

bpifrance

SERVIR L'AVENIR*

Debt Investors Presentation
Bpifrance Financement, Bond Issuer

January 2017

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Executive summary

- **French public bank dedicated to promoting the financing and development of companies operating in France, and in particular of SMEs**
 - General interest missions defined by law
 - Highly protected legal status and strong control by public authorities
 - Strongest possible ownership in France (50% by the French State / 50% by the Caisse des Dépôts)
- **Fully regulated by the European Central Bank (ECB) and duly supervised by the Financial Markets Authority (AMF)**
 - Bpifrance Group's fully-loaded Basel 3 CET1 ratio: 33,2% as at 30/06/2016
→ Strong capitalisation, well above minimum regulatory requirements
- **EPIC Bpifrance and Caisse des Dépôts (CDC) ratings considered by Moody's and Fitch as aligned with those of French Government**
 - Aa2 (stable) / P1 by Moody's; AA (stable) / F1+ by Fitch Ratings
- **Bpifrance Financement's debt issued both under EPIC Bpifrance's guarantee and ECB's State Agency classification**
 - HQLA level 1
 - Agency haircut with ECB
 - Eligible for the ECB's Public Sector Purchase Programme (PSPP)
- **2016 stress test performed by the EBA¹ and the ECB confirms Bpifrance's financial strength**
 - In the adverse stress scenario, the Group's phased-in CET1 ratio would stand at 24,8% at end-2018, well above its regulatory requirements

Bpifrance, a public investment bank, is the trusted partner to entrepreneurs, banks and investors

Strongly supported by the French State

- Set up by law on 12th July 2013, Bpifrance is:

- “A public group aiming at financing and developing companies, and acting in accordance with the public policies conducted both by the State and regional authorities”¹

Legal entity structure

- Bpifrance is a financial company:

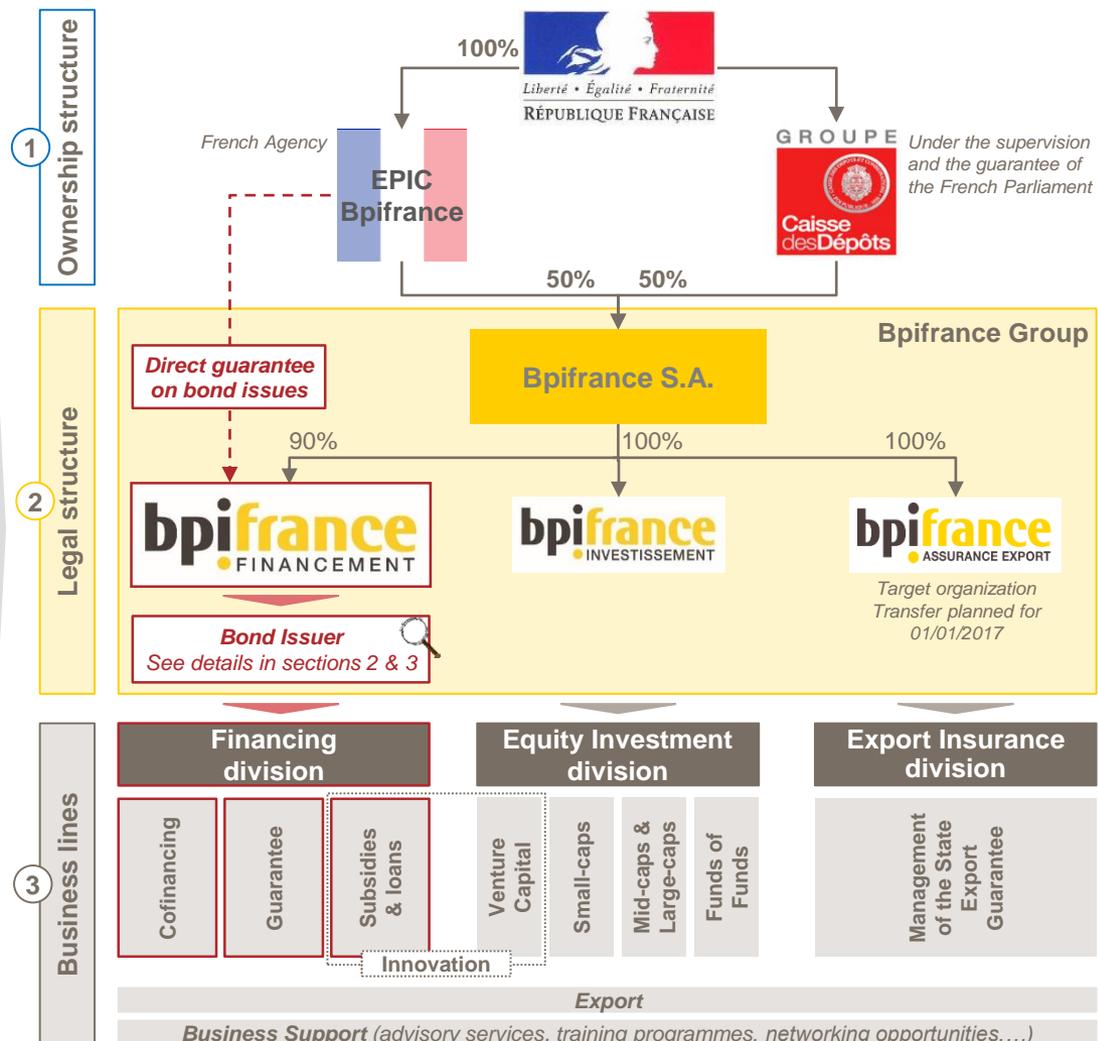
- 1 Held on a 50/50 basis by the French State and the Caisse des Dépôts
- 2 Structured around:
 - A bank (Bpifrance Financement)²
 - A holding company (Bpifrance Participations) and an asset management company (Bpifrance Investissement)³
 - An export credit agency (Bpifrance Assurance Export)⁴

Organizational structure

- Bpifrance is organised around:

- 3
 - Three separate primary divisions
 - 6 business lines and 2 transversal priorities

- Strict compartmentalization of financial resources between the business lines



1. Article 1 of Act No. 2012-1559 dated 31 December 2012 on the creation of Bpifrance: <http://www.legifrance.gouv.fr/eli/loi/2012/12/31/2012-1559/lo/texte>

2. Bpifrance Financement is 10%-owned by commercial banks / 3. Bpifrance Participations is 100%-owned by Bpifrance S.A. and Bpifrance Investissement is 100%-owned by Bpifrance Participations / 4. Target organization: the transfer of the French export credit agency is planned for 01/01/2017. See details in appendix 2

EPIC Bpifrance benefits from highly protected legal status

EPIC Status

Applicable to Bpifrance

1. Set up by a specific Law or Decree

- Law required for the creation of a new category of EPIC
- Decree for an EPIC belonging to an existing category

- The **missions and organization of the EPIC Bpifrance are defined under Act 2005-722 dated 29 June 2005**, as amended and ratified, and which referred to (i) the creation of the EPIC and (ii) the transformation of the National Agency for Research Promotion (ANVAR) from a public corporation into a limited company. This Act, together with Act 2013-529 of 21 June 2013 and Act 2012-1559 of 31 December 2012, confirm the creation of Bpifrance.

2. General interest missions defined by the law

- With a **specific object (specialty principle)**
- With some **public law prerogatives**

- To promote and support innovation, most notably technological, and to contribute to technology transfer
- To promote the development and financing of small and medium-sized enterprises

3. Strong controls by public authorities

- **Members of the Board of Directors appointed in whole or in part by public authorities**
- **Supervision by public authorities**
- **Control of the accounts by the “Court of Auditors”²**

- The 6 members of EPIC Bpifrance’s Board of directors **are appointed by the State**
- The **Government Commissioner has the power to veto** some decisions of the Board of Directors
- The EPIC Bpifrance is **under the supervision of both the Ministry for the Economy, Industry and Employment, and the Ministry for Higher Education and Research**

4. Implicit but automatic guarantee of the State

- **No recovery or judicial liquidation proceedings for an EPIC**
- If an EPIC is unable to comply with its obligations, **the State is legally bound to fulfill them**
- **Solvency is protected by Law³**

- EPIC Bpifrance is **one of the rare EPICs to be classified as a central government body or ODAC (Organisme Divers d’Administration Centrale) like an EPA (Etablissement Public d’Administration), which means that its debt is consolidated with that of the State (under Maastricht’s Rules)**
- Bpifrance Financement SA benefits, as a subsidiary, **from an explicit guarantee from EPIC Bpifrance for its bond issues. And, likewise, Bpifrance benefits from an implicit guarantee from the State**

5. Transformation or dissolution only possible by law (Act or Decree)

- The June 2005 Act was amended in 2010 and 2012 to stipulate the missions and governance of Bpifrance, and to give specific empowerment to State representatives being members of the Board



Permanence of Bpifrance’s Legal Status as a Public Institution

EPIC Bpifrance benefits from high quality ratings

MOODY'S > Aa2 (Stable) / P1

Rationale:

- **Intrinsic operational and financial ties with the French State**
 - High level of government involvement in its business plan and budget
 - Essential role in the development and implementation of government policies favoring companies
 - Public establishment with specific legal status
- **EPIC Bpifrance is not subject to liquidation laws thanks to its legal status of EPIC**
- **Given Bpifrance's important role in government policy concerning SMEs, the French State would timely, in case of stress, extend its support at Bpifrance Financement**

"From a credit-risk profile perspective, Moody's considers CDC and Bpifrance to be intrinsically tied to the French State through their operational and financial ties with the government. As such, CDC's deposit and senior debt ratings and Bpifrance's issuer rating derive from the application of a credit-substitution approach, whereby their ratings are aligned with those of the French government."

Rationale on Bpifrance Financement bonds programmes:

"The rating reflects the unconditional and irrevocable guarantee from EPIC Bpifrance for full and timely payments under this Programme."

FitchRatings > AA (Stable) / F1+

Rationale:

- **EPIC Bpifrance is strongly supported by the French government**
 - Its missions are defined by the French government
 - Benefits from a strong administrative, legal and financial oversight
 - Strong probability of support from the French State, given its legal status
- **EPIC Bpifrance's asset and liabilities cannot be liquidated or transferred to entities other than the French State thanks to its legal status**
- **Bpifrance is a strategic tool for French economic policy**

"The ratings are aligned with those of the French State due to expected very strong support in case of need, strong oversight from the state government and its strategic role in government policy concerning SMEs."

Rationale on Bpifrance Financement bonds programmes:

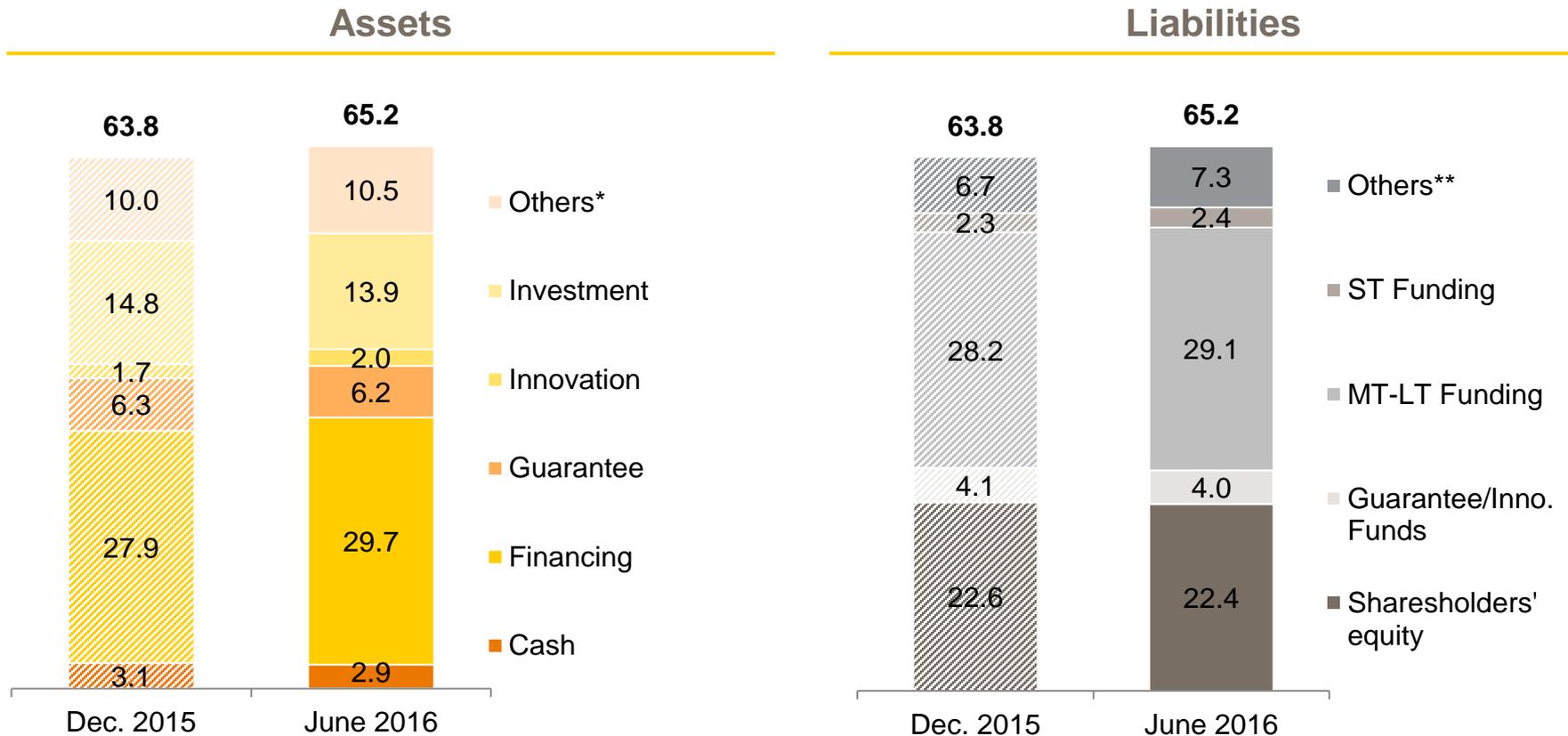
"The bonds issued under these programmes benefit from an unconditional and irrevocable first-call guarantee from EPIC Bpifrance."



