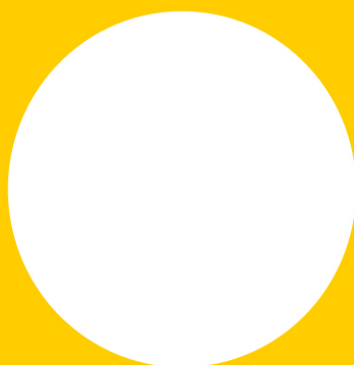




UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

2020



Bpifrance

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Bpifrance



The Universal Registration Document was filed on 26 March 2021 with the AMF, in its capacity as competent authority under (EU) Regulation No. 2017/1129, without prior approval pursuant to Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of offering financial securities to the public or admitting them to trading on a regulated market, if it is supplemented by a securities note and, where appropriate, a summary and all the amendments made to the Universal Registration Document. The documentation as a whole is then approved by the AMF pursuant to (EU) Regulation No. 2017/1129.



1. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The year 2020 was a year of profound changes for Bpifrance. The five “children” of the 2019 strategic plan have become adults. Lac I is deploying its capital while the Deeptech plan is accelerating with the creation of the national technology transfer platform.

Our business creation and VSE financing activity has exploded and is fully digitised. Support has increased the number of consulting missions and we have become the leading European network of executive education with our 55 schools; the VTE is taking off, Export to Africa too. Finally, the Bpifrance Entreprises 1 Fund was launched in October 2020. It will enable individuals to invest in an aggregate portfolio of more than 1,500 French companies.

Faced with the Covid-19 crisis, unprecedented in terms of its scale and consequences, the bank has met its destiny and shown its true colours: velocity, a public and investment bank, a bank with a heart, a digital bank, a bank for all companies (start-ups, VSEs, SMEs, investment funds, mid-tier companies, large groups). In support of the public authorities, Bpifrance has been able to respond, by mobilising alongside companies and their managers.

With €45 billion injected into the economy in loans, equity, subsidies, grants and guarantees (in addition to the €110 billion in SGLs guaranteed by Bpifrance), Bpifrance has mobilised, alongside the public authorities and in a countercyclical approach, all of its business lines to support companies in this economic emergency. Bpifrance became the operator of the Business Recovery Plan (in 2020, more than €420 million were allocated in support of industrial sectors as part of France Relance) while also driving the investment market.

Thus, the activity of the Bpifrance network in Financing was very intense with a total of €20.5 billion injected into companies (+9.5% vs. 2019). On the investment side, the Equity activity raised €3.6 billion, divided between direct investments in the capital of companies and indirect investments to boost the ecosystem of French investment funds. The Export activity played its countercyclical role, with an increase, for the Export Guarantees activity, in the number of Credit-Insurance and Deposit Guarantee operations. The activity also saw a large increase in volumes, with a significant number of contracts returned.

Support has been fundamentally redesigned to adapt to the needs of executives in a context of crisis, emphasising the Recovery and making use of digital technology. In addition to the Accelerators and consulting missions, the so-called “one-off” support has reached nearly 30,000 executives via e-learning opportunities (+74%) and nearly 2,000 through the implementation of digital self-assessments (+216%).

Regional partnerships have been massively strengthened to help companies. Partnership arrangements put in place with each Region have enabled more than 17,000 companies to access a total of more than €2 billion, in particular through the use of Rebound Loans. Lastly, we have worked closely with the European Commission and the EIB Group both to implement support measures to deal with this crisis and to prepare for the recovery.

By remaining more than ever at the side of entrepreneurs, Bpifrance will continue its action in 2021 to enable companies to project themselves into the post-crisis world. Bpifrance will continue its transformative action by allowing companies to calmly tackle the profound changes in the economy, in particular those related to climate change.

Nicolas Dufourcq
Chief Executive Officer of Bpifrance



2. PRESENTATION OF BPIFRANCE

In this Universal Registration Document, the terms “Bpifrance”, “Issuer” and the “Company” refer to Bpifrance, a public limited company (*société anonyme*) with capital of €5,440,000,000, whose registered office is located at 27-31 avenue du Général Leclerc in Maisons-Alfort (94710 Cedex), registered with the Trade and Companies Register under number 320 252 489 RCS Créteil.

Since 18 December 2020, the Issuer (formerly Bpifrance Financement) is the holding company of the Bpifrance Group. On that date, the Issuer absorbed its parent company Bpifrance SA.

2.1. History and development of Bpifrance

The Group’s development over the last 15 years is described below.

2005: the EPIC (Public Establishment with an Industrial and Commercial Nature) OSEO was born from the merger of ANVAR (*Agence nationale de valorisation de la recherche*), the BDPME (*Banque du Développement des PME*) and its subsidiary Sofaris (*Société française de garantie des financements des PME*).

Through these three companies, which have become subsidiaries of EPIC OSEO and have been renamed OSEO Innovation, OSEO Financement and OSEO Garantie, EPIC OSEO was entrusted with the financing and support of SMEs across three business lines: support for innovation, the financing of investments and of the operating cycle in partnership with banks, as well as bank financing and equity investment guarantees.

2007-2008: as part of the Government’s policy to promote and develop the investments devoted to research and innovation, priority was given to supporting innovation within mid-tier companies. To achieve this, the Government decided to merge the Agence de l’Innovation Industrielle (All) with OSEO, in view of the general interest mission they shared: financing and supporting companies during the most decisive phases of their life cycle. As such, on 1 January 2008 and after the dissolution of the All, the “Industrial Strategic Innovation” activity was transferred to OSEO Innovation by the French State.

2008-2010: in order to improve the responsiveness and effectiveness of OSEO, and therefore the quality of its services, in particular by clarifying and simplifying its organisation, the proposed merger of OSEO Innovation, OSEO Financement and OSEO Garantie was launched in 2008. It was made possible by Law no. 2010-1249 on banking and financial regulation of 22 October 2010, and took the form of a merger through absorption by OSEO Financement, which became OSEO SA (now Bpifrance), of the companies OSEO Garantie, OSEO Innovation and OSEO Bretagne.

2012-2013: on 6 June 2012, the Minister for the Economy announced the creation of the *Banque Publique d’Investissement* (BPI – Public Investment Bank). A public group intended to support the financing and development of companies, acting in accordance with public policies implemented by the State and by the Regions, the Group gathers the activities of OSEO, CDC Entreprises and the Strategic Investment Fund (FSI). The creation of the BPI was formalised by Law no. 2012-1559 of 31 December 2012, amending Order no. 2005-722 of 29 June 2005 relating to the creation of the public institution OSEO, which became EPIC BPI-Groupe, and then EPIC Bpifrance, and the public limited company OSEO (now Bpifrance). In the same way as the entities combining the Equity activities of CDC Entreprises and the FSI, now called Bpifrance Investissement and Bpifrance Participations respectively, the public limited company OSEO (now Bpifrance) became, on 12 July 2013, a subsidiary of a company called BPI-Groupe, subsequently Bpifrance SA, held equally by the French State via EPIC BPI-Groupe (now EPIC Bpifrance) and Caisse des Dépôts.

2015: Law no. 2015-990 of 6 August 2015 for growth, business and equal economic opportunity amended Order no. 2005-722 of 29 June 2005 relating to the Public Investment Bank and allowed harmonisation of the corporate names of all the Group entities, with EPIC BPI-Groupe and BPI-Groupe becoming, respectively, EPIC Bpifrance and Bpifrance SA.

2020: on 18 December 2020, by decision of the Extraordinary General Meetings of Bpifrance SA and the Issuer, Bpifrance SA was absorbed by the Issuer. Since that date, the Issuer is the holding company of the Bpifrance Group. On 18 December 2020, the Issuer’s Extraordinary General Meeting also changed the name of the company (now Bpifrance). EPIC Bpifrance and Caisse des Dépôts each hold 49.2% of the Issuer’s capital.

2.2. Key figures

- Investment division

Bpifrance Investissement

(in millions of euros)	2019	2020	Deviations
Operating earnings*	193,6	227,9	34,2
Operating expenses*	-164,4	-186,1	-21,7
Net income after tax	15,8	24,9	9,1
Assets under management	36 065	41 454	5 389
Funds of Funds	11 905	12 529	624
Small Cap	2 153	2 346	193
Innovation	3 250	4 265	1 014
Mid & Large Cap (incl. SPI fund)	18 656	22 215	3 558
FBI	99	99	0
Personnel	521	589	68

* Operating income and expenses are restated to align with the analytical accounting plan

- Financing division

(in millions)	2018	2019	2019 change	2020	2020 change
ACTIVITY					
Innovation aid (AI, ISI, FIS, PSPC, FSN, CMI, FNI, PIAVE)	727	832	14.43%	2,083	150.36%
Amount of risk guaranteed (excluding internal funds)	3,728	3,629	-2.66%	2,719	-25.08%
Amount of Bpifrance Regions' guaranteed risks	310	336	8.57%	279	-16.96%
Investment co-financing	8,216	8,708	5.99%	11,420	31.14%
Receivables discounting	3,771	3,961	5.03%	3,861	-2.52%
Pre-financing of CICE	5,375	4,147	-22.85%	2,886	-30.41%
PERSONNEL⁽¹⁾	2,008	2,135	6.3%	3,023	41.6%
Group share of earnings	167	153.4	-8.3%	-140	-191.5%
ROE ⁽²⁾	4.45%	3.90%	-0.55%	-0.60%	-4.50%

(1) Average salaried personnel on permanent contracts, in full-time equivalents as at 31 December.

(2) Earnings/Shareholders' equity of which income – uncalled capital – distribution of dividends for the year.



Change in cost/income ratio

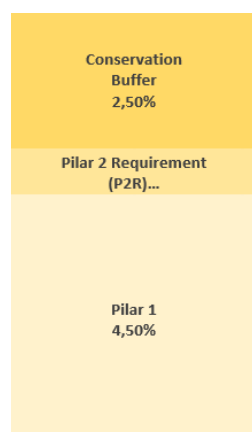
(in millions)

	2018	2019	2020
Net banking income	770	811	848
General expenses	444	487	550
Cost of risk	37	85	462
Net operating income	289	239	-163
Cost/income ratio	58%	60%	65%

- Key figures on risk and solvency of the Bpifrance Group, on a consolidated basis, as at 31 December 2020

	31/12/2018	31/12/2019	31/12/2020
CET1 ratio	30.19%	33.38%	30.58%
Leverage ratio	23.38%	24.16%	20.69%
LCR liquidity ratio	519%	450%	886%

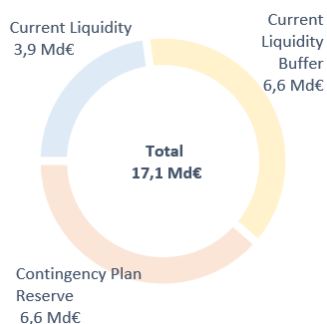
CET1 requirements



Risk weighted by type of risk



Liquidity reserve



2.3. Presentation of tasks and business lines

A public group dedicated to the financing and development of companies, Bpifrance acts in support of the policies implemented by the French State and Regions. Law no. 2012-1559 of 31 December 2012 gives Bpifrance the task of promoting innovation, start-ups, development, internationalisation, transfer and buy-out of companies, by contributing to their financing through loans and equity.

Bpifrance is a credit institution and a holding company which operates through its subsidiaries Bpifrance Régions (which, together with the credit institution, constitutes the Financing division), Bpifrance Participations and Bpifrance Investissement (Investment division) and Bpifrance Assurance Export (Export Insurance division).

The tasks and business lines of these three divisions are presented below, followed by the methods used by these business lines.

2.3.1. Financing division

2.3.1.1. Tasks and business lines of the Financing division

i) Tasks of the Financing division

As a credit institution, Bpifrance is subject to banking regulations (Decree of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to supervision by the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervision and Resolution Authority)), which impose numerous obligations on it, such as operating under market conditions, without abusive support or ruinous credit, and having a risk prevention system (financial, reputational and operational), separation of roles, monitoring and risk management systems. Bpifrance and its subsidiary Bpifrance Régions are under the supervision of the *Autorité de Contrôle Prudentiel et de Résolution* and subject to the direct prudential supervision of the European Central Bank¹.

Bpifrance is a neutral investment player that aims to bring together all financing partners, foremost among them the banks, as well as innovation development networks, for the benefit of companies, by co-financing projects with private banks.

In compliance with private players and the rules of competition law, Bpifrance provides financing to companies in their most risky phases, such as business creation or transfer, innovation, and international operations, as well as in the context of capacity investments. To do this, it relies on contributions from public actors at different levels: the French State, local authorities (particularly the regions) and the European Union.

Its public interest mission requires Bpifrance to work as closely as possible with the regions, in favour of VSEs, SMEs and mid-tier companies, regardless of their legal status (including SSE companies² and local public companies³ conducting trading activities), in all business sectors except financial services.

Its public status also involves being particularly open to companies in each region, a search for solutions with all partners, more patience, and appropriate remuneration.

Bpifrance is subject to State aid regulations (guarantee funds, research and development and innovation, subsidised loans) which prohibit, in particular, the financing of companies in proven difficulty or those which are not up to date with their social and tax contributions.

¹ List published by the European Central Bank in accordance with Article 49 (1) of Regulation (EU) No. 468/2014 of the European Central Bank (ECB/2014/17).

² Companies with a statute (cooperatives, SCOPs, mutuals, associations) or with a strong social impact.

³ SEM, SPL, SPLA.



ii) Financing division business lines

The three main business lines of Bpifrance's Financing division are the financing of investments and the operating cycle, guarantees and support of innovation, with a growing international focus.

The financing of investments and of the operating cycle

The last strategic exercise reaffirmed Bpifrance's role as an investment bank: in partnership with banking and financial institutions and regional councils, Bpifrance acts in support to investments:

- for tangible or intangible capital assets provided in the form of medium- or long-term loans and real estate, equipment or finance lease operations, particularly in the energy and environment sectors;
- for intangible assets, as well as the financing of working capital requirements, in the form of Unsecured Loans (Growth, Industry, Ecological Transition, Transfer/Buy-out, Innovation, VSEs, Tourism), taking a long-term, patient approach, without guarantees or sureties taken on the company or its directors.

Specific financing in partnership with the Regions, the Banque des Territoires and the EIB Group has also been provided to encourage investment in certain strategic phases or sectors: industry, tourism, French Touch, VSE, etc.

Bpifrance contributes to the financing of the operating cycle and finances the cash needs of small and medium-sized enterprises that are customers of large public and private principals, and for financed contracts, it provides signature commitments: sureties and first demand guarantees;

Guarantee

Bpifrance's Guarantee is directly correlated with the financing granted by its partners. It is a crucial tool for convincing banks to finance SMEs during the riskiest phases of growth, notably during the creation, innovation and transfer phases. Bpifrance provides guarantees for bank financing (including leasing and financial leases) and support from equity investors:

- with regard to creation;
- with regard to innovation;
- with regard to development;
- with regard to transfers/buy-outs;
- with regard to strengthening cash flow;
- with regard to international actions, including bank sureties on the export markets and the risk of failure for French subsidiaries established abroad (GPI).

The traditional share is between 40 and 60%. As part of the recovery plan, the percentage guarantee is increased to between 60% and 70% of the Development, Creation and Transfer funds. The guarantee can reach up to 80% with the help of guarantee funds set up by the Regions with Bpifrance.

The guarantee is the preferred form of assistance, particularly among smaller firms, since it is arranged in partnership with private banks which are able to give an immediate lending decision for amounts up to €200,000 or by calling on Bpifrance for higher amounts.

Innovation support

The Innovation mission of Bpifrance's Financing division is to meet the financing needs of innovative individual or collaborative projects, from the idea through to the market phase, in cases where conventional financing is unavailable or a commercial bank lacks the necessary expertise.

Bpifrance provides a financing solution for this that is adapted to suit the company on the basis of its distance from the market (subsidy, recoverable advance, zero-rate loan, subsidised loan without a guarantee, etc.), in close partnership with innovation financing players and, notably, the Regions.

The innovation financing of the activities of companies are divided into three main categories:

- individual aid (in the form of subsidies, recoverable advances, zero-rate loans, and R&D innovation loans) and loans without guarantees (start-up equity loans, innovation loans, etc.), from the State Budget (including P192, PIA and FII), Regions and Partners, and provided by the Bpifrance network in all of the Regions;
- individual aid provided through assistance from the State Budget (PIA and FII), in the form of recoverable subsidies and advances, provided by the Bpifrance Expertise Department;
- the financing of collaborative projects (FUI, PSPC, FSN, PIAVE, CMI), in the form of subsidies and recoverable advances, carried out by the Bpifrance Expertise Department.

Bpifrance has also developed a support offering on all growth phases of companies (primarily start-ups and SMEs) with advice, training, contacts, international immersion missions, and missions to support the creation of international collaborative projects.

In 2020, Bpifrance saw its innovation financing activity significantly strengthened. From the first half of 2020, Bpifrance rolled out an emergency plan to support the French innovation ecosystem and help it through the crisis (Innovation Support SGL, etc.) as well as emergency measures to respond to the challenges of the crisis (PSPC Covid, AMI Capacity Building). From the second half of the year, Bpifrance then launched the first calls for projects of the recovery plan (Auto, Aero, Resilience and Industrial Territories). Lastly, in 2020 Bpifrance became the French State's operator for the financing of ACC, a new European player in the production of batteries for electric vehicles.

2.3.1.2. Intervention by the different Financing division business lines

Bpifrance is active in three main business lines⁴ that have a common objective of working with entrepreneurs during the riskiest phases of their projects, from the company's creation through to its transfer/buy-out, and including its innovation and international expansion:

- innovation support and support and financing for innovative projects demonstrated to have recognised concrete prospects of being brought to market;
- investment and operational cycle financing alongside banking institutions;
- guarantees for bank financing and support from equity investors.

Bpifrance has pooled all of this know-how, while combining the various financing techniques in order to design solutions in response to shortcomings in the market. This applies to the financing of the seed-stage, to the bank financing of innovation (mezzanine loans and mobilisation of the Tax Research Credit (CIR) for mid-tier companies), over and above any assistance, as well as bringing innovative SMEs into contact with key accounts or equity investors.

Its efforts are characterised by its ability to have a ripple effect amongst the private actors in the financing of SMEs and innovation, while optimising the leverage of public resources.

Bpifrance networks with all of the public and private actors who are working to support the development of SMEs and innovation.

Bpifrance has signed partnership agreements with local authorities, first and foremost, the Regional Councils.

Bpifrance operates as a "network" with:

- banking and financial establishments, as well as equity investors;
- competitiveness clusters, research institutions, universities, engineering institutes, major companies;
- SATT (Technology Transfer Accelerator Companies);
- public or private business incubators and start-up hubs;
- chambers of commerce, industry and skilled trades;
- chartered accountants;
- federations and professional trade unions;

⁴ See also Note 11 to the consolidated financial statements.



- associations involved in company creation assistance and support networks;
- public and private actors working to distribute information technology within SMEs;
- European structural funds and Community research programmes.

2.3.2. Investment division

2.3.2.1. The tasks and business lines of the Investment division

i) Tasks of the Investment division

As part of the creation of Bpifrance, the investment doctrine was clarified during the first half of 2013 and then adopted on 25 June 2013 by the Board of Directors of the Bpifrance Group holding company. This doctrine, which applies to the entire Investment division of Bpifrance (and therefore to Bpifrance Investissement), is summarised as follows.

Through its equity investments, the Bpifrance Investment division finances the development and growth of VSEs and SMEs, in line with the FSI France Investissement 2020 programme, with the aim of assisting the emergence, consolidation and multiplication of mid-tier companies, an essential part of the competitiveness of the French economy and the development of exports.

Bpifrance's investments, in both funds and companies, are made on a selective basis, in accordance with best professional practice, depending on the value creation potential (for the investor and for the national economy) of the companies or funds financed. However, Bpifrance is not an investor in the same way as others. Its character as an informed investor operating under market conditions in the service of the collective interest leads it to supplement the investment offer of market segments characterised by a lack of private funds. As a result, Bpifrance devotes a significant portion of its equity investments, from its own resources and those of third-party investors that it manages, to the seed investment, venture capital, development capital and transfer/buy-out capital segments, or to funds geared towards profitable companies in the social and solidarity economy but which, in particular because of their status, naturally attract few traditional investors. Bpifrance is also committed to developing a mezzanine fund offering on the market in addition to or as a substitute for equity investments for companies whose shareholders do not wish to open their capital to third-party investors.

In this context, all operations in which Bpifrance is involved are guided by the following guiding principles:

- Bpifrance operates with a view to creating, through the acquisition of minority stakes, a ripple effect from public investment to private investment. Whether it invests its own resources or those of other subscribers – public or private – under its management, Bpifrance systematically seeks private co-investors to whom it leaves the majority share, in order to stimulate the investment market;
- Bpifrance is an informed investor operating under market conditions. When it co-invests, Bpifrance operates under the same financial and legal provisions as the co-investors (*pari passu*). Whenever possible, it takes a seat on the Boards of Directors of the companies in which it has invested and on the advisory and strategic committees of partner funds;
- Bpifrance is a patient investor. It adapts its investment horizon, in particular to the technological context of the company and can accept that the profitability of its investments materialises over a longer period of time than most private investors. This is particularly the case in high-risk market segments (seed money, venture capital, high R&D intensity). It provides long-term support to the companies in which it invests, which does not exclude a rotation of the asset portfolio in synergy with private co-investors, in order to ensure good risk management and free up room for manoeuvre to finance new investments and value its portfolio;
- Bpifrance serves the collective interest. In addition to the necessary assessment of the financial performance of companies (profitability, sustainability, liquidity), its investment decisions are made with regard to the impact of the projects on the competitiveness of the French economy assessed on the basis of a multi-criteria analysis grid, including non-financial criteria such as export and international development potential, contribution to innovation, ESG (environmental, social and corporate governance) practices, the impact on employment and regional development, the role in the sector, the development of family businesses, etc.

To ensure that its investments effectively contribute to the growth and development of companies, Bpifrance favours the contribution of new money to the companies in which it invests, alongside other investors. However, Bpifrance plans to take over from private equity or to delist a target by buying back shares, in particular in the following three cases:

- the generational transfer/buy-out of an SME;
 - the exit of some of the historical investors in companies with high growth potential, in particular innovative ones;
 - the purchase of shareholdings to maintain a significant presence of French investors in the capital, in companies considered sensitive or strategic.
- Bpifrance does not invest in the capital of certain categories of companies:
 - companies dedicated to financing infrastructure construction projects. However, Bpifrance may invest in companies involved in the construction or operation of infrastructures;
 - companies whose main activity is property development or real estate;
 - banks and insurance companies;
 - opinion media and polling institutes, to prevent any conflict of interest and preserve its neutrality;
 - semi-public companies (SEMs) which may benefit from investments by Caisse des Dépôts.

A specific coordination process applies to any investment decision that may result in competition with other Caisse des Dépôts Group entities.

- Bpifrance may exceptionally operate in the turnaround capital segment, which aims to turn around companies in difficulty, particularly SMEs and smaller mid-tier companies, by taking special precautions. This type of investment contravenes Bpifrance's guiding principles for three reasons:

- they generally assume a majority investment in order to have all the levers for action;
- public investments in companies in difficulty are subject to a presumption of French State aid and must therefore be notified to the competition authorities, leading to longer delays or even a risk of the investment transaction being unsuccessful;
- the restructuring of companies in difficulty would subject Bpifrance, a public investor, to significant reputational risks.

In view of these factors, Bpifrance will favour turnaround capital investments by investing in minority interests, alongside private investors, in funds managed by specialised independent teams.

In its application, this doctrine also takes into account the logic of a socially responsible investor and promotes it to its partner funds and companies financed within a clear ethical framework.

Fintech exception

- Although investments in the capital of banks and insurance companies are not generally authorised, Bpifrance Investissement may however invest in Fintechs with banking or insurance approvals. Any company that meets all of the following conditions is designated as a Fintech:

- start-ups or fast-growing SMEs;
- possessing or in the process of developing an innovative technology or business model, enabling it to differentiate itself from traditional players whose business model is largely based on the intensive use of their balance sheet;
- offering financial products or services, and/or products or services for the financial sector.

Investments in these Fintechs will pursue the objective of acquiring stakes in companies of technological or strategic interest for Bpifrance's business lines, as part of a Corporate Venture approach, and/or contributing to the emergence of European champions. Investments in minority interests must systematically be carried out alongside a regulated or financial player, as Bpifrance Investissement must not be or become the largest shareholder among the category comprising both regulated and financial investors, nor a reference shareholder in such companies.



A specific coordination process applies to any investment decision that may result in competition with other Caisse des Dépôts Group entities.

ii) The business lines of the Investment division

The organisation set up within the Bpifrance Investment division is structured around four business lines.

- Funds of funds, this business line mainly manages investments in partner funds subscribed via the funds of funds managed under the SME Innovation programmes (FPCR 2000, FCIR, FFT35 and FPMEI), and France Investissement (FFI-A, FFI-B, FFI II, FFFI III, FFI IV and FFI V).

The funds of funds business line also conducts its business through third-party management such as the Fonds National d'Amorçage (FNA), the Fonds National d'Amorçage No. 2 (FNA 2), the Fonds de Fonds MultiCap Croissance (FFMC2), the Fonds MultiCap Croissance No. 3 (MC3), the Fonds de Fonds de Retournement (FFR), the Fonds de Fonds Quartiers Prioritaires (FFQP), the Fonds de Fonds Edtech (FFE), the Fonds French Tech Accélération (jointly managed with the Innovation Department), the Fonds Accélération Bio Santé (FABS, jointly managed with the Innovation Department and the Industrial Projects Equity Department), the Fonds French Touch (FFT, jointly managed with the Innovation Department) subscribed by the French State (Investments for the Future programme, "PIA"), the FFI3+ subscribed by the savings funds of Caisse des Dépôts, the Fonds de Fonds Digital (FFD) subscribed by Caisse des Dépôts and some of its subsidiaries and the Fonds de Fonds Growth (FFG) subscribed by CDC and insurers.

A new activity for individuals has also been developed through the Bpifrance Entreprises 1 Fund set up in 2020.

- **The Development Capital Department** invests directly in equity, quasi-equity and debt in order to support SMEs, mid-tier companies and large French companies in their development and growth projects. Established throughout the country with 49 regional offices, this department's 160 professional investors perform the role of active minority investors seeking sustainable and responsible performance over the long term for their investments.

This department includes the following activities:

- **Large-Cap** to support the development of mid-tier companies and large French companies (€15 billion under management);
- **Mid-Cap** to accelerate the growth of high-potential independent SMEs and mid-tier companies (€1.6 billion under management);
- **Small-Cap** to grow SMEs in our regions (€1.5 billion under management);
- **Sovereign Fund Partnerships** to partner with long-term investors and sovereign wealth funds (€1 billion under management);
- **Specialised funds (Tourism, Sector-specific, FAA (Automotive), SPI (Industrial), Lac1)**, in order to address specific identified needs through management on behalf of third parties (€6.5 billion under management).

In total, the Development Capital portfolio comprises more than 600 investments with assets under management of €26 billion.

- **Innovation:** the Innovation business line's management teams invest directly in French start-ups and scale-ups positioned in sectors of the future, particularly in biotechnologies, environmental technologies, digital technology and the creative industries. The investment teams are structured by investment divisions dedicated to sectors

⁵ The FPCR 2000, FCIR and FFT3 funds are co-subscribed by third parties, respectively for 66.7%, 42.9% and 66.7%.

or stages of intervention and act on behalf of funds held in equity by Bpifrance Participations, or held by third parties (including certain funds of the Investments for the Future programme).

The business line is structured around investment clusters distinguished by sector or stage of intervention:

- The **Large Venture** division, which invests via Bpifrance Participations and Bpifrance Innovation I – Large Venture 2 in all areas of Innovation (mainly companies undergoing strong acceleration in the fields of Digital and Life Sciences) and from €10 million unitary investment;
- The **Digital Venture** division, which invests via the Ambition Numérique, Ambition Amorçage Angels funds and the Bpifrance Innovation I – Digital Venture Seed & Digital Venture AB fund in digital start-ups, at seed stage and in series A and B;
- The **Life Sciences** division, which operates in venture capital in biotech and medtech via the Bioam, InnoBio 1 and 2, Biotherapies Innovantes et Maladies Rares, FABS and Bpifrance Innovation I – Medtech funds;
- The **Independent patient** division, which operates in the digital health sector through the Bpifrance Innovation I – Autonomous Patient fund;
- The **Ecotechnologies** division, which operates via the Ecotechnologies, Ville De Demain and Bpifrance Innovation I – Impact funds;
- The **French Tech Acceleration** division, which operates via the eponymous fund to support accelerators and acceleration investment funds;
- The **Innovation Transverse Venture Capital** division, which operates via the PSIM, Definvest and French Tech Seed funds;
- The **Cultural and Creative Industries** division, which operates via the Fonds pour les Savoir-faire d'Excellence (FSFE), Mode et Finance 2, Patrimoine et Creation 2, Bpifrance Mezzanine I, Bpifrance Capital I and Tech & Touch funds.

The Innovation Support teams are grouped within **Bpifrance Le Hub** and mainly work with start-ups in the Bpifrance portfolio.

- **Support:** the Support offer within Bpifrance is managed by an Executive Department, structuring and harmonising a complete offer (advice, training, networking), consisting of five operational departments in a hierarchical relationship, supplemented by strong interaction with Le Hub, Bpifrance Excellence and the Innovation Department, in a functional relationship with this department.

At the same time, decentralisation is being introduced with the placing of 12 heads of consulting services in France, accelerated company recruitment decision-making and the appropriation of the Support business line by the network.

The five operational departments aim to work together in a strong cross-functional approach:

- 1) **Development:** development of Support products, improvement of the existing range, negotiation and entering into agreements with partners (the French State, CDC, Regions, professional organisations, etc.);
- 2) **Marketing and Commercial Support:** distribution of information on new products and programmes, creation and distribution of commercial support material, training of specifiers and coordination of marketing;
- 3) **Operations:** Organisation of the execution of Accelerator programmes, training and leading the Consulting and Accelerator teams, management of the pool of external consultants;
- 4) **University Programmes/Course for Executives:** Definition and contracting of the content of face-to-face and digital training, in and outside the Accelerators;
- 5) **Steering and Management:** management of the contractual relationship with companies and partners (contracts, invoices, subsidies), coordination of data collection and production of indicators.

2.3.2.2. Intervention by the different Bpifrance Investment division business lines

The Bpifrance Group's investments are made either directly by Bpifrance Participations or through funds and the methods of intervention differ according to the business lines, as described below:



- a) Investments in the Mid & Large-Cap business line are made directly by the Bpifrance Participations teams on the balance sheet of the investment holding company for investments in large companies (GE), new investments in mid-tier companies (ETI) are carried out through the ETI 2020 fund, raised during the first quarter of 2014. Investments in tier one and two automotive equipment manufacturers are made by FAAs funds, while investments in equity or mezzanine debt in the mid-market are made by Growth funds;
- b) The SME Equity and Fund of Funds business lines invest mainly through funds. These funds are primarily financed via an intermediary holding company (FSI PME Portefeuille wholly-owned by Bpifrance Participations) and managed by the management company of Bpifrance Investissement;
- c) In 2016, the Innovation business line made its investments both through funds managed by Bpifrance Investissement and directly on the balance sheet of Bpifrance Participations through the Large Venture and Direct Innovation activities;
- d) The Industrial Projects Equity business line acts as a minority partner, alongside corporate investors, in industrial project companies aiming to support the development of industrial sectors in key segments of the economy of tomorrow (energy transition, circular economy, etc.).

2.3.3. Export Insurance division

Since 1 January 2017, through Bpifrance Assurance Export, Bpifrance manages public export guarantees in the name, on behalf and under the control of the French State. Prior to that date, this activity was operated by Coface.

The guarantee is granted directly by the French State, thus demonstrating the support of the French State for exporters. These export guarantees are intended to encourage, support and secure French exports with medium- and long-term financing as well as French investments abroad.

More specifically, Bpifrance Assurance Export's offering is made up of a range of solutions designed to support business development in foreign markets, facilitate the issuance of guarantees and the granting of pre-financing by banks, and secure exports and investments abroad, to make the financing offered to foreign customers competitive and to protect against currency fluctuations.

Bpifrance Assurance Export manages public guarantees in strict compliance with the international rules of the WTO, the European Union and the OECD.

Bpifrance Assurance Export is organised into four divisions:

1. Key accounts
2. Mid-tier companies (ETIs) and SMEs
3. International relations, development of the offer and rating
4. Claims, consolidations and recovery

2.4. Capital and shareholding

Between 1 January and 18 December 2020 (date of the merger between Bpifrance SA and the Issuer), the share capital of the Issuer amounted to €839,907,320, divided into 104,988,415 shares with a par value of €8.

Bpifrance SA, owned equally by EPIC Bpifrance and Caisse des Dépôts, held 90.78% of the capital and voting rights of the Issuer. Bpifrance SA had the status of a financial company, and was subject to the prudential supervision of the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervision and Resolution Authority) and the European Central Bank.

Since 18 December 2020, the share capital of the Issuer has amounted to €5,440,000,000, divided into 680,000,000 shares with a par value of €8. Since that date, the Issuer has held 1,450,880 shares of its capital (treasury shares).

Breakdown of the issuer's share capital and voting rights over three years

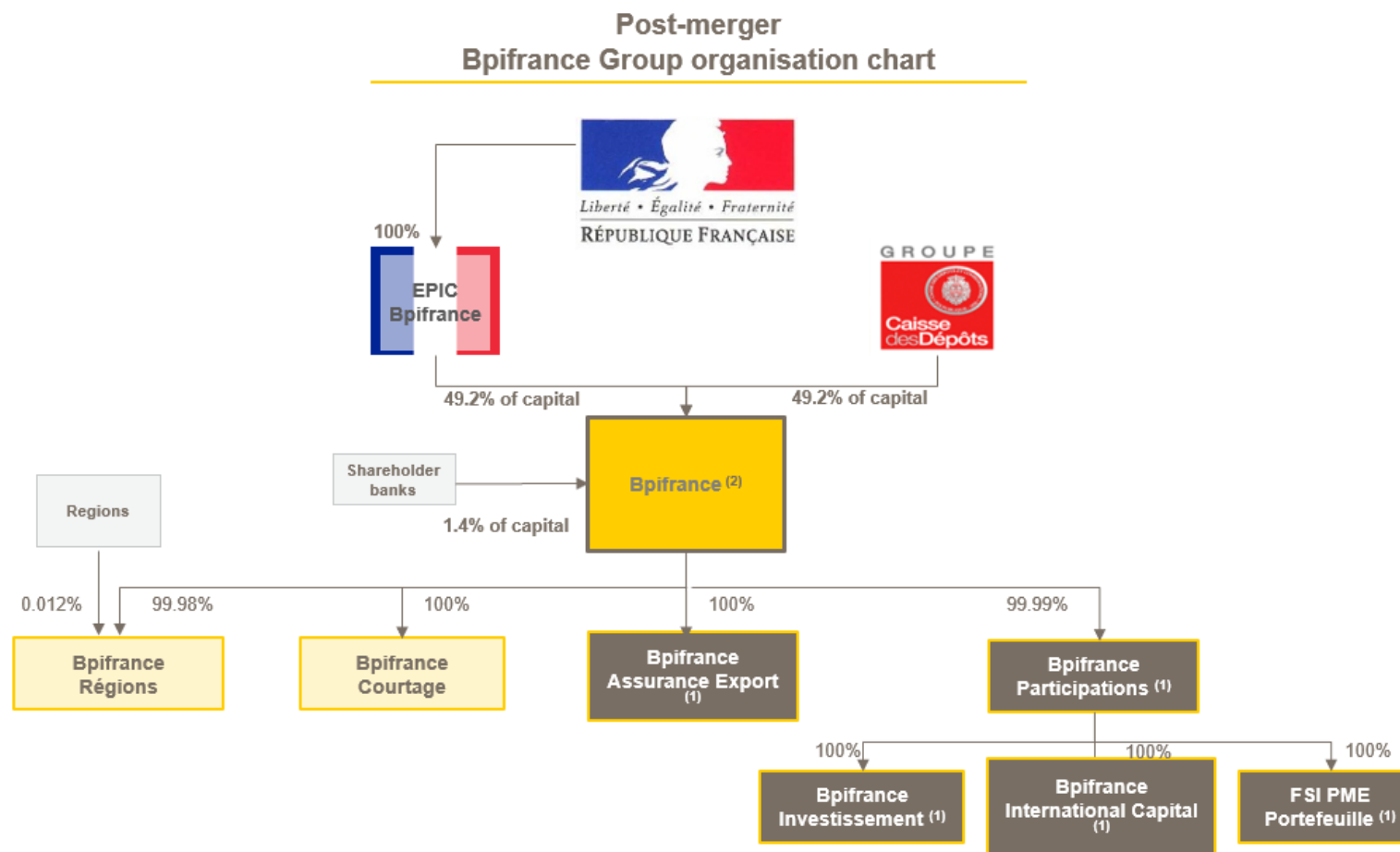
	as at 31 December 2020				as at 31 December 2019			as at 31 December 2018		
	Number of shares	% of share capital	% of theoretical voting rights(1)	% of voting rights exercisable at GM	Number of shares	% of share capital	% voting rights	Number of shares	% of share capital	% voting rights
EPIC Bpifrance	334 434 120	49,18%	49,18%	49,29%	-	-	-	-	-	-
Caisse des Dépôts	334 434 120	49,18%	49,18%	49,29%	-	-	-	-	-	-
Bpifrance SA	-	-	-	-	95 306 275	90,78%	90,78%	95 302 123	90,77%	90,77%
Banques et Divers	9 680 880	1,42%	1,42%	1,43%	9 682 140	9,22%	9,22%	9 686 292	9,23%	9,23%
Actions auto-détenues ⁽¹⁾	1 450 880	0,21%	0,21%	0,00%	-	-	-	-	-	-
Total	680 000 000	100%	100%	100%	104 988 415	100%	100%	104 988 415	100%	100%

(1) In accordance with Article 223-11 of the AMF General Regulation, voting rights are held by treasury shares for the calculation of the total number of voting rights, but these shares do not have any voting rights at General Meetings.



2.5. Capital structure of the Bpifrance Group

The capital structure of the Bpifrance Group as at 31 December 2020 is described below.



- (1) Subsidiaries controlled by Bpifrance as of the merger
(2) At 18 December 2020, Bpifrance holds 0.2% of its capital

3. BOARD OF DIRECTORS' MANAGEMENT REPORT TO THE GENERAL MEETING

3.1. Activity report

3.1.1. Key events of 2020

Some of the key events of 2020 are listed below:

January

- Bpifrance (via its Large Venture fund) participates in the series E fundraising of €125 million from ManoMano, an online DIY, home and garden specialist.
- Bpifrance enters the sterling bond market with a £250 million issue maturing in July 2022, with a coupon of 0.75%.
- Bpifrance launches an unsecured loan for VSEs and SMEs in the tourism sector with the support of the Banque des Territoires.
- Bpifrance and Business France strengthen their ties to promote contact between French companies and foreign investors, via the EuroQuity platform. This new step in the strong partnership between the two entities aims to help French companies enter into relationships with international investors in order to finance their development projects both in France and abroad.

February

- Mubadala Investment Company ("Mubadala"), one of the largest sovereign wealth funds in the world, announces the signature of a Memorandum of Understanding ("MoU") with Bpifrance, thus confirming its participation in the first closing of the LAC I fund, a fund of several billion euros managed by Bpifrance.
- Bpifrance Le Hub unveils the names of the 11 start-ups selected in February 2020: Harvestr, Incepto, Kactus, Lumapps, Majelan, Primaa, Shippeo, Snapshift, Splio, SportEasy and Vestiaire Collective. For one year, these innovative companies will be monitored by a team of more than 30 people mobilised to help them structure and develop in response to the challenges that each faces in order to grow.
- Bpifrance strengthens its cooperation with Bandex, the Dominican Republic's foreign trade bank, to promote trade between France and the Dominican Republic.
- Bpifrance joins the Lacroix Group's Symbiose project. The SPI fund, managed by Bpifrance, and Lacroix Group jointly invest €25 million to create an industry 4.0 joint venture.

March

- Following the announcements of the French President on 16 March 2020, all the professional networks of the member banks of the French Banking Federation, in collaboration with Bpifrance, launch an unprecedented mechanism enabling the French State to guarantee loans in the total amount of €300 billion. These loans will help relieve the cash flow of companies and professionals feeling the shock of the health emergency.
- After the implementation of exceptional financing measures to alleviate the cash flow difficulties of companies in the context of the coronavirus (Covid-19) crisis, Bpifrance is now rolling out a new component of its action. To strengthen the equity of French start-ups and SMEs, Bpifrance is launching two vehicles: the Fonds de Renforcement des PME (FRPME), endowed with nearly €100 million, and the French Tech Bridge, a budget of €80 million intended for start-ups expecting to raise funds in the coming months.



- One year after the launch of its Deeptech plan, a white paper by Bpifrance underlines the importance of a continuum in the investment cycle in Deeptech.
- Pixpay, the new banking app for 10-to-18 year-olds, with parental support, accelerates its development and announces fundraising of €8 million from Bpifrance and Global Founders Capital.

April

- Bpifrance completes its support measures for French exporting companies affected by the epidemic by launching a public reinsurance scheme for short-term credit insurance risks, Cap Franceexport.
- Bpifrance reaffirms its strong commitment to Dynacure, a Strasbourg-based biotechnology company specialising in the development of innovative treatments for patients suffering from serious and disabling orphan diseases, by participating in its Series C fundraising of €50 million.
- In partnership with Bpifrance, the Auvergne-Rhône-Alpes region launches the Auvergne-Rhône-Alpes region loan, a loan to support VSEs and SMEs, accessible online.

May

- Bpifrance formalises the success of the first closing of the LAC I fund, with an investment capacity of almost €4.2 billion.
- As part of the Tourism Plan announced on 14 May 2020 by the French Prime Minister during the inter-ministerial committee meeting, Bpifrance and the Banque des Territoires will mobilise a total budget of €3.6 billion by 2023 in financing, investment and support solutions for professionals in the sector.
- Bpifrance, via its Large Venture fund, invests in Owkin's capital and becomes a new reference shareholder of Owkin through a Series A extension of \$25 million. Owkin is a start-up offering artificial intelligence-based solutions to pharmaceutical companies to increase their R&D performance.
- PhDTalent and Bpifrance present the national survey entitled "Young researchers and entrepreneurship in Deeptech".

June

- As part of the French Ministry for the Ecological and Solidarity Transition plan to accelerate the ecological transition of SMEs and VSEs, Bpifrance, in partnership with ADEME, is now developing the "Diag Eco-Flow". This diagnostic tool will enable VSEs and SMEs to quickly achieve sustainable savings by reducing their consumption of energy, materials, water and waste production.
- Bpifrance expands its business support programme and launches the *AutoDiag Rebond* and the *AutoDiag Rebond Tourisme*, two new tools to pinpoint the issues encountered by managers in the context of the Covid-19 crisis, and to identify strategic areas enabling them to bounce back quickly.
- Pour une Agriculture du Vivant has just obtained a grant of €1.16 million from the French State, as part of the Investments for the Future (PIA) Programme, operated by Bpifrance, to develop a collaborative open source platform dedicated to agroecology.
- French Fab launches a *Grand Rebond* portal which aims to share the innovations of French manufacturers involved in the fight against Covid-19 and thus participate in the recovery.

July

- Bpifrance acquires a stake in the holding company of the Voyageurs du Monde group. As part of the internationalisation of its activities, the Voyageurs du Monde group, the French leader in tailor-made travel and adventure travel, raises €16 million, subscribed by investors and management, and strengthens its shareholder base.
- Bpifrance and the Ecobank Group join forces to promote exports in Africa. Bpifrance, through its subsidiary Bpifrance Assurance Export, signs a memorandum of understanding with the Ecobank Group, the pan-African bank present in 35 African countries.
- Classroom, the French app that reinvents communication between parents and school teachers, has raised funds of €2.7 million from the Bpifrance Digital Venture fund, and new strategic business angels.
- Technique Solaire raises new funds of €25 million from its long-standing financial partners, Bpifrance and the Cr dit Agricole Group, to support the strong acceleration of its growth.

September

- Bruno Le Maire and Bpifrance announce the launch of the Bpifrance Entreprises 1 fund, which enables individuals to invest in French companies through an aggregate portfolio of more than 1,500 mainly French and unlisted companies.
- Bpifrance and the Banque des Territoires launch a €40 billion Climate Plan to accelerate the environmental transition of companies and regions, and thus contribute to the economic recovery.
- Bpifrance will invest €50 million to participate in the creation of a pan-European leader in the production and distribution of audiovisual content, thus strengthening the French shareholder base of Mediawan.
- Florence Parly, French Minister of the Armed Forces, announces the creation of the *Diag Cyber*, a system to help secure the cyber security of SMEs and mid-tier companies in the defence industry. This new system will be managed by the DGA and operated by Bpifrance.
- Bpifrance launches the sixth edition of its flagship programme, the SME Accelerator. 58 French SMEs, selected for their growth potential, join this edition of the SME Accelerator and thus start their 24-month support programme.

October

- Bpifrance and the Automotive & Mobilities sector (PFA) unveil the second edition of the Automotive Accelerator dedicated to SMEs and mid-tier companies in the sector, and launch a new support programme for small SMEs in the sector.
- Bpifrance and Proparco launch their new fund of funds to promote the development of the private equity industry in Africa, Averro s Africa.
- On the occasion of the *Assises de la Microfinance* on 1 October, together with its partners, Bpifrance launches the Honorary Solidarity Loan, at a zero rate and guaranteed by the Social Cohesion Fund.
- Bpifrance launches a system aimed at fostering and supporting start-ups in the field of digital health and thus contributing to the transformation of the French healthcare system.



November

- Bpifrance and its partners launch the *Renfort Petite Entreprise* e-Pathway to help micro-entrepreneurs and VSE managers overcome the effects of the crisis and revive their business.
- Bpifrance launches the second edition of the “Entrepreneurship for All Tour”: a month to promote and stimulate the entrepreneurial dynamics of priority urban areas (QPV).
- Bpifrance announces the first investment of its Lac 1 fund, which takes a 5% stake in Arkema.

December

- After doubling the size of the Definvest fund to €100 million, the French Ministry of the Armed Forces renews its confidence in Bpifrance by entrusting it with the management of its new Defence Innovation Fund with a target size of €400 million, thus strengthening Bpifrance’s actions with the Defence ecosystem.
- Bpifrance, in partnership with the Ministry of Agriculture and ADEME, strengthens its financing tools for project leaders in the methanisation sector, with the agricultural methanisation loan and the injection methanisation loan.
- Bpifrance, the French State, Ameublement Français and CODIFAB launch the Wood and Eco-Materials Fund, amounting to €70 million, to support the development of companies in the wood and biosourced materials sector.
- URPS, Bpifrance, G-Nius and Medicen Paris Région strengthen their partnership to accelerate innovation in e-health. The aim is to place private doctors at the heart of the innovation process for their future work tools.

3.12. Post-balance sheet events

No exceptional events or events likely to have a material impact on the financial position, business, results or assets of Bpifrance occurred between the balance sheet date and the date of approval of the financial statements by the Board of Directors.

3.13. Strategic plan: 2023 Objective

The strategic plan for 2023 leads Bpifrance to renew its commitment alongside entrepreneurs to help them move into the post-Covid-19 world. Bpifrance will remain the patient bank for all companies, helping them meet their structural challenges and mobilise all resources to support the major transformations of the economy of the future, particularly those linked to the climate. Bpifrance will remain focused on the needs of its customers, its objectives remaining unchanged: to empower the players, to free up energies and ambitions, while being a reference for professionalism in the Finance and Consulting professions.

This strategic plan for 2023 is based on six priorities:

1. support for the recovery through a wide range of unsecured long-term loans, private loan guarantees and equity guarantees (e.g. Plan 1 200 tickets);
2. the constant expansion of the Climate Plan leads us to more than double our commitments, to push French Deeptech strongly, as well as support, and to take climate into account in all our activities;
3. the rollout of the French Fab Plan: reconstruction of the industry through digitisation, relocation, technology (Tech in Fab), support for exports and internationalisation, and support, especially in the automotive and aeronautics industries;

4. the boom in our 100%-digital platform for small unsecured loans for founders and VSEs;
5. support for four strategic sectors in France with a strong innovation dimension: health, tourism, education and culture;
6. development of third-party asset management.

3.14. Activities by business line and key figures

3.1.4.1. Financing division

The activity of Bpifrance's Financing division in 2020 is presented below around the three business lines of this division with a focus on international activity.



Innovation activity

- Subsidy/advance/loan distribution

(in € million)	2019	2020
Individual aid	463	540
. Subsidies	123	132
of which partners	62%	60%
. Repayable advances	125	115
of which partners	28%	30%
. Zero-rate loans	19	17
of which partners	43%	49%
. Zero-rate loans+	19	12
of which partners	51%	49%
. R&D Innovation Loan	177	263
of which partners	0%	0%
F21 aid	78	95
Development loans	441	928
. Seed Loan (PA and PA EIF)	159	204
. Innovation Loan (PI EIF)	282	264
. Innovation Support Loan ⁽¹⁾		459
ACC Battery Plan		690
Recovery plan (Auto, Aero, critical industries, Industrial regions)		421
Financing of collaborative projects	290	338
. PSPC	141	191
. C-INN	67	72
. SECTOR	65	41
. Battery plan – new IPCEI		11
. FIS	10	5
. FSN	1	1
. FNI	1	1
. PIAVE	3	5
. SIA		8
. FTT	3	1
. FUI	0	2

(1) as part of the SGL system

- Comments on the evolution of the activity

The innovation financing activity reached an exceptional level in 2020: with €3 billion granted to 6,256 companies in 2020, the increase in activity by value was +138% compared to 2019.

The innovation financing activity, excluding the crisis, increased significantly (€1.9 billion in 2020, i.e. +43%, compared with €1.3 billion in 2019).

In addition to this very high level of activity, in the second half of the year, a major policy of support for strategic sectors was launched as part of the Recovery Plan. The teams of Bpifrance, operator on behalf of the French State of calls for proposals in the Automotive, Aeronautics, Industrial regions and Resilience fields, examined 512 applications for a total of €420.5 million.

In addition, in January 2020, Bpifrance took over the management of aid under the Battery Plan, aimed at the creation of a new European battery player (Automotive Cells Company): €690 million was dedicated to this action in 2020.

The Unsecured Innovation Loans activity also saw a strong increase (+111%), driven by the rollout of “Innovation Support Loans” as part of the SGL for young innovative companies, and which amounted to grants of €459 million.

Guarantee Activity

- Key figures (amounts in € million)

ACTIVITY (excluding overall line)	2019	2020	Change as a %
Amount of risks (excluding internal funds)	3,629	2,719	-25.1%
Creation	1,639	1,199	-26.8%
Transfer/Buy-out	733	514	-29.8%
Development	678	421	-37.9%
Innovation	72	44	-38.9%
International	105	70	-34.0%
Cash ⁽¹⁾	402	470	17.1%
Distribution by type of guarantee intervention	3,629	2,719	-25.1%
Bank loans	3,280	2,380	-27.4%
Capital	136	80	-40.7%
Short term	213	259	21.2%
Number of guaranteed loans	74,526	54,817	-26.4%
Net amount of covered risks	4,805	5,873	22.2%
Total risk outstandings on 31 December (sound)	16,130	17,766	10.1%

(1) including the cash-strengthening funds “SME strengthening”, “CICE pre-financing” and “RT supplementary guarantee”.

- **Breakdown of risks guaranteed by purpose excluding internal funds (as a percentage):**

Breakdown of risks guaranteed by purpose (excluding internal funds)	2019	2020
Creation	45.16%	44.09%
Transfer/buy-out	20.20%	18.92%
Development	18.69%	15.49%
Innovation	1.97%	1.63%
International	2.91%	2.56%
Cash	11.07%	17.30%
Total	100%	100%

(1) including the cash-strengthening funds “SME strengthening”, “CICE pre-financing” and “RT supplementary guarantee”.

- **Breakdown of loans by business sector (as a percentage):**

Breakdown of loans guaranteed by business sector	2019	2020
Industry	21.09%	20.14%
Construction	7.06%	6.49%
Trade – Transportation	23.16%	23.80%
Services for companies	13.54%	19.27%
Services for individuals	21.32%	23.68%
Tourism	13.83%	6.63%
Total	100%	100%

- **Business development review:**

Following slight growth in the first quarter of 2020, the activity recorded a year-on-year decline of around 25% in terms of risk and number of operations. All purposes saw a sharp decrease, and Development in particular, with the exception of the treasury activity driven by specific measures to support the SGL.

The breakdown by activity sector remained stable, with the exceptions of more marked support for business services and a halving of the tourism sector.

● Key figures for Bpifrance Régions:

Activity (amounts in € millions)	2019	2020	Change as a %
Amount of guaranteed loans	1,389	1,081	-22.18%
Creation	482	376	-22.10%
Transfer/Buy-out	519	417	-19.76%
Development	302	189	-37.22%
Cash	86	99	15.55%
Distribution by type of guarantee intervention	1,389	1,081	-22.20%
Bank loans	1,389	1,081	-22.19%
Capital	0	0	
Short term	0	0	-100.00%
Number of guaranteed loans	3,323	2,947	-11.32%
Net amount of covered risks	336	279	-17.08%
Total risk outstandings at 31 December	1,009	1,017	0.80%

● Breakdown of loans guaranteed by business sector (as a percentage):

Breakdown of loans guaranteed by business sector	2019	2020
Industry	17.76%	17.34%
Construction	6.22%	8.97%
Trade – Transportation	19.71%	22.78%
Services for companies	14.46%	16.70%
Services for individuals	21.22%	21.27%
Tourism	20.63%	12.94%
Total	100%	100%

Financing activity

- Distribution by financing type

(in € million)	2019	2020	change as a %
ACTIVITY			
Financing			
New production⁽¹⁾⁽²⁾	8,708	11,419	31.1%
Outstandings as at 31 December ⁽¹⁾⁽²⁾	35,087	43,112	22.9%
Medium- and Long-Term Co-financing	5,937	4,810	-19.0%
Long- and Medium-Term Loans including Export Credit	4,664	4,023	-13.7%
Finance lease	1,273	787	-38.2%
Unsecured loans⁽²⁾	2,771	6,609	138.5%
Of which Growth Loan	813	442	-45.6%
Of which, Export Loan	541	350	-35.3%
Of which "Atout" Loan		2,353	
Of which Rebound Loan		827	
Of which BPIFRANCE SGL		806	
Short Term⁽³⁾			
Receivables discounting	3,961	3,861	-2.5%
Pre-financing of CICE	4,147	2,886	-30.4%

(1) Excluding short-term financing.

(2) Of which unsecured Innovation Loans 2019: €441 million – 2020: €928 million.

(3) These amounts reflect financing authorisations at 31 December for which the commission was paid.

- Breakdown of assistance excluding PCE by business sector

Breakdown of assistance excluding PCE by business sector	2019	2020
Industry	25.63%	25.45%
Construction	3.13%	4.13%
Trade – Transportation	17.08%	19.65%
Services for companies	11.58%	16.99%
Services for individuals	38.64%	29.46%
Tourism	3.94%	4.31%
Total	100.00%	100.00%

- Comments on the evolution of the activity

In order to alleviate the difficulties of companies whose business has been disrupted by the pandemic, Bpifrance has rolled out emergency measures since March for VSEs, SMEs and mid-tier companies.

A total of more than €4 billion in specifically created cash support loans were granted to assist more than 15,000 companies:

- €2.4 billion in “Atout” Loans for SMEs and mid-tier companies;
- €800 million in State-guaranteed Loans distributed directly by Bpifrance (excluding Innovation Support Loans);
- €800 million in Rebound Loans, available thanks to the 15 French regions⁶. This unsecured zero-rate scheme, financed by the Regions, is aimed at VSEs and SMEs with up to 250 employees;
- 63% of the beneficiary companies are VSEs with a workforce of 10 or fewer employees. They account for half of the amounts of loans granted. 88% of them have a workforce of 30 or fewer employees;
- Rebound Loans mainly benefited companies in the retail (22%), industry (18%) and construction (14%) sectors;
- As part of Bpifrance’s transformation to a fintech model, €275 million were granted in Digital Rebound Loans via online platforms to nearly 7,000 companies in the Auvergne-Rhône-Alpes, Hauts-de-France and Île-de-France Regions and in the French Overseas Departments and Collectivities (Guadeloupe, French Guiana and Martinique). 71% of the beneficiary companies are VSEs with a headcount of between one and 10 employees, mainly in the retail, specialised, scientific and technical activities, and accommodation and catering sectors.

In addition, Bpifrance continued its action to finance the traditional needs of companies with €6 billion granted in the form of Secured Loans and intangible needs in the form of Unsecured Loans.

Two strategic sectors stood out for Bpifrance: the financing of the Energy and Ecological Transition (€1.7 billion) and the financing of the Tourism sector with the Tourism Loan, in partnership with the Banque des Territoires (nearly €275 million).

In total, Bpifrance’s financing for companies in Tourism, a sector particularly affected by the crisis, increased by 97% to €840 million (all products combined)⁷, and made it possible to assist 3,300 companies (+517 compared to 2019). The most popular products by number of companies are the Rebound Loan (2,000 customers, including more than 1,200 via Digital) and the Tourism Loan (nearly 870 customers).

Lastly, the Financing action was supplemented by the coverage of traditional short-term financing needs via the discounting of receivables, to the tune of €7 billion – down only 20% compared to 2019.

⁶ The Rebound Loans were launched with the Auvergne-Rhône-Alpes, Bourgogne-Franche-Comté, Brittany, Centre-Val de Loire, Grand Est, Guadeloupe, French Guiana, Hauts-de-France, Île-de-France, Reunion, Martinique, Normandy, Occitanie, Pays de la Loire and Provence-Alpes-Côte d’Azur Regions.

⁷ Tourism Loans, Rebound Loans, “Atout” Loans, other unsecured loans, Bpifrance SGL, Medium- long-term loans



International Focus

Export financing

2020 was a particularly hectic year on the international stage, but Bpifrance continued to promote the internationalisation of companies, particularly SMEs and mid-tier companies, thanks to a robust export support plan. Thus, and in conjunction with the France Export Team, Bpifrance continued to simplify and digitise its range of products reserved for export. It has supported and accompanied entrepreneurs by making adjustments to certain products such as Business Development Insurance as well as by supporting them abroad via virtual missions. It also continued to develop its business on the African continent and strengthen its collaboration with Germany. In addition, it put in place an ambitious action plan on the greening of its activities.

Europe, the focus of the strategy of Bpifrance

In the context of the Covid crisis and the recovery, Bpifrance strengthened its cooperation with the EIB Group: firstly by adapting its innovation loan programmes and mid-tier company loans (more favourable terms), by signing and launching the FranceNum programme of guarantees for digitisation loans for VSEs and SMEs (€715 million); then by designing and validating with the EIB Group an ambitious recovery offer on European funds (between €4 billion and €8 billion depending on the programmes signed with the EIB Group) as part of the pan-European Guarantee Fund, to be rolled out in products from 2021 (private equity, innovation, loans, guarantees and sector private equity). The Pillar Assessment, which will enable the direct management of funds within the framework of InvestEU, has been finalised. Bpifrance also continued to adapt and take into account the new European regulations and mechanisms for the deployment of structural funds, the European Innovation Council and sustainable finance regulations. To respond to the growing interest of European and international partners in its entrepreneurship development initiatives, Bpifrance has launched an experience sharing programme with several European countries, supplemented by technical assistance projects. In this respect, Bpifrance continued to support the development of the Hellenic Development Bank (HDG Greece). With more than half of its 17,500 companies registered in Europe, the EuroQuity platform is a leader in European Commission “access to finance” projects, with two successful major projects: InvestHorizon and Access2EIC. InvestHorizon, with 1,400 companies in the community, is an acceleration project that aims to facilitate access to Series A financing for Deeptech companies, help them strengthen and prepare their investment requests and facilitate their relationships with investors. Access2EIC (1,900 companies, four pitches, 160 European investors reached) is a community that brings together all the companies that have obtained the Seal of Excellence label from the European Commission, which certifies that they are investment-ready, and connects them with European investors.

Bpifrance continues to develop its activities in Africa

Bpifrance continued its investments in private equity funds, with a subscription to the SPE AIF I LP fund, a growth and buyout capital fund that carries out significant minority or majority transactions, mainly in North Africa. Another operation in a pan-African growth capital fund was authorised by the Investment Committee of Bpifrance Investissement. The subscription should take place during the first quarter of 2021. Very detailed monitoring of the African portfolio was carried out in the context of the Covid crisis in order to provide all necessary support to partner management teams.

Bpifrance also supports African governments in their desire to provide companies in their country with ad hoc financing and support tools. To this end, several new contracts were signed with the African Solidarity Fund, a multi-country guarantee fund, in Niger, with Expertise France to support the Credit Guarantee Fund in Libya and the Smart Capital fund of funds in Tunisia.

The EuroQuity platform is also continuing its development in Africa. It is a stakeholder in the new Enrich Africa project launched with European funding and whose objective is to connect European and African innovation networks. Two new initiatives were also launched in 2020: Africa Next and Invest'i Tunisie. Africa Next is a new system led by Bpifrance and Digital Africa in partnership with the main African VCs and accelerators. Its objective is to encourage French, European and international co-investments of between €1 million and €10 million in high-potential start-ups on the African continent. Innov'i Tunisie is a European project led by Expertise France to connect innovative Tunisian companies with African, French and European investors. The launch of the Bpifrance Export community for international connections and French opportunities sourced by our international project managers complete the system.

In the rest of the world, Bpifrance continues to cooperate with other similar institutions in order to share best practices and facilitate the development of French companies internationally. Three new agreements were signed with the African Bank BGFI, Rwanda Finance and SIDF, the Saudi Industrial Development Fund in Saudi Arabia.

As announced in 2019, Bpifrance is also pursuing its strategy of attracting sovereign funds and long-term investors to invest in French companies, either directly or via private equity funds. An agreement was signed with the Kazakhstan sovereign fund, Samruk-Kazyna.

3.1.4.2. Investment division

The activity of the Investment division of Bpifrance is presented below in two stages. Firstly, as a summary analysis (I) highlighting the main features of the Investment division's activity in 2020, and secondly as part of a detailed analysis (II) of the assets and portfolio under management in 2020 and their change during this fiscal year, by business line.

I. Summary analysis – Main activity

a) Development Capital business line

The Development Capital Department's teams invested €1.9 billion in more than 100 companies in 2020 (compared to €1.1 billion in 2019).

- The activity of the Large Cap division amounted to €1.56 billion in 2020. This record level was made possible by the deployment of the Lac 1 fund (completion of two first transactions in 2020 for approximately €800 million: investment in Arkema and Essilor Luxottica), as well as by supporting the merger between Ingenico and Worldline (€451 million).
- In addition to these three major projects, the activity of the Large Cap team focused on supporting the portfolio via 11 reinvestments for €235 million (notably Galileo, Technicolor, Mecachrome, La Maison Bleue and Sabena Technics), as well as the completion of two new mid-tier projects for €75 million (Mediawan and Sendinblue).
- The activity of the Mid Cap funds remained buoyant with close to €80 million, including 11 new transactions for €75 million, of which €34 million in private debt (with, for example, France Air Management and Artefact), €29 million in mezzanine (including Labelys and Laboratoires Delbert), and €12 million in equity (including Ekimetrics).
- The generalist Small Cap activity invested €92 million in 47 companies, including 36 new investments for €85 million (including Interor, Foliateam, Groupe Cheval and Miidex).
- The Sovereign Fund Partnerships activity was marked by a reinvestment of €4 million in Devialet through the Future French Champions vehicle (joint venture of the Qatari partnership) and a reinvestment of €9 million in DomusVi as part of the Franco-Emirati partnership.



- On the Specialised Fund side, the SPI fund carried out five transactions for €107 million: three new investments for €87 million (Aledia, Avril Food and Lactips) and two reinvestments for €20 million. The FAA also reinvested €10 million in the Novarès group and the FFA 2 carried out an initial project as part of the recovery plan for the automotive sector for €8 million in Coretec. The Tourism and Sectors funds were also particularly active with investments of respectively €28 million (16 projects including a new investment in Voyageurs du Monde and a reinvestment in Valuestate Hotels) and €25 million (eight projects including the entry into Générale du Solaire and a significant reinvestment in Technique Solaire).

At the same time, despite a difficult economic context, the teams remained very dynamic in the management of their portfolios, with more than 100 disposals for a total amount of €1 billion, of which €300 million in capital gains.

- The portfolio rotation dynamic, which began several years ago, was slowed by the health crisis, but seems to be resuming at the end of 2020. Disposals in direct development capital activities totalled €1 billion, compared with €1.4 billion in 2019.
- The activity of the Large Cap team was marked by the disposals of Vivendi, NGE and Talend as well as by the partial disposals of Limagrain, Galileo and Neoen.
- In Mid-Caps, €84 million were generated through seven full disposals (notably Laborizon, Labelys Group and Dourdin Développement) and four partial disposals (including Biobank).
- The generalist Small Cap activity will have sold 76 investments for a total amount of nearly €100 million (including Foliatteam, Laboratoire Lescuyer and Bretagne Telecom).
- No sales were made as part of the Sovereign Fund Partnerships activity.
- On the Specialised Funds side, the sales took place of Naval Energies by SPI, France Hostels by Tourisme and Monnet-Seve by Sector.

c) Innovation business line

Bpifrance Investissement's Innovation business line is composed of informed and patient investors who provide long-term support to companies to meet needs not met by the market. Bpifrance co-invests with market players by selecting and supporting the most promising companies and by promoting consolidations.

In 2020, the Innovation business line invested a total of €463 million in 143 companies, including 65 new investments, and carried out 15 disposals for a total amount of €28 million, with a multiple of 0.5x. It fully played its countercyclical role, by pursuing its investment activity, in new companies and by supporting its portfolio, as well as by the implementation of a new quasi-equity system: French Tech Bridge.

At the end of 2020, the Innovation business line portfolio under management comprised 280 equity interests acquired for an amount of €1.9 billion.

Large Venture

The Large Venture division invested €231 million in 2020, up by 31% compared to 2019: seven new investments (Owkin, Iziwork, Dynacure, Withings, MWM, Swile, Ibanfirst) for a total of €76 million and 25 reinvestments for a total of €155 million took place. In addition, the division made two disposals for an amount of €4.6 million.

Digital Venture

The Digital Venture division invested €37 million in 2020, up 26% compared to 2019: 11 new investments (in Memo Bank, Ambler, etc.) for a total of €19 million, and 20 reinvestments for a total of €18 million have been completed. The division made disposals of €16.1 million, notably with the sale of Easyrecrue.

Autonomous Patient

In 2020, the Autonomous Patient division made three new investments (Nouveal, Lucine, Mila) and one reinvestment, for a total of €6 million.

Life Sciences

In 2020, the Life Sciences division invested €39 million, up by 31% compared to 2019: four new investments (Algothérapeutix, Emergence Therapeutics, Ona Therapeutics, etc.) by the Innobio 2 fund for a total of €5 million, and 18 reinvestments totalling €34 million were made. The division made sales of €12 million.

Ecotechnologies

The Ecotechnologies division invested €31 million in 2020: three new investments (Zei, Shipup, Atrois) for a total of €4 million, and 12 reinvestments for a total of €27 million were made.

French Tech Acceleration

The French Tech Acceleration division invested €2 million in 2020, including a new investment in Hook, the acceleration programme of the “42” programming school.

Innovation Transverse Venture Capital

The Innovation Transverse Venture Capital division invested €92 million in 2020, including €71 million via the French Tech Bridge countercyclical tool, launched in the first half-year.

The division made 30 new investments, including 27 via French Tech Bridge and three via the Definvest (Earthcube, Fab'entech) and PSIM (MAAT Pharma) funds. In addition, it made three reinvestments for €8 million (in Traxens, Ergosup and Unseenlabs). No disposals were made in 2020.

Cultural and Creative Industries

Through its dedicated **Cultural and Creative Industries** activities, Bpifrance acts proactively in favour of these changing sectors, which are key to France's growth, employment and international reach.

In 2020, the Cultural and Creative Industries division invested €26 million in 11 companies:

- six new investments: Nacon, Chamatex, La Bouche Rouge, Echo Studio, Emissive, Tandem;
- five reinvestments in portfolio companies, including FLCP & Associés and BG Group.

Support – Bpifrance Le Hub

Bpifrance Le Hub supported 50 start-ups in the Bpifrance portfolio in 2020 and organised 200 expert sessions for them, carried out 12 strategic recruitments and made 120 corporate contacts.



d) Funds of Funds business line

Bpifrance indirectly takes minority stakes in companies, from start-ups to transfer/buyout, in order to give them the means to grow. It operates indirectly through its own funds as well as funds managed on behalf of third parties in nearly 480 national or regional private funds and 26 funds targeting the Africa and Mediterranean region.

Bpifrance supports the managers of innovation and development capital funds that meet the expectations of private investors by subscribing, most often during a first significant-size transaction. The aim is to gradually contribute to the consolidation of the market by selecting high-performance teams, and to encourage an increase in funds under management. To a limited extent, Bpifrance also supports a small number of new teams when they have a highly differentiating investment strategy, a proven track record and an ability to raise substantial funds.

Following growth in fiscal years from 2013 to 2019, the Funds of Funds activity grew further in 2020 with a record level of subscriptions, i.e. €1,226 million, in 59 different vehicles. These subscriptions were split between €1,164 million in subscriptions to 46 new funds and €62 million in additional subscriptions in 13 existing funds.

Subscriptions for own account accounted for close to 65% of subscriptions for the year, at nearly €803 million, while subscriptions on behalf of third parties reached 35%, approaching €423 million. These were carried out on behalf of the Investments for the Future Programme.

Venture capital (seed capital, venture capital and growth capital) represented around 55% of the amounts subscribed in 2020 (i.e. nearly €557 million in 27 funds) and growth capital contributed to around 45% of subscriptions for €519 million in 32 vehicles.

In addition, €150 million were subscribed to a fund on behalf of APE as part of the Aero Mandate.

Bpifrance subscribed, for example, to:

- **Jolt Capital IV**, a growth capital fund with a target size of €250 million. It will take a minority stake in the digital Deeptech sector with average tickets of €18 million;
- **Eurazeo Growth Fund III**, a growth capital fund with a target size of €750 million dedicated to digital. The fund will invest as lead and co-lead in around 15 investments with tickets ranging between €20 million and €60 million;
- **ACE Aero Partenaires**, a fund with a target size of €1 billion dedicated to the aeronautics sector and whose mission is to promote the consolidation of the sector. The fund will take around 15 majority and minority stakes in France;
- **Yotta Smart Industry**, a development/buyout capital fund, with a target size of €120 million. The fund will invest in France in minority and majority positions with tickets of between €1 million and €10 million. Its objective will be to contribute to the emergence of industry 4.0 mid-tier companies, while reducing the carbon footprint of its investments by 25%;
- **Albacap**, an inter-regional fund in the south-east of France. The generalist first-generation development and transfer/buyout capital fund has a target size of €100 million and will take minority and majority stakes in around 10 SMEs with a turnover of between €10 million and €50 million.
- **Reboost**, rebound fund – regional redeployment with a target size of €25 million. The generalist fund with a core focus on industry will take minority stakes in some 20 companies that are under-capitalised or under-performing for economic reasons in the Hauts-de-France region.

In terms of regional and interregional funds, Bpifrance continued its support for management teams close to the regions: thus, €79 million were invested in five new funds.

The regional actions of Bpifrance's Funds of Funds activity are continuing in the context of the consolidation of the regional teams, in line with Bpifrance's strategy and the merger of the French administrative regions implemented over the past four years.

In Africa, subscriptions to funds of funds amounted to €5 million in one growth/buy-out fund.

In addition, like the State-guaranteed Loans set up at the onset of the Covid-19 crisis by the French banks and Bpifrance, the Funds of Funds activity almost immediately implemented a series of dedicated support measures in March 2020, covering the year, some of which extend into 2021. The Funds of funds Department mobilised to (i) monitor all of its Partner Funds in real time, in particular the cash requirements of the investments in their portfolios and emergency support measures, (ii) implement enhanced crisis communication with all its partners, (iii) pursue its provisional commitment and investment plan in 2020 in order to maintain as far as possible the strong momentum of the ecosystem that existed prior to this crisis, which in turn resulted in personalised work with all project leaders in order to facilitate implementation, and (iv) active participation in the recovery plan.

d) Support business line

Throughout an intense and challenging year for companies, Bpifrance has leveraged digital technology to adapt to the health restrictions and continue to support company executives. Support has been affirmed as a fundamental business line of Bpifrance, and has been restructured to meet the needs of companies in three areas: advice, training, networking.

The whole offer has been overhauled:

- The format of Accelerators is now based on digital technology, albeit retaining a strong collective dimension. In partnership with the French State, the Regions, the Regional bank and professional federations, business has continued.
- "One-off" assignments saw a very sharp increase, enabling nearly 30,000 executives to benefit from e-learning (+74%), nearly 2,000 to access digital self-diagnostic tools (+216%) and more than 2,200 executives to use consultancy services within companies (+26%).

To amplify the financial mechanisms available to assist the Recovery, a "Rebound 360" advisory module was put in place. A specific offer was set up for the Tourism sector, which included an Accelerator in partnership with the Banque des Territoires.

Two new ranges were structured to prepare for the major ecological and energy transitions. In partnership with ADEME, the *DIAG ECO-FLUX* was rolled out in more than 100 companies and this number is set to increase further. This system allows companies to optimise costs by reducing energy, materials, waste and water losses, and rapidly make sustainable savings. Alongside this system, Accelerators have been designed to accompany companies in the Ecological and Energy Transition and the Recovery of Waste, as well as a new programme dedicated to supporting companies embarking on Decarbonisation.

The second range targets French Fab, with modules such as "Industrial Performance", "Industry of the Future Strategy and Implementation" and "Artificial Intelligence" and "Cybersecurity", to facilitate reindustrialisation through the integration of technology.

Lastly, the Support Department worked hard to define and implement the France Relance and sector plans, in particular the Automotive Subcontracting Plan with the DGE, the Tourism Plan with the Banque des Territoires and the support mechanism for the digitisation of VSEs in association with France Num.

II. Detailed analysis

i) Assets under management

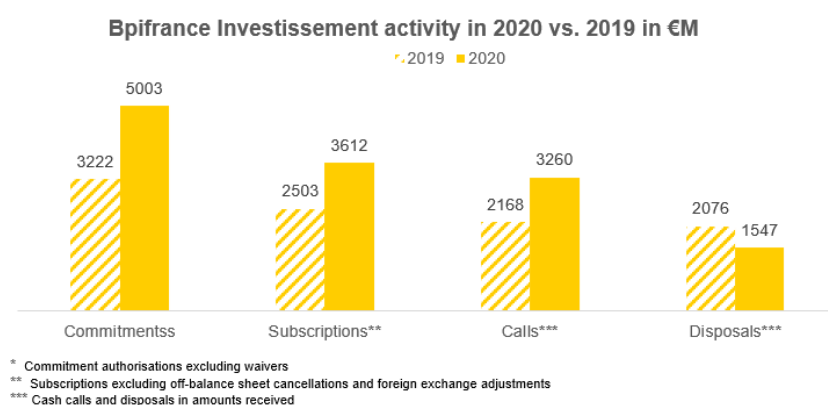
The table below shows the assets under management by business line at 31 December 2020. For managed funds, this is the size of the fund, which may be “subtracted” from the size of the funds held by this fund and managed by Bpifrance Investissement. For example, the size of the FAA is reduced by its stake in the Tier 2 FAA. For investments held directly by Bpifrance Participations, this is the gross value of the investments still in the portfolio.

Assets under management (in €M)	At the end of December 2020						At the end of December 2019					
	Total	CAPITAL DEVELOPMENT		Funds of Funds	Innovation	Support	Total	DEVELOPMENT CAPITAL		Funds of Funds	Innovation	Support
		Mid & Large Cap	Small Cap					Mid & Large Cap	Small Cap			
FPMEI	901			901			901			901		
FCPR 2000	95			95			95			95		
FFT3	150			150			150			150		
FCIR	70			70			70			70		
FFIA	330			330			330			330		
FFIB	224			224			224			224		
FFI II	632			632			632			632		
FFI3+	121			121			121			121		
FFFI III	1 450			1 450			1 450			1 450		
FFI 4	2 320			2 320			2 320			2 320		
French Tech Acceleration	200			120	80		200			120	80	
FCPR	91			91			91			91		
FNA	580			580			580			580		
FFR	31			31			75			75		
FABS	200	40		60	100		200	40		60	100	
FFQP	50			50			50			50		
FF Edtech	10			10			10			10		
FFMC2	650			650			650			650		
MC3	500			500			360			360		
FNA 2	350			350			250			250		
Private funds of funds	250			250			250			250		
FF Digital	139			139			139			139		
FFIV	2 500			2 500			2 500			2 500		
Averroes Finance 1	6			6			6			6		
Averroes Finance 2	30			30			30			30		
Averroes Finance 3	75			75			75			75		
Affiliated international funds	48			48			48			48		
Sicav	79			79			79			79		
FEI	121			121			121			121		
Proparco							44			44		
Tech&Touch	125			25	100							
FF Growth	269			269								
Autres Fonds de Fonds (BE1 / BH1)	328			328								
WOOD STRATEGIC FUND	20		20				20		20			
PATRIMOINE ET CREATION 2	45				45		45				45	
FSFE	20				20		20				20	
CDC Entreprises Elan PME							68				68	
WOOD 2	24		24				27		27			
Fashion and Finance 2	18				18		18				18	
RAIL GROWTH	40		40				40		40			
FDEN	133		133				133		133			
Definvest	50		25		25		50		25		25	
FIR 1	380		380				380		380			
FIR 2	100		100				100		100			
AEM	60		60				60		60			
FIR 3	40		40				40		40			
FIR 4	150		150				150		150			
AED C4	140		140				140		140			
AEI	1		1				3		3			
AT	2		2				6		6			
AE 1							39		39			
FIT	100		100				100		100			
FRPME	94		94									
FAST*												
FIT 2	140		140									
FBEM	66		66									
Bpifrance Capital I	1 170	261	755		154		1 230	261	815		154	
Bpifrance Mezzanine I	270	189	76		6		270	189	76		6	
FBI	99					99	99					99
FCPR bioam	44				44		44				44	
Bioam 1 Bis Compartment 1	7				7		7				7	
Bioam 1 Bis Compartment 2	5				5		5				5	
Innobio	173				173		173				173	
Innobio 2	141				141		135				135	
Eco-technologies fund	225				225		225				225	
Digital Ambition	300				300		300				300	
Rare diseases	50				50		50				50	
PSIM	150				150		150				150	
Large Venture	1 000				1 000		1 000				1 000	
Direct Innovation	26				26		25				25	
Cities of the future	50				50		50				50	
Ambition Seed Angels	50				50		50				50	
French Tech Seed	135				135		20				20	
Bpifrance Innovation I	610				610		500				500	
Bpifrance Innovation I - Large Venture 2	750				750							
Direct investments Large corp.	10 540	10 540					10 345	10 345				
Direct investments Mid-tiers	812	812					843	843				
Pocket funds Large corp.	731	731					731	731				
2020 Mid-tier	3 000	3 000					3 000	3 000				
FAA	575	575					575	575				
FAA rang 2	50	50					50	50				
FIC 1	180	180					180	180				
FIC 2	180	180					180	180				
FIC 3	146	146					146	146				
FIC 4	130	130					130	130				
FIC 5	195	195					195	195				
FIC Private Debt	140	140					140	140				
French/Qatar partnerships	300	300					300	300				
French/Emirates partnerships	337	337					337	337				
French/Russian partnerships	150	150					150	150				
French/Saudi Arabian partnerships	126	50		76			126	50		76		
French/Korean partnerships	15	15					15	15				
SPI	700	700					700	700				
BEI SPI	33	33					100	100				
Bpifrance Private Debt II	200	200										
Lac I	3 261	3 261										
TOTAL	41 604	22 215	2 345	12 679	4 265	99	36 065	18 656	2 153	11 905	3 250	99

Assets under management increased between 2019 and 2020 by €5.4 billion, of which:

- Funds of Funds business line: three new funds managed for third-party accounts, FF Growth for €269 million and the two funds Bpifrance Hexagone I and Bpifrance Entreprises 1 for €178 million. Total sale of the stake in PROPARCO to Agence Française de Développement and Bpifrance SA for an initial investment of €44 million. Fundraising in Tech & Touch for €125 million (of which €25 million allocated to the Funds of Funds business line), increase in the size of MC3 for €140 million and FNA2 for €100 million for the funds managed on behalf of the PIA (Investment in the Future Programme);
- Mid & Large Cap business line: the change in the direct portfolio of GE and mid-tier companies is linked to the flow of disposals and investments. Fundraising and management of the LAC I fund for €3.3 billion and Bpifrance Dette Privée II for €200 million, subscribed respectively for 33% and 100% by Bpifrance Participations. Reduction in stake in EIB SPI for €67 million;
- Small Cap business line: fundraising and management of the FBEM fund for €66 million and FIT 2 for €140 million, subscribed 95% and 43% respectively by Bpifrance Participations. Bpifrance Participations' subscription in the FIT 2 fund comes from the recycling of the reduction of the tourism component of the Bpifrance Capital I fund for €60 million. Fundraising and management of the FRPME fund for €94 million co-subscribed by Bpifrance Participations for €50 million and the PIA (Investment in the Future Programme) for €44 million. Fundraising in the FAST fund for €60 million subscribed 33% by Bpifrance Participation but not included in assets under management as at 31 December 2020, the activity being operated by Bpifrance. Liquidation of the AE 1 fund, the initial commitment of which was of €39 million, held 57% by Bpifrance Participations;
- Innovation business line: fundraising and management of the Bpifrance Innovation I Compartment B – Large Venture 2 fund with a size of €750 million, fully subscribed by Bpifrance Participations. Increase in the size of Bpifrance Innovation I Compartment A – Venture by €110 million, wholly-owned by Bpifrance Participations. Increase in the size of French Tech Seed co-managed with Bpifrance for € 150 million, of which €115 million dedicated to the French Tech Bridge (phase III) Investment activity. Fundraising in Tech & Touch for €125 million, of which €100 million were allocated to Innovation subscribed by the PIA (Investment in the Future Programme). End of the management mandate of the CDC Entreprises Elan SME fund for an initial size of €68 million.

ii) Change in the portfolio under management



The data presented for the year 2019 have been modified to take into account the change in methodology adopted in 2020 on the presentation of certain business indicators (calls and disposals), now based on cash flows paid and received. Other, more marginal, changes may have been made following the receipt of information in 2020 concerning transactions in 2019.



During 2020, Bpifrance Investissement authorised investments of €5,003 million, broken down as follows:

- €1,376 million for funds of funds;
- €2,839 million for the Mid & Large Cap business line (including €109 million for the Industrial Projects Equity Fund business line);
- €215 million for the Small Cap funds, including €131 million for the France Investissement Régions business line team, €19 million for the Specialised Sector business line team and €65 million for the Tourism and Leisure business line team;
- €574 million for the Innovation business line.

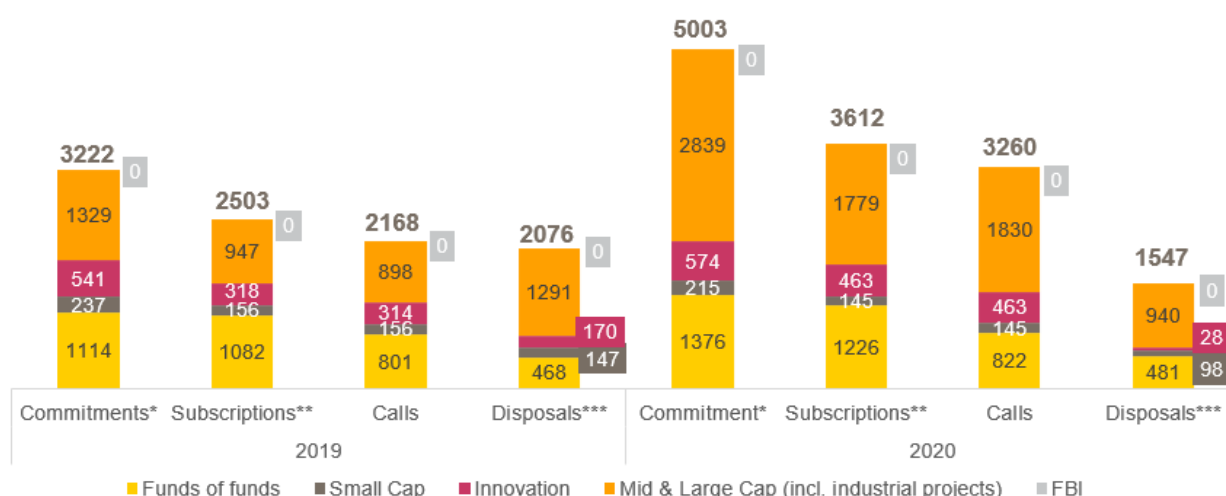
Subscriptions for 2020 amounted to €3,612 million and break down as follows:

- €1,226 million for funds of funds (excluding cancellations of commitments made);
- €1,779 million in subscriptions for the Mid & Large Cap business line (including €107 million for the Industrial Projects Equity Fund business line);
- €145 million were disbursed by the Small Cap funds, including €92 million by the France Investissement Régions business line team, €25 million by the Specialised Sector team and €28 million by the Tourism and Leisure team;
- €463 million were disbursed by the Innovation Department teams.

During 2020, Bpifrance Investissement carried out disposals for an amount of €1,547 million, broken down between:

- €481 million in distributions received by the Funds of Funds business line, including nearly €109 million in net capital gains;
- €940 million generated by the Mid & Large Cap business line, including a net capital gain of €227 million (including a net capital gain of €38 million, with a loss of €37 million in the Industrial Projects Equity business line);
- Small Cap funds collected €98 million, including net capital gains of €33 million, split between €89 million in France Investissement Régions, of which nearly €31 million in net capital gains, €4 million in the Sectors and €5 million in Tourism;
- €28 million collected by the Innovation business line with a net capital loss of €27 million.

Bpifrance Investissement activity in 2020 vs. 2019 by business line in €M



* Commitment authorisations excluding waivers

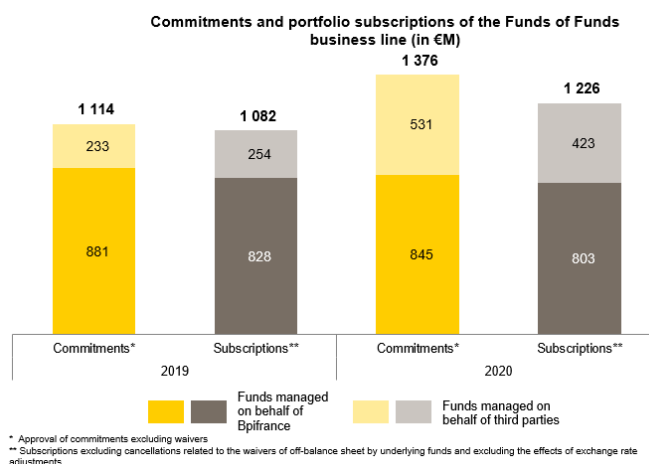
** Subscriptions excluding cancellation of off-balance sheet, currency adjustments

*** Disposals in amounts received

iii) Change by business line

a) Funds of Funds business line

Commitment and subscription authorisations for 2020



At the end of 2020, the amount of commitment authorisations, excluding waivers, taken by the Bpifrance Investment Committee amounted to €1,376 million. These commitment authorisations were taken for Bpifrance's equity in the amount of €845 million, with the balance mainly being allocated to funds from the PIA programmes (FMC3, FNA 2, FFQP, Tech & Touch, etc.) for €266 million and on the Growth FoF for €115 million.

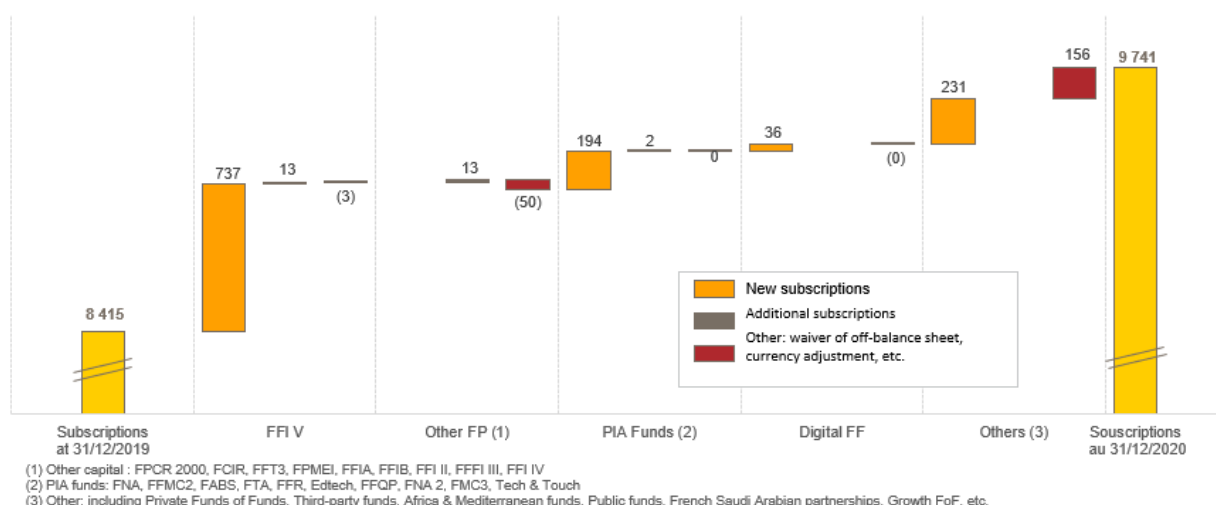
These authorisations break down as follows:

- Seed, €81 million authorised (including €70 million via the FNA 2) compared with €85 million in 2019 (including €70 million via the FNA);
- Venture Capital, €329 million authorised compared to €399 million in 2019;
- Development Capital, authorised €655 million (including €13 million dedicated to Turnaround) compared to €526 million (including €10 million dedicated to Turnaround) in 2019;
- Growth Capital, €306 million authorised (of which €90 million via the MC3 and €85 million via the new FFG fund) compared with €100 million authorised (including €40 million via the MC3) in 2019;
- Africa and Mediterranean Funds of funds: €5 million authorised, unchanged from 2019.

2020 was once again marked by significant investments in development capital and innovation capital driven by the raising of several large funds due to the fundraising cycle of the management teams.



Change in portfolio subscriptions for the Funds of Funds business line between 2019 and 2020 (€M)

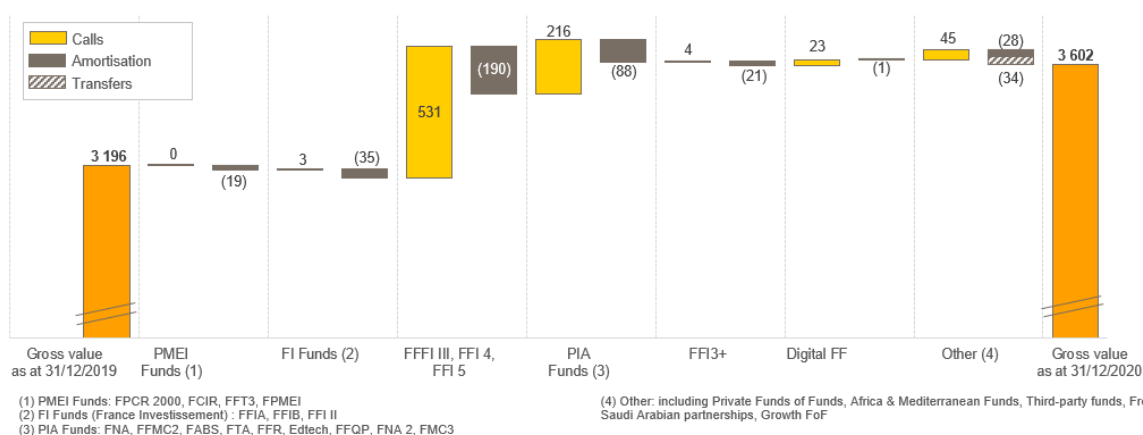


New subscriptions for 2020 are mainly made by funds during the investment period, namely FFI 5 (€737 million), FMC3 (€80 million), Growth FoF (€77 million) and FNA 2 (€60 million) and Digital Funds of Funds (€36 million). Total subscriptions for the Funds of Funds business line in 2020 (including international funds and excluding cancellations of subscriptions following the abandon of off-balance sheet items) amounted to €1,226 million, compared with €1,082 million in 2019.

Change in the gross value of the fund of funds portfolio at 31 December 2020

The graph below shows the change in the gross value of the fund of funds portfolio between 31 December 2019 and 31 December 2020. This represents the change in the stock of investments in partner funds; the assets relating to managed direct funds, held by the funds of funds, have been restated. For example, calls and amortisation of the FNA fund have been restated for the flows relating to the FBIMR fund.

Change in the gross portfolio value of the Funds of Funds business line between 2019 and 2020 (€M)



Portfolio calls made in 2020 amounted to €822 million (excluding €1 million in non-cash) and portfolio distributions amounted to €481 million (excluding €1 million in non-cash) for portfolio amortisation of €382 million. The gross value of the Funds of Funds business line portfolio (including international funds, SICAV and EIF) stood at €3.6 billion at 31 December 2020.

