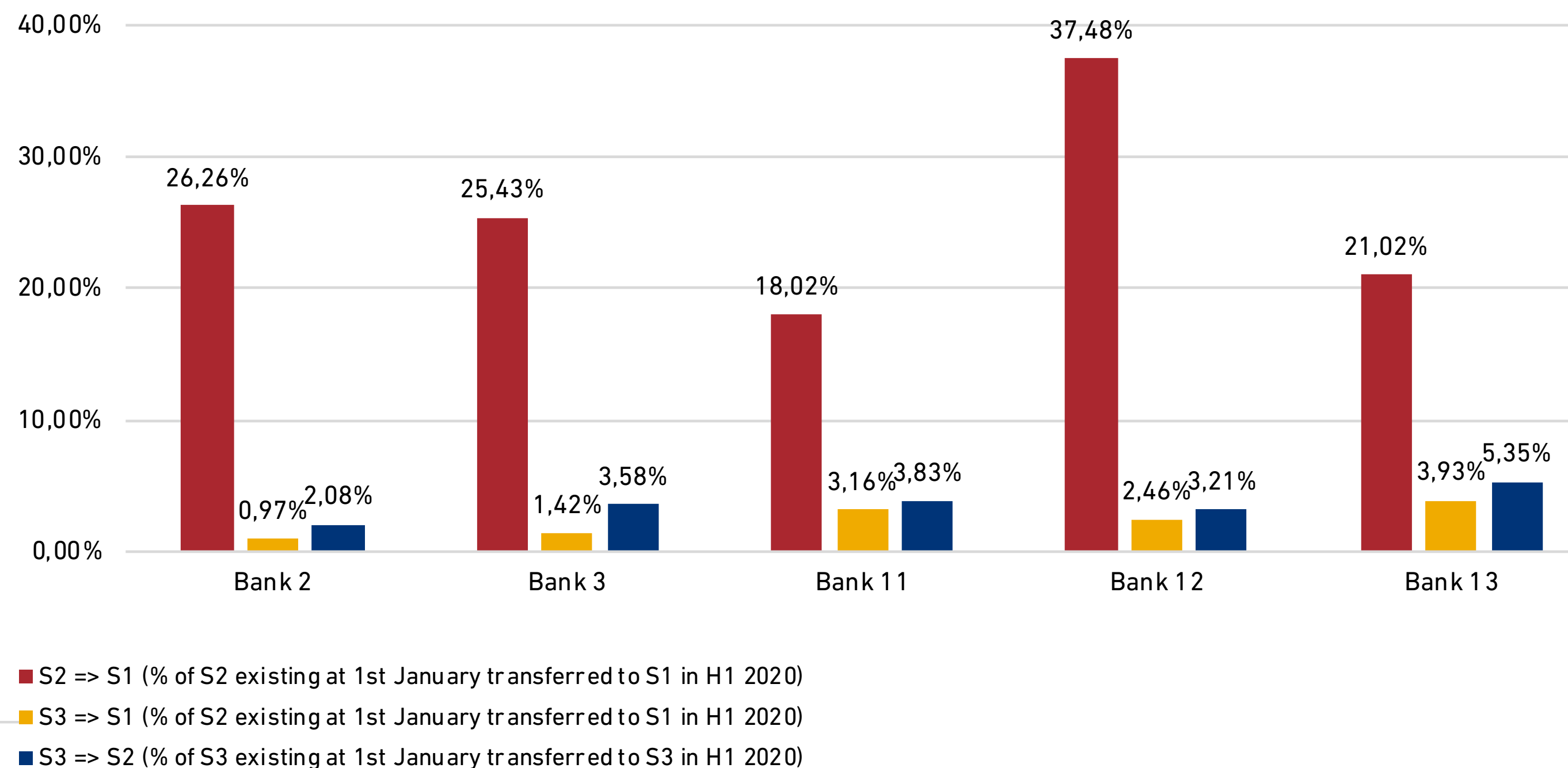
Note the extent of transfers across stages may not be directly comparable from one bank to another due to scope reasons. Banks 11, 12 and 13 present transfer data used in this graph for a partial scope of instruments, whereas banks 2 and 3 do so for a full scope of instruments subject to impairment.

MAZARS INSIGHTS:

- **Methodology:** We first extracted the amounts transferred during H1 2020 (separately for each type of transfer) from the reconciliation tables of the gross carrying amounts for the five banks presenting such tables. We then computed the ratios presented in **Graphs 22** and **23** by dividing the value of gross exposure transferred in H1 (for each type of transfer) by the opening value of the gross exposure for the entire stage out of which the exposure was transferred to another stage during H1 2020.
- **Findings on transfers indicative of a deterioration in credit risk:**
 - Direct transfers **from Stage 1 into Stage 3** (defaulted assets) do not represent significant amounts.
 - Transfers **from Stage 1 to Stage 2** result in a significant increase in credit risk (SICR).
 - › The extent of such transfers varied from 1.6% to 13.6% of the opening balance of Stage 1 assets across the five banks presenting such data, which probably indicates a difference in methodology for identifying SICR, a difference in credit quality of the portfolio, or different origination dates. As a reminder, the impairment model in IFRS 9 is based on a relative approach which means transfers into Stage 2 may occur at different times for banks having purchased the same assets on different dates.
 - › For two banks presenting similar tables for YE 2019, it can be noted that the extent of transfers from Stage 1 to Stage 2 increased by approx. 50% in H1 2020.

3.2.3 STAGING – WHAT CAN BE LEARNED ON TRANSFERS FROM THE RECONCILIATION TABLES (3/3)

GRAPH 23: extent of transfers (of gross exposures) at H1 2020 indicative of credit risk improvement



MAZARS INSIGHTS:

