

DEBT INVESTORS PRESENTATION
Bpifrance Financement, Bond Issuer
July 2019

Disclaimer

This presentation has been prepared and is available on the web site of Bpifrance Financement. This presentation does not constitute an offer or invitation by or on behalf of Bpifrance Financement to subscribe or purchase any notes issued or to be issued by Bpifrance Financement.

This presentation is not intended to provide any valuation of the financial situation of Bpifrance Financement nor any valuation of the notes issued or to be issued by Bpifrance Financement and should not be considered as a recommendation to purchase any notes issued or to be issued by Bpifrance Financement. Any projection, forecast, estimate or other 'forward-looking' statement in this document only illustrates hypothetical performance under specified assumptions of events and/or conditions, which may include (but are not limited to) prepayment expectations, interest rates, collateral and volatility. Such projections, forecasts, estimates or other 'forward-looking' statements are not reliable indicators of future performance. The figures presented in this document have been taken from duly validated internal sources and have not been audited.

This presentation has been prepared as at 22 July 2019 and is subject to updating, revision, verification, completion and amendment and such information may be subject to change materially. Bpifrance Financement is under no obligation to update or keep current the information contained in this presentation or in the presentation to which it relates and any opinions expressed in them is subject to change without notice. Any forward-looking statements will not be updated retrospectively. Such statements are valid on the date of publication and can be superseded.

Any person having read this presentation shall independently judge of the relevance of the information contained herein; shall make its own independent assessment of Bpifrance Financement and determine whether to participate in any potential transaction; and shall consult its own advisors as to legal, tax or other aspects, as deemed necessary. The French "Autorité des Marchés Financiers" granted its visa under number 18-276 dated 29 June 2018 with respect to a EMTN base prospectus (the "Base Prospectus"). You are invited to report to the Base Prospectus as supplemented by the supplements to the base prospectus before taking any decision with respect to the implementation of any potential transaction. The Prospectus, is available in accordance with "Prospectus Directive" which means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended and includes any relevant implementing measure of such directive in each relevant Member State of the EEA, and any applicable law, on the webpage <http://www.bpifrance.fr/Espace-Investisseurs>.

PRIIPS Regulation - Prohibition of sales to EEA retail investors – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of directive 2014/65/EU (MIFID II); or (ii) a customer within the meaning of directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

This presentation is furnished to prospective investors on a confidential basis, and all material contained herein is for discussion purposes only. The information contained herein may not be reproduced or used in whole or in part for any other purpose. By accepting this material, the recipient agrees that it will not distribute or provide the material to any other person. The information in this presentation is confidential and may not be disclosed to any other person without our prior written approval.

In some countries, the publication of this presentation and the offer or sale of notes issued or to be issued by Bpifrance Financement may be subject to legal restrictions and/or regulations. In particular, this document and the information contained herein do not constitute an offer of securities for sale in the United States and are not for publication or distribution, directly or indirectly, in the United States (within the meaning of Regulations under the United States Securities Act of 1933, as amended, i.e. the "Securities Act"). No offer or sale of securities in the United States or to US persons may take place, except pursuant to an exemption from the registration requirements of the Securities Act. The Issuer invites those reading this presentation to inform themselves and comply with such restrictions and/or regulations.

This document may not be distributed in the United States or to US persons.

Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels).

No PRIIPs key information document (KID) has been prepared, as not available to retail in EEA.

Contents

1. Overview of Bpifrance	p. 3
2. Bpifrance Financement: Funding Strategy	p. 12
3. Bpifrance Financement: Key Facts & Figures	p. 18
4. Appendices	p. 28

Executive summary

Bpifrance

- **Bpifrance is the French National Promotional Bank, Innovation Agency, Sovereign Fund and Export Credit Agency**
 - General interest missions defined by law: public bank dedicated to promoting the financing and development of companies operating in France, and in particular of SMEs
 - Highly protected legal status and tight control by public authorities: strongest possible ownership in France (50% by the French State / 50% by the Caisse des Dépôts)
- **EPIC¹ Bpifrance and Caisse des Dépôts (CDC) ratings considered by Moody's and Fitch as aligned with those of French Government**
 - Aa2 (positive) / P-1 by Moody's; AA (stable) / F1+ by Fitch Ratings
 - EPIC Bpifrance is also classified as an Other Government Body² or ODAC (Organisme Divers d'Administration Centrale), which means that its debt is consolidated with that of the State (under Maastricht's Rules)
- **Bpifrance Financement's debt issued both under EPIC¹ Bpifrance's guarantee and ECB's State Agency classification**
 - HQLA³ level 1
 - Agency haircut with ECB
 - Eligible for the ECB's Public Sector Purchase Programme (PSPP)
 - Eligible to a 0% risk factor stress for spread risk on bonds and loans (Solvency II)
- **Bpifrance is directly and fully regulated by the European Central Bank (ECB) and under domestic supervision through the Financial Markets Authority (AMF) and ACPR⁴ in particular**
 - Bpifrance Group's fully-loaded Basel 3 CET1 ratio: 30,2% as at 31/12/2018
 - Bpifrance successfully passed the 2014 Asset Quality Review (AQR) and 2014/2016/2018 stress tests performed by the EBA⁵ and the ECB, demonstrating its financial strength
 - Strong capitalisation, well above minimum regulatory requirements
- **As a credit institution, Bpifrance Financement is subject to banking regulations and has access to ECB refinancing**

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

Strongly supported by the French State

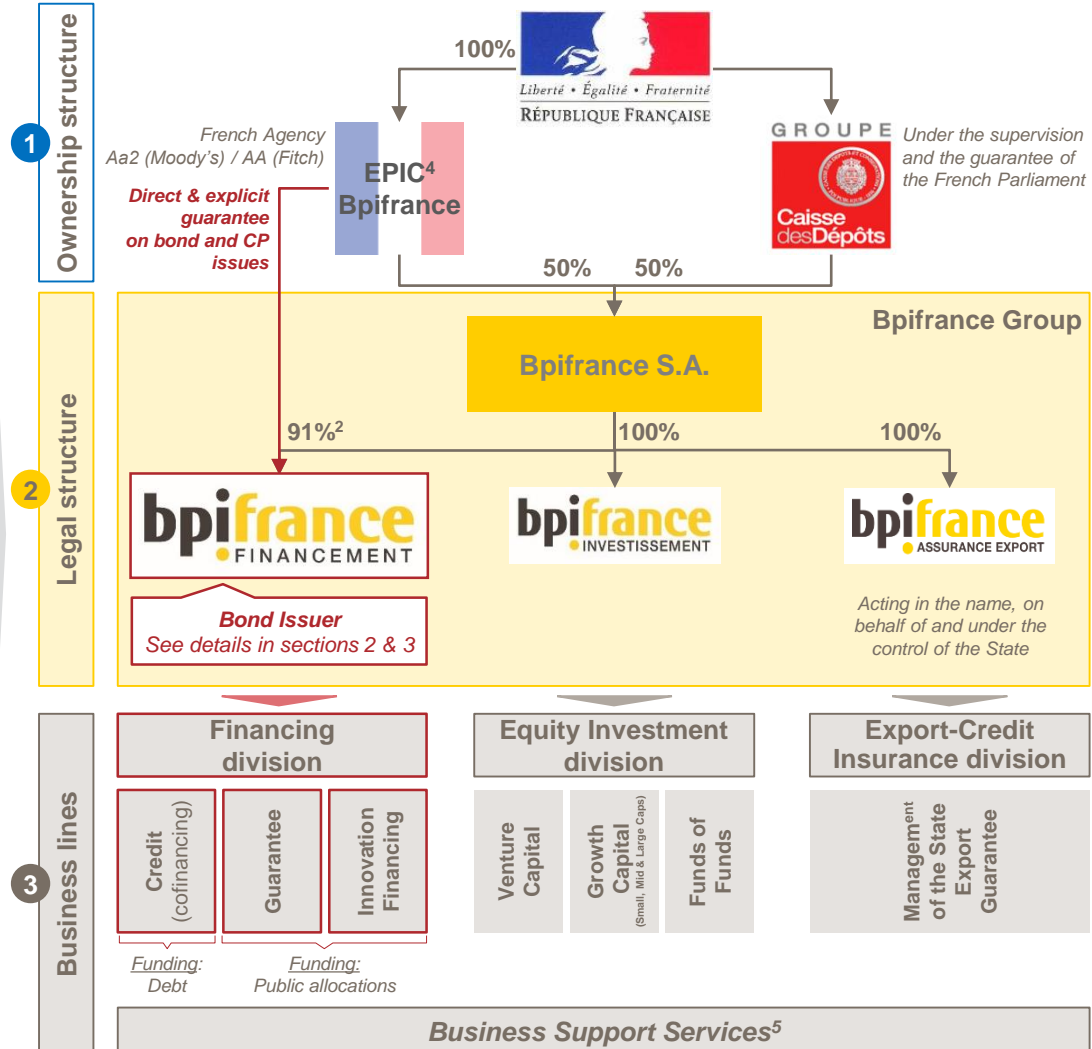
- Set up by law on 12th July 2013, Bpifrance is:
 - “A public group aiming at financing and developing companies, and acting in accordance with the public policies conducted both by the State and regional authorities”¹
 - A century of public banking: see details in appendix 1

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 three main operating subsidiaries:
 - A bank (Bpifrance Financement)²
→ **Bond issuer**
 - An asset management company (Bpifrance Investissement)³
 - An export credit agency (Bpifrance Assurance Export)

Organizational structure

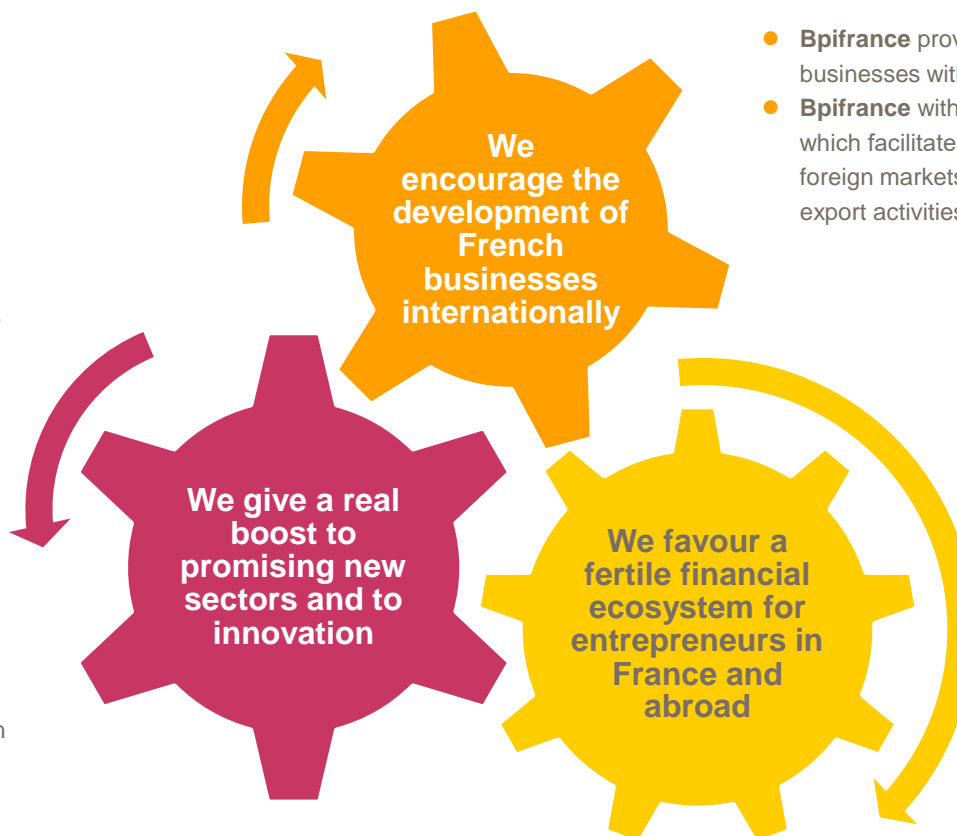
- Bpifrance is organised around:
 - 3 Three separate primary divisions and 8 business lines
- Strict compartmentalization of financial resources between the business lines



Our strategy: bringing together the best of the public and private sectors to boost growth

Strategic roadmap: 3 central pillars

- **Bpifrance** favours growth sectors and geographical zones, in its mission to support national industrial policy (digital, biotechnology, agribusiness, aeronautic, eco-industries...)
- Similarly, **Bpifrance** adopts an approach suited to the particularities of firms operating within the Social and Solidarity Economy (SSE)
- Innovation is a key priority for **Bpifrance**. We intervene prior to the R&D phase and continue all the way through to the reinforcing of capital for innovative firms, who are an essential source of competitiveness for the French economy