Calls from the portfolio are concentrated on the funds FFI IV (€324 million), FFI V (€133 million) and FFI III (€74 million), as well as on PIA funds (€216 million), including FPMC2 (€86 million), FMC3 (€51 million) and FNA (€39 million).

Portfolio distributions remain concentrated on the funds FFFI III (€220 million), FFMC2 (€52 million), FFI II (€54 million), FFI IV (€32 million) and FNA (€32 million), the five of which together represent 80% of total distributions for 2020.

The funds of funds managed by Bpifrance Investissement received nearly €99 million in net capital gains during 2020, of which €62 million for the FFFI III, in particular the funds SINO FRENCH (INNOVATION) FUND (€28 million) and MED I FIA (€29 million), €28 million for FFI II and €11 million for FFI A.

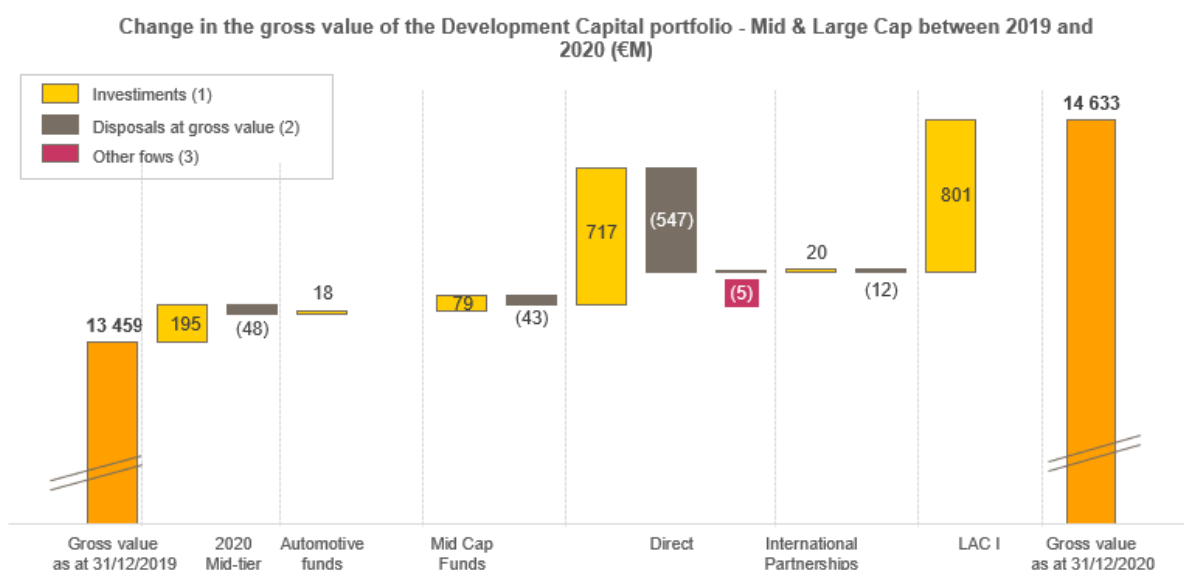
The following 10 funds or investment companies were removed from the fund of funds portfolio in 2020:

- five funds or companies in the FPMEI portfolio: HEXAGONE II (1.0x), XPANSION (1.3x), EMERTEC ENERGIE ENVIRONNEMENT (0.4x), TECHFUND-SEL (5.6x) and PARTECH INTERNATIONAL VENTURES V (0.3x);
- two funds in the FFI A portfolio: ACTO MEZZANINE (1.3x) and ICSO'2 (1.6x);
- one fund in the Public Funds portfolio: AURIGA VENTURES (0.6x);
- one fund in the FFI B portfolio: OBEDDIS 1 (0.7x);
- one fund in the FFI II portfolio: CAPITAL GRAND EST (7.2x).

b) Development Capital

• Mid & Large Cap

The chart below shows the change in the gross value of the portfolio of funds and direct holdings managed by Bpifrance Investissement's Mid & Large Cap teams between 31 December 2019 and 31 December 2020. FAA (formerly FMEA) flows are restated for the flows in the FAA Tier 2, which it holds at 50%.



(1) : of which €156 million in non-cash investments mainly related to the conversion of convertible bonds into CMA CGM shares, swaps of Worldline/Ingenico and Vilmorin/Limagrain shares and €8 million in interest capitalisation.

(2) : other flows: impacts related to the consolidation entries of the partial disposal of Tyrol.

Investments by the funds managed by the Mid & Large Cap Department increased to €1,105 million (excluding capitalised interest of €6.5 million) in 2020 compared to €489 million in 2019. This increase is due to fundraising for the LAC I fund in May 2020, which invested €801 million in two companies. In a context of the health crisis, the other divisions experienced a decline in their investments: -€83 million for the Mid Cap funds, -€64 million for the ETI 2020 fund and -€56 million for the Capital Développement International scope.

Direct investments amounted to €567 million (plus a further €150 million in non-cash investments) in 2020. They consist of a new investment made in Worldline as part of the merger with Ingenico for €451 million, a new investment in



Mediawan for €50 million, reinvestments for €66 million (including €48 million in Technicolor). This amount is higher than the amounts invested in 2019 (€389 million).

Non-cash investments of €150 million will also be noted, mainly related to the non-cash capital gain from the conversion of CMA CGM redeemable bonds into shares (€84 million), and capital gains from the swap of Worldline/Ingenico (€41 million) and Vilmorin/Limagrain (€13 million) securities.

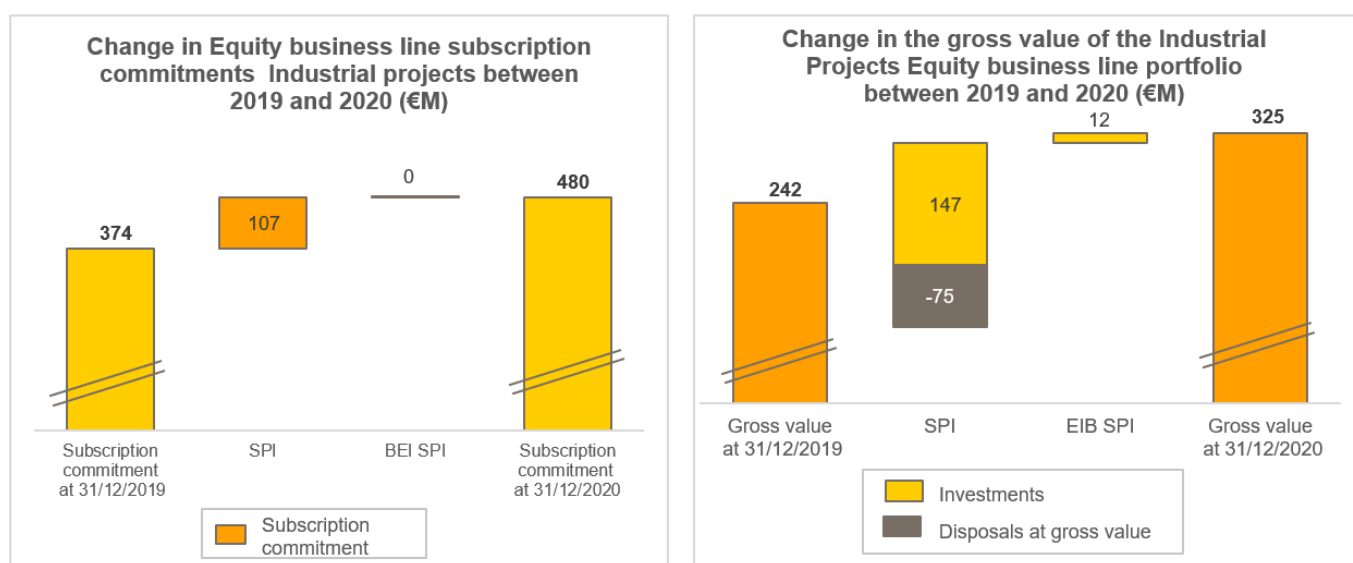
Disposals made by funds managed by the Mid & Large Cap business line amounted to a gross value of €91 million (excluding €12 million in non-cash) for an amount received of €261 million, a decrease compared to 2019 (€255 million) for an amount received of €359 million). The ETI 2020 fund made six disposals (including three full and three partial) for a gross value of €48 million and a cash flow of €179 million. The Mid Cap funds made 11 disposals, seven of which were full and four of which were partial, for a total gross value of €43 million and €82 million received.

Within the “direct” scope, disposals made during 2020 generated total proceeds of €640 million (excluding €2 million in non-cash), which breaks down as follows:

- five disposals of Large Companies (GE), two of which in full (Vivendi for €323 million and Antalis for €2 million) and three partial disposals (mainly Limagrain for €142 million);
- three Mid-Tier Company disposals, two of which in full: €85 million for NGE and €2 million for Tokheim.

Industrial Project Equity

The charts below show the change in the stock of subscription commitments and the gross value of the portfolio of funds managed by the Bpifrance Investissement Industrial Project Equity team between 31 December 2019 and 31 December 2020:

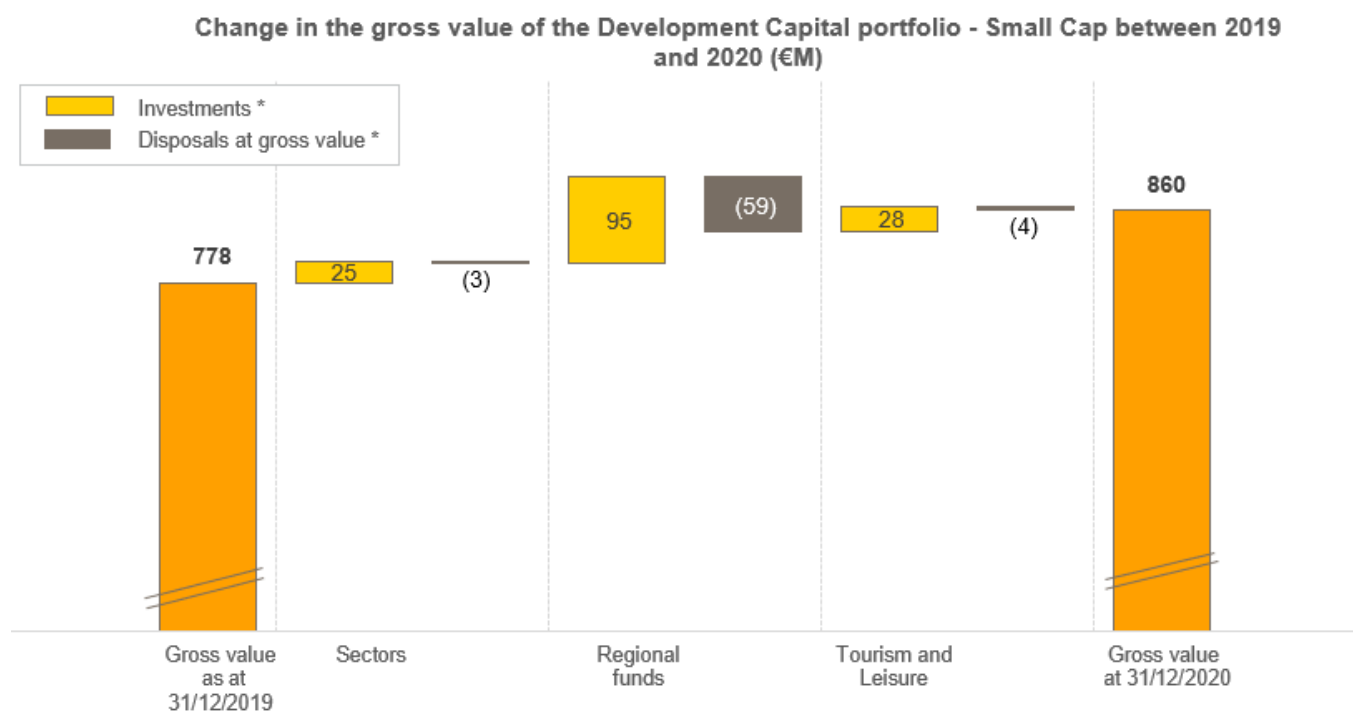


During 2020, the SPI fund made five subscription commitments for €107 million compared to three subscription commitments for €42 million in 2019. The EIB SPI fund did not make any subscription commitments because its investment period was halted and the size of the fund was reduced to €33 million. In parallel with these subscription commitments, the two funds made disbursements of €158 million, covering both subscription commitments for the year and previous subscriptions made since the fund was created.

The Industrial Project Equity portfolio completed its first disposal with NAVAL ENERGIES in 2020, with a gross outflow of €75 million for cash inflows of €38 million.

- **Small Cap**

The chart below shows the change in the gross value of the Small Cap funds portfolio of the Development Capital Department managed by Bpifrance Investissement between 31 December 2019 and 31 December 2020. These funds are mostly subscribed directly or indirectly by Bpifrance Participations via the FSI SME Portfolio or SME funds of funds. Only the Definvest fund, raised in 2018 for €50 million, is managed entirely on behalf of third parties.



* including non-cash transactions (merger gains or losses, capitalised interest on securities, etc.).

Investments made in 2020 amounted to €145 million (excluding €3 million in non-cash transactions on the Regional funds) in 70 companies, a slightly lower level of activity compared to 2019 (€156 million invested in 89 companies). This decrease is mainly due to the health crisis and the associated difficulties in identifying and examining new investment files. As of 30 June 2020, the amounts invested were of €54 million, i.e. 38% of the total amount in 2020. In the second half-year, with the raising of new funds, in particular FIT 2, the pace of investments accelerated sharply to €91 million, i.e. 62% of total investments in 2020. By way of comparison, investments in the second half-year 2019 accounted for 54% of total investments for the year, i.e. €87 million.

The activity of the Sector and Tourism funds was up slightly in 2020 compared to the previous year, at respectively €25 million and €28 million invested compared to €22 million and €25 million in 2019. However, the Regions fund saw a decrease of €92 million (excluding €3 million in non-cash transactions) compared with €109 million in 2019.

Investments by Small Cap funds remain concentrated on the "Regions" funds, which amounted to €92 million (excluding non-cash transactions of €3 million) in 47 companies, compared to €109 million in 67 companies in 2019 and are concentrated mainly on the funds Bpifrance Capital I (€88 million) and Bpifrance Mezzanine I (€2 million), the only funds of this team during the investment period (the FRPME fund raised in July 2020 has not yet carried out any transactions). The other funds have completed their investment period and are making reinvestments in their portfolio companies for a total of €2 million spread over FIR 1, FIR 2, FIR 4 and AED C4.

In 2020, the Sector funds invested €25 million in eight companies, compared with €22 million in nine companies in 2019.

As in 2019, these investments are concentrated on the energy and environment (EE) sector via the Bpifrance Capital I fund for €23 million invested in six companies in 2020 (€14 million invested in four companies in 2019) and a first investment via the Bpifrance Mezzanine I fund for €2 million. In 2020, the defence sector made an investment of €0.5 million via the Definvest fund.



The investments of the Tourism and Leisure team are concentrated on the FIT 2 fund, and to a lesser extent on the Bpifrance Capital I and FIT funds, which made reinvestments in the companies in their portfolio, and represented €28 million invested in 16 companies. compared to €25 million in 18 companies in 2019.

Sales of the portfolio carried out in 2020 for the entire Small Cap business line of the Development Capital Department amounted to a gross value of €65 million (excluding non-cash transactions) for an amount actually received of €98 million, down compared to 2019 (gross value of €102 million for an amount received of €147 million).

Disposals were mainly carried out by the France Investissement Régions funds, in particular on the FIR 1 fund, which carried out gross disposals of €30 million over the year for a total of €52 million received, i.e. a multiple of nearly x2, excluding financial income. The other funds that made significant disposals in 2020 are as follows: FIR 4 with gross disposals of €11 million over the period, for €11 million received, Bpifrance Capital I, which made these first partial disposals for €5 million gross value and €10 million received, AEM with nearly €5 million of disposals in gross value for €6 million received and FIR 2 with €4 million in gross value of disposals for an amount received of €5 million.

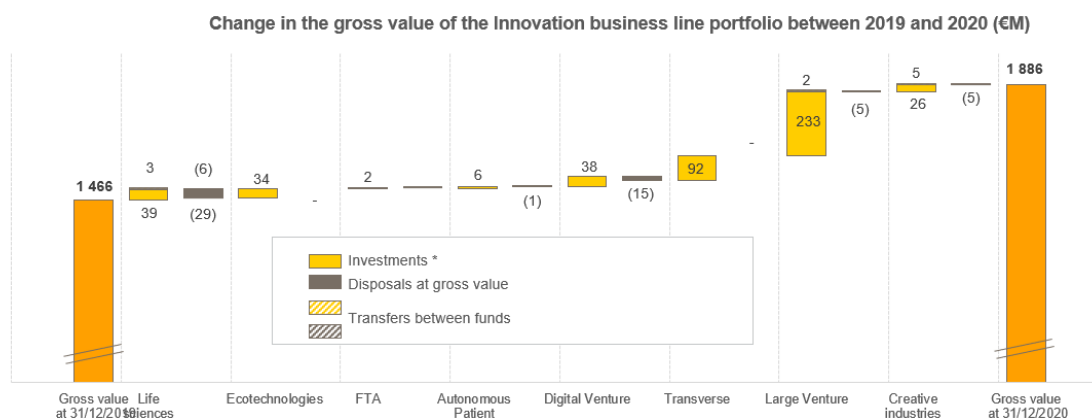
The Timber division carried out the only sale of the Sector funds via its Fonds Stratégique Bois fund, with a total sale of €3 million in gross value and €4 million received.

In 2020, the Tourism and Leisure division funds made disposals for a gross value of €4 million and €5 million received.

The gross value of the Development Capital Department's Small Cap business line portfolio thus stood at €860 million at the end of 2020.

c) Innovation

The chart below shows the change in the gross value of the portfolio of funds and direct holdings managed by Bpifrance Investissement's Innovation business line teams between 31 December 2019 and 31 December 2020:



* including non-cash transactions (merger gains or losses, interest capitalised in securities, etc.).

** The gross value at 31/12/2019 was restated for investments in CDC Entreprises Elan PME.

The transfer started in 2019 of the investments held by Bpifrance Participations to the Bpifrance Innovation I fund was completed in 2020 with the transfer of the stake in Vectivbio (following the spin-off of Therachon in 2019) by the Life Sciences teams (€3.5 million invested for €3.5 million in gross value of outflows).

Due to the exceeding of the ownership percentage, a share of the Life Sciences teams' Bpifrance Innovation I fund investment in Limflow was transferred to the Bpifrance Participations Large Venture teams (€2.2 million invested for €2.2 million in gross outflows). Following the end of the management mandate of the CDC Entreprises Elan SME fund, the stakes in Media et Participations Paris and Galatee Films were transferred to the Creative Industries section of the Bpifrance Capital I fund (€5 million invested). As the CDC Entreprises Elan SME fund has left the scope under management, the gross value of the exit of these two investments is not included in the chart showing the change in gross value. The business commentary below therefore excludes the transfer effects.

Investments made by Innovation funds (cash flows) in 2020 amounted to €463 million (excluding €6 million in non-cash transactions) in 143 companies, a record level of activity for the business line and an increase compared to the previous year both in terms of volume (+42%) and value (+48%) (€314 million in 101 companies). Reinvestments account for a significant part of the business which, in addition to the new investments made, is dedicated to supporting portfolio investments to support the fundraising of growing companies as well as to help companies to make up for cash shortfalls caused by the health crisis. In 2020, reinvestments accounted for 55% of the amounts invested by the business line (compared to 51% in 2019) and 55% of projects completed (compared with 60% in 2019).

In 2020, 68% of the investments made concern Bpifrance's own funds, 30% the funds of the PIA and 2% other funds managed on behalf of third parties. In 2019, the investments made were as follows: 75% own funds, 24% for the funds of the PIA and 1% other funds managed on behalf of third parties. The increase in the share of investments from PIA programmes compared to 2019 is mainly due to the deployment of the third phase "French Tech Bridge" of the French Tech Seed fund.

Half of the investments (in value) of the Innovation business line are made by the Large Venture team, which invested €231 million (excluding €2 million in non-cash transactions) in 32 companies in 2020. Of these 32 projects, seven correspond to new investments for an amount of €76 million invested (Owkin NC, Iziwork, Music World Media, Withings, etc.), i.e. an average ticket of €10.8 million, stable compared to 2019 (€10.9 million). The other 25 projects carried out correspond to reinvestments of nearly €157 million, including €36 million in Doctolib and €18.1 million in Contentsquare.

Disbursements made in 2020 by the Life Sciences team include a majority of reinvestments: of the 22 investments made for an amount of €39 million, 18 were reinvestments for an amount of €34 million. In 2019, reinvestments amounted to €20 million in 12 companies out of the €30 million invested in 17 companies.

Over 2020, the level of investment by the Ecotechnologies team was up compared to 2019 (€29 million in 12 companies), i.e. an investment of €31 million (excluding €3 million in non-cash transactions) in 15 companies. This increase was driven by the level of reinvestments, which amounted to €27 million in 12 companies (compared to nine reinvestments for €19 million in 2019). 94% of the investments in 2020 were made by PIA programme funds (Ecotechnologies and Ville de Demain).

The French Tech Acceleration (FTA) fund's investments in 2020 fell to €2 million in two companies, compared with €6 million in five companies in 2019.

The Autonomous Patient team, launched in 2017, is continuing to roll out its activity with investments of €6 million in four companies carried out in 2020 compared with €7 million in three companies in 2019.

The Digital Venture team invested €38 million in 31 companies compared to €29 million in 33 companies in 2019. As in the previous year, more than half of the team's investments by volume were reinvestments in portfolio holdings. These amounted to €19 million in 20 companies compared to €14 million in 19 companies in 2019.

The Transverse Innovation division is made up of three funds: the PSIM fund, raised in 2017, which made investments of €12 million in three companies compared with €33 million in seven companies in 2019; the Definvest fund (co-managed with the Small Cap business line), raised in 2018, which invested €9 million in three companies compared with €2 million in one company in 2019; and the French Tech Seed fund, raised in 2019 on PIA funds, which made its first equity investments amounting to €71 million in 27 companies in connection with the rollout of "French Tech Bridge" phase 3.

In 2020, the Creative Industries team made an increase in investments to €26 million in 11 companies compared to €6 million in seven companies in 2019. This increase is mainly due to the investment of €10 million in the listed company Nacon.

Total or partial disposals made by the Innovation portfolio in 2020 represent a gross value of €55 million and an amount received of €28 million for six partial disposals and 10 full disposals, down compared to 2019 (23 disposals for a gross value of €111 million and €170 million received).

These divestments were concentrated on the Life Sciences divisions (gross value of €29 million for €6 million received on five companies) and Digital Venture (gross value of €15 million for €16 million received on six companies). The remainder of the disposals carried out in 2020 was split between the Large Venture teams (gross value of €5 million for



€5 million received from two companies), Creative Industries (gross value of €5 million from one company liquidation) and Autonomous Patient (€1 million in gross value for €1 million received from one company).

5.1.4.1 Export Insurance division

The activity of Bpifrance Assurance Export in 2020 is presented below around the four main business lines of Export Insurance.

It should be noted that these business lines are not recorded in the accounts of Bpifrance Assurance Export, the Export Insurance activity being carried out in the name and on behalf of the French State and recorded in French State accounts separately from the accounts of Bpifrance Assurance Export.

Given the international crisis, the export guarantee business has held up well, particularly in credit-insurance, sureties and foreign exchange, with significant growth in SME beneficiaries, which contrasts with a notable decline in pre-financing guarantees and business development insurance. Bpifrance Assurance Export thus confirms a growth dynamic driven by SMEs and sectors in difficulty (in particular aeronautics) with an upsurge in management of claims for compensation for incidents.

Credit-Insurance

Guarantees granted at the end of December 2020 in Credit-Insurance rose to €12.7 billion compared with €11.7 billion in 2019 (i.e. +9% in volume). This increase was mainly due to a significant proportion of contracts in the aircraft manufacturing sector, which represented 39% in 2020 compared to only 10% in 2019. The number of cases in the mid-tier and SME customer segment increased (+18% and +17% compared to 2019).

Business Development Insurance

Following two consecutive years of growth, Business Development Insurance (a repayable advance based on a forecast business development budget) slowed sharply in a context that is unfavourable to the implementation of new business development operations abroad. The number of Business Development Insurance agreements (old and new formula) fell significantly with 1,226 transactions at the end of December 2020 (-18% compared to 2019). However, the expansion of the customer base for this product remains clear, with 81% new customers.

As a reminder, the marketing of the A3P (Business Development Insurance First Steps) was definitively ended on 1 January 2020.

Deposit and pre-financing guarantees

The sureties and pre-financing guarantee activity fell by 2% compared to 2019 by number of operations but was up by 50% by volume. This change was the result of the sharp decrease in pre-financing activities by number (-19%) while the surety business was up by 14%. The current context is not favourable for the pre-financing product, given the widespread injection of cash through economic support products such as the SGL and the “Atout” and Rebound Loans. The product remains resolutely oriented towards VSEs/SMEs.

Foreign exchange insurance

The foreign exchange guarantee recorded a third year of growth by number of customers (+13%), driven by the SME segment. However, 2020 remained down on 2019 by volume, due to a less experienced clientele overall.

3.15. Bpifrance structure and financial management

The financial markets in 2020

While growth trajectories were expected to follow in the footsteps of 2019, with the prospect of the US elections and Brexit, the disruption of economic patterns due to the Covid-19 pandemic has introduced a period of profound and unprecedented turbulence.

At the very beginning of the year, the financial markets focused on the United States' international relations with Iran and China. The months of March and April witnessed the lockdown of more than half the world's population. This led to a collapse of international financial markets. The pandemic triggered one of the fastest corrections in stock market history (-30%). The bond market has not fully played its role as a safe haven in a period of crisis: a sharp revaluation of growth premiums and inflation triggered a fall in nominal yields and a considerable widening of credit spreads. The collapse of the stock markets forced investors to urgently raise liquidity, causing a counter-intuitive movement on safe havens (gold, yen, Swiss franc). Lastly, oil prices turned negative as a result of imbalances between supply and demand. Governments and central banks have shown that they have learned from past crises: a powerful response to quickly reassure the economy and financial markets. Governments have put in place unprecedented support measures to keep the economy afloat. Central banks have also come to the aid of the markets to ensure maximum liquidity and avoid a currency crisis.

Injections of liquidity from central banks as the main driver of economic activity quickly eased tensions on credit. The support measures have restored fairly positive expectations for the US, expectations that are reflected in the level of interest rates, and notably long-term inflation. In Europe, the interventionist approach of the ECB validated the continuation of the pre-Covid trend with the convergence of sovereign yields in the euro zone.

Stock markets in the United States gradually recovered to close the year at near historic highs. The appearance of the second wave initially scared the markets but optimism prevailed. The triptych of the results of the US presidential elections, the announcement of a vaccine available at the end of the year and the renewed enthusiasm of investors, allowed the US markets to end up in the green. The Dow Jones index posted a gain of more than 6%, while the Nasdaq jumped by more than 43%.

Equity markets in Europe did not perform as well as in the United States, as they benefited less from the extraordinary rebound in the technology sector. The French star index ended the year in the red, but with a modest decline of around 6% in the CAC 40. All European markets slowed down in 2020, as evidenced by the Euro Stoxx 50 index, which fell by more than 4%. The big winners on the equity markets were growth companies with solid balance sheets and little debt (technologies, health, etc.). The most heavily indebted securities were hit hard by the severity of the crisis.

On the international stage, wide disparity in healthcare performances led to a considerable weakening in India and Latin America, a strengthening in East Asia, "crowned" by a trade agreement. Europe saw some real improvements in terms of governance (recovery plan, abandon of budgetary dogmas, industrial strategy).

For 2021, the effects of the fiscal stimulus and monetary support could be a catalyst that breaks the deflationary trend of more than 40 years, and which could lead to significant adjustments to portfolio allocations and performance outlooks.



Bpifrance's financial structure

The consolidated balance sheet of the Issuer totalled €94.3 billion at 31 December 2020, versus €59.2 billion at 31 December 2019, i.e. an increase of €35.2 billion. This strong increase is attributable:

- for €20.4 billion to the contribution of the assets of Bpifrance Participations following the merger-absorption of Bpifrance SA by the Issuer, as counterparty to the increase in the Group's equity;
- and for €14.8 billion to the former Bpifrance Financement.

The balance sheet of Bpifrance Participations mainly comprises:

- €4.6 billion in securities at fair value through profit or loss;
- €9.5 billion in securities at fair value through equity;
- €5.0 billion in investments in companies accounted for under the equity method;
- €1.0 billion in cash.

Loans to companies amounted to €44.5 billion at 31 December 2020, versus €40.0 billion at 31 December 2019. The various outstandings have evolved in the following manner:

- finance leases were down for both property leasing, which decreased by 4.0% compared to equipment leasing, which decreased by 5.5%;
- outstanding equipment loans continued to rise significantly (+7.9%);
- cash loans were down (-26.0%), with pre-financing of the *Crédit d'Impôt Compétitivité Emploi* (CICE) managed in run-off in 2020.

Commitments under guarantee agreements were down: €12.5 billion as at 31 December 2020, compared with €12.8 billion as at 31 December 2019, i.e. -2.1%.

The total amount of financial assets in the fixed income scope of Bpifrance (excluding Bpifrance Participations) as at 31 December 2020 amounted to €10,892 million. 98% of this comprises the portfolio established as part of the credit activity. This portfolio is made up in the following manner:

- €8.041 billion in securities intended to be held to maturity, corresponding to €7.861 billion in OATs purchased as part of the management of the rate position associated with the refinancing of the credit activity and, for the balance, with the investment of the guarantee funds and equity of Bpifrance Régions;
- €2.796 billion in investment securities, of which €2.778 billion at fair value through equity and €18 million at fair value through profit or loss: these consist only of securities purchased to invest the company's cash or guarantee funds that it manages;
- €55 million in non-consolidated equity investments.

As at 31 December 2020, the distribution of medium- and long-term financing of loans to clients according to the origin of resources, i.e. €48.6 billion in outstandings, was as follows:

- €31.7 billion, i.e. 65%, in resources recruited in the financial market as part of EMTN programmes (€31.5 billion) or NEU MTN (€0.2 billion);
- €0.8 billion, or 1.6%, in the form of contractual loans with financial institutions with resources from *Livret Développement Durable* (LDD or Sustainable Development Passbook) deposits;
- €1.35 billion, or 3%, in public resources, essentially from the Investing in the Future Programme via EPIC Bpifrance;
- €14.8 billion, or 30.4%, in the form of medium-term refinancing operations with the ECB (TLTRO).

The resources backed by the guarantee activity carried out by the Issuer and Bpifrance Régions, amounting to €6.5 billion at 31 December 2020, were up compared to 2019.

Bpifrance financial management

The objective of the Group's financial management is to provide it with the long-term financial means needed to carry out the issues entrusted to it by public authorities, while continuing to exercise total control over the risk exposure inherent to operations within capital markets. In order to minimise its exposure to this type of risks (inherent to market trading operations) which are not its core business, the Issuer does not have any trading or financial intermediation activities.

Financing activity

The refinancing of loans to customers by backing, in both equity and rate terms, the outstandings of loans and real estate operations. To this end, refinancing operations are completed by rate hedging operations that are performed either through recourse to financial instruments, or by setting up portfolios of assets specifically dedicated for this purpose. Under these conditions, the establishment strives to limit the risks that are inherent to the financial operations, while targeting optimisation relative to market conditions. In this regard, it has adopted the objective of having a liquidity advance that would allow it to deal with any temporary deterioration of the market conditions.

Bond resources signed in 2020, including €1.5 billion as part of a "thematic" issue (Covid-19 Response Bond), recorded a strong increase compared to last year (+180%), with total emissions over the year of €7.2 billion:



2020	Type of transaction	Issue date	Maturity date	Duration	Nominal (€M)
Quarter 1	Private placement	16/01/2020	24/01/2022	2	100
	Private placement	17/01/2020	24/01/2022	2	100
	Private placement	23/01/2020	22/07/2022	2	296
	Syndication	26/03/2020	25/03/2025	5	2,000
	Private placement - retap	30/03/2020	25/10/2025	6	75
	Private placement - retap	31/03/2020	26/09/2029	9	100
Quarter 2	Private placement - retap	01/04/2020	26/09/2028	8	75
	Private placement - retap	02/04/2020	25/05/2027	7	50
	Private placement - retap	02/04/2020	25/05/2026	6	230
	Private placement - retap	03/04/2020	25/04/2022	2	50
	Private placement - retap	17/04/2020	26/09/2029	9	75
	Private placement - retap	20/04/2020	26/09/2029	9	75
	Private placement - retap	21/04/2020	25/05/2024	4	50
	Private placement - retap	21/04/2020	22/07/2022	2	57
	Private placement - retap	22/04/2020	25/05/2030	10	90
	Private placement	23/04/2020	25/05/2050	30	200
	Syndication	24/04/2020	26/02/2027	7	1,500
	Private placement - retap	29/04/2020	25/11/2026	7	50
	Private placement - retap	05/05/2020	25/05/2026	6	50
	Private placement - retap	07/05/2020	25/11/2026	7	50
	Private placement - retap	12/05/2020	25/11/2026	7	50
	Private placement - retap	12/05/2020	25/11/2024	5	50
	Private placement - retap	12/05/2020	25/05/2026	6	100
	Private placement - retap	13/05/2020	26/09/2028	8	100
	Private placement - retap	14/05/2020	25/11/2026	7	50
	Private placement - retap	14/05/2020	25/05/2030	10	100
	Private placement - retap	15/05/2020	26/09/2029	9	50
	Private placement - retap	15/05/2020	25/11/2024	4	50
	Private placement - retap	19/05/2020	25/05/2027	7	100
	Private placement - retap	26/05/2020	26/09/2029	9	50
	Private placement - retap	26/05/2020	25/05/2025	5	50
	Syndication	28/05/2020	29/03/2030	10	1,250
Total EMTN 2020					7,273

The prospectus that governs this programme was the subject of a supplement dated 12 June 2020, to specify that the ceiling for the EMTN programme had been increased from €35 to €45 billion.

The EMTN programme therefore accounted for 96% of the medium- and long-term refinancing carried out by Bpifrance in 2020. The overall distribution of refinancing commitments by lender was as follows at 31 December 2020: investors in the EMTN and BMTN programmes represent 65% of outstandings; the Caisse des Dépôts, 1.6%; the European Central Bank via its monetary policy programmes, 30.4%; EPIC Bpifrance, 2.8%; international banks, 0.1%.

Short-term interbank refinancing outstandings (certificates of deposit and securities sold under forward repurchase agreements) were €7.5 billion at 31 December 2020, compared to €9.4 billion at 31 December 2019, i.e. a fall of 20%. This drop was due in particular to securities given under repurchase agreements which stood at €3.2 billion at 31 December 2020, against €5.7 billion at 31 December 2019, representing a fall of 44%.

Outstanding certificates of deposit stood at €4.3 billion at 31 December 2020, against €3.7 billion at 31 December 2019.

At 31 December 2020, refinancing with the European Central Bank consisted of €14.8 billion in resources recruited as part of the TLTRO.

The overall amount of the Bpifrance securities portfolio attached to the Financing activity for the management of the rate position and cash investment stood at €10.6 billion at 31 December 2020. It consisted primarily of OATs (€9.3 billion, i.e. 88%) and included bonds issued by public agencies (€231 million), administrations or local authorities (€299 million), and major international commercial banks (€46 million), as well as covered bonds (€437 million) and other asset-backed securities (€17 million). Cash investments in the form of purchases of certificates of deposit stood at €50 million at 31 December 2020, with an average duration of six months, issued by banks with a P1 short-term rating.

Guarantee activity

The Guarantee activity at domestic level is shown in the Bpifrance balance sheet, and at regional level, in that of Bpifrance Régions.

The overall amount of financial assets representing Bpifrance and Bpifrance Régions Guarantee Funds stood at €6.4 billion at 31 December 2020. Most of these assets comprise Agence France Trésor deposits (€5.5 billion). The residual balance is primarily invested in bonds issued by the French Government and public agencies (€219 million), big banks and public enterprises (€22 million), Unit Trusts (€105 million) or negotiable debt securities (€24 million).

3.1.6. Consolidated and corporate results of Bpifrance

The consolidated financial statements

Net Banking Income (NBI) amounted to €848.4 million versus €810.9 million in 2019, a rise of €37.5 million (+4.6%). This increase in NBI was explained for €54.3 million by the higher net interest margin, offset by the decrease in other operating income of -€7.4 million (decline in early redemption fees offset by a rise in management expenses), the increase in other non-operating income for -€5.2 million and the increase in commissions for -€4.1 million (Guarantee and CICE in particular).

In a low-rate environment, the Net Interest Margin was boosted by the growth in medium- and long-term finance outstandings, which offset the growth in CICE pre-finance outstandings managed in run-off mode.

With regard to financing activity, the growth in medium- and long-term financing business in 2020 (€10.3 billion, compared with €8.1 billion in 2019), supported by crisis products, offset by the downturn in CICE pre-financing, resulted in average outstandings rising by another 7.7%, thereby supporting NBI. Despite the interest rate environment, margins on credit transactions were up slightly.

In 2020, the impact of the discontinuation of the CICE pre-financing mechanism on NBI resulted in a drop of €22.9 million.

With regard to guarantee activity, the average outstandings used is now €17.9 billion (including funds used for Unsecured Loans), up 6.9% and mainly sustained by the guarantee fund mobilised by the "Atout" Loan. Average assets held by investment funds fell by €241 million. This change was reflected in a €5.6 million decrease in NBI, i.e. -5.2%, with fees at €98.5 million, down €8.2 million on 2019. The change in fees is explained by the drop in fees generated by investment funds of €9.0 million, to a level of €68.7 million due to the slowdown in new production and the freezing of maturities. Guarantee fees from Bpifrance funds remained at a level equivalent to that of 2019 at €29.8 million, notably thanks to the "Atout" Loan. The regional guarantee increased by 4% to reach €6.6 million.

Regarding innovation activity, the NBI generated was increased once again in 2020 (+€27.7 million, i.e. +60.4%), driven by the dynamic net interest margin of Unsecured Innovation Loans (seed and innovation loans), which increased by +61.4%, as well as by the increase of 86.7% in management fees for aid schemes operated on behalf of the State, due in particular to the collection of management fees for the recovery plan.



Operating expenses (personnel costs, other operating expenses and investment expenses) amounted to €549.7 million, up by 13.0% compared to 2019, mainly due to the increase in the workforce, which allowed the rollout of Bpifrance's strategic plan (New Activities, Climate Plan, French Touch, French Fab and French Tech, etc.), as well as the acceleration of digitisation, which is particularly important for the operational implementation of support plans (SGL, new products, Aero plan, Auto plan, Touch plan, Export plan, etc.), particularly for VSEs. Conversely, savings in travel expenses offset the costs of healthcare logistics required to combat the pandemic. Weaker growth in NBI combined with the bank's ambitions to expand its presence increased the operating ratio (64.8%) compared to 2019 (60.0%).

The net cost of risk was -€461.5 million for 2020. It includes provisioning for Expected Credit Losses, which accounted for a provision of €328.3 million, bringing the 2020 "ECL" provision inventory to €732.1 million. It was supplemented by a proven cost of risk of -€133.3 million, up by 90.4% (+€63.3 million) compared to 2019.

The group share of net income amounted to €-139.6 million, down 293.0 million (-191.0%) compared to 2019.

• The consolidated balance sheet

The balance sheet total amounted to €94.3 billion, up €35.1 billion on 2019. This sharp increase is attributable:

- in the amount of €20.4 billion to the contribution of the assets of Bpifrance Participations following the intra-group merger, as counterparty to the increase in the Group's equity; and
- in the amount of €14.8 billion to the former Bpifrance Financement.

The balance sheet of Bpifrance Participations mainly comprises:

- €4.6 billion in securities at fair value through profit or loss;
- €9.5 billion in securities at fair value through equity;
- €5.0 billion in investments in companies accounted for under the equity method;
- €1.0 billion in cash.

Group share of equity before appropriation of earnings was €24.2 billion at the end of 2020, up €20.4 million (+544.2%).

Customer receivables amounted to €44.4 billion after impairment for credit risk of €966.0 million, an increase of €5.2 billion compared to the end of 2019, due in particular to the crisis mechanisms and the postponement of maturities. These loans were supplemented by €6.2 billion in finance leases.

Financial assets at fair value through equity amounted to €12.3 billion at the end of 2020, up by €11.0 billion, i.e. an increase of 869%. Financial assets at fair value through profit or loss amounted to €5.9 billion at the end of 2020, up by €5.2 billion, i.e. an increase of 709%. Lastly, investments in companies accounted for under the equity method amounted to €5.1 billion at the end of 2020, an increase of €5.0 billion.

The corporate financial statements

The annual financial statements are prepared in compliance with the provisions applicable to lending institutions according to the French standards.

Contrary to the consolidated financial statements drawn up in financial accounting, corporate financial statements place greater emphasis on the legal nature of the lease:

- real estate is depreciated according to the methods allowed under tax law (straight-line depreciation, diminishing balance method, or even progressive or specific to the SICOMI treatment, depending on the case);
- all the rents and charges associated with the default of the lessee are recorded as NBI.

The net earnings determined in this manner amounted to -€47.9 million, thereby generating a change in the unrealised reserve on finance lease operations of €94.6 million.

3.1.7. Outlook for 2021

3.1.7.1. Financing division

The financing of investments and of the operating cycle

For 2021, Bpifrance estimates a financing capacity of €12.95 billion in commitments, divided between €4.8 billion for short-term loans and €8.15 billion for MLT loans:

- Activity in the form of Secured Loans is expected to amount to €5.15 billion, with an acceleration in the financing of renewable energies and green investments.
- The level of production of Unsecured Loans will stabilise in 2021 at €3 billion, thanks to thematic offers, in particular the Green Loan which will contribute to the ecological transition of companies, the Tourism Loan and the Recovery Growth Loan.
- Short-term financing will be aiming at production of €4.8 billion in commitments in 2021. The sales campaign will address continuing growth in the use of lines for Avance+ customers.

Bank loan guarantee

As part of the recovery plan, the French State has entrusted significant resources to Bpifrance to guarantee loans; the end of the SGL scheduled for June 2021 means facilitating access to credit.

The recovery plan therefore includes an increase in the guarantee quotas and a reduction in the cost of guarantees for the main Development, Creation and Transfer funds. For the latter two funds, support from the European Guarantee Fund is combined with French State funds to further reduce the cost of these guarantees.

These new resources and the market conditions mentioned lead us to expect a significant rebound in guarantee activity.

Innovation

The innovation financing activity is expected to continue growing in 2021 to reach €3.3 billion after an exceptional year in 2020 at €3.0 billion:

- The innovation activity in individual grants from the French State budget (excluding FUI) will increase in 2021 by 38% (+€188 million) compared to 2020 to reach nearly €680 million under the effect, in particular, of the transition to the PIA 4 and FII budgets.
- The dynamics of financing Deeptech start-ups will increase, after the deployment of €68 million in 2020, rising to €120 million over 2021 (+76%).
- Individual aid from partner budgets (national and regional agreements, including ERDF) will continue to increase to reach €160 million.
- The various Investment in the Future Programme schemes (including the PSPCs, Innovation and I-Lab Competitions, and regional schemes) will see their production increase by 29% (+€94 million) to reach €419 million, still driven by the PIA 4.
- The “Directed section” activity marked in 2020 by the ACC Battery Plan (€690 million) will continue with several programmes (*Grands Défis*, Capacity Building, IPCEI and Acceleration Strategies) with a target of €330 million.
- The 2021 activity is largely weighted by the continued rollout of the Recovery Plan with the AAP Automotive, Aeronautics, Critical Sectors, Nuclear and the Industrial Regions system. €421 million in financing was distributed during the last quarter of 2020 and an additional €1.2 billion in financing is planned for 2021, of which €1.1 billion for the Strategic Sectors (Aeronautics, Automotive, Critical Sectors, Nuclear) and €148 million for the Industrial Regions.
- After a year in 2020 marked by the implementation of the Innovation Support SGL (€459 million in commitments) and even more dynamic Innovation Loan activity than the previous year (€468 million in commitments), the production of innovation loans will continue to grow significantly in 2021, with the target raised to €480 million.



- The French Tech Seed programme will pursue its rollout in 2021 with the continuation of phase 1 initiated in 2019, with a stable objective of a commitment of €30 million, and provides for a residual activity of around €5 million in commitments for the French Tech Bridge crisis mechanism set up in 2020.

3.1.7.2. Investment division

a) Development capital business line

For the Development Capital Department, the strategic priorities defined in the last plan include:

- to continue to be the partner of choice for French SMEs and mid-tier companies;
- to support the sectors and fields of the future, particularly those heavily impacted by the Covid-19 crisis;
- to participate in the creation of European champions while continuing to develop management on behalf of third parties;
- to be exemplary in the consideration of ESG criteria and be a pillar of the Bpifrance Climate Plan.

b) Innovation business line

For 2021, the investment teams of the Innovation Department have an investment objective of €502 million, an increase of 8% compared to the investments made in 2020, but a level 60% higher than the activity in 2018 or 2019.

In 2021, Bpifrance will maintain market share of less than 10%, and will continue to focus its action on Deeptech as well as on companies offering solutions to combat global warming, as part of the Climate Plan.

The investment objectives by division for 2021 are as follows:

- Large Venture division: €172 million;
- Digital Venture division: €44 million, up 22% compared to 2020;
- Autonomous Patient division: €8 million;
- Life Sciences division: €44 million, up 14% compared to 2020;
- Ecotechnologies division: €29 million, stable compared to 2020;
- French Tech Acceleration division: €8 million;
- Innovation Transverse Venture Capital division: investment of €117 million, stable compared to 2020;
- Cultural and Creative Industries division: an investment target of €30 million, stable compared to 2020.

At the same time, Le Hub will continue to support start-ups in the Bpifrance portfolio.

Lastly, the following are planned in 2021:

- replenishment of the PSIM fund, for €120 million;
- creation of the Ecotechnologies 2 fund, endowed by the PIA4, which will succeed the Ecotechnologies fund;
- creation of the French Tech Acceleration 2 fund, endowed by PIA4, which will succeed the French Tech Acceleration fund;
- creation of the Defence Innovation fund, endowed by the French Ministry of the Armed Forces to finance innovative companies in the growth phase, in particular start-ups, developing dual and cross-functional technologies of interest to the world of defence;
- creation of the French Tech Sovereignty fund, which aims to secure the investments of French companies in sovereign technologies (health, artificial intelligence, cybersecurity, etc.).

d) Funds of Funds business line

The momentum of the Funds of Funds activity should continue in 2021. Expected subscriptions from managed funds are expected to total nearly €1 billion. The level of distributions should also be maintained in 2021 with a provisional amount of nearly €550 million excluding secondary transactions.

- Ramp-up of subscriptions: the decision target for the year 2021 amounts to €1 billion for the activity of the Funds of Funds Department and €10 million for the Africa and Mediterranean team.
- The dynamism of subscriptions planned for 2021, which will also be achieved via the FFI-V Fund (created in 2019), should show subscriptions (mainly in new funds), of more than €655 million in total over 2021.
- The successor fund of Averroès Finance III is expected to be created during fiscal year 2021.

At the same time, the funds of funds managed by Bpifrance under the PIA will also be used:

- the MC3 fund, Fonds MultiCap Croissance No. 3, is expected to invest €103 million over the fiscal year;
- the FNA 2 fund, Fonds National d'Amorçage No. 2 (successor fund to the Fonds National d'Amorçage), is expected to invest €44 million over the year;
- the FFR fund, Fonds de Fonds de Retournement, which will be replenished with an additional €50 million in the first quarter of 2021, could subscribe up to €45 million;
- the FTA 2 fund, French Tech Acceleration 2, could invest in two funds for €17 million;
- the FABS fund, Fonds d'Accélération Biotech Santé, is expected to invest €16 million in a fund;
- the FFQP fund, Fonds de Fonds Quartiers Prioritaires, could subscribe up to €4 million in a project.

Bpifrance will also continue to invest on behalf of the CDC Group under the FFD (Digital fund of funds created in 2017), which is expected to subscribe to three funds for an amount of approximately €24 million.

The Fonds de Fonds Growth (FFG), set up in January 2020, notably with CDC and private insurers, is expected to invest in six funds for €62 million during fiscal year 2021.

The Fonds d'Avenir Automobile 2, which is currently being set up, should invest in three funds for an amount of €16 million, just as the Fonds France PME Régions is expected to subscribe €14 million in four funds.

In addition, in 2021, the Funds of Funds Department will work on the creation of the successor fund to Bpifrance Entreprises 1.

e) Support business line

Throughout an intense and challenging year for companies, Bpifrance has leveraged digital technology to adapt to the health restrictions and continue to support company executives. Support has been affirmed as a fundamental business line of Bpifrance, and has been restructured to meet the needs of companies in three areas: advice, training, networking.

The whole offer has been overhauled:

- The format of Accelerators is now based on digital technology, albeit retaining a strong collective dimension. In partnership with the French State, the Regions, the Regional bank and professional federations, business has continued.
- "One-off" assignments saw a very sharp increase, enabling nearly 30,000 executives to benefit from e-learning (+74%), nearly 2,000 to access digital self-diagnostic tools (+216%) and more than 2,200 executives to use consultancy services within companies (+26%).

To amplify the financial mechanisms available to assist the Recovery, a "Rebound 360" advisory module was put in place. A specific offer was set up for the Tourism sector, which included an Accelerator in partnership with the Banque des Territoires.

Two new ranges were structured to prepare for the major ecological and energy transitions. In partnership with ADEME, the *DIAG ECO-FLUX* was rolled out in more than 100 companies and this number is set to increase further. This system allows companies to optimise costs by reducing energy, materials, waste and water losses, and rapidly make sustainable savings. Alongside this system, Accelerators have been designed to accompany companies in the



Ecological and Energy Transition and the Recovery of Waste, as well as a new programme dedicated to supporting companies embarking on Decarbonisation.

The second range targets French Fab, with modules such as “Industrial Performance”, “Industry of the Future Strategy and Implementation” and “Artificial Intelligence” and “Cybersecurity”, to facilitate reindustrialisation through the integration of technology.

Lastly, the Support Department worked hard to define and implement the France Relance and sector plans, in particular the Automotive Subcontracting Plan with the DGE, the Tourism Plan with the Banque des Territoires and the support mechanism for the digitisation of VSEs in association with France Num.

3.1.7.3. Export Insurance division

Although the context in 2020 was not favourable for **Business Development Insurance (AP)**, this product remains a commercial success that meets the needs of the network. It is an important issue in the Export Recovery Plan, which sets an annual target of 1,600 APs for €1 billion in business development expenses financed over three years. In addition, 2021 will see an exceptional increase in the advance granted from 50% to 70% over 2021, as well as the launch of the new Business Development Insurance Support.

The challenges for 2021 **regarding guarantees & pre-financing** concern their expansion in the regions and continued spread despite the tightening of the regulatory environment.

Given its countercyclical role, credit-insurance remains a crucial product in this tense international context. An increase in activity is expected in particular via the aeronautics sector; however, this increase would be offset by the public debt crisis (DSSI) and the deterioration of private balance sheets (cruise sector).

The prospects for the foreign exchange guarantee could be positive given the volatility of currencies.

3.1.8. Statement of Non-Financial Performance

This chapter concerns corporate, social, and environmental information required under Article R. 225-102-1 of the French Commercial Code, as amended by Order 2017-1180 and its implementing Decree 2017-1265, transposing Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014 relating to the publication of non-financial information.

The Statement of Non-Financial Performance (“SNFP”) details the challenges, the processes implemented and the indicators that Bpifrance has decided to follow to assess its impacts.

SOCIETAL RESPONSIBILITY OF BPIFRANCE

Societal responsibility is at the heart of Bpifrance’s missions, “a public group intended to support the financing and development of companies, acting in accordance with public policies implemented by the French State and by the Regions. With a view to supporting sustainable growth, employment and the competitiveness of the economy, it promotes innovation, the priming, development, and internationalisation, transformation and transfer/buy-out of companies, by contributing to their financing through loans and equity financing⁸”.

The CSR Charter expresses Bpifrance’s public commitment to integrate corporate social responsibility issues into its business lines and its internal operations, and is based on the conviction, confirmed by the most recent studies, that CSR performance creates economic and social value and serves the future.

Bpifrance has set itself four priorities, which are the backbone of its commitment: development of employment, quality of governance and management, promotion of female entrepreneurship, and the ecological and energy transition.

Bpifrance’s social responsibility lies, by priority, in the effectiveness of its action to create and maintain sustainable growth of companies and creator of long-term economic value.

Bpifrance has been working with this aim since its creation by supporting the financial needs of companies and entrepreneurs at all stages of their development, and by multiplying the impact of its interventions in its operation as an investment institution. An offer of support supplemented the financial support systems, to provide entrepreneurs with advice, training and networking, in particular. taking into account the major challenges of their societal responsibility such as employment, energy transition, climate change, innovation, regional dynamism and digital technology.

Bpifrance, which aims to encourage companies to be part of a responsible growth dynamic, naturally takes care to conduct its business lines in complete transparency and responsibility, while respecting and developing the skills of its employees, and controlling its impacts.

OUR STRATEGIC AMBITIONS FOR 2020-2023

Our objectives for 2023

To be the climate bank for companies
To be the bank supporting a return to growth
To be the bank of French Fab
Be a digital bank supporting VSEs and business creators

⁸ Law no. 2012-559 of 31 December 2012, creating Bpifrance.

A SPECIAL BUSINESS MODEL

OUR BUSINESS MODEL

Within the Bpifrance Group, Bpifrance directly carries out financing, innovation support and guarantee activities; the direct investment activities and funds of funds are carried out by the management company Bpifrance Investissement, both on its behalf and on behalf of third parties and on behalf of Bpifrance Participations; Bpifrance Assurance Export carries out the export insurance activities of French companies in the name and on behalf of the French State.

These activities are carried out:

- For own account:

- o in co-financing, by Bpifrance, in the form of long- or medium-term loans, or finance leases, and for the financing of short-term receivables, on bond resources,

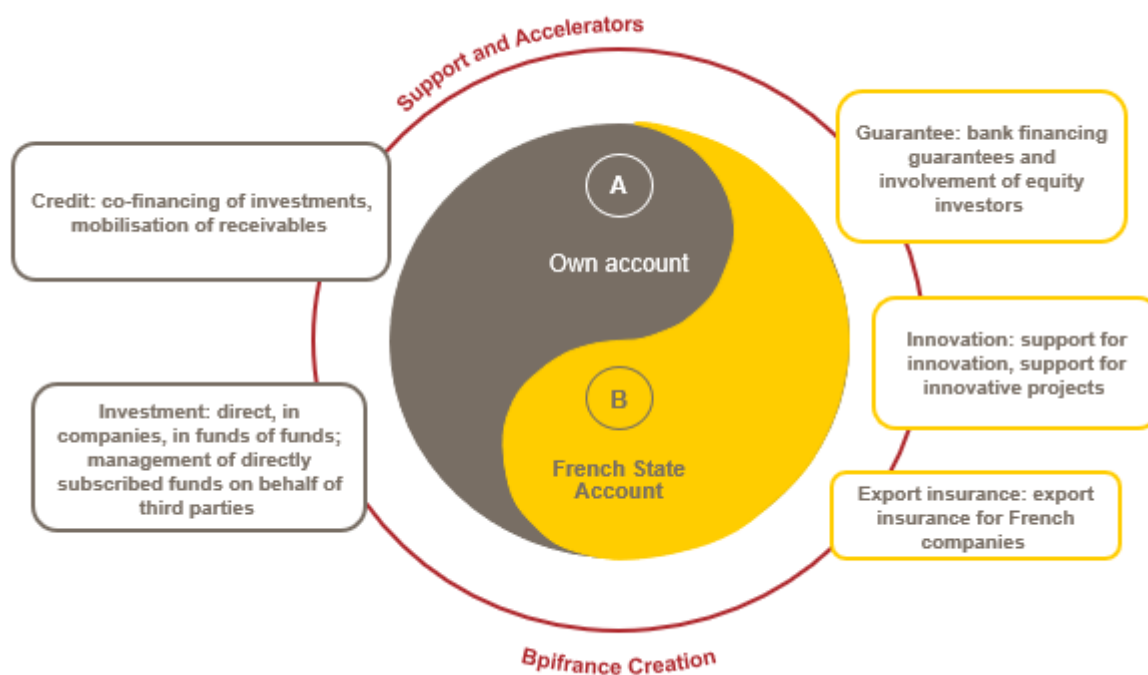
- o in equity, by Bpifrance Investissement, directly or with investment funds;

- On behalf of the French State: carried out within the framework of public policies and based, by nature, on dedicated funds intended to cover the commitments made within the framework of their mission:

- o guarantee bank loans or equity institutions (Bpifrance),
- financing innovation through loans or grants (Bpifrance),
- insurance of business export operations (Bpifrance Assurance Export).

These activities are financed by public resources (French State, Regions, European funds).

The support and accelerator activities of companies, as well as those of Bpifrance Creation, are non-financial cross-functional activities.



Bpifrance's business model is that of an atypical organisation, built to respond, in support of public policies, to the needs for sustainable growth of companies, to the strong and mobilising values of employees proud to contribute to the desire to "support the future" of the Group.

bpi**france**

Our resources

Bpifrance: Financing,
Innovation, Guarantee

Bpifrance

Participations and

Investissement : Direct
Equity and Funds of Funds

Bpifrance Assurance

Export : Export guarantee

A continuum of solutions

AT EACH KEY STAGE OF DEVELOPMENT



HUMAN

- Total personnel : **3,481** (+ 6,4% year-on-year)
- Of which 232 apprentices and work-study students
- Average age : **39,7 years**
- **58%** women and **42%** men
- Nearly 89% managers




STAKEHOLDERS

- A unique shareholding between the French State and the Caisse des Dépôts et Consignations
- A network of public and private institutional partnerships
- Partner of 18 French regions



FINANCIAL

- **Bond** Resources
- **Public** resources  (Investing in the Future Program)
- **European** resources

A unique stakeholder environment



REGIONAL AND INTERNATIONAL PRESENCE

- **48** regional locations
- Partner of **18** French regions

**The bank for all
entrepreneurs,
firmly rooted in
the regions**

Bpifrance Creation
Entrepreneurship for all

INTANGIBLE VALUES
Proximity, Simplicity,
Determination, Optimism,

ONE MISSION
Serving the future

Proximity

Simplicity

Determination

Optimism

**SERVING
THE
FUTURE**

FINANCING INNOVATION



FINANCIAL SUPPORT for COMPANIES

- **€10.3 billion** in long- and medium-term financing, of which €4.3 billion is "special Covid"; 19,830 companies financed
- **€3 billion** in innovation grants and loans, more than 8,200 companies
- **€7.1 billion** in short-term loans
- Almost **40,000 companies** guaranteed, i.e. **€8.3 billion**
- **€14.9 billion** in export guarantees

CAPITAL

CAPITAL

- **€1.2 billion** invested in **59 funds**
- **€2.4 billion** invested in **244 companies**
- Record amount raised by French Tech start-ups: **€5 billion** (x5 in 5 years)



INTERNATIONAL

- **€14.9 billion** in export project guarantees*
- **9** export support **missions**
- **More than 2,000** beneficiary companies

INTERNATIONAL

ENTREPRENEURSHIP FOR ALL

- **395** new companies **accelerated**
- **15** new **sessions**
- **78** CiteLab systems
- **Tour : 200** events

Bpifrance CREATION

- **320** actions to support **networks**
- **1047** direct unsecured loans



NON-FINANCIAL SUPPORT AND NETWORKS

- **1,785** companies accelerated, including **430** in 2020, nearly **1,400** SME/mid-tier consulting missions (+26%), 747 innovation consulting missions, and **2,630 international support** actions (+1%)
- **Almost 30,000** people trained through e-learning (+41%)
- **2,037** digital self-assessments, 190 group training sessions (face-to-face and digital)

NETWORKS

- **DEEPTech Tour**: 16 dates, 640 speakers, 200 partners, 11,000 participants and face-to-face and digital formats
- **BIG Tour** showcased the industry
- **Bpifrance Inno Generation**
- **Capital Invest**

NON-FINANCIAL SUPPORT

*operated in the name and on behalf of the French State

OUR NON-FINANCIAL RISKS

The public interest missions entrusted to Bpifrance, its banking status and its specific business model form the basis for defining non-financial risks and the associated issues, the analysis of which was repeated in 2020, taking into account, in addition, the specific expectations related to the health crisis.

The mapping, consistent with the approach conducted by the Caisse des Dépôts Group, was prepared using the following method:

- identification of potential risks;
- identification of measures and means to control these risks;
- risk ranking and scoring using a methodology suited to the issues in evaluating non-financial topics.

Due to its service activities, combating food insecurity, respecting animal welfare and responsible, fair, and sustainable food, and combating food waste are not relevant material challenges. Supporting the ecological and energy transition of companies is a key issue for Bpifrance, both in terms of its missions and the possible impacts of a delay in this transition: unanticipated and/or unmanaged physical and transition risks, financial losses, access to financial markets penalised by assets that fail to meet sustainable finance expectations.

The indicators were defined in line with the major risks identified, in line with the missions assigned to Bpifrance and the expectations of its shareholders.

The Bpifrance Group's strategic plan has been drawn up for the medium term to meet these missions, which set out long-term ambitions; it is reviewed on an annual basis in order to better integrate the risks and opportunities inherent to its assignments.



MACRO-RISKS	CSR CHALLENGES	Major risks identified	Key indicators
GOVERNANCE AND ETHICS	Business Ethics	Demonstrate unethical practices Financing or supporting companies or projects that contribute to money-laundering or terrorist financing, or are based on corruption Lack of confidence of customers and stakeholders Legal and reputational risks Risk of financial losses	Percentage of employees trained in AML/CTF Percentage of employees trained in anti-corruption procedures
	Security of data and funds	Failure to protect data and the integrity of information systems Embezzlement, fraud Lack of confidence of customers and stakeholders Legal and reputational risks Risk of financial losses	Percentage of employees trained in AML/CTF Percentage of employees trained in anti-corruption procedures
FAILING TO CARRY OUT MISSIONS OF GENERAL INTEREST	Ecological and Energy Transition (EET)	Failure to support companies in the developments that are key to their sustainability: consideration of climate change in their activities Absence/inadequacy of offers relating to the EET Lack of/insufficient financing of EET Generation of environmental impacts, delay in company transitions, economic impact Risks: reputation, financial	Weight of EET financing in activity
	Economic development of the territories	Not factoring balance into economic planning of the territories in its activities Absence of offers relating to the balanced economic development of the regions Absence or inadequacy of support for the regions Reduction in attractiveness of the regions, ESG impacts (e.g. departure of companies) Risks: reputation, financial	Percentage of financing compared to economic potential of Regions
	Digital Transformation	Failure to support companies in their digital transformation, essential for their long-term survival Absence or inadequacy of offers relating to financing the digital transformation Economic “disconnection”, social and societal impacts Risks: reputation, financial	Weight of “Numetic” financing in activity

MACRO-RISKS	CSR CHALLENGES	Major risks identified	Key indicators
DISSATISFACTION OF STAKEHOLDERS	Customers	Failure to meet customer expectations and needs: inadequacy, unsuitability of the product and service offering Risk: ESG, financial, reputation impacts	NPS and customer satisfaction rate
	Quality of Offering	Failure to fulfil its role as a long-term partner to customers Risks: financial, reputation	NPS and customer satisfaction rate
	Other Stakeholders	Failure to meet stakeholder expectations Risks: reputation	Number of complaints and claims filed against the entity regarding its impact on the environment, society, or human rights
HUMAN CAPITAL	Quality of Life in the Workplace (QLW)	Reduction in the Group's attractiveness Mediocre motivation generating customer and partner dissatisfaction Failure to adapt to change Mismatch between profiles and the needs of new business lines and organisations	Average number of sick days excluding long-term illness Employee satisfaction
	Diversity and Equal Opportunity	Reduction in the Group's attractiveness Loss of motivation generating customer and partner dissatisfaction Failure to adapt to change Mismatch between profiles and needs	Women hired on permanent contracts and fixed-term contracts. Percentage of young people under 30 and seniors over 55 among new hires
	Labour relations	Reduction in the Group's attractiveness Loss of motivation generating customer and partner dissatisfaction Failure to adapt to change	Subjects of the agreements Number of agreements and addenda signed during the year
	Human Capital: Talents	Reduction in the Group's attractiveness Loss of motivation generating customer and partner dissatisfaction Failure to adapt to change Mismatch between profiles and needs	Turnover of employees in permanent contracts
	Human Capital: Training	Reduction in the Group's attractiveness Loss of motivation generating customer and partner dissatisfaction Failure to adapt to change Mismatch between profiles and needs	Access to training
CONSIDERATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") CHALLENGES IN	Inclusion of Environmental, Social, and Governance (ESG) Challenges	Not increasing awareness or commitment in the companies to account for the environmental, social and societal risks in their activities, specifically to combat climate change and increase their positive impacts on the economy and society	Carbon footprint of the listed portfolio Amount of assets under direct management exposed directly to the thermal coal sector



MACRO-RISKS	CSR CHALLENGES	Major risks identified	Key indicators
ITS BUSINESS LINES			

GOVERNANCE AND ETHICS

Major risks identified

Demonstrate unethical practices
Financing or supporting companies or projects that contribute to money-laundering or terrorist financing, or are based on corruption

Our responses

Policy
Compliance Policy
Anti-Money Laundering and Counter-Terrorist Financing Policy (AML/CTF)
Anti-corruption policy
Outsourcing Policy
AML/CTF employee training
Training employees in the fight against corruption
Alert system
Permanent Control and Compliance Department Intranet Page (procedures and instruction notes)
Compliance and public engagement area CEO on the Bpifrance website
Approved supplier platform

Structured governance to meet the challenges

Bpifrance, resulting from the merger by absorption of Bpifrance SA by Bpifrance Financement on 18 December 2020, is a public limited company (*société anonyme*) with a Board of Directors, whose functions of Chairman and General Management are separate. Entrusted with general interest missions defined by the amended law creating Bpifrance⁹, Bpifrance is majority-owned by the French State, via EPIC Bpifrance and Caisse des Dépôts¹⁰, with 1.4% of the share capital being held by bank shareholders.

The constitution of governance bodies is determined by law, and Bpifrance therefore has the following bodies:

- a Board of Directors comprising eight representatives of the Caisse des Dépôts and the French State, two representatives of the regions, two employee representatives and one qualified person;
- an Audit Committee and a Risk Committee;
- an Appointments Committee and a Compensation Committee.

The composition of these bodies, which respect a strict gender balance, and the skills of their members, are presented in detail in section 4 of this document. It should be noted that the Government Commissioner, appointed in accordance with the law creating Bpifrance, may attend General Meetings of Shareholders, Board of Directors' meetings and all the committees created within the Board of Directors.

Once a year, the Board of Directors discusses its functioning, and may request an assessment by an external consultant.

Bpifrance also has two business line committees: Financing-Guarantee on the one hand and Innovation on the other. The subsidiaries have governance bodies whose members are chosen for their skills, and specialised committees, depending on their activities.

⁹ Law no. 2012-0559 of 31 December 2012

¹⁰ Each for 49.2%

The table below gives a summary:

Name	Form	Separation of functions	Number of directors representing Bpifrance or its State shareholders or CDC shareholders	Number of qualified person directors	Number of directors representing employees	Parity	Specialised committees
Bpifrance Investissement	SAS	No	8	2	0	Yes	ACC
Bpifrance Participations	SA	No	8	2	0	Yes	Audit and Risks Investment Appointments
Bpifrance International Capital	SA	No	4			No	
Bpifrance Assurance Export	SAS	Yes	N/A	N/A	N/A	N/A	
Bpifrance Courtage	SAS	No	N/A	N/A	N/A	N/A	
Bpifrance Régions	SA	Yes	7			No	

The internal regulations of the Boards of Directors of Bpifrance and its subsidiaries specify the functioning and prerogatives of each of these Boards of Directors, as well as those of the Committees, and include a Directors' Charter, which defines the duties of the Directors in relation in particular to attendance, confidentiality and ethics.

Bpifrance acts in support of the public policies of the French State and the regions, to support and accompany the sustainable growth of companies, by taking into consideration the environmental, social and societal issues in its decisions and in its management.

A National Steering Committee (CNO), chaired by a regional chairman, and regional steering committees have been set up, in charge of expressing an opinion on the strategic orientations, the intervention doctrine, and the procedures for exercise, by the company and its subsidiaries, of their public interest missions and the implementation of the ecological and energy transition, at the national level for the CNO, regional for the CROs. These bodies, made up of elected representatives of the National Assembly and the Senate, representatives of trade unions, professional organisations and sectoral experts for the CNO, representatives of the French State, the region, the regional management of the Caisse des Dépôts, trade unions, the regional ESEC¹¹, the CCI and the regional chamber of trades and crafts, for the CROs, are places for dialogue with Bpifrance stakeholders. However, it should be noted that the CNO did not meet in 2020; similarly, few regional steering committees are still active.

Ethics: a strong commitment and organisation

Bpifrance is publicly committed, on its site and through its Chief Executive Officer, not to tolerate any unethical behaviour or actions and to fight against all forms of corruption¹².

The resulting policies and procedures are all consistent with this commitment and aim, through information and rigorous training for employees, to prevent any risk of fraud and corruption, or any risk of granting any kind of assistance or concluding a purchase to/with a company with questionable practices or managers:

- the compliance policy applies at the level of the Bpifrance Group, in all its activities;

¹¹ economic, social and environmental council

¹² <https://www.bpifrance.fr/Qui-sommes-nous/Ethique-et-conformite>



- all new employees must familiarise themselves with the Bpifrance Code of Ethics and Rules of Procedure, and declare that they accept all their terms;
- Bpifrance has a Group policy to combat money laundering and the financing of terrorism (AML/CTF); all new employees must familiarise themselves with it, and all employees must follow the relevant training programmes;
- the specific AML/CTF due diligence tool facilitates its performance and ensures the audit trail and follow-up; a dedicated team can be informed of any difficulty and help to resolve it;
- the policy against corruption, influence peddling and favourable treatment must also be read and declared as understood and accepted by all new employees; training, as for AML/CTF, is mandatory at regular intervals. The Group's economic sanctions compliance policy applies to all Group employees; in this context, everyone is committed to compliance by Bpifrance with the applicable laws and regulations in force in the countries and territories in which Bpifrance operates;
- a whistleblowing system on a secure platform offers any employee the possibility to contact the Compliance and Permanent Control Director directly, in strict confidence, to inform him/her of (i) any violations in terms of compliance with banking and financial regulations, the rules laid down in the Bpifrance Codes of Ethics and in the Anti-Corruption Policy, as well as (ii) any crime, offence, serious and manifest violation of the law, threats or harm against the public interest, etc., that they may be aware of;
- procedures govern personal transactions and mandates on a personal basis, gifts, business meals and other benefits, and each employee must, in particular, draw up a sworn statement of compliance with these rules, or, failing that, explain any discrepancies;
- the supplier referencing platform makes it possible to verify the practices of companies and their managers, and to validate the conclusion of commercial agreements;
- as part of the mechanism for the automatic and mandatory exchange of information in the area of taxation in relation to cross-border arrangements requiring a declaration (or "DAC 6 regulation"), the Bpifrance Group has carried out a mapping of its activities for the purpose of determining the systems potentially subject to the DAC 6 reporting obligation. At the end of a survey of transactions carried out since 25 June 2018, no reportable system was identified. The implementation of a procedure dedicated to this obligation is included in an instruction (soon to be published).

Bpifrance Investissement has put in place an anti-corruption due diligence process and international economic sanctions via a dedicated questionnaire for companies subject to Article 17 of the Sapin 2 Law.

In addition, Bpifrance Investissement organises anti-corruption events for its portfolio of investments in order to raise awareness and share best practices with regard to the application of Article 17 of the Sapin 2 Law.

The mapping of operational and non-compliance risks for the entire Bpifrance Group is updated at least annually with all business lines. It describes the risks to which Bpifrance is exposed, including corruption risks, and ranks them according to the impacts defined in the methodology in force for the Group. Risk Management Systems are also identified and assessed during this exercise in order to determine the level of residual risk exposure for each Bpifrance business line.

An incident reporting system is in place, for analysis and correction through the implementation of action plans to mitigate their effects and address their causes in order to prevent situations from recurring.

The DCCP ensures the deployment of the anti-fraud system for the entire Group. As such, an anti-fraud policy is applicable to all entities. In particular, it specifies the procedures for detecting, processing and remedying cases of suspected, attempted or proven fraud. In order to avoid any risk of theft, no cash is kept on the premises, at the registered office or in the regional offices.

Number of interns trained during the year. (permanent, fixed-term, work-study and professional training contracts) 2020		
	AML/CTF	Fight against corruption
Bpifrance	2,046	667
Investissement	69	69
Assurance Export	173	72
Courtage	Integrated with Bpifrance	
Active workforce	3,447	
Percentage of employees trained	66.4%	23.4%

Delegation systems structure, by sector and risk level, the decision-making processes capable of strengthening the trust of entrepreneurs and all stakeholders of the bank, for all business lines.

The employees in every structure are made aware of and trained in anti-money laundering and terrorist financing, and carry out their activities under Codes of Ethics that are developed in each of the Group's entities. Each member of staff is asked to learn about its provisions and to commit to carrying out their activities in strict compliance with it. An electronic Approved Supplier Platform was set up in 2019 to increase transparency, facilitate consistency across processes, assess suppliers and service providers, and ensure monitoring of the anti-corruption mechanisms pursuant to Law no. 2016-1691 of 9 December 2016, known as "Sapin 2", by applying the principles of:

- fairness in competition (at the time of the call for tenders and the final choice);
- absence of conflicts of interest;
- compliance with applicable procedures in matters of gifts, hospitality and other benefits;
- confidentiality of exchanges and the traceability and archiving of all purchase processes.

The rollout of the second version of the platform set up in 2019 has been postponed to 2021, in order to better meet these objectives and the expectations of buyers. The CSR of suppliers is the subject of specific questions, which are analysed over the past two years, in order to assess any support plan to be implemented.

An office in Brussels is responsible for developing structured cooperation with European partners and providing support to the Group's departments in terms of financing projects and community affairs. It is registered with the European authorities; similarly, the Institutional and Media Relations Department, for its activities as a link between Bpifrance and the public authorities, is declared to the French authorities. Bpifrance and its subsidiaries pay all of their taxes in France.



Protection of data and funds, security and resilience of the information system

Major risks identified

Failure to protect data and the integrity of information systems
Embezzlement, fraud
Lack of confidence of customers and stakeholders

Our responses

Information system security policy
Data protection policy
Internal compliance procedures and instructions
IT applications and systems authorisation procedure and tools
Secured access to premises procedures and mechanisms
Employee awareness training
Anti-intrusion auditing and testing

Our objectives

Protect personal and confidential data and funds from the risks of misappropriation

Information Systems Security (ISS) is a major issue for Bpifrance and a subject of particular attention for the Group's General Management and Directors.

The permanent objective is to continue to deploy the system and to demonstrate that the actions undertaken make it possible to control the exposure to cyber risks faced by Bpifrance, by moving from "defensive" to "offensive" security.

The management of the ISS is strengthened accordingly each year: procedural body and comprehensive associated permanent controls, new tools integrating the latest technologies, reinforced security requirements, growing teams and resources.

Anti-intrusion audits and tests, both on Group tools and business lines, continued widely in 2020. For employees, awareness-raising and training actions have been stepped up, with the aim of making employees players in the fight against cyber threats.

Regular business continuity tests have proven their effectiveness, particularly in the health context, by enabling all Group employees to work in optimum efficiency conditions, and meet the expectations generated by the crisis, within a limited time frame, while ensuring the protection of the Bpifrance information system.

The protection of personal data is organised at the level of the Bpifrance Group, in a system that involves all the business lines and employees, and defines the roles and responsibilities of each support department, to implement and continuously improve processes, in support of the Data Protection Officer attached to the Group Compliance and Permanent Control Department. The policy relating to the management of personal data of customers and prospects is published on the Bpifrance website.

In addition, policies, processes, and tools have long been deployed to ensure the security of funds entrusted or received by Bpifrance:

- a tool for managing authorisations for Bpifrance applications and systems;
- strict rules regarding separation of payment requests and approvals are monitored closely;
- secure access to the premises and a total absence of cash on the sites;
- anti-corruption training and policy for employees;
- a rigorous internal control system;
- Audit and Risk Committees, in the public limited company (SA) and the business line subsidiaries.

OUR STAKEHOLDERS

Major risks identified

Failure to meet stakeholder expectations
Failure to fulfil its role as a long-term partner to customers

Our responses

Policy
Bpifrance Group Societal Responsibility Charter
Strategic plan reviewed annually
Partnerships and agreements (excluding delegated guarantee)
Deployment of offers in line with public policies
Joint intervention principle
Decentralised organisation
Customer and partner proximity (decentralised organisation, networking, events)
A constantly-evolving continuum of products and services to support all companies, whatever their size, at every stage in their development, with all their financial and non-financial issues
Offer transparency
Quarterly cross-functional committee on the Group offering
Annual Customer satisfaction survey

Our objectives

Maintain the high level of interactions with our stakeholders
Meet their expectations

Sustained dialogue

The satisfaction of our stakeholders is at the heart of the Bpifrance dynamic, and we maintain close relations with them:

Main stakeholders	Main procedures for dialogue or expression
Customers	<p>Dedicated contacts according to business lines, needs and location</p> <p>Reception platform and services: my Bpifrance online</p> <p>Events and round tables (Bpifrance Inno Génération, BIG Tour, Deeptech Tour, Entrepreneurship for All Tour, Bpifrance Hub, Excellence Community, Webinars, for example)</p> <p>Satisfaction questionnaire</p> <p>Transparency of offers on the bpifrance.fr website, according to company size, purpose and needs; Calls for projects</p> <p>Online training (Bpifrance University)</p> <p>Studies (LAB), business surveys</p> <p>Tribu (Bpifrance social network)</p>
Banking partners, equity	<p>Discussions with business line managers: co-financing, guarantee, Investment departments and divisions</p> <p>Operational relationships in the field, in co-financing or co-investment</p> <p>Meetings in organisations and networks (ORSE, France Invest, etc.)</p> <p>Studies (LAB), business surveys</p>
Regional partners	<p>Dedicated contacts: Regional Partnership, Regional Action and Entrepreneurship Department, Network and Regional Directors</p>
Employees	<p>Management relations: operational, annual appraisal interview and professional interview every two years, career interview conducted by the HR department at the employee's request</p> <p>DAC meetings</p> <p>Satisfaction questionnaire</p> <p>Internal communication: intranets, information screens on each site, occasional information by messaging if necessary, chats organised with the Chief Executive Officer or Executive Directors, breakfasts, internal newscast, business line meetings</p> <p>Whistleblowing systems: psychosocial risks, harassment, operational and compliance risks, etc.</p>
Social partners	<p>Employee representative bodies</p> <p>Employee representation agreement</p> <p>Appointment interview and end-of-term of office interview</p>
Directors	<p>Board of Directors and General Meetings</p> <p>Commissions and Committees</p> <p>Annual seminar dedicated to the Group's strategy for directors</p>

Main stakeholders	Main procedures for dialogue or expression
Supervisory authorities	Regular meetings and discussions between the relevant departments and sections of the Bpifrance Group and: ‘ the ECB and the ACPR as part of their authorisation, supervision and prudential monitoring ‘ the AMF as part of its regulatory missions
Investors and financial analysts; non-financial rating agencies	Discussions with dedicated contacts in the Finance Department Investment tour Investor space on the bpifrance.fr website
Non-financial rating agencies	Dedicated contact: responses and discussions on rating Meetings
Suppliers	Discussions with buyers and the Purchasing Department: responses to calls for tenders, Initiative Conseil referencing process, contracts, referencing platform, CSR assessment for the main suppliers Operational monitoring of the service with the business lines
Professional and investment associations and networks	Meetings, regular discussions and participation in workshops and working groups (business lines, cross-functional)
Media	Dedicated media contact: Corporate Communications and Media Department (press releases and conferences, discussions with journalists, corporate publications) Communication (including digital): Communication Department

OUR RESULTS



AFFORDABLE AND CLEAN ENERGY
DECENT WORK AND ECONOMIC GROWTH
INDUSTRY, INNOVATION AND INFRASTRUCTURE
CLIMATE ACTION

A positive impact of the actions rolled out

Bpifrance monitors and assesses the results and impacts of the projects it supports annually, particularly in terms of the growth of French companies and employment, and publishes these items on its website.¹³

The impact assessment of Bpifrance's actions is carried out after a three-year period, to measure its effective impact; the results published in the 2019 impact booklet demonstrate the efficiency of the systems deployed by Bpifrance, in correlation with the missions entrusted to it and the expectations of its stakeholders:

- a strong impact over three years on the companies supported:

¹³ <https://www.bpifrance.fr/A-la-une/Dossiers/Impact-de-Bpifrance>



- employment and revenue are growing more rapidly in the companies supported, with an estimated revenue gain of €58 billion and 219,000 jobs maintained or created thanks to Bpifrance support over the period 2009-2015,
- supported companies are also more resilient after three years (compared to comparable companies);
- a strong commitment to risky projects: in particular, the beneficiaries of cash flow, innovation aid and guarantee schemes are companies with higher-than-average risk;
- a knock-on effect on private financing through its various instruments:
 - unsecured loans: €1 of Bpifrance support is accompanied by private financing of €3.6 in the case of unsecured loan schemes,
 - innovation aid: €1 of aid is accompanied by €1.7 in third-party funding,
 - guarantee: €1 mobilised in a Bpifrance guarantee fund covers a risk of €15 for a private loan of €30
 - private equity: €1 of Bpifrance subscription to French private equity funds in 2019 was accompanied by a subscription of €3.9 from third-party investors.

An organisation that drives satisfaction

Bpifrance's entire organisation and resources are geared towards the satisfaction of its stakeholders and, in accordance with its mission, towards companies and their ecosystem, in support of public policies:

- the organisation is decentralised, with 50 regional offices, as close as possible to companies and their ecosystems, and operates on an integrated banking model (pooling of resources: teams, network of branches, IS) to serve common customers, all backed by strictly limited financial resources; each customer or stakeholder is therefore close to their Bpifrance contacts;
- the range of products and services is a continuum of solutions, constantly evolving to support all companies, whatever their size, at all stages of their development and on all their issues; the profiles of the offers are adapted to the needs financed, for example in terms of deferred repayment or the absence of collateral;
- the financial offer, co-financing, investment, innovation support, export support, is reinforced by a proposal of non-financial support: advice, training, national, regional and sectoral accelerators;
- companies are put in touch with each other and with their ecosystem at specific events: Bpifrance Inno Génération, BIG Tour, Deeptech Tour, Entrepreneurship for All Tour, Hub Bpifrance, or as part of long-term encounters (Excellence Community, for example), or for specific purposes (EuroQuity, which connects companies looking for investors with potential investors);
- surveys, reports and publications are published on a regular basis (business surveys for SMEs, flash surveys such as "Executives put to the test in the crisis" in November, studies such as "the major trends that will disrupt the economy" in September);
- digital communication on topical issues and surveys;
- an annual satisfaction survey gives a voice to company executives and our partners;
- Tribu, Bpifrance's social network, offers entrepreneurs the opportunity to join communities, discuss and learn;
- online spaces and tools are specially dedicated to certain stakeholders (e.g. Regions, Suppliers, Investor Guarantee Partners, I-Lab Competition participants) in order to facilitate, submit, and manage discussions, etc.

The Bpifrance website and its spaces, public or restricted, are for use by customers and partners to find offers matching their needs, key people to contact, services, information about the impact of Bpifrance's initiatives, news and access to LAB's projects and research, networking, free online training from Bpifrance University, calls for tender launched by Bpifrance, all under the strong values conveyed by Bpifrance: proximity, simplicity, willingness, and optimism.

Activity in 2020: responding to the emergency, launching the recovery

The organisation in place and all resources, business lines and employees were mobilised in 2020 to support the economic emergency. "Faced with the Covid-19 crisis, unprecedented in terms of its scale and consequences, the bank has met its destiny and shown its true colours: velocity, a public and investment bank, a bank with a heart, a digital bank, a bank for all companies (start-ups, VSEs, SMEs, investment funds, mid-tier companies, large groups). In support of the public authorities, Bpifrance has been able to respond, by mobilising alongside companies and their managers¹⁴."

- The activity of the Bpifrance network in Financing was very intense with a total of €20.5 billion injected into companies (+9.5% vs. 2019):
 - o from 16 March, Bpifrance provided emergency assistance to companies by adapting its range of medium- and long-term loans. These loans reached a record level of €10 billion:
 - €4 billion in "special crisis" cash support loans were granted since March to more than 16,000 companies,
 - financing of corporate investment reached €6 billion, of which nearly €1.7 billion in renewable energies;
 - o with €3 billion, innovation financing posted growth of +138%, due to the implementation of specific support measures for French Tech, in addition to support for the industrial sectors of the France Relance Plan, of which Bpifrance is operator for the French State.
- The equity activity enabled the mobilisation of €3.6 billion, divided between direct investments in the capital of companies and indirect investments to boost the ecosystem of French investment funds:
 - o the direct Innovation Capital activity saw strong growth (+48%), in line with the record amounts raised by French Tech start-ups in 2020. Thus, following the momentum of significant fundraising, the Large Venture fund saw a very strong increase in its activity, with 32 operations for €231 million, i.e. half of the amounts achieved in Innovation Capital;
 - o the Mid & Large Cap Development Capital activity was marked by the first closing of the Lac 1 fund at €4.3 billion. The fund made its first investment in October, by acquiring almost 7% of Arkema's share capital (as of 31 December 2020);
 - o the Funds of Funds activity remained intense despite the context, with €1.226 billion subscribed, both in innovation capital and in national and regional development capital.
- The International business played its countercyclical role, with an increase in the Export Guarantee activity, in the number of Credit-Insurance and Deposit Guarantee transactions. The activity is also accompanied by a large increase in volumes, with a significant number of contracts returned.
- Support has been fundamentally redesigned to adapt to the needs of executives in a context of crisis, emphasising the Rebound and making use of digital technology. In addition to the Accelerators and consulting missions, the so-called "one-off" support has reached nearly 30,000 executives via e-learning opportunities (+74%) and nearly 2,000 through the implementation of digital self-assessments (+216%).
- Regional partnerships have been massively strengthened to help companies. Partnership arrangements put in place with each Region have enabled more than 17,000 companies to access a total of more than €2 billion, in particular through the use of Rebound Loans.
- A targeted action was implemented for companies in the tourism sector, which was particularly affected, with €840 million injected into 3,300 companies, in the form of loans and convertible bonds, and an extension to 12 months for the suspension of loan maturities.

The Climate Plan 2020/2024 of nearly €40 billion shared by Bpifrance and Banque des Territoires was announced on 9 September. A continuum of operational support solutions, cross-cutting the two entities, this plan simultaneously targets the green transition projects of businesses and local public players, and is based on three pillars:

1. Accelerate the transition of companies and regions with financial and support solutions;
2. Support the development of renewable energies and contribute to the growth of international champions;
3. Finance and support innovation in greentechs and in sustainable and resilient networks to find the technological solutions of the EET.

¹⁴ Editorial Nicolas Dufourcq, 2023 Strategic Plan



- The Lac 1 fund completed its first round of funding; with an investment capacity of nearly €4.3 billion, including €3.3 billion in subscriptions and €1 billion in debt, it brings together, alongside Bpifrance, around 20 subscribers, including Mubadala Investment Company, the Abu Dhabi sovereign fund, major French and international institutional investors, as well as French companies and family offices, and aims to stabilise the capital of large listed French companies.

- Lastly, with the launch of the FCPR Bpifrance Entreprises 1, the Bpifrance Group enables French people to invest a portion of their savings in a portfolio of mainly unlisted companies, in particular SMEs and start-ups, and to participate in the recovery through this innovative product.

Customer satisfaction

The results of the annual customer satisfaction survey – which is subcontracted to an independent survey institute – are also published on the site: the 2020 survey shows an improved satisfaction rating of 7.9 out of 10 (compared to 7.2 in 2019) and a Net Promoter Score of 49 compared to 27 in 2019. These significantly improved results reflect the appreciation by customers of the commitment of Bpifrance and its teams during the Covid period.

The purpose of this annual survey is to measure Bpifrance customer satisfaction and identify expectations, with the aim of potentially upgrading the offering. The missions of the Committee on the Group offering, which meets every quarter, are to review new products and services or planned transformations upstream, issue an opinion upstream before presentation to the Executive Committee, and define the cross-functional projects to be launched.

Project, meet, learn

The “Tomorrow” project, launched in 2018, around nine major challenges for the world of tomorrow, all correlated with the Sustainable Development Goals, is a cross-functional, group intelligence project that involves everyone in order to work together better and support companies in the face of major challenges to the world’s transformation, by striving to identify solutions, challenges, and technologies for each of these issues, anticipate transformations in the economy, prepare for breakthrough changes to come, and build a vision of the future. 31 “matrices” were finalised and published at the end of December 2020, which present Bpifrance’s convictions on these major challenges and the questions they raise.

MATRICES		
GDPR	Energy storage: what solutions?	Digital technology and construction
Industrial Energy Efficiency	Own-consumption of energy: what solutions and what challenges?	The conquest of the planet Mars: a driver for the economy of the future?
Hydrogen & Automotive Industry	Health and AI: data to support patients	Logistics and flows of the future
Impact of new distribution methods on the GSA	New spacetechnologies opportunities: nano-satellites, microsatellites, constellations	Autonomous vehicles
3D printing	Edtech: the adaptation of companies in the education and training sectors to the jobs of tomorrow	Transformation towards clean engines

MATRICES

Proteins of the future	Blockchain: a step towards disintermediation of platforms?	Access and circulation in urban centres – the last mile
Quantum computer	AI and dematerialisation of legal professions	Plastic: alternatives, recycling and composting
Initial Coin Offerings	New retail models	CO2 capture and/or storage
Developing the video game ecosystem	Cybersecurity in SMEs/mid-tier companies: what are the challenges?	The digital transformation of agriculture
Innovative textiles: a little-known sector of the future	Organic plant protection	What business opportunities are there for Augmented Reality? (Training, tourism, buildings and heritage, health, etc.)
The new urban hotels of Tomorrow		

The Big Tour, the French Fab collective, took place both in person, from 29 July to 28 August 2020, in 21 cities in eight regions, and at the same time in digital format. It showcased local entrepreneurs, cities and their elected representatives, to encourage industry, pay tribute to “Covid heroes”, and talk about the environment, with a dedicated quiz in partnership with ADEME, from 29 July to 10 August. 24 partners, 70 media partners and 18 sports clubs joined forces with cities and entrepreneurs to make this event attractive.

Bpifrance Inno Génération, for its sixth edition, on 1 October 2020, was placed under the banner of freedom: freedom to innovate, undertake, take risks and change the world: this was the theme of Bpifrance Inno Génération 2020, in an exceptional format adapted to the health crisis, which nevertheless enabled 6,000 participants to attend in person. Throughout the day, 100 top speakers, artists, journalists and French and international personalities from all over the world spoke on the Bang stage. Big's digital format enabled nearly 19 million people to log on throughout the day, to follow live, online or on the Bpifrance Events app the 400 meetings, masterclasses and debates offered by nearly 1,000 speakers around French Fab, French Tech, French Touch, climate, etc. This year, new spaces were created to welcome entrepreneurs: Agoras to follow conferences on international markets or support, the Big Live to bring together those who would not have met elsewhere, the Connected Path which highlights the digital services of Bpifrance (Online Banking, the financial assistant Ma Tréso, the social network Tribu, etc.), or the *Antenne* in the heart of the *Place du Village*, where the event's media partners were based. 16,000 contacts (through spontaneous meetings and scheduled “one-to-one” meetings).

Just like businesses, sports clubs are important economic players in the regions and Bpifrance works alongside these clubs throughout France with a view to promoting the regions: on the one hand to grow sports with the support of business, and on the other, to enable businesses to grow with the support of strong local economic networks made up of partner networks and business clubs. The health context did not allow for the planned partnership launches or events with the companies of the Excellence network, but the entire community of sports clubs and partners was invited to a digital event *La Journée des Meneurs* on 16 December, for a day of inspiring meetings, themed workshops and networking.



OUR MAJOR MISSIONS in the public interest

Bpifrance's policy, presented to the French National Assembly and Senate on 15 May 2013, defines the intervention policies of Bpifrance and its subsidiaries Bpifrance Participations and Bpifrance Investissement, and its commitments: to be a tool serving companies for revitalising the territories, working towards innovation as a competitiveness and growth factor that is adjusted to specific needs through a close relationship with the companies and strong partnerships with the Regions.

To supplement this, the strategic plan is revised each year to closely reflect the needs of the companies and the cyclical and sectoral trends. It is the product of in-depth updating work and broad consultations, submitted to all representative bodies of the Group's stakeholders, and approved by the governing bodies.

Three major challenges were applied, without which the target of serving sustainable growth and jobs, and making the economy more competitive, cannot be achieved:

- commit to, finance, and support the ecological and energy transition;
- finance and support the digital transformation;
- contribute to the economic development of the territories.