The rating agencies assess Epic Bpifrance as a government-related issuer, credit-linked to the French State

Bpifrance has a rock-solid balance sheet

Bpifrance S.A.: consolidated balance sheet (€bn)



Bpifrance is a sound bank

● Solvency

● Basel 3 CET1 ratio as at 30/06/2016:

- S.A.:
 - Phased-in: 31,9 %
 - Fully-loaded: 33,2%
- Financement:
 - Phased-in: 9,1%
 - Fully-loaded: 9,1%

● Pillar 2 requirements as of 2017¹:

- S.A.:
 - Phased-in CET 1 ratio: 7%²
 - Phased-in Total capital ratio: 10,50%
- Financement:
 - Phased-in CET 1 ratio: 7,25%³
 - Phased-in Total capital ratio: 10,75%

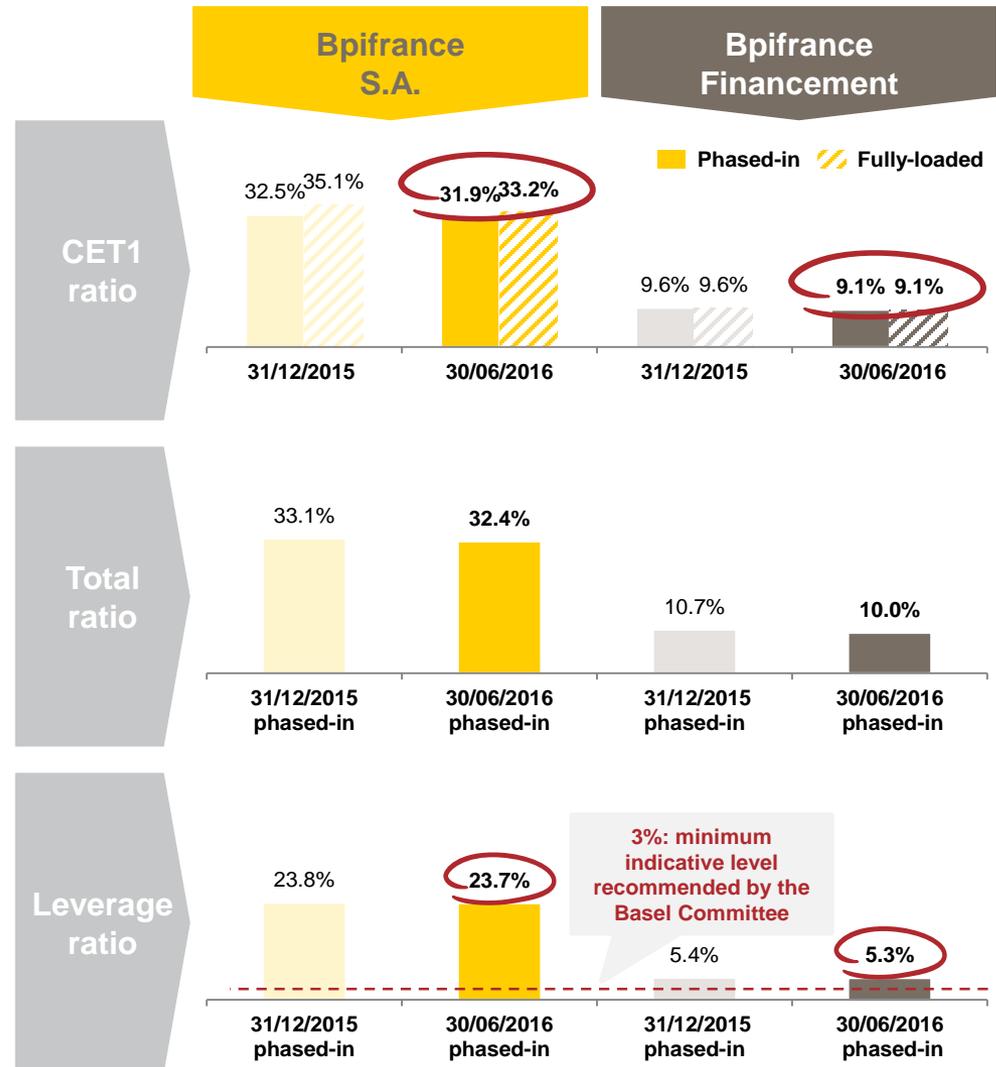
● Phased-in Basel 3 leverage ratio as at 30/06/2016:

- S.A.: 23,7%
- Financement: 5,3%

● Liquidity

● Liquidity Coverage Ratio as at 30/06/2016:

- S.A.: 680%
- Financement: 573%



1. As communicated by the ECB following the outcome of the 2016 Supervisory Review and Evaluation Process (SREP)

2. Including 1,25% for the Conservation buffer and 1,25% for the Pillar 2 requirement (P2R) / excluding the Pillar 2 guidance (P2G), which is not public

3. Including 1,25% for the Conservation buffer and 1,50% for the Pillar 2 requirement (P2R) / excluding the Pillar 2 guidance (P2G), which is not public

Bpifrance is an accountable bank

● “Bpifrance will take on its economic, social and environmental responsibilities”

(Excerpt from its Corporate Social Responsibility Charter passed by the Board of Directors in April 2014)

Bpifrance...

... fulfills its general mission of economic interest: “to serve the future and promote sustainable development”...

... by offering companies in France better access to financing, bearing in mind:

- **Its social components:** job creation, health, occupational security schemes, personal development, due regard for social dialogue
- **Its environmental components:** environmental friendliness, sustainable use of natural resources, environmental impact management

... focuses on 4 priorities to implement its Corporate Social Responsibility policy

- **Employment** (particularly for the young)
- **Environmental and energy transition¹**
- The quality of **corporate governance and management**
- **Female entrepreneurship** promotion

... takes into account the social and environmental impacts on...

- ... its own operations: “**Internal CSR**”
- ... its own activities: “**Responsible Investment and Financing**”

(see details in Appendix)

and participates in market initiatives

- **Signatory of the UN Principles for Responsible Investment**
- **Active member of AFIC’s ESG Commission** (AFIC, French Investors Association for Growth)
- **Active member of the Finance Club of the CSR Observatory**



Annual CSR Reports since 2013

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General framework of our bond issues

Issuer	<ul style="list-style-type: none"> Bpifrance Financement
Guarantor	<ul style="list-style-type: none"> EPIC Bpifrance
Bloomberg ticker	<ul style="list-style-type: none"> OSEOFI + Gouv (F2)
Status	<ul style="list-style-type: none"> Senior Unsecured, Agency (Category II)
Rating	<ul style="list-style-type: none"> Aa2 (stable) by Moody's AA (stable) by Fitch
Guarantee	<ul style="list-style-type: none"> Autonomous, unconditional, irrevocable and first-demand
Maturity	<ul style="list-style-type: none"> TBC
Amount	<ul style="list-style-type: none"> Benchmark size
Liquidity	<ul style="list-style-type: none"> HQLA Level 1 eligible under the Delegated Act on the LCR PSPP eligible under ECB Programme
Permanent dealers	<ul style="list-style-type: none"> HSBC (Arranger), BNP Paribas, Crédit Agricole CIB, Natixis
Legal Framework	<ul style="list-style-type: none"> French Law
Listing	<ul style="list-style-type: none"> Paris

Funding strategy

Refinancing Strategy in the long run

- A **diversified** and a **long-term oriented refinancing structure**
 - Medium and long-term refinancing mainly on capital markets and through bilateral loans
 - Repo operations on French Govies as part of operations to hedge the rate position
 - Short-term refinancing (Certificates of deposit) mainly used as liquidity management and to ensure a continuing presence on capital markets

Main Funding Channels

- **EMTN Programme: €20 bn**
 - Mainly benchmarks but also private placements
- **BMTN Programme: €4 bn**
 - Launched in 2014
- **CD Programme: €4 bn**
 - Labelled STEP under ID 2685

→ Ratings:

	Moody's	Fitch Ratings
Long-term ratings	AA2	AA
Outlook/Review	Stable	Stable
Short-term ratings	P-1	F1+

→ Bonds' liquidity:

- HQLA level 1
- Agency haircut with ECB
- Eligible for the ECB's Public Sector Purchase Programme (PSPP)

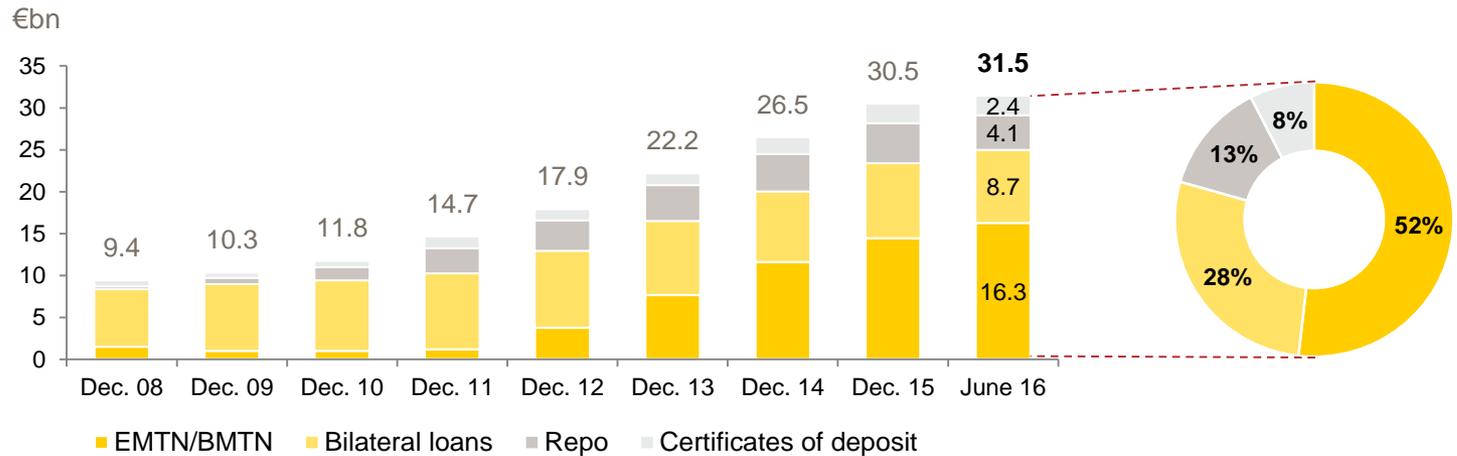
“Autonomous, unconditional and irrevocable first-demand guarantee of EPIC Bpifrance”¹

- **Bilateral Loans**
 - Long-term partnerships with CDC and other public institutions (EIB, KfW, CEB...)
 - Access to ECB instruments
- **Repo backed by French Govies**

