



Being responsible

“TO BE A MAN IS TO BE RESPONSIBLE...
TO BE AWARE, WHEN SETTING DOWN A STONE,
THAT YOU ARE HELPING TO BUILD A WORLD.”

ANTOINE DE SAINT-EXUPÉRY

Social solidarity from the outset

In 1818, the first Caisse d'Épargne was founded by philanthropists to encourage low-income families to create a modicum of financial security. In 1878, small entrepreneurs, shopkeepers and artisans founded the first Banque Populaire to create mutual support to finance their projects. By meeting needs overlooked by the commercial banks, the Caisses d'Épargne and Banque Populaire banks grew and multiplied. The two complementary cooperative groups merged their central institutions in 2009 to form Groupe BPCE, the 2nd largest banking group in France. This cooperative entity owned by 8.9 million cooperative shareholders still pursues the original vision of its founders: to promote financial security and independence through social solidarity.



Operator and no. 1 private banking partner of social housing

Groupe BPCE is the no. 1 private banking partner of social housing providers. Annual loans granted to these entities exceeded €903 million in 2014. The Caisses d'Épargne help administer one third of these operators and manage 192,000 social housing units via their Erilia, Logirem and SIA subsidiaries.

Crédit Foncier, specialized in promoting home ownership solutions for low-income households for which two out of three families may be eligible, finances individuals and operators and offers its expertise to local authorities. It is also an active partner of the social housing sector via its *Solidarités Nouvelles pour le Logement* initiative that manages a stock of half-way housing facilities to help people along the path to social rein-
tegration.



Providing support

No. 1 financial partner of the social economy

With over 392,000 customers and loan outstandings of €4.7 billion, including new loans for €813 million in 2014, Groupe BPCE, the no. 1 banking partner of the social economy, is leveraging its ability to take action *via* partnerships. Results include subsidized loans for hospitals with the *Hôpital Avenir* funding envelope of the EIB⁽¹⁾, and for medical and social care facilities with the *Health and Loss of Independence program* of the CEB⁽²⁾. Both these loans are distributed by the Caisse d'Épargne.

Social and solidarity economy (SSE) companies can also receive quasi-equity from the French *Investments for the Future* program. Significantly, Crédit Coopératif, *via* Ecofi Investissements, and Natixis Asset Management are authorized to submit projects to the French Caisse des Dépôts, tasked with managing this national program. In 2014, Crédit Coopératif devoted more than 67% of its funding to SSE entities.

(1) European Investment Bank.

(2) Council of Europe Development Bank.

No. 1 banker for local authorities and the regional public sector

Groupe BPCE is also the no. 1 private bank for local authorities and regional public bodies, the largest contributors to social solidarity nationwide. Loan outstandings exceed €38 billion and the Group is pursuing an active expansion policy with subsidized funding envelopes from the EIB and ANRU⁽³⁾. As the leader in public-private partnerships (PPP), the Group works through its specialized PPP investment and development fund (FIDEPPP2) and enjoys Crédit Foncier's support for projects with a high real-estate content: hospitals, retirement homes, universities, high schools, sports and cultural facilities.

The Caisses d'Épargne also partner local authorities in more than 500 local public sector enterprises, mixed-economy companies and local public companies, notably in pursuit of urban renewal and development projects.

(3) Agence Nationale pour la Rénovation Urbaine, the French National Urban Renewal Agency.

French leader in solidarity and shared-return savings

In 1983, Crédit Coopératif launched Europe's first shared-return fund: *Faim et Développement*. In 1994, the Caisse d'Épargne launched the first solidarity mutual fund, *Insertion Emplois*, targeting social inclusion via employment. In 2014, Groupe BPCE received over half of all solidarity savings in France and currently manages €16.6 billion in socially responsible and solidarity investments with Mirova (voted the best European SRI⁽¹⁾ management company in 2014), Crédit Coopératif⁽²⁾, no. 1 for shared-return savings, and Palatine Asset Management with its SRI management since 2007.