The Ecological and Energy Transition (EET)



AFFORDABLE AND CLEAN ENERGY
CLIMATE ACTION
RESPONSIBLE CONSUMPTION AND PRODUCTION

Major risks identified

Failure to support companies in the developments that are key to their sustainability: consideration of climate change in their activities

Absence/inadequacy of offers relating to the EET

Lack of/insufficient financing of EET

Generation of environmental impacts, delay in company transitions, economic impact

Our responses

Policy

Bpifrance Group Societal Responsibility Charter

Strategic plan reviewed annually

Bpifrance Climate Plan

Our business processes

Our intervention restrictions

Support and awareness-raising

Outlook for 2021

The strengthening of climate issues in the ESG integration systems, as part of the Bpifrance Climate Plan

The taking into account of the European taxonomy, the Disclosure Regulation and the Climate Energy law (Article 29, consultation)

For the Development Capital Department, the strategic priorities defined in the last plan include being exemplary in the consideration of ESG criteria and being a pillar of the Bpifrance Climate Plan.

Achievements and ambitions

Bpifrance's support of the EET is one of the missions that was entrusted to it by lawmakers in the establishing act, and included in the intervention doctrine, first of the CSR Charter proposed by Bpifrance to its stakeholders and governing bodies and approved in 2014, and also in the strategic plans.

Over the 2014-2019 period, Bpifrance completed €9.2 billion in financing as innovation loans and aid, and, all activities combined, over the same period, €12.8 billion benefiting more than 15,200 companies and business projects. In 2019, Bpifrance supported nearly 2,200 companies in the EET sector or with energy efficiency and renewable energy development projects, for nearly €2.8 billion, which represents just over 10% of its total activity for the year.

Achievement of the carbon neutrality objectives of the Paris Agreement, included in the National Low-Carbon Strategy (SNBC)¹⁵ is a challenge for companies, which must start and accelerate their transition, reducing their impacts and adapting to the changes and requirements generated by climate change. In line with the Recovery plan, and the increased integration of the climate emergency, Bpifrance and the Banque des Territoires have announced an ambitious Climate Plan, by constituting “the public climate bank, with the dual role of supporting companies on the one hand and local authorities on the other.

In the continuum of operational support solutions, spanning both entities, and simultaneously targeting the green transition projects of companies and local public players, the strategy deployed by Bpifrance in favour of the climate will contribute to an ambitious joint plan of nearly €40 billion, which will be rolled out over the period 2020 to 2024 and will contribute to the economic recovery.

Bpifrance’s climate strategy will focus on two major areas:

- the evolution of Bpifrance’s operating model, in order to ensure the activities of all its customers are compatible with the carbon neutrality objective of the Paris Agreement. The climate component will become systematic in all of the Group’s business lines and cross-functional operations;
- the expansion of the Bpifrance Group’s action in support of ecological and energy transition projects and companies¹⁶.

In this plan, the Bpifrance Group aims to significantly increase its annual financing and investment volumes for the ecological and energy transition, from €2.8 billion in 2020 to nearly €6 billion in 2023.

These strong ambitions are set out in the 2023 Strategic Plan, and involve all business lines in their implementation.

Support for companies providing solutions (green technologies, renewable energy producers, greentechs), and companies that want to make their transition, with no exceptions¹⁷, will use three levers: awareness, information and support, through numerous tools: training, webinars, information days, etc., as well as green loans and the various financing and aid programmes that make up this plan, and integration of the consideration of transition issues in all business lines and offers.

Tools are already available to companies:

- the Climatometer, to assess online, in 10 to 15 minutes, the approximate situation of a company in terms of environmental impact and to discover, in relation to the sector of activity, the main challenges that the company will face in its ecological transition;
- Diag Eco Flux, in partnership with ADEME, a personalised 12-month support programme by an expert in ecological transition issues. This support makes it possible to improve profitability and to receive advice on the management of energy consumption and waste;
- the Green Loan;
- the Eco-energy Loan to finance energy efficiency solutions for VSEs and SMEs;
- equity;
- the Green Rooster community, which brings together companies committed to the ecological transition; and
- the green VTE, which enables companies to recruit young talent to work on their ecological transition.

A second intake for the EET Accelerator is planned for 2021.

¹⁵ National Low-Carbon Strategy

¹⁶ Strategic ambitions for 2020-2023

¹⁷ Apart from the exceptions detailed below



Awareness and training

Four sectoral webinars on EET challenges and opportunities have already been offered to companies, in November and December, and guides on priority sectors¹⁸ in the National Low-Carbon Strategy have been drawn up and made available to employees, for whom a system for upgrading their skills, at the registered office and in the network, is also being rolled out in order to provide each employee with the necessary knowledge for the integration of climate-related business issues.

Company awareness about EET challenges is also raised through communication about them, and Bpifrance contributes to this by publishing reports, studies and articles; through its entrepreneur profiles and its examples of committed companies, and through its free and open-access training programme on Bpifrance University. Another example: an Energy Transition Accelerator session, in partnership between Bpifrance and ADEME, is underway to help 28 companies in the sector to develop more quickly and strengthen their international positioning and thus promote green energy, as part of a two-year personalised support programme, and a second session is being recruited.

Commitments – Financing and investment restrictions

The Group is a signatory to the Global Declaration on Climate Change, the Montreal and Paris Accords and the Financial Institutions' Declaration of Intent on Energy Efficiency. In December 2017, as a French public investor, it committed to implementing six principles defined in a common charter with the Caisse des Dépôts, the French Development Agency (*Agence Française de Développement* – AFD), the French Retirement Reserve Fund (*Fonds de Réserve pour les Retraites* – FRR), and the ERAFP.

Moreover, Bpifrance committed to supporting and promoting the ACT (Assessing low Carbon Transition) initiative driven by the ADEME and the CDP (Carbon Disclosure Project), by signing the Charter on 27 November 2018, along with the Caisse des Dépôts, the French Government Shareholding Agency (*Agence des Participations de l'État* – APE), the FRR, the ERAFP and IRCANTEC, and participated in the Caisse des Dépôts Group's work on a second roadmap; Bpifrance is also a member of the international initiative One Planet Sovereign Wealth Funds (OPSWF), and a partner of CDC Biodiversité in the context of the Nature 2050 Programme and a member of the Club B4B+ (Businesses for positive biodiversity club).

Bpifrance has undertaken, alongside Caisse des Dépôts, to:

- not invest directly in companies involved in the manufacture of cigarettes, cigars, snuff, roll-your-own or chewing tobacco, or pipe tobacco;
- not invest directly in listed shares and debt securities of companies whose coal mining or thermal coal-fired electricity production activities¹⁹ exceed 10% of revenue²⁰. Bpifrance also applies this threshold to assets already in the portfolio;
- exclude from its new investments funds that include assets or companies whose coal mining or thermal coal-fired electricity production activities exceed 10% of revenue.

These commitments will be strengthened from 1 January 2021, on the one hand in the coal sector and, on the other hand, by guidelines for the Oil & Gas sector.

The broad lines of these sectoral policies²¹ are as follows:

On coal:

- exclusion of direct investment in listed shares and debt securities of companies whose coal mining or thermal coal-fired electricity production activities exceed 10% of revenue. This threshold will apply to assets already in the portfolio²²;

¹⁸ Transport, Real Estate, Energy, Industry, Textiles, Metallurgical products, Chemicals, etc.

¹⁹ Except pulverised coal with CCS

²⁰ Bpifrance may nevertheless intervene in such cases to support the Company's transition to a new production model that meets its business criteria.

²¹ However, interventions are still possible, in such cases, to support the Company's transition to a new production model that meets these business criteria.

²² Excluding companies in transition to a new production model meeting these business criteria.

- From 2021: the above exclusion is supplemented by absolute mining production capacity thresholds of 10 mt and electrical power of 10 GW. This exclusion threshold will apply to existing assets from 2023;
- exclusion of investment in funds that include assets or companies whose coal mining or thermal coal-fired electricity production activities exceed 10% of revenue;
- exclusion of investment or financing of any energy production project based on thermal coal, and any transport infrastructure project dedicated to thermal coal;
- encourage and support all energy-production and mineral-extraction companies in which the Group is a shareholder and whose revenue depends on thermal coal, to reduce their activities in this field in order to target coal-based electricity production close to 0 by 2030 in the OECD and by 2040 in the rest of the world. To ensure the effectiveness of this dialogue, by 2021, no new investments will be made in companies developing new coal-fired power plants; a threshold of 300 MW is applied to existing assets;
- exclusion of companies that do not demonstrate a willingness and/or demonstrate concrete implementation efforts to align their strategy with a scenario targeting the objectives of the Paris Agreement; in particular, companies that refuse shareholder dialogue on climate issues;
- participation in the promotion, with stakeholders, of the development of policies to withdraw from the mining and use of thermal coal, notably within the Powering Past Coal Alliance (PPCA) alongside the French State.

Note that Bpifrance is a shareholder in an energy production company that is in transition to a coal-free mix.

For oil and gas, from 1 January 2021:

Scope concerned: financing and investment activities

The Group expects companies to have²³:

1- a medium- and long-term strategy to contribute to the energy transition, including:

- published GHG, carbon and methane emission reduction targets (scopes 1-2-3, in an Avoid, Reduce, Offset approach, as well as the means envisaged, and in the case of offset, in accordance with the five ADEME principles),
- implementation methods (project assessment, executive compensation policies),
- diversification objectives and increase in investments in low-carbon assets and activities (published, based on European taxonomy),
- detailed information on the content and execution of the strategy,
- a policy of influence;

2- a robust environmental risk management strategy, broken down as follows:

- transparency and environmental risk management measurement (publication of prevention and management plans, influence policy),
- transparency and management measurement for the exposure of their activities to unconventional resources (O&G from oil sands, the Arctic zone, hydraulic fracturing): better efforts to publish the share of revenue resulting from these resources²⁴,
- transition risk management (publication of identified risks, implementation of their fair transition policy and the social impacts of their strategy).

Lastly, exclusion lines for unconventional resources (oil and gas from oil sands, shale, Arctic) have been put in place²⁵:

- 1- the Group does not directly finance any company or dedicated project whose exposure to these three unconventional resources represents more than 10% of revenue, based on the information available;
- 2- the Group does not carry out new financing dedicated to greenfield oil infrastructure projects.

²³ Companies and project companies operating in the oil and gas sector (exploration activities, exploitation, processing, transport, refining, directly or as a partner or shareholder), direct operators of exploration and/or exploitation and their tier-one direct suppliers, that are at least intermediate-size companies.

²⁴ Specific cases of dedicated companies or project companies: they are expected to not make any new investments, to disclose their existing activities, and apply best environmental risk management practices.

²⁵ NB: these exclusions do not concern the companies in oil-related industries, whose share of revenue from each resource is expected to be published, and which are expected to make their best efforts to limit the cumulative volume to less than 10% of revenue.



Carbon footprint measurement of portfolios

Bpifrance has undertaken, as part of its Climate Plan, to regularly measure the carbon intensity of its activities (Financing, Investment and Export Insurance).

An initial assessment exercise was carried out in the summer of 2020, covering all the portfolios at 31 December 2019; conducted with the support of external consultants, this exercise made it possible to define the calculation methodologies specific to each activity, line by line, and to assess, on essentially statistical bases, the carbon footprint and intensity of each portfolio company, across its entire value chain, and then allocate a share of this to Bpifrance, by major product line, then by aggregate.

The initial results, aggregated at the level of the Financing and Investment activity portfolios, show that the carbon intensity attributable to Bpifrance is lower than the benchmark on the production and downstream value chain, while the intensity in the upstream value chain is very close to the benchmark.

The objective of this measurement of the carbon exposure of its activities is for Bpifrance to be able to identify action levers and areas of intervention concerning the reduction of this exposure. Renewal of the exercise, for this purpose, is therefore essential, and is underway for the portfolios as of 31 December 2020.

The carbon intensity of the listed portfolio invested by Bpifrance as of 31 December 2020 was calculated on the basis of the data published by 27 companies in which Bpifrance holds investments, representing a gross amount invested of €13,050,949 thousand (95.7% of the listed portfolio), and stood at 0.213 TeqCO₂ (vs. 0.163 TeqCO₂ per thousand euros invested, calculated in 2019 out of 24 listed companies in Bpifrance's portfolio, for a gross amount invested of €9,615 million). A single line accounts for almost 43% of this calculation.

Integration of EET challenges into business line processes

The issues and questions relating to the EET are addressed:

For the Investment business lines:

- o in the Environmental, Social and Governance (ESG) analysis tool, which allows direct investors to take them into account with regard to the size and activity of the company, and, if relevant, carry out additional due diligence to define, with management, the area(s) for improving environmental performance;
- o in the ESG procedures of the investors in the Funds of Funds division;
- o in the annual survey of companies in which they invest directly, partner funds and companies in which they invest.

For the Financing and Innovation business lines:

In the analysis grid implemented for the financing and innovation business lines, in addition to certain thresholds: the challenges and questions connected with the EET are addressed in the analytical grid set up for the financing and innovation business lines, beyond certain thresholds, measuring the company based on its control of energy use, greenhouse gas emissions, use of natural resources, and implementation of eco-design, pollution and waste.

For Export Credit-Insurance projects:

Environmental and social aspects are part of the guarantee criteria used by Bpifrance Assurance Export for all credit-insurance projects of more than €10 million or located in a sensitive area, or investment insurance projects, in accordance with the OECD Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. Its purpose is to ensure that the projects concerned comply with local regulations in the host country and relevant international standards, mainly those developed by the World Bank (WB) and the International Finance Corporation (IFC).

More precise integration of climate issues is being developed in the CSR/ESG analysis tools across all business lines, in line with the orientations of the Climate Plan, to identify the solution providers, the need for solutions or support, to propose appropriate assistance, and monitor the transition process.

Some examples: a webinar dedicated to Climate, organised by the Funds of Funds Department for its partner funds, the development of a climate kit, a dedicated session for participants in the accelerator.

Our objectives for 2023

Scaling up of our action on climate issues:
Acceleration of the transition of all companies
Extension of our action in favour of EET companies and projects
Transition of companies via a financial support offer: €3.3 billion over 2020-2023
Technology to support the “green”: €300 million per year by 2023
Boost funding for renewable energy developers: €10 billion over 2020-2023
Investment in the transition €720 million per year by 2023
Export financing of €75 million per year by 2023
Support for 1,000 companies in the period 2020-2023

The Digital Transformation

Major risks identified

Failure to support companies in their digital transformation, essential for their long-term survival
Absence or inadequacy of offers relating to financing the digital transformation
Economic “disconnection”, social and societal impacts

Our responses

Policy
Bpifrance Group Societal Responsibility Charter
Strategic plan reviewed annually
Digitalisation of processes:
BEL: test rollout of the customer portal in 2020, for launch in 2021
Business line and partner extranets

Our objectives for 2023

Bpifrance French Fab Plan: €120 billion over 2020-2024
Securing and accelerating the industry rebound
Strengthening the power of French industry: consolidation and reindustrialisation
Inventing and rolling out the industry of the future

Like support for the EET, participation in the digital conversion is on Bpifrance’s roadmap, and among its objectives since the construction of its intervention policy.

For Bpifrance, digital transformation must be an essential component of any business strategy, improving the customer experience and optimising productivity.

Thus in addition to the financial tools, Bpifrance’s proposal is to support entrepreneurs in measuring their company’s maturity in this area, primarily through the use of a self-diagnostic tool, the “digitalometer”, and then potentially the support of an expert third party. E-learning is available to them on Bpifrance University, or peer exchanges facilitated by networking, or even a step further – a course within an accelerator. A practical guide to education on this issue has been published to help VSEs and SMEs prepare for the GDPR, along with feedback from entrepreneurs.

Digital conversion is one of the challenges of the industry of the future, and it is important for companies to assess their maturity, and to look for ways to improve. The “Frenchfabometer” is proposed for this purpose.

In addition, Bpifrance has accelerated its own digital transformation, and to better support companies, is in the rollout phase of the customer portal, by digitising tasks with low added value as well as part of our service offering to help customers and contacts increase their availability and efficiency. Four values govern the construction of this portal: simplicity, proximity, personalisation, and trust.

The business line and partner extranets have been designed in this same spirit, as well as Tribu, the Bpifrance social network, where all Bpifrance communities meet to discuss and share



Bpifrance's operations are measured in the so-called "numetic" area, within the sectors of the future, analysed as follows:

TOPICS	DEVELOPMENT POTENTIAL
• Digital	• Cybersecurity
• Microelectronics	• Smart cities
• Photonics	• Smart grids
• Nanotechnologies – Nanoelectronics	• Factories of the future
• Innovative materials	• Augmented reality
• Systems	• Cloud computing
• Software and onboard systems	• Contactless services
• Exploiting Big Data	• E-education

In 2019, support for this "numetic" sector represented 10.6% of Bpifrance's total activity excluding holdings (€21.8 billion), i.e. more than €2.3 billion²⁶.



Economic development of the territories

DECENT WORK AND ECONOMIC GROWTH

Major risks identified

Not factoring balance into economic planning of the territories in its activities
Absence of offers relating to the balanced economic development of the regions
Absence or inadequacy of support for the regions
Reduction in attractiveness of the regions, ESG impacts (e.g. departure of companies)

Our responses

Policy
Bpifrance Group Societal Responsibility Charter
Strategic plan reviewed annually
Regional partnerships
Entrepreneurship for all

Our objectives for 2023

Increasingly accessible for VSEs and business creators – Objectives for end-2023:
90,000 creators financed
40,000 VSEs financed
100,000 VSEs guaranteed
140,000 Entrepreneur PASS
200,000 VSEs supported
200,000 creators supported

Partnerships with the Regions around common mechanisms are a major focus of involvement in and with the territories, for companies; by offering each Region the tools that are suited to the priorities of its economic and innovation

²⁶ €1.8 billion in 2018

development strategy, and that meet the companies' needs at different stages in their development, access to available financing is simplified for them, while the need for public allocation is limited.

These partnerships are used to develop a financing offer suited to territorial specifics via common tools, particularly for financing innovation (Regional Innovation Fund) and companies' access to credit (Regional Guarantee Fund) covering most of the companies' creation, innovation, and development needs.

Moreover, regional and inter-regional investment funds were often set up alongside the Regions to facilitate SMEs' access to equity. Pooling financial resources between Bpifrance and the Regions makes interventions more effective, furthering territorial and job growth.

At the end of 2020, Bpifrance was a partner of 11 Regions for the implementation of Regional Accelerators, a new partnership having been signed last year with the Occitanie Region to support 60 companies in that region.

The Regional Accelerators are characterised by a programme design that is increasingly adapted to the economic development priorities of the Regions and to the regional fabric of companies: innovative companies and the food industry in Brittany, international in Île de France, cybersecurity and climate in Occitanie. 24% of accelerated companies are part of programmes co-financed by the Regions (412/1,687).

Bpifrance's takeover, from 1 January 2019, of all Agence France Entrepreneur (AFE) and Caisse des Dépôts (CDC) business start-up missions, resulted in a wide range of initiatives aimed at informing regional ecosystems of this takeover and at putting in place all the conditions needed to make entrepreneurship accessible to all, by lifting barriers to information, financing and growth. Its activities, which are based on assistance to 30 support networks, continued at a steady pace despite the health situation.

Thus, to facilitate access to the offer:

- The Entrepreneurship for All Tour was organised digitally, with:
 - o more than 200 events in the regions in one month, mobilising 85 local organisers and/or speakers and bringing together 2,400 participants,
 - o a national event, which brought together more than 1,600 participants, around the 30 speakers and entrepreneurs; the content created was viewed up to 177,000 times, and
 - o five Entrepreneurship for All Thursdays, also in digital format, which reached more than 600 participants, with 25 speakers and entrepreneurs.

Objectives: present the range of solutions, promote networks, promote local entrepreneurs and inspiring personalities;

- fifty sites have been identified to set up Entrepreneurship for All kiosks, with the aim of informing 5,000 people through appropriate editorial content.

Activities take place in the Cités Labs, revealing talents, around five pillars: Business Development; Preparation; Facilitation; Orientation; Career referent, which now count 83 project managers and cover 632 neighbourhoods.

Support involves:

- *La Fabrique à entreprendre*, and calls for projects, to coordinate, lead and reinforce the action of support and financing structures for the creation/takeover of companies in vulnerable regions: 44,000 people benefited from awareness-raising, and assistance was provided to 900 creators;
- support and financing by use of support mechanisms and financial tools (unsecured loans, micro-credit, bank guarantee, etc.) from which 13,053 creators benefited;

Lastly, acceleration, in three phases:

- emergence: nine intakes in 2020, 135 beneficiaries;
- creation: 16 intakes, 260 beneficiaries;
- small company: undergoing rollout.

In its impact indicators, Bpifrance tracks the Region's weight in total Bpifrance financing with regard to the Region's economic potential, and reports each Region's own indicators to it, as shown in the following table:



REGION	GDP 2015 (source INSEE) in €M	ECONOMIC POTENTIAL OF THE REGION IN DOMESTIC GDP	WEIGHT OF FUNDING IN 2019 ²⁷ COMPARED TO THE ECONOMIC POTENTIAL OF THE REGIONS	WEIGHT OF FINANCING IN 2018 ²⁸ COMPARED TO THE ECONOMIC POTENTIAL OF THE REGIONS
Auvergne-Rhône-Alpes	250,120	11.40%	14.97%	14.70%
Bourgogne-Franche-Comté	73,942	3.40%	2.64%	2.50%
Brittany	91,910	4.20%	3.75%	3.71%
Centre-Val De Loire	70,355	3.20%	2.38%	2.93%
Corsica	8,868	0.40%	0.45%	0.61%
Grand Est	152,170	6.90%	7.40%	6.96%
Hauts-de-France	156,922	7.20%	6.65%	6.45%
Île-de-France	668,823	30.50%	31.99%	31.75%
Normandy	91,740	4.20%	3.29%	3.17%
Nouvelle-Aquitaine	163,898	7.50%	5.80%	6.48%
Occitanie	159,115	7.30%	7.00%	6.45%
Overseas Departments and Territories	41,692	1.90%	1.80%	2.20%
Pays-de-la-Loire	109,767	5.00%	5.00%	4.65%
Provence-Alpes-Côte-d'Azur	154,879	7.10%	6.87%	7.43%

Integration of the CSR dimension in business line processes

The more specific consideration of environmental, corporate, social, and governance (ESG) challenges is included in the strategic plans as well as in the policy, consistent with the Bpifrance Social Responsibility Charter, presented and approved by the stakeholders of Bpifrance (CNO and employee representatives) and by its governing bodies. The Charter defines Bpifrance's commitments, in both its internal functioning and its business lines, and the major challenges its efforts will be applied to.

Bpifrance's CSR approach is guided by the Sustainable Development and CSR Department, reporting to the Executive Director of International, Strategy, Research, and Development.

Its actions are structured around focus areas:

- integrating the CSR dimension in business line processes;
- educating companies about CSR;
- strengthening the investment player position;
- Bpifrance CSR.

²⁷ Excluding Assurance Export

²⁸ Excluding Assurance Export

Major risks identified

Not increasing awareness or commitment in the companies to account for the environmental, social and societal risks in their activities, specifically to combat climate change and increase their positive impacts on the economy and society

Public commitments

Bpifrance is a signatory of the Principles for Responsible Investment (PRI) promoted by the UN, in line with its adherence to the values of the Caisse des Dépôts Group, a 50% shareholder of Bpifrance and of the France Invest Responsible Investor Charter.

A significant player in the support and financing of companies in the ecological and energy transition, both directly and through its support for dedicated funds, Bpifrance has also signed the Global Declaration on Climate Change, the Montreal and Paris Commitments and the Financial Institutions' Declaration of Intent on Energy Efficiency, the charter of public investors in favour of the climate, the charter of public investors in favour of the SDGs²⁹, the Santiago Principles and the Poseidon Principles³⁰, is a member of the international initiative One Planet Sovereign Wealth Funds (OPSWF), and has joined the Planet Tech Care initiative.

Bpifrance Investissement is also a signatory of the SISTA charters, on the one hand, and *Parité* of France Invest, on the other hand, which aim to accelerate the financing of women entrepreneurs, particularly in start-ups and the role of women in management, in management teams and in the companies involved.

Like the Caisse des Dépôts Group, Bpifrance is committed to supporting the deployment of ACT methodologies and implementing sectoral policies on thermal coal and in the oil and gas sectors.

Bpifrance measures the carbon footprint of its invested portfolio annually and monitors it with a view to the transition to a low-carbon economy, as part of an approach involving supporting and accompanying companies³¹.

The implementation of CSR/ESG by the business lines takes into account their operational specificities.

Bpifrance, responsible investor

Our responses

Responsible Investor (RI) approach
Operational procedures for implementing the RI approach in direct investment and funds of funds
Annual ESG survey

Outlook for 2021

The strengthening of climate issues in the ESG integration systems, as part of the Bpifrance Climate Plan
The taking into account of the European taxonomy, the Disclosure Regulation and the Climate Energy law (Article 29, consultation)

As an operating subsidiary of Bpifrance for direct investment and investment in funds of funds, Bpifrance Investissement is invested in the exercise of these business lines for the public interest mission entrusted to Bpifrance, and has embraced the societal responsibility commitments and priorities that Bpifrance publicly set for itself in its CSR Charter:

- development of employment, particularly for young people;
- the Ecological and Energy Transition, particularly the optimised use of energy resources;

²⁹ Sustainable Development Goals

³⁰ Bpifrance Assurance Export

³¹ See Ecological and Energy Transition



- governance and management quality, specifically by promoting the inclusion of women;
- promotion of women entrepreneurs.

Responsible Investor Policy

In all of its investment decisions, Bpifrance seeks to systematically take into account non-financial “ESG” (Environmental, Social and Governance) criteria likely to have an impact on its investments.

Its responsible investment approach is defined in accordance with international standards and with the proactive practices of the market, on the one hand, and, on the other hand, with the orientations and objectives pursued by Bpifrance in the public interest mission entrusted to it. The investment activity participates in this public interest mission by strengthening the equity and supporting the development of VSEs, SMEs and mid-tier companies, by participating in the development of the economy in a sustainable model while ensuring financial profitability in line with market practices for invested capital. The responsible investor policy is applied in its direct investment activity as well as in that of funds of funds.

Integration of ESG analysis in the direct investment activity

During the due diligence phase, the investment teams carry out an ESG “inventory” of the entity to be invested based on the review of the project, with the help of an internal tool to identify priority ESG issues according to its sector of activity and size.

This phase makes it possible to identify the ESG risks that are significant enough not to invest and relevant issues in respect of the characteristics of the company concerned, then, on the basis of a shared diagnosis, to raise the awareness of managers and encourage a process of progress, by determining improvement actions in consultation with the entrepreneur.

The issues identified will then be the subject of shareholder dialogue and operational monitoring of the areas identified for ESG improvement, potentially through the Board of Directors. The analysis thus conducted is based, prior to the investment, on an essentially qualitative approach and on the qualitative or quantitative information published or communicated by the company, then, during the holding period, on the information published or communicated to the governance bodies in which a representative of Bpifrance sits.

The internal ESG analysis tool proposes to investors, depending on the company’s workforce and sector of activity, the ESG issues to be examined with the company, then, after data collection, assesses the taking of these issues into account, enabling identification of areas for improvement. This analysis, which is carried out internally, may be supplemented, for certain cases, by a more complete audit carried out by an external organisation.

The results of the ESG analysis – current situation, risks, CSR approach and company practices, areas for improvement – are included in the investment memorandum presented to the Investment Committee and are part of the assessment carried out on the company. They also help identify best business practices.

The areas of progress discussed and calibrated in consultation with the manager are set out in a “progress letter” or a corporate social responsibility (CSR) clause included in the shareholders’ agreement.

In a second stage, throughout the holding of the investment, the Company’s progress on these key ESG issues will be monitored as part of a regular dialogue with Bpifrance Investissement, within the framework of the governance bodies in which a representative of Bpifrance participates, or follow-up meetings.

A specific reinforced system is implemented for investments in listed companies in the LAC I fund:

- Prior to any investment, the front-end teams have an initial ESG analysis carried out by a non-financial rating agency;
- ESG due diligence must be carried out prior to the Investment Committee, with a dual objective:
 - o identify and analyse the strengths and weaknesses of the company on its key issues,
 - o draw up a first draft of the ESG roadmap for the future director who will represent Bpifrance on the Board of Directors.

This ESG due diligence will be performed by an external service provider chosen by the investment team, and is designed, in particular, to highlight the links between the Company’s strategy and sustainable development issues. Its conclusions form part of the investment grade and are taken into account in the decision;

- Based on the results of the due diligence, a roadmap is drawn up, which specifies the areas for improvement identified for the company on all environmental (with a particular focus on climate), social and governance issues and identifies the pertinent monitoring indicators. This roadmap will structure the shareholder dialogue on ESG and challenges as part of the monitoring of the investment.

Lastly, Bpifrance conducts an annual survey of the companies involved, their commitments, policies and practices in environmental, social, societal and governance matters, which, in addition to mapping the ESG issues taken into account by portfolio companies, is a vehicle for raising awareness among all of them.

In addition, training modules for directors representing Bpifrance on the governance bodies of the companies involved continued in 2020, as part of the French Institute for Directors sessions, in conjunction with the Investment Legal Department.

Integration of ESG analysis in the Funds of Funds activity

Bpifrance Investissement engages in consultation with each asset management company, with a view to making its commitment known and sharing it, raising awareness and encouraging others to follow suit. Prior to investment, it sends an ESG questionnaire in the diligence pack.

ESG analysis criteria

- In the Direct Investment activity in companies

The ESG analysis can be carried out with the help of a tool to identify the relevant ESG issues according to the mega activity sector and the size of the company, and supplemented, for certain files, by an external audit. It is based on the four priorities of Bpifrance's Sustainable Development Charter and four themes spread over 14 questions:

Governance	Human capital	Environment	Stakeholders
<ul style="list-style-type: none"> • Transparency and balance • Anticipation 	<ul style="list-style-type: none"> • Employment and social policy • Jobs and skills management • Diversity and Equal Opportunity • Well-being at work • Climate and labour relations 	<ul style="list-style-type: none"> • Environmental policy and management system • Energy and greenhouse gases • Inputs and Waste • Control of other environmental impacts 	<ul style="list-style-type: none"> • Sustainable and ethical relationships with suppliers • Quality and customer satisfaction • Relations with other external stakeholders

- In the Funds of Funds activity

The ESG questionnaire of the due diligence pack concerns, on the one hand, the management company and its own CSR policy as a company, and on the other hand, the consideration of ESG criteria in its business as an investor. The purpose of this questionnaire is to assess the integration of the management company's responsible investment approach, and, in particular, the consideration of climate issues in its investments, on the one hand, and, on the other hand, the application of a corporate social responsibility approach, with particular attention to professional and environmental equality issues.



Information used for ESG analysis

- In the Direct Investment activity in companies

The ESG analysis of companies is based on the data provided voluntarily by them, whether published or not.

- In the Fund of Funds activity

Responses to the ESG due diligence pack questionnaire are communicated by the asset management company. During the life of the fund, Bpifrance Investissement encourages its partner management companies to adopt an approach of integrating ESG criteria in their analyses of investments in respect of the funds subscribed by Bpifrance Investissement. Asset management companies must provide an annual report on these subjects, which covers their practices as a company, and their business as investors, as well as the companies in which the funds subscribed by Bpifrance invest.

Annual ESG survey

Bpifrance conducts an annual survey of the companies in its portfolio and the managers of the funds in which it invests. The results of this survey are analysed by the Sustainable Development and CSR Department and presented to and discussed with the investment teams.

The survey questionnaire covers all the pillars of ESG, and includes questions on the impacts of climate change on the activities of companies and fund managers, and on professional equality. It is reviewed and was enriched again this year by a working group set up under the leadership of the France Invest ESG Commission, and administered by the four members of this group with the funds and companies in which they invest. This new questionnaire was recommended by France Invest as part of the advanced ESG procedures for the second consecutive year; its use by a growing number of asset management companies should, in the short and medium term, enable the collection and increased pooling of responses and improve practices.

Some aggregate results:

- In the Direct Investment activity in companies:

307 companies responded to the annual survey

- 129 out of 288 of them, or nearly 45%, stated that they had a CSR policy, and 125 out of 287, or nearly 44% of the respondents, said that the issue of CSR was formally reviewed at least once a year. with members of the Executive Committee or the Board of Directors/Supervisory Board,
- 129 out of 288 (nearly 45%) say they have a formal code of ethics and 33% a code of conduct,
- 126 out of 285 have a formal environmental policy,
- 47 out of 302 respondents, i.e. only 16% state that they have a formal greenhouse gas reduction policy (commitments and targets); more surprisingly: 182 out of 302 answered "not applicable" to this question,
- however 123 out of 280 have implemented an action plan to reduce greenhouse gas emissions,
- 54 out of 283, i.e. 19%, say they have already carried out a carbon footprint assessment,
- 67 out of 278 (24%) assessed the company's exposure to the physical risks of climate change (extreme weather events, global warming, rising sea levels, etc.); less than 6% consider the risk to be significant,
- 81 out of 279 (29%) assessed the company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputation issues); less than 6% believe they are at significant risk,
- 101 out of 274 (less than 41%) assessed the main risks related to raw materials in their value chain, and 16.4% believe they are exposed to one or more significant risks;

Investments in these 307 companies involve³²:

- for 56 of them, the Mid-Large cap division,
- for 147, the SME Equity division,
- for 106, Innovation funds.

- In the Fund of Funds activity

³² Some lines are invested in by different divisions.

In 2020, 101 management companies responded to the annual ESG survey conducted by Bpifrance.

Of these 101 respondents:

- only eight of them do not have an ESG policy; for 50 of them, this policy is formalised, for 27, it is formalised but not public, and for 14 others, the officially documented ESG policy is in the process of being formalised;
- 94 have exclusion policies;
- 61 are signatories to the PRI;
- 79 conduct a material assessment of ESG risks and issues before investing;
- 77 systematically include an ESG analysis in their investment memos, and 40 assess the risks and/or opportunities associated with climate change;
- 41 systematically seek to identify priority ESG actions to be implemented after investment, 17 in the majority of cases, and 25 on an ad hoc basis;
- 70 generally include ESG clauses in their shareholder agreements;
- 81 have at least one person in charge of the implementation of the ESG approach and 79 have set up an ESG data collection system, 53 for the entire portfolio, 19 for a majority of the companies involved, and 7 for a minority of companies;
- 40 engage with their peers, or through other organisations, to understand and respond to climate change risks and opportunities;
- 43 collaborate or support companies in their portfolio to ensure that they identify and manage the risks and opportunities of climate change (financial, operational, commercial, reputational, etc.);
- 33 have at least one independent member on their governance body, and 37 have at least one woman.

962 companies in which the funds Bpifrance invests in hold stakes also responded to the annual ESG survey.

- 297 out of 918 of them, i.e. 32.4%, stated that they had a CSR policy, but 309 out of 898, i.e. 34.4%, said that the CSR issue was formally discussed at least once a year by members of the Executive Committee or the Board of Directors/Supervisory Board;
- 296 out of 919 (more than 32%) say they have formalised a code of ethics and 199 out of 912 (almost 22%), a code of conduct;
- out of 924 respondents, 29% have a formal environmental policy;
- 95 out of 924 respondents (10.3%) state that they have a formal greenhouse gas reduction policy (commitments and objectives), while 75% declared the question not applicable;
- 230 out of 902 (25.5%) have implemented an action plan to reduce greenhouse gas emissions;
- 103 out of 912 (11%) say they have already carried out a carbon footprint assessment;
- only 122 out of 816 (less than 15%) assessed the company's exposure to the physical risks of climate change (extreme climate events, global warming, rising sea levels, etc.), and 5% believe they are exposed to one or more significant risks;
- 144 out of 827 (17.4%) assessed the Company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputation issues), and 6% believe they are exposed to one or more significant risks;
- 211 out of 787 have assessed the main risks related to raw materials in their value chain, and less than 10% believe they are exposed to one or more significant risks.



Consideration of CSR in Financing activities

Our responses

Policy
Inclusion of ESG analysis in the Financing activity

Outlook for 2021

The strengthening of climate issues in the analysis systems, as part of the Bpifrance Climate Plan
The taking into account of the European taxonomy and subsequent provisions

A simplified analysis, in 11 questions, of the company's ESG practices is provided for credit or innovation support applications beyond certain thresholds.

These questions address the following:

- for environmental issues: energy consumption, greenhouse gas emissions, use of natural resources, deployment of eco-design, pollution, and waste;
- corporate issues: job numbers (including among those younger than 25), job quality, workplace health and safety, dialogue and corporate climate, and human resource management;
- social issues: transparency and fair business practices, involvement with the local community;
- governance of the company.

Like the respect for human rights, tax practices are reviewed in the normal course of a financing study if these issues prove relevant.

For the account manager, CSR analysis of the company often consists of formalising points that are often addressed in the review of a credit application, without straining its required operational agility.

This CSR assessment system has been integrated into the review and decision-making tool, in order to simplify the process during the operational phase, and to assess how companies have taken challenges into account, on a scale of 1 to 4, in order to complete the information required for decision-making.

This will make it possible to enhance and clarify knowledge of corporate practices in relation to environmental, social and governance issues and to expand the offering, where applicable, in response to the needs identified.

Integration of CSR in Export Insurance activities

Our responses

Environmental and social analysis of all credit-insurance projects over €10 million or located in a sensitive area, or investment insurance projects

Outlook for 2021

The taking into account of the European taxonomy and subsequent provisions.

Environmental and social aspects are part of the guarantee criteria by Bpifrance Assurance Export for all credit-insurance projects of more than €10 million or located in a sensitive area, or investment insurance projects.

Bpifrance Assurance Export carries out its environmental and social analyses in accordance with the OECD Recommendation on Common Approaches for Publicly Supported Export Credits and environmental and social due diligence. Its purpose is to ensure that the projects concerned comply with local regulations in the host country and relevant international standards, mainly those developed by the World Bank (WB) and the International Finance Corporation (IFC).

All credit-insurance applications are accompanied by an Environmental and Social Assessment appendix, which contains two parts.

If the project meets one of the two eligibility criteria of the first part (contract amount >€10 million and/or location of the operation in a sensitive area), then an in-depth environmental and social analysis must be carried out by Bpifrance Assurance Export. The second part of the appendix, which includes a more detailed environmental and social assessment questionnaire, must then be completed. For investment insurance applications, the Environmental and Social Assessment appendix also has two sections. The first is systematically completed, the second only if the investment is in a sector of activity or environment deemed sensitive from an environmental and social standpoint.

The information collected in the appendix must enable Bpifrance Assurance Export to classify the project in one of the following three categories, according to the significance of its environmental and social impacts:

- Category A: project with significant potential impacts, for which an environmental and social impact assessment is required. This category of operations requires an in-depth environmental and social analysis as well as risk monitoring;
- Category B: project with lower potential impacts, for which additional information may be required. This category of operations requires a less detailed environmental and social analysis, as risks are not systematically monitored;
- Category C: project with little or no environmental and social impact. This category of operations does not require a detailed environmental and social analysis. No risk monitoring will be required.

Operations must be assessed against industry or specialist standards, directives or any other nationally and internationally recognised standards, with the most stringent standards applied. As part of the examination and monitoring of operations, Bpifrance Assurance Export may be required to request additional information and carry out site audits.

If necessary, the Bpifrance Assurance Export guarantee may be subject to environmental and social conditions in order to ensure compliance with the standards in force, on the basis of the opinion of Bpifrance Assurance Export and, where applicable, the competent technical ministries.

Bpifrance Assurance Export respects the population's fundamental right to access information about projects for which guarantees are granted.

The transparency system is twofold:

- Ex-ante transparency: before the decision to grant a guarantee, for projects under examination which have been classified in category A. This ex-ante transparency is carried out in particular for civil society and local populations affected by the projects.

For projects classified in category A, Bpifrance Assurance Export asks to receive all relevant environmental and social information, in particular the environmental or social impact assessment (ESIA), the environmental and social management plan (ESMP), the environmental and social action and resettlement plan (PAR) for internally displaced persons, where applicable. In accordance with the OECD Common Approaches, Bpifrance Assurance Export will make publicly available documents (ESIA) transparent. At the request of the buyer or exporter, these documents may have been redacted to remove information whose disclosure would infringe the commercial or industrial confidentiality of the export.

The ex-ante transparency period begins on the date the information is made available on the Bpifrance website, for at least 30 calendar days before the final commitment to grant support.

- Ex-post transparency: after the decision to provide a guarantee, for projects classified in category A or B and those relating to contracts of more than €10 million, obtained by French companies and benefiting from a Bpifrance Assurance Export guarantee. This ex-post transparency is carried out on a quarterly basis. It provides a description of the projects and, where applicable, the essential information on their environmental and social consequences as well as the requirements of Bpifrance Assurance Export in terms of monitoring.



Raise awareness and support teams

Awareness-raising and training actions for directors have been extended:

- continuation of the IFA/Bpifrance internal training modules for directors, in conjunction with the Investment Legal Department;
- continuation of relations with APIA (independent directors);
- “Transport and Climate” breakfast with the directors;
- participation in the Lac 1 Governance WG and drafting of the CSR sheet for directors.

Discussions are underway with CDC-Biodiversité for the creation of an e-learning programme on biodiversity, its challenges and the impacts of corporate activities.

The training programme for teams, committed to the Climate challenges of high-stake business sectors, is being enhanced, following the improvement of the ESG integration processes, notably concerning the annual ESG Investor survey. It should be noted that a “Transport and Climate” breakfast was also offered to investment teams.



Educating companies about CSR

PARTNERSHIPS FOR THE GOALS

Corporate CSR awareness-raising and training continued in 2020, drawing on the networks of companies and partners, with all interventions going digital: Déclic CSR mornings, semi-collective CSR programmes and CSR/Responsible Digital.

These systems were tested with new networks, such as *Initiative France*, *Réseau Entreprendre*, the Centre for Young Managers, and a total of 171 companies were made aware and/or trained.

Bpifrance also took part in an exceptional one-day operation that raised awareness in 267 companies in the Grenoble CJD through six workshops focusing on the environmental dimension (renewable energy, energy efficiency, mobility, Green IT, circular economy and biodiversity).

2021 will see expanded content proposals with new expert partners, on topics such as the *raison d'être* or the medical field.

Awareness is also raised in companies through partnerships or by attending dedicated events, giving the floor to committed entrepreneurs, who also contribute to reinforcing Bpifrance's position as an investment player.



Reinforcing Bpifrance's position as an investment player

PARTNERSHIPS FOR THE GOALS

Education of both the entrepreneurs and business lines is also done through the actions carried out with Bpifrance as a market player by:

- participating in investment market work: such as the joint development, under the leadership of the France Invest ESG commission, with three other private equity players, of ESG survey questionnaires, applied by each one in 2019; these questionnaires were revised in 2020 and circulated in the France Invest recommendations for the financial market, as in 2019, for the advanced procedures;
- directing interventions at Bpifrance Inno Génération (round table and interviews);
- speaking at CSR shows or events as part of our partnerships, or by inviting companies (start-ups/VSEs/SMEs and mid-tiers), such as *Produrable in Paris*³³; or the fourth edition of the *Handitech Trophy*, the *Choiseul CSR Club* with leading guest speakers, a round table organised by *Tennaxia* and *Euronext*, the *G20 of young entrepreneurs*;
- participating in juries and awards ceremonies: *DEFIS RSE*, *UNICLEN*, *Conseil Supérieur de l'Ordre des Experts-Comptables*, *Science Factor*, and by supporting events and festivals: *Le Temps Presse*, *Deauville Green Awards*, *Atmosphère*;
- participating in various projects/discussions: *Planet Tech'Care/Syntec Numérique*, *Cercle de Giverny*, *L'Observatoire du capital immatériel* (Board of the OI), continuation of work on the SDGs with several partners, member of the *Entreprises Engagées pour la Nature* steering committee, preparation of the *World Conservation Congress* with *CDC-Biodiversité* and the *CDC* (postponed), *Regulation partners*, *Académie des Sciences Techniques Comptables et Financières*, *Summer Seminar on Functional Economics*, *Unicem* (professional federation), *Innovation and Regions*;
- as a member of the *Afnor "Environment and Social Responsibility" Strategic Committee*.

A "Bpifrance Transition" community for entrepreneurs, experts and various players who want to meet the challenge of social, environmental and societal transitions was opened in 2020 with the very active support of the *EuroQuity* team and its launch with *Solar Impulse*.

Making progress in our internal practices

People, the driving force behind Bpifrance

Since the founding of Bpifrance, the human resources policy has striven to create and lead a community of employees with multiple skills, around the company's values.

The inclusion of employees from different backgrounds (Bpifrance Assurance Export on 1 January 2017, and on 1 January 2019, staff from *CDC International Capital* and the *Agence Française des Entrepreneurs* and Bpifrance Courtage on 1 January 2020), recruitment and the renewal of teams mean that this issue is always topical.

The continuous growth of activities, the expansion of products and services, the increasing digitalisation of processes, and the creation of new business lines, in support especially, are strengthening and upgrading internal skills as well as recruiting new skill sets.

³³ for our sixth year of partnership: the *Tech4Good* pavilion welcomed 25 start-ups, and our three round tables had more than 300 participants.



Training Policies

Major risks identified

Reduction in the Group's attractiveness
Loss of motivation generating customer and partner dissatisfaction
Failure to adapt to change
Mismatch between profiles and needs

Our responses

Training policies
Process of defining the offering
Diversity of training solutions and modes

Our objectives

Developing knowledge of business lines and products
Developing the technical and professional skills of employees
Developing talents and the ability to evolve

Bpifrance has a very active and proactive training policy, organised as part of an annual skills development plan (implementation of Bpifrance's strategy according to different axes: cross-functional knowledge of the Group, digitisation of products and processes, support for business plans, support for the transformation of business lines and managerial practices in particular).

Fully digital self-service training programmes are available to all employees.

Training solutions are revised each year and adjusted for changes in business lines and processes. They factor in the requests and findings from the annual review campaign in which all employees take part. They are prepared in consultation with the business departments, presented to employee representative bodies and the management committee for approval.

The solutions are structured as modules (strategic topics, business skills, professional aptitudes, tools and security, on-the-job training), and developed based on digital tools that are adapted to the mobility, or face-to-face sessions, and internal and external skills.

It should be noted that the total number of training hours provided decreased by 20% in 2020 and fell from 79,529 hours to 63,972 hours. This is mainly due to a drop in the presence of employees on site (due to the health crisis) and to the still significant amount of face-to-face training, which could not all be replaced by digital training.

3,334 employees (3,069 in 2019), from Bpifrance, Bpifrance Investissement and Bpifrance Assurance Export, on permanent contracts, fixed-term contracts, work-study contracts and professional training contracts, thus benefited from one or more training sessions during the year.

Career support

Major risks identified

Reduction in the Group's attractiveness
Loss of motivation generating customer and partner dissatisfaction
Failure to adapt to change
Mismatch between profiles and needs

Our responses

Bpifrance agreement on forward-looking management of jobs and skills
Bpifrance Talents Framework
Interview systems

The support and skills development of employees are supervised by:

- an annual appraisal interview and a professional interview every two years;
- at the time of hiring: a follow-up of integration and adaptation in the job, carried out with line management within the framework of an interview carried out at the end of a three-month trial period;
- HR monitoring in the event of functional, geographical or intra-group mobility, including a three-month integration period;
- career interview, conducted by the HR Department at the employee's request;
- lastly, for elected representatives: an interview at the beginning of their term of office and an interview at the end of their term of office.

Labour relations and quality of life at work (QLW)

Major risks identified

Reduction in the Group's attractiveness
Loss of motivation generating customer and partner dissatisfaction
Failure to adapt to change

Our responses

Labour relations mechanism
Employee representative bodies for the Group and Group companies

Framework and Bpifrance Group QLW Agreements
Commitments and associated mechanisms: preventive healthcare at work; well-being measures (annual interviews, mobility, information access, support mechanisms); management's role; coordination of working hours; remote work; parenting: special leave, emergency childcare, creche places; donation of days off.

Labour relations and quality of life in the workplace, diversity and equal opportunity, and a structured training policy that is responsive to needs are the key factors in the success of the Bpifrance human community that is empowered and attached to the company and its values.

In this respect, the employee survey conducted in 2020 ("engaging together") focused on 10 themes: trust and vision, commitment, culture and values, direct management – managerial skills, performance management, organisational effectiveness, remuneration, personal involvement, direct management – proximity, career development. Its results are particularly satisfactory, both in terms of participation rate of 82% (compared to 88% in 2019) and answers to the main questions, given the working conditions that were significantly disrupted by the health situation (remote working for all employees whose duties allowed it for the period from 16 March to 22 May, and since the end of October). The following are of particular note:



- an overall favourable opinion score of 72.2%, an increase compared to 2019 (70.5%) and 2018 (68.8%), with an increase observed for almost all categories of questions (9/10); a special mention for the “Direct Management” categories which, with scores of 80%, have increased despite the difficult conditions of months of lockdown;
- a very strong sense of pride, which has been growing steadily since 2014 (94% favourable responses), and trust in the company, its strategy and its management (over 80%); a confidence that is accompanied by an almost unanimous feeling of optimism for the future (92%), a particularly noteworthy score this year.

Two expectations remain relevant: cooperation between the business lines and the sharing of information, management action and the increased ability to “transform” the ideas highlighted; moreover, employees want to better understand the assessment of their performance and the objectives set for them, reinforce their involvement in the decisions taken and increase career development opportunities within Bpifrance.

There is therefore a significant amount of employee communication, in the first instance, via intranets, combining news, information and access to tools and apps; via internal memos and information screens at every site, in addition, if necessary, to one-off notifications via messaging, as well as breakfasts with executive directors and chats with the Chief Executive Officer or executive directors.

The objective is to strengthen labour relations, enable employees to express their opinions directly, and to put forward their ideas, which are then rolled out, further to a feasibility study (for example, to improve Bpifrance’s environmental footprint, as part of the Climate plan), or will be the subject of discussions with a view to amending agreements (QLW – Quality of Life in the Workplace – in particular) or new agreements.

The health context has disrupted the organisation of work – carried out remotely by almost all employees from mid-March to the end of May, and since 22 October – with continued strong mobilisation to meet the expectations of customers and partners; social ties were maintained, as shown by the above-mentioned survey results, thanks to the involvement of General Management, whose chat interventions were carried out on a weekly basis during the spring lockdown, management that was as close as possible to the teams thanks to an unprecedented increase in digital equipment, a weekly newsletter distributed by the Human Resources Department and constantly updated proposals: interviews, new training courses, listening mechanisms and individual support, call & coach, co-development, etc.

Labour relations within Bpifrance was further strengthened in 2020, as evidenced by the number of discussions with employee representative bodies (142 in 2020 vs. 134 in 2019 and 123 in 2018), and agreements are in place on all topics, including Quality of Life at Work, disability, working conditions and hours, employee savings, and providence. New agreements were signed, in particular to promote the professional integration and employment of people with disabilities, at Group level, and at Bpifrance and Bpifrance Assurance Export. A new incentive agreement was signed by Bpifrance and Bpifrance Investissement, which also introduced an amendment to the agreement to promote gender equality in the workplace.

It should also be noted that a new QLW agreement has added the possibility, for all employees, to work from home once a week, outside lockdown periods.

Working from home is now practiced by 9.9% of employees, compared with 8.5% at the end of 2019, and the proportion of flat-rate employees, who therefore enjoy the freedom to organise their working time, increased by 1.4% in 2020 to 91.3% of the workforce.

As part of the QLW agreement, the days of leave offered for personal events have increased: marriage or civil partnership (+1 day), marriage of descendants (+1 day), death of a spouse or civil partner (+2 days), death of other ascendants and descendants of the employee (+2 days), moving house (+2 days).

Fight against discrimination

Major risks identified

Reduction in the Group's attractiveness
Loss of motivation generating customer and partner dissatisfaction
Failure to adapt to change

Our responses

Gender Parity and Disability Agreements
Diversity commitment

Our objectives

Fight against all forms of discrimination

Pursuant to Article 13 of the QLV rider signed in May 2016, Bpifrance is committed to combating all forms of discrimination, and Bpifrance has also signed the Diversity Charter to educate and train its employees in diversity.

Bpifrance's gender equality agreement, signed in July 2019, aims to continue and strengthen ongoing measures already being taken to correct inequalities so as to create the right conditions to encourage diversity in all areas. Four areas are affected by the measures planned: recruitment and diversity, actual pay, professional training and promotion. Education and training initiatives for all corporate players are also planned.

For 2020, the gender equality indexes stood at 93 points for Bpifrance, 89 points for Bpifrance Investissement, and 96 points for Bpifrance Assurance Export.

In terms of the fight against discrimination, Bpifrance carries out the following initiatives:

- awareness-raising and training of directors, managers and employees in recruitment, training and career management on the issues of non-discrimination and diversity;
- as part of the QLV agreement, communication to all employees on the Company's commitments to non-discrimination and diversity;
- establishment of a whistleblowing procedure for all employees who believe they are victims of harassment. In addition, contact persons for sexist acts have been appointed in each subsidiary (an employer representative and an employee representative);
- e-learning training on non-discrimination, diversity and gender equality.

Gender equality

In terms of gender equality, Bpifrance has:

- signed gender equality agreements (Bpifrance, Investissement and Assurance Export) with a set of objectives, actions to be carried out and indicators specific to each subsidiary;
- a principle of equal treatment and gender balance;
- promoted female management;
- implemented a system to identify inequalities and corrective measures, particularly in the context of pay gaps;
- a gender equality commission in each SEC;
- appointed a "sexism" officer at Group level and an officer at the level of each SEC;
- launched of communication and awareness-raising actions on professional equality;
- implemented an e-learning course on gender equality and a module in the training of new managers and new hires.

Equal opportunities and integration of young people from disadvantaged backgrounds

Bpifrance is committed to the integration of young people from disadvantaged backgrounds, within this framework Bpifrance:

- is a partner of NQT (*Nos Quartiers ont des Talents*), which supports young graduates from disadvantaged neighbourhoods or social backgrounds;
- is a partner of Frateli, which promotes equal opportunities;
- operates an "entrepreneurship for all" programme for creators and entrepreneurs in fragile regions through three areas: facilitating access to the offer, actively supporting communities and accelerating businesses;



- establishes a skills sponsorship scheme in conjunction with the associations with which Bpifrance works;
- mobilises part of the apprenticeship tax to support associations and participate in events organised by them, for example, the *Salon Jeunes d'Avenirs* on 15 September 2010.

Integration of young people and retention of seniors

Bpifrance is committed to integrating young people (under the age of 25) and retaining older people (aged 60 and over) in the job market through:

- the signing of QLW and GPEC agreements on the transmission of intergenerational skills through mentoring;
- its HR integration and monitoring programme for new employees under the age of 30. The latter are assigned a mentor to help them integrate;
- the commitment to setting up an end-of-career skills sponsorship as part of the QLW 3 agreement (implementation of the mechanism to come);
- its proactive policy towards young people and future graduates in terms of welcoming work-study students and trainees.

Integration of people with disabilities

Agreements to promote work placements and jobs for disabled people are in place and Bpifrance is committed to offering work placements and jobs to disabled people, with three objectives:

1. support employees on a daily basis through job retention measures (for example, making adjustments to workstations or individual monitoring), using the services of the sheltered and protected sector, on the basis of regular discussions with the Purchasing Departments and support business lines, in particular, by raising awareness and training assistants, by purchasing envelopes, or some of the masks provided to employees;
2. recruiting employees with disabilities, welcoming young people on work-study programmes or internships, for example, by posting offers on specialised job boards via our multiposting tool (handicap.fr, agefiph.fr, etc.);
3. developing partnerships with schools and universities, to implement awareness-raising initiatives with employees and managers.

Awareness-raising initiatives are rolled out every year to change the way that disability is viewed, and the Manifesto for the inclusion of people with disabilities in all aspects of life was signed by Bpifrance, which has a Group disability officer.

Bpifrance signed the Handicap agreement in 2020 (hiring plan to promote professional integration through direct employment and the use of partners in the sheltered sector, job retention, accessibility and environment, adaptability of jobs, disability, personalised monitoring, possibility of adapting working hours, reclassification, training).

Through the Disability Mission, employees conducted an awareness and communication campaign: participation in events (European Disability Week, Duodays, Handitech Trophy).

As part of the “new manager” programme, tutors, apprenticeship instructors, HR and other managers were trained and made aware of these issues.

In 2020, a partnership between the Digital Department and the *Fédération des Aveugles de France* (French Federation of the Visually Impaired) was signed to train digital teams in digital accessibility.

The Chief Executive Officer also signed a letter of intent stating that in the coming years, Bpifrance would commit to digital accessibility, in particular through the establishment of an HR partnership to promote the recruitment of visually impaired people and a partnership with the Hub to train business customers in digital accessibility.

The following were notable events for the University and School Partnerships:

- renewal of the partnership with Université Paris Dauphine;
- establishment of a new University partnership with the Grenoble Business School with a view to job placements for students with disabilities;
- student coaching: visit to partner Universities by the head of the Disability Mission; interview simulations, help with writing a CV, etc.;
- funding for technical aid (acquisition of ultralight computers, ergonomic chairs) and human assistance (educational support, exam secretaries, contract staff).

Bpifrance participates, among others, in specialised forums.

In 2019, Bpifrance's overall direct disability employment rate stood at 2.52% (2.70% in 2018), the overall employment rate was 3.21% (3.78% in 2018), and the employment rate including reductions was 4.02% (4.73% in 2018); the direct employment rates of Bpifrance Investissement and Bpifrance Assurance Export were 1.02% and 1.72% respectively, the overall rate of employment of Bpifrance Assurance Export was 1.72%, and the employment rates with reductions of Bpifrance Investissement and Bpifrance Assurance Export were 1.32% and 2.59% respectively.

As of 1 January 2020, only the direct employment rate is taken into account, and a new reporting system at several levels has been put in place. Exceptionally, the direct employment rate has not been validated at the date of preparation of this document, due to delays caused by the health context, but it was estimated at 2.65% for Bpifrance.

Health and safety

The health and safety provisions of the QLV agreements provide for: an annual review by the CHSCT (health, safety and working conditions committee); coordination between the occupational physician at the head office and the provincial occupational physicians; an annual activity plan for the occupational physician. The QLV agreement covers working conditions, and specifically topics related to health, workplace stress, psycho-social risks, harassment and workplace violence.

Specific measures have been taken in the health context of 2020:

- occupational risk prevention plan and single Covid-19 risk assessment document;
- internal system put in place during the health crisis, upon return from lockdown: distribution of masks and disinfectant wipes, gel dispensers, twice-daily disinfection, catering protocols, etc.;
- training course module for new managers, dedicated to the prevention of psychosocial risks;
- Moodwork platform, which makes it possible to carry out a well-being assessment and to consult psychologists;
- establishment of an "external listening unit" to support employees;
- "Call & Coach" programme, i.e. one hour of support per week with a coach;
- social worker and hotline for the medical service;
- school support scheme for children in partnership with the Legendre courses;
- establishment of dedicated mailboxes to monitor Covid-19 cases in conjunction with Occupational Medicine and ARS.

In addition to the procedures already in place for managing health and safety risks:

- notices (evacuation plan, health measures related to Covid-19) on site and on the Intranet;
- e-learning safety training;
- safety training: fire safety training, lifeguard training, evacuation exercise.

Employment

The average number of days of absence of employees on permanent contracts, excluding long-term illness and part-time working on health grounds, decreased at Bpifrance (3.3 days in 2020 compared to 3.6 days in 2019), as well as at Bpifrance Investissement (2.6 days in 2020 vs. 4.2 days in 2019) and Bpifrance Assurance Export (from 6.7 days to 6 days in 2020). On average, for this scope, it stood at 4 days in 2020 compared with 4.8 days in 2019.

411 people were hired on permanent contracts compared to 448 in 2019 (and 402 in 2018), bringing the total workforce on permanent contracts from 3,046 to 3,214 employees on permanent contracts.

These hires were 50% women (vs. 54% in 2019); 50% of the people hired are under the age of 30 (vs. 46% in 2019), and 5% over the age of 55 at the time of hiring (vs. 2%). Three people were hired on fixed-term contracts in 2020 (vs. one in 2019). The average turnover rate of employees on permanent contracts stood at 13.5% in 2020 compared to 15.7% in 2019, and the average age of employees on permanent and fixed-term contracts in the Group thus fell by 0.2 years to 39.5 years in 2020.

It should be noted that the brokerage workforce is in the process of being transferred to Bpifrance, which explains the decrease in the brokerage workforce from 12 in 2019 to two in 2020.

Bpifrance has an active policy of support and skills enhancement for young people in training by means of its School and University policies; at the end of 2020, 232 apprenticeship and professional training contracts were ongoing (compared with 188 at end-2019) and 557 students were welcomed by Bpifrance in the context of work-study contracts and final-year internships in 2020 (compared with 489 students in 2019). This was due, in particular, to talks and events organised with major Paris and regional universities and partnerships (some of which specifically focusing on employment and jobs for students with disabilities), as well as communications via social networks.



Environmental management

The General Resources Department (DMG) manages head office facilities and the Bpifrance network, as well as providing logistical resources for the entire Group, since the end of 2013.

This operational management, coordinated with all departments, has enabled the measurement of the environmental impact of activities (mainly energy consumption, paper consumption and employee travel) to be extended to all areas of the Group.

The “High-environmental quality operational service-sector building” (HQE) certification obtained for the *Le Vaisseau* head office in 2014, has been renewed every year, rated EXCELLENT for Sustainable Building and Sustainable Management.

In 2018, a second site in Paris obtained the same “excellent” HQE certification for operational service-sector buildings, and another had its communal areas HQE-certified as an operational service-sector building. In addition, several regional offices are located in certified buildings (BREEAM for Marseille and Bordeaux; B positive for Nancy; RT 2020 for Brest). It should be noted that all sites have switched to LED lighting.

Indicators on energy consumption and greenhouse gas emissions resulting from the use of 50 Bpifrance sites, as well as paper use, are closely monitored and the measures taken every year mean that Bpifrance is continually improving its performance.

The interpretation of energy consumption data for 2020 is particularly difficult; Bpifrance employees worked remotely over the period from 16 March to 22 May, with some exceptions for functions essential to the Group’s operations; from the end of October to the end of the year, this was also the case for a significant proportion of employees. As a result, energy consumption and associated emissions decreased by 15%, on a per m2 basis, and by 18% on an active workforce basis.

The supply of electricity and heating to all sites was maintained, limiting the reduction in consumption and emissions.

Paper consumption

The sharp reduction in paper consumption in terms of volume, observed over the last few years, resulting from the digitisation of processes, the measures taken (double-sided printing by default), employee awareness, and the absence of on-site personnel due to the widespread use of working from home (health crisis), on the other hand, accelerated in 2020 (-54% vs. -4% in 2019, and -23% in 2018. Consumption per active employee decreased by 57% compared to 12% in 2019. The unlocking of printing by the use of badges, set up at the registered office in the last quarter of 2019, to be rolled out more widely in 2020, was delayed due to staff not being able to travel due to the health situation, and will therefore be completed in 2021.

Waste

A uniform waste sorting and disposal solution was rolled out in the last quarter of 2019, across all metropolitan sites – apart from Maisons-Alfort where a tailor-made solution has been in place for a long time now, and the two Paris sites, where configuration requires a study of service providers – with the aim of improving waste sorting and measuring related flows.

On these sites, the following were collected between December 2019 and December 2020:

- 22,200.5 kilos of office paper;
- 2,408 kilos of cardboard packaging;
- 314 kilos of bottles and cans;
- 160 kilos of cups;
- 13,172.5 kilos of confidential paper.

Bpifrance’s operations are not affected by the circular economy; the actions of the DMG are nevertheless underpinned by targets for reducing consumption and emissions (for example plastic cups were eliminated and replaced by paper cups at the end of 2018, the sorting of ink cartridges is in place at all sites, water fountains connected to the water network have been systematically installed to avoid plastic containers and bottles).

Employees are increasingly proactive, and go so far as to implement, on their own or in teams, solutions to reduce Bpifrance’s environmental footprint (e.g. coffee bean machines to replace those using pods). In addition, at the Maisons-Alfort site, a system for recycling masks, distributed daily to employees, will be set up in 2021 with Recygo.

Nevertheless, with the installation of a waste dehydrator at the head office, food residue and waste are being recycled to biomass, and solutions are being examined for two other sites.

In 2020, 2.3 tonnes of food waste were dehydrated, down sharply compared to 2019 when 5.7 tonnes were dehydrated. This decrease can be explained by the limited presence of employees on site during the year.

Emissions related to business travel fell drastically, by 37% in 2020 compared to 2019, (whereas they had increased by 7% compared to 2018). This decrease is mainly due to lockdowns and the widespread use by employees of working from home, over two periods, and nearly five months, in addition to the summer, which saw lower attendance.

In previous years, emissions related to business travel increased in line with business growth, despite an incentive to reduce their impact (videoconferencing systems to reduce internal travel, pooling of vehicles for collective travel, incentives to use trains, etc.).

The largest share of these emissions (79% in 2020 and 59% in 2019) is attributable to the vehicle fleet, intended for employees in direct contact with customers in the regions. Air travel is the second-highest source of emissions (20%), and corresponds to journeys lasting more than three hours, primarily for non-European international travel. Train travel accounts for 0.6% of all emission volumes and was down over 60% in 2020 compared with 2019.

This uneven variation is explained by the sharp decrease in business travel, which saw air travel come to an almost complete halt, on the one hand, and by the increase in the share of meetings in digital format rather than face-to-face, in order to limit risks, on the other hand. The smaller drop in vehicle-related emissions is due on the one hand to the resumption of meetings with customers in the network and, on the other hand, to mixed conditions of vehicle use.

Limit the environmental impacts of our operations

Bpifrance employees are involved in the development of internal practices, either by participating in Ecofrugal-type workshops or by initiating action plans at the level of their departments or divisions.

The Climate Plan includes a section dedicated to improving the internal functioning of Bpifrance, and concrete proposals were made by the employees participating in the working group to the Executive Committee.

The implementation of certain measures was impacted by health conditions, in particular the gradual replacement of single-use containers and the rollout of badge-controlled printing at the main sites equipped with network copiers, due to limitations on travel for the technical teams and low on-site presence.

Other proposals have nevertheless been launched, such as the environmental impact measurement of Bpifrance Inno Génération, which is now underway following a project carried out as part of a green charter, and which could constitute a pilot for the assessment of other events.

Significant work has also been undertaken by the IT Systems Department to ensure that Bpifrance digital technology is sober and responsible, in two areas:

- IT for Green, or how to use innovative digital technologies to analyse, prevent and provide solutions for the Climate Plan;
- Green IT, or how to reduce the environmental impact of digital technologies and their uses.

Lastly, in 2020 Bpifrance offset its carbon emissions for the equivalent of 4,500 TeqCO₂, corresponding to the 2019 emissions calculated on energy consumption, business travel, and a share allocated to the emissions generated by the events organised.

OUR SOCIETAL COMMITMENTS

Female entrepreneurship

Bpifrance's doctrine of intervention

Bpifrance finances, invests and supports growing companies, regardless of the gender of those running them. The criteria are based on the quality of the project, the company and skills. Bpifrance does not differentiate between the men and women who invest in companies. Bpifrance's policy in terms of editorial communication strategy is not to single out but to keep a real equality in the presentation of entrepreneurial profiles.

Actions taken

Numerous external events are organised by Bpifrance or supported as a partner in order to involve women leaders of various size companies, to transmit and provide feedback, in particular Bpifrance Inno Génération (BIG), such as:



- the “female entrepreneurship file” created on this theme since 2015;
- resume studies at the Bpifrance Lab;
- portraits of female entrepreneurs;
- highlighting events and programmes to support female entrepreneurship;
- communication on events: the Business with Attitude award: Madame Figaro award, Women for future, *Vive La Biotech* and the growing influence of women in the biotech sector, etc.;
- the organisation of *Midi Entrepreneures*, a special opportunity for an in-depth look at other people’s experiences.

On 1 January 2019, Bpifrance took over all Agence France Entrepreneur (AFE) and Caisse des Dépôts (CDC) business start-up operations. The purpose of Bpifrance Création, formed as a result of this agreement, is to facilitate entrepreneurship for all by removing barriers to information, financing and growth. In this context, Bpifrance’s action in support of female entrepreneurship focuses on four areas:

- supporting and financing the creation of companies via support/financing networks;
- offering support and finance for female entrepreneurship as part of the Regional Action Plans – RAPs, (2018-2020 Framework agreement to promote female entrepreneurship);
- raising awareness among young people and women from disadvantaged regions, in particular through the following mechanisms: Entrepreneurship within QPVs, Youth Entrepreneurship;
- information and guidance: by participating in major entrepreneurship events, by distributing information and testimonials on the website www.bpifrance-creation.fr.

Supporting the employment of young people

The dating learning sessions, as part of the Bpifrance, IMPACT, Proactive Academy and Korn Ferry partnership, continued despite the health situation. Their objective is to enable companies to meet young people living in working-class neighbourhoods in the Paris region looking for a work-study contract, in a job-dating format.

Twelve sessions were held in 2020:

- six digital job-dating sessions for the Paris region;
- three in-person job-dating sessions in the Paris region (including one at Bpifrance on 29 September 2020);
- three digital job-dating sessions for the Paris region dedicated to: IFPASS (insurance jobs) + CFA for chefs (catering jobs) + GSM Master (reuse jobs);
- one in-person coaching session at *Salon Jeunes d’Avenirs* – Paris.

And, for the first time, three sessions were held in the regions: a digital job-dating in Hauts-de-France, and two digital coaching sessions in PACA.

As a result, 1,000 young people benefited from coaching and 1,307 meetings were held with recruiters and/or coaches, with 185 recruiters and/or coaches involved from 78 companies.

In addition to its involvement in schools, universities and forums, since 2015 Bpifrance has been involved in supporting Demos, a community musical and orchestral learning initiative which seeks to democratise culture through music. Its philosophy is to encourage children to play in an orchestra and give them access to classical music. The project is aimed at children from neighbourhoods targeted by an “urban renewal policy” or from remote rural areas where there are few opportunities to practise music.

The charity *Nos Quartiers ont du Talent*, an organisation that aims to help graduates under the age of 30 from modest backgrounds and some of whom living in deprived areas to find work. Graduates in the Paris region must have completed a minimum four-year degree course, although three-year degree courses are being trialled in key urban renewal areas. The charity appoints experienced managers and business leaders to act as mentors, offering advice on job seeking, how to write a CV and covering letter, preparing for interviews and networking.

And answer their questions

Bpifrance responded for the second consecutive year to the questions of the Manifesto for an ecological awakening.

Methodology note on calculating non-financial risk indicators

The Statement of Non-Financial Performance in this chapter is an integral part of the annual report of Bpifrance. It formally specifies the exclusions and includes the mandatory information required by law, with the exception of the

description of missions and business lines of Bpifrance and its business model, shown in section 3.1.2 of said annual report.

Scope:

The scope of this Statement of Non-Financial Performance covers the activities and operating structures of Bpifrance SA, fully consolidated since 31 December 2020:

- Bpifrance Participations, it being specified that the operational activities are carried out within its subsidiary Bpifrance Investissement;
- Bpifrance Régions and Bpifrance Courtage, it being specified on the one hand that the operational activities are carried out within Bpifrance;
- Bpifrance Assurance Export.

Some topics were excluded from the scope of the review because they were immaterial with regard to the activities carried out by the Bpifrance Group and, furthermore, to its functional issues and the procedures for carrying out those activities. These are combating food insecurity and waste, respect for animal welfare, and responsible, fair and sustainable food.

Data collection:

The definition of each of the data collected is specified in a reporting procedure and revised each year. Details are added to the definition as needed to facilitate understanding and reporting.

Collection process:

Data are collected by the Sustainable Development and CSR Department from the responsible departments (e.g. Human Resources for HR data; General Resources for data on property locations and their management, and energy consumption relating to business travel; the Assessment division of the Assessment, Research and Forecasting Department).

Data are analysed and tested (changes, consistency testing) to validate their consistency and reliability before they are published and explained.

Limits to collection and reliability:

There may be certain limits to accuracy and comparability, notably if data are unavailable; in such cases, appropriate explanations are provided.

The purpose of processes in place is to limit these inaccuracies in order to present information with satisfactory reliability, which are checked by an independent third-party organisation.



Table of issues, monitoring indicators, definitions and values

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance					
Business Ethics	Percentage of employees trained in AML/CTF	Number of employees trained in AML/CTF/Total number of employees who completed one or more trainings during the year (on permanent contracts, fixed-term contracts, work-study, and professional training) across the Bpifrance scope	82%	85.80%	83.80%
Data security	Percentage of employees trained in anti-corruption procedures	Number of employees trained in Anti-Corruption Procedures/Total number of employees who completed one or more trainings during the year (on permanent contracts, fixed-term contracts, work-study, and professional training) across the Bpifrance scope	27%		
Fund security					

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Bpifrance Investissement					
Ecological and Energy Transition (EET)	Weight of EET financing in activity	<p>Weight of EET in amounts of intervention in all of Bpifrance's actions excluding short-term financing (year N-1)</p> <p>Scope: All supported companies in sectors addressing: - power generation from renewable sources; - optimisation of consumption; - life-cycle management of natural resources. All companies supported that do not belong to the sectors listed above but have an EET project identified by: - the financing mechanism; - the investment fund strategy; - the project purpose; - affiliation with a competitiveness division connected for the short term (year N-1). Weight of EET in amounts of intervention in all of Bpifrance's actions excluding short-term financing (year N-1).</p>	10%	10%	9%



CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Bpifrance Investissement, Assurance Export					
Economic development of the territories	Percentage of financing compared to economic potential of Regions	Percentage of Bpifrance funding for year N-1, compared to the economic potential of the regions (GDP of the Region compared to the domestic GDP, based on the latest INSEE publications)	See Table Public interest missions... digital transformation	See Table §3.1.7.1.d Missions of general interest... digital transformation	See Table §3.1.7.1.d Missions of general interest... digital transformation

Scope: Bpifrance, Investissement, Assurance Export					
Digital Transformation	Weight of "Numetic" financing in activity	<p>Weight of "numetic" in amounts of intervention – excluding holdings – in all of Bpifrance's actions excluding short-term financing (Year N-1)</p> <p>"Numetic" covers Bpifrance's interventions in Digital, Microelectronics, Photonics, Nanotechnologies – Nanoelectronics, Innovative Materials, Systems, Software and Onboard Systems, Exploiting Big Data</p>	10.6%	9.9%	11.0%

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance Investissement					
Inclusion of Environmental, Social, and Governance (ESG) Challenges	Carbon footprint of the listed portfolio	CO2 emissions published by listed companies in the directly invested portfolio, compared to the percentage of capital held by Bpifrance, then per €1,000 gross invested, as of 31/12 of year N	0.213 TeqCO2 per €1,000 invested	0.163 TeqCO2 per €1,000 invested	0.119 TeqCO2 per €1,000 invested
		The footprint is only calculated when there is published and usable data, either in the CDP database (Carbon Disclosure Project, or available in the Bloomberg or MSCI databases, or in the registration documents) for year N-1.	(footprint calculated in 2020 based on data published by 27 companies in which Bpifrance invests, representing a gross amount invested of €13,051 million, i.e. 99.9% of the listed portfolio)	(footprint calculated in 2019 based on data published by 24 companies in which Bpifrance invests, representing a gross amount invested of €9,615 million, i.e. 94% of the listed portfolio)	(footprint calculated in 2018 based on data published by 24 companies in which Bpifrance invests, representing a gross amount invested of €9,814 million, i.e. 95% of the listed portfolio)
	Amount of assets under direct management exposed directly to the thermal coal sector.	Gross amount invested directly in companies directly exposed to the thermal coal sector (€ millions)	24.4	23.9	23.4



CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance Investissement					
Shareholder engagement	Number of companies that responded positively to the question of assessing their activities for physical risks, on the one hand, and on the other hand, in the context of the annual ESG campaign	<p>2020 and 2019 Number of companies that responded positively to questions on the assessment of their activities to the risks of physical climate change on the one hand, and transition on the other</p> <p>2018 Number of companies that responded positively to the question of the sensitivity of their activities to climate/energy issues compared to the number of companies responding to the annual ESG campaign</p>	<p>67 out of 278 (24%) assessed the company's exposure to the physical risks of climate change (extreme weather events, global warming, rising sea levels, etc.)</p> <p>81 out of 279 (29%) assessed their company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputation issues)</p>	<p>9.9% of companies assessed the exposure of their activities to the physical risks of climate change (extreme weather events, global warming, rising sea levels, etc.)</p> <p>12.2% of companies assessed the exposure of their activities to summer climate change transition risks (regulatory changes, new market trends, technological issues, reputation issues)</p>	More than 25% of companies declared their activities sensitive to climate or energy issues (26 listed companies and 303 unlisted companies answered this question).

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export					
Customers Quality of Offering	NPS and Customer Satisfaction (Score)	The Net Promoter Score is an indicator for measuring the net recommendation, positive or negative, that customers make about Bpifrance. It is calculated by subtracting the percentage of detractors (scores of 0-6) from the percentage of promoters (scores of 9-10).	NPS 48	NPS 27	NPS 35
		Customer satisfaction rating (or score) out of 10	Customer satisfaction rating (score): 7.9/10	Customer satisfaction rating (score): 7.2/10	Customer satisfaction rating (score): 7.5/10

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export					
Other Stakeholders	Number of complaints and claims filed against the entity regarding its impact on the environment, society, or human rights	Number of complaints and claims filed against the entity regarding its impact on the environment, society, or human rights during the year in question, brought to the attention of the Group Legal Department	0	0	0



CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export					
Quality of Life in the Workplace (QLW)	Average number of sick days excluding long-term illness	Total number of days' absence for illness excluding long-term illness, compared to total personnel at 31/12 of Year N, excluding unpaid leave	3.36	3.92	3.54
	Employee satisfaction	Employee satisfaction: satisfaction expressed by the number of employees answering the annual survey, <i>s'engager ensemble</i> ("committed together"), carried out in year N in cooperation with an outside firm	72.2% (out of a population of 82% of employees responding to the satisfaction survey in 2020)	70.5% (out of a population of 88% of employees responding to the satisfaction survey in 2019)	68.8% (out of a population of 83% of employees responding to the satisfaction survey in 2018)
Scope: Bpifrance, Investissement, Assurance Export, Courtage					
Diversity and Equal Opportunity	Women hired on permanent contracts and fixed-term contracts	Number of women hired on permanent or fixed-term contracts out of the total number of employees hired on permanent or fixed-term contracts during year N	50% of permanent contracts hired in 2020 were women. Three fixed-term contracts were signed in 2020, two of which were with women, i.e. 67%.	54% of permanent contracts hired in 2019 were women. Only one fixed-term contract was signed in 2019 with a woman, i.e. 100%.	55.2% of permanent contracts hired in 2018 were women. 40% of fixed-term contract hires in 2018 were women (two out of five hires).

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export and Courtage					
		On the date of hiring on permanent contracts, out of the total number of employees hired on permanent contracts in year N:			
Diversity and Equal Opportunity	Percentage of young people under 30 and seniors over 55 among new hires on permanent contracts	Percentage of young people under the age of 30	On the date of their recruitment in 2020, 47% of employees hired on permanent contracts were under the age of 30.	At the date of their recruitment in 2019, 46.4% of employees hired on permanent contracts were under the age of 30.	At the date of their recruitment in 2018, 52.5% of employees hired on permanent contracts were under the age of 30.

		Percentage of seniors aged over 55	2% were over 55 on their permanent hire date.	2% were over 55 on their permanent hire date.	1.5% were over 55 on their permanent hire date.
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CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope Bpifrance					
Diversity and Equal Opportunity	Disability legal employment rate (2020: direct - 2018 2019: direct + indirect)	Number of direct full-time equivalent (FTE) with a recognised disability out of the reference total personnel	Bpifrance legal direct employment rate assessed at 2.65%	Direct legal employment rate of Bpifrance (formerly Bpifrance Financement): 2.5%	Direct legal employment rate of Bpifrance (formerly Bpifrance Financement): 2.7%
		Number of FTE workers with disabilities in the company for year N, resulting from subcontracting protected workers in associations to players in the sector	No longer applicable	Indirect legal employment rate of Bpifrance (formerly Bpifrance Financement): 3.21%	Indirect legal employment rate of Bpifrance (formerly Bpifrance Financement): 3.78%
		Number of direct + indirect FTE out of reference total personnel	No longer applicable	Total legal employment rate of Bpifrance (formerly Bpifrance Financement) with reductions: 4.02%	Total legal employment rate of Bpifrance (formerly Bpifrance Financement) with reductions: 4.73%



CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export and Courtage					
Labour relations	Subjects of the agreements	Subjects of the agreements	Incentives and profit-sharing, PEE, PERCO Professional integration and employment of people with disabilities Gender equality in the workplace Management of the employee-related aspects of the merger	Social construction of Bpifrance Courtage, employee savings, disability, special employment situations, gender equality (financing), working time, health insurance, SEC	Quality of Life in the Workplace, Equal Opportunity Employment, Disability, Working conditions and hours, and Employee savings
	Number of agreements and addenda signed during the year	Number of agreements and addenda signed during the year	23 agreements and amendments	20 agreements and amendments	27 agreements and amendments

CSR CHALLENGES	Monitoring Indicators	Definition	2020 Indicator	2019 Indicator	2018 Indicator
Scope: Bpifrance, Investissement, Assurance Export and Courtage					
Human Capital (training, talent, etc.)	Access to Training	Number of employees who received one or more training courses during the year (permanent, fixed-term, work-study and professional training contracts) compared to the total number of employees at 31/12 in year N (permanent, fixed-term, work-study and professional training contracts)	97%	96.9%	93.2%
	Turnover of employees in permanent contracts	Number of permanent contract resignations in year N compared to permanent contract workforce at 31/12 in year N-1	2,6%	2,9%	3.3%

Additional indicators: Human resources

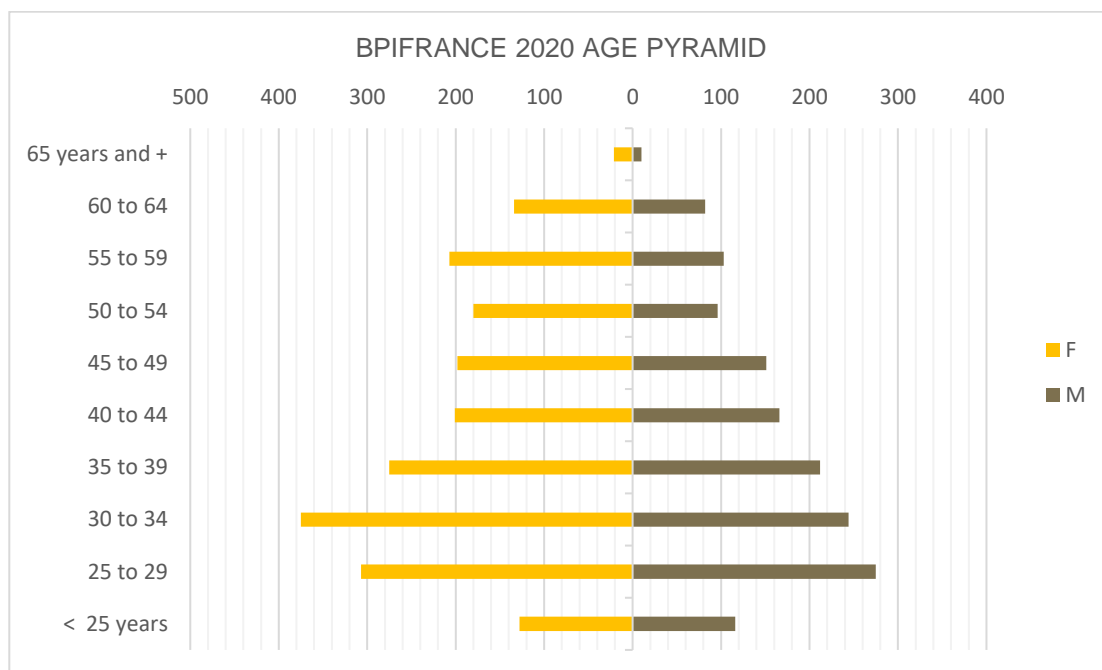
Bpifrance workforce

CHANGE IN PERSONNEL AT 31 DECEMBER	2019	2020	CHANGE IN 2020 VS. 2019
Total Bpifrance Group workforce³⁴	3,271	3,481	6.4%
<i>Of which Bpifrance staff on permanent contracts</i>	2,275	2,402	5.6%
<i>Of which Bpifrance Investissement staff on permanent contracts</i>	520	588	13.1%
<i>Of which Bpifrance Assurance Export staff on permanent contracts</i>	239	226	-5.4%
<i>Of which, Bpifrance Courtage staff on permanent contracts</i>	12	2	-83.3%
Total active workforce, on permanent and fixed-term contracts, not including apprenticeships and professional training contracts³⁵	3,030	3,215	6.1%
<i>of which women</i>	59%	58.2%	-0.8%
% executives	85.6%	88.7%	3.1%
<i>of which women</i>	57.6%	57.2%	-0.4%

	2020		2019	
	<i>Average age of staff on permanent + fixed-term contracts</i>	<i>Average age all persons managed</i>	<i>Average age of staff on permanent + fixed-term contracts</i>	<i>Average age all persons managed</i>
Group	39.5	39.7	40.2	40.4
Bpifrance	39.4	39.6	40.0	40.3
Investissement	38.5	38.5	38.5	38.5
Assurance Export	43.9	43.9	45.0	45.2
Courtage	62.5	62.5	45.6	45.6

³⁴ Number of employees on permanent contracts, fixed-term contracts, seconded staff and those on unpaid leave, excluding trainees, working full or part time.

³⁵ Active employees on permanent contracts and fixed-term contracts: excluding those on unpaid leave, individual pre-retirement (26 at 31 December 2020, vs. 34), work-study students (232 vs. 188).



Recruitment and departures

New hires in 2020 (number for the year 2020)	Employees hired on permanent contracts, of which contracts converted into permanent contracts (1)					
	Total			of which, conversion of fixed-term, work-study and professional training contracts into permanent contracts ³⁶		
	2020	2019	Change	2020	2019	Change
Bpifrance	300	316	-5.1%	11	13	-15.4%
Investissement	95	109	-12.8%	0	0	
Assurance Export	15	22	-31.8%	0	1	-100.0%
Courtage	1	1	0.0%	1	0	

New hires in 2020 (number for the year 2020)	Employees hired on permanent contracts, of which contracts converted into permanent contracts (2)								
	of which <30 years old on the date of hire			of which > 5 years old on the date of hire			of which, women		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Bpifrance	155	146	6.2%	4	9	-55.6%	154	174	-11.5%
Investissement	44	49	-10.2%	1	0		41	52	-21.2%
Assurance Export	6	13	-53.8%	0	0		10	14	-28.6%
Courtage	1	1	0.0%	0	0		0	1	-100.0%

³⁶ CA: Apprenticeship contracts; PC: Professionalisation contracts

Departures in 2020 (number for the year 2020)	Departures of employees on permanent contracts											
	Total			of which departures for individual early retirement			of which, redundancies			of which, resignations		
	2020	2019	Change	2020	2019	Change	2020	2019	Change	2020	2019	Change
Bpifrance	173	174	-0.6%	9	18	-50.0%	12	18	-33.3%	58	63	-7.9%
Investissement	27	46	-41.3%	0			2	3	-33.3%	18	13	38.5%
Assurance Export	28	32	-12.5%	1			0	0		2	7	-71.4%
Courtage	11	0		0			0	0		0	0	
Total	239	252	-5.2%	10	18	-44.4%	14	21	-33.3%	78	83	-6.0%

Hiring on work-study and professional training contracts in 2020	Work-study hires										
	Total			of which <30 years old on the date of hire				of which, women			
	2020	2019	Change	2020	2019	2020 rate	Change	2020	2019	2020 rate	Change
Bpifrance	183	148	23.6%	178	146	97.3%	21.9%	94	81	51.4%	16.0%
Investissement	1	1	0.0%	1	1	100.0%	0.0%	1	1	100.0%	0.0%
Assurance Export	15	12	25.0%	15	12	100.0%	25.0%	8	6	53.3%	33.3%
Courtage	0	0		0	0			0	0		
Total	199	161	23.6%	194	159	97.5%	22.0%	103	88	51.8%	17.0%

Departures from work-study and professional training contracts 2020	Departures from work-study contracts						
	Total			of which transformation of work-study and professional training contracts => permanent contracts			
	2020	2019	Change	2020	2019	2020 rate	Change
Bpifrance	124	111	11.7%	0	13	0.0%	-100.0%
Investissement	1	1	0.0%	0	0	0.0%	
Assurance Export	11	11	0.0%	0	1	0.0%	-100.0%
Courtage	0	0		0	0		
Total	136	123	10.6%	0	14	0.0%	-100.0%

Organisation of working hours

	2020	2019	Change
Total	3,224	3,049	5.7%
Number of salaried employees	2,943	2,634	11.7%
<i>Of which Bpifrance</i>	<i>2,192</i>	<i>1,934</i>	<i>13%</i>
Percentage of salaried employees	91.3%	86.4%	4.9%
<i>Of which Bpifrance</i>	<i>74.5%</i>	<i>73.4%</i>	<i>1.1%</i>
Number of part-time employees (permanent + fixed-term contracts)	338	360	-6.1%
<i>Of which Bpifrance</i>	<i>308</i>	<i>328</i>	<i>-6.1%</i>
Number of employees working remotely	318	259	22.8%
<i>Of which Bpifrance</i>	<i>246</i>	<i>198</i>	<i>24.2%</i>
Percentage of employees working remotely	9.9%	8.5%	1.4%
<i>Of which Bpifrance</i>	<i>10.2%</i>	<i>14%</i>	<i>3.8%</i>

Labour relations

LABOUR RELATIONS ³⁷	Number of meetings during the year												Number of agreements reached during the year		
	SEC			CQRE			OS and DS			CSSCT					
	2020	2019	Change	2020	2019	Change	2020	2019	Change	2020	2019	Change	2020	2019	Change
Bpifrance	17	13	30.8%	12	11	9.1%	13	15	13.3%	8	8	0.0%	8	5	60.0%
Investissement	15	11	36.4%	9	4	125.0%	7	5	40.0%	5	6	16.7%	6	3	100.0%
Assurance Export	16	12	33.3%	12	10	20.0%	8	18	55.6%	5	6	16.7%	5	8	37.5%
Courtage*	10	11	-9.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	3	33.3%
Group	0	0		0	0		5	4	25.0%	0	0		2	1	100.0%
Total	58	47	23.4%	33	25	32.0%	33	42	21.4%	18	20	10.0%	21	20	5.0%

* For Bpifrance Courtage, since August 2020, there is no longer a SEC following the transfer of employees to Bpifrance (formerly Bpifrance Financement).

³⁷ SEC: Social and Economic Committee – CQRE: Committee of Elected Representatives on Complaints – OS DS: Trade unions, Trade Union representatives – CSSCT: Health, Safety and Working Conditions Committee.

Compensation

Compensation and changes ³⁸	Gross payroll 2020 annual declaration of social data (DADS)	Gross payroll 2019 annual declaration of social data (DADS)	Change
Bpifrance (formerly Financement)	140,770,971	130,043,585	8.2%
Investissement	57,204,267	51,818,684	10.4%
Assurance Export	13,756,373	14,630,062	-6.0%
Courtage	N/A	N/A	N/A
TOTAL	211,731,611	196,492,331	7.8%

Turnover

TURNOVER	2020			2019		
	A – Number of resignations during the year of employees on permanent contracts	B – Permanent contracts in 2019	A/B	A – Number of resignations during the year of employees on permanent contracts	B – Permanent contracts in 2018	A/B
Financement	58	2,275	2.5%	63	2,133	3.0%
Investissement	18	520	3.5%	13	457	2.8%
Assurance Export	2	239	0.8%	7	249	2.8%
Courtage	0	12	0.0%	0	11	0.0%
Total	78	3,046	2.6%	83	2,850	2.9%

Health and safety

HEALTH SAFETY	Number of occupational illnesses		Number of reported accidents (with or without lost time)						frequency rate		severity rate	
			Workplace accident			Commuting accident			of workplace accidents with lost time			
	2020	2019	2020	2019	Change	2020	2019	Change	2020	2019	2020	2019
Bpifrance	0	0	13	17	-23.5%	21	27	-22.2%	3.37	3.59	0.083	0.082
Investissement	0	0	2	2	0,0%	4	8	-50.0%	1.95	2.16	0.041	0.003
Assurance Export	0	0	1	0		1	3	-66.7%	2.30	2.21	0	0.002
Courtage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

³⁸ Excluding individual early retirement

Training

TRAINING Breakdown of training hours and expenses	Total training hours			attended by non-managers			attended by managers		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Bpifrance	32,882	47,109	-30.2%	20,435	37,272	-45.2%	12,447	9,837	26.5%
Investissement	28,647	29,477	-2.8%	3,876	23,865	-83.8%	24,771	5,612	341.4%
Assurance Export	2,443	2,943	-17.0%	1,474	2,463	-40.2%	969	480	101.9%
Courtage	Integrated with Financement								

Additional indicators: environmental responsibility

ENERGY³⁹: Bpifrance Group

ENERGY CONSUMPTION on property locations					
(kWh) ELECT+GAS	2020	Change	2019	2018	Change 2019/2018
Registered office	4,370,795	-11.0%	4,913,453	5,326,174	-7.7%
OTHER LOCATIONS	3,633,707	-14.6%	4,253,743	4,363,593	-2.5%
TOTAL	8,004,502	-12.7%	9,167,196	9,689,767	-5.4%
On a m2 basis	82	-15.1%	97	105	-7.8%
Per active employee	2,322	-18.5%	2,849	3,239	-12.0%

CO2 EMISSIONS on property locations					
(kgeqCO2) ELECT+GAS	2020	Change	2019	2018	Change 2019/2018
Registered office	464,923	-8.7%	509,421	570,871	-10.8%
OTHER LOCATIONS	322,683	-17.3%	390,210	396,659	-1.6%
TOTAL	787,606	-12.5%	899,630	967,530	-7.0%
On a m2 basis	8.1	-14.9%	9.5	10.5	-9.4%
Per active employee	228	-18.3%	280	323	-13.5%

Consumption and emissions for 2019 take into account the data received after production of the previous SNFP, which covered approximately 3% of the surface area and 1% of the consumption in 2018. For 2020, consumption data for 2020 are not currently available for sites where consumption represents less than 3% of total consumption; values identical to those of 2019 were accordingly used.