A diversified and a long-term oriented refinancing structure

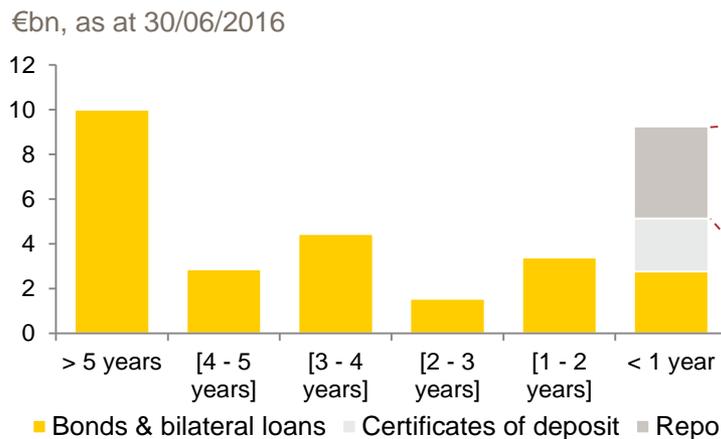
Breakdown by Instrument Type

An increasing and more diverse refinancing structure to support business growth

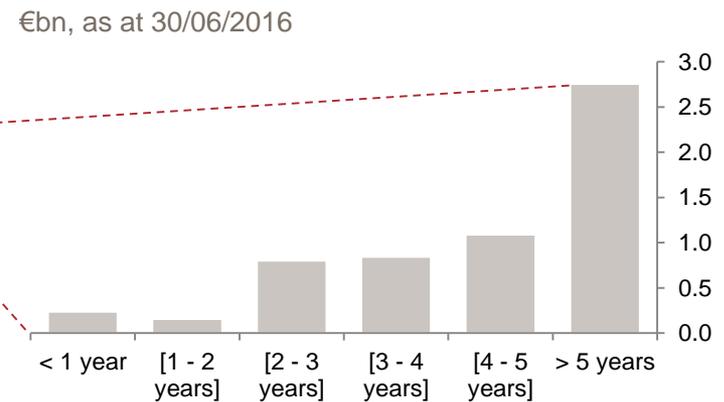


Breakdown by Remaining Maturity

Refinancing breakdown



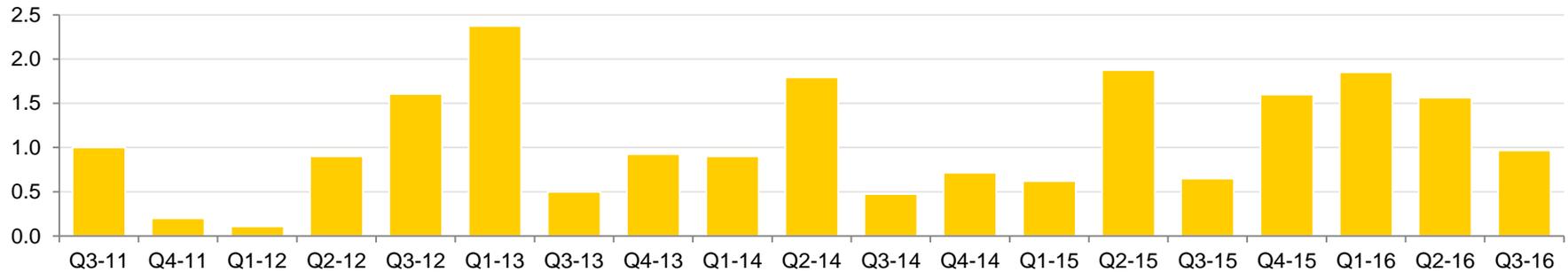
Govies portfolio breakdown



Bond issues under the EMTN/BMTN programmes

A demonstrated ability to access diversified market fundings

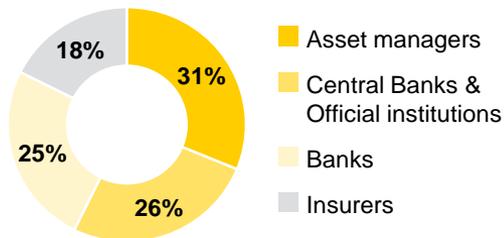
Bond issues since 2011 (€ bn)



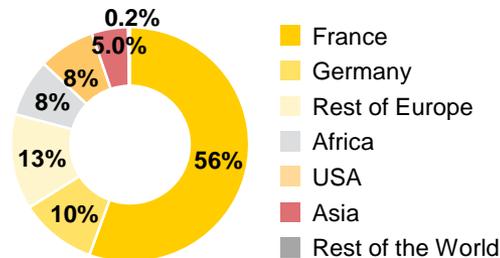
→ A continuing presence on capital markets

Bond outstandings breakdown (as of Sept. 2016)

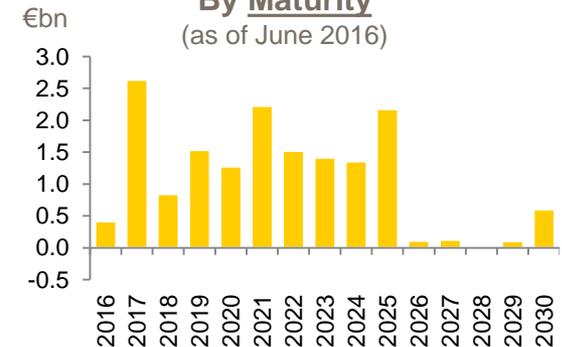
By Investor type



By Geographical area



By Maturity



→ A growing interest among international investors: ~200 investors in ~30 countries

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 - **Business Model**
 - **Financials**
 - **Risk Management**
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The mission of Bpifrance Financement is to finance and stimulate French SMEs' growth and innovation

Public Bank dedicated to financing French companies, from Entrepreneurs to MidCaps

- **3 broad categories of products:**
 - **Cofinancing loans:** partnership with commercial banks and financial institutions for business investments and operations
 - **Guarantees:** risk-sharing in support of bank financing and private equity investments
 - **Soft loans for innovation:** provide financing and expertise to companies with innovative, technology-based, business-focused projects
- **A bank driven by solvency and liquidity:**
 - Conservative risk management
 - Resilient financial performance

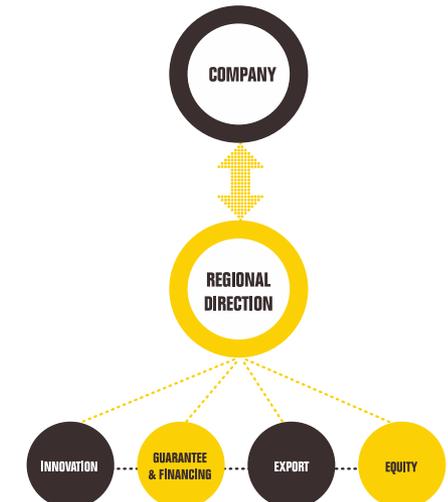
A well-established network in the heart of French Regions

- **47 regional offices**
- **Staff: ~2,300**
- **Bpifrance works in cooperation with regional authorities**, to develop financial solutions adapted to territorial specificities



Close relationship between companies and regional offices

- **90% of decisions taken at regional offices**
- **Single point of contact**, in every region:
 - An innovation officer
 - A guarantee and finance officer
 - One or more Business France and Coface officers
 - An equity investment officer



3 Business lines

Bpifrance Financement offers financing solutions suited for every stage of business development* in partnership with banks

Business lines	Cofinancing	Guarantee	Innovation
Business Model	<ul style="list-style-type: none"> ● Loans <ul style="list-style-type: none"> ● Pari-passu with banks ● + Specific unsecured loans¹ 	<ul style="list-style-type: none"> ● Guarantees provided to banks on loans to SMEs <ul style="list-style-type: none"> ● Risk sharing 40-70% 	<ul style="list-style-type: none"> ● Subsidies ● Repayable advances² ● Loans
	Risk Sharing & Partnership with Commercial Banks		Public allocations
2015 Key Figures	<ul style="list-style-type: none"> ● €6,1 bn loans³ <ul style="list-style-type: none"> ● ~6,300 SMEs financed ● €5,0 bn ST financing⁴ 	<ul style="list-style-type: none"> ● €3,7 bn risks⁵ ● €8 bn loans ● ~60,400 SMEs financed 	<ul style="list-style-type: none"> ● €1,0 bn Innovation aids ● €0,3 bn loans ● ~5,350 SMEs financed
H1 2016 Key Figures	<ul style="list-style-type: none"> ● €3,1 bn loans⁶ <ul style="list-style-type: none"> ● ~3,300 SMEs financed ● €4,8 bn ST financing⁷ 	<ul style="list-style-type: none"> ● €1,8 bn risks⁵ ● €3,9 bn loans ● ~27,700 SMEs financed 	<ul style="list-style-type: none"> ● €0,5 bn Innovation aids ● €0,2 bn loans ● ~3,150 SMEs financed

*. Creation, development, external growth, innovation, international expansion, buy-out

1. With public guarantee backing

2. Redeemable in case of success

3. Investment Cofinancing: €4.1 bn and Development loans: €2.0 bn

4. o.w CICE (The Competitiveness and Employment Tax Credit): €1.4 bn (new authorisations only)

5. Excluding internal guarantee

6. Investment Cofinancing: €2.0 bn and Development loans: €1.1 bn

7. o.w CICE: €0.8 bn (new authorisations only)

3 Business lines

A strict liquidity containment policy by business line

- Summary Balance Sheet (as at 30 June 2016; €bn)

Business lines	Assets	Liabilities		
Cofinancing	● Customer credit	29,7	● MLT financial resources	25,0
	● Portfolio of securities ¹	6,2	● ST financial resources ²	7,0
	● Fixed assets & others	3,7	● Commercial resources	0,8
			● Equity & other liabilities	6,8
	39,6		39,6	
Guarantee	● Portfolio of securities/deposits ³	5,3	● Guarantee allocations	5,6
	● Allocations to be received	0,0		
	● Cash & short-term instruments	0,2		
		5,6		5,6
Innovation	● Repayable advances	1,7	● Intervention allocations	1,6
	● Liquidity reserve	(0,1)		
		1,6		1,6
Total	∑ = 46,8	∑ = 46,8		

1. 95% of French Treasury Bonds (OAT)
 2. Including REPOS on securities portfolio
 3. With the AFT (Agence France Trésor)

Key financials

A good operating performance & a solid risk profile

Bpifrance Financement: Income Statement

€m	2013	2014	2015	H1-16
Net banking income	481	550	615	324
• o.w. Cofinancing	345	439	500	261
• o.w. Guarantee	84	91	93	49
• o.w. Innovation	51	20	22	14
Operating expenses	(297)	(331)	(355)	(209)
Cost of risk	(76)	(58)	(72)	(54)
• o.w. Specific prov.	(39)	(25)	(36)	(23)
• o.w. Collective prov.	(36)	(32)	(36)	(31)
Operating Income	144	161	187	60
Net Income	60	103	119	33
C/I ratio	62%	60%	58%	61%⁷
CoR / outstandings	38 bps	24 bps	25 bps	21 bps⁸
• o.w. Specific prov.	20 bps	10 bps	12 bps	9 bps⁸
RoE	2,2%	3,6%	3,7%	3,7%⁸
RoE Cofinancing	nd.	6,7%	6,7%	nd.

Bpifrance Financement: Balance Sheet

€m	Dec. 13	Dec. 14	Dec. 15	June-16
Total balance sheet	€34,7 bn	€40,2 bn	€44,6 bn	€46,0 bn
Loan outstanding	€19,7 bn-	€24,5 bn	€29,0 bn	€30,6 bn
Solvability				
CET1 ratio¹	9,5%	9,1%	9,6%	9,1%
Total ratio²	12,9%	11,0%	10,7%	10,0%
Leverage ratio²	-	5,2%	5,4%	5,3%
Shareholders' equity³	2,712	2,835	3,242	3,268
Equity buffers				
• Fair value of public guarantee funds	2,297	2,332	3,289⁴	3,117⁴
• Ex-ante reserves ⁵	533	595	651	697
Liquidity				
LCR⁶	575%	600%	349%	573%
NSFR estimate	136%	127%	121%	122%

1. Fully loaded Basel 3; *pro forma* estimate as of Dec. 13 / 2. Phased-in; nota bene: Fully loaded Basel 3 Total ratio = Fully loaded Basel 3 CET1 ratio

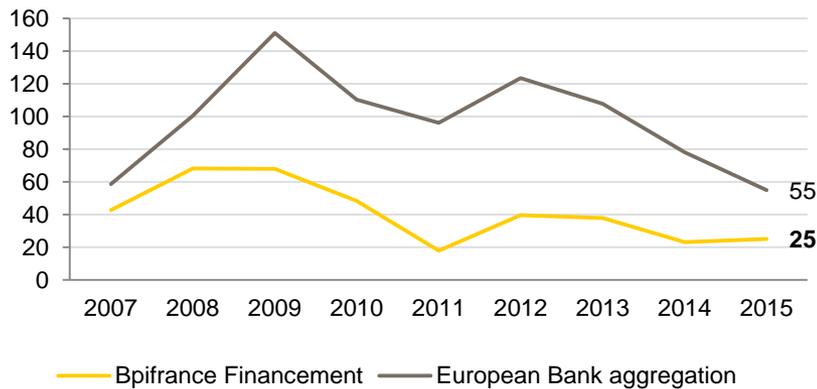
3. Group Share / 4. o.w. €1,360 m of reserve and mutual funds / 5. Collective reserves / 6. Estimate as of Dec. 13 and Dec. 14 / 7. Excl. non recurring items