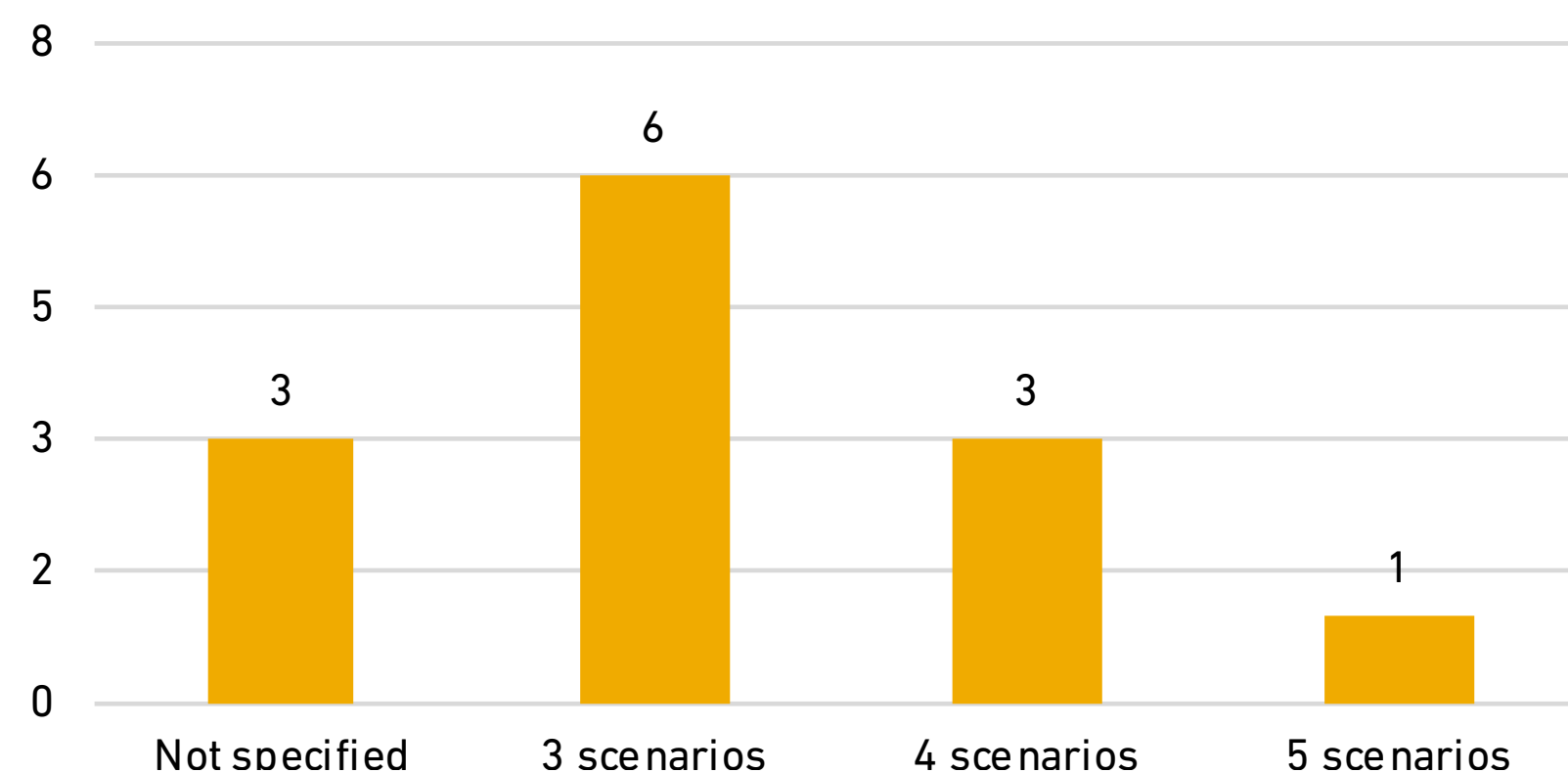
- **Methodology:** see previous page.
- **Findings on transfers indicative of an improvement in credit risk:**
 - Transfers from **Stage 2 to Stage 1** are a good sign, meaning the credit quality has improved.
 - › The extent of such transfers was more homogenous than for Stage 1 to Stage 2-type transfers (see previous page) : it varied from 18% to 25% of the opening balance of Stage 2 assets across the five banks presenting such data.
 - › For the two banks (Bank 12 and Bank 13) presenting similar tables for YE 2019, it can be noted that the extent of transfers from Stage 2 to Stage 1 decreased in H1 2020 compared to YE 2019 (by approx. 30% for Bank 12 and by approx. 50% for Bank 13).
 - Transfers from **Stage 3 to Stage 2:**
 - › The levels of such transfers range from 1% to 4% of the opening balance of Stage 3 assets.
 - › For the two banks (Bank 12 and Bank 13) presenting similar tables for YE 2019, it can be noted that the extent of transfers from Stage 3 to Stage 2 decreased in H1 2020 compared to YE 2019 (by approx. 50% for Bank 12 and by approx. 40% for Bank 13).



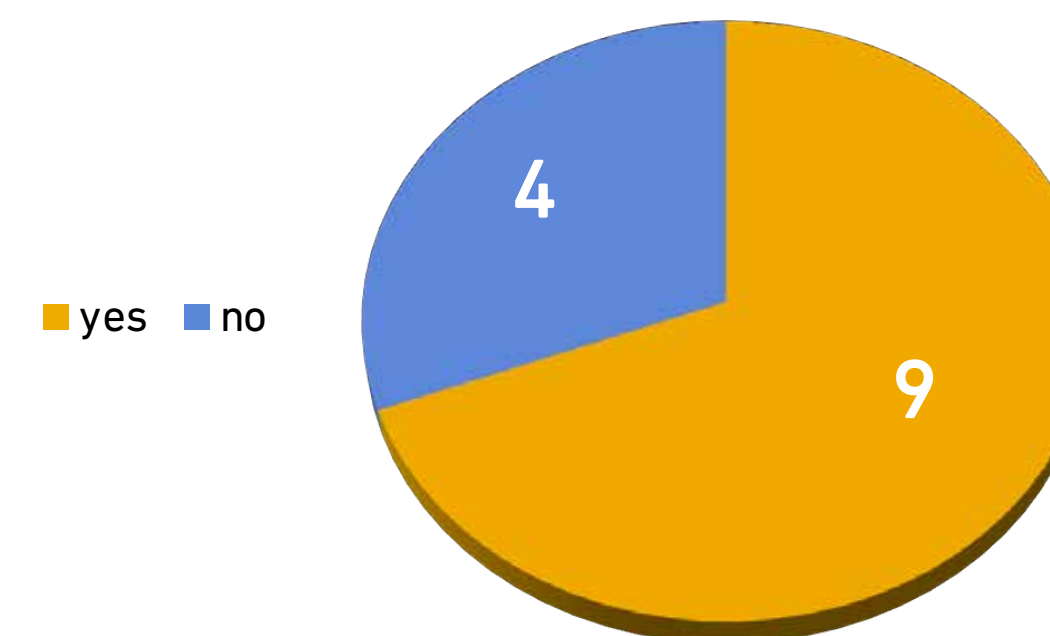
Note the extent of transfers across stages may not be directly comparable from one bank to another due to scope reasons. Banks 11, 12 and 13 present transfer data used in this graph for a partial scope of instruments, whereas banks 2 and 3 do so for a full scope of instruments subject to impairment.

3.2.4 MACRO-ECONOMIC SCENARIOS USED TO MODEL THE ECL (1/2)

GRAPH 24: number of macro-economic scenarios projected when calculating ECL



GRAPH 25: banks disclosing explicitly the date of expected recovery of the economy



MAZARS INSIGHTS:

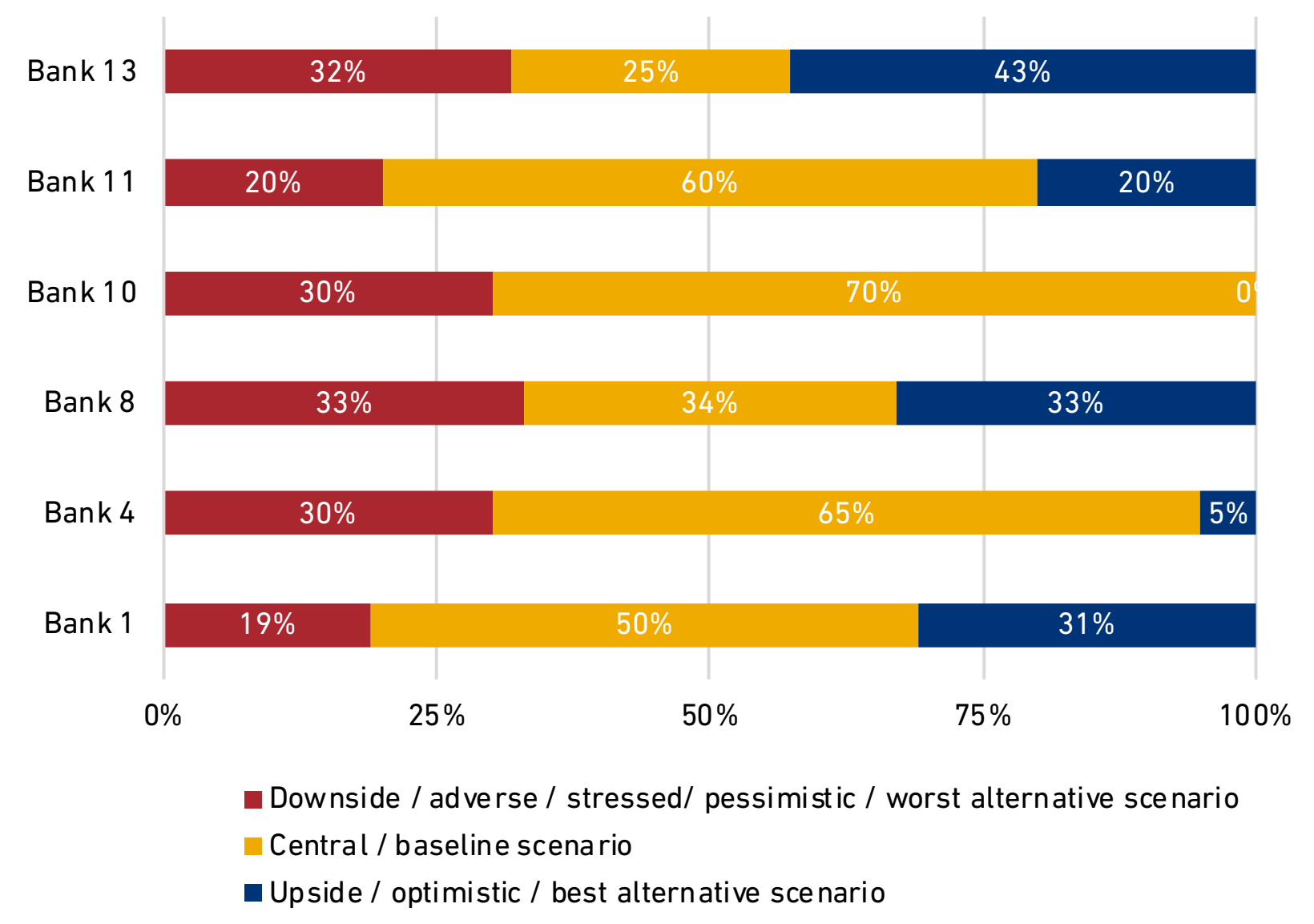
- Key findings on **macro-economic** scenarios:
 - Almost half of the banks in our sample use three discrete scenarios for calculating ECL (see **Graph 24**).
 - Several banks described the impact COVID-19 had on the definition of their macro-economic scenarios. They go beyond the updating of data to reflect the deterioration of forecasts for variables such as GDP due to the economic downturn caused by COVID-19. For instance, **Société Générale** added additional scenarios to tackle the impacts of COVID-19, and even used COVID-19-related names for these additional scenarios that did not exist at YE 2019 (“SG Prolonged”, “SG Tail Risk” and “SG Quick Exit” scenarios).
 - The majority of banks in our sample (see **Graph 25**) disclosed an explicit date for an expected economic **recovery / rebound** for all or main scenarios, and some also by main geographical areas.
 - › Positive GDP growth is expected in most areas starting **2021**.
 - › Five banks mentioned the date they expect GDP growth to reach pre-crisis levels: most of them indicated **2022**, with some regional differences. For instance, one bank expects Asian countries in which it operates to recover in 2021 under most scenarios; another bank does not expect Italy to recover until at least 2023 (under the adverse scenario).
 - Some extracts with the disclosures on macro-economic scenarios and forward-looking information at H1 2020 are provided in a separate document “Appendices”, section 3.2.4.