³⁹ Energy consumption based on invoices.

Business travel: Bpifrance Group

(kgeqCO2)	2020	2019	Change in 2020 vs. 2019	2018	Change in 2019 vs. 2018
TRAIN	10,939	27,586	-60.3%	22,080	24.9%
AIR TRAVEL	370,248	1 097,608	-66.3%	957,352	14.7%
<i>(including domestic lines)</i>	<i>70,085</i>	<i>211,779</i>	-66.9%		
<i>(including EUROPE lines)</i>	<i>23,319</i>	<i>102,674</i>	-77.3%		
<i>(including International outside the EU)</i>	<i>276,844</i>	<i>783,155</i>	-64.7%		
VEHICLES⁴⁰	1,466,119	1,815,858	-19.3%	1,773,778	2.4%
TOTAL	1,847,306	2,941,052	-37.2%	2,753,210	6.8%
<i>Taxis and couriers</i>	<i>8,642</i>	<i>12,969</i>	-33.4%	<i>14,658</i>	-11.5%

Paper consumption: Bpifrance Group

Paper consumption ⁴¹ (tonnes) Bpifrance Group			
	2020	2019	Change 2020/2019
Bpifrance	29.9	66.7	-55.17%
Bpifrance Investissement	7.8	10.4	-25.00%
Bpifrance Assurance Export	0.0	4.5	-100%
TOTAL	37.7	81.6	-53.80%
Consumption per person (active employees on permanent + fixed-term contracts) (kg)	11.7	26.9	-56%
Consumption per person (active employees on permanent + fixed-term contracts + Work-study contracts) (kg)	10.9	25.4	-56.91%

Water consumption: Registered office

Water consumption – Maisons-Alfort			
	2020	2019	Change 2020/2019
Total consumption in m3	8,538	12,763	-33.10%
Consumption per employee	2.5	3.97	-37.61%

⁴⁰ Upstream emission factors and combustion Base Carbon – Emissions recalculated for 2019 and 2018, on these bases.

⁴¹ Printing and reproduction paper, excluding work entrusted to printers.



Report of the independent third party on the Statement of Non-Financial Performance

Bpifrance

Report by one of the Bpifrance Participations' Statutory Auditors, appointed as independent third party, on the consolidated Statement of Non-Financial Performance included in the Group's management report

Fiscal year ended 31 December 2020



Report by one of the Bpifrance Participations' Statutory Auditors, appointed as independent third party, on the consolidated Statement of Non-Financial Performance included in the Group's management report

Fiscal year ended 31 December 2020

To the General Meeting of Bpifrance Participations,

In our capacity as Statutory Auditors of Bpifrance Participations, appointed as an independent third-party to Bpifrance (hereinafter "the entity") and accredited by Cofrac (Cofrac Inspection no. 3-1060, the scope of which is available on the website www.cofrac.fr), we hereby present to you our report on the consolidated statement of non-financial performance of Bpifrance relating to the fiscal year ended 31 December 2020 (hereinafter the "Statement"), presented in the Group's management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsible entity

The Board of Directors is responsible for preparing the Statement, in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in respect of those risks and the outcomes of said policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are available on request at the Company's registered office.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor appointed ITP

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;

the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, namely the policy outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

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Bpifrance

Report by one of the Bpifrance Participations' Statutory Auditors, appointed as independent third party, on the consolidated Statement of Non-Financial Performance included in the Group's management report

Fiscal year ended 31 December 2020

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However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the duty of care plan and the fight against corruption and tax evasion;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the terms in which the independent third-party body conducts its mission and in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* relating to this intervention and ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we took note of the activity of all the companies included in the scope of consolidation, the presentation of the main social and environmental risks related to this activity, and its effects on respect for human rights and the fight against corruption and tax evasion, as well as related policies and results;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement covers each category of information provided for in III of Article L. 225-102-1 in terms of social and environmental matters, as well as compliance with human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation of the reasons justifying the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and the key risks associated with the activity of all entities included in the scope of consolidation including, where appropriate and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, actions and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code;
- we assessed the process used to identify and confirm the principal risks;
- we asked about internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the consolidated scope, namely all companies included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the information;

Bpifrance

Report by one of the Bpifrance Participations' Statutory Auditors, appointed as independent third party, on the consolidated Statement of Non-Financial Performance included in the Group's management report

Fiscal year ended 31 December 2020

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- for the key performance indicators and other quantitative indicators that we considered the most important, which are listed in the appendix, we carried out:
 - o analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - o tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at the Bpifrance head office and covers 100% of the consolidated data of the key performance indicators and results selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and which are listed in the appendix;
- we assessed the overall consistency of the Statement in relation to our knowledge of all the companies included in the scope of consolidation.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of four people and took place between early February and late March 2021 over a total period of three weeks.

To assist us in completing our work, we called upon our sustainable development and social responsibility specialists. We conducted six interviews with the people responsible for preparing the Statement, representing the Strategy and Development, CSR Sustainable Development and Human Resources Departments.

Bpifrance

Report by one of the Bpifrance Participations' Statutory Auditors, appointed as independent third party, on the consolidated Statement of Non-Financial Performance included in the Group's management report

Fiscal year ended 31 December 2020

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Conclusion

Based on our work, we have not discovered any significant anomaly that causes us to believe that the consolidated Statement of Non-Financial Performance is not presented in accordance with the aforementioned regulatory requirements or that the Information, taken as a whole, is not presented accurately in accordance with the Guidelines.

Neuilly-sur-Seine, 25 March 2021

One of the Statutory Auditors of Bpifrance
Participations

PricewaterhouseCoopers Audit

Pierre Clavié
Partner

Pascal Baranger
Director, Sustainable Development Department

Appendix: List of information that we considered the most important |

Key performance indicators and other quantitative results:

- Percentage of employees trained in AML/CFT;
- Percentage of employees trained in the fight against corruption;
- Weight of EET financing in activity;
- Weight of financing compared to economic potential of regions;
- Weight of "Numetic" financing in activity;
- Customer satisfaction rate vs. year N-1;
- NPS vs. year N-1 ;
- Number of complaints and claims filed against the entity regarding its impact on the environment, society, or human rights;
- Average number of sick days excluding long-term illness;
- Employee satisfaction;
- Women hired on permanent contracts and fixed-term contracts;
- Percentage of young people under 30 and seniors over 55 among new hires;
- Subjects of the agreements;
- Number of agreements and addenda signed during the year;
- Turnover of employees on permanent contracts;
- Access to training;
- Carbon footprint of the listed portfolio;
- Amount of assets under direct management exposed directly to the thermal coal sector.

Qualitative information (actions and outcomes):

- Approved supplier platform;
- Procedure for declaring gifts/invitations;
- Data protection section;
- Tool for managing authorisations for Bpifrance applications and systems;
- Strategic objectives of the Climate Plan;
- Activity report for 2020 (results and synergies with the Regions);
- The "Entrepreneurship for all" programme;
- Digitalometer;
- Frenchfabometer (presentation sheet);
- Autodiags catalogue (includes Digitalometer and Frenchfabometer);
- The Tribu social network;
- Covid alert procedure;
- Alert procedure in the event of harassment/psychosocial risks;
- Frateli partners;
- Support systems in the event of geographical mobility;
- All-digital programme;
- Training catalogue;
- Press kit on the "ImpactS" day dedicated to the environment.

3.1.9. Other information

3.1.9.1. Group scope, subsidiaries and equity investments

On 18 December 2020, by decision of the Extraordinary General Meetings of the Issuer and Bpifrance SA, the Issuer absorbed its parent company Bpifrance SA, thus becoming the holding company of the Bpifrance Group. On the same day, the issuer's Extraordinary General Meeting changed the name of the company (now Bpifrance).

An organisation chart showing the main subsidiaries and shareholdings of Bpifrance is provided in section 2.5 of this Universal Registration Document.

The detailed table of subsidiaries and holdings is found on page 351 of the report (Note 7.2 of the notes to the separate financial statements).

3.1.9.2. Free shares, stock options reserved for salaried employees and executives of Bpifrance

No plan was put in place during the past fiscal year to grant free shares or share subscription (or purchase) options to employees and executives of Bpifrance.

3.1.9.3. Bpifrance share buyback programme

No Bpifrance share buyback programme was set up during the past fiscal year.

3.1.9.4. Bpifrance employee profit-sharing

As at 31 December 2020, no employee of the Bpifrance Group held any shares in Bpifrance .

3.1.9.5. Proposal for the allocation of earnings from the fiscal year

During the past fiscal year, Bpifrance recorded a loss of €47,917,583.18. It is proposed that these earnings be allocated as follows:

	2020
	Bpifrance in euros
Loss for the year to be allocated	-47 917 583,18
Retained earnings	906 316 375,33
<i>i.e. an available balance of</i>	858 398 792,15
Transfer to the legal reserve	0,00
<i>i.e. a distributable balance of</i>	858 398 792,15
Allocation to other reserves	0,00
Distribution of a dividend	0,00
Total retained earnings after allocation of earnings	858 398 792,15

3.1.9.6. Payment deadlines for suppliers and customers

The balance of accounts payable as at 31 December 2020 stood at €328,828.

The balance of accounts receivable as at 31 December 2020 stood at €208,743,288.

These balances are broken down according to the due dates of the debt (for supplier payment deadlines) and the receivables (for customer payment deadlines customers) in the following table. The information below does not include banking transactions or related transactions:

	Article D.4411.1°: Invoices received and unpaid at the closing date, in arrears						Article D.4411.2°: Invoices issued and unpaid at the closing date, in arrears					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment brackets												
Number of nvoices concerned	1					40	945					2255
Total amount of invoices concerned excl. Tax	4	169 377	38 059	14 748	90 212	312 395	24 151 527	11 620 325	3 640 616	3 101 006	6 021 147	24 383 093
Percentage of total amount excl tax of purchases excl tax of the fiscal year	0%	1%	0%	0%	0%	2%						
Pourcentage of revenue excl tax of the fiscal year							3%	1%	0%	0%	0%	2%
(B) Invoices excluded from (A) relating to disputed or unrecorded debts and receivables												
Number of invoices excluded	1	12	4	2	36	54	192	287	154	168	7 485	8 094
Total amount of invoices excluded	1 200	912	16	358	8 942	10 228	2 415 847	1 768 278	726 939	2 226 849	153 070 755	157 792 821
(C) Reference payment terms used (contractual of legal - Article L. 441-6 or L. 443-1 of the French Commercial Code)												
Payments terms used used for the calculation of late payments	*Contractual terms: yes * Legal terms : no					*Contractual terms: yes * Legal terms : no						

3.1.9.7. Non-deductible charges

The non-deductible charges (Article 39-4 of the French General Tax Code) incurred by Bpifrance during 2020 totalled €992,123.26.

3.1.9.8. Research and development activities

Bpifrance does not have any research and development activities.



3.2. Main risk factors

The risks to which the Bpifrance Group is exposed arise from a number of factors related to changes in its macroeconomic and regulatory environment or to factors related to the implementation of its missions and its strategy. The risk management frameworks, systems and policies developed by Bpifrance take into account these changes in risk factors and strive to contain, mitigate or manage their adverse consequences.

The main risks specific to the Bpifrance Group's business are presented under the following categories:

- i) Credit risks;
- ii) Financial risks;
- iii) Operational and non-compliance risks; and
- iv) Risks related to the environment in which the Bpifrance Group operates.

Within each of the following four categories, the risk factors that the Bpifrance Group currently considers to be the most important are presented first.

The description of the risk factors below is not exhaustive. Other risk factors and uncertainties of which the Bpifrance Group is not currently aware or which does not consider material to date could also have a significant impact on its business, financial position, results or cash flows.

3.2.1. Credit risks

3.2.1.1. Through its financing activities, the Bpifrance Group could suffer losses in the event of the default of one or more counterparties, losses that could be amplified in the event of difficulty in exercising its recourse or depreciation of collateral.

As a credit institution, Bpifrance is exposed to credit risk as part of its financing and guarantee activities. The Bpifrance Group could suffer losses if a counterparty is not able to honour its obligations.

Its outstandings are concentrated in French small and medium-sized enterprises (SMEs) and mid-tier companies. Bpifrance maximum credit risk exposure includes in particular financing activities (medium- and long-term loans, short-term financing, and finance lease operations) to corporate customers and commitments through guarantees and signature.

The outstanding amount of loans and receivables (medium- and long-term loans, short-term financing, real-estate leasing, equipment leasing, etc.) is divided into two categories: performing and doubtful. As at 31 December 2020, performing and doubtful outstandings accounted for around 96.02% and 3.98%, respectively, of total outstandings.

Bpifrance's Financing activity is entirely concentrated within France. Bpifrance's portfolio also has a certain degree of concentration on some sectors as well as on the French economy in general. The most sensitive sectors are in particular the services and manufacturing and engineering industries, which represent respectively around 13% and 16% of loans and receivables during the 2020 fiscal year.

Despite the vigilance implemented by the Bpifrance Group, aimed at limiting the effects of concentration of its credit exposure portfolio, it is possible that customer defaults are amplified within the same economic sector or a geographical area through the interdependence of these customers. In addition, some sectors are particularly affected by the economic and health crisis of Covid-19, while others could in the longer term be particularly affected by the measures put in place to promote the energy transition.

Thus, the default of one or more major counterparties of the Bpifrance Group could have a material adverse effect on the cost of risk, results and financial position of the Bpifrance Group.

For information, as at 31 December 2020, the cost of risk for the Bpifrance Group amounted to €461.5 million in 2020 (see section 2.2 of this document). As at 31 December 2020, credit risks represented 96.3% of the weighted risks of the Bpifrance Group.

3.2.1.2. The financial strength and behaviour of other financial institutions and market players could have an adverse effect on the Bpifrance Group's business.

The ability of the Bpifrance Group to carry out financing or investment transactions or to conclude transactions involving derivatives could be adversely affected by the soundness of other financial institutions and market players.

Financial institutions are closely linked, in particular because of their trading, clearing, counterparty and financing activities. The default of a player in the sector or even simple rumours or questions about one or more financial institutions or loss of confidence in the financial industry more generally could lead to a general contraction of liquidity in the market and to losses or additional failures.

The Bpifrance Group is directly and indirectly exposed to numerous financial counterparties such as investment services providers, commercial or investment banks, and mutual funds, with which it enters into transactions under normal conditions. A large number of these transactions expose the Bpifrance Group to a credit risk in the event of default by the counterparties or customers concerned.

In addition, Bpifrance mainly deploys its financing activities in a systematic partnership approach with commercial banks in order to spread the risk. The difficulties of partner credit institutions could hinder this approach.

The net EAD of the "Credit institution" asset class represented €2.2 billion, i.e. 2.1% of the Bpifrance Group's exposures at 31 December 2020 and only 1% of risk-weighted assets (RWA). Geographically, 96.9% of these same exposures are located in France.

3.2.2. Financial risks

Financial risks correspond to the risk of loss in value of financial instruments, resulting from changes in market parameters, the volatility of these parameters and correlations between these parameters.

The financial risks affecting Bpifrance's activities are liquidity risk, interest rate risk, foreign exchange risk and investment risk.

3.2.2.1. The evolution and volatility of the financial markets may have a significant negative impact on Bpifrance's business and earnings.

Market risk is the risk of loss of value caused by an unfavourable change in prices or market parameters. As part of the investment activities of Bpifrance Participations, the Bpifrance Group is exposed to the risk of impairment of its listed and unlisted investments.

Bpifrance uses a "Value at Risk" (VaR) model to quantify its exposure to potential losses related to the risk of impairment of investments. As at 31 December 2020, Bpifrance's VaR amounted to €9,615 million.

In addition, the structure of the Bpifrance Participations subsidiary's portfolio exposes it to the variability of the fair value of investments that could lead to a direct capital loss.

The value of the equity investments held by Bpifrance could decline, forcing the Bpifrance Group to recognise impairment charges in its consolidated financial statements, which could have a material adverse impact on its results and financial position.

3.2.2.2. Bpifrance's access to financing and the costs of this financing could be adversely affected.

Liquidity risk is the risk that the Bpifrance Group will not be able to honour its commitments or unwind or offset a position due to the market situation or factors specific to it, within a specified time frame and at a reasonable cost. It reflects the risk of not being able to meet net cash outflows, including those related to collateral requirements, over all short- to long-term horizons.

As at 31 December 2020, Bpifrance's EMTN programme amounted to €31.8 billion, which represents 75% of customer loans. Unlike private banking institutions, Bpifrance does not have customer resources and deposits are very limited. The EMTN programme thus represents a significant portion of the resources of the Bpifrance banking institution, around



55%. A hike in financing costs could, therefore, have a significant negative impact on Bpifrance's earnings, financial position and outlook.

This risk can be assessed in particular through the Liquidity Coverage Ratio (LCR) analysing the coverage of net cash outflows at 30 days in a stress scenario. The Bpifrance Group's objective in terms of liquidity management is to be able to cope with any type of liquidity crisis over extended periods of time.

As at 31 December 2020, the Bpifrance Group had an LCR (Liquidity Coverage Ratio) of 886%, above the regulatory floor of 105%.

3.2.2.3. Significant changes in interest rates could have an adverse effect on Bpifrance's revenues.

The interest rate risk consists of the risk that Bpifrance may suffer losses caused by an unfavourable change to the interest rates, notably in case of an imbalance between the interest rates generated by its assets and the interest rates owed on its liabilities.

Bpifrance generates a significant portion of its income in the form of a net interest margin and as such remains highly exposed to fluctuations in interest rates and changes in the yield curve, particularly in its Financing division.

In the event of a negative movement in the market yield curve in relation to the Bpifrance rate change profile (unmatched assets and liabilities at fixed and variable rates), Bpifrance may suffer a loss in terms of net interest margin and equity (Net Present Value, NPV). This type of situation could, therefore, have a significant negative impact on Bpifrance's earnings, financial position and outlook.

Bpifrance's exposure to rate risk is, in particular, measured by analysing the sensitivity of the interest margin and the net present value of the balance sheet. For information purposes, at 31 December 2020, if interest rates had risen by 200 basis points, the interest margin would have risen by €118.4 million and the net present value of the balance sheet would have fallen by €557 million.

The results of the Bpifrance Group are therefore sensitive to changes in interest rates. A prolonged environment of low or even negative interest rates has adversely affected and could continue to affect the results of the Bpifrance Group.

3.2.2.4. Exchange rate fluctuations could significantly affect the results of the Bpifrance Group.

Bpifrance is exposed to foreign exchange risk, which consists of the risk that changes in foreign exchange rates might have a negative impact on the value of instruments and so generate losses on capital borrowed or loaned in currencies other than the euro.

As an indication, on the basis of the accounting situation at 31 December 2020, a decrease of 15% in the USD/EUR and GBP/EUR conversion rates would have had an unfavourable impact of €0.1 million on the income statement. Furthermore, Bpifrance, a long-term investor, may marginally hold company securities denominated in foreign currencies.

3.2.3. Operational and non-compliance risks

The Bpifrance Group's operational risk is the risk of loss resulting from faulty or inadequate internal processes (in particular those involving staff and IT systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.).

Operational risk covers fraud, risks related to human resources, legal and reputational risks, risks of non-compliance, risks related to information systems, the provision of inappropriate outsourced services as well as risks of failure of operational processes including credit processes, or the use of a model (model risk).

3.2.3.1. Bpifrance is exposed to risks related to the security and reliability of its information systems and those of third parties.

The Bpifrance Group is faced with cyber risk, i.e. the risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (personal, banking/insurance, technical or strategic data), processes and users with the aim of causing significant harm to companies, their employees, partners and customers.

Cyber risk has become one of the priorities in terms of operational risks. The information assets of companies are exposed to new, complex and evolving threats that could have a significant impact, in financial terms as well as on reputation, all companies and more specifically institutions in the banking sector. The professionalisation of the criminal organisations at the origin of cyberattacks has led regulatory and supervisory authorities to invest in risk management in this area.

The Bpifrance Group relies heavily on its communication and information systems to conduct all of its business lines.

- Any breakdown, interruption or failure in the security of its systems could lead to breakdowns or interruptions, particularly in the management, general accounting, service and/or loan processing systems.
- If, for example, the Bpifrance Group's information systems were to fail, even over a short period of time, the Bpifrance Group could be unable to meet the needs of some of its customers within the allotted timeframe and could thus lose business opportunities.
- Similarly, a temporary breakdown of the Bpifrance Group's information systems, despite the backup systems and emergency plans that may be deployed, could generate significant costs in terms of information retrieval and verification.
- As there is no such thing as zero risk, a major cyberattack could have an impact on the Bpifrance Group's financial position and results.

The Bpifrance Group is also exposed to the risk of interruption or operational malfunction of a clearing agent, foreign exchange markets, clearing houses, custodian banks or any other financial intermediary or external service provider that the Bpifrance Group uses to execute or facilitate its financial instrument transactions.

- Due to its growing interconnection with its partners, the Bpifrance Group could also see an increase in its exposure to the risk of operational malfunction of its partners' information systems.
- The communication and information systems of the Bpifrance Group and those of its partners, service providers and counterparties could also be subject to malfunctions or interruptions as a result of a cybercrime or an act of cyberterrorism.

Risk-weighted assets specific to operational risks amounted to €2,233 million at 31 December 2020.

3.2.3.2. Bpifrance is exposed to the risk of fraud.

The Bpifrance Group is exposed to the risk of internal and external fraud, particularly in the context of the health crisis where new and more sophisticated operating methods have emerged in terms of cyberattacks.

Bpifrance may find itself in a position where it is unable to comply with anti-corruption or money laundering laws which are constantly changing. Bpifrance could more generally suffer losses due to unauthorised actions, acts of fraud, misappropriation of property or circumvention of regulations.

The Bpifrance Group could also be the victim of embezzlement. These types of acts, as well as any circumvention of rules, involving a third party, could have a significant negative impact on Bpifrance's earnings

3.2.3.3. Bpifrance Group's business exposes it to non-compliance risks.

Non-compliance risk is the risk of legal, administrative or disciplinary sanction, significant financial loss or reputational damage resulting from non-compliance with directly applicable national or European provisions pertaining to banking and financial activities, whether of a legislative or regulatory nature, whether covered by professional or ethical standards, or instructions from Executive Officers in accordance with supervisory body guidelines.

The Bpifrance Group is exposed to the risk of non-compliance, in particular because of the constant evolution of the regulations applicable to it (such as the General Data Protection Regulation, GDPR), which could give rise to misinterpretation of new applicable laws or late application of certain measures. Such breaches could significantly affect the reputation of the Bpifrance Group and therefore its business.

These include the following regulatory risks:

- Financial security:



- combating money laundering and the financing of terrorism (customer knowledge and monitoring of transactions), despite actions to significantly strengthen Bpifrance's system,
 - sanctions and embargoes, particularly for international operations (in particular, ensuring that all parties involved in the operations are not subject to a list of sanctions or embargoes);
- Ethics:
 - management of conflicts of interest (due in particular to the fact that Bpifrance has multiple activities),
 - fight against corruption (despite the two checks carried out by the French Anti-corruption Agency in 2018 and 2019);
- Market manipulation and abuse (particularly in the context of transactions carried out on the equity markets by Bpifrance Investissement and Bpifrance Participations);
- Customer protection:
 - information and duty to advise,
 - complaints handling;
- Protection of personal data (due in particular to changes in case law on the transfer of data outside the European Union).

These non-compliance risks relate to the regulatory environment to which Bpifrance is subject. In the event of non-compliance with these regulations, Bpifrance is exposed to significant financial, administrative and criminal penalties.

3.2.4. Risks related to the environment in which the Bpifrance Group operates

As a bank supporting the collective interest, Bpifrance may have to intervene in a pro-cyclical direction when required, to support the development of the French economy, or in a countercyclical direction in times of severe economic crisis.

As such, Bpifrance is aware of its position as a key player in the economy and its extensive interconnection with other financial institutions, while taking into account the potential repercussions on the French economic and financial system.

3.2.4.1. The global health situation (coronavirus) and its impact on the economy and the markets could have an impact on the earnings and financial position of the Bpifrance Group.

The rapid spread of the Covid-19 pandemic around the world has resulted in the deterioration in the economic climate of a number of business sectors and has led to turmoil in the financial markets. The quarantine measures imposed by governments on their citizens worldwide have led to a sharp reduction in economic activity and severe drop in growth estimates.

The expected or observed macro-economic impacts are as follows:

- a decline in global growth (revision by the OECD of its growth estimate to 4.2% for 2021 compared with an estimate of 5% prior to the new lockdowns in autumn 2020);
- a policy of lowering rates by the central banks (cut in rates by the Fed in early March 2020) and a decline in financial markets.

Being ready and able to help companies to overcome the economic difficulties associated with the consequences of this pandemic, Bpifrance introduced measures adapted to support French companies. Since March 2020, the Bpifrance Group has rolled out exceptional support measures for companies (deferral of maturities or State-guaranteed loans, for example) in order to respond to their financial difficulties.

From the start of the epidemic in France, the Bpifrance Group has endeavoured to identify the specific risks associated with its development and to identify the consequences as it evolves. These specific risks are summarised below:

- Liquidity risk:
 - Uncertainty about the evolution of the epidemic could lead to a lack of confidence in the markets, which could in turn lead to specific refinancing difficulties for the Bpifrance Group.
 - However, the impacts observed are limited for the time being, with significant liquidity reserves.
- Risk related to the execution, delivery and management of processes:
 - The lockdown of a large part of the Bpifrance Group workforce as part of the measures decided by the government to curb the spread of the epidemic, could lead firstly to difficulties in continuing to operate, and increased risks of error or delay in processing, hence careful attention must be paid to maintaining the monitoring and control of the most critical transactions in order to limit these risks.
 - In addition, in the event of an incident, there may be a risk of slower resolution.
- Risk of cybercrime:
 - The current context may generate an increase in exposure to cyber risk and the risk of external fraud.
 - Particular attention is paid to keeping the monitoring systems operational and to strengthening the monitoring of external access to the information system, given the significant expansion of remote work.
- Credit risk:
 - The socio-economic impacts of the epidemic could lead to a large number of defaults on the part of the counterparties with which the Bpifrance Group is in contact, in particular for certain sectors of activity particularly affected by the development of the epidemic and the associated restrictions on movement (tourism, air transport, etc.). These defaults could have a material adverse effect on the cost of risk, earnings and financial position of the Group. A significant number of requests from customers have already been recorded.
 - A sensitivity analysis of the corporate loan portfolio, as well as a detailed review of the sectors and counterparties affected by this crisis, was undertaken by the Bpifrance Group.
- Specific market risk:
 - The high volatility of the financial markets due to uncertainties about the development of the epidemic and the impacts of this development on economic activity could have a significant financial impact on the Group's cash management activity both on earnings and the Bpifrance Group's equity.
- Risk related to equity investments:
 - The socio-economic impacts of the epidemic could have consequences for the investments held by the Bpifrance Group.
 - For unlisted investments or investments in the Group's private equity activity, a specific valuation risk could emerge due to the socio-economic impact of the epidemic on the business, cash flow, or even the credit quality of these investments.
- Psychosocial risks:
 - The health crisis necessitated the implementation of a national lockdown, resulting in the implementation of a new way of working (working from home) in a context of intensification of the workload for the Bpifrance Group's teams. As a result, exposure to psychosocial risks has been potentially increased, and the Human Resources Department regularly monitors the mental health of the teams.

Faced with the Covid-19 crisis, unprecedented in its scope and consequences, in support of public authorities, Bpifrance has fully mobilised alongside companies and their managers. As a bank supporting the collective interest, Bpifrance has deployed all of its business lines in a countercyclical manner to support the economic emergency.



2020 ended with a strong rise in medium- and long-term credit activity. Unsecured loans amounted to €5.7 billion in 2020 (compared with €2-3 billion up to and including 2019).

Special Covid-19 crisis measures such as the “Atout” Loans and the Rebound Loans represented a gross amount of €4.9 billion. They mainly financed the manufacturing and engineering industries, accounting for 27% of the exposure to these measures. In addition, Bpifrance financing for companies in Tourism, a sector particularly affected by the crisis, increased by 97% to €840 million (all products combined), and made it possible to assist 3,300 companies (+517 compared to 2019).

Thus, this pandemic poses a risk to Bpifrance, insofar as Bpifrance’s balance sheet is exposed to the following factors that may be affected by the pandemic:

- i) the credit risk attached to the customer loan portfolio;
- ii) the market conditions in which it is refinanced; and
- iii) the valuation of fixed or variable rate securities in its investment portfolio.

Depending on the speed with which economic support measures for companies are put in place by Governments, additional liquidity is supplied to the market and to banks by central banks and depending on companies’ resilience, the consequences of this pandemic could have a significant negative impact on Bpifrance’s activities, operations and earnings.

3.2.4.2. Several political, economic and financial uncertainties could have an adverse effect on the business, profitability and financial position of the Bpifrance Group.

In France, social movements (such as the so-called “yellow vests” movement at the end of 2018 against the pension reform) affected economic activity in several sectors of activity. In the event of a continuation or unfavourable change in this context, the Bpifrance Group could be faced with repayment difficulties from its corporate customers.

Unforeseen consequences of the Brexit enacted at the end of 2020 could lead to a decrease in trade, adaptation costs and dysfunctions within the European Union. In this respect, in November 2020, in anticipation of Brexit, Bpifrance relocated its entire portfolio of derivative contracts to the European continent. Derivative products, mainly euro-denominated interest rate swaps, previously processed by the LCH clearing house, are now processed by Eurex, the Frankfurt stock exchange clearing house.

If the economic environment in France, or elsewhere in Europe and the rest of the world, were to deteriorate, the Bpifrance Group’s operations could be affected and its activities, results and financial position could be materially adversely affected.

The Bpifrance Group could also suffer losses due to unforeseen or catastrophic events, in particular terrorist attacks or natural disasters (such as floods, notably the exceptional flood of the Marne in 2018).

These events could negatively affect the ability of the Bpifrance Group to conduct its business. Due to the occurrence of such events, the Bpifrance Group could suffer losses.

3.2.4.3. The Bpifrance Group operates in a highly regulated environment and the current legislative and regulatory changes could significantly impact its profitability and financial position.

The Bpifrance Group is subject to significant regulations⁴² and numerous supervisory regimes in the jurisdictions in which the Bpifrance Group operates.

These regulations cover, by way of illustration:

- regulatory and prudential requirements applicable to credit institutions, including prudential rules in terms of adequacy and minimum capital and liquidity requirements, risk diversification, governance, restrictions on equity investment and compensation (CRR2, “Capital Requirement Regulation 2”, and CRD5, “Capital Requirements Directive”);
- rules applicable to bank recovery and resolution (BRRD, Bank Recovery and Resolution Directive);
- regulations applicable to financial instruments (including Bonds and other securities issued by the Bpifrance Group), as well as the rules relating to financial information, disclosure of information and market abuse (MAR, Market Abuse Regulation);
- monetary, liquidity and interest rate policies and other central bank and regulatory authority policies;
- regulations governing certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds (EMIR, European Market Infrastructure Regulation); and
- tax and accounting legislation, as well as rules and procedures relating to internal control, risk management and compliance.

Non-compliance with these regulations could have significant consequences for the Bpifrance Group: a high level of intervention by the regulatory authorities as well as fines, political sanctions, public reprimands, reputational damage, and a forced suspension of operations or, in extreme cases, the withdrawal of the operating license.

Although the new measures aim to prevent the occurrence of a new global financial crisis, they have significantly changed, and are likely to continue to change, the environment in which the Bpifrance Group and other financial institutions operate.

In 2020, the merger of the entities Bpifrance SA and Bpifrance Financement was carried out in order to:

- strengthen the credit institution’s equity in a context of crisis and then recovery, to allow an increase in banking activity, particularly in terms of guarantees; and
- simplify the legal, prudential and financial management of the Bpifrance Group as well as its prudential supervision by the European Central Bank (ECB), focused on the level of the new entity, limiting the legal and regulatory challenges.

The Bpifrance Group is placed under the supervision of the ECB and contributes to the recovery plan submitted each year to the ECB in accordance with the applicable regulations. Not included in the list of Global Systemically Important Institutions (G-SIIs) and of the list of Other Systemically Important Institutions (O-SII) defined by the French Prudential Supervisory and Resolution Authority (ACPR), it is not subject to the specific associated requirements.

⁴² See section 3.6 “Regulatory environment”.



3.3. Management of principal risks

The methods used to learn about, and manage, each of the principal risks with which the Bpifrance Group is confronted, are described in this section.

3.3.1. Managing credit risk in financing activities

Bpifrance mainly deploys its financing activities for French companies of all sizes (from VSEs/SMEs to large companies), through a wide range of asset classes (receivables, loans, guarantees), different commitment horizons (short to long term) and in a systematic partnership approach with commercial banks in order to spread the risk.

In the financing that it grants, Bpifrance strives to limit risk-taking by (i) setting up co-financing involving risk-sharing with a commercial bank, (ii) putting in place securities or guarantees and the use of export guarantees, where applicable.

Bpifrance manages its individual and global credit risk exposures by relying on an approval policy defining the components of the credit files and the levels of delegations according to the size of the commitment or the sensitive and/or specific nature of the transactions.

The Group has guarantee funds as part of its banking activity that act as real “loss absorption buffer” to protect Bpifrance’s hard capital. These guarantee funds are segregated from an accounting point of view and their terms and conditions are governed by formal agreements.

Collateral, personal or real, is subject to specific analysis at grant in order to assess the value of the asset. Whatever the quality of the security, the first decision criterion remains the debtor’s repayment capacity, generated by its operational activity. Bpifrance does not use credit derivatives as eligible risk mitigation techniques.

Credit decisions are based on a comprehensive and regularly updated summary analysis and the Decision Support Tool (DST) and Fiben ratings provided by the Banque de France. Credit decisions are made on the basis of objective criteria, with a long-term perspective, a desire for diversification, anticipating and taking into account changes in customer ecosystems and monitored and reviewed on a regular basis.

The Bpifrance Group is particularly vigilant about concentration risk (by customer, sector, rating) and is attentive to maintaining a diversified portfolio. The sector-based financing strategy is based on several foundations:

- a proactive policy, particularly in the renewable energy sector;
- the desire to increase Bpifrance’s commitments to SMEs/mid-tier companies developing an export business.

3.3.1.1. General framework for managing credit risk in financing activities

Bpifrance’s financing activity is divided into three main areas:

- the innovation financing activity;
loan guarantees;
- short-, medium- or long-term financing of companies.

In order to contain and mitigate credit risk, financing activities are subject to the following system:

- an overall annual intervention capacity (allocation budget), broken down by business sector;
- a mandatory decision-making tool for all files that includes counterparty ratings and generates risk guidelines for each transaction;
- a system for delegating decision-making powers for the granting of transactions to customers, defining the organisation of decision-making powers for granting or for management transactions according to the risks associated with the transaction. Following the economic and health crisis of Covid-19, Bpifrance adapted the organisation of the powers of granting operations to Bpifrance customers and sub-delegations in the network as part of the emergency support plan for companies, related to Covid-19;
- a Credit Risk Policy, reviewed at least annually, the purpose of which is to define the principles of intervention in financing transactions;
- traceability of all granting or management transactions;
- a system for monitoring Watch List (WL) and Non-Performing (NP) projects;

- independence of management functions through specialised teams: the Collection and Litigation Department or the Expertise and Customer Service Departments (in the Network), which manage and collect outstanding amounts independently of the business unit that set up the transaction;
- a system for monitoring major outstandings that is part of the overall risk monitoring system;
- a system of limits and comitology.

3.3.1.2. Comitology

3.3.1.2.1. Bpifrance Credit Committee

The Bpifrance Credit Committee is chaired by an Executive Officer and meets twice a week.

It decides on credit, guarantee or innovation files that fall within its decision-making powers.

3.3.1.2.2. Credit Risk Committee

The Credit Risk Committee is chaired by an Executive Officer and meets weekly.

It decides on files that fall outside the scope of the Credit Committee's decision-making powers, in terms of the amount of the file or the amount outstanding carried by the counterparty.

3.3.1.2.3. Credit Portfolio Monitoring Committee

The Credit Portfolio Monitoring Committee is chaired by two Executive Officers (Deputy CEO and Director of Financing and Network Management) and meets every six months.

This committee monitors the modelling of credit risk portfolios (Financing) in terms of calculating risk-adjusted profitability, financial profiles and assessing the quality of credit portfolios.

It also monitors the loss experience of MLT Financing portfolios, guarantee funds and consumption of endowments.

3.3.1.2.4. National Watch List/Non-Performing (NP) Monitoring Committee

The Bpifrance National Watch List/NP Committee is chaired by the Chief Risk Officer.

Its purpose is to monitor Bpifrance's WL and NP outstandings.

3.3.1.2.5. Regional Watch List/Non-Performing (NP) Monitoring Committee

The Bpifrance Regional Watch List/NP Committee is chaired by the Chief Network Officer. A representative of the Risk Department sits on the Committee.

Its purpose is to monitor WL and NP outstandings managed in the Network.

3.3.1.3. Credit risks

As part of its activities to support the economy, Bpifrance relies on a guarantee fund system with budget endowments from the Public Authorities (national and regional funds).

Risks on guarantee and innovation business lines, and partly on financing business lines (particularly loans without guarantees/development loans which are the most exposed) are backed by guarantee funds.



The Bpifrance Group regularly recognises provisions for doubtful loans as part of its financing activity, in order to anticipate the occurrence of losses and moderate the volatility of its results. The amount of provisions is based on the best estimate to date of the recovery rate of the receivables concerned. This assessment is based on an analysis of the borrower's current and prospective situation as well as an analysis of the value and prospects of recovery of the receivable, taking into account any collateral. In certain cases, the provisioning method may use statistical models based on the analysis of historical losses and recoveries.

The Bpifrance Group also recognises provisions for performing loans in accordance with IFRS 9. This assessment is based on statistical models for assessing probabilities of default and possible losses given default which take into account a forward-looking analysis based on macroeconomic scenarios.

An ex-ante provisioning mechanism (collective provision) hedges future losses expected at maturity.

Margin call procedures were implemented with financial counterparties within the context of derivatives transactions.

3.3.1.4. Concentration risk

3.3.1.4.1. Major outstandings

Major outstandings were set up to meet a regulatory requirement set out in Articles 108 and 118 of the Order of 3 November 2014 on internal control.

It aims to identify the beneficiary groups with the most significant outstandings and to monitor their change in terms of concentration risk and changes in the quality of the assets carried by these major outstandings.

A review of the major outstandings (representing 35% of the MLT outstandings and 20% of the ST outstandings as at 31 December 2020) is carried out each quarter and presented to the Risk Management Committee.

3.3.1.4.2. Major risks

A major risk is exposure to a client or a group of connected clients whose total value, after the exemptions allowed for by regulations, reaches or exceeds 10% of the eligible capital of the institution making the declaration, without the exposure exceeding 25% of said capital.

The quarterly reporting requirement includes the twenty most significant risks, as well as the ten greatest risks for lending institutions and the ten greatest risks for non-regulated financial entities including when the exposures taken into account are exempt or do not exceed the abovementioned threshold for the identification of a major risk.

As at 31 December 2020, only one major risk was identified, but did not exceed the individual regulatory limit of 25% of capital (net exposure of 10.87% of capital).

3.3.2. Financial risk management

3.3.2.1. General financial risk management framework

The purpose of Bpifrance's financial activity is to provide the lending and investment activities with the financial resources and instruments they need as part of a general objective of balancing the operation of Bpifrance and preserving its equity.

Bpifrance's Financial Risk Management Policy aims to maintain financial balances in terms of liquidity, interest rates and foreign exchange positions, while respecting the defined risk appetite. The backing sought between usages and resources is intended to limit the establishment's exposure to financial risks. All financial transactions are therefore stored in the banking book. Bpifrance does not have a trading book.

This financial risk management policy is implemented operationally by:

- ILAAP;
- a refinancing plan;
- a system of limits;

- a comitology.

3.3.2.2. Comitology

3.3.2.2.1. ALM Committee

The ALM Committee is chaired by Bpifrance's Chief Financial Officer and meets on a monthly basis for the Financing division, quarterly for the Group, and if necessary, at shorter intervals.

ALM risks are monitored by the ALM Committee which decides on the actions to be taken in terms of financial risks.

3.3.2.2.2. Financial Management Committee

The Financial Management Committee is chaired by the Chief Financial Officer of Bpifrance and meets every quarter.

It defines investment and/or reinvestment decisions in financial securities for the Financing division. It is informed of the performance of the securities portfolio.

3.3.2.2.3. Group Financial Counterparty Risk Committee

The Group Financial Counterparty Risk Committee is chaired by the Chief Financial Officer of Bpifrance and meets every quarter.

It makes decisions on financial counterparties on financial transactions. As such, it sets the risk limits by financial counterparty.

3.3.2.3. Financial counterparty risks on financial transactions

The system covers the financial counterparty risks to which Bpifrance is exposed as part of its financial transactions (market or interbank transactions).

The monitoring of counterparty risks on financial transactions is presented to the Group Risk Management Committee on a quarterly basis.

The rules for calculating the limits on the financial counterparties of financial transactions are:

- the allocation of an amount of regulatory capital to cover the overall risks relating to the risk scope concerned;
- the application of a risk division rule at Group level which determines the maximum amount of equity that Bpifrance agrees to allocate to a counterparty;
- setting the limit in terms of exposure, based on the capital requirement resulting from the probability of default associated with an external rating (rating agencies) by applying the Basel method (IRB Foundation method);
- the limits are capped at the limit of major risks (25% of equity).

Given their nature and duration, the financial operations undertaken by Bpifrance are almost exclusively carried out with government agencies, primarily the French State, and lending or other institutions.

In view of the public nature of most of the managed funds, the emphasis is on the search for the greatest possible security of the transactions:

- the authorised counterparties have at least a rating of "A" as provided by specialised agencies;
- transactions involving derivative instruments are systematically the subject of collateral agreements;
- cash transactions are governed by strict duration rules.

3.3.2.4. Interest rate risks in the banking book

Interest rate risk management aims to control the level of change in Bpifrance's interest rates so as to contribute to its development while smoothing out the impact of any unfavourable movements in interest rates over the net interest margin, both in terms of short-term impact on NBI (revenue risk) and on the present value of future cash flows (value risk).



The institution's interest rate risk is assessed using several indicators:

- revenue risk measurement, based on the calculation of the net interest margin (NIM) at 12 months, aims to assess the impact of different rate scenarios on the institution's net interest margin, by applying similar rate shocks on short-term rates;
- basis risk measurement, based on the calculation of the net interest margin (NIM) at 12 months, aims to assess the impact of different rate scenarios on short-term rates;
- the measurement of value risk, using a financial approach, based on the calculation of the net present value of the portfolio of fixed-rate transactions (capital and interest flows) with equity, with the aim of monitoring changes in its price in the event of a change in interest rates. The sensitivity of the present value of the balance sheet makes it possible to carry out a sensitivity analysis of the value of the bank's balance sheet under the assumption of going concern;
- the measurement of value risk, using a regulatory approach, based on the calculation of the net present value of the portfolio of fixed-rate transactions (capital and interest flows) excluding equity, with the aim of monitoring changes in its price in the event of a change in interest rates. The Economic Value of Equity makes it possible to carry out a sensitivity analysis of the value of the balance sheet net asset value;
- interest rate risk indicators are calculated and presented monthly to the Bpifrance ALM Committee;
- interest rate risk is also reviewed quarterly by the Risk Committees and the Boards of Directors, after presentation to the Group Risk Management Committee.

3.3.2.5. Liquidity risk

Liquidity risk is defined as the risk that Bpifrance will not be able to honour its cash outflow commitments (over short and long-term horizons) due to the macroeconomic situation or idiosyncratic factors (i.e. specific to Bpifrance) when they are due.

Bpifrance's liquidity policy is governed and described by the ILAAP (Internal Liquidity Adequacy Assessment Process), which is updated annually and presented to the Board of Directors for approval. It is based on management principles defined to apply both in current and crisis situations and is assessed using internal indicators and regulatory ratios.

Its limits and alert thresholds are defined annually and presented for approval to the Risk Committee, the Audit Committee and the Board of Directors. Their objective is to ensure that Bpifrance has the necessary liquidity to meet its short- and medium-term obligations. They are monitored monthly by the Bpifrance ALM Committee and reported quarterly by the Risk Department to the Group Risk Management Committee.

All firm refinancing instruments are authorised by the Risk Management Policy.

In addition, issues of callable bonds are authorised and subject to the following limit and management system:

- maximum early repayment amount of €150 million per quarter;
- the counterparties with which the hedges are entered into must be authorised and approved by the Counterparty Risks on Financial Transactions Committee;
- the details of each transaction must first be approved by the ALM Committee or circulated to its members.

At 31 December 2020, the short-term liquidity coefficient (LCR) implemented under Delegated Regulation 2015/61, was estimated at 886%, a sign of a very satisfactory cash position for short-term maturities.

3.3.2.6. Exchange risk

The growth in financing and investment activities leads Bpifrance to hold positions in foreign currencies. As a result, Bpifrance is exposed to foreign exchange risk.

Bpifrance has no direct appetite for this type of risk. It is therefore desirable that foreign currency positions remain at a marginal level of exposure in view of the size of Bpifrance's balance sheet.

In this context, Bpifrance has adopted a foreign exchange risk management framework that breaks down into two risk families. Each of them has its own framework in order to take into account the specific nature of the underlying business lines. The following are identified:

- Operational foreign exchange risk: foreign exchange risk arising from financing activities such as loans, borrowings, investments that generate income and expenses in foreign currencies (NBI, expenses, cost of risk) and/or positions arising from matching assets and liabilities in different currencies. This mainly concerns Bpifrance's export financing activities.
- Structural foreign exchange risk: Foreign exchange risk resulting from long-term investments in foreign currencies and/or consolidated equity investments in foreign currencies. These are currently the activities of Bpifrance Participations.

The measurement of operational foreign exchange risk is presented monthly to the Bpifrance ALM Committee. The measurement of structural foreign exchange risk is presented quarterly to the Group Risk Management Committee. If the defined alert threshold is exceeded, the Finance Department informs the ALM Committee of the breach of the alert threshold and the corrective actions taken to remedy the situation. Information will be presented to the Group Risk Management Committee to report on the crossing of the threshold and the corrective actions taken.

Transactions carried out in foreign currencies comply with Bpifrance's risk appetite as presented in the Group's Risk Appetite. In particular, foreign currency transactions are included in the banking book.

The currencies traded must have a liquid market. Thus, Bpifrance only authorises exposure to foreign exchange risk for the following currencies:

Operational foreign exchange risk	Structural foreign exchange risk
Australian Dollar (AUD) Canadian Dollar (CAD) Swiss Franc (CHF) Yuan Renminbi (CNY) ¹ Danish Krone (DKK) Pound Sterling (GBP) ² Hong Kong Dollar (HKD) ¹ Japanese Yen (JPY) Norwegian Krone (NOK) New Zealand Dollar (NZD) Swedish Krona (SEK) Singapore Dollar (SGD) US Dollar (USD)	Canadian Dollar (CAD) Swiss Franc (CHF) Yuan Renminbi (CNY) ¹ Pound Sterling (GBP) ² Hong Kong Dollar (HKD) ¹ Japanese Yen (JPY) Moroccan Dirham (MAD) ² Norwegian Krone (NOK) Russian Rouble (RUB) ¹ Saudi Riyal (SAR) ¹ Swedish Krona (SEK) Tunisian Dinar (TND) ² US Dollar (USD)

¹ Use subject to prior authorisation from the Risk Management Department.

² Currency under temporary or permanent surveillance. The TND and MAD exposure are not held directly but through the funds and funds of funds activity.

³ The use of any currency other than EUR, DKK, CHF or GBP must be discussed in advance with the Compliance and Permanent Control Department (in particular in terms of the impact of the applicability of extraterritoriality).

3.3.2.7. Securitisation risks

From a prudential point of view, securitisation is a transaction and/or system whereby the credit risk associated with an exposure or a set of exposures is subdivided into tranches and which has the following three characteristics:

- Payments made under the transaction or scheme depend on the performance of the exposure or set of exposures;
- The subordination of tranches determines the distribution of losses during the life of the operation or scheme;
- The transaction or scheme does not create exposures that have all of the characteristics listed in Article 147 (8) of Regulation (EU) No. 575/2013.

Bpifrance is involved in securitisation transactions as part of its public interest missions and at the request of its supervisory authorities as an originator or investor within the meaning of Regulation (EU) 575/2013. The Group ensures a limited level of risk exposure on broad issues and composed, as far as possible, of high-quality liquidity assets.

3.3.2.7.1. Securitisation investment framework

The assets must be eligible with the European Central Bank. The issues must be classified as STS within the meaning of Regulation (EU) 2017/2402, comply with Article 243 of the CRR and have an average life of five years maximum.

To the extent possible, the Risk Management Department requests that the securitisation positions invested by the Finance Department be eligible for the LCR numerator (non-binding criterion). All securitisation investments outside France must be approved in advance by the Risk Management Department.

3.3.2.7.2. Monitoring the risk of securitisation exposures

The Finance Department produces a securitisation investment monitoring report including:

- the composition of the underlying assets, historical trends, comparison with similar transactions, comparison of the performance of the asset with the expected performance and stress scenarios;
- monitoring of key macroeconomic factors;
- monitoring of the structural aspects of transactions: level of cash reserves, analysis of the excess spread, monitoring of triggers, etc.

For all investments made in the investment framework described above, an annual modelling is carried out using the Bloomberg cash flow model and applying stress scenarios.

When the underlying assets of the securitisation positions held by Bpifrance are exclusively receivables from French companies, Bpifrance monitors changes in the credit quality of the underlying assets via Banque de France ratings and ratings from the Bpifrance internal rating system. In this case, the risk monitoring of securitisation positions is carried out by Bpifrance's quantitative teams, which model the transactions in order to determine the impact of changes in the characteristics of the underlying assets on the securitisation positions held. The modelling methodology is based on a model for assessing losses on a loan portfolio. This model incorporates the risk of default of companies through a *Gaussian copula*.

The modelling takes into account the characteristics of the underlying assets such as default, early repayment, collateral and rating data, and the sectoral diversification of the portfolio. It makes it possible to analyse the impact of changes in the credit quality of the underlying assets on the securitisation positions, taking into account the characteristics of the transaction in terms, in particular, of the subordination of tranches, cascading payments or cases of early or accelerated amortisation of the transaction or cases of termination of the reloading period of the transaction.

Certain securitisation positions held by Bpifrance correspond to guarantee exposures backed by internal guarantee funds, which are therefore little or not exposed to credit risk.

3.3.2.7.3. Securitisation positions

Bpifrance notified the European Central Bank on 22 November 2018 of its intention to use the SEC-ERBA under the conditions listed in Article 254-2 of Regulation (EU) 2017/2401. Bpifrance will therefore use this method.

3.3.3. Market risk management

The Bpifrance Group has large portfolios of securities consisting mainly of listed and unlisted equities (so-called "direct" activity) as well as shares in investment funds (so-called "funds of funds").

The constitution of these portfolios is part of the implementation of the Group's investment policy, which favours minority shareholdings, operated in a prudent approach and with a "patient" capital approach.

No Group equity portfolio is dedicated to trading. Bpifrance does not invest more than the amount of its own funds and closely monitors the position risk related to the impairment of investments in direct or indirect shareholdings of the Group.

Bpifrance strives to contain, at all times, the risk of loss of market value in the event of severe stress.

3.3.3.1. General market risk management framework

Bpifrance's investment activity is carried out through two business lines:

- the so-called "funds of funds" activity: taking holdings in investment funds;
- The so-called "direct" activity: "direct" investment in companies, which is carried out by two departments:
 - Development Capital Department,
 - Innovation Department .

The activity can be carried out directly on the balance sheet of Bpifrance Participations (Development Capital, Innovation), or via investment vehicles (FPCI, FPS, SCR, etc.) carried by Bpifrance Participations. Bpifrance Investissement also manages funds on behalf of third parties.

The scope of risk monitoring and control is that of proprietary management and activities carried by the balance sheet of Bpifrance Participations. You are reminded that Bpifrance Participations cannot invest more than the amount of its own funds.

Investment management, regardless of the activity, is handled by a single asset management company, Bpifrance Investissement, and governed by procedures dedicated to the direct activity and the funds of funds activity.

The investment funds through which the investment activities are carried out comply with the following general principles:

- Bpifrance Investissement only manages funds intended for qualified/professional investors. These funds may take the form of professional private equity funds (FPCI), specialised professional funds (FPS), or other similar forms;
- All funds must be subject to regulations including at least the following elements:
 - an investment policy (sometimes called the "fund orientation" or "investment strategy") describing the activities and diversification limits of the fund. (The expression of diversification limits must at least contain a maximum amount per line expressed as an amount and as a percentage of the Total Amount Subscribed (MTS)),
 - the rules of governance, the powers of the various players: management company, statutory auditors, custodians, subscribers and accounting manager with a rule of non-interference in management.

Any implementation (creation of a new investment vehicle) and any modification of regulations must be carried out in accordance with the management company procedures "creation and closing of a fund" and "modification and end of life of funds".

In addition, any investment activity falls within the framework of the rules and procedures defined in the regulations of the fund or the investment vehicle and the transactions are carried out in accordance with Bpifrance's investment doctrine. Each transaction is carried out according to a process based in particular on the following points:

- the suitability of the transaction for the investment strategy of the fund or vehicle;
- decision-making by the management company Bpifrance Investissement via a duly authorised body depending on the fund or vehicle affected and the amount of the investment (Investment Committee or Investment Committee of Bpifrance Participations).

3.3.3.2. Comitology

3.3.3.2.1. Investment Committees (Innovation – Funds of funds – Development Capital

The Investment Committees are chaired by the Executive Directors in charge of the business lines they address.



They meet on average twice a month and formalise the decisions of the investment funds concerned (or Bpifrance Participations) for any investment decision, based on the information provided by the investment teams.

3.3.3.2. Bpifrance Participations Investment Committee

The Investment Committee of Bpifrance Participations is chaired by the Chief Executive Officer of Bpifrance and meets as needed.

It makes decisions on the granting of significant investment projects according to the thresholds provided for by the Bpifrance Participations Articles of Association and Rules of Procedure.

3.3.3.3. Valuation Committee

The Valuation Committee is chaired by the Investment Chief Financial Officer and meets every six months.

It reviews and validates the values of investments held directly or via funds, in accordance with the procedures and valuation policy established by the Finance Department of Bpifrance Investissement.

3.3.3.4. Bpifrance Participations Watch List/Non-Performing Committees

The Bpifrance Participations Watch List/Non-Performing Committees are chaired by the Investment Executive Directors (Innovation – Funds of funds – Development Capital) and meet every six months.

They aim to update the provision methods and management standards for investments under supervision. The purpose of these committees is also to validate the provisions on projects under supervision deemed critical.

3.3.3.3. Risks related to “direct” activity

The system of limits governing the “direct” investment activity includes counterparty (or issuer) limits, as well as sectoral limits and a total net exposure limit in value terms.

Investment limits are set annually by the Risk Management Department in conjunction with the Business Line Departments.

They take into account:

- the existing portfolio and its sector and counterparty concentration;
- a margin assessed annually according to the portfolio risk;
- investments planned for the year in the Medium-Term Plan (MTP)/Strategic Plan of each department.

They are determined by business line on the basis of a calculation carried out by the Risk Department, taking into account the level of risk and the corresponding profile (VaR) as well as the maximum level of acceptable absorption by equity.

3.3.3.4. Risks related to the Funds of Funds activity

The transactions carried out by the funds of funds are part of a global system.

The choice of Partner Funds must be consistent with the intervention parameters of the Funds of Funds activities as described by the intervention doctrine, the Bpifrance strategic plan, the regulations of the managed funds and any agreements or charters accompanying the vehicle strategy.

Each Partner Fund settlement is subject to negotiation between the Funds of Funds teams and the Partner Fund teams. The regulations of the Partner Fund are validated by the Funds of Funds team (first-level control) and reviewed by the Investment Legal Department before the Partner Fund is subscribed.

The expression of limits is based on two pillars:

- a unit commitment limit that meets diversification constraints;
- diversification of risk to maximise the diversification effect of new projects (dates, investment strategies, underlying industries, etc.).

The limits are monitored quarterly and presented to the Group Risk Management Committee and the governance bodies.

3.3.3.5. Risks of Bpifrance Participations (Equity and Related Products Risk)

Within the Bpifrance Group, the main financial risk of the Bpifrance Participations entity is the equity risk that would materialise in the event of a loss related to the holding of the securities held. The securities portfolio consists mainly of listed and unlisted equities, as well as units in investment funds.

The equity risk is subject to global monitoring, which aims to measure and assess the maximum risk of loss caused by changes in the value of the portfolio, as well as the capital requirements that could result from an adverse movement in equity market parameters. This measurement of maximum loss or extreme risks is carried out through a Value at Risk (VaR) calculation over different time horizons (from three months to one year) at a confidence level of 99.99% and using the Monte-Carlo methodology (one million drawdowns).

Bpifrance Participations' internal business model complies with the principles of the Caisse des Dépôts et Consignations (CDC), which has a prudential model that allows it to guarantee a very high level of financial security while being compatible with its mission of long-term investor.

In addition, through its activity as an investor, Bpifrance Participations makes direct or indirect commitments, mainly with investment funds. As a result, a Supervisory Ratio was introduced, which states that the residual value of the Bpifrance Participations portfolio, following an extreme shock (VaR 99.99%), must cover all of the off-balance sheet commitments and in particular the uncalled capital of the funds subscribed.

As at 31 December 2020, the one-year VaR for a confidence interval of 99.99% amounted to €9,615 million.

3.3.4. Capital management and capital adequacy

As at 31 December 2020, the total solvency ratio of Bpifrance Financement was 30.70%.

<i>In millions of euros</i>	Phased (Phase-in)	Full (Fully loaded)
Common Equity Tier 1 capital (CET 1)	22,734	22,734
Tier 1 capital	22,734	22,734
Tier 2 capital	91	0
Total equity	22,825	22,734
Risk-weighted assets (RWAs)	74,353	74,353
Core capital Tier 1 ratio (CET1)	30.58%	30.58%
Tier 1 capital ratio (Tier 1)	30.58%	30.58%
Overall solvency ratio (Tier 1 + Tier 2)	30.70%	30.58%

The changes in the overall phased-in solvency ratio between 31 December 2019 (33.59%) and 31 December 2020 (30.70%) resulted from:

- a decrease in equity (-€0.5 billion); and
- an increase in risk-weighted assets (+€4.8 billion).

Calculations at 31 December 2020 were made in a post-merger context and are, as such, not strictly comparable with the 2019 ratios.

3.3.4.1. Prudential scope

The scope of the prudential perimeter as defined in Regulation (EU) 575/2013 relating to capital requirements is different from that of the accounting consolidation scope, the composition of which depends on the application of IFRS, as adopted by the European Union. In accordance with regulations, a prudential perimeter is defined by the Bpifrance Group for the exercise of consolidated supervision of capital ratios.

The other entities of the Bpifrance Group are subject to capital requirements by their respective supervisory authorities. After restatement of prudential elements, there is no difference between the accounting and regulatory scopes and methods. Consequently, the regulatory balance sheet is identical to the consolidated balance sheet.

3.3.4.2. Capital requirements

The minimum capital requirements are set by European Regulation No. 575/2013.

As part of its Supervisory Review and Evaluation Process (SREP), the European Central Bank has set the Common Equity Tier 1 (CET1) capital requirement the Bpifrance Group must comply with, on a consolidated basis, at 7.84%:

- 0.84% in respect of the Pillar 2 requirement (excluding Pillar 2 guidance);
- 2.50% in respect of the capital conservation buffer;
- 0.00% for countercyclical buffers.

The calculation of risk-weighted assets for credit risk and operational risk is carried out respectively according to the standard approach and the basic indicator approach within Bpifrance. The standard approach to credit risk is based on weighting coefficients determined by the regulations.

The table below summarises the minimum requirements under Pillar 1.

	Risk-weighted assets (RWA)		Minimum capital requirement***
	31/12/2019	31/12/2020	31/12/2020
<i>In millions of euros</i>			
Total credit risk	66,284	71,137	5,691
Standardised approach to credit risk	66,284	71,137	5,691
Internal ratings-based approach (IRB)	-	0	0
Total counterparty risk	6	9	1
Mark-to-market method	5	7	1
Initial exposure method	-	0	0
Standardised method	-	0	0
Internal model method (IMM)	-	0	0
On contribution to the default fund of a central counterparty	-	0	0
On credit valuation adjustment (CVA)	1	2	0
On settlement risk	-	0	0
Total Securitisation exposure*	37	244	20
Internal ratings-based approach (IRB)	-	0	0
Supervisory formula method (SFA)	-	0	0
Internal assessment approach (IAA)	-	0	0
Standardised method	37	244	20



In millions of euros	Risk-weighted assets (RWA)		Minimum capital requirement****
	31/12/2019	31/12/2020	31/12/2020
Total Market risk	-	0	0
Standardised method	-	0	0
Internal models approach (IMA)	-	0	0
Total foreign exchange risk	625	495	40
Foreign exchange risk	625	495	40
Total operational risk	2,324	2,233	179
Basic indicator approach	2,324	2,233	179
Standardised approach	-	0	0
Internal model approach (IMA)	-	0	0
Total amounts below the deduction threshold**	228	235	19
Amounts below the deduction threshold	228	235	19
Floor	-	0	0
Amount related to floor adjustment	-	0	0
Total	69,503	74,353	5,948

* After use of the cap

** Subject to a weighting coefficient of 250%

*** RWA * 8%

Calculations at 31 December 2020 were made in a post-merger context and are, as such, not strictly comparable with the 2019 ratios.

3.3.5. Management of operational and non-compliance risks

3.3.5.1. General framework for managing operational and non-compliance risks

The system for measuring and monitoring operational risks covers all activities carried out by the companies of the Bpifrance Group.

Bpifrance has no appetite for exposure to operational risks. None of the activities carried out by the Group include a voluntary exposure to operational risks in its strategy or models. Nevertheless, Bpifrance has a tolerance for operational risks arising from the nature of its activities.

Bpifrance's Operational Risk Management Policy is an integral part of the Group Risk Management Policy, which is an essential pillar of Bpifrance's risk appetite framework.

Bpifrance's Operational Risk Management Policy is applied in strict compliance with regulatory obligations and is aligned with the operational risk classification established by the Basel Committee (Article 324 of European Parliament Regulation No. 575/2013).

In order to identify, monitor and manage the impact of operational risks, the Bpifrance Group has set up the following system:

- the operational and non-compliance risk mapping policy and the operational risk mapping managed by the Compliance-Permanent Control Department;
- the Operational Risk Management Policy;
- the procedure describing the incident reporting and management system;
- the dedicated internal committee, the Operational Risk Management Committee (CGRO);
- alert thresholds and limits;
- the information process.

3.3.5.2. Comitology

In addition to the Boards of Directors and the umbrella committees, the governance dedicated to the management of operational risks is structured around three committees:

- Operational Risk Management Committee (CGRO);
- Group Security Committee (CSG);
- Select Safety Committee (CSR).

The Operational Risk Management Committee meets quarterly and is responsible for:

- presenting a consolidated view of the Bpifrance Group's operational and non-compliance risks, notably via:
 - mapping of operational and non-compliance risks,
 - the incident collection database,
 - the results of first-line controls,
 - deficiencies identified by second line controls;
- presenting and discussing operational incidents considered significant for the period covered by the Committee;
- providing a progress report on the action plans relating to changes in the operational risk management and permanent control system, using a risk-based approach;
- presenting the main operational or regulatory changes to Bpifrance's operational risk management and permanent control system;
- monitoring the Bpifrance Group's Emergency and Business Continuity Plan (PUPA).

Particular attention is paid to the identification, analysis and reduction of the impacts and/or frequency of operational risks.



3.3.5.3. Operational risks

Internal fraud	<p>In a context of increasing external fraud attempts and the growing complexity of their operating methods (notably via cybercrime), the main challenges now lie in the proactivity of banking players. Fraud prevention thus aims to protect the interests of the Bpifrance Group and protect customers.</p> <p>To counter the risk of passing on confidential information to competitors, several initiatives have been put in place:</p> <ul style="list-style-type: none">• control/limit on data exported to removable media;• secure printers when printing confidential documents;• access traceability system to control the consultation of confidential data. <p>Actions are taken to control the risks of fraud in terms of management of the system, prevention and detection.</p> <p>Tools have been deployed to fight against payment fraud and fraudulent transfers. The awareness-raising component is also essential to increase vigilance measures.</p>
External fraud	
IS interruption or failure	<p>Bpifrance pays particular attention to digital risk in a context of strong growth in external, technological or physical threats that expose the bank to multiple cybercrime threats and lead to an increased need for resilience of information systems.</p> <p>To meet the new challenges, Bpifrance has adopted a global approach to digital risk and has defined a security and protection framework for the bank's information systems to ensure their availability, confidentiality, integrity and traceability.</p> <p>Information Systems Security management is strengthened accordingly each year: new procedural body and associated permanent controls, new tools incorporating the latest technologies, reinforced security requirements, expansion of teams and resources, 24-hour cybersurveillance, etc.</p> <p>Anti-intrusion audits and tests, both on Group tools and business lines, continued widely in 2020. As for employees, awareness-raising and training actions have been stepped up, with the aim of making employees players in the fight against cyber threats.</p> <p>Regular business continuity tests have proven their effectiveness, particularly in the health context, by enabling all Group employees to work in optimum efficiency conditions within a limited time frame while ensuring the protection of the Bpifrance information system.</p> <p>All these elements as well as the progress of the projects and the points of arbitration are presented to the Safety Committee which meets quarterly.</p>
Cybercrime risk	

Outsourcing risk	<p>Bpifrance pays close attention to the outsourcing of certain activities and services, in particular those relating to the deployment, maintenance and support of its information systems and data storage.</p> <p>The deployment of new products and distribution channels in response to the economic and health crisis of Covid-19 have increased the use of outsourcing, generating certain vulnerabilities and exposing the Group to a risk of dependence on certain service providers, particularly for Information Systems.</p> <p>As such, the outsourcing system has been intensified in order to comply with the regulatory obligations governing the provision of outsourced services.</p>
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3.3.5.4. Non-compliance risk

Non-compliance risk is the risk of legal, administrative or disciplinary sanction, significant financial loss or reputational damage resulting from non-compliance with directly applicable national or European provisions appertaining to banking and financial activities, whether of a legislative or regulatory nature, whether covered by professional or ethical standards, or instructions from Executive Officers in accordance with supervisory body guidelines.

Bpifrance is exposed to the risk of non-compliance, in particular, due to constant changes in applicable regulations that could result in new regulations being misinterpreted or certain mechanisms not being applied on time. These types of failures could have a significant impact on Bpifrance's reputation and, as a result, its activity.

Bpifrance ensures that it complies with all banking and financial laws and regulations to which it is subject⁴³ and build strong and effective relationships with its supervisory authorities. Bpifrance relies on the implementation and dissemination of internal procedures and compliance standards.

The mission of the Compliance and Permanent Control Department (DCCP) is to protect the Bpifrance Group, its employees and its customers by combating financial crime, in particular by preventing money laundering, the financing of terrorism and fraud. The highest level of governance is involved in the fight against financial crime.

To do this, the Group has deployed and regularly reviews systems relating to non-compliance risks, some of which are covered by dedicated programmes such as the Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CTF) system, the anti-corruption system and work carried out to comply with the new European General Data Protection Regulation (GDPR).

The anti-corruption system has been deployed throughout the Bpifrance Group, including a code of conduct, the implementation of an anti-corruption programme, strengthened accounting controls to combat corruption and influence peddling, and systematic due diligence.

An anti-money laundering procedure is in place with, in particular, training for managers and operational staff in the Fight against Money Laundering. A new tool dedicated to AML/CTF makes it possible to enter KYC (Know Your Customer) information and to improve the reliability of data and links between the various client companies. A third-party assessment system for customers was extended to suppliers in December 2019.

The roll-out of new products for new customers and the use of new, more diversified and international sources of financing in response to the economic and health crisis of 2020, increased the Group's exposure to non-compliance risk, particularly AML/CTF. To tackle this, additional procedures have been defined and are being rolled out.

⁴³ See section 3.6 "Regulatory environment".



Bpifrance's compliance system is also based on the use of control systems⁴⁴, whistleblowing rights, reporting operational risk and non-compliance incidents, and handling customer complaints. Bpifrance also implements measures relating to professional ethics and the security of its information systems.

A regulatory watch committee is in charge of identifying new regulations in order to prevent risks of non-compliance and is responsible for oversight of the works required to achieve compliance.

In addition to the aforementioned systems, Bpifrance organises numerous awareness-raising and training sessions to share its ethics and compliance standards widely.

3.3.5.5. Emergency and Business Continuity Plan

Bpifrance adopts multi-level digital resilience that encompasses people, processes and technology, to ensure the continuity of its activities in compliance with the regulations to which it is subject.

The purpose of the Emergency and Business Continuity Plan (PUPA), in accordance with the terminology used in the Decree of 3 November 2014, is to take rapid action in the event of a crisis in order to minimise the impact of a major incident affecting the activities of the Bpifrance Group and its customers. The activities covered are essential or important services or operations as defined by the regulations.

This system is triggered when an incident causes the stoppage of an essential activity for which the foreseeable or certain duration exceeds the maximum allowable interruption of this activity.

The Director responsible for the PUPA reports to the Risk Department. Each year, it organises a review to update these procedures, by updating the Continuity Plans of all departments.

The Business Continuity Plan (PCA), ISD support and IT Continuity Plan are incorporated in the PUPA of the Bpifrance Group. A warning system provides automatic alerts in the event of equipment failure or service interruption. Backup facilities are in place and preventive monitoring of the environment is carried out to limit any systems failure.

The health situation in France and its impact on the economic and social situation have led the Bpifrance Group to take specific measures as soon as possible:

- In March 2020, the Bpifrance Group launched its emergency and business continuity plan, identifying essential services and implementing business continuity mechanisms in a general context of population lockdown;
- In order to protect its employees while ensuring continuity of service to its customers, the Bpifrance Group, in addition to basic protection measures (gloves, hydroalcoholic gel, masks, etc.), has implemented remote work solutions for all its employees.

3.4. Internal control and risk management system

Approved by the French Prudential Control and Resolution Authority (ACPR) as a lending institution, Bpifrance is subject to all of the provisions of the French Monetary and Financial Code and the Decree of 3 November 2014, relating to the internal control of banking sector companies, of the Consultative Committee on Legislation and Financial Regulation with regard to internal control.

It should also be noted that, being approved by the *Autorité des Marchés Financiers* (AMF) as an asset management company, Bpifrance Investissement is subject to all the provisions of the French Monetary and Financial Code governing asset management companies.

In particular, the company is approved under Directive 2011/61/EU known as the “**AIFM Directive**”.

In addition, since 4 November 2014, the Bpifrance Group, and in particular Bpifrance, is under the supervision

⁴⁴ See section 3.4.1 “The organisation and operation of Bpifrance's internal control.”

of the European Central Bank (ECB) as part of the Single Supervisory Mechanism (SSM). Since then, Bpifrance been directly supervised by the ECB, in conjunction with the ACPR, which retains its sovereign role for issuing regulatory approval and for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTF).

The regulatory environment in which Bpifrance operates is detailed in Section 3.6 of this document.

3.4.1. The organisation and operation of the Bpifrance internal control

The internal control mechanism of the Bpifrance Group is structured around a set of resources, procedures, functions and actions adapted to the characteristics of the Group and each of its subsidiaries.

This mechanism, which contributes to the control of activities, the efficiency of procedures and the effective use of Bpifrance resources, allows for the appropriate consideration of significant risks it faces, whether they relate to lending, market, operations, finance or non-compliance.

Its definition, implementation and monitoring are the responsibility of the General Management, under the supervision of the Board of Directors.

The internal control mechanism of Bpifrance relies in particular on three departments:

- The **Compliance and Permanent Control Department (DCCP)**, in charge of the compliance and permanent control mechanism. Its Director is also the Head of Compliance and Internal Control (RCCI) of the management company Bpifrance Investissement.

This department manages procedures, systems and verifications implemented by the institution in order to ensure the compliance of its operations with laws, regulations and banking and financial rules. In particular, it is in charge of setting up Anti-Money Laundering and Terrorism Financing (AML/CTF) and anti-corruption mechanisms.

Reporting directly to the Chief Executive Officer of Bpifrance, the Director of the DCCP reports every quarter to the Board of Directors via the Bpifrance Risk Committee (Board of Directors' specialist committee).

As a member of the internal Risk Management Committee, the DCCP also reports to Bpifrance General Management by additionally leading the Group Internal Control Committee dedicated to discussions on internal control (permanent control and periodic control) and compliance.

- **The Risk Department**, in charge of implementing the Group's risk monitoring and management strategy. It ensures that the risk policy is effective and that the risk level is within Group guidelines.

The Risk Department is overseen by the Executive Risk Director who, in turn, reports to the Chief Executive Officer and the Deputy Chief Executive Officer of Bpifrance, in accordance with the Group's accreditation package presented to the ACPR.

This department is independent of operational departments and does not carry out any commercial, financial or accounting activity. Its main missions are structured around four activities:

- Strategic Risk Management of Bpifrance:
 - Develop internal risk management in support of the Group's strategy;
 - Determine risk appetite and develop risk policies;
 - Consolidate risks, calculate and analyse solvency ratios;
 - Develop and manage the projected solvency vision (MTP, Medium-Term Plan);
 - Evaluate the level of economic capital and manage the internal capital adequacy process;
 - Develop and manage regulatory and internal stress tests.
- Bpifrance Risk Governance:
 - Define the Risk Charter;



- Monitor activity limits and associated escalation processes;
 - Manage the Risk Committees (Risk Management Committee, Audit and Risk Committees, Credit Committee);
 - Ensure and manage the deployment of the Risk function in the Network.
- Bpifrance Risk Management and Steering:
 - Establish the overall risk mapping of the Group;
 - Manage Credit Risk (policy, granting, management, decision-making tools and rating models, provisioning);
 - Manage Financial Risks (Investment, Market and ALM (Asset and Liability Management)) and Country Risks;
 - Co-manage Operational Risks in close collaboration with the Compliance and Permanent Control Department.
- Bpifrance risk regulatory requirements:
 - Monitor, analyse and deploy Risk regulatory standards and related projects;
 - Produce and distribute Risk Regulatory Reporting;
 - Draw up Recovery and Resolution plans;
 - Develop and manage the Emergency and Business Continuity Plan.

- The periodic control, as provided for in Article 17 of the Order of 3 November 2014, is carried out by **the General Inspection and Audit Department Bpifrance (IGA)**, which covers all the activities and companies of the Bpifrance Group, including subsidiaries.

As part of the Audit Charter, the IGA is the third line of defence, in charge of risk assessment and control of the first-level internal control system (exercised by operational activities) and the second level (provided by the DCCP and the Risk Management Department). Through its assignments, included in the annual audit plans, it proposes the implementation of remediation plans based on the recommendations it formulates and monitors. The IGA is also a key point of contact for external controllers and supervisors, and monitors the action plans relating to the recommendations made by the latter.

● Permanent Control

First-level permanent control means all operational controls performed by all of the operational departments of Bpifrance. First-level permanent control is the indispensable and essential foundation of the control mechanism. As such, each employee, through self-supervision, is involved in the first-level permanent control system of Bpifrance, by following the controls integrated within the operating procedures and the automated controls involved in transaction processing.

Each line manager is responsible for all risks associated with the area of which they are in charge, and must ensure that their employees comply with procedures. As activity, regulations, professional standards and processes evolve, it is necessary to develop these procedures accordingly, through the integration of new and adapted controls. If need be, and as much as necessary, these first-level controls are set in cooperation with the DCCP, which supports the business lines in defining these essential controls.

First-level controls ensure, in particular:

- compliance with the procedures for processing all transactions and, where applicable, the payment of funds for all transactions and their compliance;
- justification of transactions recorded in the management systems and ultimately in the Bpifrance accounts.

These controls are defined in the operational processes as mandatory points in the normal course of operations.

Second-level permanent control is performed by a function independent of the operational functions, the DCCP.

As such, the Compliance and Permanent Control Department (DCCP) carries out second-level controls (*a posteriori*) covering all Bpifrance's key business processes to ensure, in particular, proper compliance with applicable internal procedures and instructions (based on a sampling of transactions).

All of the permanent controls implemented by the DCCP are defined in an annual control plan. This annual control plan, based around the different key business line processes of Bpifrance, defines, according to a risk-based approach, the various controls to carry out during the year and their frequency. It is developed in cooperation with the operational departments being controlled. This plan is validated by the General Management of Bpifrance in the Group Internal Control Committee and by the Risk Committee (as part of the Board of Directors), then implemented by the DCCP.

It is the subject of formalised quarterly tracking. This monitoring highlights the development of the results from regular evaluations carried out by the permanent control teams and, where appropriate, enables corporate governance to be alerted about identified risk areas and action plans defined to address them.

- The DCCP is in charge of the compliance function

In this regard, it establishes and controls the compliance policy, the foundation document in the matter. It thus plays a real advisory role to operational staff, generally prior to transactions: it is consulted concerning the management of conflicts of interest and information sharing of fund transactions, whether eligible or not; it delivers compliance opinions on new products, services or activities; it plays a key role concerning the right to raise an alert, the protection of personal data or when so-called essential activities are outsourced.

It is the guarantor of the implementation of internal rules relative to ethics and compliance.

It controls the system in matters of the fight against money laundering and terrorist financing, the fight against fraud and against corruption, and ensures compliance with the rules concerning embargoes. In this regard, it intervenes in the definition of systems and in the analysis of transactions/situations on a case-by-case basis.

The DCCP also manages the mapping and updating by business lines of the operational and non-compliance risks inherent in all Bpifrance Group activities. It is also in charges of reporting and monitoring operational and non-compliance risk incidents.

Please also note that the Data Protection Officer (DPO), who oversees GDPR compliance, is part of the DCCP.

Finally, it is the preferred contact for the AMF and other regulators when it comes to (i) the fight against corruption, (ii) the fight against money laundering and combatting the financing of terrorism, (iii) operational risks and (iv) protection of personal data.

- The Group Risk Department is in charge of the risk management function

In order to carry out its missions, ensure the sustainability of its businesses and achieve its strategic objectives, Bpifrance accepts that it is exposed to the risks inherent in its activities.

The objective of Bpifrance's risk appetite is to define the level and type of risks that the Group agrees to take, bear, tolerate and manage in pursuit of the Group's business model and the achievement of its strategic objectives.

To do this, Bpifrance's Group Risk Appetite is based on a balance between:

- an acceptable level of risk enabling the achievement of the strategic objectives that the Bpifrance Group has set for itself; and
- sound, rigorous and sustainable management of its business lines, in line with the values and missions of the Bpifrance Group, in compliance with the laws and regulations in force.



The Board of Directors of Bpifrance determines the strategic guidelines and risk appetite of Bpifrance, based on which each of the business lines establishes its priority actions and the associated risk management policy under the supervision of the Risk Department of the Bpifrance Group.

The Risk Appetite framework includes the policies, processes, controls and systems by which risk appetite is established, communicated and monitored. Its purpose is to guide activities that generate risks within the limits defined by the Group. This framework can be activated, measured and covers the material risks to which the Group is exposed.

The Group Risk Management Policy (GRMP) is one of the pillars of Bpifrance's risk appetite. Its objective is twofold:

- define a framework for the implementation of a structured, formalised and continuous process for managing and managing the risks listed in the Group Risk Mapping;
- describe the internal approach to risk management as part of Bpifrance's activities.

The GRMP comprises a set of instruments and measures whose purpose is to identify, assess, manage and monitor the risks incurred by the Bank. These instruments and measures are associated with alert thresholds and limits triggering an escalation process in the event of a breach, according to a committee procedure adapted to each of the activities carried out by the entities of the Bpifrance Group.

The GRMP is built in line with regulatory constraints and internal management defined in the Group Risk Appetite reference document. Indeed, the cross-cutting risk appetite metrics are articulated with risk management indicators at the finer levels defined in the GRMP and are designed to cover specific activities, products or risks and to ensure alignment with the overall Risk Appetite.

The GRMP is updated annually by the Risk Policy and Strategy Department in consultation with the other departments of the Risk Department, the Finance Department and the Compliance and Permanent Control Department according to the type of risk addressed. It is validated by the Executive Committee, submitted for the opinion of the Risk Committee and then approved by the Board of Directors of Bpifrance.

Quarterly dashboards are produced by the Group's Risk Management Department, thus enabling regular and detailed monitoring of all these indicators and reporting to the supervisory body and/or any committee thereof.

These are presented to the Group Risk Management Committee (CGR), an internal Bpifrance committee which meets every quarter, outside of the executive body, the functions being part of Bpifrance's risk network. At these meetings, quantitative and qualitative data are presented to the Executive Officers for all the risks to which Bpifrance is exposed (credit risks, financial risks, concentration risk, financial counterparty risks, operational risks). The following topics were discussed:

- Consumption of the overall limit of commitments, sector limits and limits by financial counterparty, taking into account the consolidated Investment and Financing exposures;
 - Credit risk quality of the counterparties, as well as their change over time;
 - Change of Watch List/Non-Performing loans and litigation outstandings;
 - Changes in the various guarantee funds;
 - Capital consumption as well as forecasts to identify and anticipate any additional needs; and
 - Monitoring of operational risks including compliance risks and legal risks.
- Periodic Control

The General Inspection and Audit Department (IGA) is in charge of periodic control for the entire Bpifrance Group.

The entire team comprising, as at 31 December 2020, the Inspector General (Director of the IGA), her deputy, and an assistant, an operations manager (in charge of audit tools) and 17 auditors and heads of mission, is

located at the Maisons-Alfort registered office. Depending on the mission, the team organises travel to the regional departments and other Paris premises.

The Inspector General reports to Nicolas Dufourcq, Chief Executive Officer of Bpifrance.

The operation of the IGA is set out in an audit charter, validated on 25 September 2015 by the Board of Directors of the Bpifrance Group holding company. This audit charter describes the aims, powers, responsibilities and organisation of the IGA, as well as the general rules applicable to the periodic control. It was established by reference to the Decree of 3 November 2014 and to the internal audit professional standards as defined by the French Institute of Audit and Internal Control (IFACI). It is still in force without change in 2020.

The Charter is supplemented by a manual of operational audit procedures, covering the detailed methodology of the missions and the follow-up of recommendations; this manual is currently being updated.

The portfolio of recommendations is managed using a dedicated tool which, via a Workflow including the auditees, enables monitoring of the implementation of recommendations and qualified reports. This monitoring, carried out gradually by the entire audit team, makes it possible to control the volume of the portfolio.

The IGA is also in charge of monitoring the recommendations issued by the external auditors, using the same dedicated tool.

- The annual summary on changes to the system

The Bpifrance internal control, risk measurement and monitoring report is submitted each year to the Risk Committee and the Board of Directors for validation. It is then sent to the ACPR as required under the regulations.

The report traces the main changes to the internal control system, whether with regard to credit risk, market risk, risks relating to the preparation of accounts or operational risks (including relative to the security of information systems).

Since 2019, the Anti-Money Laundering and Terrorist Financing (AML/CTF) system has been the subject of a special report which is also approved by the Board of Directors and forwarded to the ACPR.

In 2020, the DCCP continued to work to strengthen the anti-money laundering and combatting terrorist financing system, particularly as a result of the ACPR audit in 2018. As such, all of the points identified by the ACPR have been remedied (only one remaining open to date, with a deadline of April 2021). These actions have also resulted in improved functionality of the monitoring tools. This strengthening of the system has also resulted in the implementation of the same KYC tool in the Investment scope as that used for the Financing scope, a tool based on the classification of AML/CTF risks.

In addition, as part of its actions to promote the culture of compliance, the DCCP conducted training/awareness-raising for teams, particularly with regard to sanctions and embargoes for teams of investors.

In terms of compliance, the DCCP supported the launch of several digital loan distribution platforms, particularly on the topics of combating fraud, managing personal data in compliance with the GDPR and remote identification as part of the KYC programme. In addition, it worked on the implementation of the digital subscription platform for the first Retail fund of funds (whose target investors are non-professional French tax resident individuals), of Bpifrance for which Bpifrance Investissement obtained approval from the *Autorité des Marchés Financiers*. During the same fiscal year, Bpifrance Investissement also obtained from this Authority an extension of authorisation to (i) manage receivables and loan funds and (ii) use the leverage effect in investment funds.

It also supported the integration of Capital Développement International (formerly CDCIC, a subsidiary of CDC), notably by updating procedures, training teams in the ethics system and rolling out permanent controls. Among the other structuring projects under way, it should be noted that the DCCP has worked on (i) the ongoing compliance of outsourced activities in accordance with the EBA guidelines and (ii) the implementation



of the necessary due diligence to comply with the Insurance Distribution Directive.

Lastly, Bpifrance obtained the renewal of the ISO 37001 certification for its anti-corruption system, which is managed by the DCCP.

In addition, the DCCP has strengthened its organisation in terms of operational risk management by creating a dedicated department within it, notably following the findings of the ECB's 2019 operational risk mission.

In addition, as part of its second-level permanent control function, the DCCP continued to strengthen its actions, reflecting the desire for better risk management and more comprehensive coverage of activities and operational processes.

The second-level permanent controls thus related notably to compliance with procedures (eligibility, investigation, powers, delegations, formalisation of first-level permanent controls, etc.), the management and compliance of credit or accounts recognition operations, the quality of data and the security or confidentiality of several management processes or IT processes.

At the same time, the DCCP worked on the implementation of a future tool centralising first-level controls, in particular those carried out by the bank's Network. Lastly, it continued to support the business lines to help them better structure their first-level controls, in particular on (i) short-term management and (ii) recovery management activity including dispute management.

In the specific context of the economic and health crisis caused by Covid-19, the Group Risk Department has been particularly careful to regularly review its risk profile with regard to the Appetite set and to define a coverage strategy for risks that have significantly increased or in anticipation of an increase or materialisation of certain risks.

The Group Risk Department has developed the following strategic areas in particular:

- anticipation of the effects on the risk profile of the end of the aid provided to customers following the Covid-19 economic and health crisis (end of moratoria, start of repayment of State-guaranteed Loans, "Atout" and Rebound Loans, etc.);
- the management of non-performing loans and portfolio claim rates (observed, forecast and stressed);
- increased monitoring of the sector concentration of credit risk in Financing and Investment activities, including the specific monitoring of the industry in the investment portfolio in line with the French Fab's support objectives aimed at securing and accelerating the rebound in industry and monitoring of sectors particularly affected by the economic crisis (aeronautics and automotive plans, Tourism and Leisure sector).

The management (Executive Committee) and supervisory bodies (Risk Committee and Board of Directors) were regularly informed of any deviation from the risk profile, regardless of its origin.

2020 was marked by the appointment of a new Inspector General, in office since 29 June 2020. Before her arrival, and since the departure of the previous Inspector General in September 2019, the Director of Internal Audit was acting as an interim manager.

The audit team continues to be strengthened:

- Headcount continued to grow in 2020, reaching 17 auditors and heads of mission by 31 December 2020; three other recruitments were recorded, which will increase the workforce of the IGA to 23 people, the target presented to Governance in early 2020; lastly, two trainees and work-study students were recruited, in particular to improve the use of automated tools;
- At the same time, a reorganisation of the team is underway with the replacement of the Internal Audit Director scheduled for 2021 and a desire to increase the skills of the workforce;
- Eight internal projects were launched in 2020 within the IGA with the aim of strengthening the visibility and added value of the IGA;
- A pre-assessment of compliance with international internal audit standards was carried out by IFACI at the end of 2020 with a view to certification of the service.

In 2020 and as part of the audit plan, the General Inspection and Audit Department carried out 36 audit missions on the Bpifrance scope, the support departments and on the Group's cross-functional activities, with the aim of analysing all the risks borne and assessing the robustness of the management systems in place to deal with them.

The assignments carried out covered:

Financing activity	Support activities/cross-functional themes
Finance leases	Digital transformation
Management and monitoring of minority interests	Emergency and Business Continuity Plan (PUPA)
Real estate valuation process	Management of the Statutory Auditors and related Group missions
Collateral management and valuation system	Internal liquidity adequacy assessment process (ILAAP)
Bpifrance Régions	Internal capital adequacy assessment process (ICAAP)
Network Departments	Risk management elements (RAF, RAS)
Bpifrance Courtage	IT licenses
Audit of the expert rating model	Management of structured transactions
	Treasury securitisation
	International relations – international employee travel
	Internal and external communication (and social media)
	Interest rate risk in the banking book – IRRBB
	Group data management
	Issuance policy
	Management of the Group Tax function
	New product process compliance
	Group labour relations management
	Governance and risk policy
	PSEE management
	Bpifrance CLOUD systems
	Purchasing management and Group supplier sourcing
	Mobilisation of receivables at the Banque de France
	Group compensation policy: regulatory compliance
	Information system governance & Group IS project management
	Group GDPR regulation: system and implementation
	Group IT security
	Recovery Plan
	AML/CTF

The subsidiaries Alsabail, the specialised lending institution, and Sogama Crédit Associatif, a finance company guaranteeing loans to associations, are audited every year by the IGA in the context of the periodic control agreement set up in 2011 between them and the Issuer.

An audit mission carried out in 2020 focused on the management of the Key Accounts of Bpifrance Assurance Export (a subsidiary of Bpifrance SA).

3.4.2. Outlook for 2021



Compliance and Permanent Control Department

In 2021, the main structuring topics in terms of compliance will be the overhaul of the process governing offers and its digitisation, as well as support for the Archiving project led by the Digital Department. In addition, the DCCP will work on the changes brought about by the AIFM2 regulation and on the structuring of the successor fund to the Bpifrance Entreprises 1 fund.

In terms of permanent control, the flagship project will consist of work to provide Bpifrance with a tool centralising the first-level controls of all its business lines.

With regard to operational risk management, this year will be marked by the deployment of the new GRC tool for operational risk mapping and incident management. The business lines will take a much more active role in these activities with the assistance of the DCCP. The DCCP will support the operational risk officers of these departments in their use of the tool.

Lastly, actions to promote the culture of internal control and compliance are planned with an overhaul of the training system to ensure that all Bpifrance employees are aware of the regulations.

Group Risk Department

The Group Risk Department updated the risk appetite for 2021 by integrating the post-merger vision of Bpifrance, the impacts of the Covid-19 crisis and the new regulatory constraints in terms of climate risk.

The credit risk management system continues to be strengthened by the Group Risk Department with, in particular:

- A shift in portfolio monitoring towards a more sectoral perspective:
 - monitoring of sector assets with a more detailed breakdown of certain business sectors (industry, tourism and health, real estate),
 - monitoring of non-performing outstandings from a sectoral perspective to more precisely identify any distortions in the portfolio, and
 - monitoring of Covid-19 moratoria in the overall portfolio, in the business sectors, and monitoring of claims in relation to the overall portfolio;
- Tighter management of the portfolio:
 - the materials monitored by the Risk Management Committee become monthly, and
 - the monitoring of entries in the Watch List and Non-performing categories is now weekly.

A strategy has been drawn up by the Risk Department to provide visibility on the situation of the Bpifrance Group's customers, in order to deal with the sudden effects of the pandemic crisis. This strategy complements Bpifrance's current risk management system, and is based on:

- improved management and monitoring of customers considered to be at risk; and
- communication to the Financing and Network Department of a list of targeted customers with whom to discuss support solutions on a case-by-case basis, at their request, when necessary.

General Inspection and Audit Department

The 2021 audit plan, validated by the Board of Directors in December 2020, was drawn up on the basis of a risk-based approach and was built around three main areas:

- New risks and new activities related to the health and economic context are taken into account in the plan;
- The insights provided by the members of the Executive Committee, the directors and the conclusions of previous audit missions feed into this plan;
- The new risk mapping (operational and financial) will be integrated at the end of 2021 to demonstrate the coverage of the processes and risks by the three-year Audit Plan.

The 2021 audit plan includes 31 assignments for the entire Bpifrance Group.

It should be noted that in 2020 there was no three-year plan. One of the main actions planned for 2021 with regard to the construction of the audit plan, is the articulation with the mapping of the Group's financial and operational risks, in order to demonstrate the relevance of the risk-based approach and the effectiveness of

the coverage of the processes and risks over three years. On this basis, a projection of the 2022 and 2023 audit plans will be prepared for the second half of 2021.