8. Over a rolling two-half period

A sound risk profile and a low earnings volatility over time

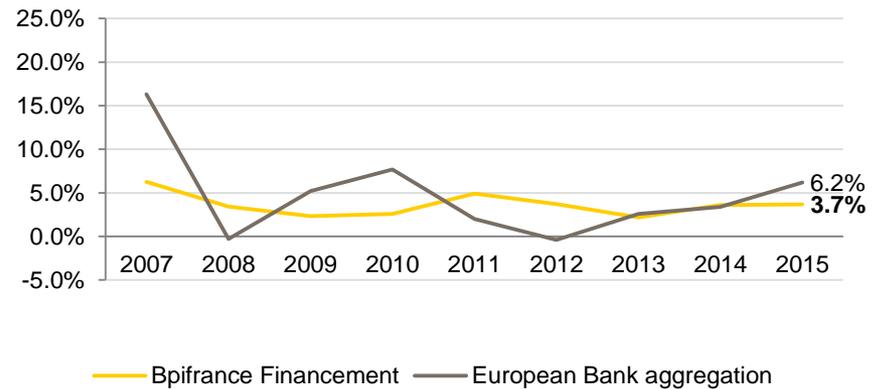
Bpifrance Financement: a sound risk profile

> Cost of Risk / Outstandings (in bps, annualised)

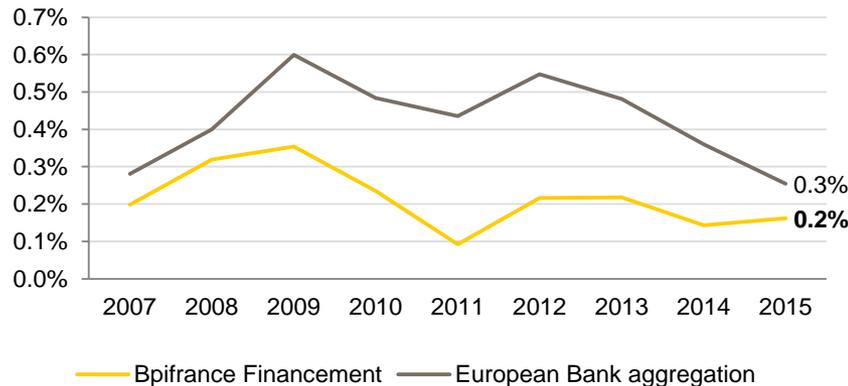


Bpifrance Financement: a strong earnings stability

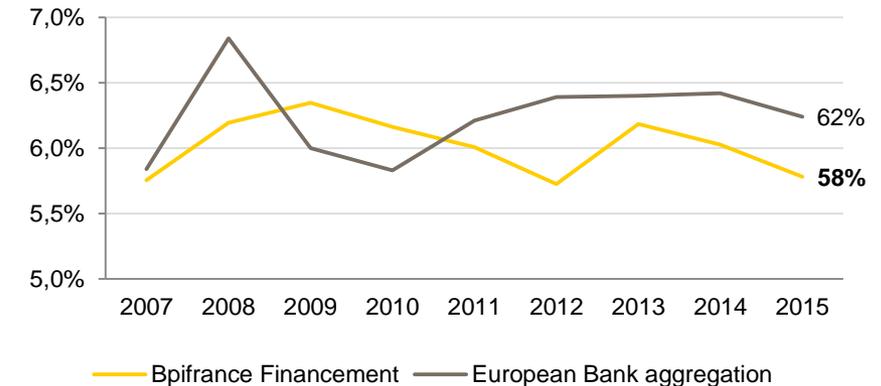
> RoE



> Cost of Risk / Total Assets



> Cost / Income ratio

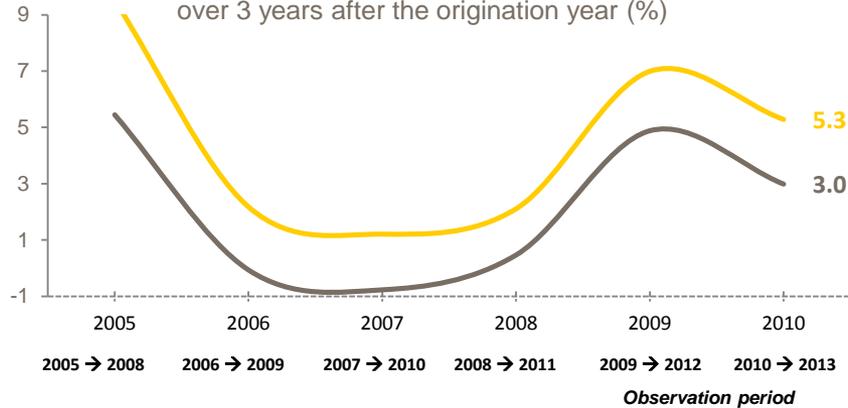


A significant economic impact

— Companies assisted by Bpifrance
 — Non-assisted comparable companies

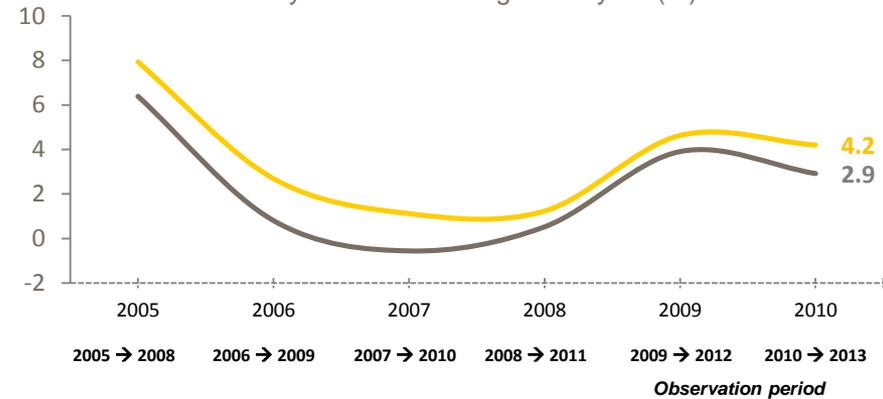
Development programmes¹

Turnover average annual growth rate over 3 years after the origination year (%)



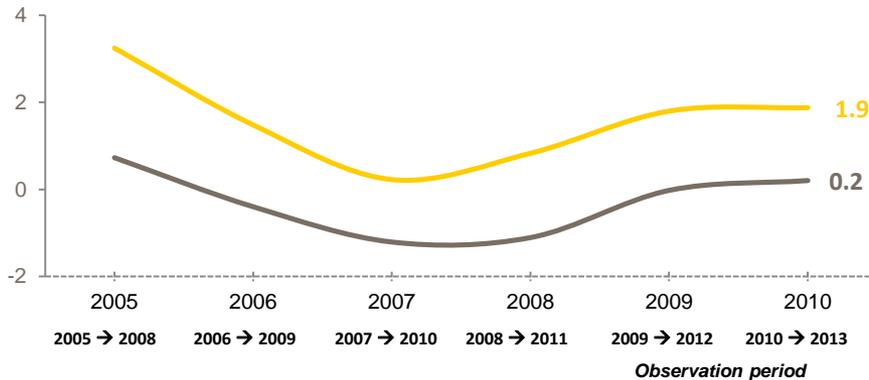
Short-term programmes²

Turnover average annual growth rate over 3 years after the origination year (%)



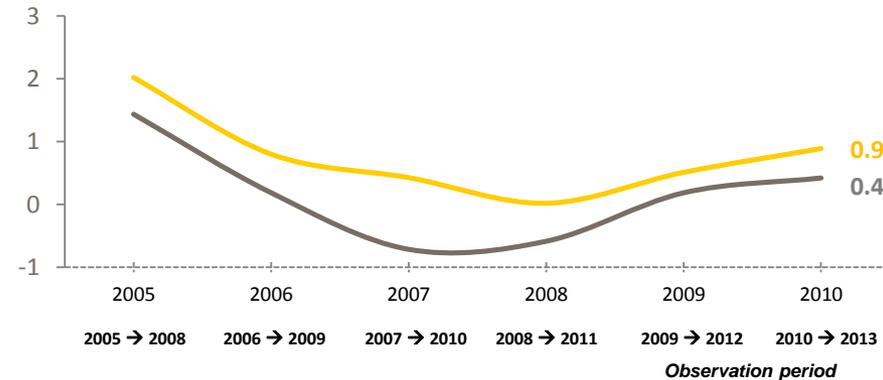
Development programmes

Employment average annual growth rate over 3 years after the origination year (%)



Short-term programmes

Employment average annual growth rate over 3 years after the origination year (%)



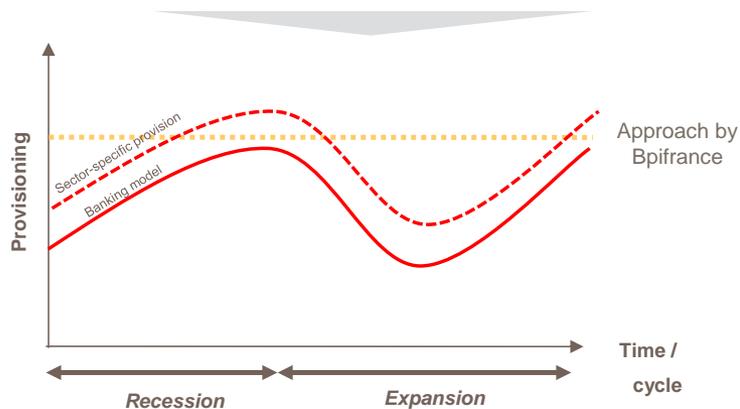
1. Development programmes refer to firms benefitting from investment loans (credit, leasing, unguaranteed loans), guarantees on mid-long term loans, innovation aids or equity funding / 2. Short-term programmes refer to firms benefitting from CICE (The Competitiveness and Employment Tax Credit) prefinancing, trade receivable financing or guarantees on short-term credits
 Source: Bpifrance Assessment and Studies Department

Credit risk management

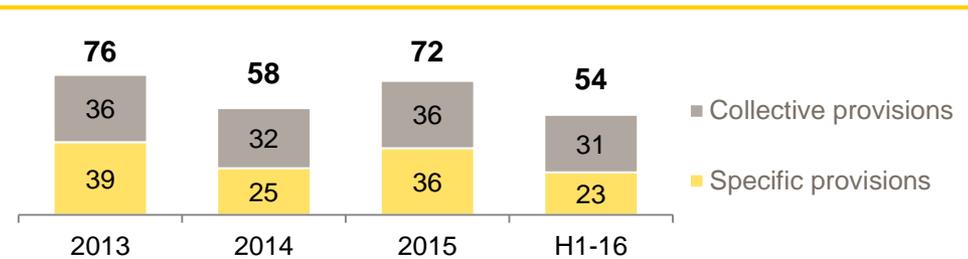
Low cost of risk proves the good quality of the loan portfolio

Through the cycle dynamic provisioning

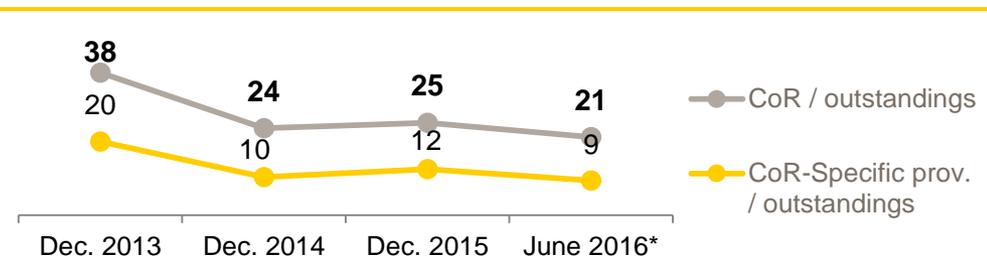
- **Objective:**
 - Uncoupling the shareholders' equity requirement from temporary variations in risk levels
- **Means:**
 - Dynamic loans provisioning able to cope with all the credit losses of a downturn
- **Constraint:**
 - For the guarantee activity and the innovation activity, the collective ex ante provisions are made with State allocation; for the cofinancing activity, the collective ex ante provisions are made with the results