3.2.4 MACRO-ECONOMIC SCENARIOS USED TO MODEL THE ECL (2/2)

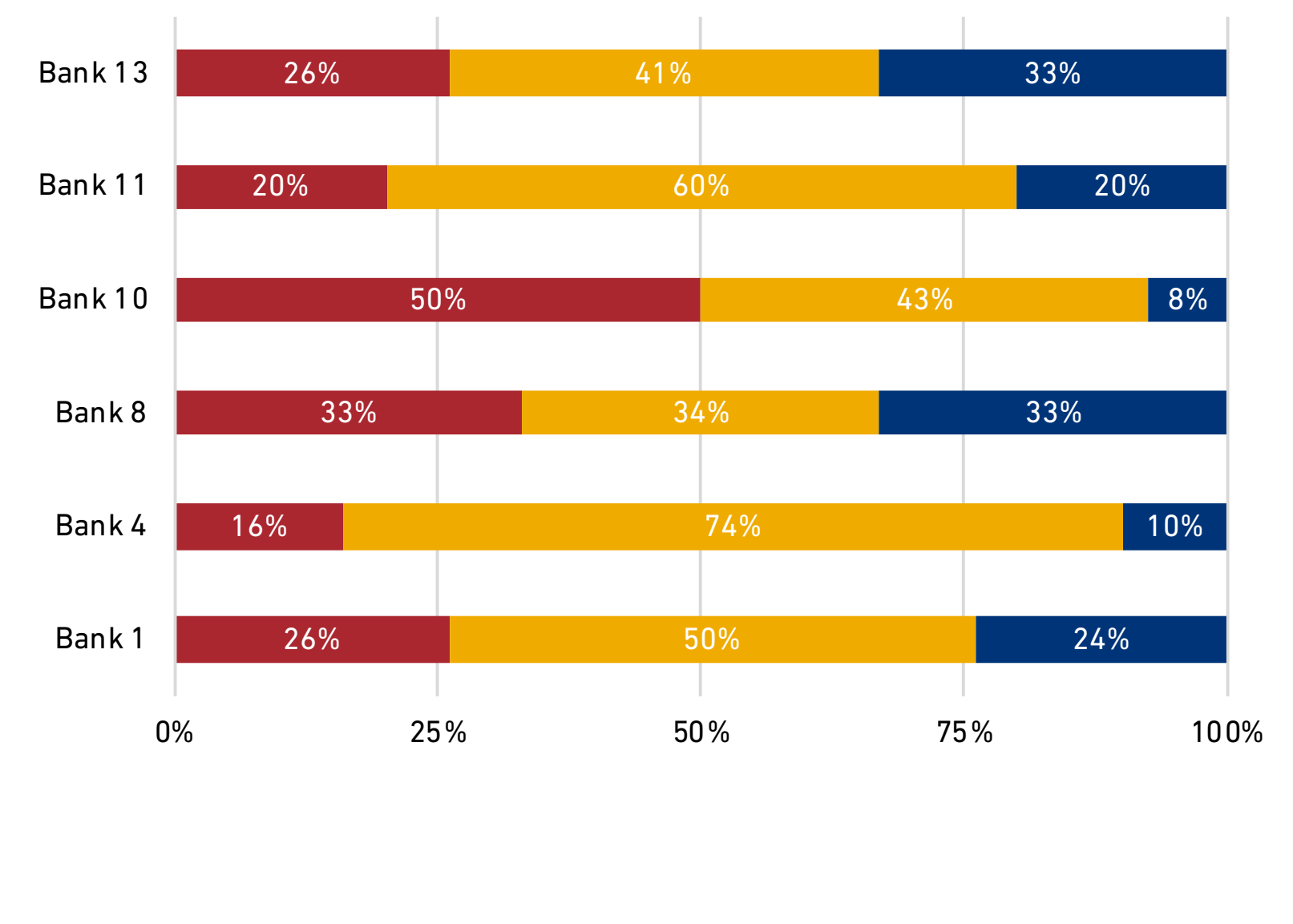
MAZARS INSIGHTS: KEY FINDINGS ON MACRO-ECONOMIC SCENARIOS (CONT'D.):

- **Seven banks** in our sample present quantitative information on the **weightings** of each scenario. In **Graphs 26 and 27** we included information we could exploit from six of these banks (the seventh bank is not included as it used different weightings by geographical area):
 - For two banks (Bank 11 and Bank 8), weightings have remained unchanged at H1 2020 compared to YE 2019.
 - Two banks have **increased the weighting of their negative scenario(s)**.
 - › Bank 4 accompanies this change by decreasing the weights both for the central scenario and the upside scenario.
 - › Bank 13, on the contrary, decreased the weight of its central scenario and increased that of its positive scenarios. Bank 13 explains assigning greater weight to the tail upside and downside scenarios to reflect a wider range of uncertainty in the economic environment because of COVID-19.
 - › Two banks have **decreased the weighting of their negative scenario(s)**.
 - › Bank 1 maintained the central scenario unchanged but increased the weighting of its upside scenario. Bank 1 explained that it computes the weighting of the two alternative scenarios based on the position in the credit cycle: the adverse scenario receives a higher weight when the economy is in strong expansion. As the situation was below the average of the credit cycle at 30 June 2020, the adverse scenario received a lower weight.
 - › Bank 10, on the contrary, assigned a 0% weight to its upside scenario and has increased the weight of its central scenario. It also set to 0% the mild downturn scenario while doubling the weight of the severe downturn scenario. Bank 10 explained setting a 0% weight for its upside and mild downside scenarios by the lack of supportable information on precedent cases and by too many uncertainties. Bank 10 said it would review the scenario assessment in Q3 2020.