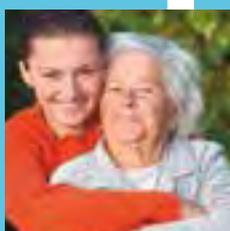
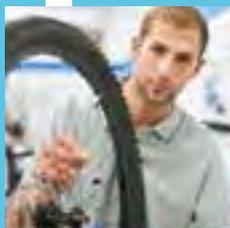
(1) Thomson Reuters-UKSIF 2014, no.1 in the "Leading Fund Management Firm Best at SRI/ESG" category.
(2) Via Ecofi Investissements.

No. 1 micro-credit banking operator

Banque Populaire and Caisse d'Épargne distribute almost one personal micro-loan out of two and more than one in three professional micro-loan. In 2014, the two retail networks granted over 15,000 micro-loans worth €104 million; they also grant top-up loans for entrepreneurs creating new companies or taking over existing ones under the NACRE scheme⁽³⁾ and provide unsecured "honour loans" backed by the Adie for refinancing purposes.

Banque Populaire is Adie's principal partner and, in 2014, focused its activity on young micro-entrepreneurs. It is also a major partner of *France Active* and *Initiative France*. The Caisse d'Épargne supports beneficiaries with the *Parcours Confiance* (confidence track) associations and the Créa-Sol micro-finance institute.

(3) *Nouvel Accompagnement pour la Création et la Reprise d'Entreprise*, or new support for business start-ups and takeovers.



Serving protected individuals

Almost 440,000 protected persons bank with the Caisse d'Épargne and Crédit Coopératif, which provide services specifically designed for them and their legally-appointed family or professional representatives.

Financial education

Almost one in three French people struggle to make ends meet every month⁽⁴⁾ and 223,000 cases of excessive indebtedness were recorded in 2014⁽⁵⁾. A good understanding of budgeting and financial affairs can make a major contribution to successful financial planning.

The Caisses d'Épargne set up the Finances & Pédagogie association in 1957 to provide financial education for the young, people in financial straits, professional and volunteer social workers. In 2014, Finances & Pédagogie held 2,682 courses to help 38,000 people, including 18,500 people receiving support from SSE organizations.

(4) LH2 2014 survey.
(5) Source: Bank of France.

Socially committed finance and crowdfunding

Thanks to its *Agir* account, the *Agir Fondations* or *Third Industrial Revolution* passbook savings accounts, Crédit Coopératif offers its customers alternative, socially committed banking opportunities allowing them to choose the type of project funded by their savings.

Crédit Coopératif has been involved in crowdfunding since 2008 with Babyloan, the leading platform for solidarity loans in France, and has supported its growth as a partner of the Financement Participatif France association and numerous other platforms: Spear, Arizuka, Wisseed, Lumo, etc. In 2014, the bank launched its own platform, *Agir&Co*, dedicated to supporting individuals involved in social solidarity projects.

Corporate philanthropy and foundations

Social solidarity also finds expression in the many activities supported by the Group's banks, their federations and foundations. In 2014, philanthropic contributions made by the Caisses d'Epargne and the Banque Populaire banks came to €29.5 million (€19.4 million for the Caisses d'Epargne and €10.1 million for the Banque Populaire banks). The Banque Populaire Foundation helps the talent and personal commitment of disabled people, young musicians, and creative craftsmen. Since it was set up in 1992, it has supported the projects of 246 musicians, 393 disabled people, and 15 creative craftsmen. The Caisses d'Epargne Foundation for Social Solidarity combats all forms of dependency due to age, infirmity or disability. As the leading private non-profit operator of care facilities and services for the dependent elderly, it manages 119 homes housing nearly 7,500 elderly residents and helps 12,000 people to continue living in their own homes.

Acknowledged as a public interest entity, it acts as an umbrella organization for nine other foundations set up by the Caisses d'Epargne in various regions. Since 1979, the Caisse d'Epargne has also been the long-standing sponsor of the Fondation Belem. For the past ten years, Natixis has been actively supporting the NGO Plan International and the Institut Pasteur in the fight against malaria. Natixis also supports the Gustave Roussy Foundation in a research program focused on customized cancer treatment and, more specifically, supports three research teams working on the proliferation mechanisms of cancerous cells.