- **Bpifrance** provides growing SMEs and mid-cap businesses with personalised international support
- **Bpifrance** with Business France, offers a specific package which facilitates businesses' access to information on foreign markets and tools for financing and insuring their export activities
- **Bpifrance** promotes the emergence of a fully integrated and effective ecosystem for financing and private investment in businesses
- The goal is to provide micro-businesses, SMEs and mid-caps, at all stages of development, with access to highly competent, specialized financiers and investors
- **Bpifrance** strives to attract international investors in the financing of French SMEs and mid-cap businesses



**A bank that promotes non-price competitiveness
(Internationalization / Digitalization / Energy and Environmental Transition)**

An integrated banking model based on five activities with two different but complementary natures

An integrated banking model

A Own fund-related activities:

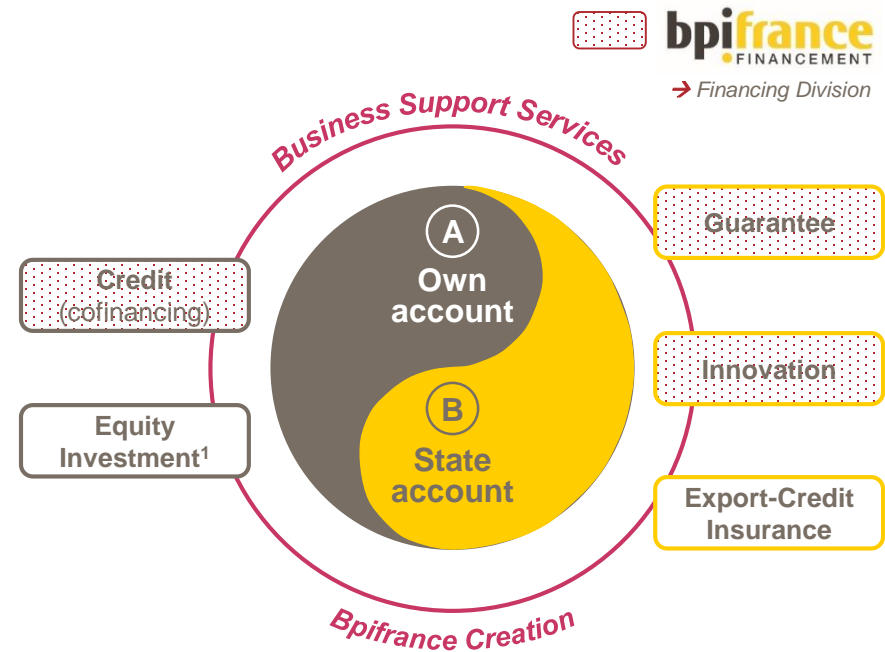
- Co-financing of **credit**, in the form of medium- and long-term loans and financing of short-term receivables
- **Equity investment**¹, either directly or through investment funds

→ **Funding: debt funding and shareholders' equity**

B Activities carried out within the scope of public policies and based, by nature, on dedicated funds² intended to cover commitments made under these assignments:

- **Guaranteeing** loans granted by banking partners and/or equity funding organizations
- Financing **innovation** through aid³ or loans
- **Export-credit insurance** (insurance covering market survey, credit, exchange risk and investment; guarantees covering pre-financing and the bonding facility)

→ **Funding: public allocations**



- These business lines are managed within an **integrated banking model** (pooling of resources, teams, branch networks, IS) for **shared customers** and based on **strictly hived-off financial resources**

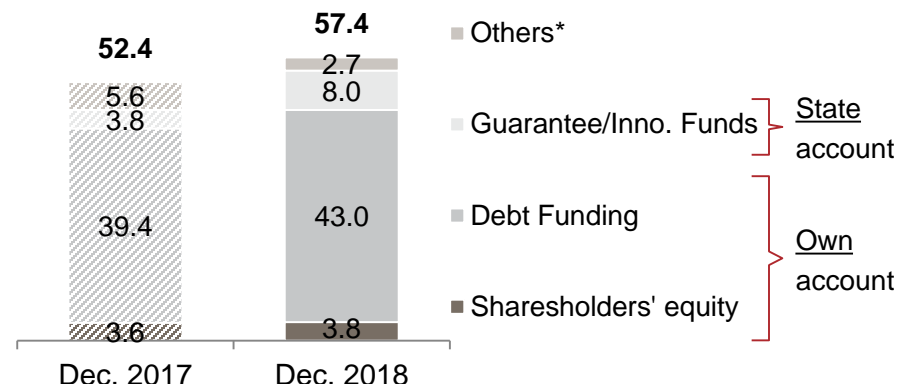
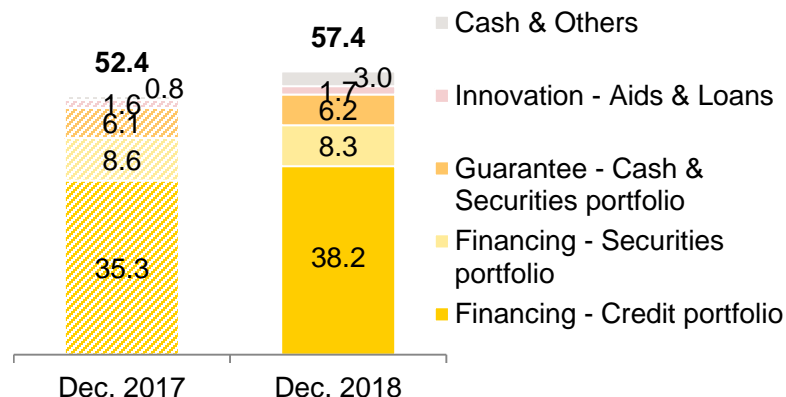
Bpifrance has a unique and a rock-solid balance sheet reflecting its safe and sound business model

Summary consolidated balance sheet (€bn)

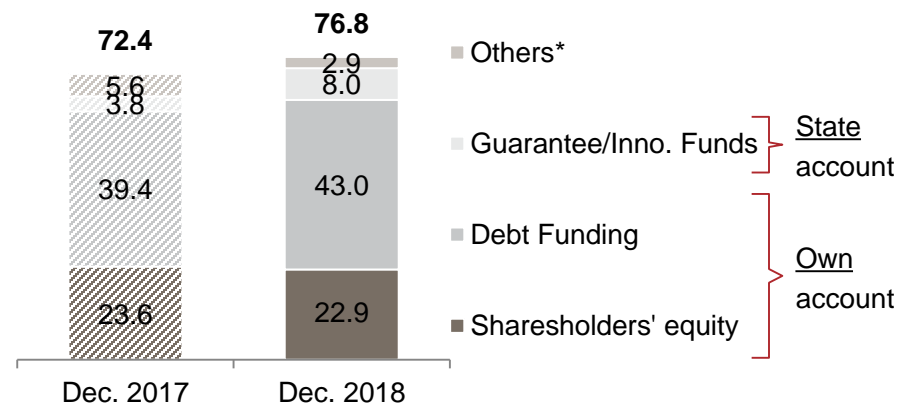
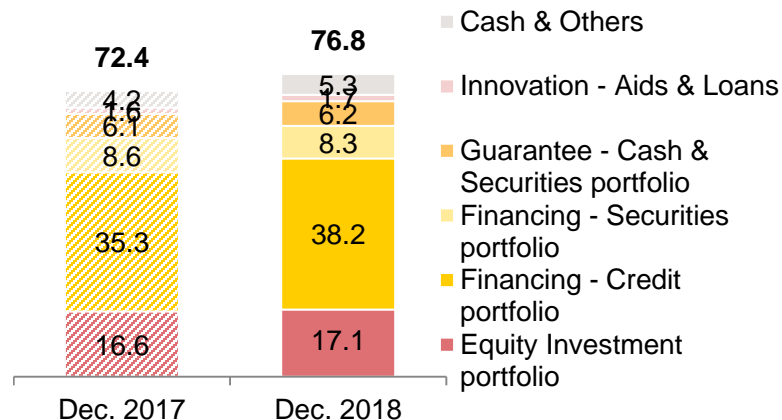
Assets

Liabilities

Bpifrance
Financement



Bpifrance



Solvency

Bpifrance is a solid bank

> Solvency

● Basel 3 CET1 ratio as at 31/12/2018:

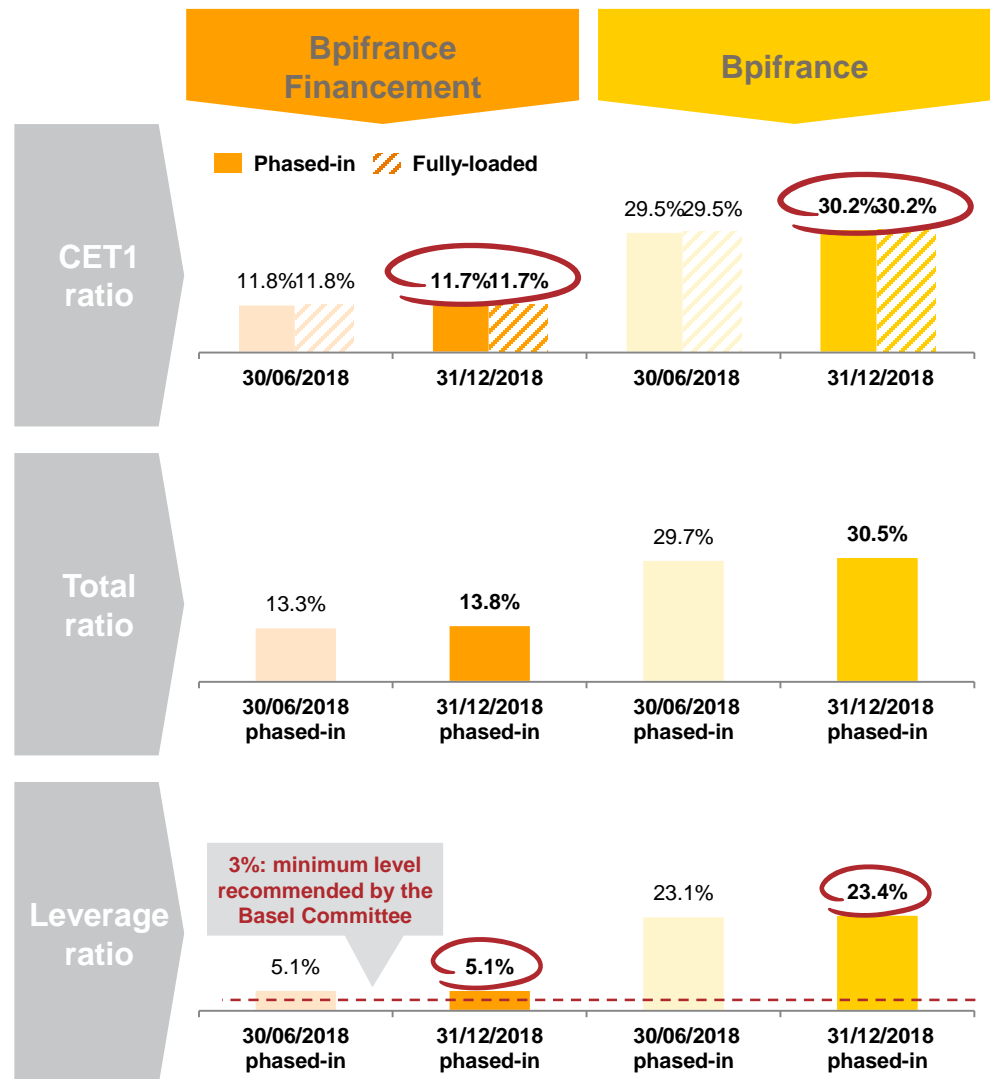
- Bpifrance Financement:
 - Phased-in: 11,7%
 - Fully-loaded: 11,7%
- Bpifrance:
 - Phased-in: 30,2%
 - Fully-loaded: 30,2%

● Pillar 2 requirements as of 2019¹:

- Bpifrance Financement:
 - TSCR²: 8,75%
 - OCR³: 12,25%
- Bpifrance:
 - TSCR²: 8,75%⁴
 - OCR³: 12,25%

● Phased-in Basel 3 leverage ratio as at 31/12/2018:

- Bpifrance Financement: 5,1%
- Bpifrance: 23,4%



1. As communicated by the ECB following the outcome of the 2018 Supervisory Review and Evaluation Process (SREP)

2. Total SREP Capital Requirement (minimum CET 1 ratio) / 3. Overall Capital Requirement (minimum solvency ratio)

4. Including 2,5% for the conservation buffer, 1,5% for the Pillar 2 requirement (P2R) and a counter-cyclical capital buffer of 0,25% / excluding the Pillar 2 guidance (P2G), which is not public

Liquidity

Bpifrance has a strong liquidity position

> Liquidity

- **Liquidity Coverage Ratio** as at 31/12/2018:

