Second Social Samurai Bond for France's leading social lender
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The Social Samurai bond’s final use of proceeds is published as of January, 15th 2018.

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2. First Social Samurai and Healthcare bonds

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Groupe BPCE cooperative governance structure
A supportive cooperative identity

Groupe BPCE, the 2nd largest banking group in France, has a distinctly cooperative character. Its two cooperative networks – 14 Banque Populaire banks and 16 Caisses d’Epargne – are central players in their respective regions.

9 MILLION COOPERATIVE SHAREHOLDERS

Elect the administrators

14 Banques populaires

50% 50%

Elect the administrators*

16 Caisses d’Epargne

BPCE SA

* Indirectly through Local Savings Companies.

Networks governance:
Each BP’s Boards of Directors and each CE’s Steering and Supervisory Boards represent the cooperative shareholders and oversee the management provided by each bank’s Management Board and CEOs.

BPCE SA central institution:
BPCE SA is responsible for the relationship with the banking supervisor (ECB) and the Group’s strategy:
- Financial policy, ALM and market funding (senior unsecured and subordinated debt)
- Risk management policies and ongoing compliance

~8,000 branches in France
The Banque Populaires banks have a strong franchise in individual customers, SMEs and self-employed professionals in France
The Caisses d’Epargne have a strong franchise in individual customers and local authorities in France
Groupe BPCE’s regional cooperative banks finance the local French economy and regions

Groupe BPCE supports SMEs around France through its purchases, conventional loans and by facilitating their access to financial markets:

- 37% of purchases are made from SMEs
- No. 1 bank for SMEs
- No. 2 bank for professional customers and individual entrepreneur
- 87% of the Group’s suppliers are SMEs

Financing the social and solidarity-based economy (total amount of loans granted to the social and solidarity-based economy)

Corporate philanthropy by the Banque Populaire banks and Caisses d’Epargne

(1) No. 1 by total penetration rate (source: TNS Sofres survey 2015); (2) No. 2 by penetration rate among professional customers and individual entrepreneurs, dual and professional relationships (source: Pépites CSA survey 2015-2016); (3) From a sample of 31,031 suppliers with a Codex 2014 SIREN number and approved by INSEE; (4) Small and medium-sized enterprises (2016 definition): fewer than 250 employees and revenues below €50,000K.
### Responsible financing

**Retail networks of Groupe BPCE**

- **A leader in the financing of social housing in France**
- **No. 1 in microloans for individuals** (1)
- **A major provider of professional microloans** (2)
  - 33% market share at end-2016
- **Eco-loans for individual and professional customers** (€203 million in 2016)

**Microloans and other solidarity-based loans with support** (3)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>99</td>
<td>+2%</td>
</tr>
<tr>
<td>2016</td>
<td>101</td>
<td></td>
</tr>
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</table>

**Asset management (Natixis)**

- **French leader in terms of inflows and AUM in solidarity-based savings** (4)
- **Support for green growth: AUM of €8 billion in 2015**

**Assets under management in SRI** (5) and solidarity-based funds in France

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM (€bn)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>21</td>
<td>+9%</td>
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<tr>
<td>2016</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

### Responsible funding

**Corporate & Investment Banking (Natixis)**

- **One of the leaders in the financing of renewable energies**
- **Withdrawal from the financing of the coal industry around the world**

**Among French banks, BPCE SA is a major partner of the European Investment Bank**

**BPCE SA issued a €300m EMTN Green bond in December 2015** (cf. appendix)

**BPCE SA issued a JPY 58.1bn Social Samurai bond in June 2017**

**BPCE SA issued a USD 50m Healthcare bond in July 2017**

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1) Social cohesion fund / Caisse des Dépôts. 2) France Stratégie 2014 survey/Group data (3) Loans issued to borrowers in vulnerable situations or outside the labour market, covered by a guarantee (4) Finansol 2016 survey (5) Socially Responsible Investment.
Groupe BPCE factors CSR (Corporate Social Responsibility) into decision-making processes

As part of its strategic plan, Groupe BPCE decided to implement a CSR policy, which was approved by its Management Board and the federations in 2016.

Ten priority projects identified by the global CSR policy have been launched in 2016. They will continue in 2018.

- measuring and promoting the local socio-economic footprint;
- distributing SRI and solidarity-based products;
- developing responsible procurement;
- microloans and financial inclusion;
- reducing direct environmental impacts;
- drafting a green growth strategy;
- adopting an innovative policy to encourage well-being, health and sport in the workplace;
- communications and CSR;
- sustainability reporting and ratings;
- raising awareness of reporting and CSR.

