




Information regarding the impact, as of 30 June 2021, of the proceeds of the Social Local Economic Development Bonds issued by BPCE SA since 2017

Impact Report Local Economic Development



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FOREWORD

The reporting was produced with respect to the Methodology Note dedicated to Local Economic Development published on December 2021 and available on Groupe BPCE institutional website:

<https://groupebpce.com/investisseurs/dette/obligations-sociales>



01 Issuances and Earmarked assets



ISSUANCES

- As of End of June 2020, Groupe BPCE had issued five Local Economic Development Social Bonds since 2018.
- Total issuances account for Eur 1,965M as of June 2020.

BONDS						
ISSUER	BPCE SA		BPCE SA		BPCE SA	
ISIN	FR0013367406		FR0013375623		JP525021EK19	
CURRENCY	EUR		JPY		JPY	
PROCEEDS (millions)	1 250		3 000		50 000	
	<i>EQ Euros</i>	<i>1 250</i>	<i>23</i>	<i>404</i>	<i>254</i>	<i>34</i>
ISSUANCE DATE	26/09/2018		23/10/2018		25/01/2019	
REPAYMENT DATE	26/09/2023		30/10/2028		25/01/2024	
					03/12/2020	07/05/2020
					03/12/2025	25/09/2028
TOTAL Euros	1 965					
TOTAL Foreign Currency	85 000					



EARMARKED ASSETS (1/2)

- As of End of June 2020, the allocation of the proceeds led to Eur 2,010M of eligible assets earmarked to the Local Economic Development Issuances.

Proceed allocation	
Proceeds in euros	1.964.657.757
Proportion invested in euros	100%
Total of earmarked assets	2.010.402.902

- The dispersion by customers category is reproduced below:
- The huge share of earmarked loans are granted to Small business with a yearly turnover below a Eur 10M threshold.

Type of clients	Earmarked assets (€ millions)	Number of loans
Small businesses	1.974	42.175
Non-Profit organizations	36	627
Total	2.010	42.802

- The dispersion by loan sub-category is reproduced below:
- Led Covid Loans consist in loans that are both eligible to Local Economic Development issuances and to the French guaranteed loans scheme implemented in order to limit the economical cost of the Covid situation.


Type of loans	Earmarked assets (€ millions)	Number of loans
Local Economic Developpt	1.750	39.904
LED COVID (State Guaranteed Loans)	260	2.898
Total	2.010	42.802



EARMARKED ASSETS (2/2)

- As of End of June 2020, the dispersion of earmarked assets by French Continental Regions is reproduced below:
- The three regions with the lowest average income per inhabitant account for 27% of the French continental population and 34% of the earmarked assets. On the opposite, the three French Regions with the highest average income per inhabitant gather 39% of the French Continental Population and only 26% of the earmarked assets.
- This result shows that earmarked assets are more located in relatively poor regions of Continental France.

French Regions	Earmarked assets (€)	%	Population 2020*	%	Average income per inhabitant*
Hauts de France	117 716 145	6%	5 963	9%	17 637
Occitanie	60 182 793	3%	5 925	9%	19 019
Grand-Est	504 042 844	25%	5 512	9%	19 189
Pays de la Loire	0	0%	3 802	6%	19 302
Bretagne	197 585 370	10%	3 340	5%	19 530
Normandie	34 084 355	2%	3 304	5%	19 588
Nouvelle Aquitaine	146 748 952	7%	6 000	9%	19 742
Centre Val de Loire	188 739 659	9%	2 559	4%	20 021
Bourgogne Franche Comté	235 791 830	12%	2 783	4%	20 063
Provence Alpes Côte d'Azur	163 882 129	8%	5 056	8%	20 177
Auvergne Rhône Alpes	301 360 963	15%	8 032	12%	20 593
Ile de France	60 267 862	3%	12 278	19%	24 084
France métropolitaine	2 010 402 902	100%	64 553	100%	20 485



02 Evolution of the socio-economic criteria of the eligible ZIP Codes compared to the French Territory



EVOLUTION OF THE SOCIO-ECONOMIC CRITERIA OF THE ELIGIBLE ZIP CODES COMPARED TO THE FRENCH TERRITORY (1/2)

- Earmarked assets as per the methodology note dedicated to Local Economic Development bonds are located within ZIP Areas which exhibit lower socioeconomic indicators than the average French territory.
- Three indicators are taken into account :
 - Unemployment Rate
 - Average Income
 - Level of business creation
- The population living within eligible ZIP Codes represents 17% of the French Population. This shows the effectiveness of the selection criteria.