- Bpifrance Financement: 370%
- Bpifrance: 519%

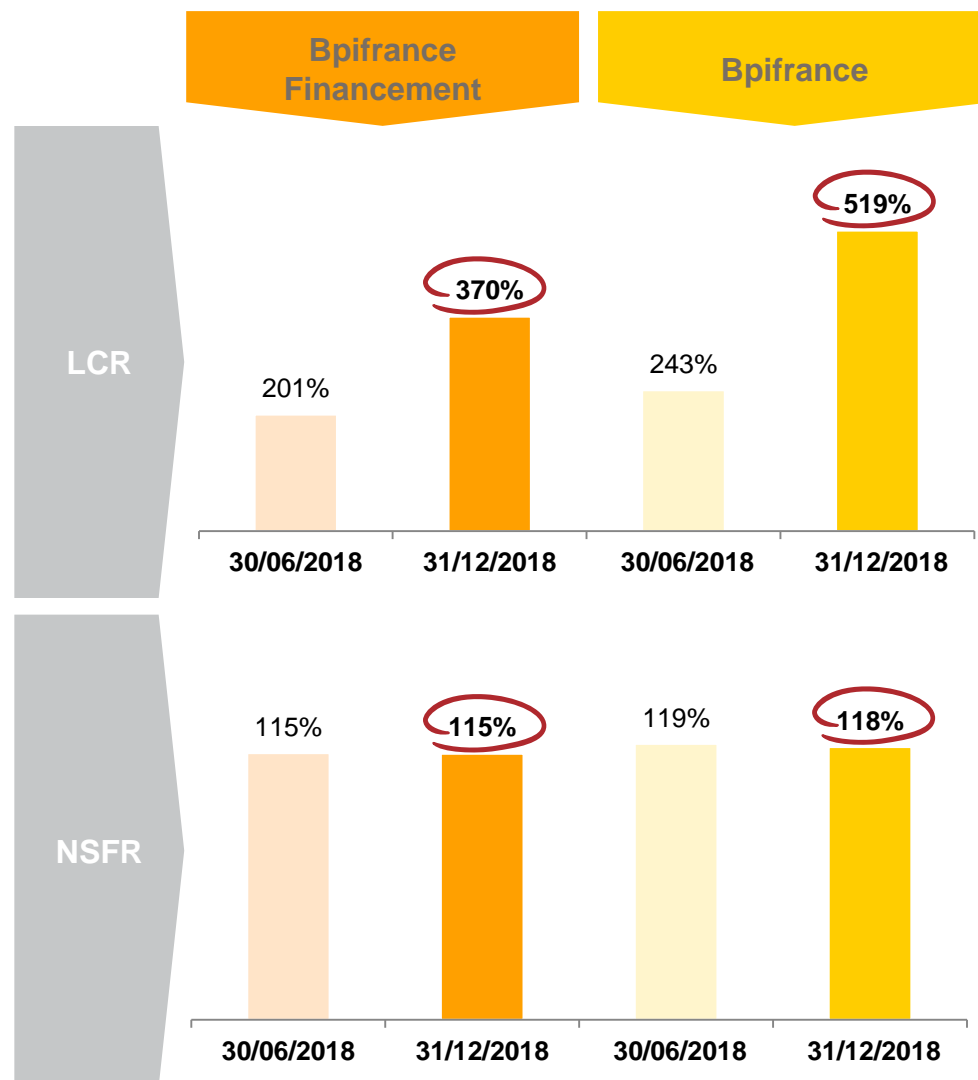
- **Net Stable Funding Ratio** as at 31/12/2018:

- Bpifrance Financement: 115%
- Bpifrance: 118%

- **Liquidity reserve¹** as at 31/12/2018:

→ € 10,9 bn, of which

- Immediately available: € 2,8 bn
- Available within a month: € 8,1 bn



Bpifrance is an accountable bank and has an ambitious policy of engagement in our society

- Bpifrance is a **responsible Group**. It has a **mission-statement which is defined by law** and includes supporting the **Energy and Environmental Transition**

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:** greenhouse gas emissions, 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)
- **Energy and Environmental 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 1 and here <http://www.bpifrance.fr/Qui-sommes-nous/Developpement-Durable-RSE/Accueil>)

} Annual CSR Reports since 2013²

and participates in market initiatives

- Signatory to the UN Principles for Responsible Investment
- Signatory to the PRI Montréal Carbon Pledge
- Signatory to the Global Investor Statement on Climate Change
- Signatory of French public investor charter for climate change
- As a subsidiary, Bpifrance is party to the Caisse des Dépôts’ commitments towards Climate
- Active member of France Invest’s ESG Commission³ and of the Finance Club of the CSR Observatory



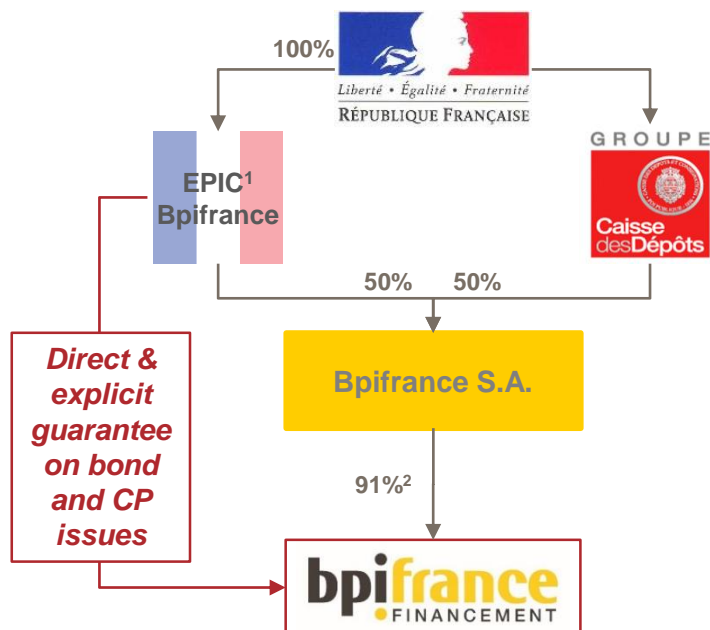
Since 2013⁴, Bpifrance has granted ~€10 bn to finance⁵ the Energy and Environmental Transition (EET)

Contents

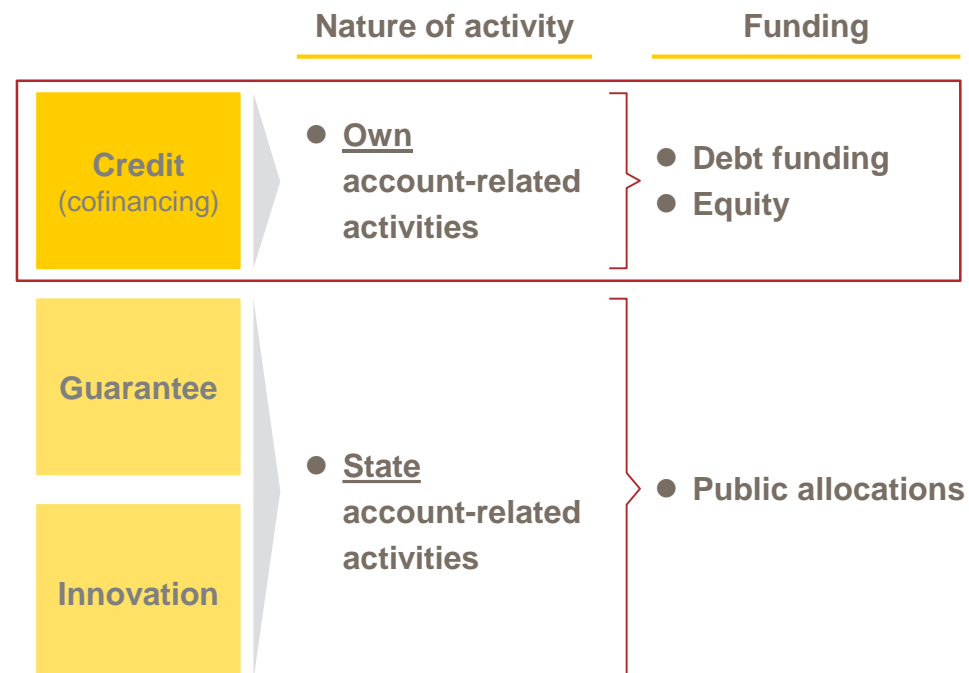
1. Overview of Bpifrance	p. 3
2. Bpifrance Financement: Funding Strategy	p. 12
3. Bpifrance Financement: Key Facts & Figures	p. 18
4. Appendices	p. 28

Bpifrance Financement issues bonds and commercial paper to refinance its loan portfolio

Ownership structure



3 Business lines



Strict compartmentalization of financial resources between the business lines

The bonds and commercial paper issued by Bpifrance Financement are guaranteed by the EPIC¹ Bpifrance, by way of an autonomous, unconditional and irrevocable first-demand guarantee

EPIC¹ Bpifrance and the debt issuance programmes benefit from high quality ratings

MOODY'S > Aa2 (Positive) / P-1

Rationale:

- EPIC Bpifrance is **fully owned by the French state** and **benefits through its status as an Etablissement public à caractère industriel et commercial (EPIC) from an implicit guarantee from the state**
- Its issuer rating is therefore derived from the application of a **credit substitution approach** whereby it is **aligned with that of the French government**
- **Intrinsic operational and financial ties** between the EPIC and the French State
- The **legal status** of EPIC implies that **it is not subject to liquidation laws and its creditors have ultimate recourse to the French State**

FitchRatings > AA (Stable) / F1+

Rationale:

- Bpifrance Group is subject to **strong administrative, legal and financial oversight by the French state, which defines its missions**
 - Bpifrance Group's commitments are **monitored by parliament** through annual performance reports
 - A **strategic tool** for implementing France's economic support policy
- As an industrial and commercial public agency, **EPIC cannot be liquidated or file for bankruptcy proceedings. It can only be dissolved by law, which would entail an automatic, unconditional transfer of all of its assets and liabilities to the state**, or to another public entity designated by the state
- Given Bpifrance's important role in government policy concerning SMEs and mid-caps [...], the **French state would extend support in a timely manner in case of stress**



The rating agencies assess EPIC¹ Bpifrance as a government-related issuer, credit-linked to the French State

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 (commercial paper) mainly used as liquidity management and to ensure a continuing presence on capital markets

Main Funding Channels

Bond and Commercial Paper programmes

- **EMTN¹ Programme: €35 bn**
 - Mainly benchmarks but also private placements
- **NEU MTN² Programme: €4 bn**
- **NEU CP³ Programme: €6 bn**
 - Labelled STEP under ID 2685

“Autonomous, unconditional and irrevocable first-demand guarantee of EPIC Bpifrance”⁴

→ Ratings and key features:

	Moody's	Fitch Ratings
Long-term ratings	Aa2	AA
Outlook/Review	Positive	Stable
Short-term ratings	P-1	F1+

- **HQLA⁵ level 1**
- **Agency haircut with ECB**
- **Eligible for the ECB's Public Sector Purchase Programme (PSPP)**
- **Eligible to a 0% risk factor stress for spread risk on bonds and loans (Solvency II)**

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

Note: The aggregate nominal amount of EMTN outstanding and NEU MTN outstanding will not at any one time exceed €35 bn

1. EMTN = Euro Medium Term Note / 2. Negotiable European Medium Term Notes / 3. NEU CP = Negotiable European Commercial Paper

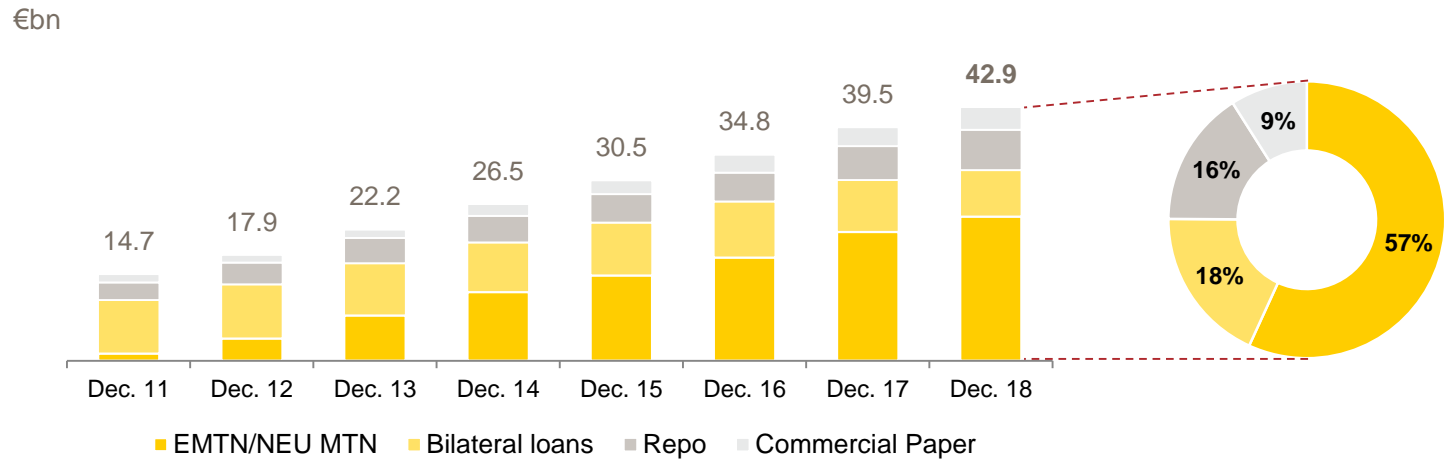
4. The only legally binding version is the French one, as follows: “Garantie autonome à première demande inconditionnelle et irrévocable de l'EPIC Bpifrance”;