Groupe BPCE is rated by **OEKOM** (ESG score as of 2016: C).

BPCE has been awarded ‘Prime Status’ and is considered among the leaders in its industry.
1. Groupe BPCE, a cooperative group with a CSR policy integrated in its business model

2. First Social Samurai and Healthcare bonds

3. Second Social Samurai Bond
BPCE SA, an innovative issuer in the Japanese market

- **Best Issuer 2016** in Samurai Bond market category awarded by Capital Eye
- **Largest Samurai issuer** (#1 in outstandings incl. retail as of December 31, 2017)
- First non-Japanese Tier 2 issuer in the Japanese retail market in 2016
- First French bank to issue a Tier 2 and a Senior Non-preferred bonds in the Japanese market
- First French bank to issue a ESG bonds in the Samurai market

2017 IFR Award for the Yen Bond: BPCE’s ¥142.7bn triple-tranche Samurai issued in January 2017
Outcome of the first Social Samurai bond

BPCE is the first bank to issue ESG bonds in the Samurai market and the first issuer to issue a social Samurai bonds, strengthening its pioneering role in the market

- The largest ESG bonds in the JPY domestic market

- BPCE captured new demands
  
  > Japanese lifers focused on ESG investment played for the first time in financial’s Samurai in the 10y maturity
  > 15y tranche was added during the marketing on the back of a specific enquiry from a lifer

- The transaction attracted not just lifers, but wide range of investors - from central investors to regional investors

- https://www.groupebpce.fr/en/Investors/Funding/Social-bonds

### Social Samurai Bonds

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<tr>
<td><strong>Ratings</strong></td>
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<tr>
<td><strong>Pricing Date</strong></td>
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<tr>
<td><strong>Use of Proceeds (abstract)</strong></td>
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<tr>
<td><strong>Advisors on the Social Component</strong></td>
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</table>
Outcome of the first Healthcare bond

Healthcare Bond – BPCE’s first and Nippon Life’s First

- Following the success of its inaugural Social Samurai bond issuance, BPCE actively responded to another demand from an ESG sensitive Japanese investor

- It was BPCE’s first-ever Healthcare Bonds issuance. The issue is intended to refinance the loans to the clients of the BPCE group network, who is active in the healthcare sector.

- It was the first investment in “Healthcare Bonds” for Nippon Life, who is a Japanese leader in socially-responsible investment

- https://www.groupebpce.fr/en/Investors/Funding/Social-bonds

<table>
<thead>
<tr>
<th>Healthcare Bonds (Private Placement with Nippon Life)</th>
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<tr>
<td><strong>Issue Amount / Maturity</strong></td>
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<tr>
<td><strong>Ratings</strong></td>
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<td><strong>Pricing Date</strong></td>
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<td><strong>Use of Proceeds (abstract)</strong></td>
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<td><strong>Arranger</strong></td>
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</tbody>
</table>
1. Groupe BPCE, a cooperative group with a CSR policy integrated in its business model
2. First Social Samurai and Healthcare bonds
3. Second Social Samurai Bond
BPCE SA’s second Social Samurai Bond
BPCE SA’s involvement

- Following BPCE SA’s successful green bond in Euro (Dec. 2015), BPCE SA offered the first Social Samurai Bond in June, 2017

- BPCE SA is very well aware that the Green Bond Principles tend to adopt a "project" based approach in the rationale behind green bonds and social bonds

- The core business of Retail Banks is to finance “Clients” and not “projects”. Energy Transition and Social Investments are not limited to project finance. On the contrary, it is mostly the result of SME and public organizations' “business as usual” activity

- Those organizations do not often have access neither to project finance nor to capital markets

- BPCE SA strongly believes that Retail banks have a role to play in the social bond market, with their core activities. This transaction and this process of selection are for BPCE SA a first step in what it believes can become a structuring way to finance or refinance its contribution to energy transition and social investments
BPCE SA’s second Social Samurai Bond
Use of proceeds

- BPCE SA intends to lend the net proceeds of the issuance of the Bonds to the 30 Regional Banks of the Groupe BPCE network and expects that they will exclusively allocate an amount equal to such net proceeds to finance or refinance loans granted to clients whose activities are dedicated to **Education, Healthcare and Social** (Eligible Social Loans).

- The pool of Eligible Social Loans will exclusively include loans originated **from January 1, 2016**, selected according to eligible official sectors of economic activity code. The list of eligible official sectors of economic activity code will be published on a dedicated section of the website of the Issuer.