Graph 26: Weightings assigned to the different scenarios at H1 2020



Graph 27: Weightings assigned to the different scenarios at YE 2019



Please note that these weightings cannot be analysed fully on their own without paying attention to the macro economic forecasts underlying each scenario.

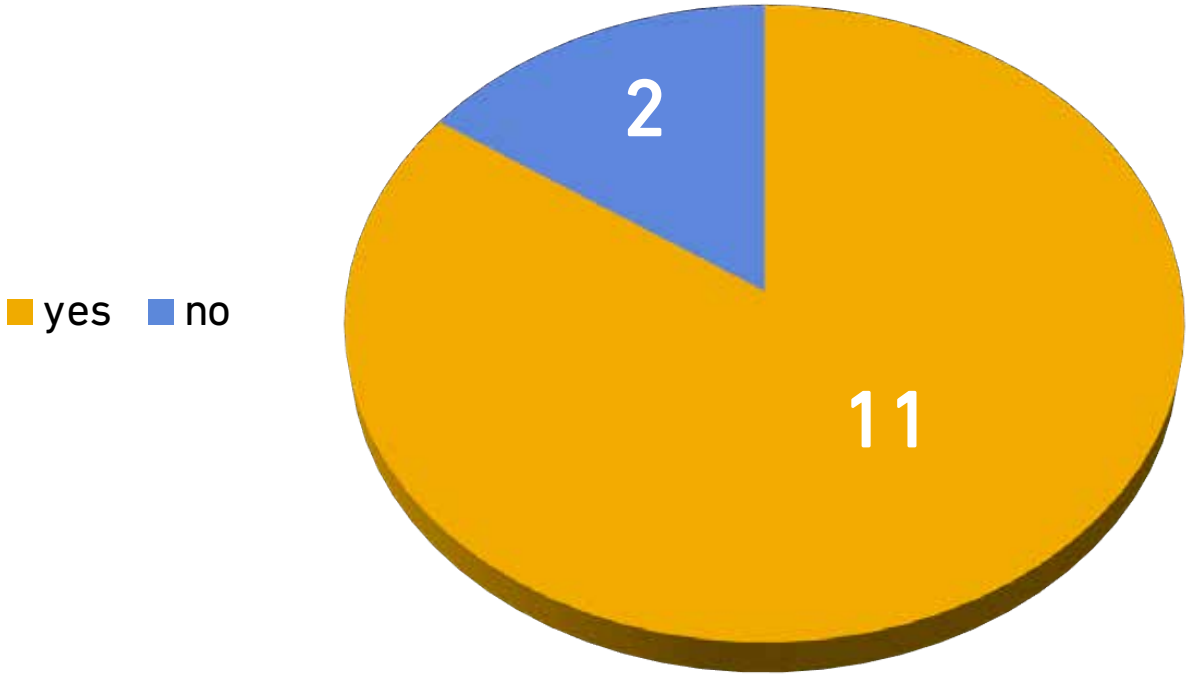
Note that banks 4, 10 and 13 actually use more than three scenarios (three of these banks have two downside scenarios and one of them has two upside scenarios). We summed up the weights of the negative scenarios for each bank (and also the weight of the positive scenarios for one bank) so as to have a single weighting for each of the three broad categories.

3.2.5 SENSITIVITY OF ECL ESTIMATES TO CHANGES IN ASSUMPTIONS & CALCULATION INPUTS (1/2)

MAZARS INSIGHTS:

- Accounting standard setters and securities regulators have highlighted the importance of providing information on sensitivity of ECL estimates to changes in assumptions & calculation inputs in 2020. This information, already useful at normal times because of the high level of judgement involved in estimating expected credit losses, is even more crucial during the unprecedented COVID-19 outbreak because of increased estimation uncertainty.
- The vast majority of banks in our sample (11 out of 13) provided ECL sensitivity analyses as of H1 2020 (see **Graph 28**). The quality and clarity of the outcomes of such analyses varies across the different disclosures (please refer to the separate document “Appendices” containing the extracts from interim reports of ECL sensitivity analyses from the banks in our sample).

GRAPH 28: number of banks having included some kind of ECL sensitivity analysis



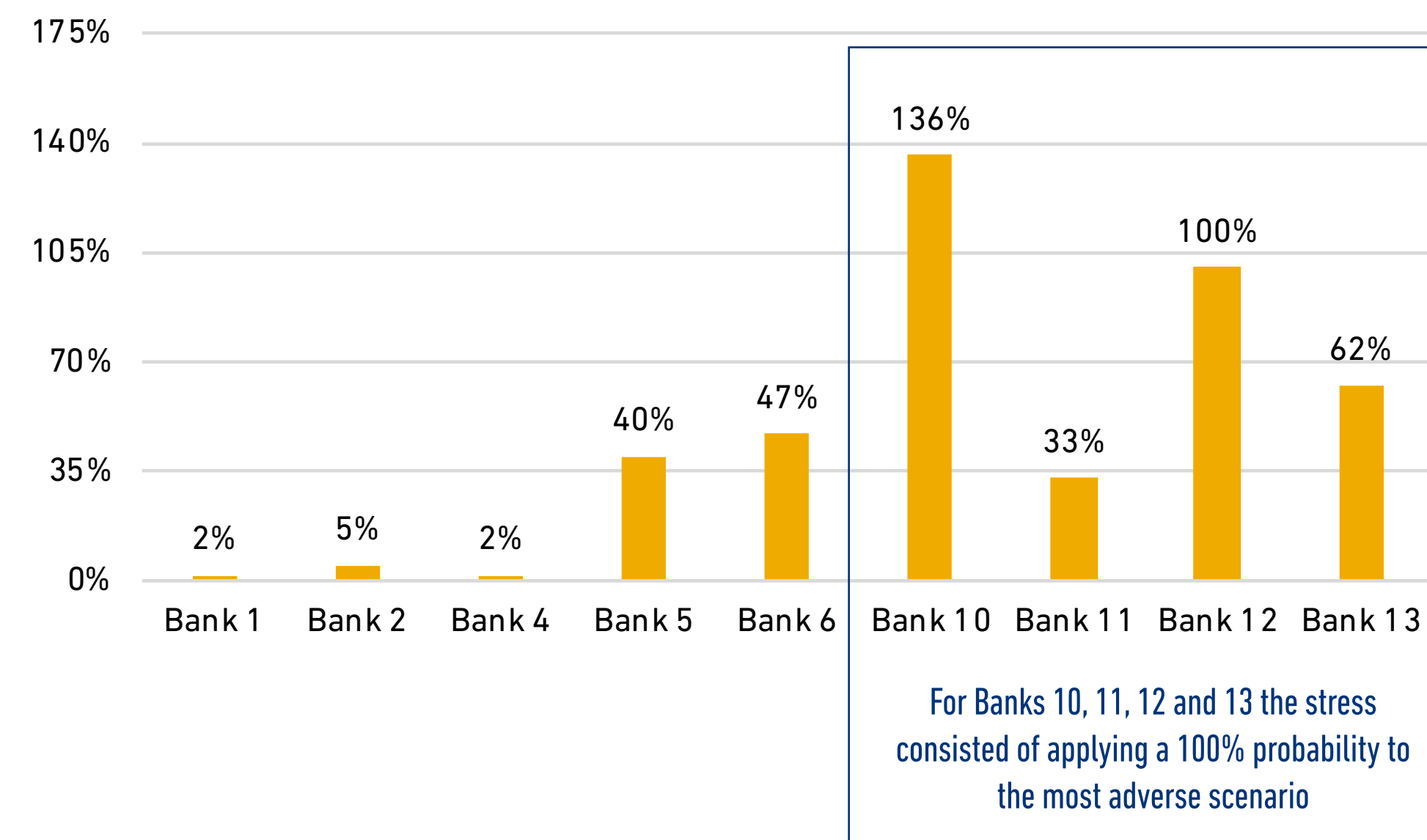
3.2.5 SENSITIVITY OF ECL ESTIMATES TO CHANGES IN ASSUMPTIONS & CALCULATION INPUTS (2/2)