EPIC status: see details in appendix 1 / 5. https://acpr.banque-france.fr/sites/default/files/media/2018/07/12/07-notice_crd_iv.pdf

A diversified and a long-term oriented refinancing structure

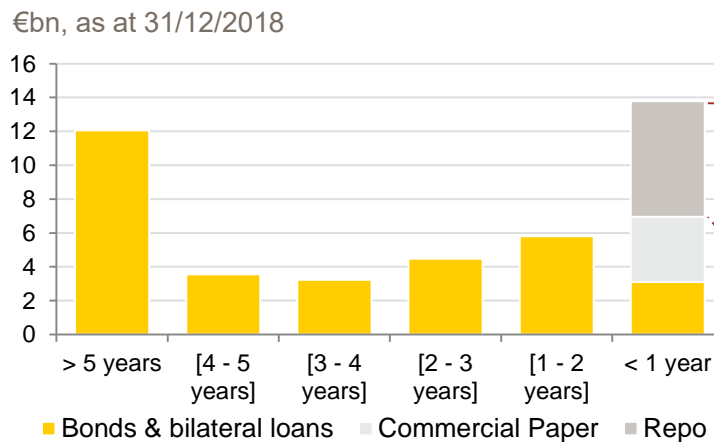
Breakdown by Instrument Type

An increasing and more diverse refinancing structure to support business growth

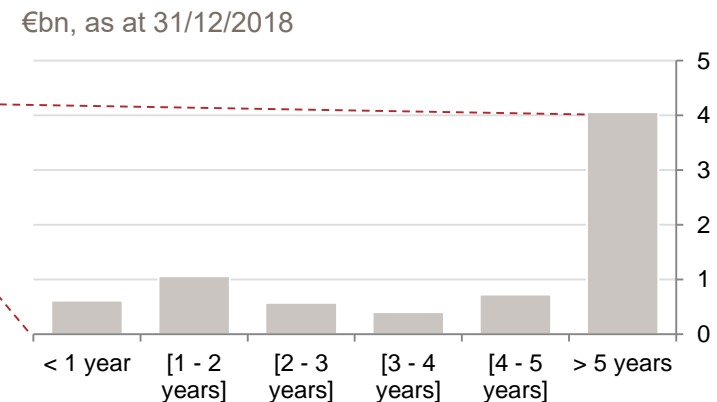


Breakdown by Remaining Maturity

Refinancing breakdown



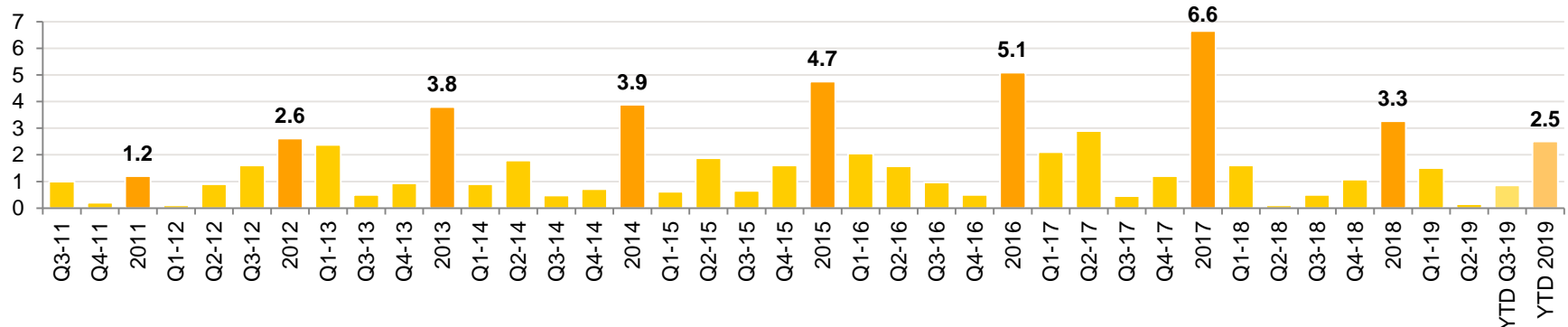
Govies portfolio breakdown



Bond issues under the EMTN/NEU MTN programmes

A demonstrated ability to access diversified market fundings

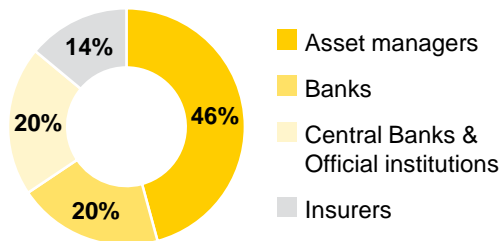
Bond issues since 2011 (€ bn)



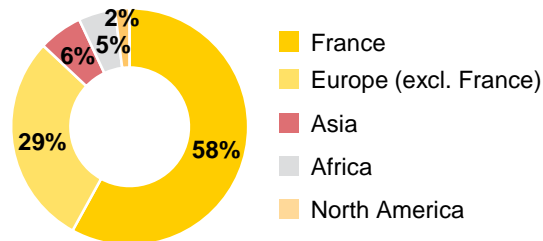
→ A continuing presence on capital markets

Bond outstandings breakdown (as at 31/12/2018)

By Investor type

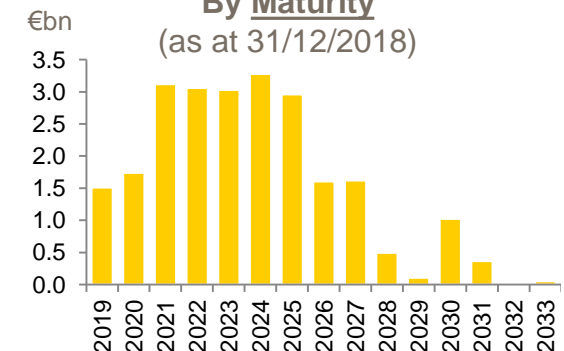


By Geographical area



By Maturity

(as at 31/12/2018)



→ A growing interest among international investors: 294 investors in 38 countries

Contents

- | | |
|--|--------------|
| 1. Overview of Bpifrance | p. 3 |
| 2. Bpifrance Financement: Funding Strategy | p. 12 |
| 3. Bpifrance Financement: Key Facts & Figures | p. 18 |
| ● Business Model | |
| ● Financials | |
| ● Risk Management | |
| 4. Appendices | p. 28 |

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:**
 - **Business loans** (cofinancing): 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

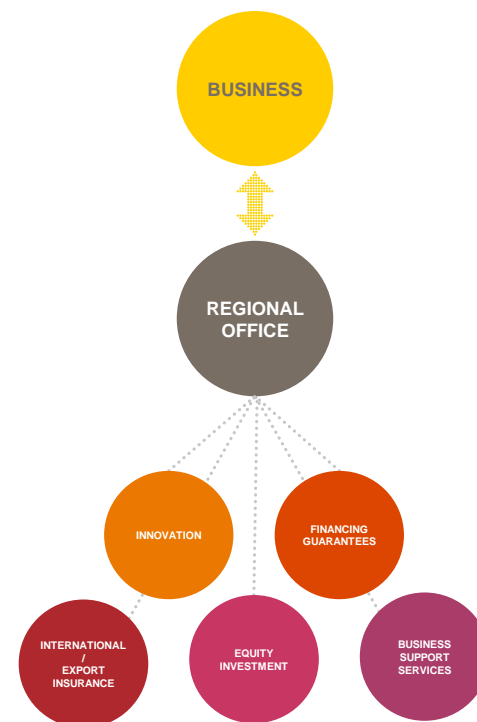
A well-established network in the heart of French Regions

- **Regional offices: 48**
- **Staff: ~2,200¹**
- **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:**



3 Business lines

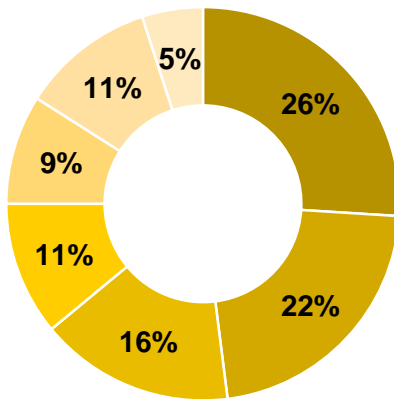
Bpifrance Financement offers financing solutions suited for every stage of business development* in partnership with banks

Business lines		Credit (cofinancing)	Guarantee	Innovation
Business Model	Offer	<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"> ● Grants ● Repayable advances² ● Loans
	Risk Sharing & Partnership with Banks	✓	✓	✗
	State account-related activities (public allocations)	✗	✓	✓
2018 Key Figures		<ul style="list-style-type: none"> ● €7,8 bn loans³ <ul style="list-style-type: none"> ● ~6,700 SMEs financed ● €5,3 bn ST financing⁴ 	<ul style="list-style-type: none"> ● €4,0 bn risks⁵ ● €8,7 bn loans ● ~60,800 SMEs financed 	<ul style="list-style-type: none"> ● €0,7 bn Innovation aids ● €0,4 bn loans ● ~5,650 SMEs financed

Activity

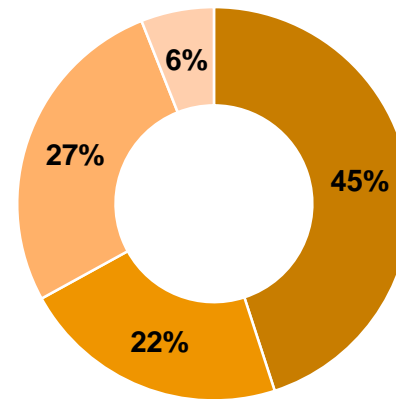
The breakdown of **Bpifrance Financement**'s activity shows a good diversification by sector and a strong focus on SMEs

Breakdown by sector¹



- Trade / Transport / Hotels / Catering
- Industry
- Real Estate
- Construction
- Business services
- Others
- Information and communications technology

Breakdown by size of enterprise¹



- SMEs
- Mid Caps
- Micro Businesses
- Large Caps

Key financials

A good operating performance & a solid risk profile

Bpifrance Financement: Income Statement

€m	2017	2018
Net banking income	758	770
• o.w. Credit	619	625
• o.w. Guarantee	101	104
• o.w. Innovation	39	41
Operating expenses	(411)	(444)
Cost of risk (CoR)	(35)	(37)
• o.w. Specific impairment	(55)	(58)
• o.w. Collective impairment	19	21
Operating Income	312	289
Net Income	182	167
Key ratios		
Underlying Cost / Income ratio¹	56,0%	57,8%
CoR (Specific impairment) / gross outstandings²	15 bps	15 bps
RoE	5,1% ³	4,5%
RoE of credit activities	5,8%	4,9%

Bpifrance Financement: Balance Sheet

€m	Dec. 17	Dec. 18
Total balance sheet	€52,4 bn	€57,4 bn
Loan outstanding	€35,9 bn	€38,1 bn
Solvability		
CET1 ratio⁴	12,4%	11,7%
Total ratio⁵	14,0%	13,8%
Leverage ratio⁵	5,2%	5,1%
Shareholders' equity⁶	3,598	3,756
Equity buffers		
• Fair value of public guarantee funds	2,862	5,990
Liquidity		
LCR	543%	370%
NSFR	127%	115%