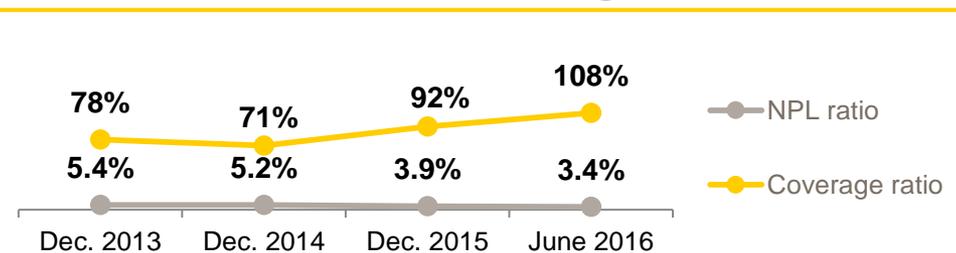
Cost of risk (€m)



Cost of risk / outstandings (bps)



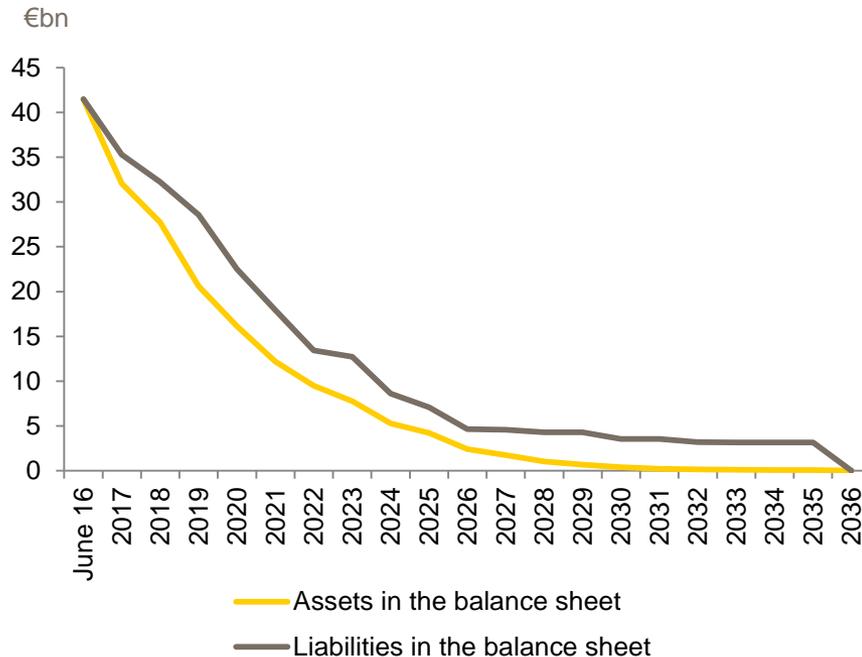
NPL ratio¹ & coverage ratio²



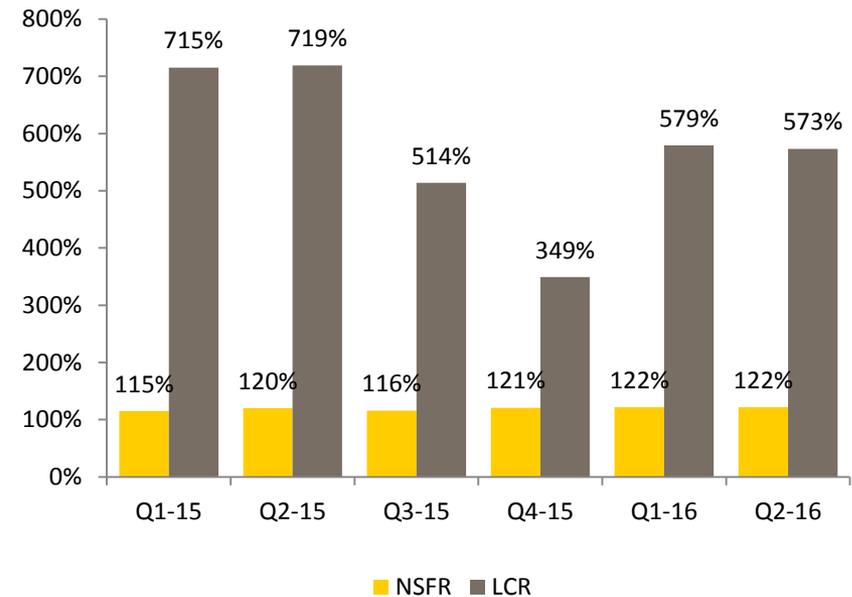
Liquidity risk management

Sound liquidity positions

Bpifrance Financement: Asset-Liability run-off



Bpifrance Financement: Liquidity ratios

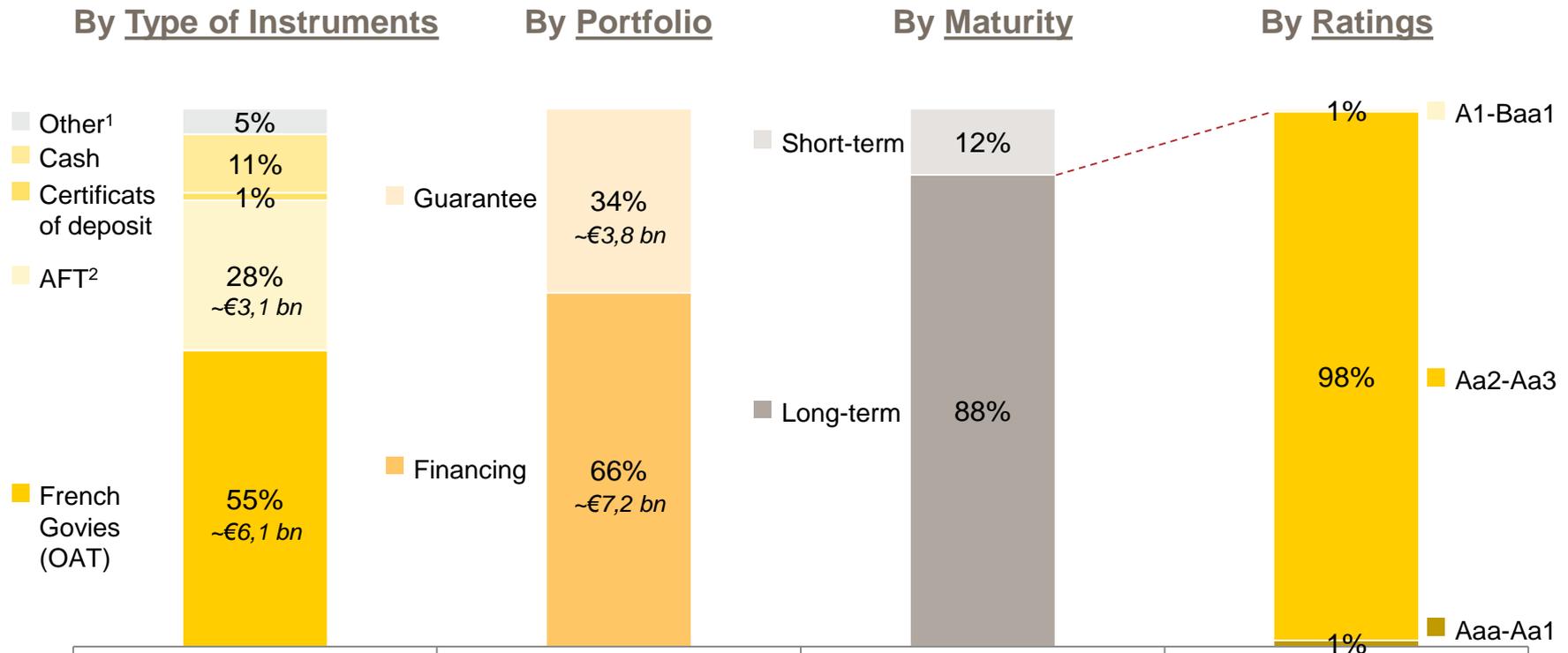


- Bpifrance Financement follows a strict liquidity containment policy by line of business. A funding gap is monitored for financing activities
- Nevertheless, the portfolio of guarantee funds is a source of mobilizable liquid assets
- Note: as enforced by its legal status, no cross-financing is allowed between Bpifrance Financement and Bpifrance Participations, the equity investment arm of Bpifrance

Treasury portfolio risk management

A conservative counterparty risk management

Breakdown of Investment Portfolio: €11,0 bn (as of Sept. 2016)



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● Websites

- www.bpifrance.fr
- www.bpifrance.fr/Investors-Center

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- [@Bpifrance](https://twitter.com/Bpifrance)

● LinkedIn profile:

- www.linkedin.com/company/bpifrance

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94 710 Maisons-Alfort Cedex
France

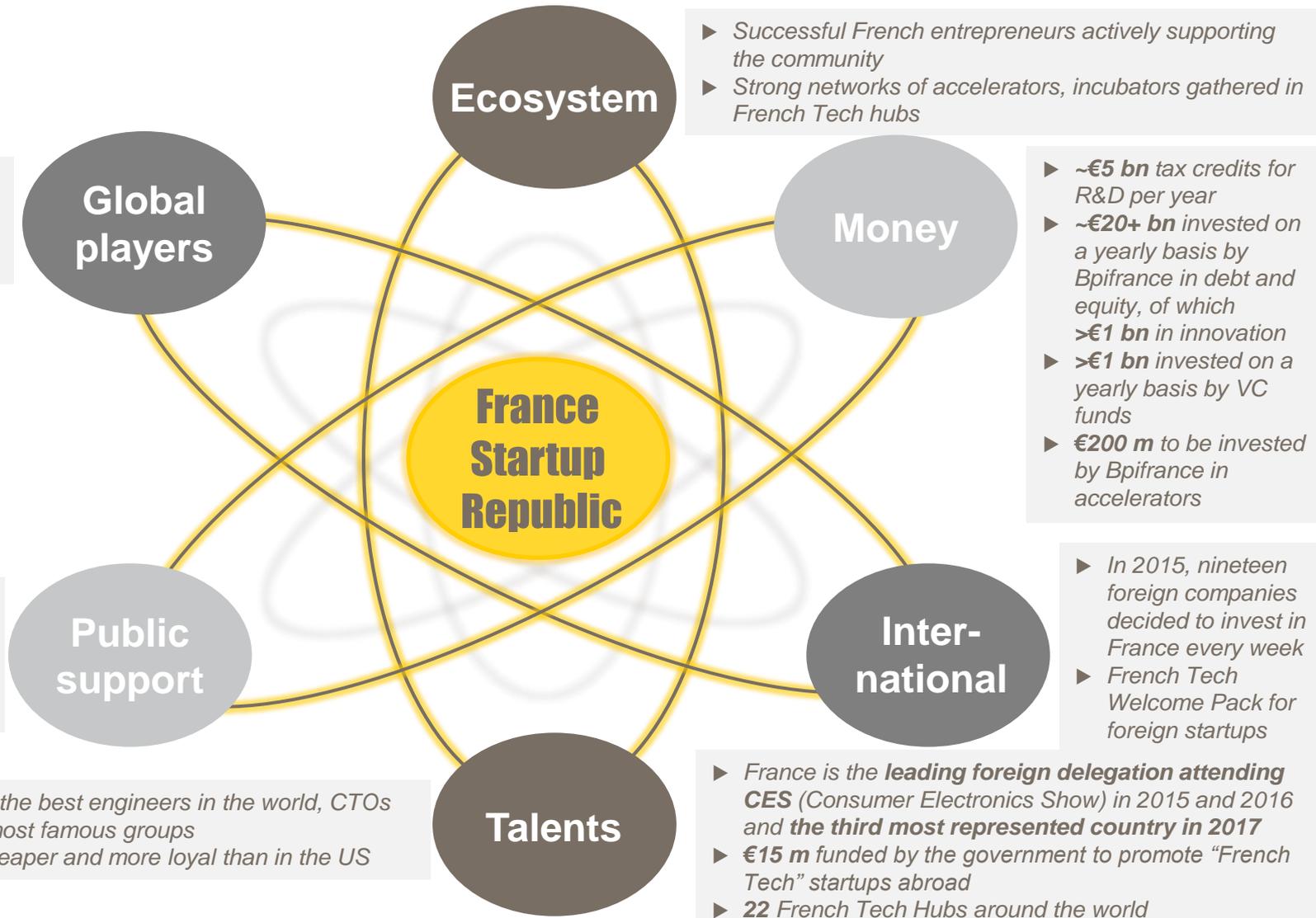
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1. Overview of Bpifrance p. 3
2. Bpifrance Financement: Funding Strategy p. 11
3. Bpifrance Financement: Key Facts & Figures p. 16