MAZARS INSIGHTS:

- We present hereafter some findings regarding the ECL sensitivity analysis as disclosed at 30 June 2020:
 - **Four banks** present several alternative ECL outcomes, by macro-economic scenario (supposing that the weight of each scenario was set at 100%). Some of them add supplementary information by geographical region or type of product and stage of impairment (i.e. they present sensitivity analyses at a rather granular level).
 - › Some banks actually provide multiple ECL sensitivity analyses: a **static** analysis (supposing staging on a static basis) and a **dynamic** analysis (where the allocation of exposures across Stages 1 and 2 is also shocked), or use the dynamic approach only for some scenarios but not all.
 - **Most banks** provide only one alternative outcome under stressed assumptions (expressed as an increase in ECL allowance or ECL charge either in m€ and / or % or basis points with H1 recorded ECL) and are not clear as to the impact of that shock on the allocation of exposures across Stages 1, 2 and 3. One bank only included a narrative comparison with Q1 2020 ECL, without disclosing the Q1 ECL figure in its June 2020 financial statements.
 - Note that the **scope** of instruments covered by the sensitivity analyses does not necessarily cover all instruments subject to the IFRS 9 impairment model: three banks have included only Stage 1 and Stage 2 exposures, while some others have included only the exposures of their main geographical areas.



GRAPH 29: extent of potential increase in ECL (as a % of ECL allowance or H1 ECL charge)



MAZARS INSIGHTS (CONT'D.):

- The average of **potential ECL increase** (under stressed assumptions) amounts to **+47%** for the **nine banks** in our sample presenting exploitable data (see **Graph 29** presenting individual figures per bank). **NB:** hasty comparisons should be avoided, as the amounts presented for Banks 10 to 13 correspond to their “worst-case” scenario (i.e. the most pessimistic scenario weighted at 100%), whereas the amounts presented for the other five banks result from different methodologies. Besides, the basis of the increase is not necessarily comparable (stock of ECL allowance for some banks, H1 ECL charge for others, and unspecified for some), the scope of instruments covered is not identical and the underlying macro-economic forecasts may diverge.
- **Five banks** in our sample also disclosed the **potential decrease** of their ECL under more optimistic / favourable scenarios compared to those used to compute the reported ECL: the decrease in ECL under the “best-case” scenarios of these banks ranged from **17%** to **27%**, with **23%** on average.

3.2.6 INFORMATION RELATING TO SECTORS MOST AFFECTED BY COVID-19

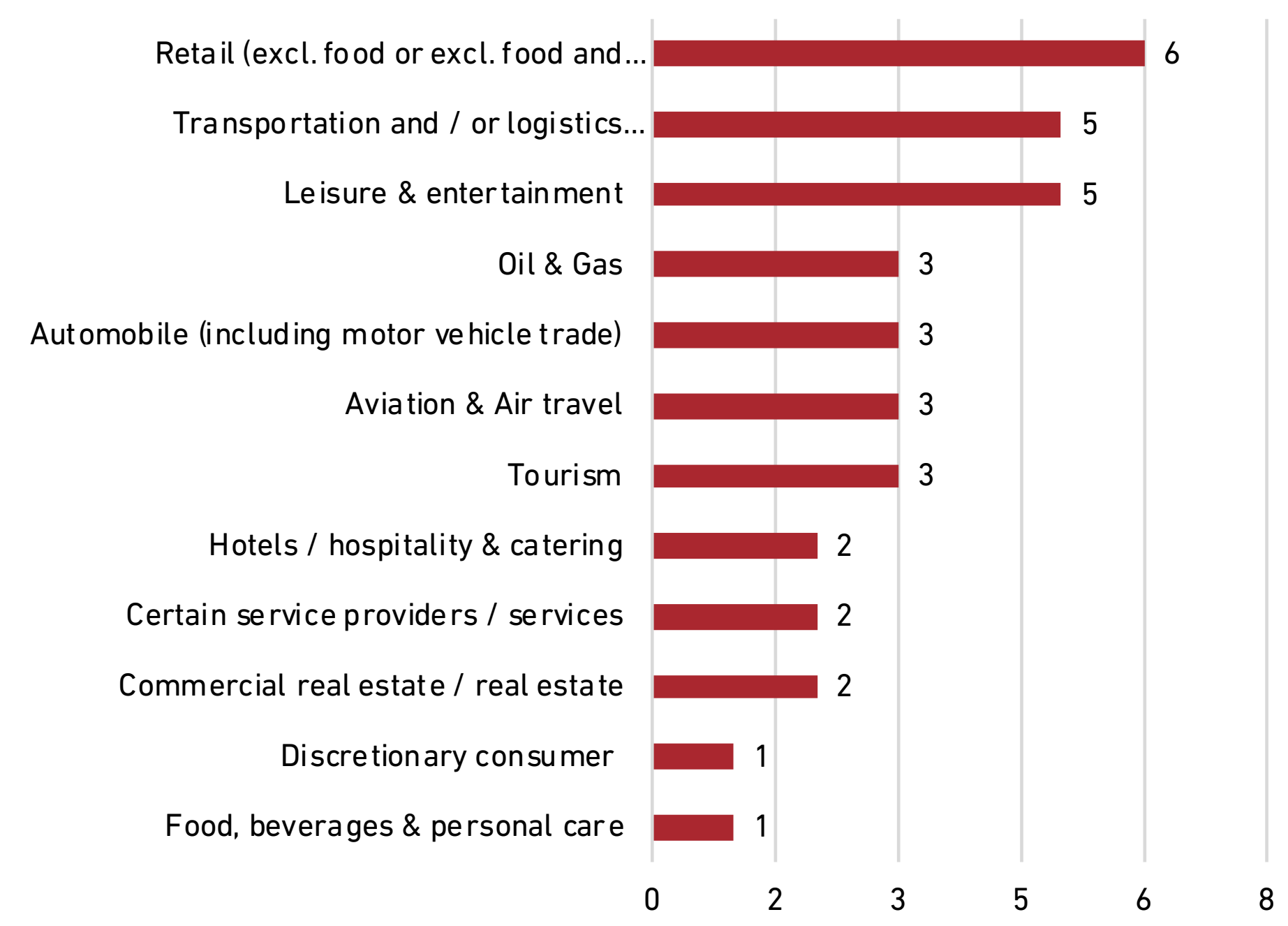
MAZARS INSIGHTS:

- The vast majority of banks in our sample (10 out of 13) disclosed the sectors that were, according to them, the most impacted by the COVID-19 crisis at 30 June 2020 (according to the publications used in our study): these sectors are shown in **Graph 30**, with the numbers on the graph indicating how many banks have quoted each given sector. Our guess is that most of these banks only mentioned the sectors to which they are significantly exposed, which may explain the lack of homogeneity in sectors considered as the most impacted by COVID-19. Another explanation could be the difference in the names used to describe similar sectors (e.g. tourism was named as such by some but others mentioned a more-encompassing category “leisure & entertainment”).
- We identified some examples of good disclosure practice:
 - **Barclays** discloses Gross exposure and ECL allowance, by stage, of loans and advances at amortised costs for each sector considered as affected by COVID-19;
 - **Groupe BPCE** explains how the most affected sectors have been integrated in the forward-looking analysis, and also discloses the amount of loss allowance resulting from that sector-based approach;

- **Deutsche Bank** discloses the amount of exposure and risk management practices, per sector, exposed to COVID-19;
- **ING Group** provides information on transfers into Stage 2 during H1 2020 specifically for exposures to sectors affected by COVID-19 (presented as a narrative explanation of the ECL and gross exposure reconciliation tables);
- **BNP Paribas** indicates having refined / tightened the methodologies used for performing the allocation between Stage 1 and Stage 2 for sectors most impacted by the crisis, in order to anticipate a migration to Stage 2 for the loans in these sectors.

Please refer to the separate document “Appendices”, section 3.2.6 for the extracts with some of these disclosures.