Note: application of IFRS 9 as at 01/01/2018 ; see details in appendix 4

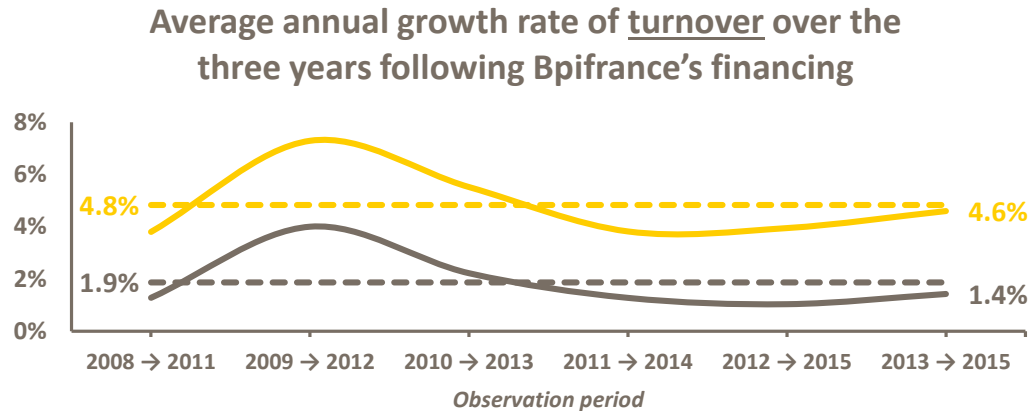
1. See in appendix for further details on specific items / 2. End of period outstanding loans to customers and finance leases, at amortised cost (medium and long-term loans, short-term financing, leasing) / 3. Adjusted to take account of the increase in the normative equity allocation principle in 2018

4. Fully loaded Basel 3 / 5. Phased-in / 6. Group Share

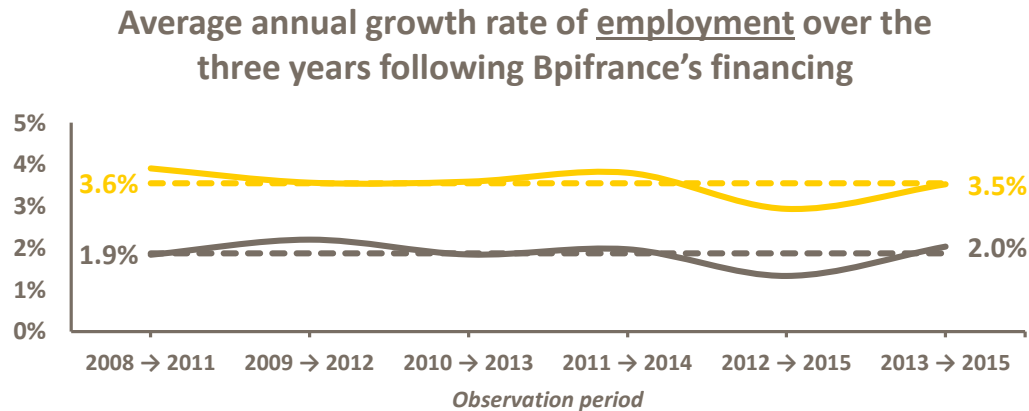
Steady performance throughout the cycle

A significant economic impact

Impact on activity



Impact on employment



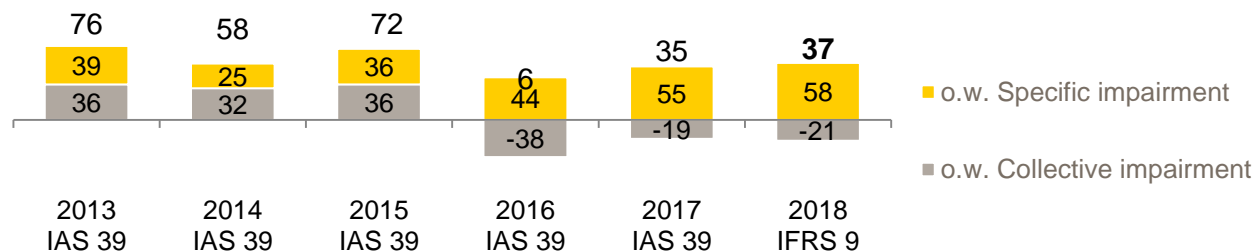
Impact of financing dedicated to companies' growth¹:

- + €37 bn of additional turnover²
- + 82,000 jobs created or saved²

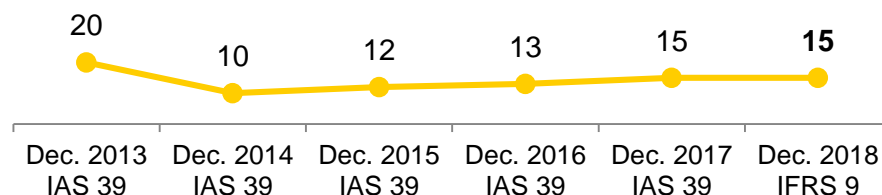
Credit risk management

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

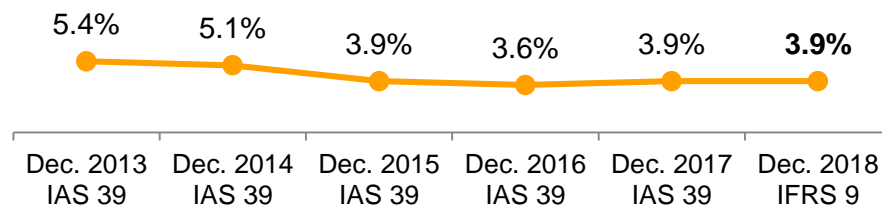
Cost of risk (€m)



Specific impairment / gross outstandings¹ (bps)



Doubtful loans² / gross outstandings¹



Note: application of IFRS 9 as at 01/01/2018 ; see details in appendix 4

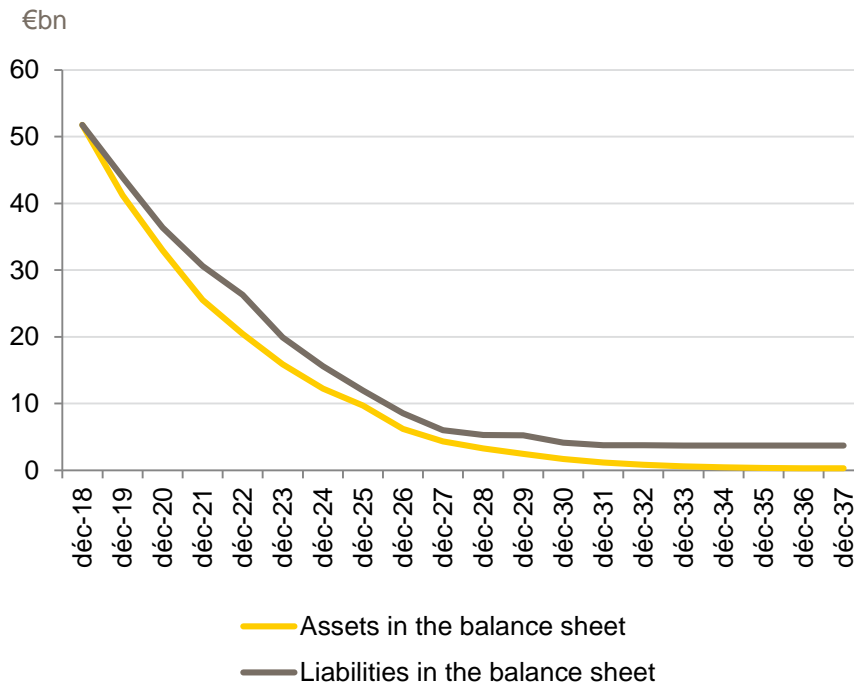
1. End of period outstanding loans to customers and finance leases, at amortised cost (medium and long-term loans, short-term financing, leasing)

2. As of 2018, credit-impaired loans (Bucket 3 of the IFRS 9 standard) to customers and finance leases, at amortised cost (medium and long-term loans, short-term financing, leasing)

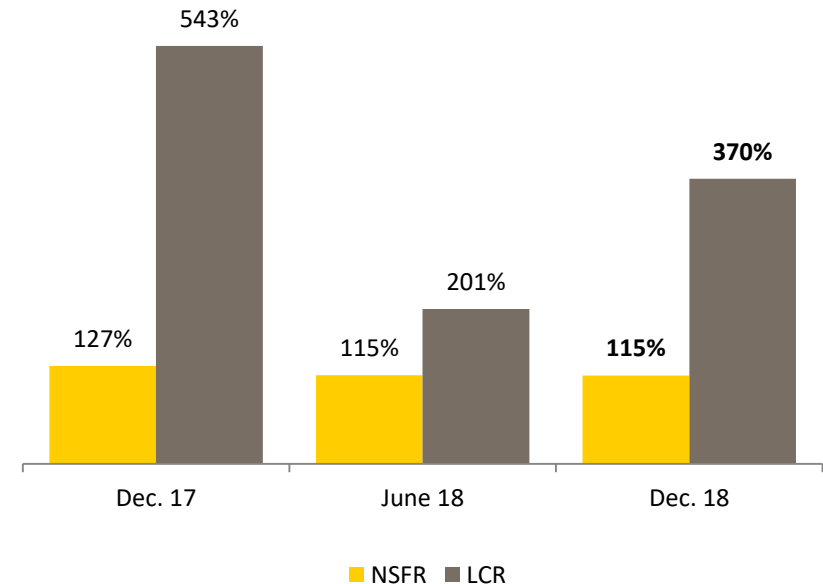
Liquidity risk management

Sound liquidity positions

Bpifrance Financement: Asset-Liability run-off



Bpifrance Financement: Liquidity ratios¹

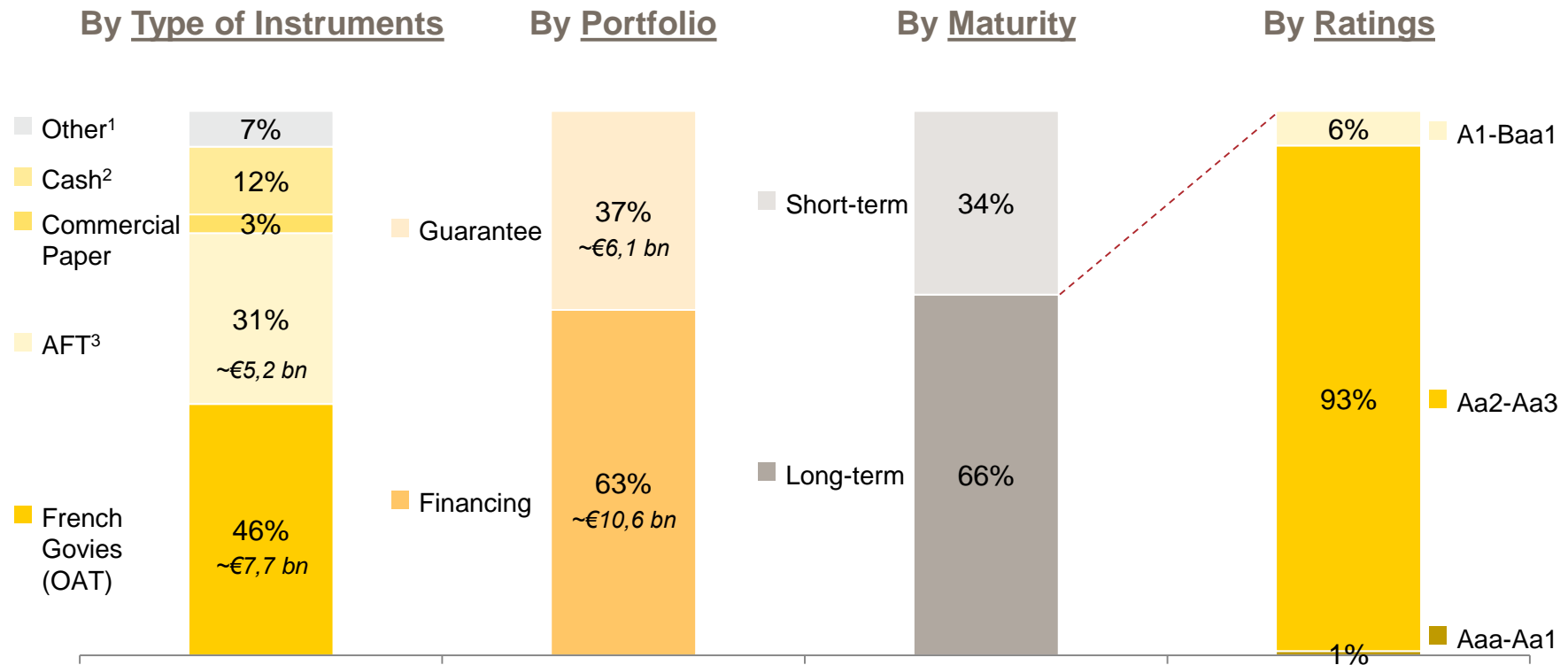


- Bpifrance Financement follows a strict liquidity containment policy by line of business. A funding gap is monitored for financing activities
- Nevertheless, the portfolio of guarantee funds is a source of mobilizable liquid assets

Treasury portfolio risk management

A conservative investment portfolio

Breakdown of Investment Portfolio: €16,6 bn (as at Dec. 2018)