Finally, another structuring project for the year 2021 concerns the replacement of the tool for monitoring recommendations, to move towards a more flexible solution in terms of monitoring and reporting.

3.5. Development and processing of accounting information

3.5.1. General framework of accounting and financial information

The Bpifrance financial statements are prepared in accordance with the accounting regulations applicable to lending institutions.

Bpifrance drafts annual financial statements using the French accounting standards, and consolidated financial statements using the IFRS international accounting guidelines.

● The financial statements to be published

The balance sheets, income statement and off-balance sheet that describe the separate financial statements are prepared each month. These commented documents are disseminated to the Finance Department and to the Management Control Department.

The consolidated financial statements are produced quarterly.

The financial statements drawn up at the end of June include simplified notes to the financial statements and are accompanied by a half-year activity report. These documents are subject to limited review by the Statutory Auditors and are published in the French Legal Gazette (BALO).

The financial statements for the year to 31 December include a full set of notes to the financial statements and are verified by the Statutory Auditors. The Audit Committee examines the financial information and the accounting internal control. The annual financial statements are drawn up by the Board of Directors and submitted to the General Meeting of Shareholders for approval. They are then deposited with the Clerk of the Commercial Court and published in the BALO. These financial statements serve as the basis for the Universal Registration Document submitted to the French Financial Markets Authority (AMF).

● Accounting 'scoreboards'

On a quarterly basis, accounting tables are prepared on the basis of these consolidated and individual statements.

On these 'scoreboards', the structure of the balance sheets, off-balance sheet and income defined by regulations are respected. Certain particularly significant headings are detailed in order to cast a more analytical light on the activity.

The interim financial statements are presented to the Audit Committee and the Board of Directors. They are completed by an analytical presentation of the formulation of the income.

● Analysis of the calculation of the operating result (profit or loss)

This analysis is performed at the consolidated level by the Purchasing and Management Control Department, the Bpifrance Investissement Finance Department and the Finance Department.

For the "Financing" sector, it relies on allocating each commercial use with a conventional rate of resources that is based on the market rates. This analysis system identifies the contribution of the NBI (Net Banking Income) of each commercial activity within this sector (lending, finance leases and short-term financing). This work is supplemented by a half-yearly analysis of the cost of risk and management fees during the elapsed period.



The results of the Bpifrance Participations sub-group are also analysed by business line and business segment (Development Capital: Large, Mid & Small Cap, Funds of Funds and Innovation). A summary of the activity carried out by business line during the period under review is also attached. This work is supplemented by an analysis of the financial portfolio, the balance sheet and the change in value from a shareholder perspective. With the application of IFRS 9, this indicator summarises the financial performance achieved over a given fiscal year. Its calculation is based on the annual result, the revaluation of instruments whose change in fair value is reflected in equity and the stock market performance of investments accounted for under the equity method (change in the difference between the equity value and the market value).

Annual financial statements of the main entities are presented to the governance of Bpifrance on a half-yearly basis;

A budget, a forecast and an annual result are drawn up in advance of each annual closing. Detailed presentations are prepared for the Group's governance.

All of these figures are presented to the Board of Directors and Audit Committee. The presentation includes a commentary on the main charges and divergences from forecasts.

● Other reports

In addition, within the framework of the SURFI (Unified Financial Reporting System) and of FINREP statements, an accounting report is submitted to the Prudential Control and Resolution Authority, in accordance with the banking regulation in force.

Bpifrance is consolidated by the equity method in the financial statements of EPIC Bpifrance and Caisse des Dépôts. It therefore completes quarterly consolidation packages which are approved every six months by its Statutory Auditors.

Since November 2014, the Bpifrance Group is under the supervision of the European Central Bank as part of the Single Supervision Mechanism.

3.5.2. Accounting architecture and organisation

Bpifrance accounting is integrated within the Bpifrance Accounting Department.

The Accounting Department includes:

- a Financial Reporting Department with:
 - a Consolidation domain in charge of the consolidated financial statements of EPIC Bpifrance and Bpifrance,
 - a section in charge of accounting for holding companies,
 - a unit in charge of accounting for the management companies,
 - a section responsible for the accounting of financial companies: this division handles the accounting of Bpifrance and its subsidiary Bpifrance Régions,
 - a unit in charge of IT procedures;
- a Financial Accounting Department, in charge of accounting for the lending, leasing, innovation, guarantee, and market transactions businesses. It is responsible for the accuracy of the accounting entries transferred to the general ledger. Entries are generated via an interpreter which captures reports of events from the management systems;
- a Tax Department;

- a cross-functional section in charge of accounting standards, that notably has cross-functional competence with regard to harmonisation and the definition of the accounting standards and procedures applied.

The section in charge of the accounting and payment of overheads and capital costs of the main Group companies reports to the Purchasing and Management Control Department.

All accounting services are located at the Maisons-Alfort Head Office. Depending on the concerned products, certain inputs into management systems may be made by regional offices. However, accounting controls and processing operations are reunited at the head office.

In addition, the accounting of certain Group entities (FCPR, FPCI FPS and other investment vehicles, real estate companies, Bpifrance Courtage and Bpifrance International Capital) is carried out by accounting service providers.

Through its participation in the Finance division's Management Committees, ALM Committees, the Group Risk Management Committee and the Marketing Committees, the Accounting Department is informed of the policy adopted in the areas of financial management and new products.

The Finance division's permanent control service is in charge of the second-level accounting controls.

3.6. Regulatory environment

The purpose of this section is to describe the regulatory environment in which Bpifrance operates and which may have a significant impact on its activities.

As a reminder, the creation of the Bpifrance Group, a public group to serve the financing and development of companies, acting in support of public policies conducted by the French State and the Regions, is based in particular on:

- Law no. 2012-1559 of 31 December 2012⁴⁵ giving Bpifrance the task of promoting innovation, start-ups, development, internationalisation, transfer and buy-out of companies, by contributing to their financing through loans and equity;
- Law no. 2015-990 of 6 August 2015⁴⁶ for growth, activity and equal economic opportunities.

The Bpifrance Group operates in the following areas through Bpifrance, the head of the Group, and its subsidiaries⁴⁷:

- Financing via Bpifrance and its subsidiary Bpifrance Régions;
- Investment via Bpifrance Participations (a subsidiary of Bpifrance) and Bpifrance Investissement, the management company of the Bpifrance Group, owned by Bpifrance Participations;
- Export Insurance via Bpifrance Assurance Export (subsidiary of Bpifrance);
- Insurance via Bpifrance Courtage (subsidiary of Bpifrance).

Given the diversity of its activities, the Bpifrance Group operates in a dense and evolving regulatory environment, based on French and European laws and regulations.

⁴⁵ Law no. 2012-1559 of 31 December 2012 amending Order No. 2005-722 of 29 June 2005 relating to the creation of the public institution OSEO, which became EPIC BPI-Groupe, and OSEO SA.

⁴⁶ Law no. 2015-990 of 6 August 2015 on growth, activity and equal opportunities in the economy, which amended Order No. 2005-722 of 29 June 2005 on the Public investment bank.

⁴⁷ See section 2.5 "Capital structure of the Bpifrance Group".



3.6.1. Regulatory framework applicable to the Bpifrance Group

Certain themes, governed by the Decree of 3 November 2014⁴⁸, the French Monetary and Financial Code and the General Regulation of the French Financial Markets Authority (AMF GR) are treated uniformly and at Group level.

A certain number of internal policies have been implemented at the level of the Bpifrance Group, which has:

- on a consolidated basis, an **internal control and compliance system** adapted to the size, volume of activities, locations and the nature, scale and complexity of the risks inherent in its activities;
- a **risk management system**;
- an appropriate and proportionate system to prevent, detect and manage situations of **conflicts of interest**;
- a **system to oversee outsourced services** and governance in this area;
- a system to **fight against money laundering and combat the financing of terrorism (AML/CTF)**;
- a system to **fight against corruption**; and
- a system of **compliance with applicable economic sanction and export control regulations**.

3.6.2. Regulatory requirements imposed on the Bpifrance Group in terms of financial security and ethics

With regard to the **fight against money laundering and the financing of terrorism**, the system is based on the following elements:

- Risk assessment;
- Identifying and verifying the identity of customers and their beneficial owners;
- Due diligence measures at the start and throughout the business relationship;
- The obligation to report to TRACFIN;
- Internal control and reporting;
- Implementation of asset freezing measures.

New measures resulting from the 5th European Directive⁴⁹ (transposed into French law in the French Monetary and Financial Code on 14 February 2020) were added to this system with the following objectives:

- Increase the transparency of legal entities and complex legal structures by increasing the accessibility of the registers of beneficial owners;
- Harmonise the enhanced due diligence measures to be implemented with regard to business relationships or transactions involving high-risk third party countries;
- Specify the measures to be implemented in the event of a remote business relationship.

The Bpifrance Group also undertakes to comply with all legislative and regulatory provisions relating to **economic sanctions and export controls** in the countries and territories where the Bpifrance Group operates, in particular those of France, the European Union, the United Nations and, insofar as these are applicable, the United States or other countries.

⁴⁸ Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Prudential Control and Resolution Authority.

⁴⁹ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015, known as the "4th Anti-Money Laundering Directive", on the prevention of use of the financial system for the purpose of money laundering or the financing of terrorism, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60/EC of the European Parliament and of the Council and Directive 2006/70/EC of the Commission. Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, known as the "5th Anti-Money Laundering Directive", amending Directive (EU) 2015/849 on the prevention of use of the financial system for the purpose of money laundering or the financing of terrorism, as well as Directives 2009/138/EC and 2013/36/EU.

The Bpifrance Group is also subject to the requirements **in the fight against corruption**, resulting in particular from Article 17 of the Law of 9 December 2016, known as the Sapin 2 Law.

As such, Bpifrance has put in place an anti-corruption system that covers the eight pillars of this law:

- a mapping of the risks of corruption and influence peddling covering all of its activities, validated by the risk committees;
- an anti-corruption policy, including a code of conduct;
- a comprehensive training programme in this area for all Bpifrance employees, based on face-to-face training and digital training with e-learning on these eight pillars and a tailor-made serious game to present the Group's strategy and rules within Bpifrance;
- a third-party assessment system covering customers and extending to suppliers since December;
- an extensive alert system;
- reinforced accounting controls in the fight against corruption and influence peddling;
- a disciplinary regime;
- a second- and third-level control system specific to the anti-corruption system.

At the end of this compliance work, Bpifrance's General Management also wished to obtain ISO 37001 anti-corruption certification. Following the certification audit carried out at the end of 2019 and not having "highlighted any deviation from the requirements of the standard", Bpifrance's anti-corruption management system obtained certification to standard 37001 without reservations on 6 December 2019. This certification is subject to annual reassessment. Following the control audit conducted at the end of 2020, the certification was maintained.

The Bpifrance Group was also subject to two controls conducted by the French Anticorruption Agency (AFA) in 2018 and 2019. The report issued by the AFA as part of its monitoring mission carried out in 2019 made it possible to remedy the shortcomings noted in 2018 and indicates that the system complies with regulatory requirements.

3.6.3. Regulations imposed on the Bpifrance Group in terms of prudential and resolution requirements

Bpifrance is also subject to the European framework defining the **prudential requirements applicable to banks and certain investment firms**. These obligations are defined in particular by the CRD Directive⁵⁰ and the CRR Regulation⁵¹ of 26 June 2013, which require compliance with minimum capital requirements and regulatory ratios.

Bpifrance operates under the control and supervision of the French Prudential Supervisory Authority (ACPR) and the direct prudential supervision of the European Central Bank (ECB)⁵².

In addition, as a bank of significant importance, Bpifrance is part of the sample of European banks participating in the stress test organised by the European Banking Authority (EBA) and the ECB.

⁵⁰ Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

⁵¹ Regulation (EU) 575/2013 of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012. This Regulation has been supplemented by delegated acts and implementing acts.

⁵² In accordance with the list published by the ECB as part of the application of Article 49, paragraph 1 of EU Regulation No. 468/2014 known as the "Single Supervisory Mechanism"/SSM Regulation.



The CRD Directive also requires the subject institutions to publish quantitative and qualitative information relating to their risk management activity. The Bpifrance Group thus draws up a specific report describing the risk management system and the level of the Group's risk exposure under Pillar 3⁵³.

These same CRR and CRD regulations also impose rules on compensation and governance.

These European texts have also been amended by the CRD V Directive and the CRR 2 Regulation⁵⁴. Most of the new requirements will be applicable from June 2021. This reform will mainly concern the level of the leverage ratio set at 3%, the provisions relating to interest rate risk (IRRBB), the stable funding ratio (NSFR), the treatment of UCIs, and the new counterparty risk calculation method (SA-CCR) and large exposures.

The Bpifrance Group also falls within the scope of the European provisions relating to the **resolution mechanism**, and in particular of the Bank Recovery and Resolution Directive (BRRD) of 15 May 2014⁵⁵. These regulations specify the conditions under which a bank that is systemic or whose failure would have a significant impact on the economy may be subject to a resolution mechanism. This system is based on plans previously defined by the establishments and approved by the authorities. It sets out the rules for using various tools, including the creation of a bridge bank to extract and dispose of healthy activities, the segregation of non-core assets and a bail-in instrument which grants the ACPR the power to require certain creditors of a credit institution with solvency problems to convert their receivables into shares of this institution and/or to reduce the amount of these receivables.

As part of this regulation, the text of the Guarantee has been updated, specifying that the Guarantee granted by EPIC Bpifrance in favour of the holders of debt securities of the Issuer retains its full effect in the event of recovery or resolution proceedings, for all amounts due by the Issuer and before any conversion of receivables. The beneficiaries of the EPIC Guarantee are compensated in the event of a call on the guarantee, up to the amount due by the Issuer for the amount of the principal remaining due and all accrued and unpaid interest on these securities until the effective date of redemption. In addition, clarifications were made to the text concerning the procedures for implementing the guarantee in the event of a pre-resolution situation.

3.6.4. Other significant regulations applicable to the Bpifrance Group

The Bpifrance Group is also subject in all its activities **the General Data Protection Regulation (GDPR)**⁵⁶, defining a European framework in this area. The GDPR regulation notably provides for new obligations when processing data in order to ensure more effective protection of personal data and strengthens the power of the competent national authorities to impose penalties.

⁵³ The Pillar3 report on market discipline consists of supplementing the minimum capital requirements (Pillar 1) and the prudential supervision process (Pillar 2) with a set of data to supplement financial communication. In particular, it provides the necessary information on capital requirements, the composition of capital, description and level of exposure to credit risks, financial risks and operational risks.

⁵⁴ Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No.575/2013 with regard to the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012.

⁵⁵ Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and directives of the European Parliament and of the Council: 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No. 1093/2010 and (EU) No. 648/2012, of the European Parliament and of the Council.

⁵⁶ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

Lastly, new European regulations on sustainable finance impose additional obligations on Bpifrance in connection with this topic. These are the **Disclosure**⁵⁷ and **Taxonomy** Regulations, adopted following the European Commission's commitment to make sustainable finance one of the priorities of the Capital Markets Union, just like the Benchmark Regulation⁵⁸.

The Disclosure Regulation provides for new transparency obligations for financial market participants concerning:

- (i) the taking into account of environmental, social and governance (ESG) criteria in their investments;
- (ii) as well as in the products with ESG or "sustainable" characteristics that they market.

Most of its provisions will come into effect in March 2021. European technical standards will soon be set out to specify these requirements, and in particular the communication methods regarding the consideration of the negative impacts of investments by financial players on sustainability factors⁵⁹, a concept introduced in the regulation.

The Taxonomy Regulation⁶⁰ supplementing the Disclosure Regulation, specifies the concept of "sustainable" economic activity in environmental terms, which must contribute to at least one of the six environmental objectives listed in this regulation⁶¹, without significantly affecting any of the other criteria.

3.6.5. Regulatory framework specific to the various entities of the Bpifrance Group

Each entity of the Bpifrance Group is also subject to regulatory constraints specific to its activity.

3.6.6. Regulatory framework for banking and insurance activities

Bpifrance, a credit institution approved by the ACPR, as well as its subsidiary **Bpifrance Régions**, a finance company also approved by the ACPR, work to support the financing of companies.

Bpifrance is active in three main business lines that have a common objective of working with entrepreneurs during the riskiest phases of their projects, from the company's creation through to its transfer/buy-out, and including its innovation and international expansion:

- innovation support and support and financing for innovative projects demonstrated to have recognised concrete prospects of being brought to market;
- investment and operational cycle financing alongside banking institutions;
- bank financing guarantees and the involvement of equity investors.

Bpifrance is therefore **subject to European and French banking regulations relating to these activities**.

Under national law, please refer to the Decree of 3 November 2014. as well as the provisions of the French Monetary and Financial Code.

⁵⁷ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

⁵⁸ The Benchmark Regulation, whose significant impacts on Bpifrance's activities are detailed in section 6.2.1, creates two new European low-carbon indices and provides transparency obligations relating to the inclusion of ESG criteria for the directors of indices.

⁵⁹ Sustainability factors are related to environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

⁶⁰ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

⁶¹ Recital (23) of the Taxonomy Regulation: "For the purpose of determining the environmental sustainability of a given economic activity, an exhaustive list of environmental objectives should be laid down. The six environmental objectives that this Regulation should cover are: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems."



At the European level, in addition to the provisions relating to the aforementioned prudential requirements, Bpifrance also falls within the scope of the **Insurance Distribution Directive (IDD)**⁶².

The purpose of this Directive is to strengthen the protection of consumers of insurance products and to harmonise the rules applicable to all insurance distributors, whatever their status.

It is an overhaul of Directive 2002/92/EC, whose application it extends to all sales of insurance products.

The DDA impacts Bpifrance in respect of its insurance distribution activity and Bpifrance Courtage, a subsidiary of Bpifrance falling within the scope of this directive as an insurance intermediary, and is structured around five major areas:

- Professional capacity, integrity and continuous training of distributors;
- Duty of advice and pre-contractual information;
- Product oversight and governance requirements;
- Distributor remuneration policy and procedures;
- Policy for the prevention and management of conflicts of interest.

The so-called Benchmark Regulation⁶³, the majority of whose provisions came into effect on 1 January 2018 also recently impacted Bpifrance's activity. This Regulation is intended to reduce the risk of manipulation of the value of indices and underlying conflicts of interest. It aims to improve the quality (integrity and accuracy) of underlying data contributions and the transparency of the methodologies used by administrators and to strengthen governance and oversight of the activities of administrators and benchmark contributors.

Measures have been taken at the Bpifrance Group level to assess the risks and challenges from this reform and to ensure a smooth transition to the new indices. Regarding the various instances of contracts indexed on indices identified in its portfolio, Bpifrance focused primarily on the future of the European EONIA and EURIBOR indices.

To replace the EONIA rate index, the ECB launched the new €STR index on 2 October 2019⁶⁴, which was proposed by the working group in September 2018. Since 2 October, EONIA, previously calculated as the weighted average rate for unsecured overnight lending transactions in the euro interbank markets in European Union countries, is now calculated as the new €STR index plus a spread of 8.5 bps. A transition period until the end of 2021 has been granted to enable the switch from EONIA to the new €STR index.

The Euribor index continues to exist, but is based on a new hybrid methodology using both transactions carried out by the panel of banks, as far as possible, and other market price-setting data.

Bpifrance has interest rate derivatives contracted as part of hedging relationships designated according to the purpose of the hedge. The Group currently only applies fair value hedge accounting. These derivatives were implemented as part of macro-hedging transactions carried out for asset-liability management of fixed-rate positions. They make it possible to hedge the rate risk associated with customer loans, or with borrowing and securities portfolios. Macro-hedge instruments are primarily rate swaps designated as fair value hedges of the Group's fixed-rate assets or resources. One of the legs of these interest rate derivatives is indexed to a EURIBOR index. The notional amounts concerned amounted to 52.8 billion as at 31 December 2020.

These derivative instruments were traded as part of FBF contracts for which the definitions were modelled on those of the ISDA (International Swaps and Derivatives Association). ISDA is currently reviewing these

⁶² Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution.

⁶³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014.

⁶⁴ Euro short-term rate (€STR): short-term rate in euros that reflects the overnight borrowing costs in euros for euro-zone banks.

definitions in the light of this index reform and will propose a protocol to amend the existing contracts. As of today, Bpifrance has not yet finalised the contract amendments.

Market infrastructures have made it possible to gradually process swaps in €STR before making a full transition to €STR. Clearing services for €STR, essential for the development of liquidity in the derivatives market, have been set up by the main European clearing houses.

Since July 2020, swaps in euros cleared with the clearing houses LCH and Eurex are no longer discounted in EONIA but in €STR. Bpifrance has passed on these changes to its own derivative instrument valuation models and the associated margin call remunerations without significant financial impact.

Given the uncertainties in 2019 surrounding the future indices and their validation, and in order to manage and minimise the financial impacts that could have been caused during the transition and convergence phase towards the new indices, strategies to manage both the basis risk (EONIA vs. Euribor) and the fixing risk were proposed in the ALM Committee and then implemented.

In addition, in November 2020, in anticipation of Brexit, Bpifrance relocated its entire portfolio of derivative contracts to the European continent. Derivative products, mainly euro-denominated interest rate swaps, previously processed by the LCH clearing house, are now processed by Eurex, the Frankfurt stock exchange clearing house.

3.6.7. Regulatory framework for investment activities

The Bpifrance Group also invests in equity, notably through investments made directly by **Bpifrance Participations** or through funds managed by **Bpifrance Investment**, an asset management company of the Bpifrance Group approved by the French Financial Markets Authority (AMF).

Bpifrance Investissement carries out investment fund management activities in the form of Alternative Investment Funds in collective management, portfolio management on behalf of third parties (discretionary management) and investment advice, governed under national law by the French Monetary and Financial Code and the AMF GR.

In particular, the asset management company is authorised under **Directive 2011/61/EU known as the “AIFM Directive”⁶⁵** and is therefore subject to all provisions of the AMF General Regulation related to the management of alternative investment funds (AIFs).

In this respect, Bpifrance Investissement is notably subject to organisational rules (obligation to have a complaints management system or to check the level of knowledge of some of its employees, for example), as well as rules of good conduct. (overriding the interests of the AIF and its unitholders, remuneration requirements, etc.).

The Asset Management Company’s business is also governed by the AMF doctrine, which has been subject to numerous changes due to the entry into force of the French Financial Markets Authority **“MiF 2” Regulation**⁶⁶ in 2018. This European regulation, which aims to increase market transparency and investor protection, has led to numerous amendments to the provisions of the French Monetary and Financial Code as well as the AMF RG. However, its entry into force and its transposition did not lead to significant changes in the regulations applicable to Bpifrance Investissement’s activities.

⁶⁵ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC as well as Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010.

⁶⁶ The aforementioned “MiFID 2” Directive as well as Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and amending Regulation (EU) No. 648/2012.



In terms of European regulations, it is also worth mentioning **the “MAR” Regulation⁶⁷ on market abuse**. The asset management company has set up a system to combat market abuse and oversees the circulation of privileged information in the course of its activities.

Finally, Bpifrance Investissement is impacted by the forthcoming entry into force of the previously mentioned Disclosure Regulation on sustainable finance⁶⁸.

3.6.8. Regulatory framework for export insurance activities

Bpifrance Assurance Export, a subsidiary of Bpifrance, manages public export guarantees in the name, on behalf and under the control of the French State **pursuant to Article L. 432-2 of the French Insurance Code** and in strict compliance with **the rules of the European Union and the OECD**, through a range of solutions designed to:

- support business development in foreign markets;
- facilitate the issuance of guarantees and the granting of pre-financing by banks;
- secure exports and investments abroad;
- make the financing offered to foreign customers competitive, to protect against currency fluctuations.

3.6.9. Impacts of the merger of Bpifrance SA and the Issuer on the regulatory framework applicable to the Issuer

The merger-absorption of Bpifrance SA by the Issuer on 18 December 2020 is not likely to have a significant impact on the regulatory environment applicable to the Issuer.

At the end of this transaction, the Issuer retains its status as a credit institution approved by the ACPR and continues to carry out the banking activity of the Bpifrance Group. The scope of activities and therefore the regulatory environment of the absorbing Bpifrance entity remain unchanged.

As regards the entities that became subsidiaries of Bpifrance as part of the merger, namely Bpifrance Participations (still wholly-owned by Bpifrance Investissement, the management company of the Bpifrance Group) and Bpifrance Assurance Export, these entities were, and remain after the merger, regulated entities and subject to the regulatory framework specific to their respective activities.

In addition, as indicated above, this new organisation of the Group will have no impact on a certain number of rules and policies already defined uniformly at the level of the Bpifrance Group.

⁶⁷ Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council, and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

⁶⁸ See section 6.1.3.

4. CORPORATE GOVERNANCE REPORT

Relating to the fiscal year ended on 31 December 2020

The information contained in this report complies with the provisions of Article L. 225-37 of the French Commercial Code. Bpifrance does not refer to any corporate governance code prepared by companies' representative organisations, but rather to the Decree of 3 November 2014 regarding internal control of companies in the banking, payment services and investment services sector.

The Company is therefore subject to an annual audit by the French Financial Markets Authority (AMF), which examines the Universal Registration Document and verifies its compliance with regulations.

4.1. Governance

(i) Directors

The Board of Directors of the Issuer comprises a maximum of 16 directors.

In accordance with Article 6 of Order No. 2020-739 of 17 June 2020, the composition of the Board of Directors of Bpifrance is governed, since the merger of 18 December 2020 between the Issuer and Bpifrance SA, by the Article 7 of Order No. 2005-722 relating to the Public Investment Bank.

The merger led to an almost complete renewal of the Board of Directors: out of the 11 directors in office prior to the merger, only four continue to serve as directors at the meetings of the Board of Directors of Bpifrance: Nicolas Dufourcq, director and Chief Executive Officer, Carole Abbey, director representing Caisse des Dépôts, Claire Dumas, director representing the shareholders and Marie Deléage, director representing the employees.

The terms of office of the following directors ended on 18 December 2020:

- Joël Darnaud (Chairman of the Board of Directors and independent director);
- Gisèle Rossat-Mignod and Eric Beyrath (Directors representing Caisse des Dépôts);
- The French State (represented by Yann Pouëzat);
- Christine Costes, Director appointed at the request of the French State;
- Catherine Halberstadt (director appointed on the proposal of the minority shareholders of Bpifrance Financement);
- Marie Deléage and Christophe Seillier (directors representing the employees of Bpifrance Financement).

The terms of office of the non-voting members also ended on that date.

Please refer to pages 176 to 178 for more information on the directors whose terms of office ended during the past fiscal year and who do not sit on the Board of Directors of the merged entity.

(ii) Non-voting directors

Since the completion of the merger, up to seven non-voting members may attend Board meetings. Of these, two non-voting members represent the French State and two non-voting members represent Caisse des Dépôts.

4.1.1. Board of Directors' meeting of 31 December 2020

4.1.1.1. Chairman of the Board of Directors and director representing Caisse des Dépôts

Eric Lombard

Chief Executive Officer of Caisse des Dépôts

Date of birth: 16 May 1958

Business address: Caisse des Dépôts, 56 rue de Lille, 75356 Paris 07 SP, France

First appointed: 18 December 2020



Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2021

4.1.1.2. Chief Executive Officer and Director

Nicolas Dufourcq

Chief Executive Officer of Bpifrance

Date of birth: 18 July 1963

First appointed: 18 December 2020⁶⁹

Business address: Bpifrance, 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France

Current term expires: 21 February 2023

4.1.1.3. Directors representing Caisse des Dépôts, other than the Chairman of the Board of Directors

Antoine Saintoyant

Director of Strategic Investments at Caisse des Dépôts

Date of birth: 28 August 1977

Business address: Caisse des Dépôts, 56 rue de Lille, 75356 Paris 07 SP, France

First appointed: 18 December 2020

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2021

Virginie Chapron-du-Jeu

Chief Financial Officer of the Caisse des Dépôts Group

Date of birth: 13 October 1961

Business address: Caisse des Dépôts, 56 rue de Lille, 75356 Paris 07 SP, France

First appointed: 18 December 2020

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2022

Carole Abbey

Director of Investments, management of strategic investments at Caisse des Dépôts

Date of birth: 4 January 1976

Business address: Caisse des Dépôts, 56 rue de Lille, 75356 Paris 07 SP, France

First appointed: 18 December 2020⁷⁰

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2022

4.1.1.4. Board members representing the State

Martin Vial

General Commissioner for State Investments – French Government Shareholding Agency (APE)

Date of birth: 8 February 1954

Business address: Agence des Participations de l'État, 139 rue de Bercy, 75572 Paris Cedex 12, France

First appointed: 18 December 2020

Current term of office expires: 22 September 2025

Diane Simiu

Deputy Commissioner General for Sustainable Development at the Ministry for the Economic and Inclusive Transition

Date of birth: 8 March 1981

Business address: Commissariat général au développement durable, Tour Sequoia, 92055 Paris La Défense, France

⁶⁹ Appointed Director of Bpifrance Financement on 11 June 2013 then Chief Executive Officer on 12 July 2013.

⁷⁰ Appointed Director of Bpifrance Financement on 11 March 2020.

First appointed: 18 December 2020
Current term of office expires: 4 March 2025

Catherine Lagneau

Deputy Director of Mines ParisTech, in charge of training for the Corps des mines, Delegate of the Paris site and Deputy Head of the Department of the General Economic Council

Date of birth: 24 May 1982

Business address: École nationale supérieure des Mines de Paris, 60, boulevard Saint Michel, 75006 Paris, France

First appointed: 18 December 2020

Current term of office expires: 12 November 2025

4.1.1.5. Ninth director representing the shareholders

Claire Dumas

Deputy CFO of Société Générale Group

Date of birth: 23 July 1969

Business address: Société Générale, 17 cours Valmy, 92800 Puteaux, France

First appointed: 18 December 2020⁷¹

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2024

4.1.1.6. Directors representing the Regions

Annabel André

Vice-Chairwoman of the Regional Council of Auvergne-Rhône-Alpes, in charge of the Economy and Enterprise

Date of birth: 8 October 1970

Business address: Conseil Régional Auvergne Rhône Alpes, 1 esplanade François-Mitterrand, CS 20033, 69269 Lyon Cedex 02, France

First appointed: 18 December 2020

Current term expires: 18 August 2024

Harold Huwart

Vice-Chairman of the Centre-Val-de-Loire Regional Council, in charge of the economy, agriculture and associations

Date of birth: 3 January 1982

Business address: Conseil Régional du Centre-Val de Loire, 9 Rue Saint-Pierre Lentin, 45041 Orléans

First appointed: 18 December 2020

Current term expires: 18 August 2024

4.1.1.7. Qualified directors chosen for their expertise in economic and financial matters, as well as sustainable development.

Bernard Delpit

Deputy Chief Executive Officer and Chief Financial Officer of the Safran Group

Date of birth: 26 October 1964

Business address: Safran, 2 boulevard du Général Martial Valin, CS51618, 75724 Paris Cedex 15, France

First appointed: 18 December 2020

Current term of office expires: 18 March 2026

Barbara Lavernos

Chief Executive Officer – Technology and Operations of the L'Oréal Group

Date of birth: 22 July 1968

⁷¹ Appointed Director of Bpifrance Financement on 17 December 2015.



Business address: L'Oréal, RIO, 9 rue Pierre Dreyfus, 92110 Clichy, France
First appointed: 18 December 2020

It is specified that the Board of Directors of 22 January 2021 noted the resignation of Barbara Lavernos from her office as director.

4.1.1.8. Directors representing the employees of Bpifrance and its subsidiaries

Marie Deléage

Head of the IT user support department in the Information Systems Department of Bpifrance

Date of birth: 30 January 1980

Business address: Bpifrance, 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France

First appointed: 18 December 2020⁷²

Current term expires: date of publication of the result of the Bpifrance employee representative elections to be held in 2024

Philippe Bayeux

Organisation Project Manager at the Bpifrance Network Coordination Department

Date of birth: 27 August 1966

Business address: Bpifrance, 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France

First appointed: 18 December 2020

Current term expires: date of publication of the result of the Bpifrance employee representative elections to be held in 2024

4.1.1.9. Non-voting directors

Catherine Halberstadt

Member of the Executive Board of BPCE, Chief Executive Officer in charge of Human Resources

Date of birth: 9 October 1958

Business address: BPCE, 50 avenue Pierre Mendès-France, 75201 Paris Cedex 13, France

First appointed: 18 December 2020⁷³

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

Jean-Luc Petithuguenin

Chairman and Chief Executive of the PAPREC France Group

Date of birth: 16 October 1957

Business address: PAPREC, 7 rue de Docteur Lancereaux, 75008 Paris, France

First appointed: 18 December 2020⁷⁴

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

Pierre Prieux

Chairman of ALCEN

Date of birth: 30 March 1952

Business address: ALCEN, 6 rue Paul Baudry, 75008 Paris, France

First appointed: 18 December 2020⁷⁵

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

Jean-Louis Delcloy

⁷² Appointed non-voting member of Bpifrance Financement on 26 September 2018 then Director on 17 December 2020.

⁷³ Appointed member of the Supervisory Board of OSEO Financement on 7 December 2010.

⁷⁴ Appointed member of the Supervisory Board of BDPME on 8 March 2005, then non-voting member of OSEO Financement on 7 December 2010.

⁷⁵ Appointed non-voting member of Bpifrance Financement on 27 September 2013.

Equity Interest Officer in the Caisse des Dépôts Strategic Equity Steering Department

Date of birth: 1 May 1979

Business address: Caisse des Dépôts, 56 rue de Lille, 75356 Paris 07 SP, France

First appointed: 18 December 2020⁷⁶

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

Yann Pouëzat

Deputy Director of Corporate Finance and Financial Markets at the French Treasury

Date of birth: 27 June 1976

Business address: Directorate General of the Treasury, 139 rue de Bercy, 75572 Paris Cedex 12, France

First appointed: 18 December 2020⁷⁷

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

Amélie Verdier

Budget Director at the Budget Department

Date of birth: 1 July 1977

Business address: Budget Department, 139 rue de Bercy, 75572 Paris Cedex 12, France

First appointed: 18 December 2020

Current term expires: Board of Directors' meeting held to approve the financial statements for the 2022 fiscal year

4.1.1.10. Government Commissioner

Emmanuel Charron

Head of the Economic and financial control service and Bpifrance Government Commissioner

Bernard Zakia

Economic and Financial Controller-General and Deputy Government Commissioner at Bpifrance

4.1.2. Bpifrance General Management method

At its meeting of 26 September 2018, the Board of Directors agreed to separate the duties of Chairman of the Board of Directors and Chief Executive Officer.

As of 31 December 2020, the Chair of the Company's Board of Directors was assumed by Eric Lombard and General Management by Nicolas Dufourcq.

4.1.3. Directorate General

General Manager

Nicolas Dufourcq

Current term expires: 21 February 2023

4.1.4. Information on the directors whose terms of office ended during the past fiscal year and who do not sit on the Board of Directors of the merged entity

4.1.4.1. Term expired on 11 March 2020

a) Directors appointed upon recommendation of the State

⁷⁶ Appointed non-voting member of Bpifrance Financement on 14 May 2018.

⁷⁷ Appointed French State representative on the Board of Directors of Bpifrance Financement on August 1, 2018.

**Alain Schmitt**

Head of the SME Competitiveness and Development Department at the Directorate General of Enterprises (DGE)

Date of birth: 19 September 1967

First appointment: 20 July 2013 ⁷⁸

b) Directors representing Caisse des Dépôts**Olivier Fabas**

Head of the Financial Institutions and Private Equity division, Management of strategic investments – Caisse des Dépôts

Date of birth: 29 May 1982

First appointment: 14 March 2019

4.1.4.1. Term expired on 17 December 2020**Director representing the employees****Laetitia Montanier**

Innovation Business Manager at the Regional Office of Montpellier

Date of birth: 23 January 1978

First appointed: 7 September 2018

4.1.4.2. Term expired on 18 December 2020**a) Chairman of the Board of Directors and Independent Director****Joël Darnaud**

Chairman of the Board of Directors of Bpifrance Financement

Date of birth: 6 March 1952

First appointed: 26 September 2018

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

b) The French State, Director**The French State**

Represented by Yann Pouëzat

Deputy Director of Corporate Finance and Financial Markets at the French Treasury

Date of birth: 27 June 1976

First appointed: 16 May 2017

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

c) Directors appointed upon recommendation of the State**Christine Costes**

Head of the business R&D incentive policy department, Innovation Department, technology transfer and regional action, General Directorate of Research and Innovation – MESRI

Date of birth: 19 July 1969

First appointed: 16 May 2017

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

d) Directors representing Caisse des Dépôts

Gisèle Rossat-Mignod

Director of the Territorial Bank Network with Caisse des Dépôts

Date of birth: 17 February 1970

First appointed: 26 September 2018

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

Eric Beyrath

Director of the Balance Sheet Steering and Financial Management Department within the Finance Division at the Caisse des Dépôts Group

Date of birth: 10 May 1979

First appointment: 19 December 2019

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

e) Director appointed on proposal of the minority shareholders of Bpifrance Financement**Catherine Halberstadt**

Member of the Executive Board of BPCE, Chief Executive Officer in charge of Human Resources

Date of birth: 9 October 1958

First appointment: 12 July 2013⁷⁹

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

f) Director representing the employees**Christophe Seillier**

Territorial Representative, Brest/Lorient, Bpifrance West Network

Date of birth: 23 January 1978

First appointed: 7 September 2018

Term expires: Ordinary and Extraordinary General Meeting of 18 December 2020

4.2. No conviction of corporate officers

To Bpifrance's knowledge, over the past five years, none of its corporate officers has been convicted of fraud, involved in a bankruptcy, receivership or liquidation, incriminated or publicly sanctioned by a statutory or regulatory authority (including professional bodies), or prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or business affairs of an issuer.

4.3. Information on corporate officers at 31 December 2020 and non-voting members representing neither the French State nor Caisse des Dépôts**Chairman of the Board of Directors and director representing Caisse des Dépôts****Eric Lombard**

Chief Executive Officer of Caisse des Dépôts

Chairman of the Management Board of the Fonds de Réserve pour les Retraites

Permanent representative of Caisse des Dépôts on the Supervisory Board of the Marguerite Fund – European Fund

Permanent representative of Caisse des Dépôts on the Board of Directors of La Poste

Member of the Board of Directors of the Public Establishment of the Musée d'Orsay and the Musée de l'Orangerie

Chairman of the Board of Directors of the Théâtre des Champs-Élysées

Offices held during the past five years:



Chairman of the Supervisory Board of CDC Habitat (2018-2020)
Permanent representative of Caisse des Dépôts on the Board of Directors of CNP Assurances (2018-2020)
Chairman of the Board of Directors of Bpifrance SA (2017-2020)
Director, Chairman of the Audit Committee and of the Risk Committee of Bpifrance SA (2014-2017)
Chairman of the Economic and Financial Committee (Ecofin) of Insurance Europe (European Insurance and Reinsurance Federation) (2017)
Chairman of the Board of Directors of Europ Assistance Holding (2015-2017)
Member of the Executive Council of the French Insurance Federation (FFA) (2006-2017)

Born on the 16 May 1958, a graduate of the École des Hautes Études Commerciales (HEC), Eric Lombard began his career in 1981 at Banque Paribas, where he held various positions in the International Trade Department and in Financial Management until 1989. From 1989 to 1993, he joined the French State as a technical advisor to the cabinet of Louis Le Pensec, government spokesperson (1989-91). He was then advisor to Michel Sapin in his duties as Deputy Justice Minister (1991-1992), then adviser to the Minister of the Economy and Finance (1992-1993).

In April 1993, he joined Banque Paribas, where he was responsible for Mergers & Acquisitions in the banking and insurance sector. When BNP Paribas was created in September 1999, he was appointed Head of Financial Institutions Group and member of the Corporate and Investment Banking General Management Committee, before taking on the responsibility of Corporate and Institutional Relations in September 2002.

In 2004, he became Chief Executive Officer of BNP Paribas Cardif, then in 2006 Chairman and Chief Executive Officer.

In October 2013, Eric Lombard joined the Generali Group. He is a member of the Group Management Committee of Generali S.p.A. and at the same time, Chief Executive Officer then Chairman and Chief Executive Officer of Generali France until May 2017.

On 8 December 2017, Eric Lombard was appointed Chief Executive Officer of Caisse des Dépôts.

General Manager

Nicolas Dufourcq

Chairman and Chief Executive of Bpifrance Participations
Chairman of Bpifrance Investissement
Chairman of Bpifrance Assurance Export
Vice-Chairman of the Supervisory Board of STMicroelectronics
Member of the Supervisory Committee of Doctolib (April 2020)
Director of Stellantis (January 2021)

Offices held during the past five years:

Director and Chief Executive Officer of Bpifrance SA (2013-December 2020)
Chairman of Bpifrance Financement (2013-2018)
Permanent representative of Bpifrance Participations on the Board of Directors of Orange (2017-January 2021).
Non-executive Chairman of the Supervisory Board of STMicroelectronics (2017-2020)
Chairman and CEO of FT1CI (2015-2019)
Member of the Supervisory Board of Euler Hermes Group (2010-2018)

Nicolas Dufourcq has been Chief Executive Officer of Bpifrance, the public investment bank, since February 2013.

Nicolas Dufourcq graduated from HEC and the ENA. He began his career in the office of the Minister of the Economy and Finance, then moved to the Ministry of Health and Social Affairs in 1992. In 1994, he joined France Telecom, where he founded the Multimedia Division before becoming Chairman of Wanadoo, France Telecom's Internet and Yellow Pages subsidiary.

In 2003 he joined Capgemini, where he led a successful recovery as Director of the Central Europe & Southern Europe Region. In September 2004, he was named Chief Financial Officer of the Group and a member of the Executive Committee. In 2005, he became Deputy Chief Executive Officer in charge of Finance, Risk Management, IT, Delivery, and Purchasing, and, starting in 2007, monitoring the Group's major accounts.

Nicolas Dufourcq is also Vice-Chairman of the Supervisory Board of STMicroelectronics (non-executive), member of the Supervisory Committee of Doctolib and member of the Board of Directors of Stellantis.

Directors representing Caisse des Dépôts, other than the Chairman of the Board of Directors

Antoine Saintoyant

Director of Strategic Investments at Caisse des Dépôts (September 2020)

Director of Bpifrance Participations (November 2020)

Director of Bpifrance Investissement (November 2020)

Director, member of the Appointments and Compensation Committees of Compagnie des Alpes (November 2020)

Director of Icade (October 2020)

Director of Egis (October 2020)

Member of the Supervisory Board, member of the Appointments and Compensation Committees of CDC Habitat (December 2020)

Offices held during the past five years:

Director of Bpifrance SA (2020)

Economic, Finance and Industry Advisor – Prime Minister's Office (2017-2020)

Deputy Head of Banking and General Interest Financing – French Treasury Department (2016-2017)

Director of Société de financement local (SFIL) (2016)

A graduate of the École Nationale d'Administration and the Institut d'Études Politiques de Paris, Antoine Saintoyant began his career in 2003 at the French Ministry of the Economy and Finance at the French Treasury Department. From 2007 to 2009, he was advisor in charge of financial services at the Permanent Representation of France to the European Union (Brussels). He then returned to the French Treasury Department as Head of the Banking Affairs Office and then Deputy Director of Banking and General Interest Financing. Between 2012 and 2016, Antoine Saintoyant also held the position of Director of Investments at the French Government Shareholding Agency, in charge of services (Orange, La Poste, Bpifrance, FDJ). From May 2017 to July 2020, Antoine Saintoyant was Advisor and Head of the Economy, Finance and Industry division within the office of the Prime Minister, Edouard Philippe. He joined Caisse des Dépôts et Consignations in September 2020 as Director of Strategic Investments and member of the Group Executive Committee.

Virginie Chapron-du-Jeu

Director, Chairwoman of the Audit Committee and member of the Quality and Sustainable Development Committee of La Poste

Permanent representative of CDC on the Boards of Directors of SA CDC GPI, SAS CDC GP II

Director of SFIL, member of the Compensation Committee and of the Governance, Appointments and CSR Committee

Member of the Supervisory Board and member of the CSEA of Réseau Transport Electricité (RTE)

Director of Coentreprise de Transport d'Electricité (CTE)

Director of CDC Croissance

Chairwoman and member of the Strategic Committee of Novethic

Director of I4CE

Chairwoman of Alter Egales, the diversity network of the CDC Group

Member of the CDC Executive Committee

Offices held during the past five years:

Director, member of the Risk Committee and the Audit Committee of Bpifrance SA (2015-2020)

Virginie Chapron-du-Jeu is Chief Financial Officer of the Caisse des Dépôts Group and a member of the Caisse des Dépôts Executive Committee and of the Group's Management Committee.

She has 35 years of experience in finance. After a first experience in Crédit d'Équipement des PME (now Bpifrance SA), she joined Caisse des Dépôts in 1989 where she held various positions in origination, financial engineering and securitisation within the financial markets division. In 1995 she became Deputy then Head of Risk Management and Control of the Banking and Finance Department. In 2001, she joined the Finance Department of CDC IXIS as Head of Liability Management and Financial Communication and then joined the Finance Department of IXIS CIB as Head of Financing, Equity Investments and Investments. In 2007, she became head of the financial balances, deposits and complex financing department of the Caisse des Dépôts savings funds department. Then in 2011 she joined the Finance, Strategy, Subsidiaries and International Department of the Caisse des Dépôts Group as Project Director working for the Deputy CEO of CDC. In 2013, she became Director of Investments and Accounting in the Pensions and Solidarity Department.



She is a director of Bpifrance, La Poste, RTE and SFIL. She is Chairwoman of Novethic and Alter Egales, the diversity network of the CDC Group.

She is a graduate of IEP Paris and Paris Dauphine IX University in financial management and management control, international affairs and foreign trade.

Carole Abbey

*Permanent representative of Caisse des Dépôts, member of the Supervisory Board of CDC Habitat
Permanent representative of Caisse des Dépôts, Director of Services Conseil Expertises Territoires (SCET)
Director of Tonus Territoire, Aviva France and Société Interprofessionnelle pour la Compensation des
Securities (SICOVAM)*

Offices held during the past five years:

Director of Bpifrance SA (2019-2020) and Icade

Carole Abbey has been responsible for managing strategic investments at Caisse des Dépôts since 1 February 2020. She joined CDC in June 2017 to manage a portfolio of investments that includes Bpifrance, Icade, Compagnie des Alpes and CDC Habitat. She contributes to the validation of strategic orientations and investment decisions and develops CDC's position within the governance bodies of these companies.

After working as a Partner at the consulting firm EY, Carole Abbey joined the French Government Shareholding Agency (French Ministry of the Economy and Finance) teams in early 2017.

An expert in Corporate Finance, she joined EY in 1999, where she supported investment funds and large French and international groups in their complex financial projects for more than 15 years. During this period, she was based in Sydney, Australia between 2003 and 2008.

Carole Abbey holds a DESS in Corporate Finance and Financial Engineering from the University of Paris Dauphine, a Degree in Accounting and a CPA (Certified Public Accountant) certification (USA).

Board members representing the State

Martin Vial

*Member of the Board of Directors of EDF, as representative of the French State
Member of the Board of Directors of Groupe Renault as representative of the French State
Member of the Board of Directors of Air France/KLM, as representative of the French State*

Offices held during the past five years:

Director of Bpifrance SA (2015-2020)

Director and member of the Strategy Committee and of the Governance and Compensation Committee of Thales until 2017

Chairman of Sicav Libertés et Solidarité until 2015

Born on 8 February 1954, Martin Vial is a graduate of ESSEC and the École Nationale Supérieure des Postes et Télécommunications. He began his career as a post office (PTT) administrator in the Finance Department of the French Post Office. In 1986 he joined the Treasury Department at the Ministry of the Economy and Finance, where he was responsible for overseeing banking institutions and market launch operations. In 1988, he was appointed to the office of the Minister of Post and Telecommunications and Space as technical advisor, then Deputy Director, then Director of the Cabinet of the Minister of Infrastructure, Housing, Transport and Space, before being appointed Director of the Office of the Minister of PTT.

In 1993, Martin Vial was appointed Chairman and Chief Executive Officer of Aéropostale, a joint subsidiary of Air France, La Poste and TAT. In 1996, he was elected Chairman of the Chambre Syndicale du Transport Aérien (CSTA) and of the Fédération Nationale de l'Aviation Marchande (FNAM). At the end of 1997, he became Chief Executive Officer of the La Poste Group. In December 2000, he was appointed Chairman of the La Poste Group. He was also a member of the Supervisory Board (1998), then Vice-Chairman (2002) of the Caisse Nationale de Prévoyance (CNP). From 1999 to 2004, he was also a member of the Social and Economic Council and a member of the Strategic Council for Information Technology under the authority of the Prime Minister.

In September 2002, Martin Vial joined the Court of Auditors as Senior Advisor. From 2003 to 2014, he held the positions of Chief Executive Officer of the Europ Assistance Group, world leader in the assistance market with 44 subsidiaries in 33 countries, and Director and Chief Executive Officer of Europ Assistance Holding. He also chairs several Boards of Directors of Group companies. In January 2015, he founded the company

Premium Care, a company providing assistance to the elderly, with a strong technological content and delivering a complete range of remote assistance and home services. On August 24, 2015, Martin Vial was appointed Commissioner for State Investments.

Diane Simiu

Director of the National Research Institute for Agriculture, Food and the Environment (INRAE) (December 2020)

Director of the European Environment Agency (March 2020)

Offices held during the past five years:

Director of Bpifrance SA (2020)

A graduate of École Polytechnique and a Master's degree in environmental engineering from the University of California at Berkeley, Diane Simiu began her career in the sustainable development department of PricewaterhouseCoopers. In 2007, she joined ICF International in London, where she advises companies in the aviation, energy and banking sectors. In 2009, she joined the Energy and Climate Department of the French Ministry of Ecology as project manager for the European emissions trading system, and in 2011 became head of the carbon markets office. She joined WWF France in 2014 as Programme Director. After the 2017 presidential election, she became a technical advisor for the environment in the offices of the President of the French Republic and the Prime Minister. In September 2019, she was appointed Deputy Commissioner General for Sustainable Development at the French Ministry of Ecological Transition.

Catherine Lagneau

Chief Mining Engineer

Deputy Head of Department of the General Economic Council

Deputy Director of the École des Mines de Paris, delegate of the Paris site

Member of the Board of Directors of the University of Lorraine

Offices held during the past five years:

Director of Bpifrance SA (2020)

Catherine Lagneau, born in May 1982 in Lyon, has been Deputy Head of Department of the General Economic Council and Deputy Director of the École des Mines de Paris since 2017. She is a member of the Board of Directors of this higher education and research establishment, where she has responsibilities in human resources and in supporting young talent.

A former student of the École normale supérieure de la rue d'Ulm, holder of a master's degree in Financial Mathematics, and a mining engineer, Catherine Lagneau began her career in 2007 in a decentralised administration of the French Ministry of the Economy and Finances, in Lorraine, where she supported innovation and re-industrialisation policies. Passionate about regional development issues, she continued her career as director of the École des Mines d'Alès, where she led a vast restructuring and development plan for this school.

Ninth director representing the shareholders

Claire Dumas

Deputy CFO of Société Générale Group

Director of Bpifrance SA

Director of Bpifrance Financement

Director of Boursorama

Offices held during the past five years:

Director of Bpifrance SA (2017-2020)

Chief Financial Officer of Société Générale Group French Retail Banking (2014-2018)

Director of SOGEPROM (2015-2018)

Director of FRANFINANCE (2014-2018)

Chairwoman of the Board of Directors and Director of Société Générale SFH (2014-2018)

Chairwoman of the Board of Directors and Director of Société Générale SCF (2014-2018)



Claire Dumas began her career in 1992 within the Bank and Financial Institutions department at Deloitte. In 1998, she joined the Société Générale Group, where she held various positions at the investment bank. In 2009, she joined the Risk Department as Group Deputy Operational Risk Manager, before being appointed Operational Risk Manager. In 2011, she was put in charge of the group's ERM (Enterprise Risk Management) programme, on behalf of General Management. In October 2014, Claire Dumas was appointed Chief Financial Officer of the retail bank in France, before being appointed Group Deputy CFO in December 2017.

Directors representing the Regions

Annabel André

No other terms of office

Office held during the past five years:

Director of Bpifrance SA (2019-2020)

Annabel André, born on 8 October 1970 in Annecy, is a member of the Board of Directors of Bpifrance. With a Master's degree in Commercial Engineering and Marketing from IAE in Annecy, she began her career in the private sector. For nearly 10 years, from London to Auxerre and Avignon to Paris, she built up a wealth of professional experience, working for major international groups such as Gillette and Pilot. In 2004, she joined the family business created by her grandfather in 1969 and located in the city centre of Annecy. As a retailer, she is thus committed to the defence and development of the local economy, because the local economy is a driver of dynamism and social ties.

In addition to her professional investment, she naturally discovered the world of politics, becoming a municipal councillor in Annecy in 2008, deputy mayor for sport in the beautiful city of Annecy in 2014, then Deputy Vice-President for the Economy and Businesses of the Auvergne-Rhône-Alpes Region since 2017. Annabel André has also been Co-Chairwoman of the French Economic Commission for Regions since 2017.

Harold Huwart

No other terms of office

Office held during the past five years:

Director of Bpifrance SA (2019-2020)

Harold Huwart, born on 3 January 1982 in Chartres, has been Vice-President of the Centre-Val de Loire region since 2015, Mayor of Nogent-le-Rotrou and President of the Community of Municipalities of Perche since 2020.

A graduate of ENS and ENA, a civil servant at the Ministry of the Budget, Harold Huwart was first a civil servant in a ministerial cabinet. In August 2013, he joined the Prime Minister's office where he served as an advisor in the strategy, media and communication division. A year later, he was social advisor to the Minister of Finance, then advisor in charge of communication to the Minister.

In August 2019, he became a member of the Board of Directors of Bpifrance, as a director representing the regions.

Qualified directors chosen for their expertise in economic and financial matters, as well as sustainable development

Bernard Delpit

Director of Ariane Group

Office held during the past five years:

Director of Bpifrance SA (2018-2020)

Bernard Delpit began his career in 1990 at the General Inspection of Finances. Until 2000, he held various positions within the French Ministry of the Economy and Finance.

In 2000, he joined the PSA Peugeot Citroën Group, where he served from 2001 as Deputy Chief Executive Officer of Dong Feng Peugeot Citroën Automobiles in China. He then became Head of Management Control for the PSA Peugeot Citroën Group in 2004.

In May 2007, Bernard Delpit joined the Office of the President of the French Republic as Economic Advisor.

From June 2009 to August 2011, he was Deputy Chief Executive Officer and Chief Financial Officer of La Poste Group.

On 29 August 2011, Bernard Delpit joined Crédit Agricole SA as Group Chief Financial Officer, a position he held until 26 May 2015, when he joined Safran as Group Chief Financial Officer. On 14 January 2021, he was appointed Deputy Chief Executive Officer and Chief Financial Officer of the Safran Group.

Bernard Delpit holds a degree in Law and is a graduate of Institut d'Études Politiques de Paris. He is a former student of École Nationale d'Administration.

Bernard Delpit is a Knight in the French National Order of the Legion of Honour.

Barbara Lavernos

No other current term of office

Office held during the past five years:

Director of Bpifrance SA (2020)

Director of Bpifrance Investissement and Bpifrance Participations (2016-2020)

Barbara Lavernos, a chemical engineer by training, a graduate of École des Hautes Études d'Ingénieur (HEI), joined the L'Oréal Group in 1991 and has had an extremely rich and diversified career. Director of the Rambouillet plant in 2000, she was appointed Group Purchasing Director in 2004 before being entrusted with the General Management of Travel Retail L'Oréal Luxe in 2012, then the whole of Travel Retail in 2013. In 2014, she was appointed Chief Operating Officer, member of the Group Executive Committee.

There she carried out exceptional structuring and modernisation work, engaging all business lines in a profound digital transformation and rethinking the Supply Chain in depth to gain flexibility and responsiveness, particularly in response to the explosion of e-commerce. At the end of 2018, she was also entrusted with the management of the "IT revolution", with the aim of making L'Oréal the world champion of "Beauty Tech".

In February 2021, Barbara Lavernos will take charge of the Research, Innovation and Technology Department of the L'Oréal Group.

Directors representing the employees of Bpifrance and its subsidiaries

Marie Deléage

No other terms of office

Office held during the past five years:

Director of Bpifrance SA (2019-2020)

Non-voting member of Bpifrance Financement (2019-2020)

After studying engineering at Institut Polytechnique de Grenoble, Marie Deléage held the positions of project manager and IT manager in various service companies from July 2002 until April 2015, when she joined Bpifrance as Head of the IT Support Department in the Information Systems Department while taking on the role of Change Facilitator in her field.

Marie Deléage has been a Director representing the employees of Bpifrance SA since February 2019.

Philippe Bayeux

No other terms of office

Office held during the past five years:

Director of Bpifrance SA (2019-2020)

Since 2018, Philippe Bayeux has held the position of Change Facilitator, more specifically in charge of capitalisation within the Financing and Network Department of Bpifrance.

After studying engineering and starting his career in the automotive industry, he was recruited into the company's sales network in 1991 as Business Manager. He then moved on to the positions of Deputy Regional Director and Regional Director, in the Hauts-de-France, Grand Est and Île-de-France regions.

After an experience in 2014 in the Finance Permanent Control Department, he joined the Credit Risk Department to take responsibility for the MLT loans and short-term financing team for the Manufacturing, Construction and Services sectors.



Philippe Bayeux has been a Director representing the employees of Bpifrance since February 2019.

Non-voting Board members representing neither the French State nor Caisse des Dépôts

Catherine Halberstadt

Member of the Management Board of BPCE SA

Permanent representative of BPCE SA on the Natixis Board of Directors

Office held during the past five years:

Director of Bpifrance Financement (2013-2020)

Director of Crédit Foncier (2012-2020)

Holding a specialised degree in Accounting (DECS) and a diploma of business, administration and finance (DESCAF) from the École Supérieure de Commerce in Clermont-Ferrand, Catherine Halberstadt joined Banque Populaire du Massif Central in 1982, where she was successively appointed Human Resources Director, Chief Financial Officer, Chief Operating Officer and, in 2000, Deputy Chief Executive Officer. In 2008, Catherine Halberstadt was appointed Chief Executive Officer of Natixis Factor.

Between 1 September 2010 and 25 March 2016, Catherine Halberstadt was Chief Executive Officer of Banque Populaire du Massif Central.

Since 1 January 2016, Catherine Halberstadt has been a member of the BPCE Management Board and Head of Human Resources.

Jean-Luc Petithuguenin

Chairman, Chairman of the Supervisory Board of Paprec Group

Chairman of the Board of Directors of Paprec Holding and Foncière Verte

Chairman of PH Finance, JLPP Invest and JLPP Entrepreneur

Manager of MSH and Coved Management

Director of ISE

Manager of SCI Foncière PH Green, Jérôme des Ternes, Amis d'Amélie, Petits Loups, Cimes de Malou, Domaine de Kerjaffré et du Golfe, Raspail, Malouen's Brothers & Father, Immobilière Paprec, la Tour

Office held during the past five years:

Non-voting director of Bpifrance Financement (2013-2020)

Chief Executive Officer of Paprec Holding (2018-2019) and France Plastiques Recyclage (2017-2020)

Chairman of Terra 95 (2004-2020) and Atlantic Metal (2014-2016)

Manager of Rhône Alpes (2013-2017), Terralia (2007-2016) and Recyclage Bordeaux (2009-2016), Ikos Management (2018-2019)

A graduate of ESSEC in 1979, Jean-Luc Petithuguenin was a Management Controller, Chief Financial Officer and Chief Executive Officer of a construction company. In 1990, he became a Project Manager at Générale des Eaux and then Chief Executive Officer of the recycling and industrial cleaning divisions within the same group. He took over Paprec in 1994, which at the time represented 40 people in La Courneuve (France). In the space of 25 years, Paprec has grown to more than 10,000 employees at more than 210 sites in France and Switzerland. Its revenue reached €1.5 billion in 2020. The French leader in recycling, Paprec is now a specialist in global waste management, and number three in France.

Jean-Luc Petithuguenin is recognised for his commitment to diversity, secularism and the fight against all forms of discrimination in the company. He was twice chosen for the Entrepreneur of the Year award, by Ernst and Young and by BFM Business. In 2020, he was named Industrialist of the Year by the editorial staff of Usine Nouvelle.

Pierre Prieux

Chairman of Alcen, Alsolentech, Axfil, Cenal, Connaissance, HF, ITHPP Holding, Khimod, Tronico and Tronico Holding

Vice-Chairman, member of the Supervisory Board of Alsolen

Deputy CEO of Alseamar, Alsylom, Atmostat, Champalle, PMB and SEIV

Manager of Flashknife, Flash-Knife, Hagalife, Neo-28, Neo-35 and Ney

Member of the Board of Directors of Midparc SA

Office held during the past five years:

Non-voting director of Bpifrance Financement (2013-2020)

Chairman of ASTF (2015-2016) and ASTF Energies (2014-2016), SERCS (2015-2016), BMTI Holding (2006-2018), Naomarq (2010-2018), Weapso (2011-2018) and Clane (2012-2019)

Co-Chairman of the Fondation Alcen pour la Connaissance des Énergies (Knowledge of Energies) (2009-June 2020)

Manager of Alsolen Sup (2009-2016), F-ROV (2012-2016), NEO-20 (2016) and Eole Holding (2013-2018)

Deputy CEO of Alsenam (2019)

Former student of École Polytechnique (1971) and Insead (1975), Pierre Prioux began his career as Chairman of the companies Tabur Marine (1978-1981) and Dufour (1976-1981). He then joined the Matra Group (1981-1990) where, after having managed one of their divisions dedicated to watchmaking, he held the position of Senior Vice President responsible for four divisions (automotive electronics, robotics, computer-aided design and watchmaking). In 1990, he took responsibility for the diversification of the SAE group, then two years later, decided to switch to entrepreneurial status.

At the same time, with the creation of the family group Alcen, he founded and managed a telecommunications operator, Kaptech (1998-2001) and an equipment manufacturer, Cirpack (2000-2005).

Since 2001, he has served as Chairman of the Alcen Group, made up of high-tech companies active in the fields of Defence & Security, Energy, Medical & Health, Aeronautics & Space, and Large Scientific Instruments. He also chairs the media outlet Connaissancedesenergies.org.

4.4. Compensation of Directors, Chairman of the Board, and Chief Executive Officer

- *Compensation of the Directors of the Issuer and the Chairmen of the Innovation, Financing-Guarantee and Climate Committees*

Pursuant to Article L. 225-45 of the French Commercial Code, directors receive compensation for their roles as directors and committee members.

On 18 December 2020, the General Meeting of Shareholders of the Issuer decided to allocate a fixed sum of €506,450 to compensate the activities of the Directors of the Issuer and Directors of Bpifrance SA (company absorbed by the Issuer on 18 December 2020) for the 2020 fiscal year.

This budget is allocated in the amount of €265,000 to the directors of Bpifrance SA.

For fiscal years after 2020, the compensation budget intended for the directors of the Issuer will be €287,500.

The amount of the compensation package is allocated by the Board of Directors according to attendance at meetings of the Board of Directors or the committees to which the directors and non-voting members belong, applying the following distribution formula (the "Distribution Formula"):

- €12,500 for the Chairman of the Board of Directors (for fiscal year 2020);

- €10,000 per director (excluding the Chief Executive Officer, who waives any compensation for attendance within the Group, and Directors representing employees);

- an additional €12,500 for the Chairman of the Audit Committee and for the Chairman of the Risk Committee;

- an additional €7,500 for the other members of the Audit Committee and for those of the Risk Committee;

- €7,500 for non-voting members who act as Chairman of the Innovation, Financing-Guarantee Committees.

- **from 1 January 2021:**

i) an additional €6,250 for the Chairman of the Appointments Committee and the Chairman of the Compensation Committee;

ii) an additional €3,750 for the other members of the Appointments Committee and the Compensation Committee;

- €7,500 for the non-voting member acting as Chairman of the Climate Committee.

Compensation for directors representing the French State (or appointed at its request) and compensation for directors representing the Caisse des Dépôts is paid direct to their respective employers.



An attendance coefficient (number of participants/number of meetings) is applied for both the Board of Directors and the committees.

- Compensation awarded for 2020 (to be paid in 2021):

The amount of compensation allocated in respect of 2020 to the directors of the Issuer and the non-voting members chairing the Innovation and Financing-Guarantee Committees was approved by the Board of Directors on 19 March 2021, on the basis of the Distribution Formula.

- Compensation allocated for 2019:

The compensation allocated for the year to the Directors of the Issuer and to the non-voting members chairing the Innovation and Financing-Guarantee Committees was approved on 11 March 2020 and paid on 3 August 2020 or on 19 November 2020. Totalling €164,981.16, it was allocated using the Distribution Formula as indicated below.

Note 10.4 to the consolidated financial statements shows the overall amount of the annual fixed compensation paid in 2020 to the Directors of the Issuer and those of Bpifrance SA (company absorbed by the Issuer on 18 December 2020).

Table 3 (AMF nomenclature) – Table of compensation received by non-executive directors and by non-voting directors chairing the Innovation and Financing-Guarantee Committees

Table of compensation awarded for serving as a director and other compensation received by non-executive directors				
(gross amounts in euros)				
Non-executive directors	Amounts awarded for fiscal year 2018	Amounts paid in fiscal year 2019	Amounts awarded for fiscal year 2019	Amounts paid in fiscal year 2020
The Chief Executive Officer				
Nicolas Dufourcq				
Compensation (fixed, variable)	-	-	-	-
Other compensation	-	-	-	-
Directors representing Caisse des Dépôts				
Delphine de Chaisemartin ⁽¹⁾				
Compensation (fixed, variable)	2 949,77	2 949,77	-	-
Other compensation	-	-	-	-
Gisèle Rossat-Mignod				
Compensation (fixed, variable)	2 657,53	2 657,53	8 000,00	8 000,00
Other compensation	-	-	-	-
Olivier Fabas				
Compensation (fixed, variable)	-	-	20 000,00	20 000,00
Other compensation	-	-	-	-
Eric Beyrath				
Compensation (fixed, variable)	-	-	356,16	356,16
Other compensation	-	-	-	-
Pierre-François Koehl ⁽²⁾				
Compensation (fixed, variable)	6 166,67	6 166,67	-	-
Other compensation	-	-	-	-
François-Louis Ricard ⁽²⁾				
Compensation (fixed, variable)	10 000,00	10 000,00	-	-
Other compensation	-	-	-	-
Directors appointed upon recommendation of the French State				
The FRENCH STATE				
Compensation (fixed, variable)	18 833,33	18 833,33	25 000,00	25 000,00
Other compensation	-	-	-	-
Alain Schmitt				
Compensation (fixed, variable)	12 500,00	12 500,00	17 500,00	17 500,00
Other compensation	-	-	-	-
Christine Costes				
Compensation (fixed, variable)	6 666,67	6 666,67	6 000,00	6 000,00
Other compensation	-	-	-	-
Independent directors				
Catherine Halberstadt				
Compensation (fixed, variable)	23 642,47	23 642,47	30 000,00	30 000,00
Other compensation	-	-	-	-
Joël Darnaud				
Compensation (fixed, variable)	5 979,45	5 979,45	22 500,00	22 500,00
Other compensation	-	-	-	-
Claire Dumas				
Compensation (fixed, variable)	32 357,53	32 357,53	30 000,00	30 000,00
Other compensation	-	-	-	-
Directors representing the employees				
Elisabeth Henry Perez ⁽¹⁾				
Compensation (fixed, variable)	-	-	-	-
Other compensation	-	-	-	-
Laetitia Montanier				
Compensation (fixed, variable)	-	-	-	-
Other compensation	-	-	-	-
Eric Verkant ⁽¹⁾				
Compensation (fixed, variable)	-	-	-	-
Other compensation	-	-	-	-
Christophe Seillier				
Compensation (fixed, variable)	-	-	-	-
Other compensation	-	-	-	-
TOTAL	121 753,42	121 753,42	159 356,16	159 356,16

(2) resigned during the 2018 fiscal year

(3) resigned during the 2019 fiscal year



Table of compensation allocated to non-voting members who chair the Innovation and Financing-Guarantee Committees (gross amounts in euros)				
Non-voting members who chair the Innovation and Financing-Guarantee Committees	Amounts awarded for fiscal year 2018	Amounts awarded for fiscal year 2019	Amounts awarded during fiscal year 2018	Amounts awarded during fiscal year 2020
Chairman of the Innovation Committee				
Pierre Prieux				
Compensation (fixed, variable)	-	-	-	-
Other compensation	6 000,00	6 000,00	5 625,00	5 625,00
Chairman of the Financing-Guarantee Committee				
Hugues Maisonnier				
Compensation (fixed, variable)	-	-	-	-
Other compensation	3 750,00	3 750,00	-	-
TOTAL	9 750,00	9 750,00	5 625,00	5 625,00

○ **Compensation of the Chairman of the Board of Directors, a non-executive corporate officer**

The Chairman of the Board of Directors does not receive, apart from compensation for participation in Board of Directors' meetings, any compensation (fixed and/or variable), benefits in kind, or performance shares or options, from Bpifrance for his duties as Chairman of the Board of Directors.

Joël Darnaud chaired the Board of Directors of the Issuer until 17 December 2020.

Eric Lombard has been Chairman of the Board of Directors since 18 December 2020.

Since he was not a director of the Issuer before this date, Eric Lombard did not receive any compensation from the Issuer in 2020.

- Other information concerning Joël Darnaud, Chairman of the Board of Directors until 18 December 2020 and Eric Lombard, Chairman of the Board of Directors since 18 December 2020

Non-executive corporate officer	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due as a result of termination or change of duties		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Joël Darnaud Chairman of the Board of Directors From 26/09/2018 to 17/12/2020		X		X		X		X
Eric Lombard Chairman of the Board of Directors Since 18/12/2020		X		X		X		X

- **Compensation of the Chief Executive Officer**

Nicolas Dufourcq is the sole executive corporate officer of Bpifrance. He does not receive any compensation for the offices he holds within the Bpifrance Group companies other than Bpifrance. In particular, he receives no compensation for taking part in Board of Directors' meetings.

Table 1 (AMF nomenclature) – Summary of compensation payable and options and shares awarded to Nicolas Dufourcq (gross compensation and in euros)

This table summarises the total amount of compensation payable to Nicolas Dufourcq for the year ended 31 December 2020 and for the previous year.

Summary table of compensation and stock options awarded to each executive director		
Nicolas Dufourcq, Chief Executive Officer	Fiscal year 2019	Fiscal year 2020
Compensation awarded for the fiscal year	450 000	450 000
Valuation of multi-year variable compensation awarded during the fiscal year	-	-
Value of options granted during the year	-	-
Valuation of free shares granted	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	450 000	450 000

Nicolas Dufourcq's compensation as Chief Executive Officer of Bpifrance is set by the Board of Directors of Bpifrance on the advice and recommendation of the Compensation Committee and following approval from the French Minister for the Economy⁸⁰. It falls within the overall cap on the remuneration of public company executives and consists exclusively of fixed compensation and a variable bonus on targets (PVO).

The variable portion of this compensation is capped at €50,000 gross and its allocation is based on quantitative or qualitative criteria reviewed each year by the Board of Directors following the opinion of the Compensation Committee, depending on the Group's strategy and annual targets. Although clearly identified, details of the criteria used are not disclosed for confidentiality reasons.

⁸⁰ In accordance with Article 3 of Decree no. 53-707 of 9 August 1953 relating to State control of national public companies and some organisations with an economic or social purpose and Decree no. 2013-635 of 12 July 2013 relating to the public investment bank. This Article also caps compensation at €450,000 gross.



Table 2 (AMF nomenclature) – Summary of compensation awarded to Nicolas Dufourcq (gross amounts in euros)

Table summarising the compensation of each executive director				
	Fiscal year 2019		Fiscal year 2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Nicolas Dufourcq, Chief Executive Officer				
Fixed compensation	400 000	400 000	400 000	400 000
Annual variable compensation	50 000	50 000	50 000	50 000
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated for office as director	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	450 000	450 000	450 000	450 000

Table 4 (AMF nomenclature) – Stock options granted during the year to Nicolas Dufourcq by Bpifrance or by a company in the Bpifrance Group

N/A

Table 5 (AMF nomenclature) – Stock options exercised during the year by Nicolas Dufourcq

N/A

Table 6 (AMF nomenclature) – Performance shares awarded during the year to Nicolas Dufourcq by Bpifrance or by a company in the Bpifrance Group

N/A

Table 7 (AMF nomenclature) – Performance shares that vested during the year

N/A

Table 8 (AMF nomenclature) – History of stock option grants

N/A

Table 9 (AMF nomenclature) – Stock options granted to or exercised by the top ten employees other than corporate officers during the year

N/A

Table 10 (AMF nomenclature) – History of bonus share awards

N/A

Other information

Non-executive corporate officer	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due as a result of termination or change of duties		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Nicolas Dufourcq, Chief Executive Officer		X		X		X		X

Compensation of executives and persons covered by Article L. 511-71 of the French Monetary and Financial Code

The Bpifrance General Meeting will be consulted on the overall amount of compensation paid by the Issuer in 2020 to the executives and persons referred to in Article L. 511-71 of the French Monetary and Financial Code at 2020 year-end.

The total gross amount of this compensation in respect of 2020 was €8,456,824 (i.e. 54.3 FTE).

4.5. Conditions for the preparation and organisation of the work of the Board of Directors

The conditions for the preparation and organisation of the work of the Board of Directors are defined by the Company's Articles of Association, last updated on 18 September 2020, and the Rules of Procedure of the Board of Directors, as adopted on 12 July 2013 and last updated on 18 December 2020. A director's charter is an integral part of these Rules of Procedure.

4.5.1. Composition of the Board of Directors and rules relating to the appointment and replacement of members of the Board of Directors

Composition of the Board of Directors

In accordance with Article 7 of Order No. 2005-722 of 29 June 2005 (amended by Order No. 2020-739 of 17 June 2020), the Board of Directors of Bpifrance is composed of the Chief Executive Officer of Bpifrance, nine directors representing the shareholders (including four representatives of the French State and five appointed by the General Meeting of Shareholders, four of which are proposed by Caisse des Dépôts), two directors representing the regions appointed on the proposal of the Association des Régions de France, two directors, qualified individuals, chosen for their expertise in economic and financial matters as well as sustainable development, and two directors elected by the employees of the Bpifrance Group.

Equal numbers of women and men are appointed (i.e. eight women and eight men if the Board of Directors is complete) and strict parity is observed within the following categories of directors:

- i) qualified directors;
- ii) directors representing the Regions;
- iii) directors representing the employees.

On 18 December 2020, the Board of Directors adopted a diversity policy.

Under the terms of this policy, the Board of Directors delegates to the Appointments Committee (see page 196) the task of setting objectives to be achieved with regard to diversity in terms of age, qualifications and professional experience among the directors to ensure that at all times, they have the necessary skills to understand the risks, issues, including social and environmental issues, and potential changes in the company.

If the Board of Directors does not have a specific skill, an appointment may be considered to remedy the situation, in the event of a vacancy of a director position in the categories referred to above.



As at 31 December 2020, eight women and seven men sat as directors; one director's seat is vacant. At that date, in addition to the directors, seven non-voting members, the Statutory Auditors, the Government Commissioner (or the Deputy Government Commissioner) and the Secretaries of the Works Councils of Bpifrance and Bpifrance Investissement attend Board meetings.

Rules relating to the appointment and replacement of members of the Board of Directors

The directors representing the French State (four directors) and the regions (two directors) as well as the qualified individuals (three directors including the Chief Executive Officer of Bpifrance) are appointed by decree.

Directors representing employees are appointed under the same conditions as those provided for in Chapter II of Title II of Law No. 83-675 of 26 July 1983 on the democratisation of the public sector. They are elected by the employees of the company and its subsidiaries.

The other directors are appointed pursuant to Articles L. 225-18 and L. 225-24 of the French Commercial Code.

The term of office of directors appointed by decree may be terminated at any time by decree.

In accordance with Article 25 of the aforementioned Law No. 83-675 of 26 July 1983, the directors elected by the employees can only be dismissed for serious misconduct in the exercise of their term of office, by decision of the President of the court ruling according to the accelerated procedure on the merits, at the request of the majority of the members of the Board of Directors. In addition, the term of office of employee representatives on the Board of Directors ends automatically when these representatives no longer meet the eligibility conditions provided for in Article 15 of aforementioned Law No. 83-675 of 26 July 1983.

Pursuant to subparagraph 2 of Article L. 225-18 of the French Commercial Code, other directors can be removed at any time by the Ordinary General Meeting of the company.

4.5.2. Functioning of the Board of Directors

The Board of Directors meets at least once a quarter.

Most Board meetings are preceded by meetings of the Innovation, Financing- Guarantee Committees, Audit Committee and Risk Committee. A summary of the conclusions of these bodies is sent to the directors for information and a report is read out by the Committee Chairmen at the next Board meeting after the Committee meeting in question.

At least eight days before each Board meeting, the Directors receive a notice of meeting from the Chairman mentioning the agenda. The documents and information needed to properly fulfil their assignment within the Board and Committee are, barring exceptional cases, provided to them at least five days before the meeting date.

The Chairman chairs the Board of Directors meetings, organises and directs the debates and ensures compliance with the legal, regulatory and statutory provisions, and with the Rules of Procedure.

In principle, the Board of Directors acts by a majority of the members present and represented. However, decisions relating directly or indirectly to the implementation of the State's financial assistance cannot be adopted by the Board without the favourable vote of the directors representing the State.

Minutes are prepared for each meeting and sent to the members at the latest on the day of the convening of the next meeting that will approve them.

4.5.3. Activities of the Board of Directors in 2020

The Board of Directors met nine times in 2020. It was regularly informed of the proposed merger between Bpifrance SA and the Issuer.

The Board meetings held in March, April, June, July, September, October and December 2020 included an up-to-date presentation of the activity and risks and changes in the company's products.

In 2020, the Board of Directors authorised the conclusion of two related-party agreements, the details of which appear in the Statutory Auditors' special report on related-party agreements. A related-party agreement authorised by the Board of Directors of Bpifrance SA (absorbed company) during fiscal year 2020 is also mentioned in this report.

On 11 March 2020, the Board of Directors approved the Company's 2019 financial statements, approved the 2019 internal control report and the report on the fight against money laundering and combatting the financing of terrorism, and approved the management report relating to the 2019 fiscal year, convened the Annual General Meeting and co-opted a director. It examined the company's related-party agreements concluded prior to 2019 and which remained in effect during the year. It also examined the measures implemented by Bpifrance in the context of the crisis linked to the Covid-19 epidemic, the Bpifrance Climate Plan and the review of the Board of Directors' assessment work as well as the training plan for directors.

On 15 April 2020, the Board of Directors authorised the subscription of a loan of €1 billion from Caisse des Dépôts and examined Bpifrance's response plan to the crisis linked to the Covid-19 epidemic ("Atout" Loan, Rebound Loan, etc.).

On 29 April 2020, the Board of Directors mandated the Human Resources Department to negotiate the 2020 incentive agreement for the Company's employees, authorised product changes in the context of the crisis related to the Covid-19 epidemic and updated the 2020 financing plan. It validated the Pillar 3 report, the Group's publication policy, the Group's risk management policy, the operational risk management policy, the risk mapping and the emergency and business continuity plan. It decided to hold the Annual General Meeting behind closed doors in accordance with Order No. 2020-321 of 25 March 2020 and appointed a committee member. It also examined the activity at the end of March 2020, the Bpifrance Tourism plan, the internal capital adequacy assessment process (ICAAP), the internal liquidity adequacy assessment process (ILAAP) and the documents entitled "Risk Appetite Framework" (RAF) and "Risk Appetite Statement" (RAS).

On 16 June 2020, the Board of Directors mandated the Human Resources Department to negotiate the 2020 profit-sharing agreement for the company's employees and authorised the marketing of the State-guaranteed Loan (SGL) by the company.

On 30 July 2020, the Board of Directors approved the half-year consolidated financial statements as at 30 June 2020 and reviewed the update of the 2020 budget. It also authorised a request to the European Central Bank (ECB) for an exemption, since the merger, from the prudential requirements on an individual basis.

On 24 September 2020, the Board of Directors approved the proposed merger between Bpifrance SA and the Issuer and the related documentation and approved the updated strategic plan of Bpifrance. It also approved the company's policy on professional and equal pay and validated the company's response to the letter from the European Central Bank (ECB) to credit institutions on the operational capacity to manage debtors in difficulty as part of the coronavirus pandemic.

On 16 October 2020, the Board of Directors approved the draft resolutions and the report to be submitted to the Extraordinary and Ordinary General Meeting called to approve the merger-absorption of Bpifrance SA by Bpifrance Financement and delegated the convening of the meeting to the Chief Executive Officer. It also validated a second treasury stock securitisation project.

On 17 December 2020, the Board determined the multiplying coefficients and adopted the company's budget and financing plan for 2021. It also validated the 2020 recovery plan, the 2021 internal audit plan, approved the update of the list of risk takers and approved the inclusion in the reserve fund of the interest recorded for the year 2019.



On 18 December 2020, following the completion of the merger-absorption of Bpifrance SA by the Issuer, the Board of Directors took the necessary decisions to set up the governance of the merged entity (appointment of the Chairman of the Board of Directors, setting of his powers and compensation, appointment of non-voting members, creation of a Climate Committee, composition of the Board committees, amendment of the Board's Rules of Procedure, setting of the Distribution Formula for directors' compensation). It also authorised the subscription to a capital increase of Bpifrance Participations and approved the consolidated budget for 2021.

4.5.4. Committees under the responsibility of the Board of Directors

The operation of these Committees under the responsibility of the Board of Directors is defined by its Rules of Procedure. The composition of the various Committees as at 31 December 2020 is presented below.

● Audit Committee

The Audit Committee comprises a maximum of six members appointed from among the directors. As of the date of this Universal Registration Document, it is composed of Bernard Delpit (independent director), who is its Chairman, Harold Huwart (director representing the regions), Virginie Chapron-du-Jeu and Carole Abbey (directors representing the Caisse des Dépôts) and the French State, represented by Martin Vial. A second member representing the French State is in the process of being appointed.

Information on the Directors who are members of this Committee can be found in section 4.3 of this Universal Registration Document.

A non-voting director representing the French State (Yann Pouëzat) and a non-voting director representing the Caisse des Dépôts (Jean-Louis Delcloy) attend meetings of this Committee but do not have a vote.

The members of the Audit Committee are qualified in finance, accounting and banking.

In compliance with Article L. 823-19 of the French Commercial Code, the Audit Committee does not include members with Management functions within the company, and at least one of them has specific skills in financial or accounting matters and is independent in view of the criteria indicated in Article 6.2.1 of the Rules of Procedure (corresponding with the independence criteria of the Afep-Medef Code).

In 2020, the Audit Committee met five times in the presence of the Statutory Auditors and the Government Commissioner. The following people also attended these meetings: the Deputy Chief Executive Officer, the Chief Financial Officer, the Bpifrance Group General Inspector, the Head of Accounting, the Head of Compliance and Internal Control, and the Head of Risk.

In particular, the Audit Committee examined the Company's financial statements as at 31 December 2019 and 30 June 2020, the outlook for the end of 2020 and the 2021 budget. It received a quarterly update on the company's financial position and approved the company's 2021 financing plan and 2021 audit plan. It was also informed of the proposed merger, in particular its accounting aspects.

● The Risk Committee

The Risk Committee has a maximum of six members appointed from among the directors. As of the date of this Universal Registration Document, it is composed of Claire Dumas (independent director), who is its Chairwoman, Annabel André (director representing the regions), Virginie Chapron-du-Jeu and Carole Abbey (directors representing the Caisse des Dépôts) and the French State, represented by Diane Simiu. A second member representing the French State is in the process of being appointed.

Information on the Directors who are members of this Committee can be found in section 4.3 of this Universal Registration Document.

A non-voting director representing the French State (Yann Pouëzat) and a non-voting director representing the Caisse des Dépôts (Jean-Louis Delcloy) attend meetings of this Committee but do not have a vote.

Members of the Risk Committee are qualified in the financial, accounting and banking fields.

The Risk Committee met five times in 2020. Its meetings were attended by the Bpifrance Group General Inspector, the Head of Compliance and Internal Control, the Head of Risk, and the Government Commissioner. The Statutory Auditors, the Deputy Chief Executive Officer and the Chief Financial Officer were invited to these meetings.

The Risk Committee addressed the changes in risks ("business line" risks, sector limits) quarterly, acknowledged the follow-up to the IGA and ECB missions and recommendations and the status of the outstanding recommendations, and was informed of the overview of the Permanent Control and Compliance reporting and the follow-up monitoring of operational risks. It was also informed of the results of the test of the contingency and business continuity plan in 2019 and of the testing schedule for 2020.

It also issued a favourable opinion on Bpifrance's Group risk management and operational risk policies, the Pillar 3 report, Bpifrance's publication policy, risk mapping, the recovery plan for 2020, and a treasury stock securitisation project and the 2021 audit plan. It examined the documents entitled "Risk Appetite Framework" (RAF) and "Risk Appetite Statement" (RAS), the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP).

The Risk Committee also examined the internal control report for 2019, the control plan for 2020, the validation plan for the 2020 models and the evolution of the Company's risk profile. It was informed, on a regular basis, of the progress of the ECB's oversight duties. In addition, the Risk Committee received regular presentations from the model validation unit and updates on the progress of internal work (shared view of default, BCBS 239, loan pricing, etc.) or topics (Brexit).

● The Appointments Committee

The role of the Appointments Committee is to advise the Board of Directors, in particular, on all proposals concerning the appointment of Executive Vice-Presidents and Executive Officers, the appointment or recruitment of members of the Executive Committee and the appointment of independent directors.

As at 31 December 2020, this committee is composed of four directors: Barbara Lavernos (independent director) Annabel André (Director representing the regions), Antoine Saintoyant (Director representing Caisse des Dépôts), Martin Vial (Director representing the French State). Barbara Lavernos chairs the meetings of this Committee. Information on the Directors who are members of this Committee can be found in section 4.3 of this Universal Registration Document.

● The Compensation Committee

The role of the Compensation Committee is to advise the Board of Directors on all proposals concerning the compensation, in all its components, of the Chief Executive Officer and the Executive Vice-Presidents and the compensation, which it controls, of the managers in charge of the risk management and compliance functions. Finally, it provides an opinion on all compensation and incentive arrangements for the Bpifrance personnel. It is also kept informed, on a regular basis, of the career status and compensation of employees who are members of the Executive Committee.

The Committee is also responsible for analysing compensation policies and practices, including with regard to the Group's risk management.

This committee is composed of four directors: Bernard Delpit (independent director), Harold Huwart (Director representing the regions), Antoine Saintoyant (Director representing Caisse des Dépôts), Martin Vial (Director representing the French State). Bernard Delpit chairs the meetings of this Committee.

Information on the Directors who are members of this Committee can be found in section 4.3 of this Universal Registration Document.



- Other Committees

The Innovation Committee

The Innovation Committee comprises three members appointed from among the directors and non-voting members.

As of the date of this Universal Registration Document, two members have been appointed: Pierre Prieux (non-voting member meeting the independence criteria within the meaning of the Afep-Medef Code) and Carole Abbey (Director representing Caisse des Dépôts). Pierre Prieux chairs the Innovation Committee meetings.

The Innovation Committee also includes a panel of experts: Pierre-Louis Autin (French Ministry of Research), Camille Buisson (Directorate General for Companies), Cédric Peignat (Budget Department) and Paul Hennebelle (Treasury Department), appointed on the proposal of the French State; Jean-Louis Delcloy, appointed on the proposal of Caisse des Dépôts; Benoist Grossmann (Managing Partner of Idinvest Partners and Eurazeo Growth) and Judith Greciet (Chief Executive Officer of Onxeo), appointed on the proposal of the Chairman of the Board of Directors.

The Innovation Committee is an advisory body that meets prior to Board meetings and issues opinions on technical issues related to innovation (determination of multiplier coefficients, budget forecasts in particular).

The Financing-Guarantee Committee

The Financing-Guarantee Committee comprises three members appointed from among the directors and non-voting members: Yann Pouëzat (non-voting director representing the French State), Carole Abbey (director representing Caisse des Dépôts), and Catherine Halberstadt (independent non-voting member). Catherine Halberstadt chairs the meetings of the Financing-Guarantee Committee.

The Financing-Guarantee Committee also includes a panel of experts: Paul Dejean de la Batie (Budget Department), Louis Boillot (Directorate General of the Treasury), Orianne Chenain (Directorate General for Companies), appointed on the proposal of the French State; Antoine Beaugendre (Research Director-Equity Manager at Caisse des Dépôts), the French Banking Federation and Jean-Louis Delcloy, appointed by Caisse des Dépôts; and Crédit Agricole and Hugues Maisonnier, appointed on the proposal of the Chairman of the Board of Directors.

The Financing-Guarantee Committee is an advisory body that meets prior to Board meetings and issues opinions on technical issues related to the financing and guarantee business lines (determination of multiplier coefficients, budget forecasts, etc.).

The Climate Committee

The Climate Committee has three members appointed from among the directors and non-voting members: Diane Simiu (director representing the French State), Virginie Chapron-du-Jeu (director representing Caisse des Dépôts), and Jean-Luc Petithuguenin (independent non-voting member). Jean-Luc Petithuguenin chairs the meetings of the Climate Committee.

The Climate Committee also includes a panel of experts: Pierre-Emmanuel Beluche (Head of the Corporate Governance Office at the Directorate General of the Treasury, appointed on the proposal of the French State), Benoit Leguet (Chief Executive Officer of I4CE, appointed on the proposal of Caisse des Dépôts), Carine de Boissezon (Chief Sustainability Officer of EDF), Pierre Abadie (Co-Director of Energy Transition at Tikehau Capital), Antoine de Salins (Associate Director of I Care & Consult in charge of the financial sector).

The Climate Committee is a consultative body that meets prior to Board meetings and issues opinions on the Company's strategic orientations, intervention policy and procedures for carrying out its public interest missions and on the implementation of the ecological and energy transition.

4.5.5. Limitations of the powers of the Chief Executive Officer by the Board of Directors

The Chief Executive Officer has the broadest possible powers in order to act, in all circumstances, in the company's name. The CEO exercises these powers within the limits of the corporate purpose and subject to the powers that the law expressly attributes to the meetings of the shareholders and to the Board of Directors. He/she represents the company in its relations with third parties.

4.6. Agreements falling within the scope of Article L. 225-38 of the French Commercial Code

In accordance with the provisions of Article R. 225-30 of the French Commercial Code, the Statutory Auditors were provided with a summary report of the agreements in accordance with Articles L. 225-38 et seq. of the French Commercial Code, authorised by the Board of Directors of the Issuer during the fiscal year ended 31 December 2020, or which were signed earlier but continued to be in effect for that fiscal period.

The list of agreements authorised and entered into in 2020 is set out in the Statutory Auditors' report on the related-party agreements.

4.7. Review of agreements signed and approved during previous fiscal years whose execution continued in fiscal year 2020

At its meeting of 19 March 2021, the Board of Directors of the Issuer reviewed the agreements signed and approved during previous fiscal years and whose execution continued in fiscal year 2020.

4.8. Agreements covered in paragraph 2 of Article L. 225-37-4 of the French Commercial Code

Bpifrance Financement has implemented suitable procedures to identify the agreements covered in paragraph 2 of Article L. 225-37-4 of the French Commercial Code⁸¹. Only one such agreement was signed in 2020. This is a data exchange agreement entered into on 18 December 2020 between the company, Bpifrance Participations and Caisse des Dépôts.

4.9. Effect of the merger between the company and Bpifrance SA on the contracts entered into by Bpifrance SA

In accordance with Order No. 2020-739 of 17 June 2020 on the reorganisation of the Public investment bank, the merger between the company and Bpifrance SA does not call into question the contracts in progress, whatever their legal qualification may be, entered into by the absorbed company (Bpifrance SA) or its subsidiaries and is not such as to justify the termination of these contracts, their modification, or the early repayment of the debts that are the subject of them.

4.10. Delegations relating to capital increases

None of the delegations granted by the General Meeting of the Shareholders of the Issuer to the Board of Directors for capital increases, in application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, are currently valid.

4.11. Rules applicable to amendments to the Company's Articles of Association

In the Company's Articles of Association, there are no stricter conditions than those imposed by the law for amending articles of association.

⁸¹ The agreements covered in paragraph 2 of Article L. 225-37-4 of the French Commercial Code are those agreed between a manager or a shareholder holding more than 10% of the voting rights, of a company, and another company in which the latter directly or indirectly owns over half of the capital.



5. RESOLUTIONS SUBMITTED TO THE GENERAL MEETING OF 5 MAY 2021

- **Resolution 1** (approval of the Board of Directors' report on the company's situation and activity for the year ended 31 December 2020)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, approves the report from the Board of Directors for the year ended 31 December 2020 (including the corporate governance report) and all operations discussed therein.

- **Resolution 2** (approval of the separate financial statements for the year ended 31 December 2020)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Board of Directors' report on the fiscal year ended 31 December 2020 and the Statutory Auditors' report on the annual financial statements, approves the separate financial statements, namely the balance sheet, the profit and loss statement and the notes, to 31 December 2020, as presented to it, and which show a loss of €47,917,583.18, as well as the transactions represented in these financial statements.