Solidarity-based purchasing

With €12.4 million in 2014, Groupe BPCE has tripled its purchases from companies working with disabled workers since the launch of its structured PHARE initiative in 2010. Several services are associated with its banking activities, such as cleaning, recycling cash dispensers, and check video-encoding. In 2014, overall procurement represented the equivalent of 430 full-time jobs.



Socially committed shareholders and employees

Many cooperative shareholders of the Banque Populaire banks and Caisses d'Epargne are actively involved, alongside their bank, in public-minded, solidarity projects. The Group's workforce is also involved in initiatives ranging from solidarity sports commitments, helping entrepreneurs start new businesses or take over existing ones to sharing their skills or sponsoring underprivileged youngsters. Many employees devote their energies to causes supported by their entities that match their commitment, organize internal calls for projects or stage solidarity events for the benefit of associations.

Supporting research into the SSE

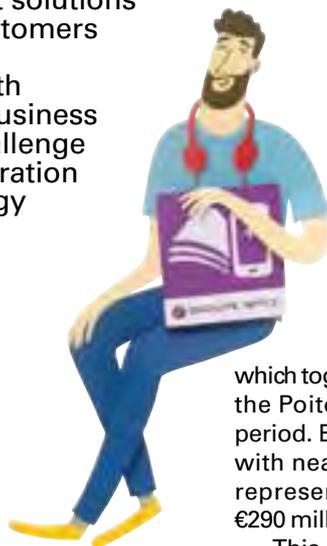
Improving our understanding of the social and solidarity economy, how it works, its governance and management in order to share best practices and to progress are the goals of the work sponsored by the Group and its entities. The Crédit Coopératif Foundation celebrated its 30th birthday this year and is working in partnership with ADDES⁽¹⁾, bringing together a host of researchers who publish their work in the "Social Economy Workbooks – Another way to do business"⁽²⁾. The Fédération Nationale des Banques Populaires supports chairs in micro-finance at the Audencia Nantes and ESC Dijon-Bourgogne business schools. The Fédération Nationale des Caisses d'Epargne is also active in this area with its support for Convergences 2015, which publishes the micro-finance barometer survey providing an annual summary of trends in the banking industry. SRI is the theme of the partnership between Cambridge University and Mirova. Finally, the Fédération Nationale des Banques Populaires and the Fédération Nationale des Caisses d'Epargne gave their support for the recently-created chair at the IAE Paris 1 Panthéon-Sorbonne graduate business school. Headed by Professor Philippe Dessertine, this chair is devoted to the management and governance of financial cooperatives.

(1) Association for the Development of Documentation on the Social Economy.

(2) *Cahiers de l'économie sociale – Entreprendre autrement.*

Green growth: welcome to the club!

A pioneer in eco-loans and leader in renewable energy financing, Groupe BPCE develops financing and investment solutions in green growth for all types of customers and for all types of projects. Launched in 2014, the Green Growth club brings together the Group's business experts in this area to meet the challenge of innovation and enhanced cooperation with a view to supporting the energy transition and green growth.



France should soon be adopting the law on the energy transition for green growth with a view to boosting the share of renewable energies in gross energy consumption to 32% by 2030, cutting final energy consumption by 50%⁽¹⁾ and slashing greenhouse gas emissions by a factor of 4⁽²⁾ by 2050. The aspiration to develop a lower carbon economy is a global trend to be confirmed by the 21st Climate Change Conference staged in Paris in 2015 (COP21). We offer a quick review of achievements and advances made by Groupe BPCE in 2014.

Major commitment to energy transition

In France, the Banque Populaire banks, Caisses d'Épargne, Banque Palatine, Crédit Coopératif and Natixis – with Natixis Energéco⁽³⁾ in particular – have funded thousands of thermal renovation and renewable energy projects and made a major contribution to energy transition in the process.

These initiatives represented a total of approximately €4.5 billion at the end of 2014, with certain projects pursued under the aegis of long-term partnership agreements with the regions. This is the case for the Caisse d'Épargne Aquitaine Poitou-Charentes and Banque Populaire Aquitaine Centre Atlantique,

which together won the call for projects launched by the Poitou-Charentes region for the 2014-2020 period. BPCE IOM is contributing to this dynamic with nearly 800 projects funded in eight years, representing more than 165 MW and loans of €290 million.