Contacts

Contacts

● Arnaud CAUDOUX

- Deputy CEO
- arnaud.caudoux@bpifrance.fr
- +33 (0)1 41 79 83 07

● Jean-Yves CAMINADE

- CFO
- jy.caminade@bpifrance.fr
- +33 (0)1 41 79 99 86

● Jean-Michel ARNOULT

- Deputy CFO
- jm.arnoult@bpifrance.fr
- +33 (0)1 41 79 89 77

● Eric LOUIS

- Head of Fixed Income
- eric.louis@bpifrance.fr
- +33 (0)1 41 79 81 17

● Jean-François VEZIE

- Head of Financial Engineering & Management
- jf.vezie@bpifrance.fr
- +33 (0)1 41 79 97 72

● Julien GEFFROY

- Special Advisor to the Deputy CEO
- julien.geffroy@bpifrance.fr
- +33 (0)1 79 87 91

Adress and links

● Websites

- www.bpifrance.fr
- www.bpifrance.fr/Investors-Center
- <http://www.bpifrance.fr/Qui-sommes-nous/Developpement-Durable-RSE/Accueil>

● Headquarters

Bpifrance

27-31, avenue du Général Leclerc
94 710 Maisons-Alfort Cedex
France

Contents

- 1. Overview of Bpifrance p. 3
- 2. Bpifrance Financement: Funding Strategy p. 12
- 3. Bpifrance Financement: Key Facts & Figures p. 18

4. Appendices p. 28

- **Appendix 1: Bpifrance in a nutshell**

- A century of public banking
- Bpifrance benefits from highly protected legal status
- EPIC Bpifrance benefits from highly protected legal status
- Financing continuum
- Activity of the financing division
- Equity investment division
- An accountable bank

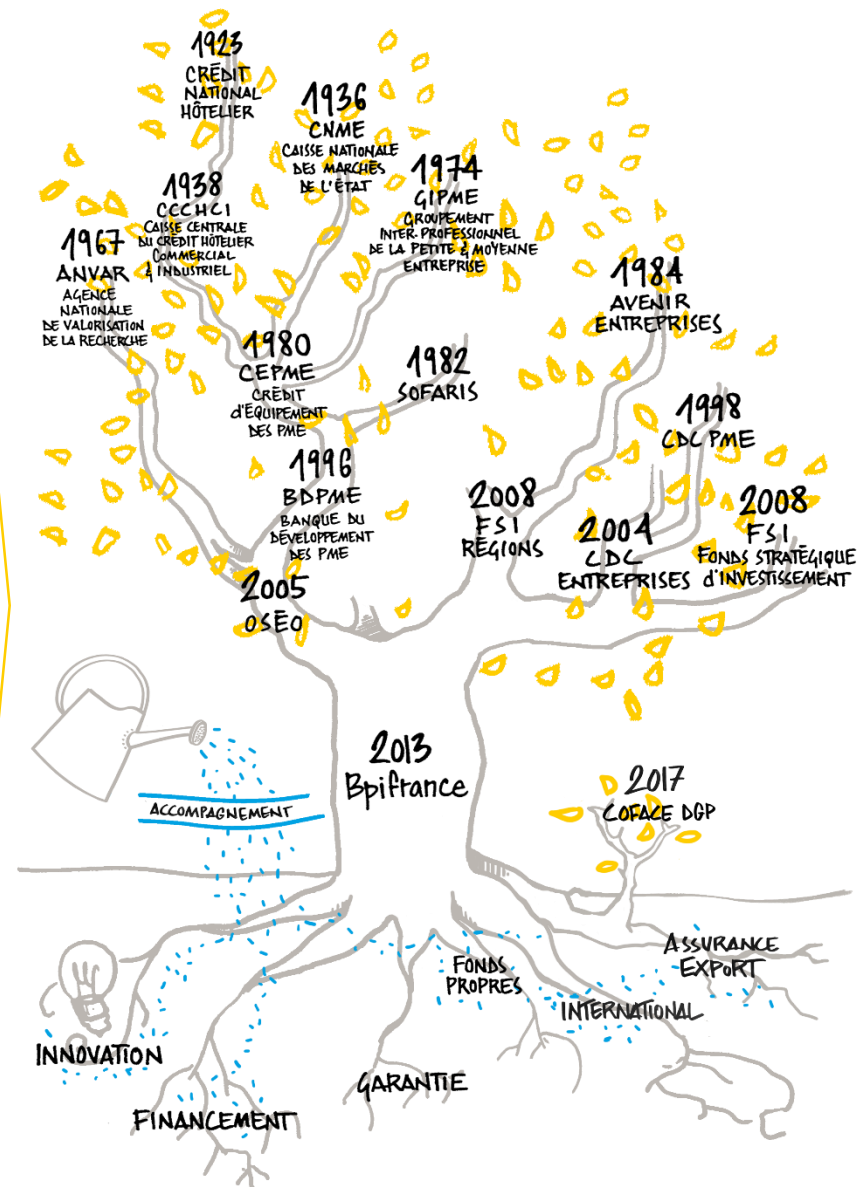
- **Appendix 2: France: a leading Tech and VC investment country**

- **Appendix 3: Bond issues under the EMTN/NEU MTN programmes**

- **Appendix 4: Methodological notes**

Appendix 1 - 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)
- 2017** > Coface DGP, the State Export Guarantees activity, is transferred to Bpifrance and becomes Bpifrance Assurance Export (01/01/2017), the new French export credit Agency (ECA) on behalf of, for and under the control of the State
- 2019** > Agence France Entrepreneur (AFE) is transferred to Bpifrance and becomes Bpifrance Creation. CDC International Capital is transferred to Bpifrance and becomes Bpifrance International Capital



Appendix 1 - **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 1 - 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**

- 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 Law²**

- EPIC Bpifrance is also **classified as an Other Government Body³ or ODAC** (Organisme Divers d'Administration Centrale), 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

1. An EPIC (Etablissement Public Industriel et Commercial) is a legal entity that carries out commercial and industrial activities whilst also being governed by some of the rules applicable to public law entities

2. Law n° 80-539 art 1 - 16th July 1980 → <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000006068696&dateTexte=20110729>

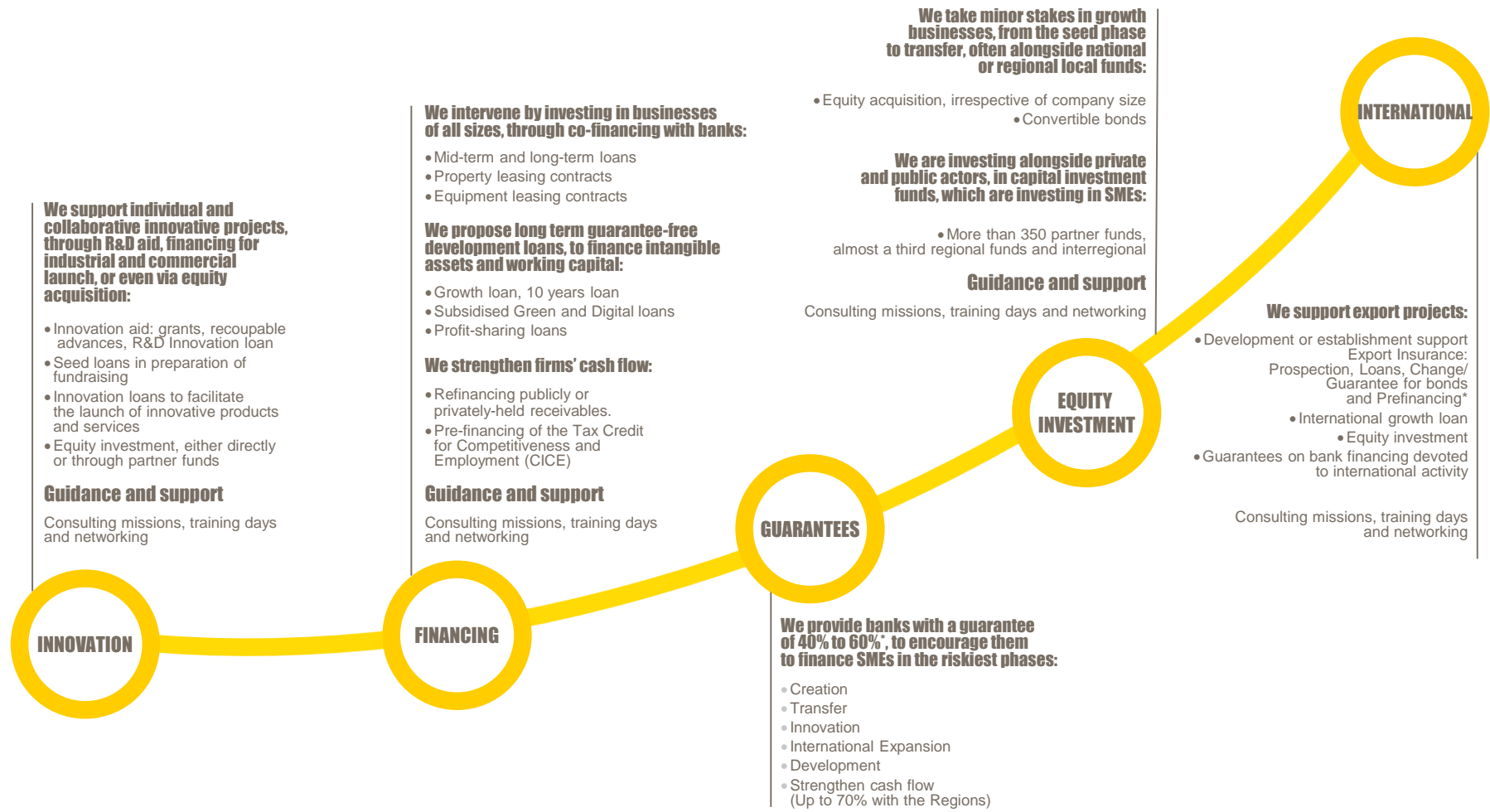
3. <https://www.insee.fr/en/metadonnees/definition/c1451>

Appendix 1 - 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 1 - A financing continuum, present in every key phase of business development

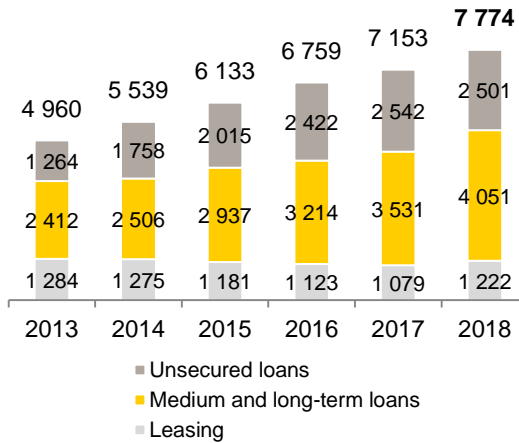


Appendix 1 - Financing division: strong business dynamics

Credit (cofinancing)

