



Social bond (Covid-19 focus)

04/06/2020

Arkéa Covid-19 social bond

Rationale

► Responsible development is at the heart of the Group's strategy

- The Arkéa group is a cooperative enterprise that is part of its local environment
- It has a very strong impact on the regions in which it operates and a special responsibility to all those who contribute to its development. This responsibility translates into supporting its customers, partners and territories in societal and environmental transitions
- It is through its financing and investments that the Group has the most leverage to support the success of these transitions

► The current coronavirus epidemic could have lasting social and economic impacts

- The severe effects of the pandemic in France require a response from the most relevant actors within the economy
- In this context, Arkéa decided to contribute to the effort by using its Social Bond Framework to finance and refinance eligible loans, which will help fight the consequences of the Covid-19 epidemic

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Structure (1/2)

► USE OF PROCEEDS

- Basis: **“Arkea Green, Social & Sustainability Bond Framework”** dated September 2019 & **Vigeo Eiris Second party opinion** dated August 2019
- The net proceeds of this social bond will be allocated to **financing and/or refinancing eligible loans** originated in France by Arkéa and/or its subsidiaries **falling within the eligible social loan categories**
- **Larger attention** will be given to the two following categories:

1. **Territorial economic development:** Loans dedicated to the financing of territorial economic development activities of SMEs



2. **Health & Care:** Loans to finance healthcare centres including public hospitals and medical-social centres



- **Social housing and Education** loans may also be considered

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Structure (2/2)

► PROCESS FOR PROJECT EVALUATION & SELECTION

The Sustainable bond Committee oversees the evaluation and selection process:

- Screening of potential Eligible loans by different business divisions
- Selection of Eligible Loans to be included in a dedicated Eligible Loan Portfolio composed of a pool of Eligible Social assets/projects to be financed or refinanced by Arkéa Social Bonds
- Monitoring of the portfolio: dynamic management of the portfolio with the goal of ensuring the existence of sufficient pool of Eligible Loans.

► MANAGEMENT OF PROCEEDS

- Arkéa will establish an internal tracking in its information systems to facilitate the monitoring of the allocation process
- Pending full allocation of the proceeds to Eligible Loans, Arkéa commits to hold the balance of unallocated proceeds within the Group's Treasury, invested in cash, cash equivalent or other money market products

► REPORTING

- Arkéa commits to publish both an allocation and an impact reporting a year after the issuance of the social bond and annually thereafter until full allocation of the proceeds
- The allocation reporting will be externally audited

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The consolidated financial statements for the year ended December 31, 2019 were approved by the Board of Directors of the Company on March 3, 2020, and have been the subject of audit reports by the Company's statutory auditors.

In this presentation, revenues represent net banking and insurance income including gains on disposal or dilution in investments in associates, which amount to €205 M, of which €194 M relate to the gain on the sale of the shareholding in the Primonial group.



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