GRAPH 30: sectors mentioned as the most impacted by COVID-19 crisis



3. KEY FINDINGS

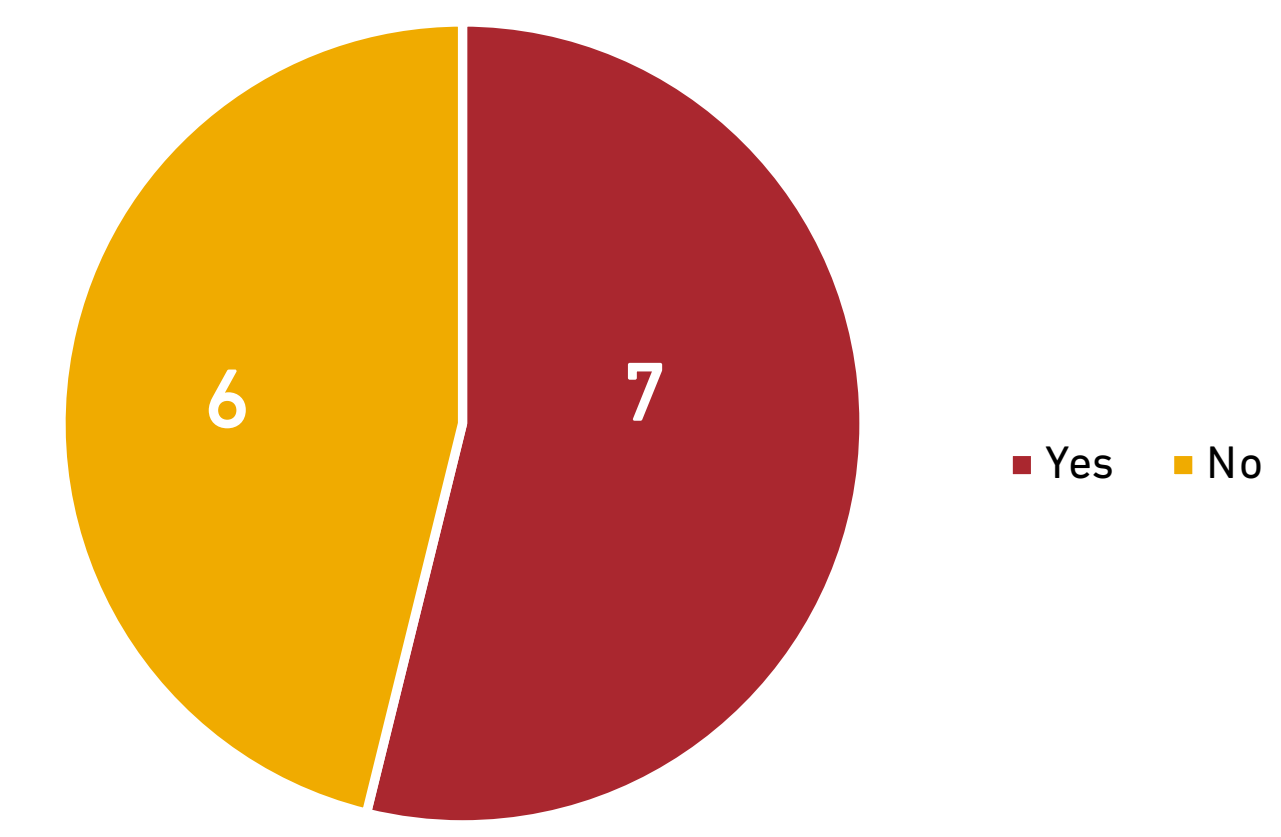
- 3.1. GENERAL STATS
- 3.2. EXPECTED CREDIT LOSSES (ECL)-RELATED FINDINGS
- 3.3. OTHER FINANCIAL INSTRUMENT-RELATED FINDINGS
 - 3.3.1: Accounting treatment of "COVID-19" state-guaranteed loans
 - 3.3.2: Accounting treatment of moratorium measures / payment holidays
 - 3.3.3: Impacts on the valuation of financial instruments (IFRS 13)
- 3.4. OTHER FINANCIAL REPORTING-RELATED FINDINGS

3.3.1 ACCOUNTING TREATMENT OF "COVID-19" STATE-GUARANTEED LOANS

MAZARS INSIGHTS:

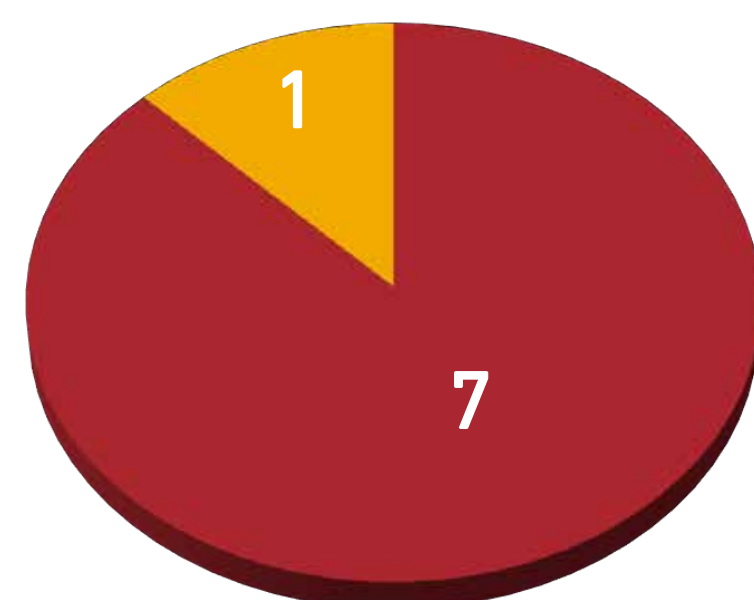
- Loans granted during the COVID-19 outbreak that benefit from State guarantees ("COVID-19 loans") were mentioned by eight banks from our sample, with seven of these banks providing more or less detail of the accounting treatment applied to such loans (see **Graph 31**).
- Such loans were mentioned by French, German, Italian and Spanish banks, often with disclosure of the associated exposures.
- Some French banks present in detail the accounting treatment they applied to "COVID-19 loans" granted in France, which embed specific features and optionalities. These banks disclose the ECL-related aspects, the analysis of solely payments of principal interest (SPPI)-related aspects, and / or the initial valuation of such loans, and / or how their effective interest rate was determined, among other things.
- Some examples of disclosures on "COVID-19 loans" are provided in the separate document "Appendices", section 3.3.1.

GRAPH 31: banks disclosing the accounting treatment applied to their "COVID-19" loans