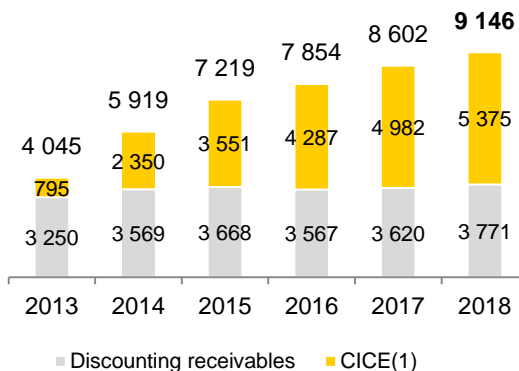
Investment loans

Annual Commitments - €m



Short-term loans

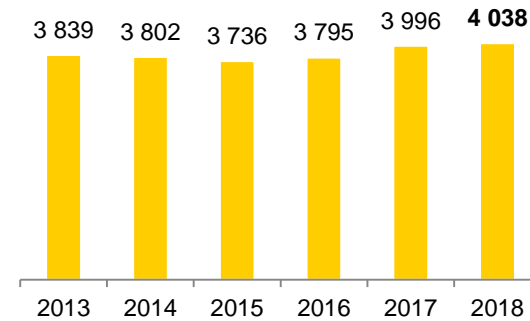
Annual Authorisations - €m



Guarantee

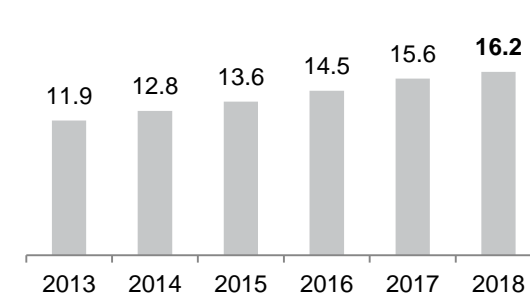
Annual Authorisations²

€m



Average Outstandings²

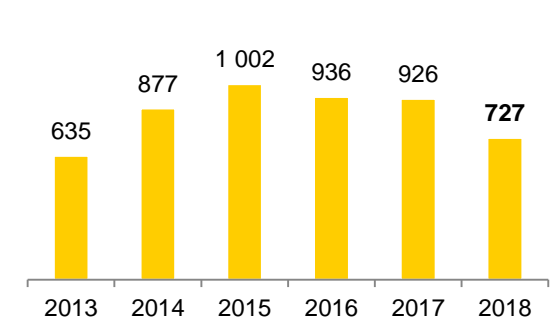
€bn



Innovation

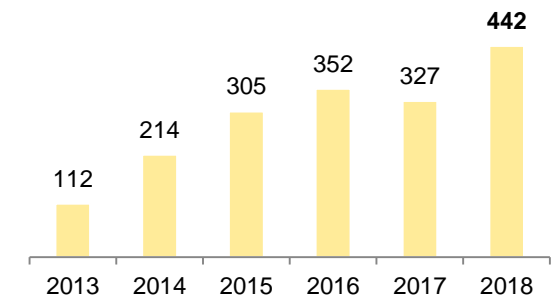
Innovation Aids

Annual Authorisations - €m



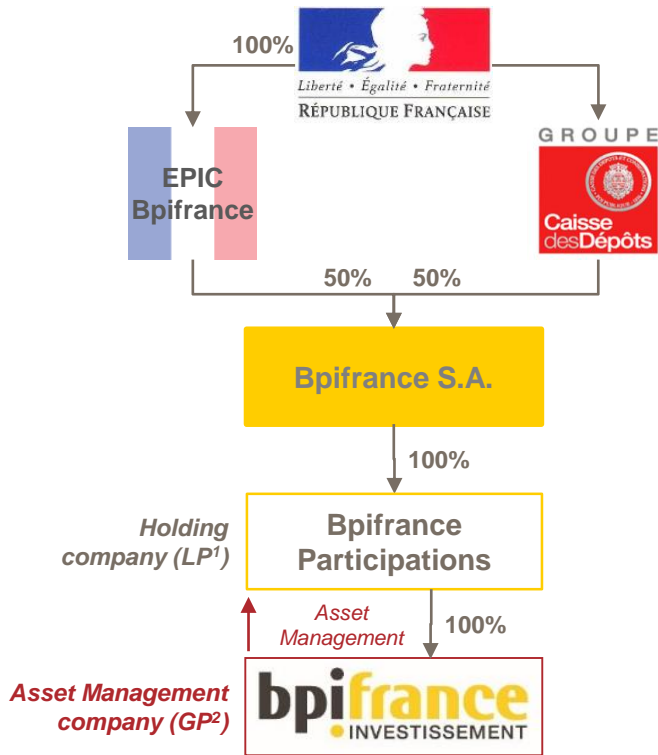
Unsecured loans

Annual Commitments - €m



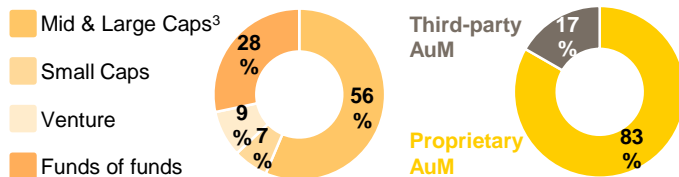
Appendix 1 - Overview of the equity investment division

Ownership structure



Assets under Management

Σ = €32,3 bn (end Dec. 2018)



3 Business lines

- **Direct investments** → Bpifrance acquires minority stakes in growing companies, from seed to transmission, usually alongside private funds, whether national or regional:

- Equity investments in companies of all sizes
- On segments where there is a lack of private initiative
- Equity or quasi-equity
- Direct stakes or holdings through investment funds

Growth	Mid & Large Caps ³	2018	<ul style="list-style-type: none"> • AUM: ~€18,2 bn, of which ~8% of third-party • Investments: €536 m • # deals: 39
	Small Caps	2018	<ul style="list-style-type: none"> • AUM: ~€2,1 bn, of which ~8% of third-party • Investments: €196 m • # deals: 104
	Venture	2018	<ul style="list-style-type: none"> • AUM: ~€2,8 bn, of which ~43% of third-party • Investments: €328 m • # deals: 104

- **Funds of Funds** → Bpifrance has a portfolio of ~400 partner funds, national or regional to:

- Contribute to the growth of SMEs
- Structure the financial chain
- Have a leverage effect on the private sector's investment in SMEs
- Enhance private equity managers efficiency and share best practices with them

Funds of Funds	2018	<ul style="list-style-type: none"> • AUM: ~€9,1 bn, of which ~29% of third-party • Commitments: €962 m • # deals: 50
----------------	------	---

Appendix 1 - 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

• **Prudent Investors**

• **General Interest**

• **Long Term**

• **Socially Responsible**

- **Minority investments**
- **Patient investments** (average horizon of up to 8-10 years)
- **Search for profitable operations** (positive return expected on Bpifrance’s equity capital)
- **General-interest criteria** (employment, competitiveness and innovation) taken into account in the decision-making process
- **No stakes in high-leveraged deals or transactions**

Targeted Sectors and Companies

- Investment in all sectors except:
 - Infrastructure, property and real estate, banking and finance, media organizations and research institutes
- Focus on:
 - **Growth sectors**, particularly biotechnology, digital technology and energetic and ecological transition
 - **Build-up** operations
- From **small** (SME size) to **large caps**
- Limited stakes in funds involving company restructuring processes

Systematic Partnership with Partner Funds

- Systematic search for **joint investments with private investors** (both as a LP and as a GP)

Appendix 1 - **Bpifrance** is an accountable bank and has an ambitious policy of engagement in our society

“Internal CSR”

● Social Policy

- Equality at Work Agreement for Men and Women
- Disabilities Agreement
- QWL agreement to promote the quality of work life and to encourage equal opportunities
- 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, and from locations in Marseille and boulevard Haussmann in Paris
- Energy consumption measurement in all 48 sites
- Eco-driving training for a part of the staff in regional offices
- Widespread use of videoconference facilities,...
- Deployment of a platform to promote eco- and social-friendly actions among staff
- Launch of a mobility plan to optimise staff personal and professional commuting time, in order to reduce carbon footprint and to improve life/work balance
- Carbon offsetting of greenhouse gas emissions from real estate /locations and business travel

“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 ongoing dialogue with company management throughout duration of investment
- Programme to raise awareness and support entrepreneurs in identifying and managing ESG issues of key importance for their company

● Support for Environmental and Energy Transition

- Dedicated investment funds: Eco-technological companies; Wood Fund; Energy and Environmental Transition fund
- Loans to energy producers from renewable sources
- 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

● Business Support Services

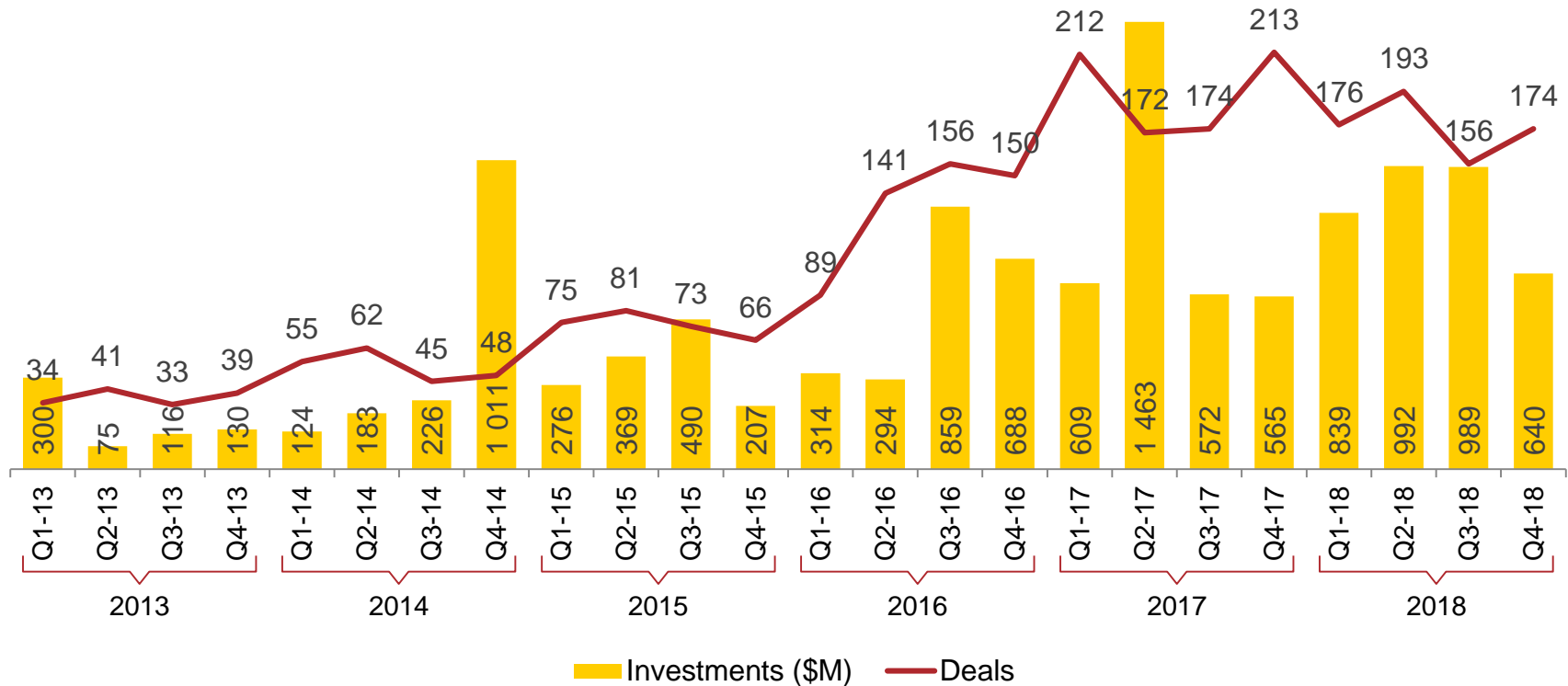
- Helping entrepreneurs by providing non financial support¹, CSR training and e-learning programmes

● Provision of CSR-related Training for corporate executives of client companies

● Measuring the impact of its activities on employment, growth and business resilience of companies Bpifrance financed and supported

Appendix 2 - France: a leading Tech and VC investment country (1/2)

French Tech quarterly financing trends: **x5** in 5 years

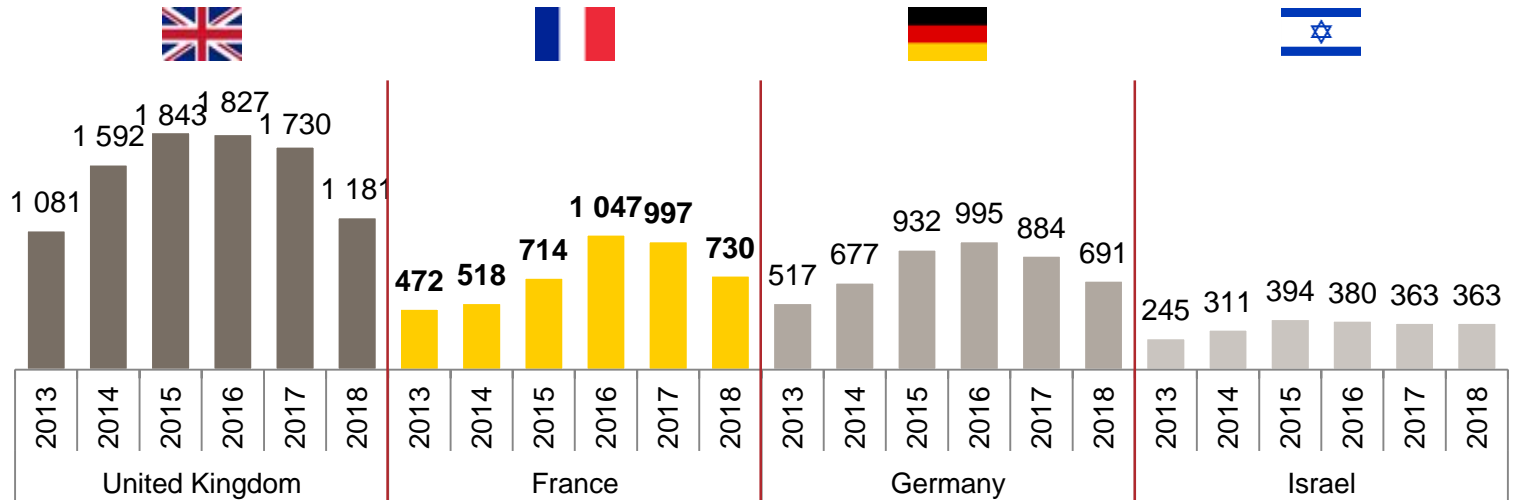


French Tech funding since 2014:
\$11,7 bn across 2,511 deals

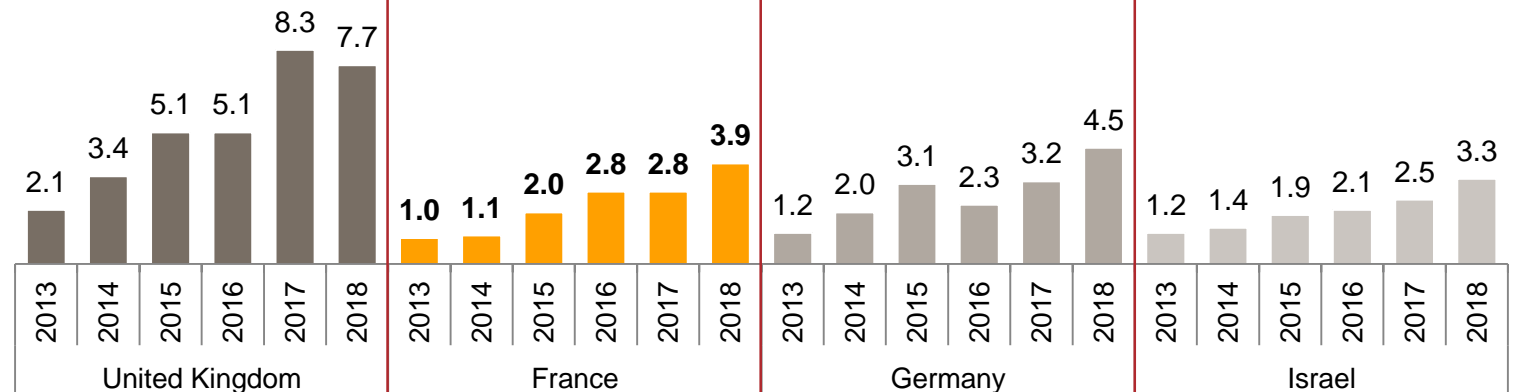
Appendix 2 - France: a leading Tech and VC investment country (2/2)