4. Appendices p. 27

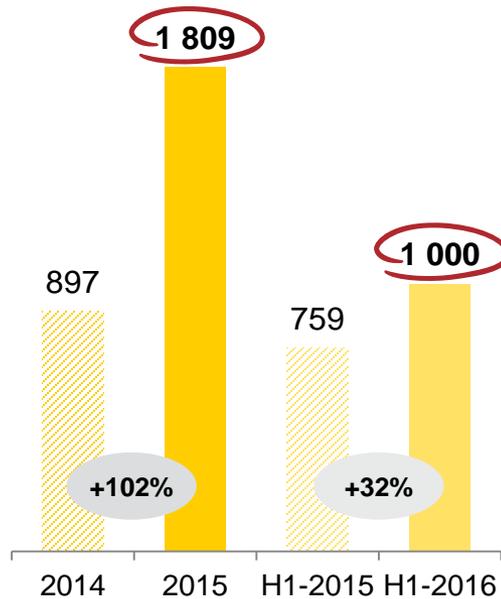
- **Appendix 1: Entrepreneur is a French word**
- **Appendix 2: Transfer of the State Export Guarantees**
- **Appendix 3: Bpifrance benefits from highly protected legal status**
- **Appendix 4: Bpifrance in a nutshell**
 - A century of public banking
 - Financing continuum
 - Activity of the financing division
 - Equity investment division
- **Appendix 5: Bpifrance is an accountable bank**
- **Appendix 6: 2016 EU-wide stress test results**
- **Appendix 7: Bond issues under the EMTN/BMTN programmes**

Appendix 1 - France: a startup-friendly country, land of R&D, talents and investments



Appendix 1 - VC industry is rising in France and French Tech is in striking distance of peers

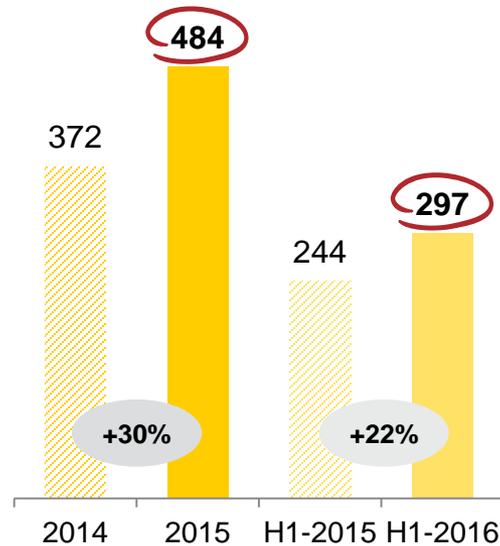
VC in France:
funds raised (in M€)



● 2015

- € 1,8 bn of Funds raised
- 484 deals
- Average per deal: € 3,7 m

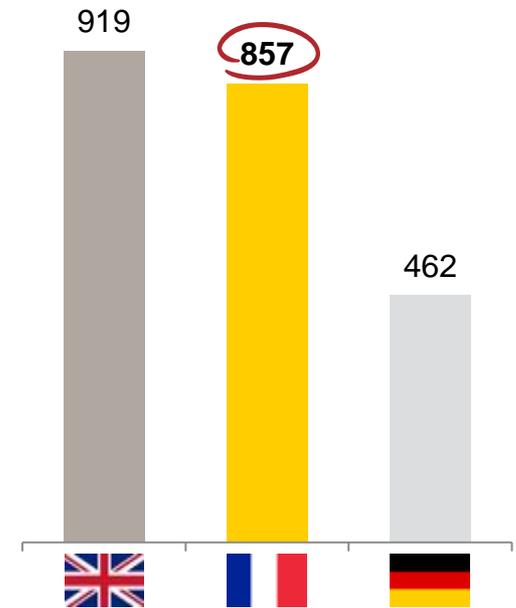
VC in France:
deals



● H1-2016

- € 1,0 bn of Funds raised
- 297 deals
- Average per deal: € 3,4 m

Investment activity to Tech
companies (Q3-16, in M\$)



● Q3-2016

- France saw more funding than German tech startups and neared the levels seen by UK startups

Appendix 2 - Transfer of the State Export Guarantees: a brief overview

An agreement was signed on April 18th, 2016 stipulating that from end 2016 onwards, **Bpifrance will be in charge of the State Export Guarantees'** activity previously managed by Coface for the France Government

Rationale of the transfer

- **Strengthening the national interest mandate**
 - Upgrading guarantees competitiveness through **French State direct guarantee**
 - **Increase visibility** of the State support to strategic projects
 - Bpifrance: a state-owned company with **stable ownership**
- **Enhancing the customer's experience, especially for SMEs**
 - **A single point of contact** to support French SMEs globalisation
 - **Linking innovation strength at international level** is at the heart of Bpifrance's mandate
 - **A local sales distributions network** to promote the services directly to the firms

Overview of the transfer

- **In line with the preliminary protocol signed in July 2015, Coface and Bpifrance have agreed on the terms of the transfer of the activity of the French State Export Guarantee on April 18th, 2016**
 - All employees (around 240 people) and information systems dedicated to this activity will be transferred from Coface to Bpifrance Assurance Export, a newly dedicated subsidiary of Bpifrance Group
 - The agreement defines the terms of cooperation between Coface and Bpifrance, in order to ensure a smooth transfer and a seamless service for all insured parties and export companies
 - The transfer will take place following the migration of the information systems (currently underway), before the end of 2016
- **This transfer takes place under an amended and simplified legal framework for state export guarantees (Supplementary Budget Act of 29 December 2015)**
 - The law, voted by the French Parliament, regulates the transfer of the entire portfolio of guarantees from Coface to the French State, managed by Bpifrance
- **Post transfer, Bpifrance will deliver the State Export Guarantees on behalf of of the French State (Direct Guarantee), which will simplify and increase the competitiveness of the French Export Support System**
- **Target organization**
 - A new complementary business line, in a dedicated subsidiary, 100% owned by the group and leveraged by Bpifrance Group's shared support functions



Bpifrance will be the French Export Credit Agency (ECA) from January 1st, 2017

Appendix 3 - Bpifrance benefits from highly protected legal status

The missions and organization of the EPIC Bpifrance are defined under **Act 2005-722 dated 29 June 2005**, as amended and ratified, and which referred to (i) the creation of the EPIC and (ii) the transformation of the National Agency for Research Promotion (ANVAR) from a public corporation into a limited company. This Act, together with **Act 2013-529 of 21 June 2013** and **Act 2012-1559 of 31 December 2012**, confirm the creation of Bpifrance.

→ « *Bpifrance is a public group aiming at financing and developing companies, and acting in accordance with the public policies conducted both by the State and regional authorities* »¹

- **Act 2005-722 dated 29 June 2005**

→ <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000810872>

- **Act 2012-1559 of 31 December 2012**

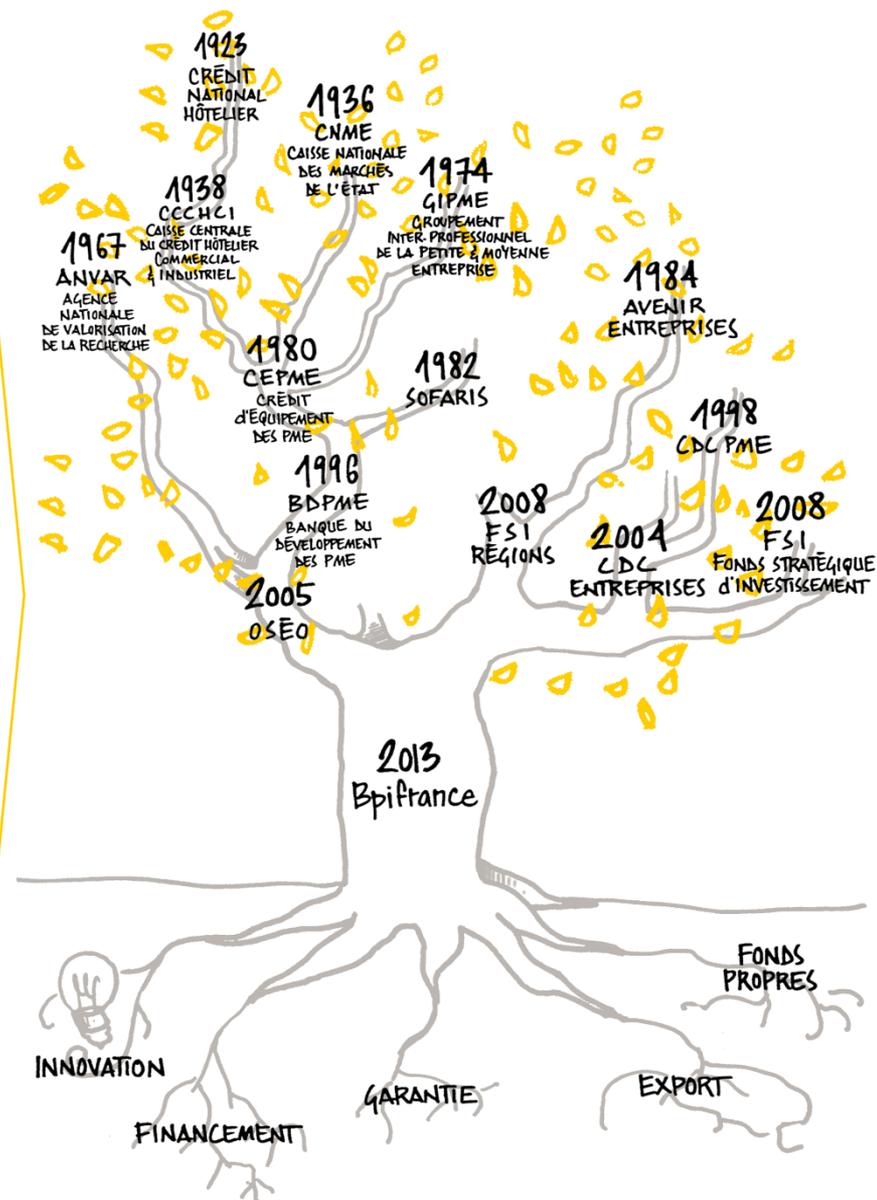
→ <http://www.legifrance.gouv.fr/eli/loi/2012/12/31/2012-1559/jo/texte>

- **Act 2013-529 of 21 June 2013**

→ <http://www.legifrance.gouv.fr/eli/decret/2013/6/21/2013-529/jo/texte>

Appendix 4 - Bpifrance: a century of public banking

- 1923** > Creation of **Crédit national hôtelier**
- 1936** > Act that sets out mutual guarantee schemes (Art. 8) and creates the **Caisse nationale des marchés de l'État (CNME)**
- 1938** > **Crédit national hôtelier** becomes **Caisse centrale de crédit hôtelier, commercial et industriel (CCCHCI)**
- 1967** > Creation of **Agence nationale de valorisation de la recherche (ANVAR)**
- 1974** > Creation of **Groupement interprofessionnel de la petite et moyenne entreprise (GIPME)**, spin-off of *Confédération générale des petites et moyennes entreprises (CGPME)*
- 1979** > Act governing state aid granted for innovation purposes, and entrusted to ANVAR
- 1980** > Creation of **Crédit d'équipement des PME (CEPME)** arising from the merger of CCCHI, CNME and GIPME
- 1982** > Creation of **Sofaris**, in charge of the management of guarantee funds
- 1984** > Creation, together with Cdc¹, of **Avenir Entreprises**, the equity investment business of CEPME
- 1996** > Creation of **Banque du développement des PME (BDPME)** resulting from the merger of CEPME and Sofaris
- 1998** > Creation of **CDC PME**, direct subsidiary of CdC, in charge of managing the « SME Programme²»
- 2002** > **CDC PME** becomes a majority shareholder of **Avenir Entreprises**
- 2004** > **CDC PME** becomes **CDC Entreprises**, a wholly owned subsidiary of CdC
- 2005** > Creation of **OSEO** formed by the merger of BDPME and ANVAR
- 2007** > *Agence de l'innovation industrielle (All)* merged into OSEO
- 2008** > Creation of **Fonds Stratégique d'Investissement (FSI)**
- 2011** > **Avenir Entreprises** becomes **FSI Régions**
- 2012** > Act on the creation of Bpifrance (31/12/2012)
- 2013** > Official set-up of **Bpifrance** formed by the merger of OSEO, CDC Entreprises and FSI (12/07/2013)
- 2014** > CDC Entreprises, FSI and FSI Régions are transferred to Bpifrance Investissement, the group's single asset management company (01/04/2014)