- **Resolution 3** (approval of the consolidated financial statements for the year ended 31 December 2020)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Board of Directors' report on the fiscal year ended 31 December 2020 and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended 31 December 2020, approves the consolidated financial statements, namely the balance sheet, the profit and loss statement and the notes, to 31 December 2020, as presented to it, and which show a loss (group share of net income) of €139.6 million, as well as the transactions represented in these financial statements.

The General Meeting takes note that the expenses not fiscally deductible (Article 39-4 of the General Tax Code) incurred by the company during the fiscal year ended on 31 December 2020 are equal to €992,123.26 and correspond to the fraction of the non-deductible lease payments on leased vehicles. The amount of the corresponding tax expense is €341,588.04.

The General Meeting grants discharge to the executives and members of the Board of Directors for the performance of their mandates for the past fiscal year.

- **Resolution 4** (allocation of earnings for the year ended 31 December 2020)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, approves the proposal presented by the Board of Directors and decides to allocate the loss for the fiscal year just ended as follows:

	<i>in euros</i>
Loss for the year to be allocated	-47 917 583,18
Retained earnings	906 316 375,33
<i>i.e. an available balance of</i>	858 398 792,15
Transfer to the legal reserve	0,00
<i>i.e. a distributable balance of</i>	858 398 792,15
Allocation to other reserves	0,00
Distribution of a dividend	0,00
Total retained earnings after allocation of earnings	858 398 792,15

The General Meeting recognises the Board of Directors' summary of the amount of dividends distributed in respect of the last three fiscal years:

Fiscal year	Dividend per share
2017	€0.10*
2018	No distribution*
2019	No distribution *

* *Dividends eligible for abatement benefiting natural persons domiciled in France for tax purposes as set out in Article 158-3 §2 of the French General Tax Code*

- **Resolution 5** (approval of a data exchange agreement between Bpifrance and Caisse des Dépôts)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves the data exchange agreement between Bpifrance, Bpifrance Participations and Caisse des Dépôts, authorised by the Board of Directors on 18 December 2020 and signed the same day.

- **Resolution 6** (approval of an information exchange agreement between Bpifrance and Caisse des Dépôts)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code, approves the information exchange agreement between Bpifrance and Caisse des Dépôts, authorised by the Board of Directors on 18 December 2020 and signed the same day.

- **Resolution 7** (approval of a share acquisition agreement between Bpifrance SA (absorbed company) and CDC Entreprises Elan PME)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves as required the Proparco share acquisition agreement between Bpifrance SA and CDC Entreprises Elan PME, authorised by the Board of Directors of Bpifrance SA on 12 June 2020.

- **Eighth resolution** (appointment of KPMG Audit FS I as Principal Statutory Auditor)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint KPMG Audit FS I as Principal Statutory Auditor, replacing KPMG SA, for a period of six fiscal years ending at the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending on 31 December 2026.

- **Resolution 9** (non-renewal of the term of office of KPMG Audit FS I, Alternate Statutory Auditor of the company)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Board of Directors, notes that the term of office of KPMG Audit FS I, Alternate Statutory Auditor of the Company, has expired. It decides not to renew this term of office pursuant to the option provided for in Article L. 823-1 of the French Commercial Code.



- **Resolution 10** (favourable opinion on the overall budget for compensation of any kind, amounting to €8,456,824 gross, paid during the fiscal year ended on 31 December 2020, to the persons referred to in Article L.511-71 of the French Monetary and Financial Code)

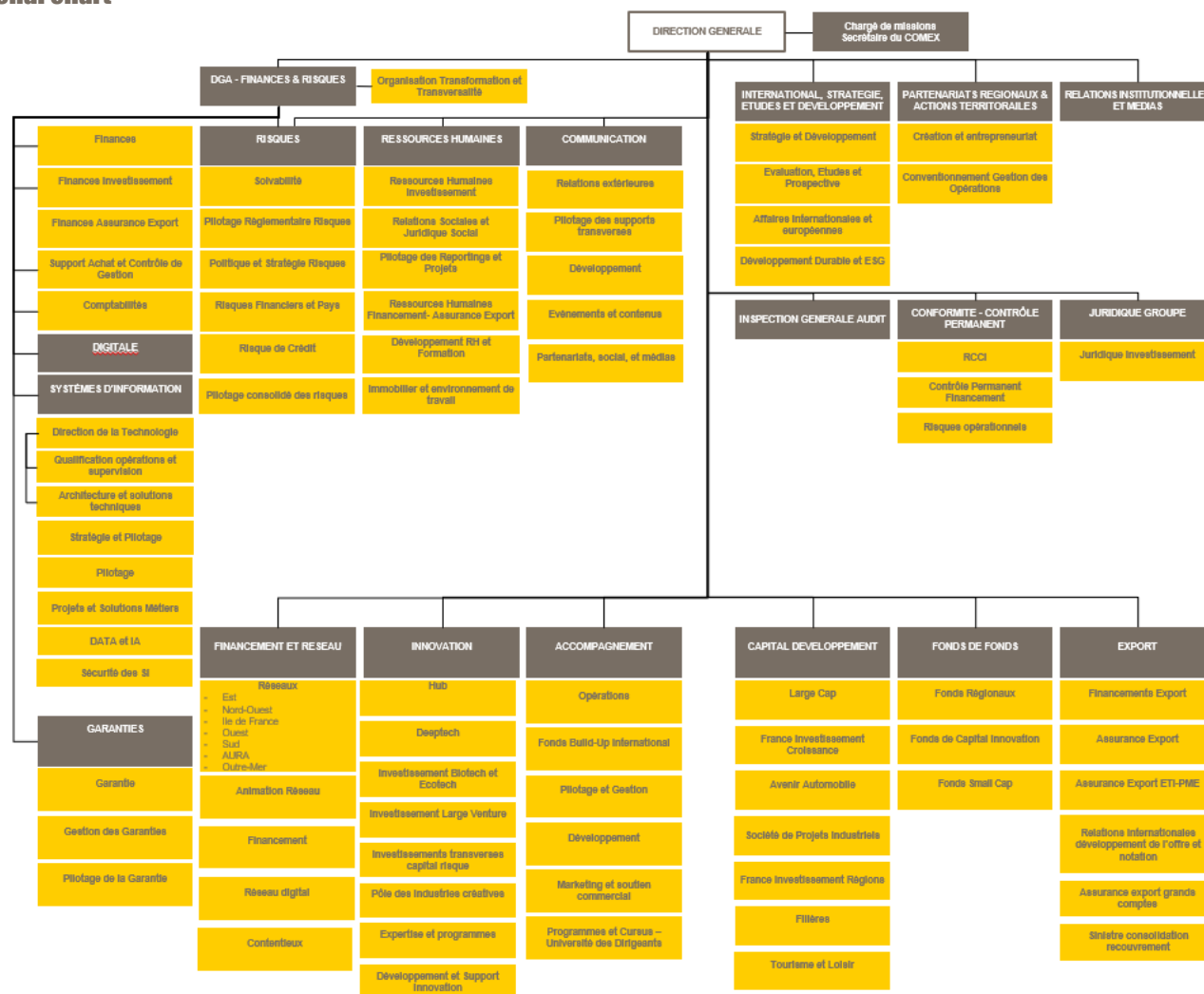
The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, consulted pursuant to Article L. 511-73 of the French Monetary and Financial Code, having heard the Board of Directors' Report, issues a favourable opinion regarding the overall amount of the compensation of all kinds, amounting to €8,456,824 gross, paid during the fiscal year ended on 31 December 2020 to the persons indicated in Article L. 511-71 of the French Monetary and Financial Code, i.e. 54.3 full-time equivalent persons.

- **Resolution 11** (powers for formalities)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, grants all powers to the bearer of originals, excerpts or copies of the minutes of this General Meeting in order to perform all required formalities related to filings and disclosures.

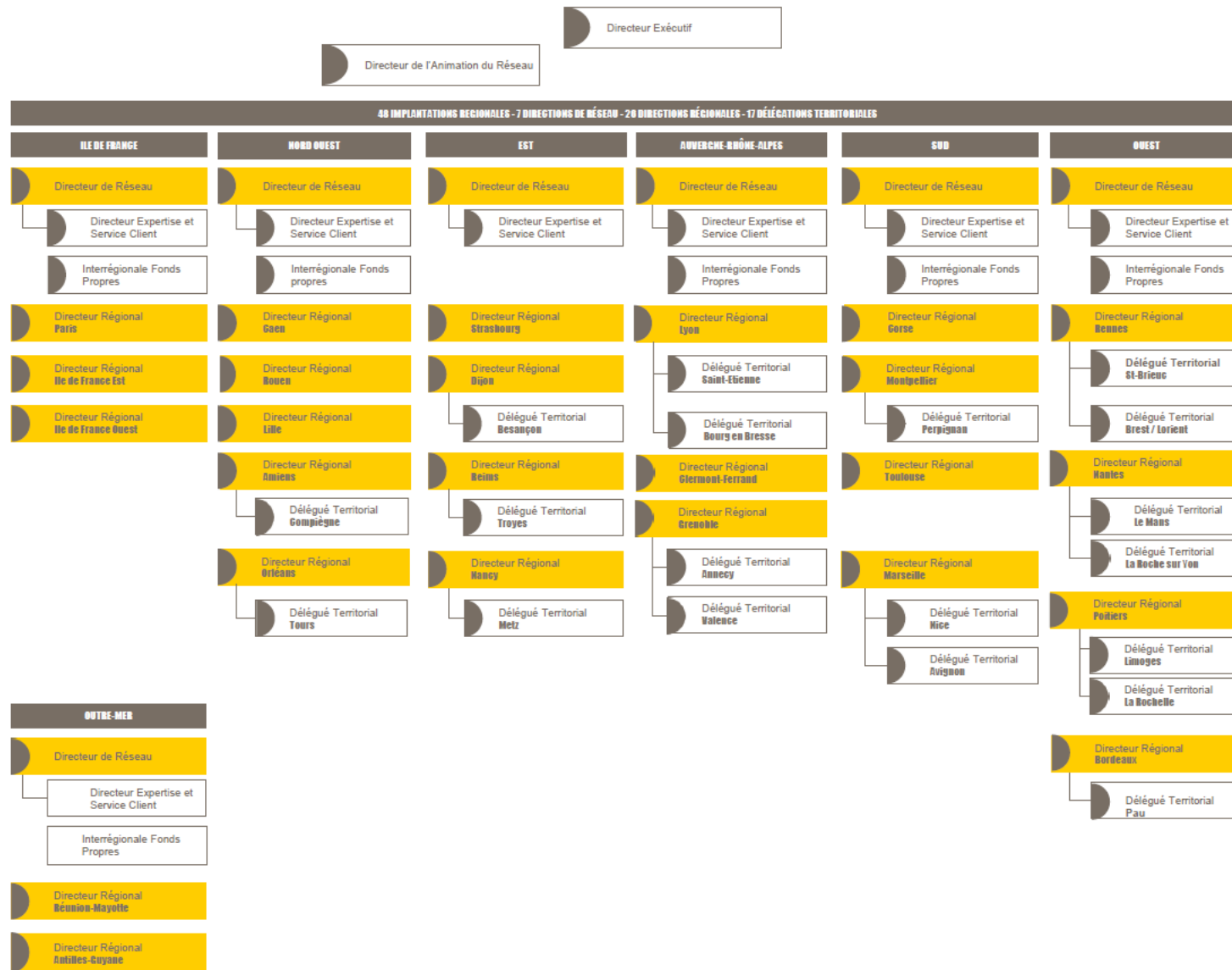
6. ORGANISATIONAL CHARTS OF BPIFRANCE

6.1. Functional organisational chart





6.2. Organisational chart of the network



7. FIVE-YEAR FINANCIAL SUMMARY

	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
I - Capital at fiscal year-end					
a) Capital (in euro-equivalent)	839 907 320	839 907 320	839 907 320	839 907 320	5 440 000 000
b) Number of shares issued	104 988 415	104 988 415	104 988 415	104 988 415	680 000 000
II Operations and results for the fiscal year (in thousands of euros)					
a) Pre-tax revenue	2 323 587	2 424 817	2 454 122	2 530 506	2 776 349
b) Income before tax, profit-sharing or employee incentives and depreciation, amortization and provisions	334 473	412 557	449 803	552 240	296 886
c) Income tax	96 260	138 193	132 187	132 987	-80 502
d) Employee profit-sharing or incentives due for the fiscal year	11 610	15 095	15 152	16 540	17 415
e) Net income after tax, profit-sharing or employee incentives and depreciation, amortization and provisions	175 094	200 198	214 502	246 928	-47 918
f) Distributed earnings	0	10 499	0	0	0
III - Earnings per share (in €)					
a) Net income after tax, profit-sharing or employee incentives but before depreciation, amortization and provisions	2,16	2,47	2,88	3,84	0,53
b) Net income after tax, profit-sharing or employee incentives and depreciation, amortization and provisions	1,67	1,91	2,04	2,35	-0,07
c) Dividend allocated to each share	0,00	0,10	0,00	0,00	0,00
IV - Staff					
a) Number of employees at 31 December	2 070	2 142	2 214	2 405	2 556
b) Total payroll (in thousands of euros)	121 269	126 883	135 460	148 186	158 461
c) Amount paid in respect of social benefits (social security, social work, etc.) (in thousands of euros)	54 567	58 237	60 311	66 958	73 278

8. CONSOLIDATED FINANCIAL STATEMENTS

Bpifrance publishable consolidated balance sheet

ASSETS (in millions of euros)	Notes	31/12/2020	31/12/2019
Cash in hand, central banks	6.1	7 819,2	1 045,9
Financial assets at fair value through profit or loss	6.2	5 943,6	735,0
Hedging derivatives	6.3	5,9	5,2
Financial assets at fair value through equity	6.4	12 288,3	1 267,5
Securities at amortised cost	6.5	8 041,3	7 538,2
Loans and advances to credit institutions and related entities, at amortised cost	6.6	1 461,2	900,2
Loans and advances to customers, at amortised cost	6.7	44 419,6	39 184,2
Finance leases and similar operations, at amortised cost	6.8	6 185,5	6 223,2
Innovation financing aid	6.9	988,4	982,8
Fair value adjustments to debt portfolios hedged against interest rate risks		586,0	435,6
Current and deferred tax assets	6.10	260,2	52,4
Accruals and miscellaneous assets	6.11	826,6	469,2
Non-current assets held for sale		0,0	0,0
Holdings in equity-consolidated companies	6.12	5 052,8	11,5
Investment property		0,0	0,0
Tangible fixed assets	6.13	250,3	211,0
Intangible fixed assets	6.13	185,0	99,1
Goodwill		2,1	2,1
TOTAL ASSETS		94 316,0	59 163,1

Bpifrance publishable consolidated balance sheet

LIABILITIES <i>(in millions of euros)</i>	Notes	31/12/2020	31/12/2019
Central banks	6.1	0,0	0,0
Financial liabilities at fair value through profit or loss	6.2	1,5	1,8
Hedging derivatives	6.3	84,2	20,7
Debts due to credit institutions and related entities	6.14	18 801,0	11 011,7
Debts due to customers	6.15	3 014,2	3 585,3
Debt represented by a security	6.16	36 347,0	30 267,4
Fair value adjustments to debt portfolios hedged against interest rate risk		727,5	538,5
Current and deferred tax liabilities	6.10	129,7	6,5
Accruals and miscellaneous liabilities	6.11	2 489,6	1 344,8
Lease liabilities	6.17	122,4	96,7
Debt related to non-current assets held for sale		0,0	0,0
Provisions	6.18	143,7	104,4
Net resources for innovation-related activity	6.19	1 916,3	1 829,2
- <i>Affectées aux engagements</i>		920,9	860,9
- <i>Non affectées</i>		995,4	968,3
Public guarantee funds	6.20	6 455,6	5 906,7
- <i>Affectés aux engagements</i>		2 387,0	2 166,4
- <i>Non affectés</i>		4 068,6	3 740,3
Subordinated debt	6.21	7,3	539,4
Shareholders' equity		24 076,0	3 910,0
Shareholders' equity - Group share		24 061,7	3 910,0
- <i>Capital et réserves liées</i>		21 122,4	2 031,8
- <i>Réserves consolidées</i>		3 858,8	1 729,0
- <i>Gains and losses recognised directly in equity</i>		-779,9	-4,2
- <i>Résultat</i>		-139,6	153,4
Minority interests		14,3	0,0
- <i>Réserves</i>		14,3	0,0
- <i>Résultat</i>		0,0	0,0
TOTAL LIABILITIES		94 316,0	59 163,1

Publishable consolidated income statement of Bpifrance

(in millions of euros)

	Notes	31/12/2020	31/12/2019
Interest and related income	7.1	1 631,5	1 580,3
Interest and related expenses	7.1	-884,1	-864,4
Net gains or losses resulting from net position hedging		0,0	0,0
Fees (income)		20,0	14,8
Fees (expenses)		-1,9	-2,6
Net gains or losses on financial instruments at fair value through the income statement	7.2	-0,4	6,3
Net gains or losses on financial instruments at fair value through equity	7.3	3,9	0,0
Net gains or losses resulting from the de-recognition of financial assets at amortised cost		0,0	0,0
Net gains or losses resulting from reclassification of financial assets at amortised cost as financial assets at fair value through the income		0,0	0,0
Net gains or losses resulting from reclassification of financial assets at fair value through equity as financial assets at fair value through the income		0,0	0,0
Income from other activities	7.4	200,1	189,5
Expenses from other activities	7.4	-120,7	-113,0
NET BANKING INCOME		848,4	810,9
General operating expenses	7.5	-482,4	-422,9
Depreciation, amortisation and impairment on tangible & intangible fixed assets	7.6	-67,3	-63,6
GROSS OPERATING INCOME		298,7	324,4
Cost of credit risk	7.7	-461,5	-85,0
NET OPERATING INCOME		-162,8	239,4
Share of net income from equity-consolidated companies		-0,6	0,2
Net gains or losses on other assets		0,4	1,2
Change in value of goodwill		0,0	0,0
INCOME BEFORE TAX		-163,0	240,8
Income tax	7.8	23,4	-87,4
Net income after tax from discontinued operations		0,0	0,0
NET INCOME		-139,6	153,4
Minority interests		0,0	0,0
NET INCOME - GROUP SHARE		-139,6	153,4
* Earnings per share (in euros)		-0,21	1,46
* Diluted earnings per share (in euros)		-0,21	1,46

Net income and gains and losses recognised directly in Bpifrance equity

(in millions of euros)

	31/12/2020	31/12/2019
NET INCOME	-139,6	153,4
Items that can be reclassified (recyclable) in net income		
Translation adjustments	0,0	0,0
Revaluation of financial assets at fair value through equity	40,1	4,4
Revaluation of hedging derivatives on recyclable elements	0,0	0,0
Share of gains and losses recognised directly in the equity of equity-consolidated companies	0,0	0,0
Other recyclable elements recognised through equity	0,0	0,0
Related taxes	-11,4	-1,5
Items that cannot be reclassified (non-recyclable) in net income		
Revaluation of fixed assets	0,0	0,0
Revaluation (or actuarial gains and losses) on defined benefit plans	-0,8	-3,0
Revaluation of own credit risk of financial liabilities recognised at fair value through the income statement	0,0	0,0
Revaluation of equity instruments recognised at fair value through equity, not recyclable	1,0	-0,3
Share of gains and losses recognised directly in the equity of equity-consolidated companies, not recyclable	0,0	0,0
Other elements recorded recognised through equity, not recyclable	0,0	0,0
Related taxes	-0,4	1,1
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	28,5	0,7
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-111,1	154,1
* Of which group share	-111,1	154,1
* Of which minority interests	0,0	0,0
Transfer amount to reserve of non-recyclable elements	0,0	0,0

Change in shareholders' equity (group share)

	Capital and related reserves	Reserves	Gains and losses recognised directly in equity	Assignment	Total
<i>(in millions of euros)</i>					
Position at 31 December 2018	2 031,8	1 561,7	-4,9		3 588,6
2018 earnings				167,3	167,3
Income allocated to reserves	0,0	167,3	0,0	-167,3	0,0
Change in gains and losses recognised directly in equity	0,0	0,0	2,7	0,0	2,7
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	-0,2	0,0	-0,2
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	2,9	0,0	2,9
Actuarial gains and losses on defined benefit plans	0,0	0,0	-2,0	0,0	-2,0
Distribution of dividends	0,0	0,0	0,0	0,0	0,0
Change in interest rate percentage	0,0	0,0	0,0	0,0	0,0
Position at 31 December 2019	2 031,8	1 729,0	-4,2	0,0	3 756,6
2019 earnings				153,4	153,4
Income allocated to reserves	0,0	153,4	0,0	-153,4	0,0
Change in gains and losses recognised directly in equity	0,0	0,0	29,6	0,0	29,6
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	0,9	0,0	0,9
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	28,7	0,0	28,7
<i>Disposal of financial instruments in FV OCI</i>	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	-1,1	0,0	-1,1
Capital increase*	4 600,1				4 600,1
Merger premium*	14 490,5	0,0	0,0	0,0	14 490,5
Treasury shares*	0,0	-42,3			-42,3
Change in scope*	0,0	2 018,9	-804,2	0,0	1 214,7
Miscellaneous	0,0	-0,2	0,0	0,0	-0,2
Position at 31 December 2020	21 122,4	3 858,8	-779,9	0,0	24 201,3
2020 earnings				-139,6	-139,6

* see "Significant facts" 1.1.1

Change in minority interests

Minority interests at 31 December 2018	0,0
Change in gains and losses recognised directly in equity	0,0
<i>Change in the value of financial instruments affecting equity</i>	0,0
<i>Change in the value of financial instruments recognised in income</i>	0,0
Change in interest rate percentage	0,0
Share of earnings as of 31 December 2019	0,0
Minority interests at 31 December 2019	0,0
Change in gains and losses recognised directly in equity	0,0
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0
Change in scope	14,3
Share of earnings as of 31 December 2020	0,0
Minority interests at 31 December 2020	14,3

Cash flow table

The cash flow table is presented using the indirect method model.

The **operational activities** are representative of the activities that generate earnings for the Group, which includes the assets inventoried in the portfolio of “Securities at amortised cost”.

The tax flows are entirely presented with the operational activities.

The **investment activities** represent the cash flows for the acquisition and disposal of interests in the consolidated and non-consolidated companies, tangible and intangible assets, and buildings held for investment. The strategic equity securities listed in the portfolio of “Financial assets at fair value through equity” are included in this compartment.

The **financing activities** result from the changes related to the financial structure operations involving shareholders’ equity and long-term borrowing.

The notion of **net cash** includes the cash, liabilities and debts with central banks and postal accounts, as well as the demand accounts (assets and liabilities) and loans with lending institutions.

Bpifrance Group cash flow statement

(in millions of euros)	31/12/2020	31/12/2019
Income before tax*	-163,0	240,8
Net amortisation/depreciation on intangible and tangible assets	67,3	63,6
Impairment of goodwill and other fixed assets	0,0	0,0
Net allocations to provisions	488,4	41,5
Share of net income related to equity-consolidated companies	0,6	-0,2
Net loss/net gain from investment activities	0,0	0,1
Other movements	-108,6	478,0
Other transactions (specific to guarantee funds)	548,9	-83,4
Total non-cash items included in net income before tax and other adjustments	996,6	499,6
Flows related to transactions with credit institutions	7 794,8	-1 415,7
Flows related to transactions with customers	-5 132,6	-1 706,5
Flows related to other transactions affecting financial assets or liabilities	-2 234,5	-406,3
Flows related to other transactions affecting non-financial assets or liabilities	-84,4	-18,8
Flows related to other transactions affecting innovation activities	81,5	-73,7
Tax paid	-93,2	-129,2
Net decrease/(increase) of assets and liabilities from operating activities	331,6	-3 750,2
Net cash flow generated by the operating activity (A)	1 165,2	-3 009,8
Flows related to financial assets and investments**	533,7	-2,8
Flows related to investment buildings	0,0	0,0
Flows related to tangible and intangible fixed assets	-74,3	-67,7
Total net cash flow related to investment activities (B)	459,4	-70,5
Cash flow to or from shareholders	0,0	-0,4
Other net cash flow from financing activities	6 009,6	2 588,9
Total net cash flow linked to financing transactions (C)	6 009,6	2 588,5
Impact of exchange rate variations on cash and cash equivalents (D)	0,0	0,0
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	7 634,2	-491,8
Net cash flow generated by the operating activity (A)	1 165,2	-3 009,8
Net cash flow linked to investment activities (B)	459,4	-70,5
Net cash flow linked to financing transactions (C)	6 009,6	2 588,5
Impact of exchange rate variations on cash and cash equivalents (D)	0,0	0,0
Cash and cash equivalents - opening balance	1 505,3	1 997,1
Cash in hand, central banks (assets & liabilities)	1 045,9	1 687,6
Accounts (assets & liabilities) and lending/borrowing to/from credit institutions	459,4	309,5
Cash and cash equivalents - closing balance	9 139,5	1 505,3
Cash in hand, central banks (assets & liabilities)	7 819,2	1 045,9
Accounts (assets & liabilities) and lending/borrowing to/from credit institutions	1 320,3	459,4
Change in net cash flow	7 634,2	-491,8

* The reported CFS shows net income excluding the contribution of income from contributed entities recognized in equity.

** The cash flows for the fiscal year relating to the contributed companies are not included in the CFS, with the exception of the cash acquired following the consolidation of subsidiaries in the amount of €425.8 million, which is shown on the line "cash flows related to financial assets and investments".

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● **Note 1 - Significant events during the fiscal year and events after the closing**

1.1 Significant events during the fiscal year

1.1.1 Merger-absorption of Bpifrance SA by Bpifrance Financement

The merger-absorption of Bpifrance SA by its subsidiary Bpifrance Financement was approved by the Extraordinary General Meetings of the two entities on 18 December 2020.

Bpifrance Financement is a credit institution whose capital is 90.78%-held by Bpifrance SA, with the balance being mainly held by credit institutions and other financial institutions.

Bpifrance SA is a financial company 50%-held by the French public institution EPIC Bpifrance and 50% by the Caisse des Dépôts et Consignations.

The purpose of this operation is increase the Bpifrance Group's ability to act as well as to streamline its organisation.

Legal framework

Bpifrance Financement 's capital amounts to €840 million, divided into 105 million shares with a par value of €8 each. On the date of the operation, a capital increase was carried out to compensate the contributions of Bpifrance SA, followed by a capital reduction aimed at cancelling the Bpifrance Financement shares contributed by Bpifrance SA.

Capital increase:

Bpifrance Financement carried out a capital increase in the amount of €5,351 million, through the issue of 668.9 million shares with a par value of €8 each.

The difference between the net assets contributed by Bpifrance SA, i.e. €21,776.5 million, and the amount of the capital increase constitutes a merger premium in the amount of €16,425.5 million.

Capital reduction:

Bpifrance Financement received 95.3 million of its own shares as part of the contributions. A capital reduction in the amount of €750.9 million was carried out in order to cancel 93.9 million of its securities. The Bpifrance Financement capital was thus reduced to €5,440 million.

The difference between the nominal value of the cancelled shares, i.e. €750.9 million and their net contribution value, i.e. €2,684.6 million, was deducted from the merger premium, whose final amount was €14,491.8 million.

The balance of 1.4 million treasury shares retained represents an amount of €42.3 million. It is deducted from consolidated equity.

Following these operations, the Bpifrance entity (formerly Bpifrance Financement) is held equally by EPIC Bpifrance and Caisse des Dépôts et Consignations, with each holding 49.29%.

Bpifrance now includes the wholly-owned entities Bpifrance Participations and Bpifrance Assurance Export in its scope. These entities are fully consolidated.

Accounting framework

Effective date of the merger:

The effective date of the merger is the legal completion date of the transaction, i.e. 18 December 2020.

The contribution to profit or loss of entities contributed between 1 January 2020 and 18 December 2020 is recognised in equity. Due to its non-material nature, the contribution to profit or loss of entities contributed between 18 December and 31 December 2020 is also recorded in equity.

Principles retained for valuing the contributions:

As this is an operation between companies under joint control, the valuation of the assets and liabilities contributed at their historical book value has been retained.

Presentation:

The amounts shown for the opening of the financial statements are those of the consolidated financial statements of Bpifrance Financement at 31 December 2019.

Expenses:

The incremental costs directly attributable to the transaction are charged to the merger premium.

Accounting implications:

The tables below are provided for information only and present:

- The impact of this merger on Bpifrance's consolidated balance sheet;
- Bpifrance's consolidated income statement if this merger had occurred on 1 January 2020.

Impact of the merger on Bpifrance's consolidated balance sheet

ASSETS <i>(in millions of euros)</i>	31/12/2020	of which the Bpifrance Financement group	of which contributions
Cash in hand, central banks	7 819,2	7 819,2	0,0
Financial assets at fair value through profit or loss	5 943,6	1 009,5	4 934,1
Hedging derivatives	5,9	5,9	0,0
Financial assets at fair value through equity	12 288,3	2 756,7	9 531,6
Securities at amortised cost	8 041,3	8 041,3	0,0
Loans and advances to credit institutions and related entities, at amortised cost	1 461,2	1 351,7	109,4
Loans and advances to customers, at amortised cost	44 419,7	43 861,5	558,2
Finance leases and similar operations, at amortised cost	6 185,4	6 185,5	0,0
Innovation financing aid	988,4	988,4	0,0
Fair value adjustments to debt portfolios hedged against interest rate risks	586,0	586,0	0,0
Current and deferred tax assets	260,2	223,4	36,8
Accruals and miscellaneous assets	826,6	642,0	184,6
Non-current assets held for sale	0,0	0,0	0,0
Holdings in equity-consolidated companies	5 052,8	10,9	5 041,8
Investment property	0,0	0,0	0,0
Tangible fixed assets	250,3	238,9	11,4
Intangible fixed assets	185,0	129,7	55,3
Goodwill	2,1	2,1	0,0
TOTAL ASSETS	94 316,0	73 852,8	20 463,2

Impact of the merger on Bpifrance's consolidated balance sheet

LIABILITIES (in millions of euros)	31/12/2020	of which the Bpifrance Financement group	of which contributions
Central banks	0,0	0,0	0,0
Financial liabilities at fair value through profit or loss	1,5	1,5	0,0
Hedging derivatives	84,2	84,2	0,0
Amounts due to credit institutions and related entities	18 801,0	18 800,9	0,1
Amounts due to customers	3 014,2	3 327,7	-313,6
Debts represented by a security	36 347,0	36 347,0	0,0
Fair value adjustments to debt portfolios hedged against interest rate risks	727,5	727,5	0,0
Current and deferred tax liabilities	129,7	-5,0	134,8
Accruals and miscellaneous liabilities	2 489,6	1 614,3	875,4
Lease liabilities	122,4	122,4	0,0
Debt related to non-current assets held for sale	0,0	0,0	0,0
Provisions	143,7	121,3	22,4
Net resources for innovation-related activity	1 916,3	1 916,3	0,0
- Assigned to commitments	920,9	920,9	0,0
- Not assigned	995,4	995,4	0,0
Public guarantee funds	6 455,6	6 455,6	0,0
- Assigned to commitments	2 387,0	2 387,0	0,0
- Not assigned	4 068,6	4 068,6	0,0
Subordinated debt	7,3	540,7	-533,5
Shareholders' equity	24 076,0	3 798,3	20 277,7
Shareholders' equity - Group share	24 061,7	3 798,3	20 263,4
- Capital and related reserves	21 122,4	2 030,6	19 091,8
- Consolidated reserves	3 858,8	1 883,0	1 975,8
- Gains and losses recognised directly in equity	-779,9	24,3	-804,3
- Results	-139,6	-139,6	0,0
Minority interests	14,3	0,0	14,3
- Reserves	14,3	0,0	14,3
- Results	0,0	0,0	0,0
TOTAL LIABILITIES	94 316,0	73 852,8	20 463,2

Consolidated income statement of Bpifrance as if the merger had occurred on 1 January 2020

(in millions of euros)	31/12/2020 Published	Income statements of companies contributed during the merger	31/12/2020 Including the income statements for the period of entities contributed during the merger
Interest and related income	1 631,5	0,2	1 631,7
Interest and related expenses	-884,1	6,2	-877,9
Net gains or losses resulting from net position hedging	0,0	0,0	0,0
Fees (income)	20,0	53,2	73,2
Fees (expenses)	-1,9	-1,9	-3,8
Net gains or losses on financial instruments at fair value through the income statement	-0,4	167,8	167,4
Net gains or losses on financial instruments at fair value through equity	3,9	185,3	189,2
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	0,0	0,0	0,0
Net gains or losses resulting from reclassification of financial assets at amortised cost as financial assets at fair value through the income statement	0,0	0,0	0,0
Net gains or losses resulting from reclassification of financial assets at fair value through equity as financial assets at fair value through the income statement	0,0	0,0	0,0
Income from other activities	200,1	25,3	225,4
Expenses from other activities	-120,7	-45,2	-165,9
NET BANKING INCOME	848,4	390,9	1 239,3
General operating expenses	-482,4	-234,9	-717,3
Depreciation, amortisation and impairment on tangible & intangible fixed assets	-67,3	-8,5	-75,8
GROSS OPERATING INCOME	298,7	147,5	446,2
Cost of credit risk	-461,5	0,0	-461,5
NET OPERATING INCOME	-162,8	147,5	-15,3
Share of net income from equity-consolidated companies	-0,6	-123,0	-123,6
Net gains or losses on other assets	0,4	0,0	0,4
Change in value of goodwill	0,0	-0,5	-0,5
INCOME BEFORE TAX	-163,0	24,0	-139,0
Income tax	23,4	-5,0	18,4
Net income after tax from discontinued operations	0,0	0,0	0,0
NET INCOME	-139,6	19,0	-120,6
Minority interests	0,0	0,1	0,1
NET INCOME - GROUP SHARE	-139,6	18,9	-120,7

The main activities of the companies contributed to the transaction are structured around two divisions: the Investment division led by Bpifrance Participations and its subsidiaries, and the Exporter Support division led by Bpifrance Assurance Export.

Through its equity investments, the Investment division finances the development and growth of VSEs and SMEs, and aims at the emergence, consolidation and multiplication of mid-tier companies, an essential link to the competitiveness of the French economy and the development of exports.

Investments are made either directly by Bpifrance Participations or through funds.

The organisation set up within the Investment division comprises four business lines:

- Funds of Funds, which mainly manages investments in partner funds;
- Development Capital, which invests in and monitors shareholdings in companies of various sizes and activities;
- Innovation, which acts on behalf of funds held in equity by Bpifrance Participations or in co-investment with third parties;
- Support, which develops support programmes for companies.

Bpifrance Assurance Export manages public export guarantees in the name, on behalf of and under the control of the French State.

Net income of the companies contributed during the merger amounted to €19 million.

Net Banking Income

The NBI of the companies contributed amounted to €391 million and mainly consisted of:

- recurring income: dividends on shares classified at fair value through shareholders' equity (€185 million), distributions from funds classified at fair value through profit or loss (€118 million) and interest on bonds classified at fair value through profit or loss (€101 million);
- realised (€56 million) and unrealised gains or losses (-€107 million) on financial assets at fair value through profit or loss. Unrealised capital losses relate to certain investments in Innovation funds, automotive funds as well as investments in the tourism and aeronautics sectors;
- various commissions of the Investment division (€53 million).

Operating expenses

They include personnel costs (€139 million), investment fees (€13 million) and Support activity fees (€18 million).

Share of net income from equity-consolidated companies

The contribution to net income of equity affiliates amounted to -€123 million.

The main contributors were:

- PSA: -€72 million euros, after impairment of €340 million;
- Eutelsat: -€122 million, after impairment of €179 million;
- STMicroelectronics: €71 million.

1.1.2 Impact of the health crisis

2020 was marked by the unprecedented health crisis linked to Covid-19. This pandemic affected economic and social activities on an international scale. Its economic repercussions are far-reaching. Vested with a mission of general interest to finance and develop businesses, in support of public policies, Bpifrance is fully committed to supporting French companies during this difficult period.

• Support systems introduced by Bpifrance

Bpifrance provides assistance through various business support mechanisms, either on its own behalf or on behalf of third parties.

Products implemented for own account

Intervention procedures

Bpifrance introduced three new products in response to the Covid- 19 epidemic.

In connection with the government's economic support mechanism designed to meet exceptional cash requirements or working capital needs resulting from the economic crisis, Bpifrance provides:

- State-guaranteed Loans up to 90%, intended for VSEs, SMEs, and mid-size companies clients of Bpifrance, from all business sectors, provided the granting conditions are met;
- Innovation Support Loans (PSI) State-guaranteed up to 90%, intended for innovative start-ups, SMEs, and mid-tier companies with less than 5,000 employees and revenue of less than €1.5 billion, registered in France and subject to French law, from all business sectors, provided that the granting conditions are met.

State-guaranteed and Innovation Support Loans are one-year term loans. They include an extension clause that can be exercised free of charge by the borrower, enabling the borrower at the end of the first year to either amortise the loan over a period of one to five years or to defer repayment by an additional year and then amortise the loan over a period of one to four years.

In addition to the State-guaranteed and Innovation Support Loans, Bpifrance also introduced the “Atout” Loan. Available for VSEs, SMEs and mid-size companies, it also provides financing for cash flow needs arising from the economic situation or an exceptional working capital requirement. It is available for a period of three to five years with a deferred repayment option of up to 12 months. The fixed or variable interest rate is established in accordance with the conditions in force at the time of the grant. The percentage guaranteed on this type of loan is between 70 and 90%.

In addition, changes were made to several existing products. Depending on the case, the Group increased the planned loan volumes, broadened the eligibility criteria to include eligible businesses and qualified expenses, reallocated guarantee funds, and modified the characteristics of the loan or guarantee. These include an extension of the maturity and/or deferred repayment period, and an increase in the percentage of cover. These only concern the new issuance of the facilities concerned. Two facilities were strengthened in particular:

- the Rebound Loan: a regional medium-term development loan with a zero interest rate over seven years and two years deferred, backed by a grant from each French region. The aim of this loan is to increase the cash position of SMEs in the context of the health crisis;
- the Tourism Loan: a fixed-rate loan with a term of two to 12 years and deferred for between six and 36 months, backed by the Tourism guarantee fund. This loan is designed to strengthen the cash position of SMEs and mid-tier companies in the tourism sector.

Summary of amounts allocated and outstandings

	Facilities	Allocations (in millions of euros)	Outstandings as at 31 December 2020 (in millions of euros)
New products	State-guaranteed Loan	3,000	801
	State-guaranteed and Innovation Support Loans	No ceiling	459
	Unsecured "Atout" Loan	3,000	2,351
Existing products with extended facilities and expanded product scope	Rebound Loan	1,000	824
	Tourism Loan	750	144
	Industry R&D, unsecured "Atout" Loan and PAI loans	330	99
	EIB loan and "Club"	250	11
	Advance + Rebound Loan	100	67
	Creative Industry Loans	100	4
	Guarantee and supplementary guarantee Strengthening the cash position	3,000 (including Unsecured "Atout" Loan guarantee)	120
	Guarantee and supplementary guarantee Confirmed Credit Lines	60	43

Accounting treatment

At the time of their initial recording, the State-guaranteed and Innovation Support Loans are recorded at their fair value that in this case corresponds to their nominal value.

State-guaranteed and Innovation Support Loans meet the characteristics of a basic loan. Given its public interest mission, Bpifrance's financing operations are geared towards maintaining customer relationships and collecting contractual inflows and outflows. Guaranteed loans are thus recorded at their amortised cost, using the effective interest rate method. As Bpifrance is not in a position to anticipate customer behaviour with regard to the prolongation option, it opted for a one-year horizon, corresponding to the initial life of the State-guaranteed and Innovation Support Loans, in order to determine their effective interest rates.

As these are new loans extended by Bpifrance to borrowers prove to be sound, they are classified as bucket 1 on the date they are granted. The assessment of estimated credit losses, initially over a 12-month basis, takes into account the effect of the State guarantee that is considered to be built into the loan contract.

It should be noted that the characteristics of the Unsecured "Atout" Loan are those of credits generally granted by Bpifrance. They do not confer any particularity in terms of accounting treatment.

Products managed on behalf of third parties

Activities managed by Bpifrance on behalf of third parties are not included in Bpifrance's balance sheet.

Intervention procedures

In order to cope with the economic difficulties of French companies caused by the crisis, the French State has set up a number of mechanisms, management of which it has entrusted to Bpifrance.

Bpifrance has thus been entrusted by the French government, under its supervision, on its behalf, and in its name, with the task of monitoring outstanding State-guaranteed Loans (SGL), collecting and remitting guarantee fees to the French State and, in the event of a call on the guarantee, is charged with verifying that the conditions defined by the French State are met. In this last case, Bpifrance calls on the French State for the guarantee, receives the funds and then pays the amounts due to the institution benefitting from the guarantee.

While the Covid-19 crisis has weakened the ability of companies to carry out development and investment projects over the long term, particularly in highly capital-intensive manufacturing sectors exposed to international competition, the government has decided to implement an economic recovery plan (Support for Modernisation Investments), to which the following actions are linked:

- support for modernisation investments in the automotive industry;
- support for modernisation investments in the aeronautical industry;
- support for investments in the nuclear industry;
- acceleration of regional projects;
- industrial development in critical sectors;

In the name of and on behalf of the French State, Bpifrance manages the aid paid to companies under calls for projects.

Bpifrance is also responsible for the following:

- loans, subsidised loans and repayable advances to address the cash flow difficulties of SMEs, schemes financed by the Economic and Social Development Fund (FDES);
- French Tech Bridge convertible bonds intended to provide capital support to high-potential French start-ups facing cash flow difficulties due to the economic complexity of raising funds.

In addition, the State supports exporting companies in the context of a health crisis. Bpifrance Assurance Export implements, in the name, on behalf and under the control of the State, the support and recovery plans, in particular through the increase of the guaranteed portions, the one-year extension of the business development insurance, increasing the advance granted for business development insurance and increasing resources for business development insurance.

Lastly, all the local and regional authorities in Brittany expressed an interest in working together to respond urgently to the immediate needs of the smallest businesses, the self-employed, and associations that are not or only partially covered by the national systems in place. Within this framework, Bpifrance rolled out a digital platform in charge of granting, managing, and collecting loans on behalf of the Region (Brittany Resistance Loan).

Summary of budgets and outstandings (excluding Assurance Export)

Facilities	Allocations (in millions of euros)	Outstandings as at 31 December 2020 (in millions of euros)
SGL	300,000	99,909
Support for Modernisation Investment actions	2,000	68
Loans, Subsidised Loans and FDES Repayable Advances	600	61
French Tech Bridge convertible bond	80	13
Brittany Resistance Loan	27	4

- **Maturity extensions**

As part of the measures to support the economy and in order to avoid jeopardising its customers' cash position, as of 24 March 2020 Bpifrance introduced a six-month moratorium on the principal and interest for all its loan and leasing customers. This maturity extension, not provided for in the initial contractual provisions, does not incur any penalties or additional costs to the borrowers. This maturity extension prolongs the term by six months for companies in the tourism sector.

Loans

The maturity extension prolongs the term of the loans by six months, without any change in the other contractual characteristics. Interest accrued during the moratorium period is calculated according to the contractual interest rate. It is charged on the first due date following the end of the extension period. Payment is spread out over the six months following the end of the moratorium period.

Leasing

The six-month moratorium results in a new payment schedule for the deferred instalments using either a straight-line or accelerated payment approach.

In return for this measure, Bpifrance applies an interest rate on the deferred instalments, calculated on the basis of the Group's carrying cost. This carrying cost is designed to cover the costs, risks, and expenses incurred by Bpifrance up until the deferred instalments are settled by the lessees.

Accounting treatment

The moratoria are not initially provided for in the original contractual conditions. They fall within the scope of changes in financial assets as defined by IFRS 9 "Financial Instruments".

The analysis undertaken reveals that the extended repayments granted in the context of the Covid-19 crisis do not significantly affect the net present value of the loans concerned. The deferrals do not therefore constitute a substantial modification of the financial assets. The outstandings concerned, up to a maximum of €15 billion, are not derecognised but are maintained on the balance sheet. In fiscal year 2020, the cash flow loss related to these measures was not material in Bpifrance's financial statements.

- **Measuring expected credit losses (ECL)**

Taking into account the repercussions of the Covid-19 crisis and the government's measures when designing forward-looking scenarios

Scenario details

The three forward-looking scenarios usually used by Bpifrance in the calculation of ECLs at 31 December 2020 were updated in December 2020. A fourth severely deteriorated scenario was added to take better account of the uncertainties regarding the health situation. This fourth scenario reflects the possibility of a resurgence of the epidemic, leading to new lockdown measures at the beginning of 2021.

As Bpifrance's clientele is composed of French companies, the defined scenarios only concern French macroeconomic indicators. The indicators selected are the growth rate for French GDP, the change in the consumer price index, the unemployment rate and the French government (OAT) rates (at two and 10 years).

The scenarios used include the expected effects of the Covid-19 crisis, with a very significant business shock in 2020 and very erratic growth throughout the year, depending on health measures. The rebound in 2021 is mitigated given the health constraints that are expected to continue. The unemployment rate is also assumed to experience a sharp increase in 2020 and 2021.

The consequences of government measures are also built into the scenarios. The GDP growth rate over the medium term is expected to be moderately impacted by the crisis. In the central scenario, GDP would reach a level close to its pre-crisis value around the first quarter of 2023. Moreover, the unemployment rate should decrease from 2022 onwards in this central scenario. This is based on the assumption that government support measures enable moderating the impact of the crisis on potential growth. In particular, government support is expected to limit business failures and the rise in unemployment. The effects of the ECB's monetary policy have naturally been taken into account, notably in the evolution of interest rates and inflation.

The central and deteriorated medium-term scenarios used are based on those of the CDC Group's macroeconomic framework, carried out by the Group's network of economists.

Given the suddenness of the crisis, its magnitude and the many changes related to health measures, short-term forecasts (less than one year and whatever the scenario) are carried out by Bpifrance's Evaluation, Studies and Forecasting Department (DEEP), using a sector-based model (broken down into 19 sectors). In addition, the optimistic and severely deteriorated scenarios are proposed in their entirety by the DEEP.

There are significant uncertainties surrounding the recovery scenario. The optimistic scenario expects a faster rebound and a return from the third quarter of 2022 to a level close to the pre-crisis level thanks to a controlled epidemic, a rapid activation of the transmission channels of the recovery plan as well as a rapid rebound in consumption and global demand for France. Conversely, the deteriorated scenario envisages longer health constraints in certain sectors (but without a third generalised lockdown) and more persistent depressive effects, with the precautionary behaviour of households and companies leading to lower expectations of activity and a more marked deterioration in the labour market. The appearance of a third epidemic wave leading to generalised lockdown would have a very negative impact on activity. In the severely deteriorated alternative scenario, a new lockdown at the beginning of 2021 would lead to a new recession with much more persistent negative effects on growth and employment.

Optimistic scenario*Growth rate or rate (annual average, in %)*

	2019	2020	2021	2022	2023	2024	2025
GDP	1,3	-9,1	7,9	2,3	1,2	0,8	0,8
Consumer price index	1,2	0,2	1,1	1,2	1,4	1,6	1,7
Unemployment rate (Metropolitan France)	8,1	8,3	9,7	8,7	8,7	8,2	7,8
Two-year OAT rate (Q4 average)	-0,6	-0,7	-0,7	-0,5	-0,3	0,0	0,2
Ten-year OAT rate (Q4 average)	-0,1	-0,2	0,1	0,3	0,6	1,0	1,3

Central scenario*Growth rate or rate (annual average, in %)*

	2019	2020	2021	2022	2023	2024	2025
GDP	1,3	-9,5	5,9	3,2	1,5	0,8	0,8
Consumer price index	1,2	0,2	0,8	0,9	1,2	1,4	1,4
Unemployment rate (Metropolitan France)	8,1	8,4	10,4	9,6	9,2	8,8	8,4
Two-year OAT rate (Q4 average)	-0,6	-0,7	-0,7	-0,7	-0,5	-0,4	-0,2
Ten-year OAT rate (Q4 average)	-0,1	-0,3	-0,2	0,1	0,3	0,6	0,8

Deteriorated scenario*Growth rate or rate (annual average, in %)*

	2019	2020	2021	2022	2023	2024	2025
GDP	1,3	-9,8	2,9	4,8	1,6	0,9	0,8
Consumer price index	1,2	0,2	0,4	0,5	0,8	1,1	1,1
Unemployment rate (Metropolitan France)	8,1	8,6	11,1	10,5	10,0	9,6	9,2
Two-year OAT rate (Q4 average)	-0,6	-0,7	-0,8	-0,8	-0,7	-0,6	-0,5
Ten-year OAT rate (Q4 average)	-0,1	-0,3	-0,3	0,0	0,0	0,2	0,3

Severely deteriorated scenario*Growth rate or rate (annual average, in %)*

	2019	2020	2021	2022	2023	2024	2025
GDP	1,3	-9,8	-1,7	5,6	2,1	1,3	1,0
Consumer price index	1,2	0,2	-0,1	0,1	0,3	0,5	0,6
Unemployment rate (Metropolitan France)	8,1	8,6	12,4	11,7	11,3	10,9	10,5
Two-year OAT rate (Q4 average)	-0,6	-0,7	-0,8	-0,8	-0,8	-0,7	-0,7
Ten-year OAT rate (Q4 average)	-0,1	-0,4	-0,4	-0,2	-0,1	-0,1	0,1

Change in weightings

Due to the introduction of a new scenario and the significant revision of the three usual scenarios, the weightings have changed compared to the fiscal year 2019. The central scenario, which was much more significantly deteriorated than for the previous fiscal year, saw its weight increase slightly, as did the optimistic scenario. As a corollary, the weight attributed to the two downward scenarios has decreased (30% for both scenarios compared to 40% for the deteriorated scenario for fiscal year 2019, which is much less severe).

Scenario	Weighting 31/12/2020	Weighting 31/12/2019
Optimistic	15%	10%
Base	55%	50%
Deteriorated	20%	40%
Severely deteriorated	10%	-

Methodological adjustments to the model

The economic context in 2020 required the application of methodological adjustments to the Bpifrance ECL calculation model. Two difficulties arose:

- values of macroeconomic parameters well outside the calibration range of the model, treated by smoothing quarterly growth rates;
- a decorrelation of default rates and the macroeconomic context, which led to the exclusion of the year 2020 from the calibration of the forward-looking model.

Smoothing growth rates

The modelling of the relationship between the macroeconomic environment and projected default rates is based on historical correlations between default rates and macroeconomic parameters. One of the macroeconomic parameters used in the Bpifrance model is the quarterly growth rate of French GDP.

The quarterly growth rates encountered in 2020 are disproportionate to the levels observed over the period of calibration of the model, as well as for all available historical series: the historical rates since 2000 have fluctuated between -2% and +2%, while the rates observed in the second and third quarters of 2020 were respectively -13.7% and +18.5%.

As the growth rates for the year 2020 are clearly outside the range of values over which the model has been calibrated, the quality of the results from the model would not be assured in the absence of adjustments. To keep the quarterly growth rates used in the calculation of the ECL within a more appropriate range, these rates have been smoothed over the year 2020, as well as in the forecasts for the year 2021. The smoothing applied preserves the annual growth rate for each year while correcting the observed peaks.

The ECL calculated without quarterly growth rate smoothing would have been €26 million higher.

Exclusion of the year 2020 in the model calibration

Bpifrance's ECL calculation model is based on historical observations of the correlation between macroeconomic parameters and default rates. These historical data show a negative correlation between the GDP growth rate and the default rate: the higher the growth rate, the lower the default rate. This result is consistent with economic theory.

The year 2020 was marked by a particularly low growth rate, but at the same time, the various support measures for companies (in particular the solidarity fund, furlough, State-guaranteed loans and postponement of charges) led to very low default rates.

Thus, taking into account the observations of the year 2020 in the calibration of the model would lead to a clear reduction in the correlation between growth rate and default rate, and to a reduction in the calculated ECL.

As the decorrelation of default from the growth rate observed in 2020 is due to measures to support the economy, it is not indicative of the real impact of the economic shock on the solvency of companies. Bpifrance has therefore decided not to include the data for the year 2020 in the calibration of the ECL calculation model at 31 December 2020, and to continue with the parameters used at the end of 2019. The effect of not recalibrating the model is an increase in ECL of €14 million.

Sector adjustment

Tourism and leisure professionals are among the most affected by the Covid-19 pandemic. The repercussions of this crisis are being felt throughout the tourism ecosystem, notably through the closure of hotels and restaurants, the paralysis of air traffic, the closure of emblematic sites, the postponement of major events and the ban on opening ski resorts.

In this very poor economic context, an adjustment was imperative in order to anticipate an increase in risk in this sector. This adjustment increases the ECL by €24.6 million.

Assessment of significant increase in credit risk

Treatment of moratoria

Forming part of a global approach of the French banking sector, Bpifrance introduced deferred maturity measures for its borrowers. These measures concern a very large population of borrowers. The deferral of payment deadlines is not triggered by a formal request from the company concerned, rather it is at the initiative of Bpifrance. On the contrary, clients who do not wish to benefit from these extensions must notify Bpifrance.

In view of the procedures for implementing the repayment deferrals extended by Bpifrance to its clients, the granting of a moratorium in the context of the Covid-19 epidemic does not automatically constitute an indicator of a significant increase in credit risk (SICR) of the borrowers and transactions concerned. Consequently, these deferrals do not result in a systematic downgrading to bucket 2 or bucket 3 for the instruments in question.

The significant increase in credit risk continues to be measured on the basis of individual information specific to each counterparty.

Use of a probability of default at maturity

The criteria for a significant increase in credit risk normally used by Bpifrance to allocate its exposures in the various buckets are as follows:

- Non-performing exposures are classified as bucket 3;
- Performing exposures are classified as bucket 2 if they meet one of the following criteria:
 - the counterparty is placed on the watch list,
 - the counterparty's one-year probability of default on the calculation date is greater than 20%,
 - the one-year probability of default of the counterparty at the calculation date increases by more than 2% compared to the probability of default at decision and the increase in the one-year probability of default is greater than 95% of the probability of default at decision;
- Performing exposures that do not meet any of the above conditions are classified as bucket 1.

Bpifrance usually takes advantage of the possibility afforded by the standard to use the one-year probability of default as a measure of the significant increase in credit risk, as an approximation of the probability of default at maturity.

The current context, shaped by a very violent shock albeit limited in time, is such that the one-year probability of default cannot be considered as a good approximation of the probability of default over the lifetime of the loan in 2020.

To overcome this problem, the determination of the significant increase in credit risk is adjusted for the year 2020 by including a lifetime dimension to the probability of default at 31 December 2020. This probability of default is compared to the one-year probability of default at the origin of the instrument. The thresholds used to determine the significant increase in credit risk (absolute and relative thresholds) are not modified.

The effect of using the probabilities of default at maturity is a reduction of the ECL of €57 million.

Impact of the guarantee on determining the expected credit losses (ECLs) of State-guaranteed Loans

Determining expected losses on State-guaranteed Loans takes this guarantee into account. In calculating the ECL, only the non-guaranteed portion of the loans is taken into account.

ECL sensitivity analysis to macroeconomic scenarios

As described above, the four macroeconomic scenarios used in the calculation of the ECL at 31 December 2020 correspond to very different economic situations. Consequently, they lead to significantly different ECL amounts¹.

The results are presented in the table below:

¹ The calculations are based on an approximate version of the ECL calculation model, which shows a difference of 1% with the amounts recorded.

Scenario	ECL amount in case of scenario weighting at 100% (€M)	As a percentage of ECL recorded
Optimistic scenario	596	81%
Central scenario	697	95%
Deteriorated scenario	784	107%
Severely deteriorated scenario	909	124%

Fixed-income securities portfolio

Consisting essentially of government bonds, the Group's securities portfolio has not been significantly affected by the Covid-19 crisis. Therefore, the simplified low credit risk approach was maintained.

- **Adaptation of Bpifrance's risk monitoring mechanism in the context of the Covid-19 pandemic**

In the context of the Covid-19 pandemic, Bpifrance's risk management mechanism was adapted and strengthened throughout 2020.

In this context, Bpifrance revised its risk strategy to take into account the impact of the economic crisis following the health crisis. The Group's risk mapping and risk profile have been adjusted and shared with the management and supervisory bodies. The Group's risk appetite and the Group's risk management policy were reviewed, including an update of the thresholds and limits of the risk indicators.

The difficulty of understanding the real situation of customers, in particular those benefiting from economic easing measures by the State and partner banks (in particular the SGL and Covid-19 moratoria), has undermined the capacity of credit institutions to rapidly and comprehensively assess the risks of default, in particular the probable non-payment by customers. To complete its risk management system and strengthen the identification of early signs of difficulty, Bpifrance has expanded its strategy of detecting, monitoring risks and supporting customers by:

- strengthening quarterly risk monitoring via the implementation of monitoring indicators on portfolios deemed to be at risk (for example, high-risk sectors, exposures that have been subject to a moratorium or customers that have used crisis products);
- implementing ad hoc monitoring of credit risks on a monthly basis, shared with the management body;
- developing a weekly monitoring to detect entries in the watch list (including debtors with early arrears) and non-performing status. In the event of early arrears, Bpifrance provides customer support and may propose restructuring solutions to ensure the repayment of amounts due while promoting the continuity of operation of customers.

1.1.3 Relocating clearing of the derivative contract portfolio to the euro zone

On account of Brexit, in November 2020 Bpifrance transferred the clearing of its derivatives portfolio from London to Frankfurt.

Derivatives previously processed by the clearing house LCH are now cleared by Eurex.

This portfolio of nearly 800 contracts represents a notional amount of €25.8 billion. The impact of this operation on the profit and loss statement is not material.

1.2 Post-balance sheet events

On 4 January 2021, the shareholders of FCA and PSA approved the proposed merger of the two car manufacturers to create the fourth largest group worldwide. On 18 January 2021, the first day of trading for the new Stellantis group, whose market capitalisation on the IPO date was almost €40 billion, Bpifrance exchanged its PSA shares for Stellantis shares.

Following this exchange, the influence exercised by Bpifrance over the Stellantis group cannot be qualified as significant due to the decrease in Bpifrance's share of the capital and voting rights and its impact on the majority of issues related to the company's governance. Therefore, unlike the PSA shares, which were accounted for using the equity method in Bpifrance's consolidated financial statements, the Stellantis shares will be recognised at fair value through equity.

● Note 2 - Applicable accounting standards

Applicable accounting standards as at 31 December 2020

The 2020 consolidated financial statements are prepared in compliance with the IFRS guidelines as adopted by the European Union and applicable on 31 December 2020.

The amendment to IFRS 16 “Leases” relating to Covid-19 related rent concessions did not have to be applied by the Group.

The other standards, amendments and interpretations whose application became mandatory as of 1 January 2020 had no material impact on the financial statements to 31 December 2020.

The Group does not apply the standards, interpretations and amendments whose application is currently only optional.

In addition, Bpifrance complies with the guidelines of the European Banking Authority (EBA/GL/2016/07) on the application of the definition of default under Article 178 of Regulation (EU) No. 575/2013.

As a reminder, this guideline provides details on the application of Regulation No. 575/2013, in particular on:

- applying relative and absolute thresholds to all the exposures of a counterparty and no longer by considering default in relation to a single contract;
- classification and assessment of risks according to the type of counterparty, in particular, by distinguishing specific thresholds for retail customers (individuals and SMEs);
- introducing the concept of probable signs of non-payment, making it possible to anticipate default situations. Within Bpifrance, these signs may be, for example: “Negative information on the counterparty’s creditworthiness”, “Counterparty situation compromised”, “Counterparty NPL following contagion”.

The introduction of the new definition of default has no significant impact on Bpifrance’s equity.

2.2 Accounting standards that the Group will apply in the future

The European Union has adopted new standards that will take mandatory effect as of 1 January 2021.

The application of these new provisions should not have a material impact on the consolidated financial statements of the Group.

● Note 3 - Group consolidation principles and methods

Pursuant to EC Regulation No. 1606/2002, the Group's consolidated financial statements are prepared using the international IAS/IFRS accounting standards in effect within the European Union as at 31 December 2020.

3.1 Consolidation principles

General principle

The Bpifrance Group consolidated financial statements include all of the companies that the Group controls or over which it has significant influence, except ones for which the consolidation would be of a negligible nature relative to the preparation of the statements. Pursuant to this general principle, the material nature of this impact can notably be assessed by means of various criteria such as the size of the earnings or shareholders' equity of the company that is to be consolidated relative to the earnings or shareholders' equity of the consolidated whole.

Notion of control

The notion of control is assessed irrespective of the nature of the links between the Group and the entity that is the subject of an investment. Control applies when the Group is exposed or is entitled to variable yields and that it has the ability to influence these yields as a result of the power that it holds.

The Group therefore controls a subsidiary if and only if all of the following elements are gathered:

- the Group exercises power when it is in possession of the actual rights to direct the subsidiary's relevant activities;
- the Group is exposed or is entitled to variable yields, when the yield can vary according to the subsidiary's performance;
- the Group has the ability to exercise power such as to influence the amount of the variable yields that it obtains.

Joint control is the contractual sharing of the control exercised over a partnership which can be either a joint activity or a joint venture. Joint control only exists if the decisions regarding the relevant activities require the unanimous approval of the parties sharing control.

Significant influence is the power to participate in decisions relative to the associate's financial and operational policies, but without exerting control or joint control over these policies. This situation is presumed when the Group directly or indirectly holds 20% or more of the voting rights. It can also result, for example, from representation within the Board of Directors or an equivalent management body, participation in the process for the preparation of policies, significant transactions between the Group and the associate, exchange of management personnel or supply of sensitive technical information.

3.2 Consolidation methods

The consolidation methods result from the nature of the Group's control over the entities that can be consolidated, irrespective of their activity.

The accounts of companies that are totally controlled, including the companies with different account structures, are consolidated according to the full consolidation method.

The holdings in which the Group exercises joint control or notable influence are consolidated on an equity basis.

The entities recognised using the equity method is considered as having an operational nature that proceeds from the Group's activity. Consequently, the share in the net earnings of companies accounted for using the equity method is presented after the operating earnings, in accordance with ANC Recommendation no. 2017-02 of 2 June 2017 on the format of consolidated financial statements for bank sector institutions prepared according to international accounting standards.

3.3 Special cases

The venture capital activity

When an equity interest in an associate (significant influence) or a joint venture (joint control) is held via a venture capital organisation, the Group has chosen to assess this equity interest at fair value on the basis of net income in the category "Financial assets at fair value through profit or loss", in accordance with IFRS 9 relating to the accounting and valuation of financial instruments.

Conversion of the financial statements of foreign subsidiaries

The Group's consolidated financial statements are presented in euros. The conversion of the financial statements for entities whose functional currency is different is carried out by applying the closing price method. According to this method, all monetary and non-monetary assets and liabilities are converted at the exchange rate in force at the fiscal year closing date. Income and expenses are converted at the average rate for the period. All conversion differences resulting from the conversion are recognised as a separate component in shareholders' equity.

Holdings in equity-consolidated companies

The equity method involves replacing the value of the securities with the share the Group holds within the shareholders' equity and earnings of the companies in question. The profit and loss statement reflects the Group's share of the earnings of the companies accounted for using the equity method.

The total investments accounted for using the equity method (including goodwill) are subject to an impairment test in accordance with the provisions of IAS 36 on the impairment of assets, if there exists an objective indication of impairment resulting from one or several events that have occurred since the initial recognition of the investment and these events have an impact on the estimated future cash flows of the investment, which may be reliably estimated.

The book value of the investment accounted for by the equity method is compared to its recoverable value, i.e. the highest between the value in use calculated according to the discounted future cash flow method or multi-criteria methods and the fair value less the sales costs.

When impairment is noted, it is then allocated to the equity investment accounted for by the equity method, which authorises the subsequent reversal of the impairment in case of an improvement in the value in use or market value.

3.4 Consolidation rules

Restatements and eliminations

Restatements needed for the harmonisation of the assessment methods of the consolidated companies are carried out when they are significant.

Reciprocal receivables, debts and commitments, as well as reciprocal expenses and income are completely eliminated for the totally integrated companies. Intra-group dividends, provisions on consolidated securities, capital gains on internal disposal operations and exceptional depreciation are entirely neutralised for integrated companies in their entirety and equal with the share held with regard to companies accounted for using the equity method.

Goodwill

The acquisition cost is equal to the total of the fair values, on the acquisition date, of the delivered assets, net of accrued or assumed liabilities and of the shareholders' equity instruments issued in exchange for control of the acquired entity. The costs directly related to the operation are booked as expenses, except the expenses for the issuing of equity interests that are deducted from the shareholders' equity, as well as the direct costs of the transaction related to financial debts contracted as part of the operation that are deducted from the corresponding financial debts.

The identifiable assets, liabilities, possible liabilities and off-balance sheet elements of the acquired entities are recognised at their fair value on the acquisition date. This initial assessment can be refined within 12 months of the acquisition date.

The positive discrepancy between the entity's acquisition cost and the acquired share of the net assets revalued in this way is listed as an asset in the consolidated balance sheet, under the heading "Goodwill" when the acquired entity is globally integrated, or under the heading "Interests in companies accounted for using the equity method" when the acquired company is accounted for using the equity method. When the discrepancy is negative, it is immediately recorded in the profit or loss.

In the event of an increase in the Group's percentage interest in an already controlled entity, the difference between the purchase price and the additional share of equity is recognised in equity.

When the recoverable value is less than the book value, an irreversible impairment of the goodwill is recorded through profit or loss. The recoverable value is generally valued according to the discounted cash flows method.

3.5 Presentation of the financial statements and closing date***Presentation of the consolidated financial statements***

The presentation of the interim reports is compliant with that proposed by Recommendation no. 2017-02 of 2 June 2017 from the Accounting Standards Authority (ANC) relative to the format of the consolidated financial statements of banking institutions according to international accounting standards.

Closing date

The companies included in the scope of consolidation close their financial statements on 31 December unless otherwise stated in Note 9.

● **Note 4 - Scope of consolidation**

The Bpifrance Financement group scope of consolidation to 31 December 2020 changed compared to the last closing of the consolidated financial statements on 31 December 2019.

As a result of the merger-absorption of the holding company Bpifrance SA by its subsidiary, Bpifrance Financement (see Note 1), the Bpifrance Participations group and Bpifrance Assurance Export are now directly owned by Bpifrance Financement, renamed Bpifrance.

The scope also includes the accounts of two new fully consolidated Securitisation Funds.

The following table identifies the companies included in the scope of consolidation, the percentage of their capital held directly and indirectly, and the method by which they are consolidated.

Denomination	Consolidation method	31/12/2020 % interest	31/12/2020 % voting rights	31/12/2019 % voting rights
Bpifrance - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Régions - MAISONS-ALFORT	Full	99,99%	99,99%	99,99%
Auxifinances - MAISONS-ALFORT	Full	100%	100%	100%
SCI Bpifrance - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Courtage - MAISONS-ALFORT	Full	100%	100%	100%
FCT Bpifrance SME 2019-01 - SAINT-DENIS	Full	100%	100%	100%
FCT Bpifrance TPE Digital - SAINT DENIS	Full	100%	100%	-
FCT Bpifrance SME 2020-01 - SAINT-DENIS	Full	100%	100%	-
Bpifrance Assurance Export - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Participations - MAISONS-ALFORT	Full	100%	100%	-
FSI PME Portfolio - MAISONS-ALFORT	Full	100%	100%	-
FFI Parts A - MAISONS-ALFORT	Full	100%	100%	-
FFI Parts B - MAISONS-ALFORT	Full	100%	100%	-
SME FUND OF FUNDS - MAISONS-ALFORT	Full	100%	100%	-
FFI 2 - MAISONS-ALFORT	Full	100%	100%	-
FFI 3 - MAISONS-ALFORT	Full	100%	100%	-
FFI 4 - MAISONS-ALFORT	Full	100%	100%	-
FFI 5 - MAISONS-ALFORT	Full	100%	100%	-
FPMEI - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Croissance 1 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Croissance 2 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Croissance 3 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Croissance 4 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Croissance 5 - MAISONS-ALFORT	Full	100%	100%	-
FIC DETTE PRIVEE - MAISONS-ALFORT	Full	100%	100%	-
FIC DETTE PRIVEE II - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Régions 1 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Régions 2 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Régions 3 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Régions 4 - MAISONS-ALFORT	Full	100%	100%	-
France Investissement Tourisme - MAISONS-ALFORT	Full	100%	100%	-
Avenir Entreprise Développement C1 - MAISONS-ALFORT	Full	100%	100%	-
Avenir Entreprise Développement C2 - MAISONS-ALFORT	Full	100%	100%	-
Avenir Entreprise Développement C3 - MAISONS-ALFORT	Full	100%	100%	-
Avenir Entreprise Développement C4 - MAISONS-ALFORT	Full	100%	100%	-
Avenir Entreprise Mezzanine - MAISONS-ALFORT	Full	66,84%	66,84%	-
Avenir Entreprise Investissement - MAISONS-ALFORT	Full	100%	100%	-
Avenir Tourisme - MAISONS-ALFORT	Full	100%	100%	-
ETI2020 - MAISONS-ALFORT	Full	100%	100%	-
CDC Entreprises Capital Investissement - PARIS	Full	100%	100%	-
Part'Com FCPR - PARIS	Full	100%	100%	-
Lion participations - MAISONS-ALFORT	Full	100%	100%	-
FSN Digital Ambition - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Innovation 1 Venture - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Capital 1 - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Mezzanine 1 - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance International Capital - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance IC Investment Holding - MAISONS-ALFORT	Full	100%	100%	-
FEF Capital - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Investissement - MAISONS-ALFORT	Full	100%	100%	-
Bpifrance Innovation 1 Large Venture II - MAISONS-ALFORT	Full	100%	100%	-
Alsabail - STRASBOURG	Equity method	40,69%	40,69%	40,69%
Tyrol Acquisition (TDF Group) - LUXEMBOURG	Equity method	23,99%	23,99%	-
Eutelsat Communications - PARIS	Equity method	19,98%	19,98%	-
PSA - PARIS	Equity method	12,32%	17,58%	-
STConso (Tier with STM Consolidated at 27.91%) - GENEVA	Equity method	50,00%	50,00%	-
Future French Champion - MAISONS-ALFORT	Equity method	50,00%	50,00%	-
Fonds Lac I - MAISONS-ALFORT	Equity method	33,39%	33,39%	-

● **Note 5 - Accounting principles and valuation methods**

5.1 Determination of fair value

The IFRS 13 standard establishes the framework for determining the fair value and provides information on how to assess the fair value of assets and liabilities, both financial and non-financial. This corresponds with the price that would be received for the sale of an asset or paid for the transfer of a liability during a normal transaction between market participants on the valuation date. The fair value is therefore based on the exit price.

At the time of initial recognition, a financial instrument's value is normally the negotiation price (i.e. the value of the consideration paid or received).

During subsequent valuations, the fair value of the assets and liabilities must be estimated and determined while using, as a priority, observable market data, while ensuring that all of the parameters comprising this fair value align with the price that "market participants" would use during a transaction.

5.1.1 Hierarchy of fair values

The three levels of fair value

The standard defines three levels of fair value for financial and non-financial instruments:

Level 1: valuation using market quotations on a liquid market. This involves instruments for which the fair value is determined from quotations on active markets.

Level 2: valuation using observable market data. This fair value level includes instruments listed on an inactive market, and instruments valued using a valuation technique on the basis of parameters that are either directly observable (price) or indirectly observable (price derivative).

Level 3: valuation using non-observable market data. This level includes instruments valued using unknown valuation models and/or that are based on parameters that are not observable on the market, provided that they would be likely to significantly affect the valuation.

Transfers of fair value levels

Transfers between fair value levels can occur when the instruments meet classification criteria in the new level, with these criteria being dependent on market conditions and products. Changes of the observability, the passage of time and events affecting the life of the instrument are the main factors that can result in transfers. Transfers are considered to have occurred at the end of the period.

5.1.2 Valuation techniques

General framework

The best estimate corresponds with the instrument's market price when the latter is handled on an active market (prices listed and disseminated). The group uses the price offered for the fair value of a long position (asset) and the requested price for a short position (debt).

In the absence of a market or of reliable data, the fair value is determined using an appropriate method that complies with the assessment methodologies used on the financial markets: using the market value of a comparable instrument as a benchmark, valuation models and, more generally, discounting of the estimated future flows.

The fair value amounts of financial assets and liabilities represent the estimates made on the closing date. These amounts are subject to change in other periods depending on the changes to market conditions or other factors. The completed calculations are based on a certain number of assumptions. In practice, and for the purposes of business continuity, the estimated value will not be realised immediately for all of these financial instruments.

The consideration of the risk of non-execution on derivative liabilities (Debit Value Adjustment) and of the assessment of the counterparty risk on derivative assets (Credit Value Adjustment) has no significant incidence on the fair value valuation of the group's derivatives.

Special case of unlisted shares

The market value of unlisted shares is determined by comparison with recent transactions involving the capital of the company in question, carried out with an independent third party and under normal market conditions. In the absence of such a reference, the valuation is determined either with the help of commonly used techniques (EBIT or EBITDA multiples), or on the basis of the share of the net assets going to the Group, calculated from the most recent available information.

Special case of financial assets and liabilities recognised at cost

Moreover, the market values are close to the book values in the case of variable rate financial assets and liabilities for which interest changes have no notable influence on the fair value, since the rates of these instruments are frequently adjusted to the market rates.

5.2 Initial recognition of financial assets and liabilities

All the financial assets and liabilities in the scope of application of IFRS 9, with the exception of those assessed at fair value through profit or loss, are recorded during their initial recognition at fair value plus or minus the transaction costs attributable to their acquisition. The transaction costs for financial assets and liabilities at fair value through profit or loss are recognised directly in profit or loss at the initial recognition date.

The Group recognises securities, loans and borrowing in the balance sheet on the settlement date. All derivative instruments are recognised in the balance sheet on the trading date.

5.3 Classification and measurement of financial assets

Debt instruments

Loans and receivables as well as fixed-revenue securities are debt instruments that are subject to a subsequent assessment at amortised cost or at fair value depending on the business model and the characteristics of the contractual cash flows. More specifically:

- Debt instruments held in a business model whose objective is to collect contractual cash flows and which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (hereafter “SPPI criterion” defined in the paragraph “Assessment of the characteristics of contractual cash flows”) are recognised at amortised cost. These debt instruments are subject to impairment according to the modalities described in Note 5.5 “Impairment of financial assets”. Interest is calculated according to the effective interest rate method, as described in Note 5.20 “Interest income and expenses”.
- Debt instruments held in a business model whose objective is to both collect contractual cash flows and sell financial assets and for which the cash flows meet the SPPI criterion are recognised at fair value through shareholders’ equity. Changes in fair value are recognised in shareholders’ equity, with the exception of the effects related to credit risk, interest rate risk and exchange rate gains/losses on monetary assets in foreign currencies which are recorded in profit or loss. In the event of derecognition, the unrealised gains or losses are transferred from shareholders’ equity to profit or loss under “Net gain/loss on instruments at fair value through shareholders’ equity”.
- The impairment of these financial assets is calculated according to the modalities described in Note 5.5 “Impairment of financial assets”. Interest is calculated according to the effective interest rate method, as described in Note 5.20 “Interest income and expenses”.
- Other debt instruments are recognised at fair value through profit or loss. These are either assets that do not meet the SPPI criterion, notably (unconsolidated) units in investment funds or bonds convertible into issuer shares, or assets that do not meet the two business models described above (collection of cash flows or collection of cash flows and sale).
- Furthermore, on its initial recognition, the Group may also designate, through an irrevocable option, a debt instrument at fair value through profit or loss if it meets the conditions required for assessment at amortised cost or fair value through shareholders’ equity if this designation eliminates or significantly reduces time differences between the accounting treatment of certain financial assets and liabilities.

Changes in the fair value of these instruments are recorded in “Gains/losses on financial instruments at fair value through profit or loss”.

Assessment of the characteristics of contractual cash flows

In order to assess the SPPI criterion (Solely Payments of Principal and Interest), the principal comprises the fair value at the date of initial recognition; it may change throughout the financial asset’s lifetime, for example, in respect of the impairment of principal. Interest mainly consists of a consideration for the time value of money, the credit risk incurred by the Group or any other type of risk and costs related to the holding of the financial asset over a certain period. Interest may also include a margin that is compatible with a conventional loan contract.

The time value of money is the component of interest that provides a consideration solely for the passage of time.

Contractual conditions that expose the contractual cash flows to changes in the prices of shares, raw materials, exchange rates or leverage effects are not considered as meeting the SPPI criterion.

Contractual modalities that enable a financial asset to be extended or repaid early do not call into question the SPPI criterion, as long as the compensation received by the Group is reasonable.

The SPPI nature of financial assets including embedded derivatives is assessed globally (host contract and embedded derivative) in order to deduce the IFRS 9 classification.

Assessment of the business model

The business model reflects the way in which the Group manages its financial assets in order to generate cash flows: by collecting cash flows only, by collecting cash flows and selling financial assets or by another strategy. The factors taken into account when assessing the business model are:

- the criteria used to assess the performance of the portfolio assets and present it to the main managers;
- the risks impacting the performance of the portfolio assets and the ways to monitor and manage these risks;
- the manager compensation modalities;
- the frequency and volume of previous disposals.

As a public investment bank, Bpifrance supports companies of all sizes (mainly VSEs, SMEs, and intermediate size companies) in all phases of their development, from start-up to stock market listing. Through its social mission, Bpifrance's financing activity focuses on maintaining customer relationships and collecting contractual flows.

The debt instruments that comprise Bpifrance's liquidity portfolio are managed according to two separate business models: a contractual flow collection model, in line with the accounting classification of equity securities under French standards without disposals, and a collection and resale business model for covered bonds.

With regard to the consolidated funds, the financial asset portfolio is managed on a fair value basis and the performance is also assessed on the basis of fair value, which justifies an "other strategy" business model leading to the recognition at fair value through profit or loss of the debt instruments held, whether or not they meet the SPPI criterion.

Reclassifications

Financial assets are reclassified when the business model in which they are held changes due to a strategic decision from the General Management, following significant changes in the Group's activities. Reclassifications are forward-looking and do not involve restatements of profits and losses recognised prior to the reclassification date for the financial assets in question.

The Group has not modified the business model of its financial assets during the reporting period. Consequently, no reclassification of financial assets has taken place to date.

Equity instruments

Investments in shares are recognised by default at fair value through profit or loss at the initial recognition date and subsequently. Changes in fair value, dividends, disposal gains or losses are recorded under "Net gains or losses on financial instruments at fair value through profit or loss".

However, at the time of their initial recognition, the Group may, upon irrevocable option, designate at fair value through shareholders' equity, equity instrument investments that are not held for transaction purposes or as part of a business combination. This option is exercised on a transaction by transaction basis, and the Group has decided to apply it to its entire share portfolio. Bpifrance Group takes minority interests in growth companies (VSEs, SMEs, large companies and start-ups) or invests in funds with other private investors in order to support them in their development. The Group also makes strategic investments in large companies.

The changes in fair value of these instruments are presented in shareholders' equity, without subsequent recycling in the event of sale. These financial assets are not subject to impairment. The dividends from these investments are recorded in the profit and loss statement under "Net gains or losses on financial assets at fair value through shareholders' equity".

5.4 Financing commitments given and received

Financing commitments are not included in the balance sheet.

Over the commitment period, financing commitments given are subject to impairment according to the modalities described in Note 5.5 "Impairment of financial assets". These impairments are presented under "Provisions".

5.5 Impairment of financial assets

Debt instruments assessed at amortised cost or fair value through shareholders' equity, financing commitments given and finance leases are systematically subject to impairment for expected credit losses.

At their initial recognition, the financial assets, including financing commitments and excluding financial assets impaired from the time of their acquisition or creation, are subject to impairment resulting from expected default events over the next 12 months (12-month expected credit losses). If the credit risk has increased significantly since the initial recognition, the impairment is revised to reflect the expected default events over the total lifetime of the instrument (expected credit losses at maturity).

The financial assets are initially classified in bucket 1. If there has not been a significant increase in credit risk since the start, they remain classified in bucket 1. Impairment is recognised for the 12-month expected credit losses.

If there has been a significant increase in credit risk, the financial assets are transferred to bucket 2; impairment is determined based on the expected credit losses at maturity.

Assets for which there are one or several objective indicators of impairment related to events that have occurred since their initial recognition that have an impact on the expected cash flows comprise bucket 3. Expected losses at maturity are calculated for these assets.

Loan portfolio

- **Significant increase in credit risk**

The significant increase in credit risk is assessed by comparing the risk of default on the financial instrument at its initial recognition and the closing date. This deterioration must be acknowledged before the appearance of an objective indicator of loss (bucket 3).

This assessment is based on both qualitative and quantitative criteria. A significant increase in credit risk is systematically considered to have occurred for outstanding amounts that meet one of the following conditions:

- classification on the watch list. Amongst the performance reasons related to watch list status, Bpifrance Group includes arrears of between 30 and 90 days as well as outstanding amounts restructured in probation (two-year period);
- probability of current default above 20%;
- absolute increase in the probability of default greater than 2% between the grant date and the closing date and relative increase in the probability of default greater than 95% between the grant date and the closing date.

The model is applied symmetrically. Thus, when the conditions that have led to classification in bucket 2 are no longer met, Bpifrance Group notes the improvement to the situation of the counterparty with a return to bucket 1.

- **Financial assets presenting an objective indication of loss**

These are financial assets that the Group has classified as non-performing, i.e. any asset where it is likely that the institution will not receive all or part of the amounts due in respect of the counterparty's subscribed commitments, due to its financial difficulties.

Non-performing counterparties are notably those for which collective procedures (amicable or contentious) are on-going, a deterioration in credit quality has been noted, for which receivables are over 90 days in arrears or for which a default event has been declared or for which Bpifrance's guarantee has been called.

All arrears over 30 days for a debt that has been restructured or frozen during the probation period automatically lead to classification in the non-performing assets category. The probation period is one year before any possibility of reclassification on the watch list.

Bpifrance Group has aligned the Basel definitions of default and non-performing with those of doubtful receivables and bucket 3 under IFRS 9.

Bpifrance Group records a transfer to losses on an asset when its rights as a creditor have been extinguished.

- **Measurement of credit losses**

For assets classified in buckets 1 and 2, the expected credit losses are equal to the product of three parameters – the probability of default, the rate of loss in the event of default and exposure at the date of default. They are discounted at the effective interest rate of the concerned asset.

The probabilities of default at 12 months and maturity represent respectively the risk of default of the counterparty within the next 12 months and the risk of default throughout the instrument's lifetime.

The rate of loss in the event of default is estimated using available historical data on losses incurred or according to expert opinion or by using the regulatory level set by financing product or by counterparty. It also takes into account pledges attached to the loan.

The Group applies the methods used to determine regulatory provisions. Within this framework, the probabilities of default and the rate of loss in the event of default, observed through the cycle for regulatory purposes, are adjusted in order to be measured at the date of default (point in time).

The probability of default and the rate of loss also take into account the expected economic context over a forecast horizon (forward-looking). The Group generally uses three scenarios considered as central, optimistic and stressed. The selected simulation horizon is six years. These scenarios are based on the growth rate for French GDP, the consumer price index, the unemployment rate, the change in French government (OAT) one-year and ten-year bonds.

Exposure at default takes into account the amounts drawn down and the commitments given. The outstanding amount at risk out of the outstanding commitments given is estimated based on the historical outflow rates. The exposure takes into account the amortisation and the potential repayment of the outstanding amount.

Impairment of assets in bucket 3 is estimated on an individual basis. It corresponds to the difference between the book value of the asset and the value discounted at the effective interest rate at the start of the future estimated recoverable cash flows, taking into account the effect of guarantees, when these are part of the contractual modalities and are not recognised as separate assets.

Securities portfolio

The simplified so-called low credit risk approach has been selected for the Group's securities portfolio, given the low risk profile of a portfolio mainly comprising sovereign bonds.

The credit risk of a financial asset is considered to be low when:

- the risk of default is low;
- the borrower has a solid capacity to fulfil its contractual obligations;
- this capacity is not necessarily affected by the unfavourable changes in economic and commercial conditions over the longer term.

The Group considers that the credit risk is low when the counterparty is classified as Investment Grade and the securities of these counterparties are classified in bucket 1. The declassification of a security to Speculative Grade leads to a classification in bucket 2. A deterioration of two ratings during the six months prior to the closing date may be an additional identification factor of a significant deterioration in the credit risk. In such circumstances, the Group conducts a case by case analysis.

Within this framework, the measurement of credit losses follows the following rules:

- Buckets 1 and 2: the probabilities of default are calculated on the basis of data from rating agencies, the rates of loss selected are those of the Basel guidelines and the exposure at default corresponds to the gross book value;
- Bucket 3: losses are estimated on an individual basis in view of the counterparty's situation and, if applicable, the value of guarantees.

5.6 Distinction between debt and shareholders' equity

Pursuant to IAS 32 on the presentation of financial instruments, the financial instruments issued are qualified as debt or equity instruments depending on whether or not a contractual obligation exists for the issuer to deliver to the holders of cash securities another financial asset or to exchange instruments under potentially unfavourable conditions.

Bpifrance reserve fund

The reserve fund was set up by the shareholders of the former OSEO Garantie; this advance is intended to hedge the outstandings of the guaranteed loans for which it provides backing.

In view of the discretionary nature of the decision to pay interest to the bearers, as well as its repayment if decided upon by the shareholders, the Bpifrance reserve funds are qualified as shareholders' equity instruments.

5.7 Debt

Debts issued by the Group and that are not assessed at fair value through profit or loss are initially recorded at their cost which corresponds to the fair value of the amounts borrowed, net of transaction costs. These debts are assessed at their impaired cost on the closing date by using the effective interest rate method and are recorded in the balance sheet in the “Debts to lending institutions”, “Debts to the clientele”, “Debts represented by a security” or “Subordinated debts” items.

Debts to lending institutions and Debts to the clientele

Debts to lending institutions and debts to the clientele are broken down according to their initial maturity or the nature of these debts: debts repayable on demand (overnight loans, ordinary accounts) and term borrowings for lending institutions; term borrowings, security deposits and ordinary accounts for the clientele.

Interest accrued on these debts is included in the related debts account with changes recognised in the profit and loss statement.

Debt represented by a security

Debt securities are broken down according to their format: interbank market securities, negotiable debt instruments and bond loans, with the exception of subordinated securities included amongst the “Subordinated debts”.

Interest accrued attached to these securities is included in a related debts account with changes recognised in the profit and loss statement. Issue or repayment premiums on bond loans are amortised using the effective interest rate method, over the lifespan of the loans in question. The corresponding charge is recorded in “interests and charges” in the profit and loss statement.

Subordinated debts

This heading includes debts, whether materialised in the form of a security or not, of fixed or open duration, with which the repayment in case of the debtor's liquidation is only possible after the other creditors have been discharged.

These debts are assessed at their impaired cost on the closing date by using the effective interest rate method. If relevant, accrued interest attached to subordinated debts is included in an account for related debts, with changes recognised in the profit and loss statement.

This item also includes mutual guarantee deposits.

5.8 Financial liabilities designated at fair value through profit or loss on option

These are debts that the Group has irrevocably designated from the start at fair value through profit or loss. The application of this option is reserved for the following cases:

- the elimination or significant reduction of gaps between the accounting treatment of certain financial assets and liabilities;
- the alignment of the accounting treatment with the management and measurement of performance, as long as this condition is based on an established risk management or investment policy and that the internal reporting is based on a measurement of fair value;
- the assessment at fair value through profit or loss of certain hybrid financial liabilities without separation of the embedded derivatives;
- an embedded derivative is the component of a “hybrid” contract, whether financial or not, that complies with the definition of a derivative product. It must be extracted from the host contract and recognised separately if the hybrid instrument is not assessed at fair value for profit or loss, and if the economic characteristics and risks associated with the incorporated derivative are not closely tied to the host contract.

Changes in fair value of the period and the interest of financial liabilities are recorded under “Net gains or losses on financial instruments at fair value through profit or loss”, with the exception of changes in fair value attributable to the change in own credit risk which are recorded within “Gains and losses directly recognised in shareholders’ equity”. If the liability is derecognised before its maturity, the gain or loss in fair value realised, attributable to own credit risk, is directly transferred to the consolidated reserves in shareholders’ equity, without impacting income for the period.

5.9 Repurchase agreements

Securities temporarily sold as part of a repurchase agreement continue to be recorded in the Group’s balance sheet, in their original portfolio. The corresponding liability is recognised under the appropriate “Debts” heading (“Debts due to credit institutions” or “Debts due to customers”).

Securities temporarily purchased as part of a reverse repurchase agreement are not recognised in the Group’s balance sheet. The corresponding receivable is recognised in “Loans and Receivables with credit institutions and similar, at amortised cost”.

5.10 Derecognition of financial assets and liabilities

The Group derecognises a financial asset upon the expiry of the contractual rights to receive the cash flows linked to the financial asset, or when these contractual rights and almost all of the risks and benefits inherent to the asset’s ownership have been transferred. If relevant, the rights and obligations created or retained during the transfer are recognised separately as assets or liabilities.

At the time of the complete derecognition of a financial asset, a disposal gain or loss is recorded in the profit and loss statement in an amount equal to the difference between value of the consideration received, with possible correction for any unrealised profit or loss that might previously have been recognised directly in the shareholders’ equity.

The Group derecognises a financial liability only when this financial liability has been completely extinguished, i.e. when the obligation indicated in the contract has been extinguished, cancelled or arrives at maturity.

5.11 Derivative financial instruments and hedge accounting

A derivative is a financial instrument which has the following three characteristics:

- its value fluctuates according to changes in interest rates, the price of a financial instrument, the price of goods, an exchange rate, a price index or share price, a credit rating or a credit index;
- it requires a zero or low initial investment;
- it is settled at a future date.

Derivative instruments are recognised at fair value. With each accounts closing date, irrespective of the management intention applicable to their retention (trading or hedging), they are assessed at their fair value. With the exception of derivatives considered as cash flow hedging for accounting purposes, fair value variations are recognised in the period’s profit and loss statement.

Derivative financial instruments are grouped into two categories:

Transaction derivatives

Transaction derivatives are included in the balance sheet under the “Financial assets or liabilities at fair value through profit or loss”. Realised or unrealised gains or losses are recorded in the profit and loss statement under the heading “Net gains or losses on financial instruments at fair value through profit or loss”. Transaction derivatives processed by the Bpifrance Group are economic hedges that are not eligible for hedge accounting or that the Group has chosen not to document.

Hedging derivatives

The Group has chosen the option provided by IFRS 9 not to apply the standard’s provisions relating to hedge accounting and to continue to apply IAS 39 as adopted by the European Union, for recognising these operations.

To be able to use a hedge derivative instrument for accounting purposes, it is necessary to document the hedge relationship as of inception (hedge strategy, nature of the hedged risk, designation and characteristics of the hedged element and of the hedge instrument). Moreover, the hedge’s efficiency must be demonstrated at inception, and verified retrospectively at the time of each accounts closing date.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge. The Group currently only applies fair value hedge accounting. The changes in fair value of hedging instruments and the hedged elements are recognised under “Net gains or losses on financial instruments at fair value through profit or loss”.

Fair value hedging

The purpose of fair value hedging is to reduce the risk of any variation to the fair value of the asset or liability in the balance sheet, or of a firm commitment (in particular, hedging of the interest rate risk from fixed-rate assets and liabilities).

The hedged element’s revaluation is recorded through profit or loss on a symmetrical basis with the revaluation of the derivative. The hedge’s possible ineffectiveness therefore directly appears through profit or loss.

Interest accrued from the hedge derivative is recognised in the profit and loss statement on a symmetrical basis with the interest accrued from the hedged element.

With regard to the hedging of an identified asset or liability, the revaluation of the hedged component is attached to the balance sheet by type of hedged element.

Should the hedge relation be interrupted (non-compliance with the efficiency criteria or sale of the derivative or of the hedged element before maturity), the hedge derivative is transferred into the trading portfolio. The revaluation amount listed in the balance sheet relative to the hedged element is amortised over the outstanding period relative to the initial hedge lifespan, as long as the former hedged element remains recognised in the balance sheet.

Hived-off global hedging

The Group’s preference is for the application of the provisions of the IAS 39 standard adopted by the European Union (known as the “carve-out”) for micro-hedge operations carried out within the framework of asset-liability management.

These provisions make it possible to hedge the interest rate risk associated with loans with the clientele, debt security portfolios acquired or issued, or with borrowing portfolios. Macro-hedge instruments are primarily rate swaps designated as fair value hedges of the Group’s fixed-rate assets or resources.

The accounting treatment for hived-off global hedge derivatives uses the same principles as the ones previously described as part of the fair value hedge. However, the overall revaluation of the hedged component is included under the heading “Revaluation discrepancies of the rate-hedged portfolios”. The efficiency of the hedges is ensured prospectively by the fact that all derivatives, on their set-up date, must serve to reduce the rate risk of the underlying portfolio of hedged securities.

5.12 Balance sheet offsetting of financial assets and liabilities

In accordance with IAS 32, the Group offsets a financial asset and a financial liability and a net balance is presented in the balance sheet when there is a legally binding right to offset the recognised amounts and an intention, either to settle the net amount, or to generate the asset and settle the liability simultaneously.

The fair value of derivative instruments treated with clearing houses and the associated margin calls, and for which the functioning principles meet the previous criteria, is offset in the balance sheet.

5.13 Currency transactions

The accounting registration rules depend on the monetary or non-monetary nature of the elements contributing to the foreign currency operations carried out by the Group.