VC capital invested into European companies

Number
of rounds



Funding
amount
(in €bn)



Appendix 3 - General framework of our bond issues

Issuer	<ul style="list-style-type: none"> Bpifrance Financement
Status of the Issuer	<ul style="list-style-type: none"> Agency (Category II)
Guarantor	<ul style="list-style-type: none"> EPIC Bpifrance
Bloomberg ticker	<ul style="list-style-type: none"> OSEOFI + Gouv (F2)
Status of the Notes	<ul style="list-style-type: none"> Unsecured
Seniority of the Bonds	<ul style="list-style-type: none"> Senior
Rating	<ul style="list-style-type: none"> Aa2 (positive) by Moody's AA (stable) by Fitch
Guarantee	<ul style="list-style-type: none"> Autonomous, unconditional and irrevocable first-demand guarantee
Maturity	<ul style="list-style-type: none"> Any maturity above 1 year as indicated in the final terms
Amount	<ul style="list-style-type: none"> Benchmark size
Liquidity	<ul style="list-style-type: none"> HQLA¹ Level 1 eligible under the Delegated Act on the LCR PSPP eligible under ECB Programme
Permanent dealers	<ul style="list-style-type: none"> HSBC France (Arranger), BNP Paribas, Crédit Agricole CIB, Natixis, Société Générale CIB
Legal Framework	<ul style="list-style-type: none"> French Law
Listing	<ul style="list-style-type: none"> Paris

Appendix 3 - Bond issues by Bpifrance Financement under the EMTN programme

Bond Issues	Issues Date	Book size
OBL BPIFF 1.00% ECH 25/10/2019		1 500 M€
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		1 250 M€
First issue (Benchmark)	24/11/2015	1 250 M€
OBL BPIFF 0.10% ECH 19/02/2021		1 400 M€
First issue (Benchmark)	10/02/2016	500 M€
Second issue (Benchmark)	23/02/2017	500 M€
Third issue (Private Placement)	20/02/2018	150 M€
Fourth issue (Private Placement)	15/02/2018	150 M€
Fifth issue (Private Placement)	15/02/2018	100 M€
OBL BPIFF E6M+15 BP ECH 22/10/2021		100 M€
First issue (Private Placement)	15/10/2014	100 M€
OBL BPIFF 0.75% ECH 25/10/2021		1 600 M€
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		1 500 M€
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 BPIFF 0.00% ECH 25/11/2022		1 350 M€
First issue (Benchmark)	07/06/2017	1 000 M€
Second issue (Private Placement)	07/09/2017	250 M€
Third issue (Private Placement)	16/04/2018	100 M€
OBL OSEO-SA OAT 1.75% ECH 14/02/2023		1 000 M€
First issue (Benchmark)	06/02/2018	1 000 M€
OBL OSEO-SA 3.125% ECH 26/09/2023		1 500 M€
First issue (Benchmark)	16/09/2011	1 000 M€
Second issue (Private Placement)	04/11/2011	200 M€
Third issue (Private Placement)	15/03/2016	200 M€
Fourth issue (Private Placement)	05/11/2018	100 M€
OBL BPIFF 0.125% ECH 25/11/2023		2 000 M€
First issue (Benchmark)	22/11/2017	500 M€
Second issue (Benchmark)	31/01/2019	1 500 M€
OBL BPIFF 2.50% ECH 25/05/2024		1 850 M€
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€
Fourth issue (Benchmark)	29/11/2016	500 M€

Bond Issues	Issues Date	Book size
OBL BPIFF 0.75% ECH 25/11/2024		1 300 M€
First issue (Benchmark)	08/03/2017	600 M€
Second issue (Benchmark)	27/09/2017	700 M€
OBL BPIFF 0.50% ECH 25/05/2025		1 400 M€
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		1 500 M€
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 M€
Fifth issue (Private Placement)	16/10/2018	125 M€
OBL OSEO-SA 3.625% ECH 25/04/2026		110 M€
First issue (Private Placement)	15/02/2012	110 M€
OBL BPIFF 0.625% ECH 25/05/2026		1 250 M€
First issue (Benchmark)	13/11/2018	500 M€
Second issue (Benchmark)	02/07/2019	750 M€
OBL BPIFF 0.875% ECH 25/11/2026		1 000 M€
First issue (Benchmark)	12/01/2017	1 000 M€
OBL BPIFF 1.00% ECH 25/05/2027		1 500 M€
First issue (Private Placement)	09/05/2017	1 500 M€
OBL BPIFF 2.917% ECH 25/10/2027		125 M€
First issue (Private Placement)	29/10/2013	125 M€
OBL BPIFF 0.875% ECH 26/09/2028		600 M€
First issue (Benchmark)	18/09/2018	500 M€
Second issue (Private Placement)	24/05/2019	100 M€
OBL OSEO-SA E3M+115 BP ECH 27/07/2029		104 M€
First issue (Private Placement)	05/07/2012	104 M€
OBL BPIFF 1.875% ECH 25/05/2030		1 150 M€
First issue (Benchmark)	10/06/2015	600 M€
Second issue (Private Placement)	06/04/2017	200 M€
Third issue (Private Placement)	27/06/2017	200 M€
Fourth issue (Private Placement)	18/06/2019	50 M€
Fifth issue (Private Placement)	11/07/2019	100 M€
OBL BPIFF 1.875% ECH 25/07/2031		367 M€
First issue (Private Placement)	12/07/2016	367 M€
OBL BPIFF 1.32% 21/12/2033		50 M€
First issue (Private Placement)	14/12/2018	50 M€

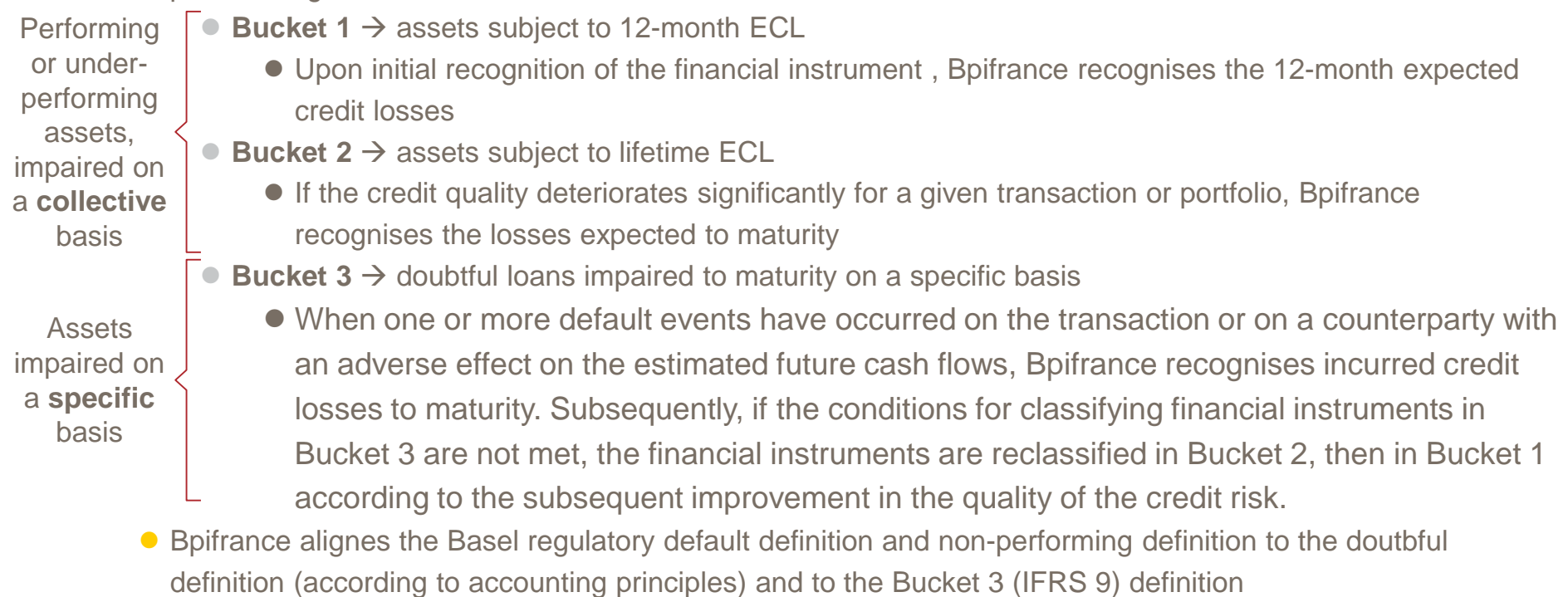
Appendix 3 - Bond issues by **Bpifrance Financement** under the **NEU MTN** programme

Bond Issue	Issue Date	Book size
BMTN BPIFF 0,00% ECH 16/01/2020	16/01/2018	200 M€
BMTN BPIFF USD Libor+11 05/10/2020	27/09/2018	287 M€ ¹
BMTN BPIFF 0,00% ECH 15/03/2022	13/04/2017	149 M€
BMTN BPIFF 0,00% ECH 15/03/2022	26/04/2017	50 M€

Appendix 4 - Methodological notes (1/3)

● IFRS 9 – Provisions for credit risks:

- In accordance with the application of IFRS 9 at 1 January 2018, Bpifrance recognises a correction for changes in value for expected credit losses (ECL) and defines three stages (Buckets) in the process of provisioning credit risk:



- Bpifrance aligns the Basel regulatory default definition and non-performing definition to the doubtful definition (according to accounting principles) and to the Bucket 3 (IFRS 9) definition

Appendix 4 - Methodological notes (2/3)

- **Financing Division:** comprises Bpifrance Financement and its subsidiaries
- **Investment Division:** comprises Bpifrance Participations and its subsidiaries
- **Export-Credit Insurance division:** comprises Bpifrance Assurance Export
- **RoE (Return on Equity):**
 - **Financing Division**
 - Numerator: net income for year N
 - Denominator: equity (of which annual earnings) at the end of year N minus unpaid capital at the end of year N
 - **Credit activity**
 - Numerator: the operating income after tax (by convention, the overall corporation tax rate of the Financing Division is assigned to activity in proportion to its operating income)
 - Denominator: normative equity employed (on a pro rata basis of NBI for the regulatory allocation under operational risk)
- In addition:
 - As a result of rounding rules, the amount of the values in the tables and analyses may differ slightly from the total listed
 - The differences between the consolidated total of certain financial aggregates at Group level and the amount of those aggregates at the operating divisions level is largely explained by intra-group operations

Appendix 4 - Methodological notes (3/3)

- **Specific items:** correspond to non-economic and exceptional items. Their adjustments lead to underlying data. In 2017, specific items had a total positive impact of €93 m on the Operating Income of Bpifrance Financement and in 2018, specific items had a total negative impact of €1.5 m on the Operating Expenses of Bpifrance Financement

	2017	2018
Credit Activities		
Cost / Income ratio	39%	44%
Underlying Cost / Income ratio	41%	44%
Bpifrance Financement		
Cost / Income ratio	54.2%	57.6%
Underlying Cost / Income ratio	56,0%	57,8%

bpifrance
 **SERVING THE FUTURE**