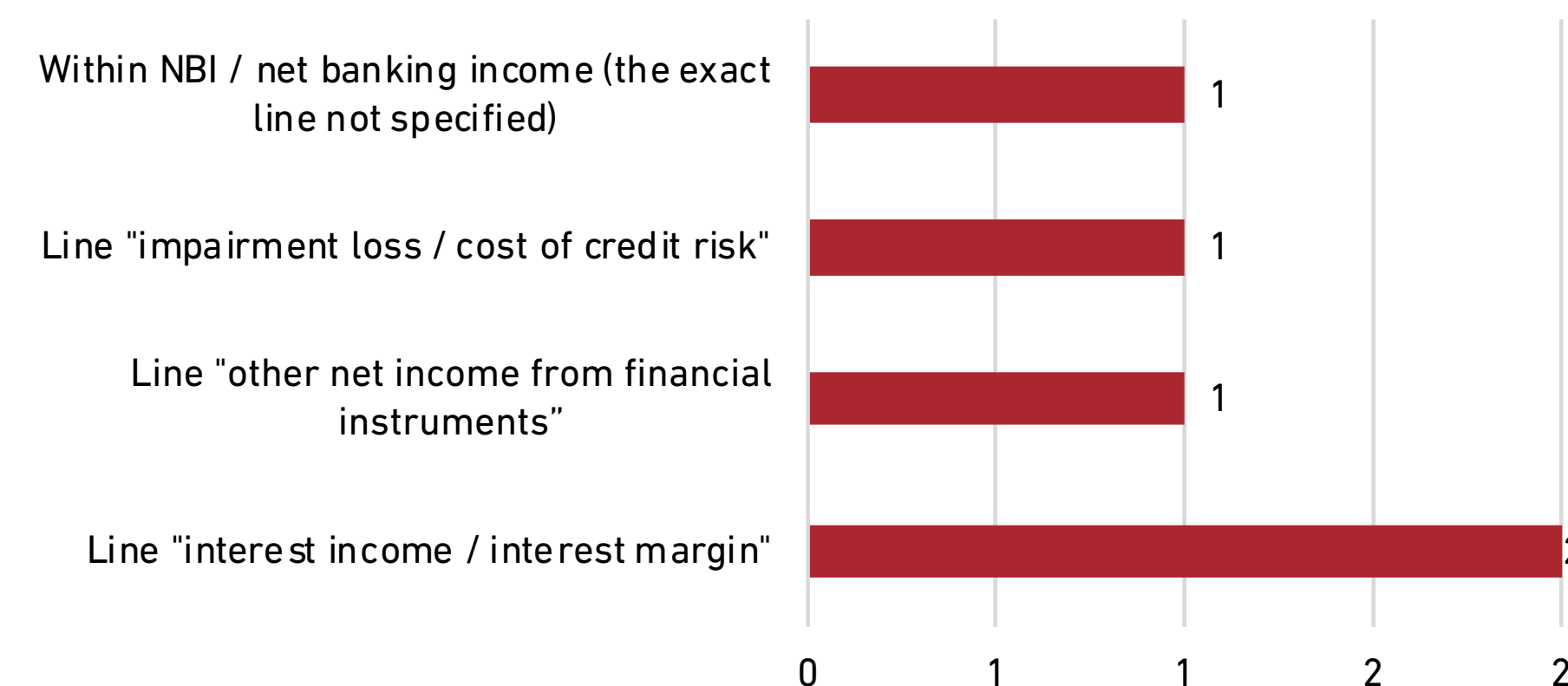
3.3.2 ACCOUNTING TREATMENT OF MORATORIUM MEASURES / PAYMENT HOLIDAYS

GRAPH 32: derecognition analysis of exposures subject to payment relief measures



- Exposures subject to payment relief measures systematically remain on B/S
- Exposures subject to payment relief measures may or may not be derecognised

GRAPH 33: where in P&L the loss or gain relating to payment relief measures was recognised



MAZARS INSIGHTS:

- **11 banks** in our sample provided some insights as to the accounting consequences of the payment relief measures for the loans subject to such measures. Examples of such disclosures are provided in the separate document "Appendices", section 3.3.2.
- **10 banks** gave some indication on how these measures were integrated into the impairment staging analysis (see section 3.2.3 above for more details).
- **Eight banks** provide implicit or explicit information on the **derecognition analysis** they conduct for exposures subject to payment relief measures:
 - The vast majority of banks (see **Graph 32**) explain that moratorium measures do not lead to derecognition of exposures subject to such measures in all or most cases. In other words, when such relief measures are introduced by means of a change to the initial contractual terms, these changes are globally considered as "non-substantial" modifications of the contractual cash flows.
 - Among the seven banks that do not derecognise such exposures:
 - **Four banks** indicate having recorded an **immediate loss** due to such measures. The losses relate mainly to exposures where no interest was charged for the deferred capital and / or interest payments and / or where the interest charged is lower than the loan's effective interest rate. Two of these banks do not disclose the exact amount of the loss since it did not have a material effect.
 - One bank mentions that no loss was recognised since, as a general rule, the deferred amounts continue to accrue interest at the contractual rate of interest for the loans subject to payment holidays.
 - **Five banks** stated the line in the income statement where the immediate P&L impact due to relief measures was recorded (see **Graph 33**).

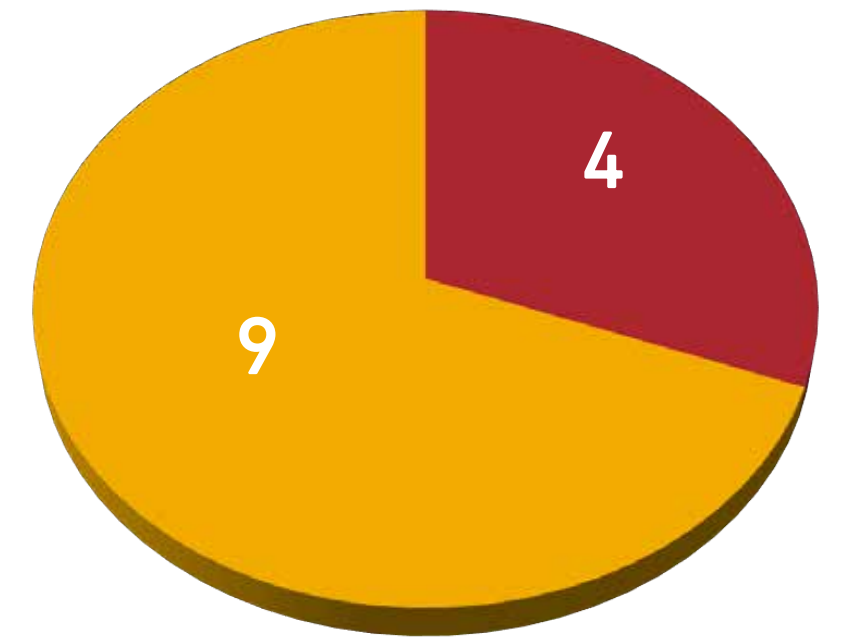
3.3.3 IMPACTS ON THE VALUATION OF FINANCIAL INSTRUMENTS (IFRS 13)

MAZARS INSIGHTS:

- COVID-19 generated market turmoil, particularly during the 1st quarter of 2020, with the market prices of many listed securities collapsing within several days.
- We therefore explored to what extent the valuation of financial instruments held by the banks in our sample has been impacted by COVID-19. Below are some **findings**:
 - Few banks disclose explicitly the valuation-related impacts due to COVID-19 (see **Graph 34**).
 - Among these banks:
 - › Two banks mention explicitly the effect COVID-19 had on the valuation of their derivative instruments. **ING** indicated that COVID-19 caused a significant widening of the spreads, resulting in increased negative fair value changes which resorbed in the second quarter of 2020 as markets stabilized. **Deutsche Bank** stated that the market dislocation caused by COVID-19 resulted in an increase in the group's Level 3 balances by 2 bn € mainly relating to interest rate derivatives.
 - › **BPCE** quantified the negative effect the crisis had on its net banking income (NBI) stemming from the evaluation of financial assets. The performance of several of its products was negatively impacted by COVID-19 (including products linked to dividend payments of its investment bank, Natixis, and also investments in non-quoted venture capital funds and non-quoted real estate funds, and derivatives for

- which losses in relation to changes in CVA / credit valuation adjustment have been recorded).
- › **Commerzbank** disclosed, among other information, a temporary departure in Q1 2020 from market prices for their investments in Collateralized Loan Obligations (CLOs), which was no longer relevant in Q2 as observable market parameters were again available.
- › **Deutsche Bank** also indicated that the sensitivity related to the Level 3 assets and liabilities increased due to significantly increased dispersion in market data.
- Some indication as to the extent of market illiquidity / departure from quoted prices (or similar information) may be found in the notes to financial statements on fair value (and in particular in the tables explaining the transfers between the levels of fair value hierarchy required by IFRS 13 & IAS 34). Some banks indicated in these notes that the illiquidity in the market rendered some measurements significantly impacted by unobservable inputs (which generated transfers in Level 3 of the fair value hierarchy). However, no explicit link with COVID-19 was made in most cases.
- Examples of disclosures with COVID-19's impact on valuation are provided in the separate document "Appendices", section 3.3.3.