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are converted; using the closing price, into the Group’s operating currency, the euro. Exchange discrepancies are recognised through profit or loss.

The exchange discrepancies on monetary elements designated as cash flow hedges or that are part of a net investment in a foreign entity are recorded as gains and losses directly recognised in shareholders’ equity.

Non-monetary assets expressed in foreign currencies

Non-monetary assets recognised at historical cost are assessed at the exchange rate on the transaction date. Non-monetary assets recognised at fair value are assessed at the exchange rate on the closing date. Exchange discrepancies on non-monetary elements are recognised through profit and loss if the gain or loss on the non-monetary element is recognised through profit or loss, in the gains and losses directly recognised in the shareholders’ equity if monetary element is recognised in the equity capital.

5.14 Leases

Lessor

In accordance with IFRS 16 “Leases”, leases granted by the Group are analysed as either finance leases or operating leases. Leasing operations are qualified as finance lease operations when they result in the *de facto* transfer to the lessee of the risks and benefits related to the ownership of the leased asset. Failing that, they are qualified as an operating lease.

Finance lease receivables are included in the balance sheet under the item “Finance leases and similar operations, at amortised cost” and represent the Group’s net investment in the lease, which is equal to the discounted value at the lease’s implicit rate of the minimum payments that are to be received from the lessee, plus any non-guaranteed residual value.

Finance lease operations are recorded in the balance sheet on the settlement/delivery date.

The interest included in the lease payments is recorded in the “Interest profit and loss statement” such as to be able to determine a constant periodic profitability rate for the net investment.

Finance lease receivables are subject to impairment according to the modalities described in Note 5.5 “Impairment of financial assets”.

The Assets Temporarily Not Leased (ATNL) resulting from finance lease operations are likened to stocks and are recorded as balance sheet assets under the heading “Accruals and miscellaneous assets”. They are assessed at their net financial value on the termination date, net of possible impairment booked when the recovery value is lower than the financial net value on the termination date.

Lessee

In accordance with IFRS 16 “Leases”, the Group records a lease liability and a right to use the leased asset at the inception of the lease contract.

The lease liability is equal to the discounted value of the future payments over the term of the lease. These future payments include fixed rents and variable rents based on an index (consumer price index or construction cost index, etc.) as well as, where applicable, amounts that the Group expects to pay to the lessor under residual value guarantees or options whose exercise is reasonably certain. However, variable payments not based on an index or rate and taxes such as housing tax are excluded from the future payments taken into account to determine the lease liability.

The right of use is equal to the initial value of the lease liability, increased, where applicable, by the initial direct costs. It is adjusted, where applicable, for payments made to the lessor before or on that date, less any rental benefits received.

The present value of future payments is recorded as a liability under “Lease liabilities”, while the right of use is recorded as an asset under “Property, plant and equipment”. The lease liability is depreciated on an actuarial basis and the right of use is depreciated on a straight-line basis over the term of the lease. In the income statement, depreciation charges are recognised under operating expenses and charges relating to the lease liability under “Interest and similar expenses”.

Where applicable, a provision to cover the costs of restoring the leased asset that will be incurred at the end of the lease is recorded as a liability in the balance sheet.

Net timing differences resulting from subsequent changes in the lease liability and the right of use will give rise to the recognition of deferred tax.

The main assumptions used to value lease liabilities and rights of use are as follows:

- The lease term is the non-cancellable period during which the lessee has the right to use the underlying asset, extended where applicable by renewal options that the lessee is reasonably certain to exercise and termination options that the lessee is reasonably certain not to exercise. In addition, for property leases, the original term is nine years. However, the tacit extension, inherent in these contracts, is taken into account in determining the initial term of the lease if Bpifrance anticipates an interest in using this provision;
- The discount rate used to determine the right of use and the lease liability is the incremental borrowing rate, defined on the basis of internal transfer rates calculated by the Group’s Finance Department.

Pursuant to exemptions proposed by the standard, leases corresponding to low-value assets or a term of less than or equal to one year are recognised directly as expenses.

5.15 Tangible and intangible assets

In compliance with the IAS 16 standard relative to tangible fixed assets and IAS 38 standard relative to intangible fixed assets, a tangible or intangible fixed asset is posted as an asset if:

- it is probable that the future economic benefits associated with this asset will go to the company;

- this asset's cost can be reliably assessed.

Fixed assets are recorded at their acquisition cost, possibly increased by the acquisition expenses that are directly attributable to them.

The Group applies the asset recognition method by component to all of its tangible and intangible fixed assets.

After initial recognition, the fixed assets are assessed at their cost, less the total of the amortisations/depreciations and impairment losses.

Fixed assets are amortised/depreciated according to the consumption duration of the expected economic benefits, which generally corresponds with the asset's lifespan. When one or more of a fixed asset's components have a different operational life or provide different economic benefits, these components are depreciated/amortised according to their own operational lives.

The following amortisation/depreciation durations have been adopted:

- software: from 1 to 5 years;
- buildings: from 25 to 55 years;
- fittings, furnishings and office equipment: from 4 to 10 years;
- IT hardware: 4 years.

Fixed assets are the subject of an impairment test when signs of possible impairment losses are identified on the closing date. If affirmative, the asset's new recoverable value is compared with the fixed asset's net book value. In case of a loss in value, impairment is noted through profit or loss.

This impairment is written back in case of modification of the recoverable value or the disappearance of the signs of impairment loss.

5.16 Investment buildings

In compliance with IAS 40 standard relative to investment buildings, a real estate asset is recognised in "Investment buildings" if it is held in order to obtain rental payments or develop the capital. Investment buildings are assessed using the cost method.

Disposal capital gains or losses from investment fixed assets are listed through profit or loss on the lines "Earnings from other activities" or "Expenses from other activities", as are the other earnings and related expenses (notably rents and depreciation allowances).

Provided for information purposes, the fair value of investment buildings, for its part, is estimated based on "expert opinion".

5.17 Employee benefits

The Bpifrance Group provides its employees with various types of benefits, falling into four categories.

Short-term benefits

They primarily include salaries, holidays, mandatory and voluntary profit sharing, and bonuses payable within 12 months of the closing of the fiscal year to which they pertain. They are recognised in the expenses for the fiscal year, including the amounts still owed at the time of the closing.

Post-employment benefits

They include the retirement lump sum payments, the banking sector retirement supplements and health expenses after employment.

These benefits fall under two categories: the defined contribution plans (not representative of a commitment to be provisioned by the company) and the defined benefit plans (representative of a commitment at the company's expense and resulting in an assessment and provisioning).

Defined contribution plan

A defined contribution plan is a plan for post-employment benefits according to which an entity pays defined contributions (as an expense) to a separate entity and will have no legal obligation to pay additional contributions if the fund does not have sufficient assets to provide all of the benefits corresponding with the services provided by the personnel during the periods in question.

Defined benefits plan

The obligations are assessed using an actuarial method that considers demographic and financial assumptions such as age, seniority, the probability of presence on the date of the awarding of the benefit, and the discounting rate (rate of return from the market for the bonds of high quality companies). This calculation includes a distribution of the expense over time on the basis of the activity period of the personnel members (projected credit units method). The recognition of the obligations takes into account the value of the assets established in order to hedge the obligations and actuarial elements.

The expenses relative to defined benefit plans consist of the cost of the benefits rendered during the year, the interest on the liabilities or net assets relative to the defined benefits (at the market rate of return of the bonds of high-quality companies), the contributions to the employer's plans, and the benefits paid.

The possible actuarial gains and losses (revaluations), the yields of the plan's assets (excluding interest) and the consequences of the reductions and possible liquidations of plans are booked in other elements of the overall earnings.

Other long-term benefits

The long-term benefits are generally related to seniority, paid to employees who are still active, but more

than 12 months after the fiscal year's closing. This primarily involves the bonuses for labour medals. These commitments are the subject of a provision that corresponds with the value of the commitments at the time of the closing. They are assessed using the same actuarial method as the one applied to the post-employment benefits.

For other long-term benefits, the cost of the benefits, the net interest on the liabilities (the assets) and the revaluations of the liabilities (or assets) are booked in net income.

Termination of employment compensation

This involves compensation paid to employees at the time of the termination of their employment contract, prior to retirement, whether in case of dismissal or acceptance of a voluntary departure plan. The end of employment contract allowances is provisioned.

5.18 Provisions

A provision is established when it is likely that a resource outflow representing economic benefits will be necessary in order to fulfil an obligation resulting from a past event and when the obligation's amount can be reliably estimated. The amount of such obligations is discounted in order to determine the provision amount, when the impact of this discounting is material.

5.19 Current and deferred taxes and tax position***Current taxation***

The payable tax on profits is determined on the basis of the rules and rates applicable in France, as the Group companies are exclusively located in France.

Deferred tax

Deferred taxes are recognised when temporary differences are noted between the book value and the tax value of an asset or liability.

The overall calculation method, which involves determining all of the temporary gaps irrespective of the date when the tax will become payable or recoverable, has been adopted for the calculation of the deferred tax.

The tax rate and rules used in the calculation of the deferred taxation are the ones resulting from the applicable fiscal texts, which will be applicable when the tax becomes recoverable and payable.

Deferred taxes are compensated with one another on the level of each tax entity of the consolidated group. Deferred tax debits are only taken into account if it is probable that the entity in question has a recovery prospect over a determined horizon.

Deferred taxes are recognised as a tax income or expense in the income statement, except for those relating to unrealised gains or losses on assets at fair value through equity and to the value changes of derivatives designated as cash flow hedges, for which the corresponding deferred taxes are charged against shareholders' equity.

Tax uncertainty

When it is probable that a tax position of the Group will not be accepted by the tax authorities, this position is reflected in the financial statements when current tax (current or recoverable) and deferred tax (asset or liability) are recognised.

Tax situation

Bpifrance is the parent company of a tax consolidation group comprising the companies Bpifrance Participations, Bpifrance Investissement, Bpifrance Assurance Export, Auxifinances, Bpifrance Courtage and Lion Participations.

5.20 Interest income and expenses

Interest relating to the debt instruments recognised at amortised cost is recorded under “Interest and similar income” or “Interest and similar expenses” according to the effective interest rate method.

The effective interest rate is the rate that discounts the disbursements or collections of the future cash flows over the anticipated lifespan of a financial asset or financial liability in order to exactly obtain the gross book value of the financial asset or the amortised cost of the financial liability. The calculation of this rate takes into account the transaction costs and premiums and discounts as well as the commissions received or paid, such as the commissions for financing commitments given or the commissions for the granting of loans, which by nature are an integral part of the contract’s effective interest rate.

Where applicable, Bpifrance estimates the expected cash flows taking into account all the contractual terms and conditions of the financial instrument, in particular early repayment options, extension options, etc.

The items “Interest and similar income” or “Interest and similar expenses” also record the guarantee commissions established on a *prorata temporis* basis and the interest for hedging instruments designated at fair value.

5.21 Commissions and income from other activities

Pursuant to IFRS 15, the recognition of income resulting from contracts with customers (outside of leases, guarantee contracts and financial instruments that are treated by other IFRS standards) reflects the transfer of ownership over a good or service for an amount corresponding to the amount to which the seller expects to have the right in exchange for this good or service. The applied approach comprises five stages which enable the different performance obligations of a contract to be identified and to allocate a transaction price to each one, with this price being recognised when these obligations are met, i.e. when the transfer of ownership of the good or service has taken place.

In the case of compensation including a variable portion, the latter is only recognised in profit or loss if it is highly probable that its estimated amount will not suffer a significant decrease or when it is certain (e.g. networking agreements).

Commissions remunerating an immediate service are recorded in the income as soon as the service is completed.

Commissions collected as part of a continuing service, such as guarantee commissions, are staggered over the duration of the service on a *prorata temporis* basis (examples: commissions received by fund management companies, commissions received by Bpifrance Assurance Export under the agreement signed with the French State).

The services provided by the support activity are recognised as income from other activities, either progressively (for example: running the programme) or when the service is provided (for example: training days, meetings of strategic committees, etc.).

5.22 Net gains or losses on financial instruments at fair value through profit or loss

This item mainly records:

- the dividends and changes in fair value of investments in equity instruments, that the Group has not designated at fair value through non-recyclable shareholders’ equity;
- the changes in fair value of debt instruments (including interest) recognised at fair value through profit or loss, with the exception of changes in fair value relating to the own credit risk resulting from the financial liabilities designated at fair value through profit or loss by option;

- changes in fair value (including interest) of derivative instruments not used for hedging;
- changes in fair value (excluding interest) of derivative instruments used for fair value hedging.

The ineffectiveness of hedging relationships is also recognised in this item.

5.23 Net gains or losses on financial instruments at fair value through shareholders' equity

Net gains or losses on financial instruments at fair value through shareholders' equity includes the following elements:

- the dividends of equity instruments designated at fair value through non-recyclable shareholders' equity;
- the results, net of hedging effects, of the derecognition of debt instruments recognised at fair value through shareholders' equity.

5.24 Net gains or losses resulting from the de-recognition of financial assets at amortised cost

This item includes the gains and losses resulting from the derecognition of debt securities or loans and receivables classified as financial assets at amortised cost, including the indemnities for early repayment and hedging effects.

5.25 Personnel costs

The personnel costs include the wages and salaries, as well as the personnel benefits.

5.26 Cost of credit risk

The net allowances of write-backs for impairment and provisions, receivables written off as losses during the fiscal year, recoveries on receivables previously transferred to losses comprise the risk expense on credit operations on financial assets recognised at amortised cost and debt instruments classified under "Financial assets at fair value through shareholders' equity".

5.27 Guarantee activity

Guarantee commitments

The Group's guarantee commitments are mainly carried by Bpifrance and Bpifrance Régions. They involve backing guarantee funds.

Two types of guarantees are granted by the Group:

- guarantees in respect of venture capital interventions (SME shares) against capital losses incurred by the venture capital institutions. These contracts contain a clause on the participation in capital gains and losses from the disposal of the underlying securities;
- the guarantees granted to credit institutions for the loans granted to their customers, in order to hedge against payment defaults for an identified debtor. The Group is compensated by guarantee commissions;
- the guarantees not called upon, declared in default by the partner bank without other information about the deterioration of the counterparty's credit risk are classified as performing loans under watch (watch list) and are subject to impairment on the basis of an expected loss model. If the guarantee is called upon (expiry of the loan term or occurrence of collective proceedings) and/or in the event of information about a deterioration in the counterparty's credit risk, the guarantees are subject to impairment for proven risk.

Venture capital guarantee contracts meet the definition of derivative instruments. Consequently, they are assessed at fair value at the date of initial recognition or subsequently. The fair value is assessed

based on a maximum indemnity rate.

Guarantees to credit institutions meet the definition of financial guarantee contracts, i.e. a contract that requires the issuer to make specific payments in order to repay the holder for a loss that it incurs due to the default of a specified debtor. Under the option provided by IFRS, the Group has chosen to process these contracts according to the provisions of IFRS 9 and consequently not to apply IFRS 4 on insurance contracts.

Guarantee fund

The guarantee funds correspond to the amounts paid by the State, the CDC, private lessors or local authorities designed to hedge the future risks generated by Bpifrance's guarantee grant activity.

The guarantee funds are equivalent to term deposits repayable to donors which include a component of reinsurance contracts. The guarantee funds, therefore, meet the definition of a financial liability according to IAS 32.

Accounting treatment and presentation of guarantees to credit institutions and guarantee funds

The Group has irrevocably designated at fair value through profit or loss the guarantee commitments and the guarantee funds that back them. The performance of the guarantee fund is managed and communicated to donors based on a fair value model.

Guarantee commitments are assessed at fair value at the date of initial recognition. This fair value comprises discounted commissions receivable and discounted expected losses. It is determined from internal claims models. These internal models take into account the potential recovery based on statistical observations (assessment of future and non-proven disputes and the provision for proven losses) and the time effect, as well as the proven losses and any recoveries on files for which the Group's guarantee has been called upon. The fair value of the guarantee commitments is recognised in liabilities under the specific heading "Public guarantee funds allocated to commitments".

In addition to the allocations received from public partners, the assessment of the guarantee fund takes into account the share of commissions received that are paid to the guarantee funds and 90% of the net investment income from the received allocations (that return by convention to the guarantee fund). The fair value of the guarantee fund is recognised in liabilities under the specific heading "Unallocated Public Guarantee Funds".

All flows associated with the guarantee funds are recognised as income and expenses, though with no impact on the Group's income as long as the guarantee funds have not been used up, as future losses are charged against the guarantee funds.

5.28 Innovation activity

The innovation activity involves allocating subsidies, advances repayable in the event of successful completion of the project or loans (zero-rate or with interest) repayable without conditions on behalf of the State or of public partners.

The subsidies granted by Bpifrance meet the conditions specified by IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" as they are transfers of cash made available by the State and the public partners via their allocations, after the beneficiary entity has demonstrated that it complies with all the conditions allowing it to benefit from the subsidy.

Subsidies disbursed are recognised directly in expenses, under the "Expense on other activities" item. Subsidies granted to companies but not yet disbursed are shown on the liability side of the balance sheet in the "Accrued expenses and other liabilities" item, or are recognised as commitments given until their granting has been formalised.

Repayable advances disbursed are recognised at fair value at their initial recognition, which corresponds

to the amount disbursed, and at subsequent closing dates. They are included on the balance sheet under the specific item “Innovation financing aids” and those not disbursed are indicated under commitments given.

The loans granted under the innovation activity are basic loan instruments that meet the SPPI criterion. These are zero-rate loans or variable or fixed-rate loans that may be subject to early repayment against the payment of a reasonable early repayment indemnity. These assets are held in a flow collection business model. These loans are, therefore, assessed at amortised cost, according to the modalities described in section 5.3. “Classification and measurement of financial assets”.

The loans granted under the innovation activity are recorded in “Loans and receivables due from customers”.

The innovation activity is entirely financed by:

- an allocation known as the State’s “intervention allocation”, structured as the Intervention guarantee fund;
- allocations from the local authorities.

These allocations are recognised under the specific “Unallocated net innovation intervention resources” item once the French State or the other partners have signed the agreements. They are used to finance the subsidies and repayable advances and are written back through profit or loss in keeping with the granting of subsidies to the beneficiaries and the occurrence of findings of failures or of the recognition of the depreciation and losses of repayable advances, on zero-rate loans or variable or fixed-rate loans. These unallocated funds are representative of the fair value of the fund.

Allocations to be received from the State and public partners are recorded under “Other assets – Receivables with State and Innovation Partners”.

Impairment on sound outstanding amounts is calculated on the production of repayable advances; zero-rate loans and variable and fixed-rate loans financed by the State’s intervention allocations. They correspond to a financial indicator that enables the amount of advances and loans that may be transferred to expenses in future income statements to be assessed.

When there is a recognised risk of non-recovery of all or part of the commitments assumed by the counterparty, individual impairments are recognised and the impairment on sound outstanding amounts is reversed.

These impairments are recorded under liabilities in the specific “Net innovation intervention resources allocated to commitments” item.

The impact of this impairment is neutral for Bpifrance’s profit and loss statement. Impairment on sound outstanding amounts and individual impairments constituted are recognised as expenses in the profit and loss statement (“Income/expense on other activities”). Symmetrically, the allocation consisting of the State’s intervention and the partner financing is booked as a counterparty of this item.

Write-backs of impairment take place:

- when the impaired repayable advances finally become irretrievable and are recognised as expenses;
- when the impairment reversal results from a repayment of the advance.

In the case of an impairment reversal, the liabilities are replenished accordingly.

The income and expenses allocated to the Innovation Guarantee Fund are offset within the profit and loss statement under “expenses on other activities”. The amount of expenses and income concerned is indicated in Notes 6.18 and 7.5.

5.29 Use of estimates in the preparation of the financial statements

The preparation of the financial statements requires the formulation of assumptions and estimates that include uncertainties with regard to their future realisation. Using information available on the closing date, these estimates require the managers to make use of their judgement. Future realisations depend on many factors: fluctuation of interest and exchange rates, economic situation, changes to regulations or legislation, etc.

Amongst others, the following assessments require the formulation of assumptions and estimates:

- the fair value of the financial instruments, notably the value relating to shares not listed on an active market and that relating to over-the-counter instruments classified under “Financial assets or liabilities assessed at fair value through profit or loss” (notably rate swaps), as well as more generally the value relative to the financial instruments for which this information must be included in the notes to the financial statements;
- the amount of expected credit losses on loans and receivables and fixed-revenue securities is assessed at amortised cost or fair value through shareholders’ equity, financing and guarantee commitments;
- the valuations of investments accounted for using the equity method and any goodwill;
- the calculations related to the charges for retirement services and future social benefits have been established on the basis of assumptions regarding the discount rate, personnel turnover rate and the change in salaries and social charges;
- by their nature, the provisions are also the subject of estimates, consisting of liabilities for which the maturity or amount are not precisely fixed;
- lease liabilities and rights of use from the Group’s leases are valued according to the estimated term of the lease and discount rate assumptions;
- the amount of the deferred taxes, as a deferred tax asset is only recognised if it is felt that there is a probable future availability of a taxable profit against which the deferred tax debits can be charged.

● **Note 6 - Notes to the balance sheet**

Changes in balance sheet items relating to the merger-absorption of Bpifrance SA into the former Bpifrance Financement are identified in Note 1.1.1 "Significant events".

6.1 Cash and central banks (assets and liabilities)

(in millions of euros)	31/12/2020	31/12/2019
Assets		
Cash, Central Banks	7 819,2	1 045,9
Total Assets	7 819,2	1 045,9
Liabilities		
Central banks	0,0	0,0
Total Liabilities	0,0	0,0

Bpifrance has decided to finance in advance, and under very favourable financial conditions, a possible increase in customer demand in 2021 and 2022, as was the case in spring 2020.

6.2 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(in millions of euros)	31/12/2020	31/12/2019
Bonds and fixed-income securities	1 250,8	0,0
UCITS units	1 338,9	721,6
Other assets at fair value through profit or loss	3 353,8	0,0
Derivative financial instruments held for trading	0,0	13,4
- Interest rate derivative instruments	0,0	0,0
- Exchange rate derivative instruments	0,0	13,4
- Derivative instruments on equities and indices	0,0	0,0
Total financial assets at fair value through profit or loss	5 943,6	735,0

No financial assets are recognised at fair value on option.

Financial liabilities at fair value through profit or loss

(in millions of euros)	31/12/2020	31/12/2019
Borrowings and term deposits	0,0	0,0
Debt represented by a security	0,0	0,0
Debt securities	0,0	0,0
Other liabilities at fair value through profit or loss	0,0	0,0
Derivative financial instruments held for trading	1,5	1,8
- Interest rate derivative instruments	0,0	0,0
- Exchange rate derivative instruments	1,5	1,8
- Derivative instruments on equities and indices	0,0	0,0
Total financial liabilities at fair value through profit or loss	1,5	1,8

The only financial liabilities recognised at fair value on option are guarantee funds and innovation resources net of intervention (see Notes 6.19 and 6.20).

6.3 Derivative hedge instruments (assets and liabilities)

Asset hedging derivative instruments

(in millions of euros)	31/12/2020	31/12/2019
Fair value hedging	0,0	0,0
Cash flow hedging	0,0	0,0
Hedging of net foreign currency investments	0,0	0,0
Total hedging restricted to fair value	5,9	5,2
Total derivative hedge instruments (assets)	5,9	5,2

Liability hedging derivative instruments

(in millions of euros)	31/12/2020	31/12/2019
Fair value hedging	14,9	0,0
Cash flow hedging	0,0	0,0
Hedging of net foreign currency investments	0,0	0,0
Total hedging restricted to fair value	69,3	20,7
Total derivative hedge instruments (liabilities)	84,2	20,7

Hived-off global hedging at fair value – interest rate hedges

Maturity schedule of interest rate hedges

	Maturity at 31/12/2020				
	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
(in millions of euros)					
Hedging of financial liabilities					
Nominal amount	0,0	1 400,0	2 301,6	11 334,4	7 017,1
Hedging of loans to customers					
Nominal amount	25,3	218,8	3 261,2	16 885,9	6 946,6
Hedging of debt securities at fair value through equity					
Nominal amount	0,0	0,4	0,1	211,3	930,6

Montants relatifs aux instruments de couverture et montant d'inefficacité associé

		31/12/2020						
		Nominal	Valeur comptable		Ligne du bilan dans laquelle l'instrument de couverture est comptabilisé	Variation de juste valeur utilisée pour le calcul de l'inefficacité	Inefficacité comptabilisée en résultat	Ligne du compte de résultat où est comptabilisée l'inefficacité
			Actifs	Passifs				
(en millions d'euros)								
Risque de taux d'intérêt								
Swaps de taux d'intérêt - couverture des passifs		22 053,1	783,3	- 7,7	Note 6.3	775,6	0,0	Note 7.2
Swaps de taux d'intérêt - couverture des prêts à la clientèle		26 282,8	24,7	- 632,3	Note 6.3	-607,6	0,0	Note 7.2
Swaps de taux d'intérêt - couverture de titres de dette à la juste valeur par capitaux propres		1 142,4	0,7	- 53,7	Note 6.3	-53,0	0,0	Note 7.2
Floors - couverture des prêts à la clientèle		1 055,0	-	- 44,2	Note 6.3	-44,2	0,0	Note 7.2

Amounts related to hedging instruments and related ineffectiveness

	31/12/2020						
	Nominal	Book value		Line on balance sheet in which the hedging instrument is recognised	Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in profit or loss	Line on income statement where the ineffectiveness is recognised
		Assets	Liabilities				
(in millions of euros)							
Interest rate risk							
Interest rate swaps – hedging of financial liabilities	22 053,1	783,3	-7,7	Note 6.3	775,6	0,0	Note 7.2
Interest rate swaps – hedging of loans to customers	26 282,8	24,7	- 632,3	Note 6.3	-607,6	0,0	Note 7.2
Interest rate swaps – hedging of debt securities at fair value through equity	1 142,4	0,7	- 53,7	Note 6.3	-53,0	0,0	Note 7.2
Floors - hedging of customer loans	1 055,0	-	- 44,2	Note 6.3	-44,2	0,0	Note 7.2

Fair value hedging – interest rate and foreign exchange hedges

Maturity of interest rate and exchange rate risk hedges

	Maturity at 31/12/2020				
	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
(in millions of euros)					
Hedging of financial liabilities in GBP					
Nominal amount	0,0	0,0	27,8	338,1	0,0

Amounts related to hedging instruments and related ineffectiveness

	31/12/2020						
	Nominal	Book value		Line on balance sheet in which the hedging instrument is recognised	Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in profit or loss	Line on income statement where the ineffectiveness is recognised
		Assets	Liabilities				
Interest and exchange rate risks	(in millions of GBP)	(in millions of euros)					
Cross-currency swaps – hedging of fixed-rate financial liabilities in GBP	300,0	0,0	-16,5	Note 6.3	-16,5	0,4	Note 7.2

Amounts relating to hedged items

(in millions of euros)	31/12/2020						
	Book value		Cumulative amounts of fair value adjustments to the hedged item that are included in the book value of the hedged item		Line on balance sheet in which the hedged instrument is recognised	Change in value used to calculate ineffectiveness	Cumulative amounts of fair value adjustments maintained on the balance sheet for any items that are no longer adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
Interest and exchange rate risks							
Financial liabilities in GBP		333,7	16,9	-	Note 6.16	16,9	0,0

6.4 Financial assets at fair value through equity

	31/12/2020		31/12/2019	
	Fair value	Of which unrealised	Fair value	Of which unrealised
(in millions of euros)				
Bonds and fixed-income securities	2 726,9	95,7	1 238,2	13,5
Shares and other variable income securities	9 561,3	-676,8	29,2	4,7
Total financial assets at fair value through shareholders' equity	12 288,3	-581,1	1 267,5	18,2

6.5 Securities at amortised cost

	31/12/2020	31/12/2019
(in millions of euros)		
Government bonds	7 863,7	7 073,7
Other bonds	78,5	101,8
Negotiable debt securities	24,1	287,9
Receivables	75,4	75,2
Impairment on securities at amortised cost	-0,4	-0,4
Total securities at amortised cost	8 041,3	7 538,2

Bpifrance has selected the simplified so-called low credit risk approach for the Group's securities portfolio.

Breakdown of gross book values (incl. related receivables) of securities at amortized cost

	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	7 538,2	0,0	0,0	7 538,2
Closing	8 041,3	0,0	0,0	8 041,3

Breakdown of expected credit losses (ECL) on securities at amortised cost

	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	0,4			0,4
Allowances for acquisition				0,0
Other allowances				0,0
				0,0
Reversals related to asset disposals				0,0
Other unused reversals				0,0
Transfers between levels				0,0
Other movements				0,0
Closing	0,4	0,0	0,0	0,4

6.6 Loans and advances to credit institutions and related entities, at amortised cost

	31/12/2020	31/12/2019
(in millions of euros)		
Overdrafts	975,6	461,5
Overnight loans	0,0	0,0
Term loans	280,0	265,6
Guarantee deposits and margin calls	205,4	173,0
Impairment for credit risk	0,0	0,0
Receivables	0,2	0,1
Total loans and receivables due from credit institutions and similar, at amortised cost	1 461,2	900,2

These outstanding amounts are all classified in bucket 1.

6.7 Loans and advances to customers, at amortised cost

(in millions of euros)

	31/12/2020	31/12/2019
Overdrafts, advances on TAP	16,0	0,0
Accounts opened with the French State – Agence France Trésor	6 087,2	5 384,7
Trade receivables	123,4	195,3
Export loans	446,0	300,3
Short-term credit facilities	3 666,9	4 952,6
Equipment loans	18 333,7	16 990,6
Subordinated loans	601,4	412,1
Other loans	16 032,8	11 505,2
Impairment for credit risk*	-966,0	-595,0
Receivables	78,2	38,4
Total loans and receivables due from customers, at amortised cost	44 419,6	39 184,2

* See Note 6.18.

Breakdown of gross book values (including related receivables) of loans and receivables due from customers, at amortised cost

	PLMT (Co-financing activity – Medium- and long-term loans)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	23 118,4	4 973,1	1 110,0	29 201,5
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	9 971,8	2 166,0	441,1	12 578,9
Repayments, at maturity	-4 179,8	-1 684,5	-452,7	-6 317,0
Disposals and restructurings				0,0
Transfers between levels	-2 640,2	2 332,4	307,8	0,0
Merger/contribution				0,0
Other movements				0,0
Change in consolidation scope				0,0
Closing	26 270,2	7 787,0	1 406,2	35 463,4

Breakdown of expected credit losses (ECL) on loans and receivables due from customers, at amortised cost

	PLMT (Co-financing activity – Medium- and long-term loans)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	103,8	200,6	241,9	546,3
Reclassifications				0,0
Allowances for acquisition	71,2	54,6	127,2	253,0
Other allowances	61,2	10,1		71,3
Reversal used with transition into loss			-23,5	-23,5
Reversals related to asset disposals	-3,4	-6,3		-9,7
Other unused reversals			-27,3	-27,3
Transfers between levels	-3,4	92,7		89,3
Other movements			-0,6	-0,6
Closing	229,4	351,7	317,7	898,8

**Breakdown of gross book values (including related receivables) of loans and receivables due from customers,
at amortised cost**

	FCT (Short-term financing activity)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	3 862,0	753,8	370,2	4 986,0
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	3 014,0	372,1	314,5	3 700,6
Repayments, at maturity	-3 862,0	-753,8	-383,1	-4 998,9
Disposals and restructurings				0,0
Transfers between levels				0,0
Merger/contribution				0,0
Other movements				0,0
Change in consolidation scope				0,0
Closing	3 014,0	372,1	301,6	3 687,7

Breakdown of expected credit losses (ECL) on loans and receivables due from customers, at amortised cost

	FCT (Short-term financing activity)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	9,9	5,8	32,8	48,5
Reclassifications				0,0
Allowances for acquisition	9,4	1,9	29,7	41,0
Other allowances				0,0
Reversal used with transition into loss			-2,2	-2,2
Reversals related to asset disposals	-6,3	-3,3		-9,6
Other unused reversals	-2,7	-0,6	-5,2	-8,5
Transfers between levels	-0,6	-1,7		-2,3
Other movements				0,0
Closing	9,7	2,1	55,1	66,9

Breakdown of gross book values (including related receivables) of loans and receivables due from customers, at amortised cost

	OTHER			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	5 588,9	0,0	1,3	5 590,2
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	86,1			86,1
Repayments, at maturity				0,0
Disposals and restructurings				0,0
Transfers between levels				0,0
Merger/contribution				0,0
Other movements				0,0
Change in consolidation scope	558,1			558,1
Closing	6 233,1	0,0	1,3	6 234,4

Breakdown of expected credit losses (ECL) on loans and receivables due from customers, at amortised cost

	OTHER			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	0,2	0,0	0,0	0,2
Allowances for acquisition				0,0
Other allowances				0,0
Reversal used with transition into loss				0,0
Reversals related to asset disposals				0,0
Other unused reversals				0,0
Transfers between levels				0,0
Other movements				0,0
Closing	0,2	0,0	0,0	0,2

6.8 Finance leases and similar operations, at amortised cost

(in millions of euros)	31/12/2020	31/12/2019
Real estate leasing (CBI) and similar transactions	4 063,2	4 233,6
Equipment leasing (CBM) and similar transactions	1 912,8	2 025,0
Receivables	309,2	20,6
Impairment for credit risk*	-99,7	-56,0
Total finance leases and similar transactions, at amortised cost	6 185,5	6 223,2

* See Note 6.18.

Breakdown of gross book values (including related receivables) of finance lease transactions and equivalent, at amortised cost

	CBI (Real estate leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	2 891,7	1 174,0	183,5	4 249,2
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	659,1	43,0		702,1
Repayments, at maturity	-365,6	-280,3	-68,3	-714,2
Disposals and restructurings				0,0
Transfers between levels	-545,1	460,0	85,1	0,0
Merger/contribution				0,0
Other movements				0,0
Change in consolidation scope				0,0
Closing	2 640,1	1 396,7	200,3	4 237,1

Breakdown of expected credit losses (ECL) on finance lease transactions and equivalent, at amortised cost

	CBI (Real estate leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	3,9	20,4	10,2	34,5
Reclassifications				0,0
Allowances for acquisition	1,0	1,4	8,7	11,1
Other allowances	5,0	4,0		9,0
Reversal used with transition into loss				0,0
Reversals related to asset disposals		-1,0		-1,0
Other unused reversals			-3,9	-3,9
Transfers between levels	-0,2	10,0		9,8
Other movements				0,0
Closing	9,7	34,8	15,0	59,5

Breakdown of gross book values (including related receivables) of finance lease transactions and equivalent, at amortised cost

	CBM (Equipment Leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	1 571,3	410,0	48,7	2 030,0
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	164,1	335,4	67,1	566,6
Repayments, at maturity	-317,2	-164,2	-67,1	-548,5
Disposals and restructurings				0,0
Transfers between levels	0,7	2,3	-3,0	0,0
Merger/contribution				0,0
Other movements				0,0
Change in consolidation scope				0,0
Closing	1 418,9	583,5	45,7	2 048,1

Breakdown of expected credit losses (ECL) on finance lease transactions and equivalent, at amortised cost

	CBM (Equipment Leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses impaired credit	TOTAL
(in millions of euros)				
Opening	3,3	8,6	9,5	21,4
Reclassifications				0,0
Allowances for acquisition	1,4	3,3	5,3	10,0
Other allowances	2,7	1,4		4,1
Reversal used with transition into loss			-0,3	-0,3
Reversals related to asset disposals	-0,1	-0,1		-0,2
Other unused reversals			-2,5	-2,5
Transfers between levels	-0,5	8,4		7,9
Other movements			-0,3	-0,3
Closing	6,8	21,6	11,7	40,1

Other proceeds from finance lease transactions

(in millions of euros)	Real estate	Equipment leasing
Profit or loss on sales	2,6	0,3
Financial income from net investment related to lease contract	88,5	38,6

Maturities of lease receivables

(in millions of euros)	Book value	Total undiscounted rents	<=1 year	>1 - <=2 years	>2 - <=3 years	>3 - <=4 years	>4 - <=5 years	>5 years
Real estate leasing	4 177,5	4 513,8	441,2	576,4	526,1	492,3	450,8	2 027,0
Equipment leasing	2 008,0	1 846,9	630,4	484,2	331,2	202,4	103,8	94,9
Total	6 185,5	6 360,8	1 071,6	1 060,7	857,3	694,7	554,6	2 121,9

6.9 Innovation financing aid

(in millions of euros)	31/12/2020	31/12/2019
Innovation grants - ISI*	651,5	658,2
PMII - ISI 2008*	213,7	213,9
FRGI*	27,9	27,2
Aid on partners financing	71,6	75,6
FNI-FISO*	0,7	0,9
DEEP TECH Industrial Innovation Fund	23,0	7,0
Total aid for financing innovation	988,4	982,8

* ISI: Industrial Strategy Innovation

PMII: *Programme Mobilisateur pour l'Innovation Industrielle* (Mobilising Programme for industrial innovation)
initiated by the former AII, *Agence pour l'Innovation Industrielle* (Industrial Innovation Agency)

FRGI: *Fonds Régionaux de Garantie de l'Innovation* (Innovation Guarantee Regional Fund)

FNI-FISO: *Fonds National d'Innovation - Fonds Innovation Sociale* (National Innovation Fund - Social Innovation Fund)

6.10 Current and deferred tax assets and liabilities

(in millions of euros)	31/12/2020	31/12/2019
Current taxes	77,0	0,7
Deferred taxes	183,2	51,7
Total current and deferred tax assets	260,2	52,4
Current taxes	46,1	4,0
Deferred taxes	83,6	2,5
Total current and deferred tax liabilities	129,7	6,5

6.11 Accruals, and other assets/liabilities

Accruals and deferred income

(in millions of euros)	31/12/2020	31/12/2019
Deferred expenses	142,4	130,0
Accrued income	8,2	31,9
Medium- and long-term direct debits in progress	8,4	6,3
Other	40,2	25,0
Total of accruals and deferred income	199,2	193,2

Miscellaneous assets

(in millions of euros)	31/12/2020	31/12/2019
Receivables with State and Innovation partners	100,0	104,2
Allocation to be received on guarantee funds	231,2	26,3
Other sundry debtors	273,6	118,1
Stocks and sundry assets	22,6	27,4
Total other assets	627,4	276,0

Accruals and prepayments

(in millions of euros)	31/12/2020	31/12/2019
Subsidies to be paid (innovation)	75,8	66,5
Guarantee commissions booked in advance	465,3	437,0
Other deferred income	15,8	1,2
Other tax and social charges to be paid	88,5	82,3
Other charges to be paid	51,9	53,8
Allocation to the Development Participatory Loan to be spread	253,0	109,4
Other	506,7	339,9
Total accruals and prepayments	1 457,0	1 090,1

Miscellaneous liabilities

(in millions of euros)	31/12/2020	31/12/2019
Outstanding payments on securities not fully paid up	730,4	0,0
Invoices to be paid on leasing operations	52,9	54,5
Other tax and social debts	139,3	25,5
Sundry creditors	110,0	174,7
Total other liabilities	1 032,6	254,7

6.12 Holdings in equity-consolidated companies

(in millions of euros)	2020	
	Equity method value	Of which goodwill net of value adjustment
PSA	2 474,6	37,9
Lac 1	1 096,0	0,0
STMicroelectronics	914,6	0,0
Eutelsat	488,3	0,0
Future French Champions	68,3	0,0
Other	10,9	0,0
Total equity interests in companies accounted for using the equity method	5 052,8	37,9

6.13 Tangible and intangible assets

(in millions of euros)		31/12/2020	31/12/2019
1 - Tangible fixed assets			
1.1 - Land and buildings		368,8	303,4
	<i>of which rights of use</i>	162,5	113,6
Depreciation and impairment		-144,9	-111,1
	<i>of which rights of use</i>	-44,2	-23,2
	Net amount	223,9	192,3
1.2 - Other tangible fixed assets		74,1	59,9
Depreciation and impairment		-47,6	-41,2
	Net amount	26,4	18,7
Total tangible fixed assets		250,3	211,0
2 - Intangible fixed assets			
2.1 - Software		448,5	317,5
Amortisation and impairment		-300,7	-220,8
	Net amount	147,8	96,7
2.2 - Other intangible fixed assets		37,2	2,4
Amortisation and impairment		0,0	0,0
	Net amount	37,2	2,4
Total intangible fixed assets		185,0	99,1

(in millions of euros)	Tangible fixed assets		Intangible fixed assets	
	Land and Buildings	Other tangible fixed assets	Software	Other intangible fixed assets
Gross amount as at 31/12/2019	303,4	59,9	317,5	2,4
Acquisitions	4,6	9,8	66,3	0,0
Exits	0,0	-2,9	-3,6	0,0
Other movements (newly consolidated)	11,9	7,3	68,3	34,8
Other movements (rights of use)	48,9	0,0	0,0	0,0
Gross amount as at 31/12/2020	368,8	74,1	448,5	37,2
Total depreciation and amortisation as at 31/12/2020	-144,9	-47,6	-300,7	0,0
Net amount as at 31/12/2020	223,9	26,5	147,8	37,2

Detail of lease transaction expenses and income from sub-leases

(in millions of euros)	31/12/2020
Interest expense on lease liabilities	-0,2
Expenses relating to short-term lease contracts (exclusion)	-0,3
Expenses relating to lease contracts whose underlying asset is of low value (exclusion)	-2,3
Expenses relating to variable lease payments not taken into account to value lease liabilities	N/A
Income from sub-leases of assets recognised as rights of use	14,2
Total cash disbursements relating to lease contracts	-11,7
Profits or losses from sale and leaseback	N/A
Book value of right-of-use assets at 01/01/2020	90,4
Entries recognised as right-of-use assets	51,6
Depreciation of right-of-use assets	-23,7
Book value of right-of-use assets as at 31/12/2020	118,3

6.14 Debts due to credit institutions

(in millions of euros)	31/12/2020	31/12/2019
Demand and overnight debts	21,1	16,5
Ordinary deposits and accounts	3,1	2,1
Overnight borrowings and accounts	0,0	0,0
Guarantee deposits and margin calls	18,0	14,4
Term debts	18 851,0	11 041,8
Borrowings and term deposits	15 634,7	5 351,9
. including resources from passbook savings accounts (Codevi/Livret de D	750,0	950,0
. including resources from the KfW and CEB	51,1	66,7
. including refinancing with the ECB**	14 800,0	4 300,0
Securities sold on repo	3 216,3	5 689,9
Debts	-71,1	-46,6
Total debts due to credit institutions and similar*	18 801,0	11 011,7

*Debts due to credit institutions and similar are recognised at amortised cost.

**Bpifrance subscribed total TL TFR III assets of 14,8 billion.

6.15 Debts due to customers

(in millions of euros)	31/12/2020	31/12/2019
Demand and overnight debts	229,5	333,9
Ordinary deposits and accounts	229,5	333,9
. of which EPIC Bpifrance accounts	21,7	131,8
. of which Bpifrance SA accounts		74,2
Overnight borrowings and accounts	0,0	0,0
Term debts	2 770,4	3 236,6
Borrowings and term deposits	2 567,8	3 034,0
. of which EPIC Bpifrance loans	1 346,0	1 848,6
Guarantee fund with preserved capital	202,6	202,6
Securities sold on repo	0,0	0,0
Debts	14,3	14,8
Total debts due to customers*	3 014,2	3 585,3

*Debts due to customers are recognised at amortised cost.

6.16 Debts represented by a security

(in millions of euros)	31/12/2020	31/12/2019
Bond Issues	31 729,0	25 716,6
EMTN 2011	1 200,0	1 200,0
EMTN 2012	1 464,0	1 464,0
EMTN 2013	2 100,0	2 100,0
EMTN 2014	700,0	700,0
EMTN 2015	2 000,0	3 250,0
EMTN 2016	3 567,0	3 567,0
EMTN 2017	6 430,0	6 430,0
EMTN 2018	2 775,0	2 775,0
EMTN 2019	4 000,0	4 000,0
EMTN 2020	7 253,7	0,0
Share premiums remaining to be amortised	239,3	230,6
Negotiable debt securities	4 492,5	4 436,8
Debts	125,5	114,0
Total debts represented by a security*	36 347,0	30 267,4

*Debts represented by a security are recognised at amortised cost.

6.17 Lease liabilities

(in millions of euros)	Maturity of lease liabilities			
Duration	<=1 year	>1 - <=5 years	>5 years	Total
Maturity	25,0	86,3	11,1	122,4

6.18 Impairment and provisions

Provisions

(in millions of euros)	31/12/2020	31/12/2019
Provisions for credit risk on signed commitments	1,3	3,3
Provisions for restructuring	3,1	3,6
Provisions for other employee benefit commitments	44,3	23,7
Provisions for credit risk on financing commitments given	66,3	47,4
Other	28,7	26,4
Total provisions	143,7	104,4

TABLE OF IMPAIRMENT FLOWS AND PROVISIONS

	Impairment and provisions at 31/12/19	Allocations to impairment and provisions	Reversals of impairment and available	Reversals of impairment and provisions used(1)	Other changes(2)	Impairment and provisions at 31/12/20	Irrecoverable receivables not covered by provisions	Recoveries of amortised receivables	Impact on earnings(3)
(in millions of euros)									
Impairment and provisions for credit risk	702,3	527,8	69,1	26,2	-1,0	1 133,8	5,6	2,8	-461,5
- <i>Impairment in bucket 1</i>	<i>121,9</i>	<i>144,8</i>	<i>9,8</i>	<i>0,3</i>	<i>0,0</i>	<i>256,6</i>	<i>0,0</i>	<i>0,0</i>	<i>-135,0</i>
. Interbank loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer loans	114,0	135,1	9,7	0,0	0,0	239,4	0,0	0,0	-125,4
. Finance lease transactions (excluding interest)	7,3	9,4	0,1	0,0	0,0	16,6	0,0	0,0	-9,3
. Securities at amortised cost	0,4	0,1	0,0	0,1	0,0	0,4	0,0	0,0	-0,1
. Financial assets at fair value through equity	0,2	0,2	0,0	0,2	0,0	0,2	0,0	0,0	-0,2
- <i>Impairment in bucket 2</i>	<i>235,3</i>	<i>185,5</i>	<i>10,7</i>	<i>0,0</i>	<i>-0,2</i>	<i>409,9</i>	<i>0,0</i>	<i>0,0</i>	<i>-174,8</i>
. Interbank loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer loans	206,3	157,0	9,6	0,0	-0,2	353,5	0,0	0,0	-147,4
. Finance lease transactions (excluding interest)	29,0	28,5	1,1	0,0	0,0	56,4	0,0	0,0	-27,4
. Securities at amortised cost	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Financial assets at fair value through equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- <i>Impairment in bucket 3</i>	<i>294,4</i>	<i>170,6</i>	<i>38,7</i>	<i>25,9</i>	<i>-0,8</i>	<i>399,6</i>	<i>5,5</i>	<i>2,8</i>	<i>-134,6</i>
. Interbank loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer loans	274,7	156,7	32,3	25,7	-0,5	372,9	5,1	2,6	-126,9
. Finance lease transactions (excluding interest)	19,7	13,9	6,4	0,2	-0,3	26,7	0,4	0,2	-7,7
. Securities at amortised cost	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Financial assets at fair value through equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- <i>Provisions for credit risk on financing commitments given</i>	<i>47,4</i>	<i>26,2</i>	<i>7,2</i>	<i>0,0</i>	<i>0,0</i>	<i>66,4</i>	<i>0,0</i>	<i>0,0</i>	<i>-19,0</i>
. Bucket 1	17,4	18,7	3,2	0,0	0,0	32,9	0,0	0,0	-15,5
. Bucket 2	30,0	7,5	4,0	0,0	0,0	33,5	0,0	0,0	-3,5
. Bucket 3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- <i>Provisions for credit risk on signed commitments</i>	<i>3,3</i>	<i>0,7</i>	<i>2,7</i>	<i>0,0</i>	<i>0,0</i>	<i>1,3</i>	<i>0,1</i>	<i>0,0</i>	<i>1,9</i>
Provisions for miscellaneous operating contingencies	26,4	0,7	1,1	0,7	3,4	28,7			
Other provisions	27,3	3,9	0,0	4,5	20,7	47,4			
- Provisions for restructuring	3,6	1,2	0,0	1,7	0,0	3,1			
- Provisions for employee benefit commitments	23,7	2,7	0,0	2,8	20,7	44,3			

(1) Reversals correspond to write-offs as losses

(2) Changes in scope, exchange rates and reclassifications of provisions

(3) -/+ Net additions or reversals

- + Risks charged to guarantee funds
- Non-recoverable receivables
- + Recoveries on impaired receivables

6.19 Net resources for innovation-related activity

(in millions of euros)	31/12/2020		31/12/2019	
	Assigned to commitments	Not assigned	Assigned to commitment	Not assigned
<i>Innovation Stratégie Industrielle</i> (Strategic Industrial Innovation - ISI) aid	756,7	456,7	721,8	465,0
<i>Programme Mobilisateur pour l'Innovation Industrielle</i> (Industrial Innovation Mobilising Programme - PMII) – ISI 2008	135,6	102,4	131,6	102,6
National Innovation Fund - Social Innovation Fund (<i>Fonds National Innovation - Fonds Innovation Sociale</i> - FNI-FISC)	0,2	8,5	0,2	8,5
Deep Tech	21,0	65,2	0,0	34,2
Overseas Departments and Territories	0,0	7,0	0,0	6,0
Partner financing aid	0,0	242,7	0,0	248,2
Innovation Guarantee Regional Fund (<i>Fonds Régionaux de Garantie de l'Innovation</i> - FRGI)	7,4	112,9	7,3	103,8
Total of net innovation intervention resources	920,9	995,4	860,9	968,3

Net resources for innovation-related activity

(in millions of euros)	Assigned to commitments	Not assigned
Net innovation intervention resources as at 31/12/2019	860,9	968,3
Change in fair value		0,0
2020 allocations (net balance)		254,8
Subsidies		-116,5
Repayments and redeployments		0,0
Provisions, losses & recognised failures	60,0	-113,3
Financial earnings & charges		4,1
Miscellaneous proceeds		0,0
Appraisals & miscellaneous expenses		-2,0
Net innovation intervention resources as at 31/12/2020	920,9	995,4

6.20 Public guarantee funds

(in millions of euros)	31/12/2020		31/12/2019	
	Assigned to commitments	Not assigned	Assigned to commitments	Not assigned
Reserve and mutual fund	0,0	880,9	0,0	1 029,7
AFT (Agence France Trésor)	2 051,2	2 652,3	1 838,0	2 175,6
CDC	127,7	5,0	121,2	3,4
Hived-off assets	9,6	8,4	10,8	9,1
Other funds	31,3	148,8	32,4	148,4
Bpifrance Régions Fund	167,2	373,2	164,0	374,1
Total of public guarantee funds	2 387,0	4 068,6	2 166,4	3 740,3

Public guarantee funds

(in millions of euros)	Assigned to commitments	Not assigned
Public Guarantee Fund as at 31/12/2019	2 166,4	3 740,3
Change in fair value		-167,9
Appropriations to 2020 guarantee fund (net balance)		687,6
Repayments of guarantee funds		-17,0
Guarantee commissions	-21,7	109,4
Financial proceeds and recoveries		32,3
Cost of risk	242,3	-312,1
Discounted provisions		-4,0
Public guarantee fund as at 31/12/2020	2 387,0	4 068,6

The guarantee funds hedge customer outstandings (loans and finance leases) in Bpifrance's balance sheet assets for €8,952.2 million. The funds allocated to hedging these outstanding amounts stood at €1,133.9 million. This fund also hedges the financing granted to customers by bank partners for €12,527.2 million.

6.21 Subordinated debt

(in millions of euros)	31/12/2020	31/12/2019
Bpifrance SA subordinated term loan		530,0
Mutual guarantee deposits	7,3	7,3
Debts	0,0	2,1
Total subordinated debts*	7,3	539,4

* Subordinated debts are recognised at amortised cost.

6.22 Fair value of assets and liabilities

(in millions of euros)	31/12/2020			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss	899,8	30,0	5 013,8	5 943,6
- Bonds and fixed-income securities	0,0	0,0	1 250,8	1 250,8
- UCITS units	899,8	30,0	409,1	1 338,9
- Other assets at fair value through profit or loss	0,0	0,0	3 353,8	3 353,8
- Trading derivative financial instruments	0,0	0,0	0,0	0,0
of which exchange rate derivatives	0,0	0,0	0,0	0,0
Hedging derivatives	0,0	5,9	0,0	5,9
- Fair value hedging	0,0	0,0	0,0	0,0
- Cash flow hedging	0,0	0,0	0,0	0,0
- Hedging of net foreign currency investments	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	5,9	0,0	5,9
Financial assets at fair value through equity	7 641,9	851,3	3 795,1	12 288,3
- Bonds and fixed-income securities	2 241,6	485,4	0,0	2 727,0
- Shares and other variable income securities	5 400,3	365,9	3 795,1	9 561,3
Securities at amortised cost	8 637,1	35,3	0,0	8 672,4
- Government bonds	8 563,0	0,0	0,0	8 563,0
- Other bonds	74,1	11,2	0,0	85,3
- Negotiable debt securities	0,0	24,1	0,0	24,1
Loans and advances to credit institutions and related entities, at amortised cost	0,0	1 461,2	0,0	1 461,2
Loans and advances to customers, at amortised cost	0,0	45 724,1	0,0	45 724,1
Finance leases and similar operations, at amortised cost	0,0	6 433,3	0,0	6 433,3
LIABILITIES				
Financial liabilities at fair value through profit or loss	0,0	1,5	0,0	1,5
- Borrowings and term deposits	0,0	0,0	0,0	0,0
- Debts represented by a security	0,0	0,0	0,0	0,0
- Debt securities	0,0	0,0	0,0	0,0
- Other liabilities at fair value through profit or loss	0,0	0,0	0,0	0,0
- Trading derivative financial instruments	0,0	0,0	0,0	0,0
of which exchange rate derivatives	0,0	1,5	0,0	1,5
Hedging derivatives	0,0	64,2	0,0	64,2
- Fair value hedging	0,0	14,9	0,0	14,9
- Cash flow hedging	0,0	0,0	0,0	0,0
- Hedging of net foreign currency investments	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	69,3	0,0	69,3
Amounts due to credit institutions and related entities	0,0	18 817,8	0,0	18 817,8
Amounts due to customers	0,0	3 017,0	0,0	3 017,0
Debts represented by a security	37 091,1	0,0	0,0	37 091,1

(in millions of euros)	31/12/2019			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss	0,0	13,4	721,6	735,0
- Bonds and fixed-income securities	0,0	0,0	0,0	0,0
- UCITS units	0,0	0,0	721,6	721,6
- Other assets at fair value through profit or loss	0,0	0,0	0,0	0,0
- Derivatives at fair value through profit or loss	0,0	13,4	0,0	13,4
of which exchange rate derivatives	0,0	13,4	0,0	13,4
Hedging derivatives	0,0	5,2	0,0	5,2
- Fair value hedging	0,0	0,0	0,0	0,0
- Cash flow hedging	0,0	0,0	0,0	0,0
- Hedging of net foreign currency investments	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	5,2	0,0	5,2
Financial assets at fair value through equity	569,2	669,1	29,2	1 267,5
- Bonds and fixed-income securities	569,2	669,1	0,0	1 238,3
- Shares and other variable income securities	0,0	0,0	29,2	29,2
Securities at amortised cost	7 891,4	308,9	0,0	8 200,3
- Government bonds	7 782,9	0,0	0,0	7 782,9
- Other bonds	108,5	0,0	0,0	108,5
- Negotiable debt securities	0,0	308,9	0,0	308,9
Loans and advances to credit institutions and related entities, at amortised cost	0,0	900,2	0,0	900,2
Loans and advances to customers, at amortised cost	0,0	40 108,2	0,0	40 108,2
Finance leases and similar operations, at amortised cost	0,0	6 443,9	0,0	6 443,9
LIABILITIES				
Financial liabilities at fair value through profit or loss	0,0	1,8	0,0	1,8
- Borrowings and term deposits	0,0	0,0	0,0	0,0
- Debts represented by a security	0,0	0,0	0,0	0,0
- Debt securities	0,0	0,0	0,0	0,0
- Other liabilities at fair value through profit or loss	0,0	0,0	0,0	0,0
- Derivatives at fair value through profit or loss	0,0	1,8	0,0	1,8
of which exchange rate derivatives	0,0	1,8	0,0	1,8
Hedging derivatives	0,0	20,7	0,0	20,7
- Fair value hedging	0,0	0,0	0,0	0,0
- Cash flow hedging	0,0	0,0	0,0	0,0
- Hedging of net foreign currency investments	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	20,7	0,0	20,7
Amounts due to credit institutions and related entities	0,0	11 026,3	0,0	11 026,3
Amounts due to customers	0,0	3 655,3	0,0	3 655,3
Debts represented by a security	30 830,0	0,0	0,0	30 830,0

Quantitative information on unobservable inputs in 2020 (fair value level 3)

Instruments concerned	Valuation techniques used	Main unobservable data	Unobservable data intervals
Unlisted shares	- Discounted cash flow (DCF) - Stock market multiples - Trading multiples - Entry multiples - Fundraising - Cost of investment	1. Budget and business plan 2. Company accounts and outcome 3. Discount rate 4. Perpetual growth rate 5. <u>Investment cost</u>	1. Absence of interval 2. Absence of interval 3. 5% to 20% 4. 0% to 3% 5. Absence of interval
FCPR	Valuation by fair value, therefore: - for listed securities: spot price or weighted average price on the valuation day with possible application of a trading/liquidity discount - for unlisted securities: cost of the investment; multiples (stock market and/or transaction) with possible application of trading, size and <u>comparability discounts</u>	1. Cost of investment 2. Trading discount 3. Size discount 4. Comparability discount 5. Cash flows at fund level	1. Absence of interval 2. 0 to 20% 3. 0 to 30% 4. 0 to 30% 5. Absence of interval
Bonds convertible into shares	- DCF - Contractual clauses (e.g. share)	1. Nominal value 2. Cash interest 3. Capitalized interest (PIK) 3. Non-conversion premium (PNC) 4. <u>Share</u>	1. Absence of interval 2. 0% to 10% 3. 0% to 10% 4. Target IRR of 0 to 20% 4. <u>0% to 100%</u>
Equity warrants (BSA)	- DCF - Stock market multiples - Trading multiples - Entry multiples - Contractual clauses (e.g. share)	1. Budget and business plan 2. Company accounts and outcome 3. Discount rate 4. Perpetual growth rate 5. <u>Share</u>	1. Absence of interval 2. Absence of interval 3. 5% to 20% 4. 0% to 3% 5. 0% to 100%

Change in the balance of financial instruments measured at fair value under level 3

	2020		
	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Total
(in millions of euros)			
Balance at January 1	721,6	29,2	750,8
Gains/losses for the period	3,5	0,0	3,5
<i>Recognized in profit or loss*</i>	3,5	0,0	3,5
<i>Recognized in equity</i>		0,0	0,0
Newly consolidated	4 934,1	3 744,2	8 678,3
Purchases during the period	284,3	21,7	306,1
Sales during the period	0,0	0,0	0,0
Emissions during the period	0,0	0,0	0,0
Settlements during the period	0,0	0,0	0,0
Reclassifications during the period	0,0	0,0	0,0
Transfers	-929,7	0,0	-929,7
<i>To level 3</i>	0,0	0,0	0,0
<i>Excluding level 3</i>	-929,7	0,0	-929,7
Balance at 31 December	5 013,8	3 795,1	8 809,0

** Gains and losses on financial assets held in the balance sheet at the closing date amounted to €3.5 million recognized in "Net gains or losses on financial instruments at fair value through profit or loss", of which €4.9 million on the revaluation of bonds and fixed-income securities and -€1.4 million on trading derivatives.*

Fair value sensitivity of Level 3 financial instruments

Since the estimation of the fair value of Level 3 financial instruments requires judgement, a change in the assumptions of unobservable inputs would result in a significant change in this fair value.

At 31 December 2020, an upward change of 1% in the valuation of the portfolios of assets measured at fair value through profit or loss and of assets measured at fair value through equity would have an impact on the profit and loss statement and on shareholders' equity of respectively €35.9 million and €36.8 million. A downward change of 1% would have an impact on the profit and loss statement and on shareholders' equity of -€35.9 million and -€38.0 million respectively.

6.23 Euro equivalent of foreign currency transactions

(in millions of euros)	31/12/2020	31/12/2019
Assets	522,5	0,7
Liabilities	370,1	306,7

Assets denominated in foreign currencies are composed of variable income securities amounting to €521.9 million.

Foreign currency liabilities are hedged by over-the-counter financial instruments.

● Note 7 - Notes relative to the profit and loss statement

7.1 Interest income and expenses

Interest and related income

(in millions of euros)	31/12/2020	31/12/2019
Transactions with lending institutions	100,1	48,9
Customer transactions		
Overdrafts	31,3	37,8
Short-term credit facilities	41,1	59,8
Equipment loans	345,6	351,0
Miscellaneous loans	491,8	467,6
Subordinated loans	11,3	11,0
Change in discounted future guarantee commissions	21,7	10,5
Subtotal customer loans	942,8	937,7
Finance lease operations	123,5	140,6
Operations involving financial instruments		
Financial assets at fair value through equity	2,7	2,7
Securities at amortised cost	137,4	166,2
Hedging derivatives	234,8	202,6
Subtotal transactions on financial instruments	374,9	371,5
Other interests and similar income	90,2	81,6
Total interest and similar income* **	1 631,5	1 580,3

* Cf which negative interest on liabilities of €242.9 million in 2020 (€147.7 million in 2019)

** TL TFR III: Epifrance is almost certain to meet the targets set by the ECB in terms of maintaining eligible loan outstandings over the two reference periods (01/03/2020 to 31/03/2021 and 01/03/2020 to 31/12/2021); the remuneration used is therefore -1% between 24 June 2020 and 23 June 2022, then -0.5% until maturity.

Epifrance plans to reimburse early an outstanding amount of €8 billion as of June 2022.

In accordance with IFRS 9 and the EIR method, the additional bonus of 50 basis points is spread over the estimated lifetime of each subscription. In 2020, accrued interest recognized in respect of TL TFR III amounted to €62.9 million.

Interest and related expenses

(in millions of euros)	31/12/2020	31/12/2019
Transactions with lending institutions	-48,9	-63,9
Customer transactions	-266,3	-268,1
Of which allocation of commission earnings to guarantee funds	-130,1	-129,6
Operations involving financial instruments		
Debts represented by a security	-322,3	-311,3
Subordinated debts	-5,3	-5,6
Hedging derivatives	-209,3	-177,4
Subtotal transactions on financial instruments	-536,9	-494,3
Other interest and similar charges	-32,0	-38,1
Of which financial earnings allocated to the guarantee funds	-31,4	-37,5
Of which accrued interest on lease liabilities	-0,2	-0,1
Total interest and similar expenses*	-884,1	-864,4

* Cf which negative interest on assets of €110.6 million in 2020 (€74.9 million in 2019)

7.2 Net gains or losses on financial instruments at fair value through profit or loss

(in millions of euros)	31/12/2020	31/12/2019
Bonds and fixed-income securities	0,3	-0,7
Shares and other variable income securities	0,0	0,0
Derivative financial instruments held for trading	-1,5	0,0
Fair value hedging instruments*	-19,9	96,7
Of which individual hedging (ineffectiveness)	0,4	0,0
Revaluation of hedged items at fair value*	20,3	-96,6
Net income from exchange transactions	0,4	6,9
Total net gains or losses on financial instruments at fair value through profit or loss	-0,4	6,3

* micro-hedging and hived-off global hedging

7.3 Net gains or losses on financial instruments at fair value through shareholders' equity

(in millions of euros)	31/12/2020	31/12/2019
Capital gains or losses on the disposal of debt instruments	3,9	0,0
Dividends on equity instruments	0,0	0,0
Total net gains or losses on financial assets at fair value through equity	3,9	0,0

7.4 Income and expenses from other activities

(in millions of euros)	31/12/2020	31/12/2019
Proceeds		
Miscellaneous proceeds related to innovation activity	21,4	12,7
Expenses charged back	32,7	28,6
Rebilling of land taxes Real Estate leasing	93,3	92,1
Commission on recoveries and on insurance sold	19,6	19,5
Other proceeds	33,1	36,6
Total income from other activities	200,1	189,5
Expenses		
Land taxes Real Estate leasing activity	-93,3	-92,1
Other expenses	-27,4	-20,9
Total expenses on other activities	-120,7	-113,0

7.5 General operating expenses

(in millions of euros)	31/12/2020	31/12/2019
Personnel expenses	-266,8	-248,3
Duties and taxes	-24,4	-29,7
Other operating expenses	-190,0	-143,0
Costs related to restructuring	-1,2	-1,9
Total general operating expenses	-482,4	-422,9

7.6 Amortisation & depreciation and impairment on tangible & intangible fixed assets

(in millions of euros)	31/12/2020	31/12/2019
Depreciation/amortisation allowances	-43,6	-40,4
Depreciation of right-of-use assets	-23,7	-23,2
Allowances for impairment losses	0,0	0,0
Write-backs for impairment losses	0,0	0,0
Total amortisation & depreciation allowances on tangible and intangible fixed assets	-67,3	-63,6

7.7 Cost of credit risk

(in millions of euros)	31/12/2020					31/12/2019
	Bucket 1	Bucket 2	Bucket 3	Other liabilities	Total	Total
Net additions or reversals of impairment and provisions	-135,0	-174,8	-131,9	-17,0	-458,7	-79,2
Non-provisioned losses	0,0	0,0	-5,5	-0,1	-5,6	-10,1
Recoveries on impaired receivables	0,0	0,0	2,8	0,0	2,8	4,3
Total cost of credit risk	-135,0	-174,8	-134,6	-17,1	-461,5	-85,0

7.8 Taxes

Income tax

(in millions of euros)	31/12/2020	31/12/2019
Corporation tax	-85,7	-135,7
Deferred taxes	109,1	48,3
Total income tax	23,4	-87,4

Analysis of income tax expenses

(in millions of euros)	31/12/2020	31/12/2019
Group share of earnings	-139,6	153,4
Share of net earnings of minority interests	0,0	0,0
Net tax charge booked	-23,4	87,4
Income before tax (A)	-163,0	240,8
French common law taxation rate (B)	32,02	34,43
Total theoretical tax expense (C) = (A*B)	-52,2	82,9
Reconciliation items:		
Impact of changes in tax rates	17,9	0,5
Other permanent differences	11,0	7,8
Earnings from companies accounted for using the equity method	0,6	-0,2
Other items	-0,7	-3,6
Total items reconciled (D)	28,8	4,5
Net tax charge booked (C) + (D)	-23,4	87,4

● Note 8 - Exposure, management and measurement of risks

8.1 General risk management organisation

The Bpifrance Group is a credit institution directly supervised by the European Central Bank (ECB). The parent company's prudential supervision is carried out on the basis of Bpifrance's consolidated financial statements.

The risk management policy (including monitoring of the level of risk tolerance) of the Bpifrance Group is defined and supervised by the Group's Board of Directors.

Since January 2016, the Bpifrance Group has had a Risk Management Department. The Risk Department reports to the Chief Executive Officer and the Deputy Chief Executive Officer¹ of the Bpifrance Group.

The organisation of the Bpifrance Risk Department is structured around:

- a Chief Risk Officer;
- five Departments:
 - Regulatory Risk Management Department,
 - Financial and Country Risk Department,
 - Credit Risk Department²,
 - Policies and Strategy Department,
 - Solvency Department.

The "Validation of models" and "Risk and Recovery (S2R)" activities are functionally attached to the Risk Department.

The role of the Risk Department is to implement the Group's risk monitoring and management strategy. It ensures that the risk policy is effective and that the risk level is within Group guidelines.

The main risks inherent in the Bpifrance Group's business are:

- **Credit risk:** this represents the potential loss, manifesting as asset impairment or payment default that Bpifrance could incur as a result of the deterioration in counterparty's solvency. Credit risk includes the counterparty risk associated with market transactions;
- **Operational risk:** this represents the risk of a financial or non-financial impact resulting from a shortcoming or failure of internal processes, personnel or systems, or from external factors;
- **Balance sheet or ALM risks³ (financial risks):** these include interest rate risk, liquidity risk and currency risk;
- **Risks related to the investment activity:** they include the risks inherent in the private equity and funds of funds business.

¹ Dual reporting effective since 1 January 2017.

² Refers to credit risk in the regulatory sense.

³ Monitoring by the Finance Department.

8.1.2. Role and responsibilities of departments in charge of risk monitoring

Bpifrance manages risk in compliance with the applicable standards and European regulations. The Board of Directors of the Bpifrance Group determines the strategic guidelines and risk appetite of the Group; based on this, each of the business lines establishes its priority actions and the associated risk management policy under the supervision of the Risk Department of the Bpifrance Group. These fundamentals are reflected in the Group Risk Management Policy.

This risk management system is structured around six operational departments and forms part of the three lines of defence that constitute the general internal control framework of supervised financial institutions.

The following departments are in charge of risk monitoring at Bpifrance:

- Financing and Network Department;
- The Investment business line divisions (Funds of Funds, Development Capital and Innovation)
- Risk Department;
- Finance Department;
- Compliance and Permanent Control Department;
- General Inspection and Audit Department.

The Financing and Network Department and the Investment business line departments are the first line of defence: they are in charge of monitoring the risks arising from the conduct of their activities.

The Risk Department, Finance Department and Compliance and Permanent Control Department represent the second line of defence: they are responsible for the identification, measurement, monitoring and disclosure of risks and for compliance with the internal and external requirements on an individual and consolidated basis for all Bpifrance Group business lines. They are independent of the first line of defence.

The General Inspection and Audit Department represents the third line of defence: through periodic checks, it ensures that internal governance mechanisms and processes are effective and implemented consistently. The internal audit function is also responsible for an independent review of the first two lines of defence.

Within the three lines of defence, appropriate mechanisms and internal control procedures are established and implemented. These are evaluated by the Board of Directors.

8.1.3. Risk oversight

Four types of bodies are responsible for risk management governance at Bpifrance: the Board of Directors, umbrella committees, cross-functional committees and operational risk monitoring committees.

The cross-functional committees and operational risk monitoring committees correspond to the first level of risk analysis, monitoring or review at the Bpifrance Group. The resulting decisions or guidelines are, when required, referred to a second tier of bodies: the umbrella committees. These issue opinions on matters to be approved by the Board of Directors, which is the third level of risk decision-making within the Group.

- **Board of Directors**

The Boards of Directors of Bpifrance and its subsidiaries determine the direction of the Group's activity and oversee its implementation under the conditions provided for by law. In this respect, these bodies ensure that the Group's activity complies with the regulatory constraints in terms of risk imposed on Bpifrance.

The Boards of Directors are responsible for implementing and monitoring the risks of Bpifrance, since they approve the Group Risk Management Policy and ensure that it is followed correctly. They also approve all documentation concerning Bpifrance's risks to be published and/or sent to the European banking supervisor. They meet quarterly or on an exceptional basis, if circumstances so require.

As part of their duties, the Boards of Directors benefit from the analysis of dedicated committees, composed of experts, who report to them. These are mainly the Audit and Risk Committees, which are umbrella committees for risk monitoring.

- **Umbrella committees**

The umbrella committees for risk monitoring are the Board of Directors' Risk Committee, the Board of Directors' "Business line" Committees, and the Group Risk Management Committee. They meet quarterly or on an exceptional basis, if circumstances so require.

- **Group Risk Committee**

The Risk Committee's role is to advise the Board of Directors on the bank's overall strategy and risk appetite and to assist the Board in monitoring the implementation of this strategy by the Executive Officers. To that end, it is periodically informed of changes in the liquidity position, compliance with limits, the principal refinancing operations and the bank's risk appetite. It approves the implementation and organisation of the liquidity policy on an annual basis. It also issues an opinion on the bank's recovery plan and all documentation on capital adequacy (ICAAP, ILAAP, RAF, RAS) which it submits to the Board of Directors for approval.

- **Group Risk Management Committee**

The Group Risk Management Committee (RMC) is chaired by the Chief Executive Officer of Bpifrance or by one of the Group's Executive Officers. It is tasked with presenting and analysing consolidated risks and making recommendations as required. The committee meets once a quarter, or more frequently if necessary. The Risk Department acts as the secretariat for the Group Risk Management Committee. As such, it is responsible for preparing the consolidation of contributions from the departments involved in risk management and for coordinating the committee.

The members of the committee are composed of the Executive Officers, the Executive Directors of Bpifrance and the members of the Management Committee of the Risk Department.

- **Cross-functional committees**

Cross-functional committees are intra-group risk monitoring committees covering both the Financing and Investment functions of the Bpifrance Group. They meet on a monthly, quarterly or half-yearly basis, or on an exceptional basis if circumstances so require.

These committees decide on the implementation of new products or services (New Businesses, Products and Services Committee, Group Marketing Committee), the application of risk models (Model Validation Expert Committee), and the monitoring of specific risks associated with the activity of Bpifrance (Operational Risk Monitoring Committee, Group Security Committee and IT Security Committee).

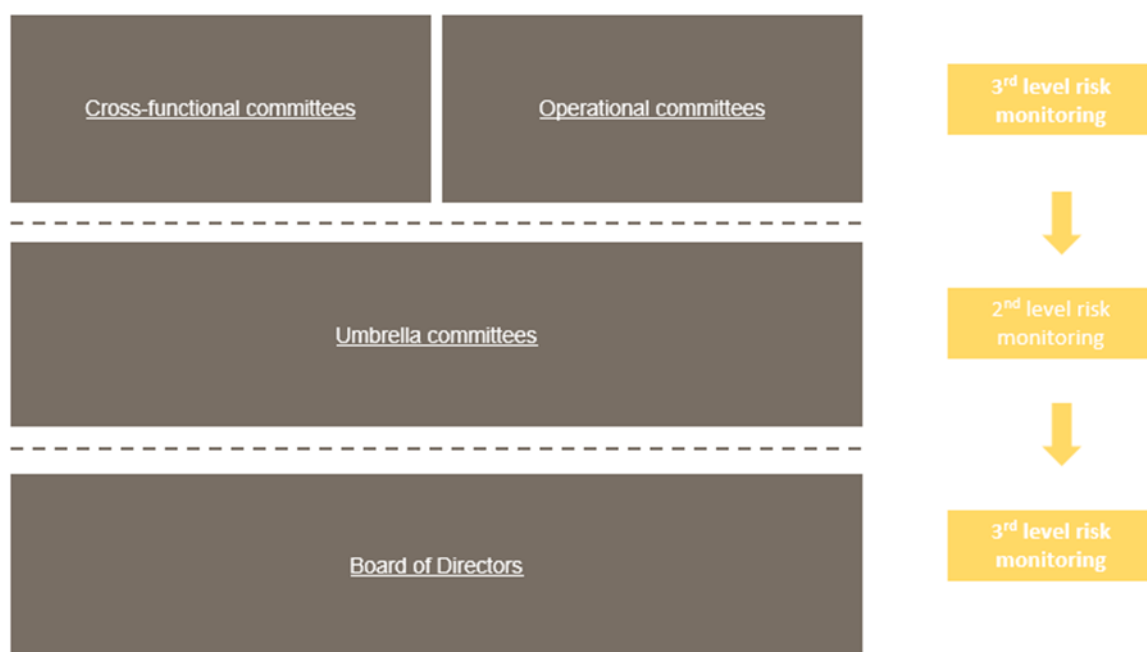
- **Operational risk monitoring committees**

Operational risk monitoring committees assess and monitor risk and take the necessary decisions for each Group business line. They meet on a monthly, quarterly or half-yearly basis, or on an exceptional basis if circumstances so require.

At Bpifrance, these include the Credit Committee, Credit Risk Committee, Financial Management Committee, Financial Transaction Counterparty Risk Committee, Credit Portfolio Monitoring Committee, Watch List/Non-Performing Loans Committee, Solvency Committee and ALM Committees.

At Bpifrance Investissement and Bpifrance Participations, these are the Investment Portfolio Monitoring Committees and the Valuation Committees, the Watch List/NPL Committees, the Bpifrance Participations Strategy Committee and the Investment Committees.

Decision-making levels attached to risk oversight at Bpifrance



8.1.3. Exposure, management and measurement of the risks of the innovation aid activity

Financed by public allocations, primarily from the State, the Regions and Europe, Bpifrance is active in the financing and support of innovative companies. With a general interest mission within the framework of the economic policy undertaken by the French State in order to promote and develop investment in research and innovation, it provides companies with subsidies and repayable advances.

Therefore, as a consequence of the characteristics of its activities and its method of financing, IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: disclosures” do not apply at Bpifrance.

8.2 Credit risks

8.2.1. Selection system for operations

For each type of assistance, grant criteria are defined. They may relate to the age of the beneficiary company, the sector of activity, the financial quality of the company, the nature of the project and guarantees, the term of the operation, the sharing with a banking institution.

The granting of the loan is subject to an annual investigation that clarifies the risk policy for the year, as validated by the General Management.

For each operation analysis, it relies on ratings of the counterparty, the project and the transaction.

The transaction’s characteristics pertain primarily to the provision guarantees anticipated in order to reduce the exposure to the credit risk. The sureties and guarantees are those habitually adopted, according to the nature and duration of the credit transactions: disposals of receivables, mortgages, pledges, bank guarantees and backing on guarantee funds.

For all financing, guarantee and innovation activities, the Credit Risk Department performs a counter-analysis of files that exceed the delegation level of the Network Departments, for which the decision rests with the Credit Committee or Credit Risk Committee.

8.2.2. Risk measurement and surveillance system

The surveillance and control of commitments with the clientele include a limit system that takes into account the capital and outstandings of Bpifrance.

These limits concern MLT and ST outstandings. They are set in the context of the Group Risk Management Policy approved by the Board of Directors.

These limits apply to the total amount of outstandings and notified agreements that have not yet been used.

There are three types of limits: global limits, limits by beneficiary group and sector limits. For each of these limits, alert thresholds are defined. An escalation process, set out in the Group risk management policy, is implemented when the alert threshold is exceeded.

They must be respected when agreeing to any new operation, as well as during any decision for transfers of outstandings, and they are in addition to the possible ceiling rules that are specific to certain products.

Global limit

The first limit is global; it is a gross maximum commitment limit (MLT and ST).

Limits by beneficiary group

The limits by beneficiary group are determined based on internal ratings.

These limits are monitored each quarter by the Group Risk Management Committee and by the Board of Directors’ Risk Committee, and are reviewed at least annually.

Sector limit

This involves the financing activity.

This limit applies to each business sector as defined by the NAF codes assigned to them, according to the distribution prepared by the Risk Department in its sector-based follow-up.

These limits are defined on the basis of the total commitment amount planned for the current year, plus 10%. This increase is intended to allow some flexibility in distributing the overall maximum allocation between sectors, while remaining strictly within the maximum gross global commitment limit initially set.

Monitoring compliance with these limits is the responsibility of the Risk Management Department, which sets up an alert system at the Risk Management Committee meeting when 80% of the annual additional capacity in a sector has been reached (threshold alert).

Any granting decision resulting in the sector limits being exceeded is submitted to the Commitments Committee, and is under the responsibility of the Executive Officers.

These limits are monitored each quarter by the Group Risk Management Committee and by the Board of Directors' Risk Committee, and are reviewed at least annually.

Follow-up and analysis of the quality of the loan commitments

The quality of the credit outstandings is analysed every quarter as part of a re-rating exercise. A quarterly report is presented to the Group Risk Management Committee.

Second level controls

A *a posteriori* (second-level) control of decisions (delegated and centralised) for all business lines (financing, guarantee and innovation) is carried out by the Permanent Control of the Finance Department.

The controllers verify compliance with the procedures and instructions. The verifications are performed based on documents and by sampling, involving all files coming from the Financing business lines (financing, guarantee and innovation), and are extended to a verification of the implementation and compliance with the Commitment Committee's decisions.

8.2.3. Concentration risk

A review of the major outstandings (representing 31% of the MLT outstandings and 20% of the ST outstandings as at 31 December 2020) is carried out each quarter and presented to the Risk Management Committee.

8.2.4. Credit risk internal rating system

The credit risk internal rating system, "Decision-Aid Tool" (O.A.D.) is used for all MLT and ST financing transactions, as well as for non-delegated guarantee transactions.

The system is managed by the "GDC-OAD Management" division within the OAD and Outstandings Monitoring Department as a proprietary application.

This Domain is in charge of designing rating systems relative to the credit risks of the Bpifrance clientele, their evolution and their performance, on the qualitative level.

The Credit Risk Management Department, through the "Modelling and Analysis" domain is in charge of preparing statistical models and the annual backtesting report on the tracking of the models.

The notion of "backtesting the models" refers to all surveillance techniques for the default risk models and, more specifically, statistical methods, the analysis of observed default rates relative to anticipated default probabilities, and benchmarking of the rating models.

The quantitative model validation, review and follow-up process changed significantly in 2016 when a model validation unit was set up. This is independent from the modelling teams and has a functional

reporting line to the Risk Department. The operation of the unit as well as the model validation process is set out in an instruction note.

Following the presentation of the work of the model validation unit, the model validation expert committee, composed of modelling and user departments and chaired by the Risk Department, decides whether to maintain the same model or make minor changes. Any major changes are referred to the Risk Management Committee for approval.

The monitoring and validation of the internal credit risk rating model are defined in a detailed policy document.

8.2.5 Follow-up of doubtful transactions

Strict criteria govern the procedures for acceptance by the Collection and Litigation Department, as well as the same department's handling of the files. These rules were updated in a memorandum, which contains a summary of the criteria for referral to the Collection and Litigation Department, the identification and referral procedures, and the recording, reporting and guidance procedures. In addition, the entry of files to Management is governed by instruction memoranda.

The operational processing of the dossiers is provided within the framework of procedural rules that provide for ensuring the efficiency of the collection or re-marketing measures, for quantifying the collection estimates and validating the impairment.

A delegation diagram determines the competency limits on the basis of the nature of the decisions.

Provisions are discounted upon the occurrence of an event affecting the value of one of our collaterals, and are reviewed periodically for each type of product. This review is carried out on a quarterly basis for the highest outstandings managed by the Collection and Litigation Department, and annually for the lowest outstandings. The Risk Department is involved in the periodic review.

8.2.6 Description of the IFRS 9 impairment model for customer activity

The expected credit risk loss calculation model (ECL) is based on a conventional credit risk modelling methodology, based on three components: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The ECL calculation is conducted using a Monte Carlo simulation, by calculating the expectation of losses simulated over a large number of random draws.

Default modelling (PD)

The central stage of modelling future losses is the simulation of future defaults. To simulate these defaults, Bpifrance builds on its internal counterparty risk rating model, from which the probability of default for each exposure is deducted.

The change in future counterparty ratings is simulated from a transfer matrix of internal counterparty ratings. A default is simulated for counterparty during year n if its internal counterparty rating simulated in year n is that of default.

The transfers of counterparty ratings are simulated by taking into account the correlation of the credit risk through a Merton type model, with two systemic factors: a general factor and a sector factor. These systemic factors are projected taking into account the forward-looking information and the value of these projected factors simultaneously influences the rating transfers for all companies in a same sector. Thus, the model takes into account the impact of the macroeconomic context on the credit risk of Bpifrance's exposures. The correlation parameters are estimated on the basis of Bpifrance's historical internal data.

Modelling of loss given default (LGD)

When a default is simulated by the model, the resulting loss is calculated by combining two phenomena: a cure rate representing the share of non-performing contracts that have become fully performing, and a loss rate measured over the scope of the litigation.

The cure rate is determined based on Bpifrance's historical internal data and according to the product, the level of counterparty risk (counterparty rating) and the residual duration of each exposure. It is measured as the proportion of non-performing exposures that become fully performing without going through a litigation stage.

The loss rate is measured from Bpifrance's historical internal data. It is calculated on the basis of exposure to litigation, compared to the exposure at the start of litigation, the amount of recognised loss or the amount provisioned for cases still pending. The loss given default is simulated by including a correlation with the default.

These cure rates and rate of losses are applied to the net exposure of bank counter-guarantees.

Modelling of exposure at default (EAD)

For term products (loans, finance leases, etc.), the exposure at default is calculated by taking into account both balance sheet exposure and financing commitments.

For balance sheet exposure, the exposure at default is the result of the theoretical payment schedules of each transaction. For financing commitments, a disbursement rate is applied according to the characteristics of the exposure (product, time since notification, etc.) then a theoretical schedule corresponding to the operation's characteristics is constructed. Disbursement rates are calculated on the basis of Bpifrance's historical internal data.

An annual early repayment rate is also taken into account in modelling exposure at default. This rate is measured by product from Bpifrance's historical internal data.

With regard to the Short-term financing activity, which is backed by disposals of receivables and for which no payment schedule exists, a behavioural model of credit line drawdowns has been developed in order to define exposure at default.

Taking into account the Forward-Looking aspect

A correlation model between the macroeconomic parameters and the systemic factor used to project default has been developed to transcribe the impact of the macroeconomic scenarios on the calculated ECL. Estimated from Bpifrance's internal default data, this model translates the level of the selected macroeconomic parameters into future default rates for each internal counterparty rating.

Via the correlation between the systemic factor and the simulated loss rates, this model also includes an impact of the macroeconomic parameters on future LGDs.

Macroeconomic scenarios and weighting proposals are submitted to Bpifrance's Forward-Looking Committee. This quarterly committee is chaired by Bpifrance's Deputy Chief Executive Officer and brings together the Risk Department, Financing and Network Department, Finance Department, Accounting Department and the Economic Conditions and Macroeconomics Assessment area. It is responsible for defining the scenarios that will be selected, based on DEEP proposals and weightings.

In the context of the health crisis, Bpifrance has changed the way it takes forward-looking information into account and the nature of the adjustments made. This information is presented in section 1.1.2 "Significant events – Impact of the health crisis".

8.3 Counterparty risk on financial activities

8.3.1. Exposure to the counterparty risk

Origin

The group's exposure to the counterparty risk on financial activities originates with three types of operations:

- the investment operations of the guarantee funds;
- the long-term management operations of the liquidity position and of the rate on loan activities;
- the short-term operations to replace the group's temporarily available cash.

Measurement

The risk on a loan is equal to the outstanding capital, the risk on a security is equal to the nominal value of the security and the risk on a derivative is valued according to the following methods:

- Interest rate hedging derivatives in euros:
 - at 0.35% of the nominal value of the underlying less a rebate of 67% to take account of cash collateral mechanisms (the Group systematically uses these mechanisms for this type of transaction) for a derivative less than one year from maturity,
 - otherwise, to the remaining 0.75% per year of the nominal value of the underlying asset, less a rebate of 67% to take account of cash guarantee mechanisms (the Group systematically uses these mechanisms for this type of transaction);
- Currency hedging derivatives:
 - at 1.50% of the nominal value of the underlying less a rebate of 67% to take account of cash collateral mechanisms (the Group systematically uses these mechanisms for this type of transaction) for a derivative less than one year from maturity,
 - at 3.75% of the nominal value of the underlying less a rebate of 67% to take account of cash guarantee mechanisms (the Group systematically uses these mechanisms for this type of transaction) for a derivative at between one and two years from maturity,
 - otherwise, at 2.25% per additional year remaining to run of the nominal value of the underlying asset, less a rebate of 67% to take into account the cash collateral mechanisms (the Group systematically uses these mechanisms for this type of transaction).

This calculation provides a risk valuation that is similar to the regulatory valuation method based on the market price.

8.3.2. Risk policy

In view of the public nature of most of the managed capital, the emphasis is on risk diversification and the search for the greatest possible security of the transactions:

- the authorised counterparties have at least a rating of "A" as provided by specialised agencies;
- transactions involving financial instruments are systematically the subject of collateral agreements;
- cash transactions are governed by strict duration management rules.

The outcome is that long-term investments are primarily carried out with public authorities, notably for the guarantee funds, while short-term investments and operations involving financial instruments are, for their part, carried out with lending institutions.

8.3.3. Management method

The counterparty risk is managed using a limit mechanism based on the ratings assigned to each counterparty by specialised rating agencies. Counterparties are grouped into eight categories, each of which has an associated limit for commitment amounts, calculated from an internal model, on the basis of:

- a) a theoretical allocation of the Bpifrance Financement capital for the overall hedging of its counterparty risks;
- b) the need for capital corresponding with the counterparty's default probability;
- c) a risk division rule that limits the exposure to a given signature;
- d) the consideration of the amount of the counterparty's original equity.

The tracking of the evolution of counterparty quality is performed by the Market Activities Monitoring and Analysis Department, on a double level: legal entities and economic groups. For each counterparty and each group, the Counterparty Risk Committee defines separate limits for the Financing and Guarantee business lines.

These various parameters can be updated on the basis of changes to the environment, or to the establishment's risk policy.

8.3.4. Control and reports

The Market Activities Monitoring and Analysis Department monitors these limits and their use on a daily basis and prepares a report on the possible inflows, outflows and variations of overruns recorded for each counterparty. The recipients are the managers of the Market Activity Department, the Finance Department and traders.

A monthly report on the main evolutions is also prepared. It is provided to the members of the Bpifrance Financement General Management, and to the Finance Committee members.

This monitoring of limits is part of the risk monitoring mechanism in place throughout the Bpifrance Group. It is summarised in the risk management policy approved by the Board of Directors.

Quantitative analyses of the credit and counterparty risks on financial activities

Maximum credit risk exposure

(in millions of euros)	2020	2019
Financial assets at fair value through profit or loss	1 250,8	13,4
Asset hedging derivative instruments	5,9	5,2
Financial assets at fair value through equity	2 726,6	1 238,3
Securities at amortised cost	8 041,3	7 538,2
Loans and receivables due to credit institutions, at amortised cost	1 461,2	900,2
Loans and receivables due to customers, at amortised cost	44 419,6	39 184,2
Finance leases and similar operations, at amortised cost	6 185,5	6 223,2
Guarantee commitments given and signature commitments	12 527,2	12 789,9
Financing commitments given	7 709,6	6 628,6
Total	84 327,7	74 521,2

Concentrations

In compliance with IFRS 7, Bpifrance Financement has defined, within the accounting categories of IFRS 9 financial instruments, asset classes suited to its activity and its internal reporting method. As such, the category “Loans and receivables to customers” provide with the following asset classes:

- PLMT (Long and Medium-Term Loans);
- FCT (Short-Term Financing);
- Other.

The category “Finance lease operations” consists of the following asset class:

- CBI (Real Estate Leasing);
- CBM (Equipment Leasing).

