

July 13, 2018

Daiwa Securities Group Inc.

Issuance of BPCE S.A.'s Social Samurai Bonds

Daiwa Securities Group Inc. ("Daiwa") announces that we partly underwrote the issuance of Social Samurai Bonds ("the Bonds") issued by BPCE S.A. ("BPCE") on 12th July, 2018, which are Senior Non-Preferred – Second Series (2018) and Senior Non-Preferred – Third Series (2018).

The Issuer intends to lend the estimated amount of net proceeds from the issue of the Bonds (the "Estimated Amount of Net Proceeds") to the 14 Banques Populaires and 15 Caisses d'Epargnes of the Groupe BPCE network (collectively, the "Regional Banks") and expects that the Regional Banks will exclusively allocate an amount equal to the Estimated Amount of 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 (Nomenclature d'Activités Française Code – French classification of activities set up by the French National Institute of Statistics and Economic Studies).

BPCE considers that the core business of retail banks is to finance "customers" and not "projects"; social investments are not limited to project finance; on the contrary, it is mostly taken care of through the regular activity of small businesses, SMEs and government organizations. BPCE strongly believes that retail banks have a role to play in the social bond market, with their core activities. BPCE offered the first Social Samurai Bonds in June 2017, and this transaction is the third issuance of Social Samurai Bonds.

While marketing, the Bonds gathered demands from various types of investors and great numbers of SRI investors participated in the transaction. The bonds were distributed to Insurance Companies, Shinkins, Specialized banks, Asset Managers, Trust Banks, Regional Banks and Business Corporations.

Daiwa has proven strong initiatives on addressing social issues and contributing to future development of society through its continuous effort in product development and provision for more than the past 10 years. On February 16, Daiwa has announced the launch of SDGs Promotion Committee chaired by Seiji Nakata, President and CEO of Daiwa Securities Group Inc.

Daiwa Securities Group

Through the distribution of the Bonds, Daiwa shows its strong commitment and efforts to promote its SDGs goals and provides new investment opportunities to investors.

Summary Terms of BPCE S.A.'s Social Samurai Bonds

Issuer	BPCE S.A.
Market	Samurai Bond Market
Ranking	Senior Non-Preferred
Issue Amount	JPY 106.1billion (5 years: 66.1billion / 10 years: 40.0billion)
Maturity	5 years (due on 12 th July, 2023) 10 years (due on 12 th July, 2028)
Coupon	5 years:0.645% / 10 years:0.989%
Joint Lead Managers	Daiwa Securities Co. Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Natixis Japan Securities Co., Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc.
Closing Date	12 th July, 2018
Bond Ratings	BBB+: S&P / A: Fitch / A-: R&I

■ About BPCE S.A.

Groupe BPCE is France's second-largest banking group in terms of market share of customer deposits and lending. Groupe BPCE pursues a full range of banking and insurance activities, working through its two major "Banque Populaire" (founded in 1878) and "Caisse d'Epargne" (founded in 1818) French cooperative banking networks and through its different subsidiaries in France, abroad and in particular through Natixis. BPCE S.A. is the central institution of Groupe BPCE and the main issuer of Groupe BPCE in the bond market.

■ About Natixis

Natixis is the international corporate and investment banking, asset management, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 31 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Epargne. With more than 21,000 employees, Natixis has a number of areas of expertise that are organized into four main business lines: Asset & Wealth Management, Corporate & Investment Banking, Insurance and Specialized Financial Services. A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks. (Figures as at March 31, 2018)

■ About the Daiwa Securities Group

Daiwa Securities Group Inc., founded in 1902, is one of the largest independent and comprehensive securities company in Japan. The Group contributes to the development of society and economy by providing a broad range of financial services worldwide through its global network. The Group's core business includes brokerage, investment banking, asset management, investment, and technology services. Additionally, the Group entered into banking business in 2011.

Operational base of the Group spreads around the world, including Japan, the United States, Europe, and Asia-Oceania. The Group employs near 16,000 personnel worldwide, and its customer asset under custody is approximately JPY68.1 trillion. (All figures are as of the end of Mar. 2018).

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