- Although the net proceeds will be raised in Japanese yen, they will be allocated to Euros Eligible Social Loans. The **net proceeds of the issue of Bonds will then be swapped into Euros at issuance**.

- The Issuer expects to **allocate the net proceeds from the issue within one year** of the date of issuance. In the case of early loans repayments or if loans mature before the maturity of the Bonds, the Regional Banks will replace such loans with new Eligible Social Loans. Along the life of the bonds, pending the allocation of the net proceeds of the issue, the Issuer will temporarily invest such amounts in cash, cash equivalents and/or marketable securities.

- Throughout the term of the Bonds, the Issuer will provide, on the dedicated section of its website:
  - an **annual update of the allocation of the proceeds** of the Bonds to Eligible Social Loans, describing the Eligible Social Loans by categories of eligibility (subject to confidentiality considerations)
  - the **report from an independent accountant** verifying the compliance, in all material respects, of (i) the actual allocation of proceeds to Eligible Social Loans with BPCE SA’s eligibility criteria defined above, and (ii) the potential pending cash allocation.

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1 The Social Samurai bond’s final use of proceeds will be published as of January, 15th 2018.
"Eligible Social Loans” are exclusively granted to customers whose activities are dedicated to one of the following Social categories. The pool of Eligible Loans will exclusively include loans originated from January 1, 2016, selected according to eligible official sectors of economic activity code (Nomenclature d’Activités Française Code – French classification of activities set up by the French National Institute of Statistics and Economic Studies [https://www.insee.fr/en/metadonnees/nafr2/section/A])

**Education**
- Pre-primary, primary and secondary education
- Post-secondary non-tertiary and tertiary education
- Adult learning
- Other educational projects and activities supporting education and culture

**Healthcare**
- Hospitals and private clinics
- Health facilities and residential nursing care activities
- Public and private medical activities
- Social security services
- Other health services

**Social**
- Social housing for individuals and families requiring specific support
- Public and private organizations providing support and assistance to the elderly, children and disabled people
- Structures implementing social programs
BPCE SA’s second Social Samurai Bond
Management of proceeds

Proceeds will be dedicated to financing or refinancing loans granted to clients whose activities are dedicated to Eligible Social Loans.

The pool of Eligible Assets is comprised of assets selected among the Banques Populaires and Caisses d’Epargne of the Groupe BPCE network and originated from January 1, 2016.
BPCE SA’s second Social Samurai Bond Reporting

- Throughout the term of the Bonds, the Issuer will provide, on the dedicated section of its website:
  - an annual update of the allocation of the proceeds of the Bonds to Eligible Social Loans, describing the Eligible Social Loans by categories of eligibility (subject to confidentiality considerations)
  - the report from an independent accountant verifying the compliance, in all material respects, of (i) the actual allocation of proceeds to Eligible Social Loans with BPCE SA’s eligibility criteria defined above, and (ii) the potential pending cash allocation.
Appendix
BPCE SA Inaugural Green Bond transaction €300mn - 7-year

**Execution Highlights**

BPCE SA launched and priced on Wednesday December 2nd its inaugural Green Bond transaction: €300mn 7-year senior unsecured issue at MS + 75 bps. At the end of the process, around 55% of the deal was allocated to SRI investors or fund.

- The proceeds of this bond have been clearly dedicated to Natixis Energeco, a subsidiary of Natixis, to refinance renewable energy projects (wind, solar or bio-mass) located exclusively in France.
- BPCE announced on November 24th investor meetings to be held in Paris on Friday November 27th and calls on Monday 30th November targeting SRI investors. 26 investors were met during these two days.
- Feedbacks have been very positive with a high appreciation from investors of the trade’s structure, the commitment on reporting and the business model of Natixis Energeco. BPCE has been able to collect strong IoIs on Tuesday December 1st despite the sub-benchmark size.
- The deal was launched on Wednesday December 2nd at 9.30am CET with IPTs of MS + 85 bps area, with a Fair Value calculated at around MS + 71 bps area, a limited NIP in the current market conditions.
- The trade quickly gathered strong interests from investors and the order book was above €500mn after only one hour and above €1bn at the time of the update. Taking advantage of this 3 times + oversubscription ratio, guidance was released at MS + 75 / 80 bps (will price in the range). Spread sensitivity was small and orders continued to came in reaching €1,2bn at the time the book closed. 102 investors were involved. Finally spread was fixed at MS + 75 bps, leaving a NIP of 4 / 5 bps.
- Regarding distribution, Asset Managers drove the transaction with 65% of the allocation, followed by Insurance Companies & Pension Funds with 18% and Banks with 13%.
- By country, France drove the transaction with 36%, followed by the United Kingdom and Ireland (24%), Germany & Austria (11%), Nordics and Southern Europe (8% each), Benelux (5%) and Swiss (4%).
- This transaction demonstrates the recognition of Group BPCE’s strong commitment towards sustainable development and renewable energies.
# Final Terms and Conditions

