



NEWS RELEASE

Nov 20, 2015

R&I Assigns A/A-: BPCE S.A. Shelf Reg. for Senior/B3T2 Sub. Bonds

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: **BPCE S.A.**
Shelf Registration (Senior Bonds): A, Assigned (Preliminary)
Shelf Registration (Sub. Bonds): A-, Assigned (Preliminary)

RATIONALE:

Subordinated bonds to be issued under this shelf registration are considered to satisfy Basel 3 eligibility criteria (B3T2) because the relevant resolution authorities are able to apply the bail-in tool (loss absorption by shareholders, unsecured creditors, etc.).

The European Union adopted the Bank Recovery and Resolution Directive (BRRD) in 2014. The BRRD stipulates that resolution measures including the bail-in tool shall be applied only if all of the following conditions are met: (1) an institution is failing or is likely to fail, (2) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of the institution within a reasonable timeframe and (3) a resolution action is necessary in the public interest. The BRRD is basically in line with the Basel international agreement, and trigger levels for loss absorption are low, in R&I's view.

In France, the law on separation and regulation of banking activities (the SRAB law) was enacted in 2013, and resolution powers were granted to Autorite de Controle Prudentiel et de Resolution (ACPR). Moreover, the SRAB law was revised based on the BRRD. Consequently, R&I considers a standard notch down to be appropriate for French financial institutions.

R&I has assigned a preliminary rating of A to the shelf registration for senior bonds, and in accordance with the Rating Methodology "R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions, etc.", it has assigned a preliminary rating of A-, one notch below the Issuer Rating, to the shelf registration for subordinated bonds.

For the Issuer Rating, please refer to the press release dated June 24.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc.", "Depository Financial Institutions", "R&I's Analytical Approach to Financial Groups" and "R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions, etc." The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/cfp/about/methodology/index.html>

R&I RATINGS:

ISSUER: **BPCE S.A.**
Shelf Registration (Bonds)
ISSUE AMOUNT (mn): JPY 800,000
ISSUE PERIOD: From Nov 28, 2015 to Nov 27, 2017
RATING: **Senior Bonds: A, Assigned (Preliminary)**
Sub. Bonds: A-, Assigned (Preliminary)

BPCE S.A.
ISSUER RATING: A
RATING OUTLOOK: Stable

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A preliminary rating is assigned when a provisional credit rating is needed for an individual obligation on which final terms have not been determined. A credit rating finally assigned may differ from the preliminary rating depending on, among others, the details of the actual contract of the individual obligation.

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