



Press Release

Groupe BPCE becomes the first bank to issue a Samurai social-impact bond

Paris, 22 June 2017

Today, BPCE has successfully completed the marketing of the first yen-denominated social impact bond on the Japanese market. This inaugural social issue totalling 58.1 billion yen (approximately €470 million) is intended to refinance loans granted to the clients of Groupe BPCE's 15 Banque Populaire banks and 16 regional Caisses d'Epargne in the education, healthcare and social sectors.

Following the success of the issue of its euro-denominated green bond in December 2015, Groupe BPCE is opening up the Samurai social-impact bond market (Samurais are yen-denominated bonds made by non-domestic issuers). The issue, carried out notably with advice from Natixis and Mizuho on its social-impact component and under the leadership of five joint lead managers (Daiwa, Mitsubishi UFJ Morgan Stanley, Mizuho, Natixis, and SMBC Nikko) proposes a preferred senior debt format with four tranches of five, seven, ten and fifteen years. If conditions allow, Groupe BPCE plans to regularly return to the social-impact bond market, green and sustainable alike and regardless of currency.

Convinced that retail banks have a fundamental role to play in the financing of the energy transition and the socially-responsible economy, and that their business is to finance clients and not just their projects, Groupe BPCE has decided to structure its issues in line with the nature of its clients, be they small caps, mid caps or public sector entities lacking direct access to the financial markets or project financing. The bonds are intended to refinance the loans granted since 1 January 2016 to the clients of its regional banks in the fields of education, healthcare and social endeavors. Eligible loans are selected according to the business activity of the clients and identified precisely using the French Classification of Economic Activities (NAF) published by INSEE, the national institute of statistics and economic studies. Groupe BPCE will report on the outstandings refinanced by activity sector every year on its website <http://www.groupebpce.fr/en>. The reporting will be audited by an independent expert.

Commenting, Olivier Irisson, CFO of Groupe BPCE, said: *"This social-impact bond once again demonstrates Groupe BPCE's commitment, through its 15 Banque Populaire banks and 16 regional Caisses d'Epargne, to local and regional development, enabling its small-cap and public-sector clients to access a market that is structurally inaccessible for them. This approach affirms the role of cooperative retail banks, working at local and regional level, in the transformation of economies through energy transition and rural development. BPCE has also long been committed to Japanese investors and is particularly pleased to propose an investment opportunity to players in sustainable development in the French regions."*

Orith Azoulay, Head of SRI Research at Natixis, said: *"With this issue, BPCE is rolling out what we consider a useful approach, one that responds to the role that retail banks can and must play in this market, central to their core business. This is the initial structuring step towards the implementation of a long-term approach to financing and refinancing its green and socially-responsible lending policy and will initiate market discussions on the measurement of the impacts of this type of financing."*

Alexandra Bergmann, Head of Bond Origination, France, for Mizuho International, said: *"This first Samurai social-impact bond issue responds to growing demand from Japanese investors in the field of socially-responsible investment. Since its inaugural issue on the Japanese market in 2012, Groupe BPCE has adopted an increasingly original positioning and strengthened its franchise and the diversification of its investment base through a social commitment shared with Japanese investors."*

BPCE, THE LEADING SAMURAI ISSUER

Groupe BPCE has been making regular issues on the Japanese market since 2012. At 22 June 2017, it stood as the largest Samurai bond issuer. As a pioneer, Groupe BPCE was the first French banking group to issue a Tier 2 bond on the Japanese market in 2015, the first non-domestic issuer to invest Tier 2 debt on the Japanese retail market in 2016, and the first French bank to issue non-preferred senior Samurai debt, in January 2017. It also received an award from the financial services provider, Capital Eye, in the "Samurai Bond Market" category as the best issuer in 2015 and 2016.

About Groupe BPCE

Groupe BPCE, the 2nd-largest banking group in France, includes two independent and complementary cooperative commercial banking networks: the network of 15 Banque Populaire banks and the network of 16 Caisses d'Épargne. It also works through Crédit Foncier in the area of real estate financing. It is a major player in Investment Solutions & Insurance, Corporate & Investment Banking and Specialized Financial Services with Natixis. Groupe BPCE, with its 108,000 employees, serves a total of 31.2 million customers and enjoys a strong local presence in France with 8,000 branches and 9 million cooperative shareholders.

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