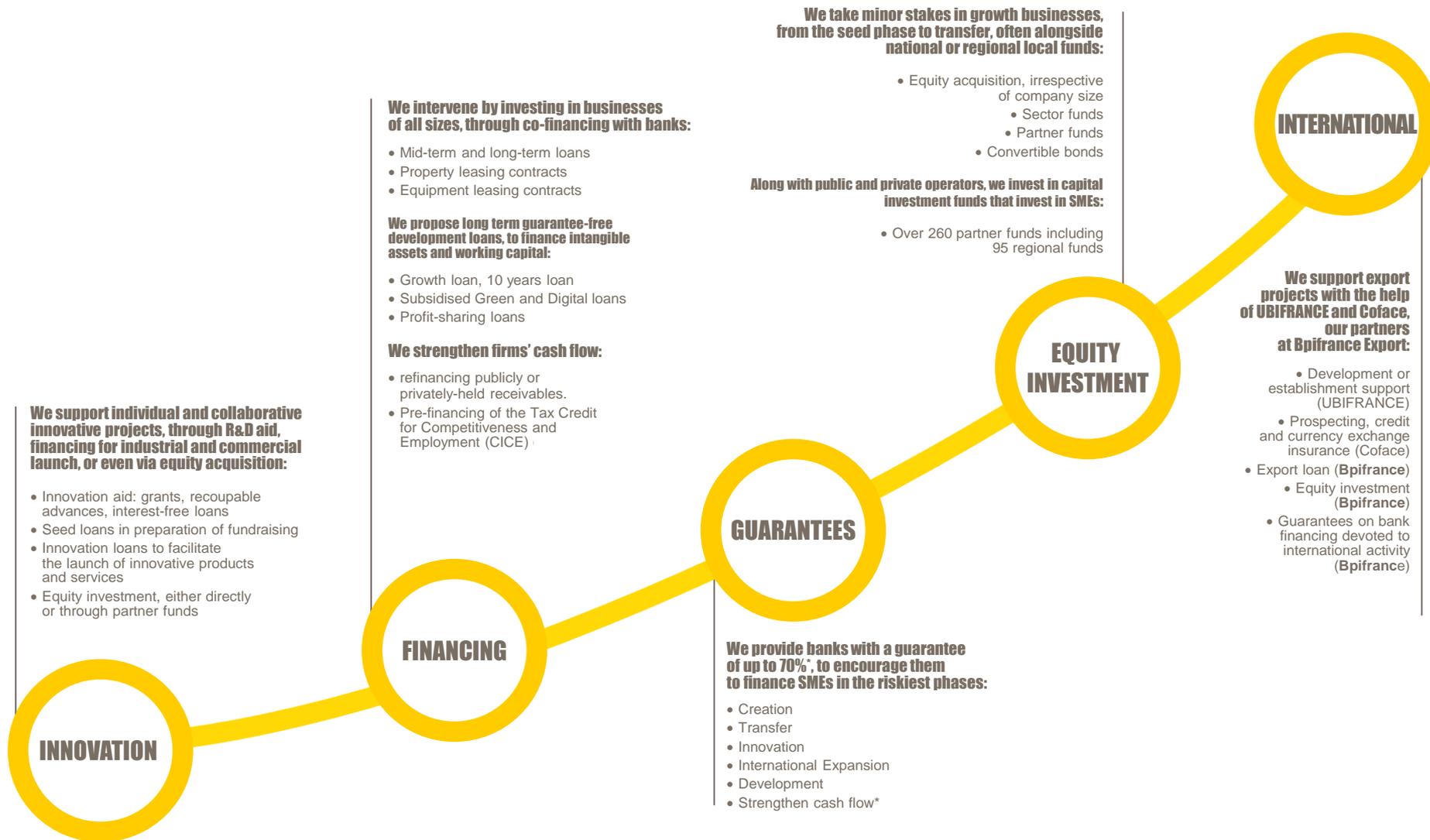


Appendix 4 - Solutions for businesses of all sizes

Bpifrance assists businesses of all sizes, primarily micro-businesses, SMEs, and mid-caps; but it also assists large caps that are considered strategic in terms of national or territorial economy, or employment



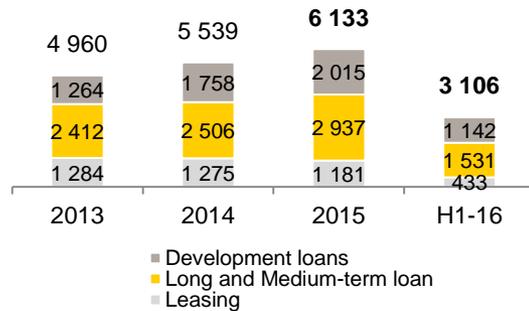
Appendix 4 - A financing continuum, present in every key phase of business development



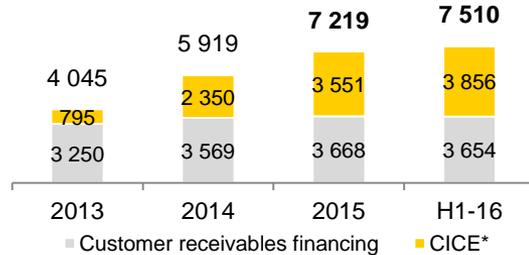
Appendix 4 - Financing division: strong business dynamics

Cofinancing

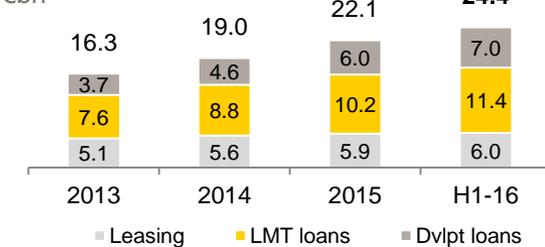
Investment development loans
Annual Commitments - €m



Short-term financing
Annual Authorisations - €m

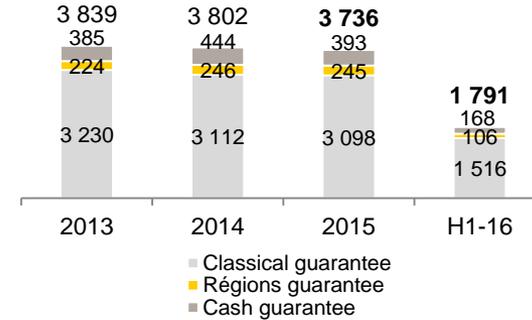


Average Outstandings¹
€bn

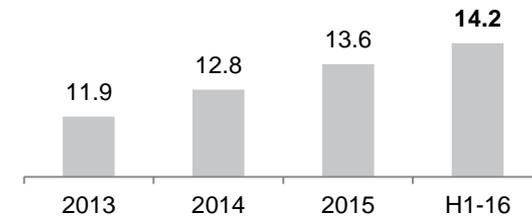


Guarantee

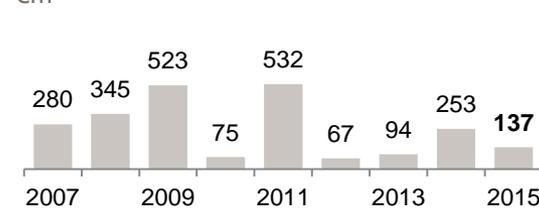
Annual Authorisations**
€m



Average Outstandings**
€bn

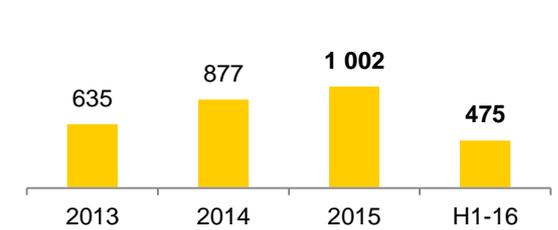


Public allocations***
€m

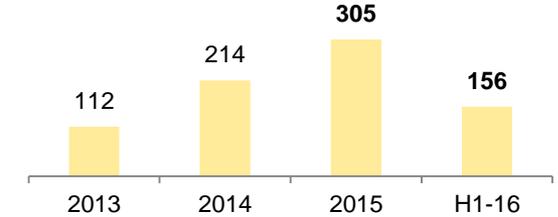


Innovation

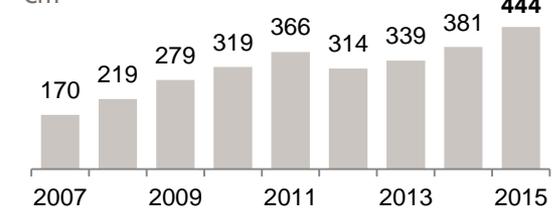
Innovation Aids
Annual Authorisations - €m