<table>
<thead>
<tr>
<th>Issuer</th>
<th>BPCE SA</th>
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<tr>
<td>Format</td>
<td>Samurai Bonds</td>
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<tr>
<td>Bond Ratings</td>
<td>Senior Preferred A2(Moody’s) / A(S&amp;P) / A(Fitch) / A(R&amp;I)</td>
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<td>Tenor</td>
<td>5yr FIX 7yr FIX 10yr FIX 15yr FIX</td>
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<td>Gross Issue Amount</td>
<td>JPY 58.1 bn</td>
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<tr>
<td>Issue Amount</td>
<td>¥24.5bn ¥23.5bn ¥7.6bn ¥2.5bn</td>
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<td>Launch Date</td>
<td>23 June 2017</td>
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<tr>
<td>Maturity Date</td>
<td>30 June 2022 28 June 2024 30 June 2027 30 June 2032</td>
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<td>Re-Offer Spread</td>
<td>YSO+7bp YSO+17bp YSO+18bp YSO+20bp</td>
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<tr>
<td>Coupon</td>
<td>0.214% 0.367% 0.467% 0.689%</td>
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<td>Joint Bookrunners</td>
<td>Daiwa / Mitsubishi / Mizuho/ Natixis/ SMBC Nikko</td>
</tr>
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# Deal Highlights

- **On June 23, BPCE SA completed its second successful launch of Samurai bond transaction in 2017 in the Senior Preferred format (SP). In addition, BPCE became the first bank to have issued a Samurai social-impact bond (reflected in the Use of Proceed). The issuance gathered JPY 58.1bn in total across four tranches: 5, 7, 10 and 15 years with fixed rate coupon.**

- **The key objectives of this transaction were to 1) continue to offer Japanese investors 2 samurai transactions a year, 2) be innovative with the introduction of a social theme, 3) by issuing as Social Bonds, continue its diversification of placement within Japan and eventually 4) maintain its leadership as No.1 in terms of the total size of Samurai outstanding bonds (including this issuance, close to JPY 700bn).**

- **Reception of this first Social Samurai Bond was strong with a good split of demand at 5 and 7 years, the two largest tranches: JPY 24.5bn at 5 years and 23.5bn at 7 years. The placement has been driven mainly by Specialized Banks, Trust Banks, Regional Banks, Shinkins and Others. The 10 years placement was dedicated to a selection of Lifers who are willing to invest specifically in SRI bonds and accepting lower coupons than previous SNP Samurai, and to numerous Shinkins: JPY 7.6bn at 10 years and JPY 2.5bn at 15 years.**

- **Over the 3 days of marketing (shorter this time due to the good knowledge of the credit), the book grew from JPY 33.5bn (1st day) with initial pricing range of YSO+5/7bp at 5 years; +15/17bp at 7 years; +17/20bp at 10 years and +20/23bp at 15 years (15 years: reverse enquiry basis) to the final size of JPY 58.1bn (3rd day).**

- **Despite lower coupon in the SP format compared to recent SNP Samurai issues, this SP Samurai transaction has nicely filled the demand of investors who were not yet ready to invest in the SNP format. It has also offered the opportunity for some (new) investors to invest specifically in the social-impact investment, which was a requirement for them to join.**

- **Eventually, it is worth highlighting that today JPY58.1bn issuance is adding to the JPY 142.7bn Samurai transaction launched last January, which gives an impressive total of JPY 200.8bn of BPCE Samurai issuance so far this calendar year. This is the result of a strong commitment from the issuer to this market both in terms of regularity of issuance and of extensive road shows twice a year.**

# Use of Proceeds

The issuer intends to lend the net proceeds of the issuance of the Bonds to the 31 Regional Banks of the Group BPCE network and expects that they will exclusively allocate an equal amount to such net proceeds to finance or refinance loans granted to clients whose activities are dedicated to Education, Healthcare and Social (Eligible Social Loans). *Source: Investor presentation Inaugural Social Samurai Bond for France’s leading social lender (https://www.groupebpce.fr/en/Investors/Funding/Social-bonds)*