This expertise is recognized by the EIB, which works through Groupe BPCE in France to realize several energy transition-related programs by providing additional funding on favorable terms. In 2014, the Group joined a €250 million program to generate energy from biomass and to recycle waste. The EIB has launched its France Renewable Energies program providing €750 million between 2014 and 2016. The Banque Populaire banks, Caisses d'Épargne, Crédit Coopératif and Natixis have been tasked with selecting projects and structuring the financing, half of which is covered by EIB funds.

Energy-efficient buildings: innovative solutions

Buildings account for almost half of French energy consumption and are responsible for a large amount of greenhouse gas emissions. Thanks to the initiative of local banks, the Group pioneered the development of the first green real estate loans. A comprehensive range is now available within the Group that includes solutions offered by Crédit Foncier with *copro 100*, a loan granted to condominium associations to finance work on the common areas of their buildings, or loans for local authorities that include energy audits, or technical solutions and the financing of renovation sanctioned by energy savings certificates.

One of the challenges of real estate renovation is the successful coordination of financing with the other players in energy efficiency with, notably, the

What does Groupe BPCE finance in the area of energy transition?



local authorities and building professionals. Since 2012, the European Commission has entrusted Groupe BPCE with implementing the ELENA/KfW program, providing local authorities with the resources they need – with the help of local banks – to roll out solutions, including financing, for customers wanting to improve the energy efficiency of their accommodation. Innovative solutions⁽⁴⁾ implemented by the four Banque Populaire banks and Caisses d'Épargne involved in this initiative were instrumental in the Commission's decision to renew its commitment in 2014.

Sustainable transport: exemplary achievements

The transportation sector is the largest emitter of greenhouse gases in France, accounting for 27% of the total. The Group's banks are actively involved in financing public transport and green vehicles. The Caen urban area enjoyed a double success in 2014 with the funding of 40 high environmental performance buses enjoying a "French origin" guarantee. The Group is also a leader in public-private partnerships with instruments like the FIDEPPP investment fund. Future work includes the completion and operation of tramways like those in Reims or Dijon.

Leader in renewable energy financing

We should include in our review of financing operations in France the contribution made by Natixis to renewable energies in the international market. In 2014, Natixis was involved in nine major projects representing a total of 1,319 MW and €3.7 billion. This included the arrangement of the Gemini project, the largest funding operation for an offshore wind farm

ever signed for a total of €2.8 billion. This 600 MW wind farm off the Dutch coast should meet the needs of 785,000 homes, saving 1.25 million tons of CO₂. The operation was named "Power Deal of the Year" in Europe by the *Project Finance International*⁽⁵⁾ magazine.

Green bonds⁽⁶⁾ and dedicated funds

Energy infrastructure is an attractive asset class for investors, as testified by the fact that more than €30 billion in green bonds were issued in 2014. Natixis, which is extremely active in this market, supported the green bond⁽⁷⁾ issues launched by the EIB, the Île-de-France region, GDF Suez, and Abengoa for a total of nearly €4 billion.

Mirova, the asset management company dedicated to responsible investment belonging to Natixis Asset Management, includes nearly 20% of green bonds in its fixed income strategies. In 2014, it launched a third investment fund dedicated to renewable energy projects in Europe: Mirova Eurofideme 3, which has raised nearly €140 million, including €40 million provided by the EIB, for a target of €200 million.

In all, Groupe BPCE is currently backing 14.3 GW in managed renewable energy projects and has granted more than €4.5 billion in energy transition financing, plus €140 million in "green capital" and €4 billion in green bonds.

(1) Compared to 2012.

(2) Compared to 1990 with an intermediate reduction threshold of 40% in 2030.

(3) 27 projects representing a total of 380 MW for an aggregate €372 million.

(4) Proceedings of the Groupe BPCE symposium held on February 3, 2015 on the question: "Financing the energy transition: after the new law, what actions?" available from www.bpce.com.

(5) Thomson Reuters.

(6) Bonds intended to finance eco-friendly initiatives.

(7) Climate Bond Initiative association.