GRAPH 34: banks disclosing the impact of COVID-19 on the valuation of financial instruments



■ Specific impacts of COVID-19 on valuation of fin. instruments...
 ■ No explicit linkage made between COVID-19 and valuation

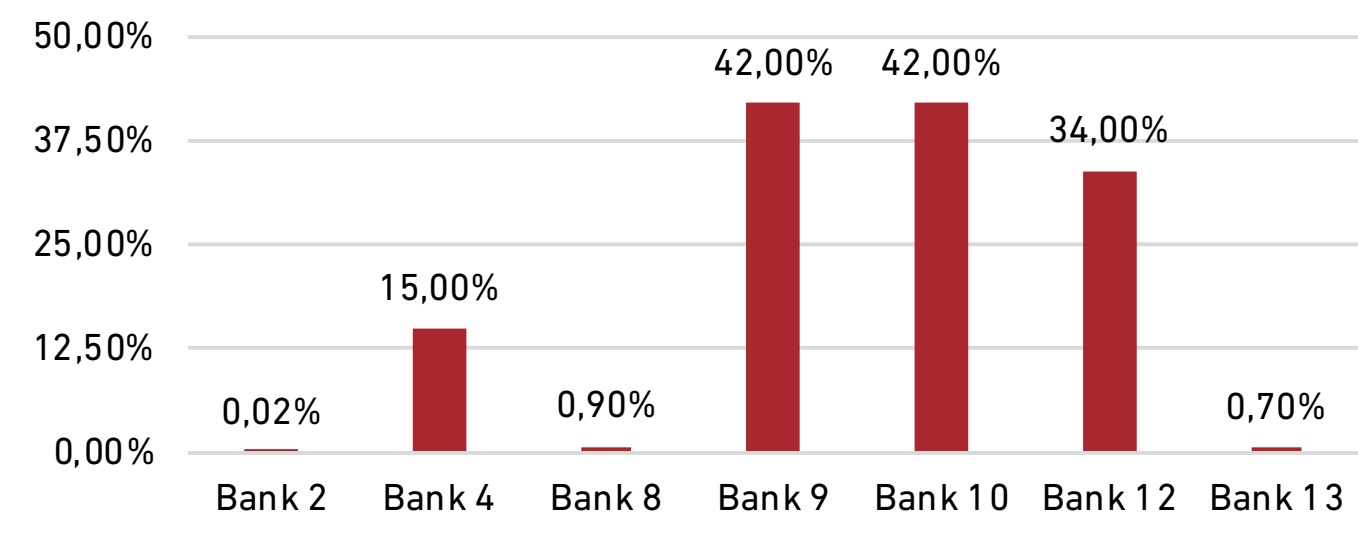


3. KEY FINDINGS

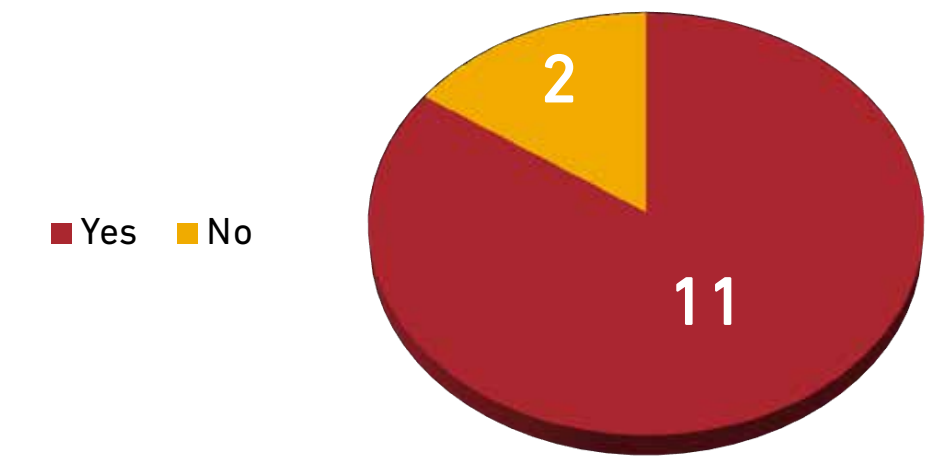
- 3.1. GENERAL STATS
- 3.2. EXPECTED CREDIT LOSSES (ECL)-RELATED FINDINGS
- 3.3. OTHER FINANCIAL INSTRUMENT-RELATED FINDINGS
- 3.4. OTHER FINANCIAL REPORTING-RELATED FINDINGS
 - 3.4.1: Impairment of goodwill and other non-financial assets
 - 3.4.2: Overall impacts on IFRS financial reporting (primary financial statements, dedicated notes)

3.4.1 IMPAIRMENT OF GOODWILL AND OTHER NON-FINANCIAL ASSETS

GRAPH 35: impairment test performed at H1 2020 for all or some CGU (cash generating units)



GRAPH 36: goodwill impairment losses recorded at H1 2020 as a % of opening total goodwill balance at YE 2019



MAZARS INSIGHTS:

- In the context of the global health crisis, the vast majority of banks in our sample carried out **goodwill** impairment tests at H1 2020 (see **Graph 35**).
 - Out of these 11 banks, more than half registered impairment of their goodwill as a result of impairment testing: the magnitude of goodwill impairment losses for these banks is presented in Graph 36.
 - Many banks referred to COVID-19 (and its adverse effects on expected level of profitability of the financial sector) when explaining why they tested their cash generating units (CGU) for impairment in the interim period. Several banks specifically mentioned a decrease in reference interest rate or negative interest rate evolution more generally as the reasons for impairment, in addition to a worsened economic outlook because of COVID-19.
 - 10 banks presented the sensitivity of goodwill impairment tests to changes in key assumptions/ impairment headroom
 - One bank indicated that scenarios used for testing for impairment of goodwill differ from those used to compute the expected credit losses under IFRS 9.
- One bank that did not mention any goodwill impairment tests at 30 June 2020 but nevertheless indicated that the disruption to economic activity globally caused by the COVID-19 pandemic could adversely impact the group's other assets such as goodwill and intangibles in **future periods**.
- Two banks also tested their **investments in associates** for impairment, resulting in an impairment loss at 30 June 2020 for one of these banks.
- Two banks recorded significant impairment of their **deferred tax assets (DTA)**. One bank also tested its DTA but recorded no impairment at 30 June 2020.
- One bank also recorded impairments of their **other intangible assets** (see extract from HSBC interim report in the separate document "Appendices", section 3.4.1).
- One bank explained that, in light of uncertainties due to Covid-19, the assessment of impairment on non-financial assets became a **new area of critical accounting estimates** in H1 2020.
- Examples of disclosures about impairment of goodwill and other non-financial assets during the COVID-19 crisis are provided in the separate document "Appendices".

3.4.2 OVERALL IMPACT ON IFRS FINANCIAL REPORTING

MAZARS INSIGHTS:

- It should be noted that, in line with recommendations from regulators and accounting authorities, none of the banks in our sample has isolated the effects of COVID-19 **in the primary financial statements**. In other words, not a single bank has chosen to introduce new specific lines dedicated to COVID-19 impacts in their statement of profit or loss.
- **Groupe BPCE** was the only group to provide **quantitative disclosures** in the notes to financial statements as to the extent of COVID-19 impact on the profit or loss statement, going beyond the impact of cost of risk:
 - the impacts stemming from financial instruments' valuation or impairment of non-financial instruments have also been disclosed within one dedicated table.
- When it comes to the overall structure of the **notes** to financial statements, we could point out a good practice consisting of including a **recap note** at the beginning of the notes summarising how the financial statements have been impacted by COVID-19, and including cross-references to sections presenting each issue in more detail. For instance, BBVA, BPCE, Crédit Agricole, ING and Société Générale have opted for such an organisation of their notes.



1.5 INCIDENCE DE LA CRISE SANITAIRE SUR LES COMPTES

1.5.2 Conséquences sur le recours à des estimations

1.5.2.4 Tableau récapitulatif des principaux impacts de la crise Covid-19

en millions d'euros	1er semestre 2020
Produit net bancaire	-647
<i>Marquage de dividende sur les produits actions</i>	-273
<i>Valorisation des actifs non cotés</i>	-140
<i>Autres impacts en PNB (dont CVA)</i>	-234
Coût du risque	-780
<i>Pertes de crédit attendues</i>	-553
<i>Autres impacts</i>	-227

Source: Groupe BPCE, Consolidated IFRS financial statements as at 30 June 2020, p. 17



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