Development loans
Annual Commitments - €m

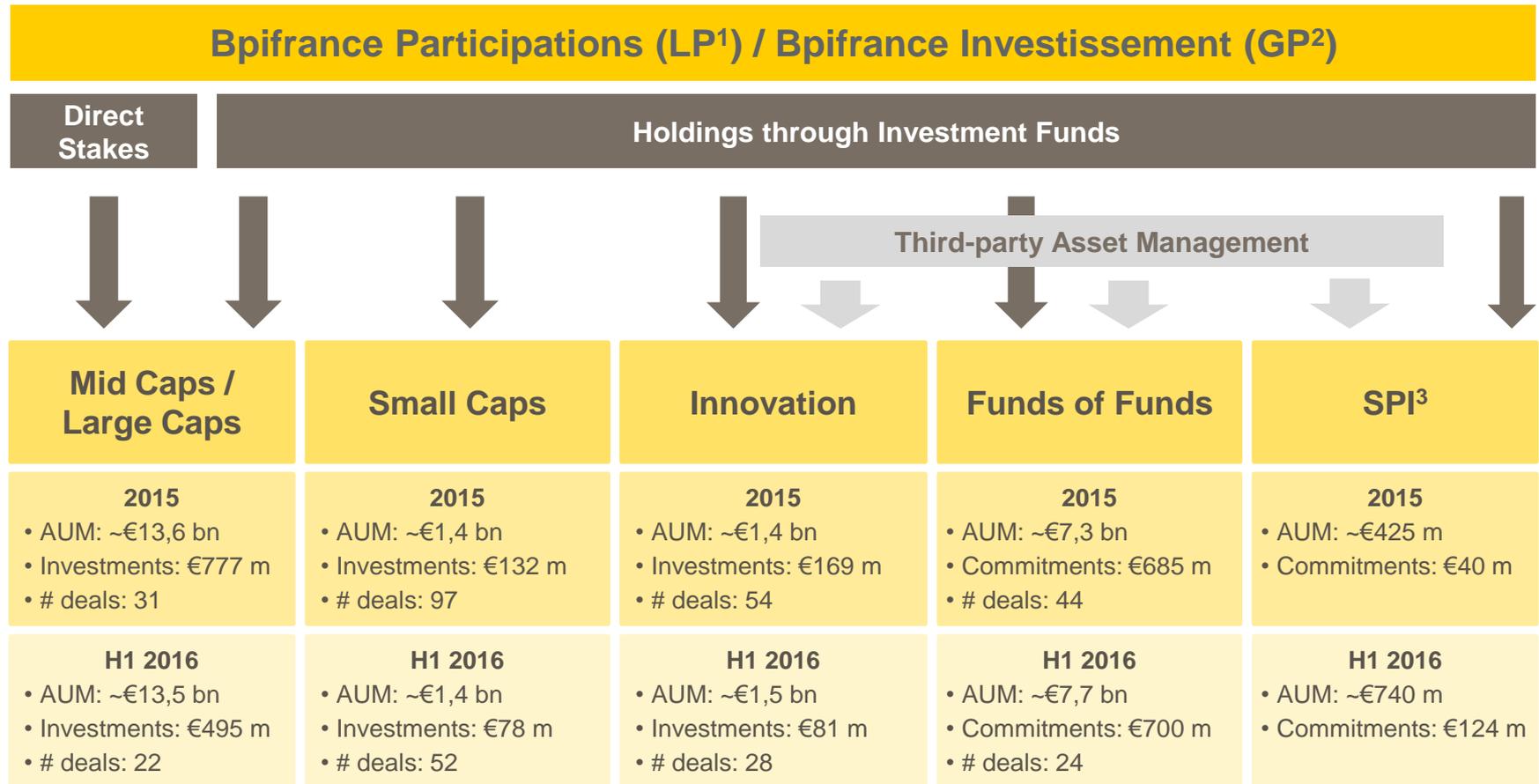


Public allocations***
€m



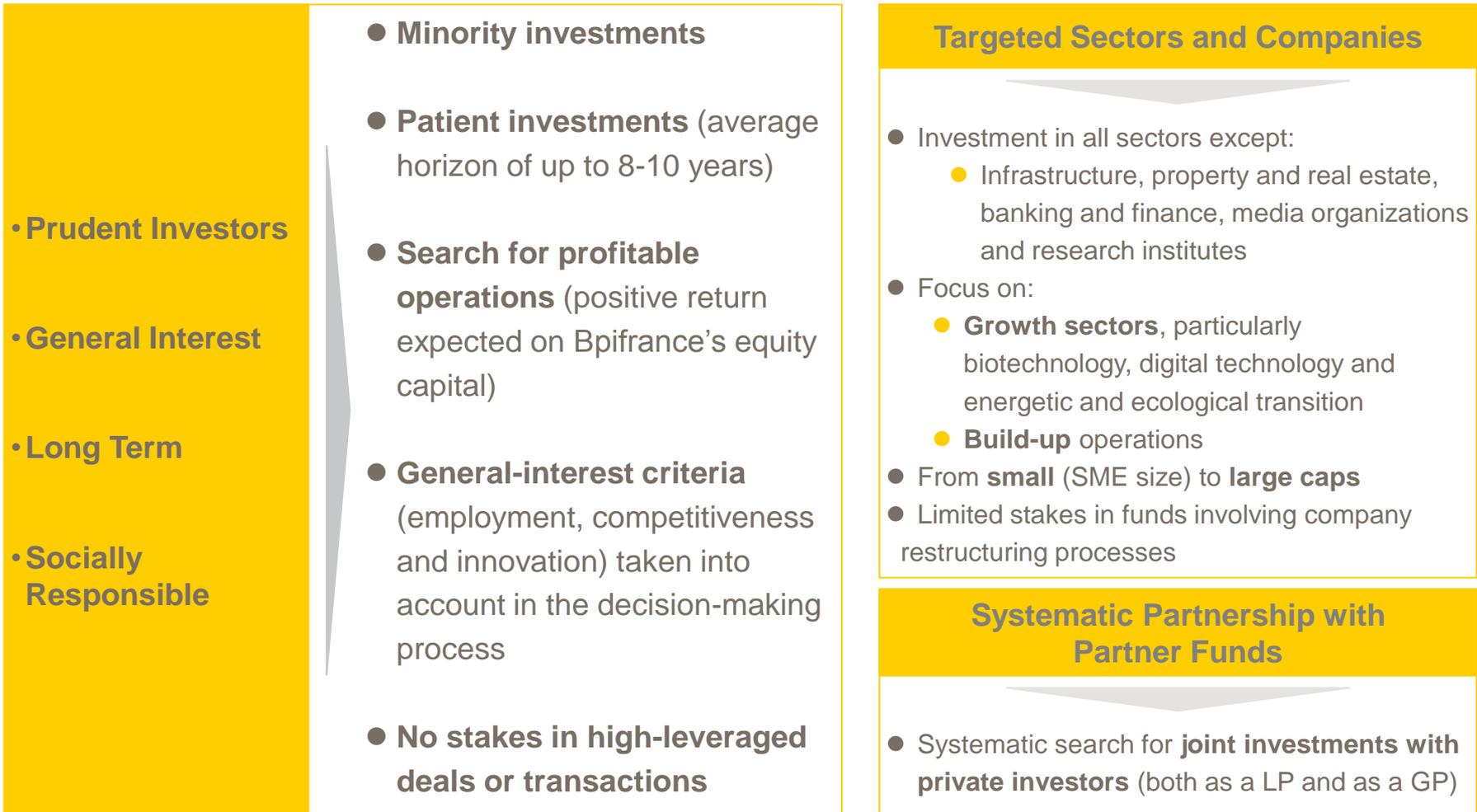
Appendix 4 - Overview of the equity investment division

Equity Investment division



Appendix 4 - Guiding principles of the equity investment division

- “Bpifrance’s doctrine of intervention” was presented to the French National Assembly and to the French Senate on May 15th, 2013



Appendix 5 - Bpifrance is an accountable bank

“Internal CSR”

- **Social Policy**
 - Intergenerational Agreement
 - Equality at Work Agreement for Men and Women
 - Disabilities Agreement
 - Integration of young people (hiring young professionals, taking on apprentices and trainees, ...)
 - Satisfaction survey among staff members
- **Environmental Impact Assessment**
 - HQE (High Environmental Quality) Certification from headquarters in Maisons-Alfort
 - Energy consumption measurement in all 42 sites
 - Eco-driving training for a part of the staff in regional offices
 - Widespread use of videoconference facilities,...

“Responsible Investment and Financing”

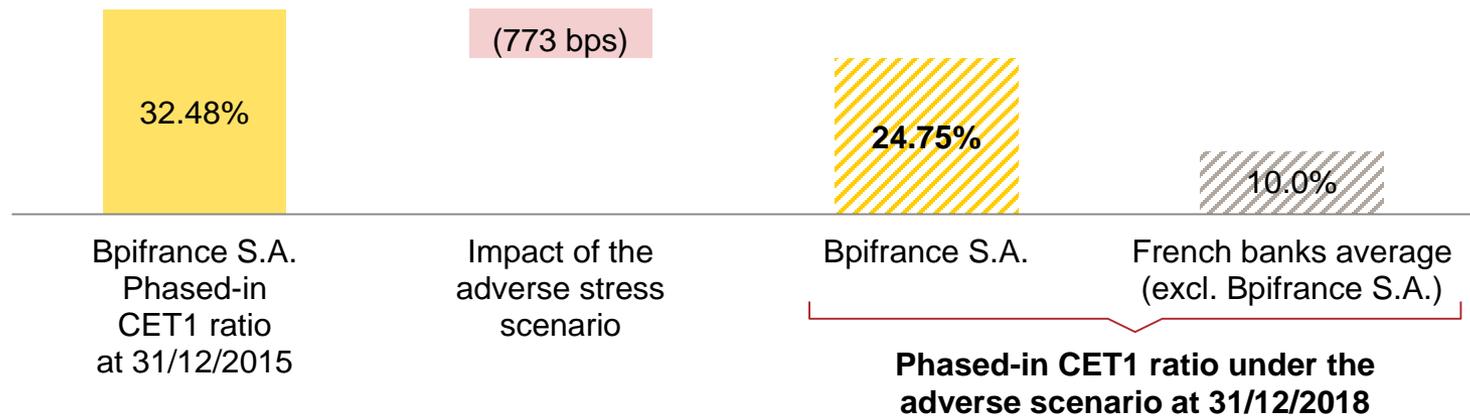
- **Responsible Investment**
 - Integrating ESG criteria into the investment decision process (broken down into 14 different issues encompassing governance, human capital, environment and external stakeholders)
 - Concerted approach with companies benefitting from an investment on how their performance could be improved in terms of CSR, and follow-up throughout duration of investment
- **Support for Environmental and Energy Transition**
 - Funds dedicated to eco-technological companies; Wood Fund
 - Loans to energy producers from renewable sources
 - Green Loans aimed at reducing the environmental impact of business activities (particularly relating to energy)
- **Responsible Financing**
 - CSR Assessment for companies receiving loans equal to or higher than 1 M€, as well as innovation aids granted for amounts equal to or higher than 500 k€
- **Supporting the Development of a Social Solidarity Economy**
 - Fund for social innovation
 - Social Solidarity Economy-based Loans
- **Provision of CSR-related Training for corporate executives of client companies**

Appendix 6 - 2016 EU-wide stress test results

Bpifrance's financial strength is confirmed

2016 EU-wide stress test conducted by the EBA/ECB¹: main results

Normative impact on CET1 ratio



- For the second time, after the 2014 exercise, Bpifrance took part in the EU-wide stress test conducted by the EBA/ECB¹ and successfully passed it
- The adverse stress test scenario covers a three-year time horizon (2016-2018). The stress test has been carried out applying a static balance sheet assumption as at December 2015
- Adverse scenario:
 - Phased-in CET1 ratio after adverse scenario at 24.75% at 31/12/2018 (vs. 32.48% at 31/12/2015)
 - Impact of -773 bps (i.e. reduction of the CET1 by -24%, well compared to the average impact on the 51 European Union banks participating in the stress test of -29%)



Bpifrance confirms its financial robustness by the 2016 stress test results

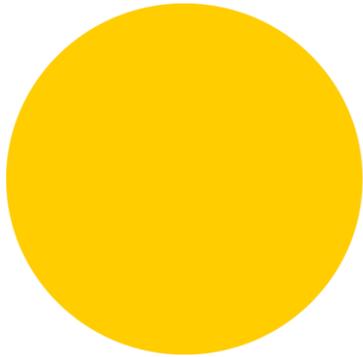
Appendix 7 - Bond issues by Bpifrance Financement under the EMTN programme

Bond Issues	Issues Date	Book size
OBL OSEO-SA 2,00% ECH 25/07/2017		
First issue (Benchmark)	22/05/2012	900 M€
Second issue (Benchmark)	05/07/2012	250 M€
Third issue (Private Placement)	25/02/2013	200 M€
Fourth issue (Benchmark)	13/02/2014	400 M€
OBL BPIFF 1,00% ECH 25/10/2019		
First issue (Benchmark)	06/05/2014	500 M€
Second issue (Private Placement)	20/04/2015	100 M€
Third issue (Benchmark)	16/07/2015	200 M€
Fourth issue (Benchmark)	22/02/2016	700 M€
OBL BPIFF 0,125% ECH 25/11/2020		
First issue (Benchmark)	24/11/2015	1 250 M€
OBL BPIFF 0.10% ECH 19/02/2021		
First issue (Benchmark)	10/02/2016	500 M€
OBL BPIFF E6M+15 BP ECH 22/10/2021		
First issue (Private Placement)	15/10/2014	100 M€
OBL BPIFF 0,75% ECH 25/10/2021		
First issue (Benchmark)	14/10/2014	600 M€
Second issue (Benchmark)	12/02/2015	400 M€
Third issue (Benchmark)	12/05/2016	600 M€
OBL OSEO-SA 2,375% ECH 25/04/2022		
First issue (Benchmark)	05/09/2012	1 250 M€
Second issue (Private Placement)	28/01/2016	100 M€
Third issue (Private Placement)	12/02/2016	150 M€
OBL OSEO-SA 3,125% ECH 26/09/2023		
First issue (Benchmark)	16/09/2011	1 000 M€
Second issue (Private Placement)	04/11/2011	200 M€
Third issue (Private Placement)	23/03/2016	200 M€

Bond Issues	Issues Date	Book size
OBL BPIFF 2,50% ECH 25/05/2024		
First issue (Benchmark)	03/12/2013	800 M€
Second issue (Private Placement)	29/04/2016	300 M€
Third issue (Private Placement)	29/04/2016	250 M€
OBL BPIFF 0,50% ECH 25/05/2025		
First issue (Benchmark)	09/04/2015	800 M€
Second issue (Private Placement)	17/04/2015	200 M€
Third issue (Private Placement)	11/07/2016	400 M€
OBL OSEO-SA 2,75% ECH 25/10/2025		
First issue (Benchmark)	06/02/2013	750 M€
Second issue (Private Placement)	04/03/2013	300 M€
Third issue (Private Placement)	05/03/2013	125 M€
Fourth issue (Private Placement)	22/07/2016	200
OBL OSEO-SA 3,625% ECH 25/04/2026		
First issue (Private Placement)	15/02/2012	110 M€
OBL BPIFF 2,917% ECH 25/10/2027		
First issue (Private Placement)	29/10/2013	125 M€
OBL OSEO-SA E3M+115 BP ECH 27/07/2029		
First issue (Private Placement)	05/07/2012	104 M€
OBL BPIFF 1,875% ECH 25/05/2030		
First issue (Benchmark)	10/06/2015	600 M€
OBL BPIFF 1,875% ECH 25/07/2031		
First issue (Private Placement)	12/07/2016	367 M€

Appendix 7 - Bond issues by Bpifrance Financement under the BMTN programme

EUR Bond Issues	Issues Date	Book size
BMTN BPIFF E3M + 7 BP ECH 07/11/2016	04/11/2014	15 M€
BMTN BPIFF 0% ECH 10/11/2016	30/07/2015	170 M€
BMTN BPI FF 0% ECH 23/02/2017	23/11/2015	50 M€
BMTN BPIFF 0% ECH 28/03/2017	28/09/2015	100 M€
BMTN BPI FF 0% ECH 13/04/2017	02/10/2015	300 M€
BMTN BPIFF 0% ECH 03/08/2017	03/02/2016	170 M€
BMTN BPIFF 0,02% ECH 19/03/2018	12/03/2015	220 M€
BMTN BPIFF 0,02% ECH 19/03/2018	13/05/2015	145 M€
BMTN BPIFF 0,02% ECH 19/03/2018	23/07/2015	30 M€
BMTN BPIFF 0,02% ECH 19/03/2018	30/03/2016	15 M€
BMTN BPIFF 0,02% ECH 19/03/2018	25/05/2016	200 M€
BMTN BPIFF 0,00% ECH 22/06/2018	15/06/2016	200 M€
USD Bond Issues	Issues Date	Book size
BMTN BPIFF USD 1.085% ECH 26/01/2017	25/01/2016	250 M\$



SERVIR
L'AVENIR*