As of 2018 (Source Insee)	French Territory	Eligible ZIP Codes	%
French Population	70 295 051	11 813 451	17%
out of which people from 15 to 64 years old	43 934 975	8 034 705	18%

*Source INSEE (French Public Institute for Statistics)



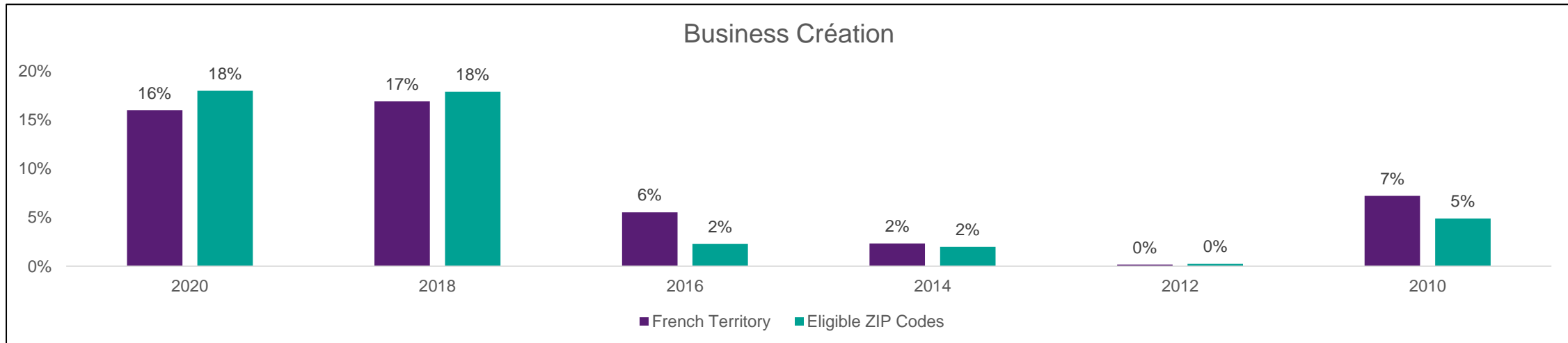
EVOLUTION OF THE SOCIO-ECONOMIC CRITERIA OF THE ELIGIBLE ZIP CODES COMPARED TO THE FRENCH TERRITORY (2/2)

➤ Eligible ZIP Code Areas still exhibit a higher level of poverty and unemployment than the French Territory.

Unemployment Rate among people from 15 to 64 years old – in % (Source Insee)	French Territory	Eligible ZIP Codes
2018	9,9	11,4
2016	10,4	11,7
2014	10,3	11,5

As of 2018 (Source Insee)	French Territory	Eligible ZIP Codes
% Poverty Rate	17,2	21,2

➤ Over 2020 and 2018, the level of business creation has been greater for Eligible ZIP Codes areas than for the French Territory. This outcome compares favorably with the previous vintages where business creation was lower in underprivileged areas and could be seen as a proof that underprivileged areas overperform when the level of business creation is high and underperforms when it is low. Hence business creation in underprivileged areas is more dependent on the overall economic environment.





03 Analysis of the Financial performance of Small Businesses included in the earmarked portfolio



ANALYSIS OF THE FINANCIAL PERFORMANCE OF SMALL BUSINESSES INCLUDED IN THE EARMARKED PORTFOLIO

- The Assets financed or refinanced thanks to Local Economic Development Issuances are loans granted to not for profit organisations and Small and Medium Enterprises which have a yearly turnover lesser than EUR 10M.
- Based on the data made available by Altares, this section of the reporting compares financial indicators of Small and Medium Enterprises included with the eligible portfolio and the customer base of Groupe BPCE.

Number of employees	Earmarked Portfolio	BPCE Population with Turn-Over under Eur 10M
July 2020	2,3	3,5
July 2019	1,9	2,8

Altares Credit Score	Eligible Portfolio	BPCE Population with Turn-Over under Eur 10M
July 2020	12,2	12,3
July 2019	11,7	Not available

Equity	Eligible Portfolio	BPCE Population with Turn-Over under Eur 10M
July 2020	256 443	742 577
July 2019	204 666	636 503

Annual Turnover	Eligible Portfolio	BPCE Population with Turn-Over under Eur 10M
July 2020	732 591	1 055 268
July 2019	660 397	944 327

- The Small and Medium Enterprises included within the eligible portfolio demonstrate a comparable evolution of the main financial indicators than the portfolio of Small and Medium of Groupe BPCE as a whole.