Concentrations by counterparty type

Concentration of risks by type of counterparty on all financial assets

31/12/2020							
(in millions of euros)							
Counterparty/Issuer type	Central banks	Central Government Agencies	Credit institutions	Other Financial companies	Non-Financial companies	Households	Total
Financial assets at fair value through profit or loss	0,0	0,0	0,0	0,1	1 250,7	0,0	1 250,8
Asset hedging derivative financial instruments	0,0	0,0	5,9	0,0	0,0	0,0	5,9
Financial assets at fair value through equity	0,0	1 936,5	737,9	52,2	0,0	0,0	2 726,6
Securities at amortised cost	0,0	7 941,3	75,2	24,8	0,0	0,0	8 041,3
Loans and receivables due to credit institutions, at amortised cost	0,0	0,0	1 461,2	0,0	0,0	0,0	1 461,2
Loans and receivables due to customers, at amortised cost	0,0	6 213,1	0,0	3,8	38 202,7	0,0	44 419,6
Medium & long-term loans	0,0	0,0	0,0	0,0	34 564,7	0,0	34 564,7
STF	0,0	0,0	0,0	0,0	3 620,8	0,0	3 620,8
Other	0,0	6 213,1	0,0	3,8	17,2	0,0	6 234,1
Finance lease transactions, at amortised cost	0,0	0,0	0,0	0,0	6 185,5	0,0	6 185,5
Real estate leasing	0,0	0,0	0,0	0,0	4 177,5	0,0	4 177,5
Equipment leasing	0,0	0,0	0,0	0,0	2 008,0	0,0	2 008,0
Total	0,0	16 090,9	2 280,2	80,9	45 638,9	0,0	64 090,9

31/12/2019							
(in millions of euros)							
Counterparty/Issuer type	Central banks	Central Government Agencies	Credit institutions	Other Financial companies	Non-Financial companies	Households	Total
Financial assets at fair value through profit or loss	0,0	0,0	13,4	0,0	0,0	0,0	13,4
Asset hedging derivative financial instruments	0,0	0,0	5,2	0,0	0,0	0,0	5,2
Financial assets at fair value through equity	0,0	0,0	1 238,3	0,0	0,0	0,0	1 238,3
Securities at amortised cost	0,0	7 147,6	390,6	0,0	0,0	0,0	7 538,2
Loans and receivables due to credit institutions, at amortised cost	0,0	0,0	900,2	0,0	0,0	0,0	900,2
Loans and receivables due to customers, at amortised cost	0,0	5 580,9	0,0	7,8	33 594,0	1,5	39 184,2
Medium & long-term loans	0,0	0,0	0,0	0,0	28 655,3	0,0	28 655,3
STF	0,0	0,0	0,0	0,0	4 937,5	0,0	4 937,5
Other	0,0	5 580,9	0,0	7,8	1,2	1,5	5 591,4
Finance lease transactions, at amortised cost	0,0	0,0	0,0	0,0	6 223,2	0,0	6 223,2
Real estate leasing	0,0	0,0	0,0	0,0	4 214,6	0,0	4 214,6
Equipment leasing	0,0	0,0	0,0	0,0	2 008,6	0,0	2 008,6
Total	0,0	12 728,5	2 547,7	7,8	39 817,2	1,5	55 102,7

31/12/2020							
(in millions of euros)							
Counterparty/Issuer type	Central banks	Central Government Agencies	Credit institutions	Other Financial companies	Non-Financial companies	Households	Total
Guarantee commitments given and signature commitments	0,0	0,0	0,0	0,0	12 527,2	0,0	12 527,2
Financing commitments given	0,0	0,0	10,0	0,0	7 699,6	0,0	7 709,6

31/12/2019							
(in millions of euros)	Central banks	Central Government Agencies	Credit institutions	Other Financial companies	Non-Financial companies	Households	Total
Counterparty/Issuer type							
Guarantee commitments given and signature commitments	0,0	0,0	0,0	0,0	12 789,9	0,0	12 789,9
Financing commitments given	0,0	0,0	10,0	0,0	6 618,6	0,0	6 628,6

Concentrations by rating

Breakdown of loans and receivables by financial instrument class

31/12/2020													
(in millions of euros)	Loans and receivables to customers												
Internal rating	Medium & long-term loans				STF				OTHER				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Risk-free*				0				0	6 233			6 233	6 233
Low risk	18 219	2 059		20 278	1 199	38		1 237				0	21 515
Average risk	6 759	4 046		10 805	1 656	232		1 888				0	12 693
High risk	69	329		398	115	81		196				0	594
Not rated	994	1 001		1 995	34	19		53				0	2 048
Proven risk			1 088	1 088			246	246			1	1	1 335
Total	26 041	7 435	1 088	34 564	3 004	370	246	3 620	6 233	0	1	6 234	44 418

* including accounts opened with the French State – Agence France Trésor – for €6,087.2 million

Breakdown of loans and receivables by financial instrument class

31/12/2019													
(in millions of euros)	Loans and receivables to customers												
Internal rating	Medium & long-term loans				STF				OTHER				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Risk-free*				0				0	5 589			5 589	5 589
Low risk	16 812	730		17 542	1 538	234		1 772				0	19 314
Average risk	5 382	2 559		7 941	2 040	352		2 392				0	10 333
High risk	19	159		178	216	128		344				0	522
Not rated	801	1 325		2 126	58	35		93				0	2 219
Proven risk			868	868			337	337			1	1	1 206
Total	23 014	4 773	868	28 655	3 852	749	337	4 938	5 589	0	1	5 590	39 183

* including accounts opened with the French State – Agence France Trésor – for €5,384.7 million

Breakdown of loans and receivables by financial instrument class

31/12/2020									
(in millions of euros)	Finance lease operations								
Internal rating	Real estate leasing				Equipment leasing				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Risk-free				0				0	0
Low risk	1 967	391		2 358	1 240	110		1 350	3 708
Average risk	433	746		1 179	151	384		535	1 714
High risk	1	25		26		15		15	41
Not rated	229	200		429	21	53		74	503
Proven risk			185	185			34	34	219
Total	2 630	1 362	185	4 177	1 412	562	34	2 008	6 185

Breakdown of loans and receivables by financial instrument class

(in millions of euros)

31/12/2019

Internal rating	Finance lease operations								
	Real estate leasing				Equipment leasing				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Risk-free				0				0	0
Low risk	2 191	224		2 415	1 218	79		1 297	3 712
Average risk	544	647		1 191	308	274		582	1 773
High risk		28		28		21		21	49
Not rated	143	265		408	15	55		70	478
Proven risk			173	173			39	39	212
Total	2 878	1 164	173	4 215	1 541	429	39	2 009	6 224

Breakdown of other assets by accounting category

(in millions of euros)

31/12/2020

Rating	Financial assets at fair value through profit or loss	Financial assets at fair value through equity				Securities at amortised cost				Loans and receivables to lending institutions				TOTAL
	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Aaa		398,4			398,4	32,5			32,5	0,0			0,0	431,0
Aa1		25,5			25,5	0,0			0,0	37,7			37,7	63,2
Aa2		1 812,0			1 812,0	7 962,1			7 962,1	0,0			0,0	9 774,1
Aa3		314,9			314,9	20,3			20,3	0,0			0,0	335,2
A1		80,9			80,9	26,1			26,1	507,0			507,0	614,0
A2		81,1			81,1	0,2			0,2	81,3			81,3	162,5
A3		10,0			10,0	0,0			0,0	3,4			3,4	13,4
Not rated	1 250,8	3,8			3,8	0,1			0,1	831,8			831,8	2 086,5
Total	1 250,8	2 726,6	0,0	0,0	2 726,6	8 041,3	0,0	0,0	8 041,3	1 461,2	0,0	0,0	1 461,2	13 479,9

Breakdown of other assets by accounting category

(in millions of euros)

31/12/2019

Rating	Financial assets at fair value through profit or loss	Financial assets at fair value through equity				Securities at amortised cost				Loans and receivables to lending institutions				TOTAL
	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Aaa		407,4			407,4	32,0			32,0				0,0	439,4
Aa1		66,4			66,4	0,0			0,0				0,0	66,4
Aa2		0,0			0,0	7 172,3			7 172,3	229,9			229,9	7 402,2
Aa3		95,4			95,4	26,4			26,4				0,0	121,8
A1		368,7			368,7	252,5			252,5	311,1			311,1	932,3
A2	13,4	200,2			200,2	55,1			55,1	38,7			38,7	307,4
A3		100,2			100,2	0,0			0,0	0,0			0,0	100,2
Not rated		0,0			0,0	0,0			0,0	320,5			320,5	320,5
Total	13,4	1 238,3	0,0	0,0	1 238,3	7 538,3	0,0	0,0	7 538,3	900,2	0,0	0,0	900,2	9 690,2

Concentrations by business sector of portfolios of loans and receivables to customers and finance lease operations

The Bpifrance Group conducts its activities in France.

(in millions of euros)	31/12/2020					
Economic activity sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Loans and receivables to customers	3 552,6	8 567,2	29 816,2	1 096,5	1 387,1	44 419,6
Medium & long-term loans	3 329,5	8 080,1	21 061,3	751,4	1 342,4	34 564,7
STF	223,1	487,1	2 520,8	345,1	44,7	3 620,8
Other	0,0	0,0	6 234,1 *	0,0	0,0	6 234,1
Finance lease operations	415,7	787,2	4 371,3	247,2	364,1	6 185,5
Real estate leasing	256,3	395,3	3 149,4	57,7	318,8	4 177,5
Equipment leasing	159,4	391,9	1 221,9	189,5	45,3	2 008,0
Total	3 968,3	9 354,4	34 187,5	1 343,7	1 751,2	50 605,1

* including accounts opened with the French State – Agence France Trésor – for €6,087.2 million

(in millions of euros)	31/12/2019					
Economic activity sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Loans and receivables to customers	2 989,7	7 481,9	26 593,4	972,5	1 146,7	39 184,2
Medium & long-term loans	2 710,7	6 865,8	17 470,5	533,8	1 074,5	28 655,3
STF	279,0	616,1	3 531,5	438,7	72,2	4 937,5
Other	0,0	0,0	5 591,4 *	0,0	0,0	5 591,4
Finance lease operations	384,3	825,2	4 438,3	236,1	339,3	6 223,2
Real estate leasing	242,9	349,4	3 261,7	55,5	305,1	4 214,6
Equipment leasing	141,4	475,8	1 176,6	180,6	34,2	2 008,6
Total	3 374,0	8 307,1	31 031,7	1 208,6	1 486,0	45 407,4

* including accounts opened with the French State – Agence France Trésor – for €5,384.7 million

(in millions of euros)	31/12/2020					
Economic activity sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Guarantee commitments given and signature commitments	2 012,1	2 280,8	6 181,1	625,6	1 427,6	12 527,2

(in millions of euros)	31/12/2019					
Economic activity sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Guarantee commitments given and signature commitments	2 061,7	2 362,4	6 205,3	643,1	1 517,4	12 789,9

Individually impaired financial assets by economic activity sector

(in millions of euros)		31/12/2020															
		Loans and receivables to lending institutions		Loans and receivables to customers								Finance lease operations					
				Medium & long-term loans		STF		Other		Total		Real estate leasing		Equipment leasing		Total	
Business sectors	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	
Trade	0,0	0,0	185,7	138,3	32,9	25,2	0,0	0,0	218,6	163,5	4,7	4,3	2,8	1,6	7,5	5,9	
Industry	0,0	0,0	392,5	337,7	45,8	42,1	0,0	0,0	438,3	379,8	36,9	33,7	18,8	14,1	55,7	47,8	
Services	0,0	0,0	752,4	572,2	188,7	152,4	1,3	1,3	942,4	725,9	132,3	126,3	20,5	16,1	152,8	142,4	
PW&CE	0,0	0,0	29,8	20,7	33,1	25,8	0,0	0,0	62,9	46,5	1,8	1,8	3,5	2,1	5,3	3,9	
Tourism	0,0	0,0	45,7	38,4	1,0	0,9	0,0	0,0	46,7	39,3	24,6	19,2	0,1	0,1	24,7	19,3	
Total	0,0	0,0	1 406,1	1 107,3	301,5	246,4	1,3	1,3	1 708,9	1 355,0	200,3	185,3	45,7	34,0	246,0	219,3	

(in millions of euros)			31/12/2019															
			Loans and receivables to lending institutions		Loans and receivables to customers								Finance lease operations					
					Medium & long-term loans		STF		Other		Total		Real estate leasing		Equipment leasing		Total	
Business sectors	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount	Gross amount	Net amount		
Trade	0,0	0,0	140,4	92,9	59,7	51,7	0,0	0,0	200,1	144,6	5,4	3,8	3,3	2,1	8,7	5,9		
Industry	0,0	0,0	270,4	202,9	57,7	52,8	0,0	0,0	328,1	255,7	23,3	22,3	14,7	10,1	38,0	32,4		
Services	0,0	0,0	633,9	455,6	214,7	200,3	1,3	1,3	849,9	657,2	125,9	122,4	26,4	24,0	152,3	146,4		
PW&CE	0,0	0,0	26,4	17,2	37,3	32,0	0,0	0,0	63,7	49,2	1,7	1,7	4,1	2,8	5,8	4,5		
Tourism	0,0	0,0	38,9	28,8	0,8	0,6	0,0	0,0	39,7	29,4	27,2	24,8	0,2	0,2	27,4	25,0		
Total	0,0	0,0	1 110,0	797,4	370,2	337,4	1,3	1,3	1 481,5	1 136,1	183,5	175,0	48,7	39,2	232,2	214,2		

Offsetting of financial assets and liabilities

31/12/2020						
	Posted gross amounts	Amounts offset in the balance sheet	Net amount shown in the balance sheet	Amounts related to financial instruments not offset in the balance sheet		
				Impact of offsetting agreements	Collateral given/received	Net amount
(in millions of euros)						
ASSETS						
Interest rate hedging derivatives	813,8	807,9	5,9	-	-	5,9
Repurchase agreements, securities lending and similar agreements	-	-	-	-	-	-
LIABILITIES						
Interest rate hedging derivatives	746,6	677,3	69,3	-	62,0	7,3
Repurchase agreements, securities lending and similar agreements	3 207,7	-	3 207,7	-	13,2	3 194,5

31/12/2019						
	Posted gross amounts	Amounts offset in the balance sheet	Net amount shown in the balance sheet	Amounts related to financial instruments not offset in the balance sheet		
				Impact of offsetting agreements	Collateral given/received	Net amount
(in millions of euros)						
ASSETS						
Interest rate hedging derivatives	667,3	662,0	5,2	-	-	5,2
Repurchase agreements, securities lending and similar agreements	-	-	-	-	-	-
LIABILITIES						
Interest rate hedging derivatives	578,0	557,3	20,7	-	13,7	7,0
Repurchase agreements, securities lending and similar agreements	5 677,6	-	5 677,6	-	69,1	5 608,5

Quantitative information relating to guarantees held

The financial effect of the guarantees held on loans and advances (excluding innovation activity) is measured by the maximum amount of the eligible sureties and guarantees under European Directive CRD4 and European Regulation CRR, which came into effect on 1 January 2014. As at 31 December 2020, total sureties and guarantees received amounted to €15,631 million.

8.5 Market risks

Financial risks are defined as the risks of losses of economic value resulting from an unfavourable evolution of the market parameters, which affect all of the positions in the balance sheet and the off-balance sheet. The market parameters to which the Bpifrance Group is subject are mainly interest rates and share prices.

The Bpifrance Group is exposed to two main categories of risks related to the nature of its activities:

- **Structural** interest rate and exchange rate **risks** generated by interest rate products, which are mainly carried by the Financing division;
- **Equity risks** and similar generated by the Investment division.

8.5.1. Bpifrance Group stakeholders, objectives and monitoring of financial risks

The Executive Committee takes decisions relative to financial risk management within the framework of the powers attributed to it by the Board of Directors. It also decides on isolated overruns of the limits or on corrective actions to be undertaken in order to absorb these overruns.

The Risk Department, which reports to the Group's Management, is responsible for overseeing the Risk Management function and coordinates all the systems involved. In particular, it organises a quarterly Group Risk Committee which reports on its actions to measure, monitor and manage the consolidated risks of the Group and its subsidiaries.

Scope of structural balance sheet risks

The financial management implemented by the Bpifrance Group strives to maintain the financial balances in terms of liquidity, interest rates and exchange positions.

The Bpifrance Group manages its balance sheet in such a way that its structure is globally balanced in terms of rates and exchange rates. The backing sought between usages and resources is intended to limit the establishment's exposure to financial risks. The overall rate and exchange risks are measured each month, and governed by a system of limits. The rate and exchange risks are hedged by means of future financial instruments negotiated on organised or over-the-counter markets (primarily interest rate and currency swap contracts), or by means of operations involving State securities.

The ALM Committee examines interest rate and foreign exchange risks and also ensures compliance with the limits set. Outside of these periodic meetings, the ALM Committee can be called on to meet, notably in case of a sudden change to the market parameters or if the fixed limits are exceeded.

Scope of equity and similar risk

The Bpifrance Group has large portfolios of securities consisting mainly of listed and unlisted equities as well as units in investment funds. The creation of these portfolios is part of the implementation of the Group's investment policy, which favours the acquisition of minority stakes, operated in a prudent approach and in a logic of "patient" capital. Investments are made on a selective basis, taking into account the value creation potential of the companies or funds. In this context, no Bpifrance Group equity portfolio is dedicated to trading.

The organisation of the Bpifrance Group's investment businesses is based on a management company whose operation is in line with the rules set by the AMF and a holding company with a governance body involved in the selection and monitoring of investments.

The equity risk is assumed *ab initio* at the time of investment decisions, which are subject to justified authorisations by the investment committees of the funds and, depending on the amount, the investment committees and Board of Directors of the Group, the holding company. For investments of exceptional size, the ultimate decision rests with the Board of Directors of Bpifrance.

The equity risk is then subject to periodic monitoring by the fund valuation committees and the "provisions" committee of the holding company. These committees meet at least half-yearly and some quarterly. They examine the situation of companies and funds held as well as changes in the value of investments.

For the main lines held directly, this system is supplemented by a bimonthly investment review committee, and by the monitoring carried out by the Risk Management function, under the aegis of the Risk Department and the Group Risk Management Committee at its quarterly meeting.

Equity risk is also monitored globally, which aims to measure and assess the maximum risk of loss for all the portfolios held as well as the capital requirements that could result therefrom over a given timeframe and in a given interval. Chosen, under normal market conditions and business continuity, on the one hand, and under stressful conditions, on the other. This global monitoring is assessed using a VaR methodology by the Finance Department and is presented to the ALM Committee and the Group Risk Management Committee.

8.5.2. Measurement of the risks and limits

Though the financial risks are presented in an aggregated manner, in keeping with the State's request, the specificity of the general interest missions carried out within the framework of the guarantee funds requires separate and specific management of the financial risks of the guarantee funds.

8.5.3 Interest rate risk

The Bpifrance Group manages the overall interest rate risk: all interest rate positions are monitored through macro- and micro-hedging at the level of the ALM section within the Finance Department. As such, hedge instruments are kept in management portfolios, and the assessment of their contribution to the establishment's rate risk reduction is integrated into the follow-up system.

The institution's rate risk is assessed through the changes in two indicators, the sensitivity of short-term interest margins in the case of revenue risk and the sensitivity of the balance sheet value on a liquidation basis (Economic Value of Equity) in the case of value risk. The charts of the deadlocks by maturity complete the system.

Analysis of the sensitivity of the cash flows

An interest rate variation of 200 basis points on the closing date would result in an increase (decrease) of the earnings equal to the amounts indicated below. For the purposes of this analysis, all other variables are presumed to remain constant.

As a reminder, using the same basis, a similar analysis is provided for 2019.

(in millions of euros)	Increase of 200 basis points	Decrease of 200 basis points
31 December 2020		
Interest-margin sensitivity, 2020	118,4	-26,00
Sensitivity of 2020 balance sheet net present value	-557,0	79,0
31 December 2019		
Interest-margin sensitivity, 2019	-0,1	23,60
Sensitivity of 2019 balance sheet net present value	-389,5	198,6

8.5.4 Foreign exchange risk

In view of the characteristics of its funding for companies, the Bpifrance Group is only occasionally active in the exchange market. The established limits are intended to desensitise the establishment to the risk of changing exchange rates.

For a currency, the measurement of the foreign exchange risk is the exchange loss due to an immediate variation of +/-15% of the currency price (excluding structural position impact). The overall foreign exchange risk is the sum of the risks per currency. No account is taken of possible correlations between currencies.

Sensitivity analysis

As an indication, on the basis of the accounting situation at 31 December 2020, a decrease of 15% in the USD/EUR and GBP/EUR conversion rates would have had an unfavourable impact of €0.1 million on the income statement. Furthermore, Bpifrance, a long-term investor, may marginally hold company securities denominated in foreign currencies.

8.5.5 Equity risk

Equity risk is monitored using Value At Risk (VaR) indicators.

In line with the CDC's prudential model replication obligation, equity risk monitoring is assessed using a Monte Carlo VaR model (instead of the parametric model), which is more in line with potential losses that the portfolio may experience at extreme quantiles (in this case, 99.99%).

At 31 December 2020, the one-year VaR for a confidence interval of 99.99% amounted to €9,615 million.

8.6 Liquidity risk

The liquidity risk corresponds with the bank's inability to meet its obligations at an acceptable price, for a given location and currency.

This risk can occur in case of non-concomitance of the cash flows. The refinancing risk (an integral part of the liquidity risk) arises when the funds needed to finance the non-liquid assets cannot be obtained within acceptable timeframes and at acceptable prices.

The Group's liquidity risk is monitored as part of a liquidity risk management policy defined in the Group Risk Management Policy approved by the Board of Directors. The liquidity situation of the Bpifrance Group is assessed on the basis of internal standards, alarm indicators and regulatory ratios.

8.6.1. Objectives of the liquidity risk management policy

The system in place, specifically defined as part of the ILAAP (Internal Liquidity Adequacy Assessment Process), provides Bpifrance with the necessary liquidity to meet its short-term and medium/long-term liquidity obligations. These measures should enable Bpifrance to fulfil its regulatory obligations.

Bpifrance's risk appetite is based on the following general principles:

- annual independence from the markets in the event of a crisis;
- the reduction in new origination in the event of a crisis;
- the segregated management of liquidity reserves under normal management.

From the viewpoint of cash management, the financial activity of the Bpifrance Group involves gathering the necessary resources and managing them as well as possible in view of the usages, with a general objective of operational balance for the Bpifrance Group and the preservation of its capital. It is also intended to comply with the standards imposed by the banking supervisor.

Overall, the establishment measures its medium and long-term financing needs on the basis of the schedule of operations, new business assumptions and outflow agreements for the transactions without maturities. On these bases, the financing stalemate is externalised.

Forecasts of the financing requirement with new activities are updated every month, on a monthly basis over the projection horizon.

The limits relate to liquidity ratios at one month (LCR) and at twelve months (NSFR).

8.6.2. Actors involved in the management of the liquidity risk

The Executive Committee makes decisions relative to the liquidity risk management within the framework of the powers attributed to it by the Board of Directors. It also decides on isolated overruns of the limits or on corrective actions to be undertaken in order to absorb these overruns.

The ALM Committee, which brings together the Executive Director in charge of the Finance division and the Executive Officer, as well as the relevant managers, examines the liquidity risk and also ensures compliance with the limits set. Meeting on a monthly basis, this Committee makes proposals regarding the management of financial risks on the basis of files prepared by the ALM domain of the Finance Department.

Outside of these periodic meetings, the ALM Committee can be called on to meet, notably in case of a sudden change to the market parameters or if the fixed limits are exceeded.

8.6.3. Basic principle of the liquidity policy

The establishment measures its overall liquidity risks. A limit system has been established.

The finance division's organisation is based on the principle of the separation of the market operation functions from the steering, scheduling, control and reporting functions, since:

- the operational functions are performed by the Markets Department;
- the steering and follow-up functions are provided by the ALM Department.

8.6.4. Refinancing sources

The Bpifrance Group manages its balance sheet in such a way that its structure is globally balanced in terms of liquidity. The backing sought between usages and resources is intended to limit the establishment's exposure to financial risks.

The Bpifrance Group operates in the financial markets, particularly the domestic bond market.

Moreover, it adds to a portfolio of State securities, for which a repurchase agreement secures access to interbank liquidity under the best rate conditions. Finally, it has a stock of private liabilities available for use and eligible for refinancing with the ECB.

8.7 Financial risks and liquidity risks of guarantee funds

8.7.1. Financial management objectives of the guarantee funds

The allocations received from the public authorities are partitioned into guarantee funds that are themselves grouped into financial management blocks, for which the differentiation criterion now revolves around the backer.

The financial management blocks correspond with portfolios of similarly managed financial assets. There are three main financial management blocks:

- the French State (Agence France Trésor – AFT) block that includes all of the funds provided by the State. It represents the bulk of the managed assets of the guarantee funds;
- the CDC block as part of the France Investissement funds;
- the “Hived-off assets” block which includes the other small funds endowed by the other backers including ERDF Île-de-France, UIMM, textile, Garantie de Valeur Liquidative.

It should be noted that other financial management blocks exist in the Bpifrance Group procedures. As such, the regional guarantee funds are managed in a similar manner with four financial management blocks.

8.7.2. Actors involved in the financial management of the guarantee funds

The Group Risk Management Committee

The Group Risk Management Committee reviews the framework for managing assets invested in the guarantee funds and verifies their adequacy with the risk appetite previously set by the Board of Directors.

The Financial Management Committee

The Financial Management Committee meets every quarter in order to implement the investment policy for the guarantee funds, reviewed by the Group Risk Management Committee.

8.7.3. Measurement of the financial management indicators of the guarantee funds

The financial management of the guarantee funds involves analysing, for the portfolio backing the activities of the guarantee funds, the period’s financial activity, accounting and financial performances and the financial risks relating to them.

Evolution of the portfolios

The evolution of the portfolios lists all of the operations and traces the evolution of the portfolio’s composition over the course of the period in question.

The securities are classified according to the applicable regulatory texts.

Liquidity

The guarantee funds are primarily divided into three blocks (French State, CDC and “Hived-off assets”) for which the differentiation criterion is based on the backer.

The liquidity analysis involves ensuring that a financial management block’s available assets (capital and interest from the securities) are higher than the expected compensation.

The accounting and financial performances

The purpose of the performance analysis tables is to highlight the accounting and financial profitability of the portfolios during the period in question, and to compare their financial performances with the market rates and indices.

The performances are analysed by classifying the portfolio's securities according to accounting and internal standards (bond, State, money market and other risks).

The financial risks

The rate risk of the assets being used in the guarantee funds is measured using two indicators:
the value risk: impairment loss of the fixed rate asset portfolio in the event of a 1% increase in rates;
the sensitivity of financial earnings to rate changes over the course of the next twelve months: loss of financial earnings on the assets in the event of a 1% decrease in rates.

Cash flows payable by the Bpifrance Group relative to its financial debts, broken down by residual contractual maturity

The tables below show the non-discounted contractual flows (principal and interest).

Annual flows (in millions of euros)	31/12/2020						
	Book value	Total incoming/outgoing flows	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	After 5 years
Repayment of term borrowings	50 218	-50 861	0	-1 560	-3 290	-33 465	-12 546
Bond loans guaranteed by EPIC Bpifrance	31 861	-32 991	0	-1 410	-2 043	-17 246	-12 291
Lending establishments borrowings & term accounts	15 572	-15 324	0	-4	-476	-14 836	-10
Customer borrowings & term accounts	2 785	-2 546	0	-146	-771	-1 384	-245
Repayment of short-term financing	7 961	-7 846	0	-3 582	-4 065	-199	0
Ordinary accounts	251	-208	0	-52	-156	0	0
Overnight loans	17	0	0	0	0	0	0
Deposit certificates & MTN (medium-term notes)	4 486	-4 437	0	-1 984	-2 254	-199	0
Securities sold under forward repurchase agreements	3 208	-3 202	0	-1 546	-1 655	0	0
Derivative instruments*	374	374	0	0	0	324	50
Non-hedging derivatives	312	312	0	0	0	312	0
Hedging derivatives	61	61	0	0	0	11	50

*Maturities of derivatives at fair value

Annual flows (in millions of euros)	31/12/2019						
	Book value	Total incoming/outgoing flows	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	After 5 years
Repayment of term borrowings	34 935	-36 038	0	-90	-5 805	-18 293	-11 850
Bond loans guaranteed by EPIC Bpifrance	25 834	-27 061	0	-4	-1 524	-14 695	-10 838
Lending establishments borrowings & term accounts	5 318	-5 324	0	-3	-3 490	-1 815	-16
Customer borrowings & term accounts	3 251	-3 075	0	-83	-785	-1 760	-447
Subordinated loan with Bpifrance SA	532	-578	0	0	-6	-23	-549
Repayment of short-term financing	10 461	-10 219	0	-3 954	-6 066	-199	0
Ordinary accounts	334	-127	0	-32	-95	0	0
Overnight loans	17	0	0	0	0	0	0
Deposit certificates & MTN (medium-term notes)	4 433	-4 424	0	-2 271	-1 954	-199	0
Securities sold under forward repurchase agreements	5 678	-5 668	0	-1 651	-4 016	0	0
Derivative instruments*	27	27	0	3	19	-24	29
Non-hedging derivatives	12	12	0	0	13	-2	0
Hedging derivatives	16	16	0	3	6	-22	29

*Maturities of derivatives at fair value

Faced with these financial liabilities, the Bpifrance Group has recourse to securities that can be mobilised, either at the ECB, or through repurchase agreements, depending on the more favourable rate conditions.

The financing commitments given, i.e. €7,9 billion at the end of 2020, versus €6.8 billion the end of 2019, have no contractual schedule. After the contract's signing, they are disbursed at the customer's request. The guarantee commitments given (€12.5 billion at the end of 2020, versus €12.8 billion at the end of 2019) can take the shape of disbursement flows if the company receiving the guaranteed loan is in default and at the end of the recovery process carried out by the guaranteed institution.

8.9 Benchmark interest rate reform

8.9.1 Background

Regulation (EU) 2016/2101 on indices used as benchmarks for financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmark Index Regulation”) came into force on 30 June 2016.

The majority of its provisions have been applicable since 1 January 2018. The Benchmark Index Regulation is intended to reduce the risk of manipulation of the value of indices and underlying conflicts of interest. It aims to improve the quality (integrity and accuracy) of underlying data contributions and the transparency of the methodologies used by administrators and to strengthen governance and oversight of the activities of administrators and benchmark contributors.

8.9.2 Transition to new benchmarks

Measures have been taken at the Bpifrance Group level to assess the risks and challenges from this reform and to ensure a smooth transition to the new indices. Regarding the various instances of contracts indexed on indices identified in its portfolio, Bpifrance focused primarily on the future of the European EONIA and EURIBOR indices.

On 2 October 2019, the ECB launched the new €STR index to replace the EONIA rate index. As of that date, EONIA, previously calculated as the weighted average rate for unsecured overnight lending transactions in the euro interbank markets in European Union countries, is now calculated as the new €STR index plus a spread of 8.5 bps. A transition period until the end of 2021 has been granted to enable the switch from EONIA to the new €STR index.

The EURIBOR index continues to exist, but is based on a new hybrid methodology using both transactions carried out by the panel of banks, as far as possible, and other market price-setting data.

Bpifrance has interest rate derivatives contracted as part of hedging relationships designated according to the purpose of the hedge. The Group currently only applies fair value hedge accounting. These derivatives were set up as part of macro-hedging transactions carried out for the purposes of asset-liability management. They make it possible to hedge the rate risk associated with customer loans, or with borrowing and securities portfolios. Macro-hedge instruments are primarily rate swaps designated as fair value hedges of the group’s fixed-rate assets or resources. One of the legs of these interest rate derivatives is indexed to a EURIBOR index. The notional amounts concerned were €53.1 billion as at 31 December 2020.

These derivative instruments were traded as part of FBF contracts for which the definitions were modelled on those of the ISDA (International Swaps and Derivatives Association). ISDA is currently reviewing these definitions in the light of this index reform and will propose a protocol to amend the existing contracts. As of today, Bpifrance has not yet finalised the contract amendments.

Market infrastructures have made it possible to gradually process swaps in €STR before making a full transition to €STR. Clearing services for €STR, essential for the development of liquidity in the derivatives market, have been set up by the main European clearing houses.

The ECB working group on risk-free rates, responsible for managing the EONIA-€STR transition, had specifically recommended the use of a single “flat” €STR curve for products cleared in clearing houses. The clearing house LCH chose to comply with the conclusions of the ECB working group and changed the discount rate and the remuneration of the collateral on all derivatives in euros in July 2020. Since that date, swaps in euros cleared at LCH are no longer discounted in EONIA but in €STR. The European clearing house Eurex made the same decision. Bpifrance has passed on these changes to its own derivative instrument valuation models and the associated margin calls with an insignificant financial impact.

Given the uncertainties in 2019 surrounding the future indices and their validation, and in order to manage and minimise the financial impacts that could have been caused during the transition and

convergence phase towards the new indices, strategies to manage both the basis risk (EONIA vs. Euribor) and the fixing risk were proposed in the ALM Committee and then implemented.

● **Note 9 - Disclosure of interests in other entities**

9.1 Material assumptions and judgements

Certain subsidiaries and associated companies have not been included in the scope of consolidation in view of their negligible character or contractual provisions indicating that control is in the hands of another investor.

Setting aside these exclusions, the group does not have control over a not-insignificant subsidiary in which it holds less than half of the voting rights, nor does it exercise significant influence on associated companies in which it holds less than 20% of the voting rights, with the exception of ST Microelectronics and PSA, which Bpifrance recognises under the equity method despite a percentage of voting rights below 20%.

Bpifrance has two members on the Supervisory Board enabling it to participate in the strategic and financial decisions of PSA and participates in the specialised committees of PSA. As a result, Bpifrance is able to exercise significant influence over PSA.

The Vice-Chairman of the Supervisory Board of ST Microelectronics is the Chief Executive Officer of Bpifrance. In addition, he sits on several specialised committees. As a result, Bpifrance is able to exercise significant influence over ST Microelectronics.

9.2 Interests held in subsidiaries

Minority interests in the Group's activities

The Group does not have any equity interests in subsidiaries holding minority interests that are considered to be significant.

Nature and extent of the significant restrictions

The Group is subject to no significant legal, regulatory or contractual restrictions that would limit its ability to access the Group's assets or to settle the Group's liabilities.

9.3 Interests in partnerships and associated companies

Interests in associates

The Bpifrance Group, through its subsidiary Bpifrance Participations, intends to acquire stakes in companies that promote growth and competitiveness for the French economy in order to stabilise their shareholding structure and provide the equity necessary for their development.

The Group holds interests in associates considered individually significant. These equity interests are presented after the adjustments related to the application of the equity method.

Table of interests in companies accounted for under the equity method in 2020

(in millions of euros) as at 31 December 2020	STMicroelectronics**	PSA	Tyrol Acquisition 1 Cie SCA*	Eutelsat Communications*	Lac I
Principal place of business	Switzerland	France	Luxembourg	France	France
Percentage of ultimate ownership	13,88%	12,32%	23,99%	19,98%	33,39%
Consolidation method	EM	EM	EM	EM	EM
Dividends received	18,5	-	-	41,0	-
Assets	10 666,6	73 510,0	2 720,8	7 581,1	3 297,2
Non-current assets	5 551,3	38 252,0	2 720,8	6 280,9	2 984,4
Current assets	5 115,3	35 251,0	-	1 300,2	312,8
Assets held for sale	-	7,0	-	-	-
Liabilities	10 666,6	73 510,0	2 720,8	7 581,1	3 297,2
Shareholders' equity	5 958,8	23 874,0	283,5	2 804,6	3 282,4
Non-current liabilities	1 997,4	18 823,0	2 436,8	3 507,5	14,8
Current liabilities	2 710,5	30 813,0	0,6	1 269,0	-
Liabilities related to assets held for sale	-	-	-	-	-
Net income - Group share	306,4	3 201,0	-	297,6	297,6
Income from operating activities	3 514,0	60 734,0	-	1 278,3	-
EBITDA	-	-	-	-	-6,5
Operating income	251,8	3 054,0	-	487,2	-6,5
Financial income	70,9	-317,0	-	-80,5	-0,4
Income tax	-17,1	-628,0	-	-94,4	-
Consolidated income	305,6	2 022,0	-	312,2	-6,9
Fair value (if there is a listed price)	3 795,7	2 474,6	N/A	426,6	N/A
Balance on reconciliation with the book value of these interests					
Group share of shareholders' equity	6 919,3	21 294,0	2 480,8	2 510,7	3 282,4
Shareholders' equity by percentage interest	960,4	2 623,9	595,2	501,6	1 096,0
Goodwill	-	37,8	-	-	-
Consolidation adjustments	-45,8	-187,2	-595,2	-13,4	-
Book value of interests in associated company	914,6	2 474,6	-	488,2	1 096,0
Elimination of securities	-2 817,8	-1 874,6	-384,2	-918,3	-1 086,4
Equity method value	-1 903,2	600,0	-384,2	-430,1	-

* Tyrol Acquisition 1 Cie SCA and Eutelsat Communications close their fiscal years on 31 March and 30 June respectively.

** Detailed IFRS financial information at 31/12/2020 not available, data as at 30/06/2020.

Interests in associated companies considered to be insignificant

The Group holds interests in associated companies that are individually considered to be insignificant.

(in millions of euros)	31/12/2020	31/12/2019
Overall book value	10,9	11,5
Overall amount of the shares		
Net earnings from ongoing activities	0,6	0,5
Net of tax earnings from discontinued operations	0,0	0,0
Other elements of the overall earnings	0,0	0,0
Overall earnings	0,6	0,5

9.4 Interests held in non-consolidated structured entities

(in millions of euros)

	31/12/2020	31/12/2019
Nature and evolution of the risks in the structured non-consolidated entities		
Book value of the assets/liabilities	343,2	24,5
	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss
	Loans and receivables	Loans and receivables
Item in the financial statements under which these assets/liabilities are booked		
Amount of maximum exposure (balance sheet and off-balance sheet) to risk of loss*	767,4	24,5
Difference between the book value and the maximum risk of loss	-424,1	0,0

9.5. Companies excluded from consolidation and significant non-consolidated equity investments as at 31 December 2019

Company excluded from the consolidation (>20% voting rights and gross amount >0.5% of the share capital of Bpifrance)

Name	Registered office	% holding	Reason for non-consolidation
PAPREC	PARIS	33,52%	IFRS financial statements not available, securities line impaired by 18%

Significant non-consolidated equity investments (% <20% and gross amount >1% of Bpifrance share capital)

(in millions of euros)

Name	Registered office	% holding	Shareholders' equity	Result
Orange	PARIS	8,20%	37 038	5 055
TechnipFMC	PARIS	5,50%	3 385	78
Valeo	PARIS	5,09%	3 982	-1 070
Vallourec	BOULOGNE - BILLANCOURT	14,79%	134	-1 328
Verallia	COURBEVOIE	7,45%	578	210
Worldline	PARIS	4,47%	10 385	165

● **Note 10 - Personnel benefits and other remuneration**

10.1 Personnel expenses

(in millions of euros)	31/12/2020	31/12/2019
Salaries and wages	-157,7	-143,2
Other social charges	-55,8	-50,7
Fiscal expenses	-17,5	-16,0
Defined contribution retirement expenses	-16,9	-16,8
Defined benefit retirement expenses	-3,0	-4,7
Incentives and profit-sharing	-17,5	-16,7
Allowances/reversals for personnel commitments	1,6	-0,2
Total personnel expenses	-266,8	-248,3

10.2 Other employee benefits

Post-employment benefits: defined benefits plan

The defined benefit post-employment plans are calculated in compliance with IAS 19 “Employee Benefits” and are covered by provisions or Group insurance contracts.

Bpifrance contributes to two defined benefit plans, one relative to retirement lump sum benefits and the other relative to the health expenses of pensioners.

Retirement lump sum benefits

All obligations relative to the retirement lump sum payments are covered by a Group insurance policy and are estimated on the basis of the commitments assumed for the employees who opted for retirement leave, and assumptions concerning the retirement provisions for the other employees.

Health expenses of pensioners

The estimated commitments for the health expenses of pensioners have been provisioned in compliance with the agreement of 20 December 2006 relative to the health provident fund.

Characteristics and risks

Bpifrance based its estimates on its employee age pyramid, their date of entering active employment and on a preliminary approach to social policy as it may emerge in the light of the provisions of the law of 21 August 2003 on pensions reform, the branch agreement by the Fédération Bancaire Française on 29 March 2005, and the applicable Social Security Financing law. These assumptions will need to be reviewed in the light of future established practice.

The plan benefits for retirement lump sum payments are acquired throughout the career on the basis of the seniority within the company, with a ceiling of six months of gross wages, settled upon retirement. The plan benefits for health expenses cover the employees and their successors in title, who retired before 31 December 2006. They receive a monthly fixed contribution from the employer in the amount of €27.54.

The fund, set up to hedge the commitments relative to retirement lump sum payments, has been contractually externalised with the CNP. It is managed by the CNP within the framework of an orientation set by the group, which provides its governance.

These defined benefit plans expose Bpifrance to an actuarial risk that is notably linked to the longevity risk (especially for the health expenses plan), to the interest rate risk and to the market risks with regard to the hedge assets.

The fund's assets

The breakdown of the fair value of the plan's assets between different categories on the basis of the nature of the assets and attached risks is the following:

(in %)	31/12/2020	31/12/2019
UCITS		
Monetary	3%	2%
Other	4%	4%
Equities	16%	17%
Commitments	76%	77%
	100%	100%

Significant actuarial assumptions

The actuarial mortality assumptions are based on the public statistical mortality tables (TH 00-02 and TF 00-02).

The retirement hypotheses are estimated on the basis of the employee's age: 5% of the employees in question would be under 60 years of age, 35% would be between the ages of 60 and 62 years, 55% would be between 62 and 65 years old and 5% would be above 67 years of age.

The job turnover provisions primarily evolve on the basis of the employee's age:

	31/12/2020		31/12/2019	
	Manager	Non-manager	Manager	Non-manager
Under 35 years of age	6,0%	5,5%	5,6%	4,6%
Between 35 and 44 years of	2,5%	1,9%	2,1%	1,2%
Between 45 and 54 years of	0,7%	0,9%	0,6%	0,9%
55 years of age or more	0,2%	0,0%	0,2%	0,0%

The adopted discount rate, rate of first category bonds, was determined based on the term for which these commitments would be carried.

The economic assumptions regarding the annual rate of wage increases and the revaluation rate of the commitments for long-service medals are also part of the actuarial assumptions.

Financing of the fund

Each quarter, the fund produces an analysis of the investment policy. Based on a prudence principle, it is primarily invested in bond UCITS.

The defined benefit plans are entirely funded by Bpifrance. The contribution obligations are determined by the contractual provisions based on actuarial elements.

Bpifrance estimates that its contribution to the defined benefit plans for the 2020 fiscal year is equal to €3.0 million.

As at 31 December 2020, the average duration of the obligation relative to the defined benefit plans was 18.9 years for retirement lump sum benefits and 11.8 years for health expenses (respectively 20.4 years and 12.2 years in 2019).

A 0.5% increase in the discount rate would lead to a €3.1 million decrease in the commitment, while a 0.5% decrease would result in a €3.2 million increase in the commitment.

Other long-term benefits ***Long service awards***

Group employees receive bonus payments to mark the awarding of Medals of Honour in recognition of a long working life. These commitments are provisioned on the basis of the agreement signed on 15 December 2011.

Supplementary pensions

The AFB professional agreement dated 13 September 1993 on the reform of retirement schemes for the banking profession applies to the Bpifrance staff. The payment of a supplementary banking pension and rebates not covered by the fund for the vested rights of the staff on 31 December 1993 is covered by a reserve fund with sufficient resources to meet pensioners' needs.

Early departures

With regard to early departures, Bpifrance Financement has made commitments to its personnel. These commitments are provisioned.

Change in commitments with respect to post-employment benefits

Change in commitments with respect to post-employment benefits	Retirement lump sum benefits			Health expenses	Long-service awards	Total 31/12/2020		
(in millions of euros)	Commitments with respect to defined benefits	Plan assets	Net liabilities/(assets)	Commitments with respect to defined benefits	Commitments for other long-term benefits	Commitments	Plan assets	Net liabilities/(assets)
Opening balance	33,8	27,9	6,0	1,8	1,2	36,7	27,9	8,9
Impact on income statement	-1,0	2,3	-3,2	-0,1	0,1	-1,0	2,3	-3,3
- Cost of services rendered during the period	2,1	-	2,1	-	0,2	2,3	0,0	2,3
- Interest on liabilities/assets relating to defined benefits	0,2	-	0,2	0,0	0,0	0,2	0,0	0,2
- Cost of past services	-	-	-	-	-	0,0	0,0	0,0
- Transfer of AFE personnel	-	-	-	-	-	0,0	0,0	0,0
- Contribution to the employer's plan	-	5,3	5,3	-	-	0,0	5,3	-5,3
- Contribution to the participant's plan	-	-	-	-	-	0,0	0,0	0,0
- Profit or loss resulting from liquidation	-	-	-	-	-	0,0	0,0	0,0
- Paid services	3,2	3,0	0,2	0,1	0,1	-3,4	-3,0	-0,4
- Actuarial differences (relating to other long-term benefits)	N/A	N/A	N/A	N/A	-0,1	-0,1	N/A	-0,1
Change in scope						0,0	0,0	0,0
Impact on gains and losses booked in equity	0,7	0,1	0,7	0,0	0,0	0,7	0,1	0,7
- Actuarial differences	0,7	0,1	0,7	0,0	N/A	0,7	0,1	0,7
> of which actuarial gains & losses for the period relating to experience adjustment	0,5	0,0	0,5	0,0	N/A	0,5	0,0	0,5
> of which actuarial gains & losses on adjustments relating to demographic assumption	-0,4	0,0	-0,4	0,0	N/A	-0,4	0,0	-0,4
> of which actuarial gains & losses on adjustments to financial assumptions	0,6	0,1	0,5	0,0	N/A	0,6	0,1	0,5
- Rate of return on plan assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Change in effect of asset ceiling	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Closing balance	33,6	30,2	3,4	1,6	1,2	36,4	30,2	6,2

Change in commitments with respect to post-employment benefits	Retirement lump sum benefits			Health expenses	Long-service awards	Total 31/12/2019		
(in millions of euros)	Commitments with respect to defined benefits	Plan assets	Net liabilities/(assets)	Commitments with respect to defined benefits	Commitments for other long-term benefits	Commitments	Plan assets	Net liabilities/(assets)
Opening balance	30,4	25,1	5,3	1,8	1,1	33,4	25,1	8,3
Impact on income statement	0,7	2,7	-2,0	-0,1	0,1	0,6	2,7	-2,1
- Cost of services rendered during the period	1,7	0,0	1,7	0,0	0,2	1,9	0,0	1,9
- Interest on liabilities/assets relating to defined benefits	0,3	0,0	0,3	0,0	0,0	0,3	0,0	0,3
- Cost of past services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Transfer of AFE personnel	0,7	0,0	0,7	0,0	0,0	0,7	0,0	0,7
- Contribution to the employer's plan	0,0	4,7	-4,7	0,0	0,0	0,0	4,7	-4,7
- Contribution to the participant's plan	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss resulting from liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid services	-2,0	-2,0	0,0	-0,1	-0,1	-2,2	-2,0	-0,2
- Actuarial differences (relating to other long-term benefits)	N/A	N/A	N/A	N/A	0,0	0,0	N/A	0,0
Change in scope						0,0	0,0	0,0
Impact on gains and losses booked in equity	2,7	0,0	2,7	0,0	0,0	2,8	0,0	2,7
- Actuarial differences	2,7	0,0	2,7	0,0	N/A	2,8	0,0	2,7
> of which actuarial gains & losses for the period relating to experience adjustment	-0,1	0,0	-0,1	0,0	N/A	-0,1	0,0	-0,1
> of which actuarial gains & losses on adjustments relating to demographic assumption	1,3	0,0	1,3	0,0	N/A	1,3	0,0	1,3
> of which actuarial gains & losses on adjustments to financial assumptions	1,5	0,0	1,5	0,1	N/A	1,6	0,0	1,5
- Rate of return on plan assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Change in effect of asset ceiling	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Closing balance	33,8	27,9	6,0	1,8	1,2	36,7	27,9	8,9

10.3 Workforce

The average headcount of fully consolidated companies stood at 3,345 employees in 2020, 88% of whom were managers.

10.4 Compensation paid to members of management and administrative bodies

Compensation paid to corporate officers during the year amounted to €450 thousand.

Attendance fees paid in 2020 (for the fiscal year 2019) to the directors and non-voting members who chair the business line committees amounted to €317 thousand (of which €152 thousand in respect of attendance fees paid to members of the Board of Directors of Bpifrance SA – absorbed company).

● Note 11 - Sector-specific information

The Bpifrance Group primarily carries out the following business activities:

- medium- and long-term loans: medium- and long-term financing in the form of direct loans, equipment and real estate leasing and finance leasing; this also include innovation loans;
- short-term financing includes in public liabilities financing in metropolitan France and the overseas departments and territories, either directly or by signature;
- guarantee coverage covers banks and equity funding institutions from the risks of default of funding recipients;
- innovation financing aid in the form of repayable advances or grants.
- equity investment activities in the form of direct investments, investments in direct funds or investments in funds of funds,
- export insurance: a subsidiary of Bpifrance, Bpifrance Assurance Export manages public export guarantees in the name and on behalf of the State.

The “Other” item includes the activity performed mainly by the real estate structures (SCI Bpifrance, Auxifinances), the support activity as well as the business line “Entrepreneurship and Regions”.

(in millions of euros)

31/12/2020	Financing	Guarantee	Innovation	Investments*	Assurance Export*	Other	Total
NBI	648,4	100,9	73,6	0,0	0,0	25,5	848,4
General expenses	-330,3	-77,9	-122,2	0,0	0,0	-19,3	-549,7
Cost of risk	-440,2	2,1	-23,8	0,0	0,0	0,4	-461,5
Net operating income	-122,0	25,1	-72,5	0,0	0,0	6,6	-162,8

* See "Significant events" 1.1.1

31/12/2019	Financing	Guarantee	Innovation	Other	Total
NBI	635,4	106,4	45,9	23,2	810,9
General expenses	-288,6	-67,3	-115,2	-15,3	-486,5
Cost of risk	-71,8	0,0	-13,2	0,0	-85,0
Net operating income	275,0	39,1	-82,5	7,9	239,4

(in millions of euros)

Gross amounts outstanding	31/12/2020	31/12/2019
Medium- and long-term loans	35 463,4	29 201,5
.. of which Innovation loans	1 109,8	956,5
Short-term financing	3 687,7	4 986,0
Innovation financing aid	988,4	982,8
Guarantees given	12 527,2	12 789,9

Reminder:

The guarantee funds amounted to €6,455.6 million in 2020, versus €5,906.7 million in 2019.

The subsidies provided as part of the innovation activity amounted to €106.1 million in 2020, versus €85.3 million in 2019.

● Note 12 - Commitments

(in millions of euros)

	31/12/2020	31/12/2019
Commitments given	20 434,8	19 604,7
Credit financing commitments	7 709,6	6 628,6
to credit institutions	10,0	10,0
to customers	7 699,6	6 618,6
Innovation aid financing commitments	198,0	186,2
Guarantee commitments	12 527,2	12 789,9
to credit institutions	0,0	0,0
to customers	12 527,2	12 789,9
Commitments on securities (deliverable securities)	0,0	0,0
Commitments received	6 406,2	2 030,6
Credit financing commitments received from credit institutions	4 946,9	1 344,0
Guarantee commitments received from credit institutions	1 459,3	686,5
Commitments on securities (securities receivable)	0,0	0,1

Bpifrance recorded for its forward foreign exchange transactions as at 31 December 2020 a foreign currency outstanding receivable of €365.9 million (€305.2 million at 31 December 2019) and an outstanding amount of €386.2 million (€295.7 million at 31 December 2019).

● **Note 13 - Other information**

13.1 Related parties

The Bpifrance Group's related parties are the companies included in the scope of consolidation shown in Note 4, non-consolidated interests, as well as the companies exerting control over the Group.

Information relative to related companies

The transactions common to the fully integrated companies are eliminated in the consolidated financial statements.

The transactions with companies exercising control over the Group are listed in the column "Companies exercising joint control". These are transactions carried out with EPIC Bpifrance and Caisse des Dépôts et Consignations.

The transactions with companies integrated using the equity methods are listed in the "Associated companies" column.

The transactions with other related but non-consolidated entities are shown in the column "Other related parties".

31 décembre 2020

Balance sheet

	Companies exercising joint control	Associated companies	Other related parties	Total
(in millions of euros)				
Assets				
Loans and advances	37,7	242,0	0,0	279,7
Equity instruments	0,0	0,0	3,4	3,4
Other receivables	21,3	0,0	0,0	21,3
Total assets	59,0	242,0	3,4	304,4
Liabilities				
Deposits	21,7	0,0	0,0	21,7
Term borrowings	2 110,4	0,0	0,0	2 110,4
Other liabilities	39,7	0,0	0,0	39,7
Total liabilities	2 171,8	0,0	0,0	2 171,8
Miscellaneous information				
Guarantees issued by the Group	0,0	11,1	0,0	11,1
Guaranties received by the Group	0,0	0,0	0,0	0,0
Other commitments	50,0	0,0	0,0	50,0
Impairment of doubtful receivables	0,0	0,0	0,2	0,2

Profit and loss statement

	Companies exercising joint control	Associated companies	Other related parties	Total
(in millions of euros)				
Total expenses, including :	95,9	0,0	0,1	96,0
Interest expenses	95,9	0,0	0,0	95,9
Fees and commissions	0,0	0,0	0,0	0,0
Services received	0,0	0,0	0,0	0,0
Other	0,0	0,0	0,1	0,1
Total proceeds, including :	1,7	1,9	0,0	3,6
Interest income	0,0	1,9	0,0	1,9
Fees and commissions	0,0	0,0	0,0	0,0
Services provided	1,7	0,0	0,0	1,7
Dividend income	0,0	0,0	0,0	0,0
Other	0,0	0,0	0,0	0,0
Other information				
Charges for the fiscal year pertaining to doubtful loans	0,0	0,0	0,0	0,0

31 décembre 2019

Balance sheet

(in millions of euros)	Parent company	Companies exercising joint control	Associated companies	Other related parties	Total
Assets					
Loans and advances	0,0	0,0	225,9	0,0	225,9
Equity instruments	0,0	0,0	0,0	3,4	3,4
Other receivables	7,5	26,5	0,0	0,1	34,1
Total assets	7,5	26,5	225,9	3,5	263,4
Liabilities					
Deposits	74,2	131,8	0,0	0,0	206,0
Term borrowings	532,2	2 821,8	0,0	0,0	3 354,0
Other liabilities	1,4	32,5	0,0	0,0	33,9
Total liabilities	607,8	2 986,1	0,0	0,0	3 593,9
Miscellaneous information					
Guarantees issued by the Group	10,0	0,0	11,2	0,0	21,2
Guaranties received by the Group	18 105,4	0,0	0,0	0,0	18 105,4
Impairment of doubtful receivables	0,0	0,0	0,0	0,2	0,2

Profit and loss statement

(in millions of euros)	Parent company	Companies exercising joint control	Associated companies	Other related parties	Total
Total expenses, including :	10,5	124,5	0,0	0,1	135,1
Interest expenses	10,3	124,5	0,0	0,0	134,8
Fees and commissions	0,0	0,0	0,0	0,0	0,0
Services received	0,2	0,0	0,0	0,0	0,2
Other	0,0	0,0	0,0	0,1	0,1
Total proceeds, including :	7,3	1,0	3,3	0,0	11,6
Interest income	0,0	0,1	3,2	0,0	3,3
Fees and commissions	0,0	0,0	0,0	0,0	0,0
Services provided	7,3	0,9	0,0	0,0	8,2
Dividend income	0,0	0,0	0,1	0,0	0,1
Other	0,0	0,0	0,0	0,0	0,0
Other information					
Charges for the fiscal year pertaining to doubtful loans	0,0	0,0	0,0	0,0	0,0

13.2 Amount of Statutory Auditors' fees reported in the consolidated profit and loss statement (amount excluding tax)

(in thousands of euros)	Mazars		PricewaterhouseCoopers Audit		KPMG Audit	
	2020	2019	2020	2019	2020	2019
Certification of the financial statements	798	434	894	-	406	360
Other services	52	36	1 018	-	210	11
Total*	850	470	1 912	-	616	371

* See "Significant events" 1.1.1. The fees of the entities contributed as part of the merger are presented in equity for fiscal year 2020.

13.3 Activities on behalf of third parties

Operations managed by Bpifrance (agent) on behalf of third parties (principals) are not included in the Bank's consolidated balance sheet.

	31/12/2020							
	Assets				Liabilities			f-balance sheet
	Receivables	Principal's account	Cash	Total	Debts	Principal's account	Total	
(in millions of euros)								
Financing activity								
ARI ⁽¹⁾	89,4	0,0	0,0	89,4	0,0	89,4	89,4	20,0
FDES PBAR ⁽¹⁾	58,0	0,0	42,0	100,0	0,0	100,0	100,0	2,1
Debt funds	83,1	0,0	0,0	83,1	0,0	83,1	83,1	0,0
Guarantee activity								
SGL ⁽¹⁾ (2)	0,0	0,0	8,6	8,6	0,0	8,6	8,6	99 909,0
FCS ⁽¹⁾	10,2	0,0	60,2	70,4	0,0	70,4	70,4	92,6
DROM managed funds	37,6	0,0	24,5	62,1	0,0	62,1	62,1	0,0
Camulor	0,0	0,0	0,2	0,2	0,0	0,2	0,2	0,0
FGRU ⁽¹⁾	0,0	0,0	4,4	4,4	0,0	4,4	4,4	0,0
Student loans	0,0	0,0	32,6	32,6	0,0	32,6	32,6	171,4
Innovation aid activity								
Atout	0,0	0,0	42,7	42,7	0,0	42,7	42,7	0,0
DEEP TECH GPT	1,9	0,0	8,7	10,6	7,5	3,1	10,6	7,3
ENTREPRENEURSHIP	0,0	0,0	40,4	40,4	9,7	30,7	40,4	8,5
FIS	1,6	8,7	7,2	17,5	17,5	0,0	17,5	8,0
INDUSTRIAL INVESTMENT FUND	0,0	62,7	28,5	91,2	91,2	0,0	91,2	228,3
FSN ⁽¹⁾	101,7	0,0	48,5	150,2	68,2	82,0	150,2	29,4
PSIM ⁽¹⁾	30,9	0,0	7,2	38,1	6,3	31,8	38,1	5,8
PSPC ⁽¹⁾	204,9	0,0	54,8	259,7	182,8	76,9	259,7	251,3
SIA ⁽¹⁾	0,0	5,4	-1,2	4,2	4,2	0,0	4,2	0,8
FUI ⁽¹⁾	0,3	81,1	-1,7	79,7	79,7	0,0	79,7	1,6
FNI-PRI ⁽¹⁾	16,8	0,0	6,2	23,0	1,1	21,9	23,0	1,6
PIAVE ⁽¹⁾	72,7	0,0	12	84,7	33,3	51,4	84,7	65,4
Battery plan	0,0	237,4	0	237,4	237,4	0,0	237,4	82,6
French Tech	0,0	0,0	0,3	0,3	0,0	0,3	0,3	0,0
French Tech Tremplin	0,0	0,0	0,5	0,5	0,2	0,3	0,5	0,2
FRI GPT	47,0	0,0	116,9	163,9	34,5	129,4	163,90	29,0
Business Development Insurance	196,0	0,0	-8,5	187,5	0,0	187,5	187,5	205,8
MAJOR RISKS GPT	0,0	0,0	16,2	16,2	2,4	13,8	16,2	11,8
FGI ATF PIA 3 ⁽¹⁾	3,8	13,6	36,7	54,1	54,1	0,0	54,1	321,5
FGI Concours d'innovation PIA3	42,1	0,0	6,9	49,0	48,5	0,5	49,0	42,3
Total	998,0	408,9	594,8	2 001,7	878,6	1 123,1	2 001,7	101 496,3

(1) ART: Reindustrialisation aid

FDES PBAR: *Fonds de Développement Economique et Social* (Economic and Social Development Fund)

SGL: State-guaranteed Loan

FCS: *Fonds de cohésion sociale* (Social Cohesion Fund)

FGRU: Guarantee Fund for Urban Renewal

FSN: *Fonds national pour la Société Numérique* (National Fund for the Digital Society)

PSIM: *Programme de Soutien à l'Innovation Majeure* (Major Innovation Support Programme)

PSPC: *Projet de recherche et de développement Structurants des Pôles de Compétitivité* (Structuring Research and Development Projects for Competitiveness)

FUI: *Fonds Unique Interministériel* (Single Interministerial Fund)

FNI-PRI: *Fonds national d'innovation - Partenariats régionaux d'avenir* (National Innovation Fund - Regional Partnerships for the Future)

PIAVE: *Projets Industriels d'avenir* (Industrial Projects for the Future)

ATF PIA 3: Assistance and Transformation of the Sectors - Investments of the Future 3 Programme

SIA: Satt accelerator incubators

(2) SGL: See "Significant events" 1.1.2

9. SEPARATE FINANCIAL STATEMENTS

Bpifrance

PUBLISHABLE SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

- Publishable balance sheet
- Publishable off-balance sheet
- Publishable profit and loss statement

Bpifrance publishable balance sheet

(in millions of euros)

ASSETS	Notes	31/12/2020	31/12/2019
Cash in hand, central banks		7 819,2	1 046,0
Public sector bills and similar securities	6	9 630,8	6 974,0
Receivables from credit institutions	3	835,1	569,0
- <i>A vue</i>		554,9	303,3
- <i>A terme</i>		280,2	265,7
Customer transactions	4	40 285,2	37 307,9
- <i>Créances commerciales</i>		123,4	195,3
- <i>Autres concours à la clientèle</i>		34 593,0	31 703,7
- <i>Comptes ordinaires débiteurs</i>		5 568,8	5 408,9
Bonds and other fixed-income securities	6	5 062,0	3 403,2
Shares and other variable income securities	6	929,0	606,6
Equity interests and other securities held long-term	7	49,5	28,4
Share in affiliates	7	18 495,4	78,4
Finance and ordinary leases with purchase option	5	5 992,0	6 114,6
Operating lease	5	194,7	198,8
Intangible fixed assets	9	128,7	98,0
Tangible fixed assets	9	26,0	24,5
Subscribed but unpaid capital		0,0	0,0
Treasury shares	8	42,3	0,0
Innovation financing aid	10	672,2	673,5
Other assets	11	794,2	398,1
Accruals	12	413,7	353,3
TOTAL ASSETS		91 370,0	57 874,3

Bpifrance publishable balance sheet

(in millions of euros)

LIABILITIES	Notes	31/12/2020	31/12/2019
Central banks		0,0	0,0
Due to credit institutions	13	18 887,0	10 997,2
- A vue		107,1	2,1
- A terme		18 779,9	10 995,1
Customer transactions	14	3 012,6	3 583,6
- Autres dettes		3 012,6	3 583,6
. A vue		229,5	333,7
. A terme		2 783,1	3 249,9
Debt represented by a security	15	36 128,1	30 057,5
- Titres du marché interbanc. & titres de créances négociables		4 486,3	4 434,0
- Emprunts obligataires		31 641,8	25 623,5
Other liabilities	16	1 785,8	1 534,3
Accruals	17	2 159,7	1 607,9
Provisions	18	684,5	421,9
Subordinated debts, mutual guarantee deposits	19	19,7	551,8
Public guarantee funds	20	4 806,7	4 308,6
Net resources for innovation-related activity	21	1 365,0	1 319,6
Fund for general banking risks		235,2	235,2
Shareholders' equity excluding contingencies fund (FRBG)	22	22 285,7	3 256,7
- Capital souscrit		5 440,0	839,9
- Primes d'émission		15 674,0	1 183,5
- Réserves		236,0	223,7
- Provisions réglementées, subventions d'investissement		77,3	90,9
- Report à nouveau		906,3	671,8
- Résultat de l'exercice		-47,9	246,9
TOTAL LIABILITIES		91 370,0	57 874,3

Excluding Bpifrance publishable off-balance sheet

Bpifrance publishable off-balance sheet

(in millions of euros)	Notes	31/12/2020	31/12/2019
Commitments given	25		
- <i>Financing commitments</i>			
. Commitments to lending institutions		10,0	10,0
. Commitments to customers		7 897,6	6 804,8
- <i>Guarantee commitments</i>			
. Commitments on behalf of lending institutions		0,0	0,0
. Commitments on behalf of customers		12 891,2	11 937,8
- <i>Commitments on securities</i>			
. Securities acquired with buyback or recovery option		0,0	0,0
. Other commitments given		0,0	0,0
Commitments received	25		
- <i>Financing commitments</i>			
. Commitments received from lending institutions		4 946,9	1 344,0
- <i>Guarantee commitments</i>			
. Commitments received from lending institutions		913,3	950,0
- <i>Commitments on securities</i>			
. Securities sold with buyback or recovery option		0,0	0,0
. Other commitments received		0,1	0,1

Bpifrance publishable profit and loss statement

Bpifrance publishable profit and loss statement

<i>(in millions of euros)</i>	Notes	31/12/2020	31/12/2019
Interest and related income	27	1 192,5	1 093,2
Interest and related expenses	28	-505,7	-521,8
Income on leasing and related transactions	29	1 192,7	1 237,7
Expense on finance lease and similar operations	30	-1 185,1	-989,6
Income from operating leases	29	87,1	101,6
Expense on operating leases	30	-83,1	-66,6
Income from variable income securities	31	302,6	10,7
Fees (income)	32	19,9	14,8
Fees (expenses)	32	-1,8	-2,6
+/- Gains or losses on trading portfolio transactions	33	5,6	0,1
+/- Gains or losses on long-term portfolio & similar transactions	34	-104,9	-3,2
Other bank operating income	35	80,9	75,6
Other bank operating expenses	36	-63,7	-7,4
NET BANKING INCOME		937,0	942,5
General operating expenses	37	-500,6	-438,1
Depreciation, amortisation & impairment on tangible & intangible fixed assets		-38,7	-35,6
GROSS OPERATING INCOME		397,7	468,8
Cost of risk	38	-378,9	-61,0
NET OPERATING INCOME		18,8	407,8
+/- Gains or losses on non-current assets	39	0,2	-0,1
CURRENT INCOME BEFORE TAXES		19,0	407,7
Extraordinary profit or loss		0,0	0,0
Income tax	42	-80,5	-133,0
Charges to/recoveries from the FGBR & regulatory provisions		13,6	-27,8

Bpifrance

NOTES TO THE PUBLISHABLE SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

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● **NOTE 1 - PRESENTATION AND ASSESSMENT RULES**

The annual financial statements have been prepared and are presented in accordance with the provisions of the Accounting Standards Authority (ANC) Regulation no. 2014-07 relating to the financial statements of banking sector companies.

1.1 Presentation of the financial statements

● **Balance sheet**

- The related receivables and payables are grouped together with the asset or liability items to which they relate.
- The securities portfolio is broken down according to the types of securities held in it: public sector bills, bonds and other fixed income securities, shares and other variable income securities. The breakdown depends on the intended economic purpose of the securities (trading, short-term or long-term investment) and is described in Note 6.2.
- Subordinated assets are classified according to their type either as amounts due from banks or amounts due from customers, or as “bonds and other fixed income securities”.
- Doubtful loans are recorded according to their nature under the asset items to which they are attached, in the amount net of impairment.
- On the liabilities side, mutual guarantee deposits are included under the heading of “subordinated debt”.
- The section “Shareholders’ equity excluding FGBR” covers the following items: “subscribed capital”, “share premiums”, “merger premiums”, “reserves”, “regulatory provisions and investment subsidies”, “retained earnings” and “net income”.
- The equipment subsidies received for leasing transactions are shown in the “other liabilities” section.

● **Profit and loss statement**

The presentation of the profit and loss statement is based on five interim management balances: Net Banking Income, Gross Operating Earnings, Operating Earnings, Pre-tax Earnings and Net Earnings.

The significant components of the profit and loss statement are described in Notes 27 to 42.

1.2 Accounting principles and methods

• Credit risk

A distinction is made between sound loans, restructured loans, doubtful loans and doubtful compromised loans.

The classification of credit transactions is based on the concept of established credit risk. The risk is considered to be recognised once it is probable that part of the amounts owed by a counterparty will not be received and that this probability of loss is associated with one of the following situations:

- there are one or more overdue instalments aged at least three months;
- the establishment is aware of the degraded financial situation of the counterparty, which is represented by a risk of non-collection;
- claim and collection procedures are in place between the institution and its counterparty.

Sound outstandings

The credit transactions that do not generate a confirmed risk, on the other hand, are acknowledged as being sound outstandings.

Restructured outstandings

The receivables said to be restructured are defined as receivables held on counterparties that have experienced financial difficulties, such that the establishment has had to review the receivable's initial characteristics.

Doubtful outstandings

Credit transactions that generate a recognised risk are doubtful outstandings, or "bad debt". For a particular counterparty, all these credit transactions will be classified by "tainting" as doubtful outstanding loans.

Credit operations become compromised if the recovery prospects are significantly deteriorated, and if an eventual transfer to losses is envisaged (see Note 4).

The events that may lead to downgrading as a compromised doubtful outstanding loan are:

- expiry of loan term;
- the contract's cancellation;
- closure of relations with the customer.

One year after the classification as a doubtful loan, the loan is considered to be compromised, except if the transfer to losses is not envisaged. The existence of guarantees is taken into account in the consideration of compromised outstandings.

The compromised doubtful outstanding loans are identified within doubtful outstanding loans.

When it is confirmed that the outstanding loans are non-collectible, these assets are transferred to losses.

Segmentation of outstanding loans

The kind of activity of the institution leads to the outstanding loans being segmented by:

- residual maturity;
- business sector;
- main counterparty types.

As part of its commercial policy, its selection process and its risk control, Bpifrance uses an internal rating system.

Impairment allocated to doubtful loans with the clientele

Impairment charged against doubtful loans is deducted from the corresponding assets.

The provisions that Bpifrance deemed necessary to hedge doubtful commitments are recorded as liabilities on the balance sheet.

The impairment amount for medium- and long-term loans and other loans, whether or not backed by guarantee funds, is determined dynamically, receivable by receivable, after analysis of the loss estimated on the basis of probable recoveries, guarantees included, discounted at the original loan rate.

On the closing date, the net impairment outstanding is equal to the lower of the historical cost and the current value of the future cash flows expected from interest, repayment of the capital and the value of the guarantees.

The impairment allowances and write-backs for non-recovery risk are recorded in the cost of risk. The increase of the book value related to the discount amortisation and the depreciation recovery as a result of passing time being recorded as part of the interest margin.

Depreciations of the guarantee commitments given and of the innovation aid

With regard to the guarantee commitments given, the depreciation corresponds with the capital loss as well as with the contractual interest covered by the guarantee funds. The capital loss is assessed on the basis of a statistical model for estimating potential recoveries. These depreciations do not impact the profit and loss statement, but are charged against the guarantee funds.

Regarding innovation aid, impairment is estimated individually. These depreciations do not impact the profit and loss statement, but are charged against the innovation guarantee funds.

Dynamic collective provisioning

Since 2000, sound outstandings from loans to customers are provisioned. The estimate methodology applied was updated on two occasions: in 2007 when the consolidated financial statements transferred to IFRS standards and in 2018 when IFRS 9 entered into force.

The existence of a credit risk involving a uniform set of receivables results in the recording of a provision, without waiting for the risk to have individually affected one or more receivables.

The methodology implemented by Bpifrance is primarily based on an analysis of the internal ratings of the portfolio. The assessment model for collective provisions is based on simulations of stochastic scenarios that, with each counterparty, associate a possible default date and a loss rate given default.

The collective provision is booked on the balance sheet under liabilities. As risks arise, impairment for doubtful debts is booked and charged against the outstanding loans concerned, while the collective provision is recovered at the same rate.

- **Early repayments of loans granted to customers**

Bpifrance directly records, through profit or loss, the compensation for early repayment of loans granted to the clientele, on the realisation date.

- **Leasing and similar transactions**

Bpifrance engages in equipment leasing, finance leasing and real estate leasing activities, a residual part of which is subject to the SICOMI regime.

In the corporate financial statements, these transactions appear on the balance sheet in the sections “leasing and rental agreements with purchase option” and “operating leasing” and in the income statement in the sections “proceeds from leasing transactions and similar”, “charges for leasing and similar” and “proceeds from operating leasing”, “charges for operating leasing”.

The leased or rented property, plant and equipment are reported on the corporate balance sheet at their purchase value, which, for leasing, includes the acquisition costs, the cost of construction and the purchase price of the land.

Accounting depreciation, subject to the limits of both maximum fiscal depreciation and the minimum straight-line allowance, is calculated item by item, with the exception of land which is not depreciated.

If a contract becomes delinquent, if the estimated value of the likely recoveries is less than the property’s book value, the difference is the subject of impairment in the Net Banking Income.

Compensation for contract terminations is posted to “Proceeds from leasing transactions and similar”. Impairment designed to cover the compensation due is also recorded in this account.

Linked to this corporate presentation is a financial presentation, which translates the economic substance of the transactions. Rents are broken down into interest and amortisation of the capital referred to as financial amortisation.

On the financial balance sheet, the financial outstanding appears which is equivalent to the gross value of property, plant and equipment minus the financial amortisation and financial impairment.

In the profit and loss statement, the Net Banking Income takes in the interest included in the rents incurred during the fiscal year and the financial capital gains or losses on the sound financial loans, and in the cost of risk, variations in financial impairment and financial capital gains or losses on the delinquent financial loans.

The financial data are outlined in Notes 5, 40 and 41.

- **Operations involving financial instruments**

Balance sheet transactions

The portfolio consists of marketable securities, Treasury bills, negotiable debt instruments and interbank market certificates.

Depending on the intended economic purpose of the transactions and the risks associated with each, securities are divided into four categories, each subject to specific accounting rules:

Trading securities

These are securities which are:

- either acquired or sold with the intention of reselling them or buying them in the short term;
- or held by an establishment as a result of its market maker activity;
- or acquired or sold within the framework of specialised portfolio management;
- or the subject of a sale commitment as part of an arbitrage operation.

They are recorded on the date of acquisition at their purchase price, with accrued interest but less expenses. At each accounts closing date, they are marked to market. The overall balance of the differences resulting from price variations is included in the Net Banking Income.

Market securities

This portfolio consists of securities that cannot be included amongst the trading securities, nor amongst the long-term investment securities, nor amongst the portfolio other securities held for long-term, equity interests and shares in related companies.

They are recorded at their acquisition cost, but without accrued interest or expenses.

The differences between the acquisition price of fixed income securities and their redemption price are staggered over the residual lifespan of these securities, by using the actuarial method.

At the reporting date, these securities are valued at their market value. If this is less than their carrying amount, they are subjected to impairment, which is charged against Net Banking Income.

Investment securities

These are fixed-income securities acquired with the intention to hold to maturity.

They are financed from specific resources or interest rate hedged. They are recorded at their acquisition price, but excluding accrued coupon and expenses at purchase. The difference between the acquisition cost and the redemption price is actuarially spread over the remaining life of the security. At the accounts closing date, unrealised capital losses are not provisioned unless they carry a counterparty risk.

Should some of these securities be sold before their maturity for a significant amount, the entire portfolio would be downgraded to short-term investment securities, for the current fiscal year and the two following fiscal years, barring exceptions indicated in the texts.

Securities used for portfolio activity

Portfolio investment relates to securities acquired on a regular basis with the aim of realising a medium-term capital gain and with no intention of long-term investment in the development of issuing company, or of active participation in its management. The activity must be exercised on a significant and ongoing scale within a structured framework that provides the institution with a recurrent return on investment deriving principally from the capital gains on disposals. Included in this category are securities held in the context of a venture capital activity; such securities are posted, depending on their type, to the accounts "Bonds and other fixed securities" and "Shares and other variable income securities".

They are measured at the accounts closing date at the lower of cost price or utility value determined in the light of the general development outlook for the issuer and the length of time for which the securities will be held. If necessary, they are subject to impairment, which is set against Net Banking Income.

Repurchase agreements

Securities received in repo transactions are shown as assets in an account which reflects the liability generated. The corresponding income is recorded in Net Banking Income.

Securities sold in repo transactions give rise to a liability. They are maintained in their original portfolio and continue to be valued according to the rules applicable to that portfolio.

Off-balance sheet operations

These transactions are classified on the basis of the notional amount and the market value of the contracts and are distinguished according to their intended economic purpose (see Note 25).

Results from these operations are reported in Net Banking Income.

Hedging transactions make up the bulk of the transactions negotiated:

- income and expenses relating to forward financial instruments intended, and so designated from the outset, to hedge an item or homogenous group of items (micro-hedging¹) are automatically recognised as income and expenses when the hedged elements are booked;
- income and expenses relating to instruments used to adjust the nature of resources to requirements defined within the framework of overall management of interest rate or currency positions (macro-hedging²) are recognised *pro rata temporis* in Net Banking Income.

In the event of cancellation of interest rate or currency swap contracts negotiated as part of overall management of interest rate positions, any payments received or made are spread over the residual life of the cancelled contract.

As regards transactions that constitute opening isolated open positions:

- transactions negotiated on an organised or related market are valued at each accounts closing date. The corresponding gains or losses impact directly on Net Banking Income;
- the results of transactions negotiated on an over-the-counter market are recognised according to the nature of the instruments, either on unwinding of the contracts or *pro rata temporis*. Unrealised losses recognised at the accounts closing date impact upon Net Banking Income.

¹ currency transactions (currency swaps).

² Transactions classified as macro-hedging include firm and conditional interest rate and currency swap contracts negotiated as part of the overall management of the Bpifrance positions.

- **Equity interests and shares in related companies, other long-term investment securities**

These securities are listed at the acquisition price, excluding expenses.

Investments, shares in affiliated companies

Investments in related companies comprise securities giving rights to the capital of a company. Their long-term ownership is considered useful to the activity of the companies which own them, either because it permits the owner to exercise an influence on the issuing company, or because it reflects a partnership relationship.

These securities are valued at the lower of either their cost price or their value in use at the year-end. Value in use represents the amount the company would be prepared to pay to acquire the securities in view of its intention in holding them. It may be determined by reference to market value, net asset value, the future earnings prospect of the issuing company, the outlook for realisation, economic circumstances. If this value is less than book value, a provision for impairment is charged to "Gains or losses on non-current assets".

Other long-term securities

These are investments in securities made with the intention of promoting the development of lasting professional relationships by creating a privileged relationship with the issuing company, but one that does not create a position of influence on the management of that company in view of the limited number of voting rights held. These securities are valued by the same method as investments in related companies and in affiliates.

- **Tangible and intangible fixed assets**

Fixed assets are depreciable or non-depreciable assets from which the company expects to derive future economic advantage.

The depreciation of a fixed asset is the systematic distribution of its depreciable amount in accordance with its use.

The depreciation allowance appears in the "Depreciation allowances and impairment on intangible and tangible fixed assets" in the profit and loss statement.

Exceptional depreciation resulting from the application of the General Tax Code is recognised under "Charges to/recoveries from the FGBR and regulatory provisions" in the income statement.

- **Guarantee funds and net innovation intervention resources**

In order to deal with its economic general interest mission, the State provides Bpifrance with public resources intended to cover the commitments resulting from this mission. The activities covered by these funds are firstly guarantees for bank loans, and secondly the distribution of innovation aid primarily in the form of subsidies and repayable advances.

The resources provided by the State are shown on the asset side of the balance sheet and are decreased by losses and provisions established on the operations in question. For the bulk of the provided resources, the financial proceeds resulting from cash investments are reallocated.

The main affected items for these economic general interest activities are:

- on the asset side, aid for innovation financing (see Note 10) and allocations to be received (see Note 11);
- on the liabilities side, guarantee funds (see Note 20), innovation intervention resources (see Note 21);
- in the off-balance sheet, the guarantees given (see Note 25).

Given that they are repayable, the guarantee funds meet the definition of debt instruments. In view of their specificity and importance for the group, they are included as balance sheet liabilities under the specific headings entitled “Public guarantee funds” and “Net resources for innovation investment”.

They are assessed at cost. This assessment includes the allocations collected, in addition to the share of the earnings paid to the funds (commissions, net financial proceeds, participation in the capital gains on securities), net of any recognised bad debts (expenses, litigation provisions and pre-litigation provisions).

The gains, losses and provisions assigned to the guarantee funds, as described in Notes 20.2 and 21.2 do not transit via the profit and loss statement. The expenses and proceeds are not taxable.

Similarly, public partners, primarily regions, provide Bpifrance with resources intended to finance subsidies and repayable advances. The net amount of these resources is grouped together with the innovation guarantee funds, under the “intervention resources”.

• **Fund for general banking risks**

Allocations to the fund for general banking risks are made at the discretion of the directors in order to meet expenses and risks of an exceptional nature in the banking sector.

• **Currency transactions**

Assets, liabilities and off-balance sheet items are converted into euros at the rate prevailing on the accounts closing date.

Differences arising from the mark to market of currency positions are reported in Net Banking Income.

• **Interest and commissions**

Interest and commissions are reported in Net Banking Income using the accrual method.

The commissions and handling charges, if they are insignificant amounts, are not subject to spreading.

• **Borrowing charges**

Issue expenses and redemption or issue premiums are spread over the duration of the borrowing. The resulting charge is reported in Net Banking Income.

The annual interest expense of loans with a rising interest rate or with a single coupon is accounted for on the basis of the yield to maturity cost.

• **Tax situation**

Bpifrance is the parent company of the tax consolidation group comprising the companies Bpifrance Investissement, Bpifrance Assurance Export, Bpifrance Participations, Lions Participations, Bpifrance Courtage and Auxifinances. Bpifrance is the beneficiary of the overall tax savings, income or expenses achieved by the tax consolidation group due to the application of the consolidation regime.

- **Pensions and other social commitments**

Post-employment benefits

They include the retirement lump sum payments, the banking sector retirement supplements and health expenses after employment.

These benefits fall under two categories: the defined contribution plans (not representative of a commitment to be provisioned by the company) and the defined benefit plans (representative of a commitment at the company's expense and resulting in an assessment and provisioning).

- **Defined contribution plan**

A defined contribution plan is a plan for post-employment benefits according to which an entity pays defined contributions (as an expense) to a separate entity and will have no legal obligation to pay additional contributions if the fund does not have sufficient assets to provide all of the benefits corresponding with the services provided by the personnel during the periods in question.

- **Defined benefits plan**

The obligations, hedged by an insurance contract, are assessed using an actuarial method that considers demographic and financial assumptions such as age, seniority, the probability of presence on the date of the awarding of the benefit, and the discounting rate (market rate of return for bonds of companies with high credit ratings). This calculation includes a distribution of the expense over time on the basis of the activity period of the personnel members (projected credit units method). The recognition of the obligations takes into account the value of the assets established in order to hedge the obligations and actuarial elements.

The expenses relative to defined benefit plans consist of the cost of the benefits rendered during the year, the interest on the liabilities or net assets relative to the defined benefits (at the market rate of return of the bonds of companies with high credit ratings), the contributions to the employer's plans, and the benefits paid.

The possible actuarial gains and losses (revaluations), the yields of the plan's assets (excluding interest) and the consequences of the reductions and possible liquidations of plans are booked in profit and loss.

Other long-term benefits

- **Long service awards**

Group employees receive bonus payments to mark the awarding of Medals of Honour in recognition of a long working life. These commitments are provisioned on the basis of the agreement signed on 15 December 2011.

- **Supplementary pensions**

The AFB professional agreement dated 13 September 1993 on the reform of retirement schemes for the banking profession applies to the Bpifrance staff. The payment of a supplementary banking pension and rebates not covered by the fund for the rights acquired by staff at 31 December 1993 is covered by a reserve fund with sufficient resources to meet pensioners' needs.

- Early departures

With regard to early departures, Bpifrance Financement has made commitments to its personnel. These commitments are provisioned.

Termination of employment compensation

This involves compensation paid to employees at the time of the termination of their employment contract, prior to retirement, whether in case of dismissal or acceptance of a voluntary departure plan. The end of employment contract allowances is provisioned. The benefits paid more than 12 months after the closing date are the subject of discounting.

Significant actuarial assumptions

The actuarial mortality assumptions are based on the public statistical mortality tables.

The job turnover provisions primarily evolve on the basis of the employee's age, based on historical statistical data.

The adopted discount rate, rate of first category bonds, was determined based on the term for which these commitments would be carried.

The economic assumptions regarding the annual rate of wage increases and the revaluation rate of the commitments for long-service medals are also part of the actuarial assumptions.

● NOTE 2 - SIGNIFICANT EVENTS DURING THE FISCAL YEAR AND EVENTS AFTER THE CLOSING

2.1 Significant events during the fiscal year

2.1.1 Impact of the health crisis

2020 was marked by the unprecedented health crisis linked to Covid-19. This pandemic affected economic and social activities on an international scale. Its economic repercussions are far-reaching. Vested with a mission of general interest to finance and develop businesses, in support of public policies, Bpifrance is fully committed to supporting French companies during this difficult period.

● Support systems introduced by Bpifrance

Bpifrance provides assistance through various business support mechanisms, either on its own behalf or on behalf of third parties.

Products implemented for own account

Intervention procedures

Bpifrance introduced three new products in response to the Covid- 19 epidemic.

In connection with the government's economic support mechanism designed to meet exceptional cash requirements or working capital needs resulting from the economic crisis, Bpifrance provides:

- State-guaranteed Loans up to 90%, intended for VSEs, SMEs, and mid-size companies clients of Bpifrance, from all business sectors, provided the granting conditions are met;
- Innovation Support Loans State-guaranteed up to 90%, intended for innovative start-ups, SMEs, and mid-size companies with less than 5,000 employees and revenue of less than €1.5 billion, registered in France and subject to French law, from all business sectors, provided that the granting conditions are met.

State-guaranteed and Innovation Support Loans are one-year term loans. They include an extension clause that can be exercised free of charge by the borrower, enabling the borrower at the end of the first year to either amortise the loan over a period of one to five years or to defer repayment by an additional year and then amortise the loan over a period of one to four years.

In addition to the State-guaranteed and Innovation Support Loans, Bpifrance also introduced the "Atout" Loan. Available for VSEs, SMEs and mid-size companies, it also provides financing for cash flow needs arising from the economic situation or an exceptional working capital requirement. It is available for a period of three to five years with a deferred repayment option of up to 12 months. The fixed or variable interest rate is established in accordance with the conditions in force at the time of the grant. The percentage guaranteed on this type of loan is between 70 and 90%.

In addition, changes were made to several existing products. Depending on the case, the Group increased the planned loan volumes, broadened the eligibility criteria to include eligible businesses and qualified expenses, reallocated guarantee funds, and modified the characteristics of the loan or guarantee. These include an extension of the maturity and/or deferred repayment period, and an increase in the percentage of cover. These only concern the new issuance of the facilities concerned. Two facilities were strengthened in particular:

- the Rebound Loan: a regional medium-term development loan with a zero interest rate over seven years and two years deferred, backed by a grant from each French region. The aim of this loan is to increase the cash position of SMEs in the context of the health crisis;
- the Tourism Loan: a fixed-rate loan with a term of two to 12 years and deferred for between six and 36 months, backed by the Tourism guarantee fund. This loan is designed to strengthen the cash position of SMEs and mid-tier companies in the tourism sector.

Summary of amounts allocated and outstandings

	Facilities	Allocations (in millions of euros)	Outstandings as at 31 December 2020 (in millions of euros)
New products	State-guaranteed Loan	3,000	801
	State-guaranteed and Innovation Support Loans	No ceiling	459
	Unsecured "Atout" Loan	3,000	2,351
Existing products with extended facilities and expanded product scope	Rebound Loan	1,000	824
	Tourism Loan	750	144
	Industry R&D, unsecured "Atout" Loan and PAI Loans	330	99
	EIB Loan and "Club"	250	11
	Advance + Rebound Loan	100	67
	Creative industry loans	100	4
	Guarantee and supplementary guarantee Strengthening the cash position	3,000 (including Unsecured "Atout" Loan guarantee)	120
	Guarantee and supplementary guarantee Confirmed Credit Lines	60	43

Products managed on behalf of third parties

Activities managed by Bpifrance on behalf of third parties are not included in Bpifrance's balance sheet.

Intervention procedures

In order to cope with the economic difficulties of French companies caused by the crisis, the French state has set up a number of mechanisms, management of which it has entrusted to Bpifrance.

Bpifrance has thus been entrusted by the French government, under its supervision, on its behalf, and in its name, with the task of monitoring outstanding State-guaranteed Loans (SGL), collecting and remitting guarantee fees to the French State and, in the event of a call on the guarantee, is charged with verifying that the conditions defined by the French State are met. In this last case, Bpifrance calls on the French State for the guarantee, receives the funds and then pays the amounts due to the institution benefitting from the guarantee.

While the Covid-19 crisis has weakened the ability of companies to carry out development and investment projects over the long term, particularly in highly capital-intensive manufacturing sectors exposed to international competition, the government has decided to implement an economic recovery plan (Support for Modernisation Investments), to which the following actions are linked:

- support for modernisation investments in the automotive industry;
- support for modernisation investments in the aeronautical industry;
- support for investments in the nuclear industry;
- acceleration of regional projects;
- industrial development in critical sectors;

In the name of and on behalf of the French State, Bpifrance manages the aid paid to companies under calls for projects.

Bpifrance is also responsible for loans, subsidised loans and repayable advances to address the cash flow difficulties of SMEs, schemes financed by the Economic and Social Development Fund (FDES);

Lastly, all the local and regional authorities in Brittany expressed an interest in working together to respond urgently to the immediate needs of the smallest businesses, the self-employed, and associations that are not or only partially covered by the national systems in place. Within this framework, Bpifrance rolled out a digital platform in charge of granting, managing, and collecting loans on behalf of the Region (Brittany Resistance Loan).

Summary of amounts allocated and outstandings

Facilities	Allocations (in millions of euros)	Outstandings as at 31 December 2020 (in millions of euros)
SGL	300,000	99,909
Support for Modernisation Investment actions	2,000	68
Loans, Subsidised Loans and FDES Repayable Advances	600	61
Brittany Resistance Loan	27	4

• **Maturity extensions**

As part of the measures to support the economy and in order to avoid jeopardising its customers' cash position, as of 24 March 2020 Bpifrance introduced a six-month moratorium on the principal and interest for all its loan and leasing customers. This maturity extension, not provided for in the initial contractual provisions, does not incur any penalties or additional costs to the borrowers. This maturity extension prolongs the term by six months for companies in the tourism sector.

Loans

The maturity extension prolongs the term of the loans by six months, without any change in the other contractual characteristics. Interest accrued during the moratorium period is calculated according to the contractual interest rate. It is charged on the first due date following the end of the extension period. Payment is spread out over the six months following the end of the moratorium period.

Leasing

The six-month moratorium results in a new payment schedule for the deferred instalments using either a straight-line or accelerated payment approach.

In return for this measure, Bpifrance applies an interest rate on the deferred instalments, calculated on the basis of the Group's carrying cost. This carrying cost is designed to cover the costs, risks, and expenses incurred by Bpifrance up until the deferred instalments are settled by the lessees.

• **Dynamic collective provisioning**

The economic context of 2020 required the application of several methodological adjustments to the calculation model of Bpifrance's collective provision. A sectoral adjustment for tourism companies was also carried out.

• Adaptation of Bpifrance's risk monitoring mechanism in the context of the Covid-19 pandemic

In the context of the Covid-19 pandemic, Bpifrance's risk management mechanism was adapted and strengthened throughout 2020.

2.1.2 Merger-absorption of Bpifrance SA by Bpifrance Financement

The merger-absorption of Bpifrance SA by its subsidiary Bpifrance Financement was approved by the Extraordinary General Meetings of the two entities on 18 December 2020.

Bpifrance Financement is a credit institution whose capital is 90.78%-held by Bpifrance SA, with the balance being mainly held by credit institutions and other financial institutions. Bpifrance SA is a financial company 50%-held by the French public institution EPIC Bpifrance and 50% by the Caisse des Dépôts et Consignations.

The purpose of this operation is increase the Bpifrance Group's ability to act as well as to streamline its organisation.

Legal framework

Bpifrance Financement 's capital amounts to €840 million, divided into 105 million shares with a par value of €8 each. On the date of the operation, a capital increase was carried out to compensate the contributions of Bpifrance SA, followed by a capital reduction aimed at cancelling the Bpifrance Financement shares contributed by Bpifrance SA.

Capital increase:

Bpifrance Financement carried out a capital increase in the amount of €5,351 million, through the issue of 668.9 million shares with a par value of €8 each.

The difference between the net assets contributed by Bpifrance SA, i.e. €21,776.5 million, and the amount of the capital increase constitutes a merger premium in the amount of €16,425.5 million.

Capital reduction:

Bpifrance Financement received 95.3 million of its own shares as part of the contributions. A capital reduction in the amount of €750.9 million was carried out in order to cancel 93.9 million of its securities. The Bpifrance Financement capital was thus reduced to €5,440 million.

The difference between the nominal value of the cancelled shares, i.e. €750.9 million and their net contribution value, i.e. €2,684.6 million, was deducted from the merger premium, whose final amount was €14,491.8 million.

A balance of 1.4 million treasury shares representing an amount of €42.3 million was maintained on the assets side of the balance sheet.

Following these operations, the Bpifrance entity (formerly Bpifrance Financement) is held equally by EPIC Bpifrance and Caisse des Dépôts et Consignations, with each holding 49.29%.

Bpifrance now includes the wholly-owned entities Bpifrance Participations and Bpifrance Assurance Export in its scope. These entities are fully consolidated in its consolidated financial statements.

Accounting framework

Effective date of the merger:

It was agreed to give the transaction retroactive effect as of 1 January 2020.

Principles retained for valuing the contributions:

As this is a transaction between companies under common control, the valuation of the assets and liabilities contributed is carried out at their net book value shown in the annual financial statements of Bpifrance SA as of 31 December 2019.

Expenses:

All costs, duties and fees incurred by the transaction were charged to the merger premium.

2.1.3 Relocating clearing of the derivative contract portfolio to the euro zone

On account of Brexit, in November 2020 Bpifrance transferred the clearing of its derivatives portfolio from London to Frankfurt.

Derivatives previously processed by the clearing house LCH are now cleared by Eurex.

This portfolio of nearly 800 contracts represents a notional amount of €25.8 billion. The impact of this operation on the profit and loss statement is not material.

2.2 Post-balance sheet events

No significant events occurred after the balance sheet date.

● NOTE 3 - RECEIVABLES FROM CREDIT INSTITUTIONS

(in millions of euros)	31/12/2020	31/12/2019
Demand deposits and overnight loans	554,9	303,3
Term accounts and loans	280,0	265,7
Subordinated loans	0,0	0,0
Securities received in repo transactions	0,0	0,0
Doubtful debts		
. <i>Gross amount</i>	0,0	0,0
. <i>Impairment</i>	0,0	0,0
Net amount of doubtful loans	0,0	0,0
Receivables	0,2	0,0
Total*	835,1	569,0
* of which refinancing loans for subsidiaries or equity interests	242,0	225,9

Breakdown of sound outstandings (excluding accruals) by residual maturity at 31 December 2020

(in millions of euros)	D ≤ 3 m.	3 m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Sound outstandings	580,0	19,9	99,3	135,7
	834,9			

● NOTE 4 - TRANSACTIONS WITH CUSTOMERS – ASSETS

This note describes loan and financing transactions for short-term receivables.

(in millions of euros)	31/12/2020	31/12/2019
Trade receivables	123,4	195,3
Overdrafts (excluding AFT)	19,4	18,8
Short-term credit facilities	3 367,4	4 585,6
Equipment loans	16 065,4	14 750,4
<i>of which restructured credits</i>	212,9	144,4
Accounts opened with Agence France Trésor	5 545,0	5 384,7
Credit export	441,1	294,4
Other loans and subordinated loans	13 733,5	11 196,7
<i>of which restructured credits</i>	168,0	169,0
Loans to financial customers	14,6	7,8
Doubtful debts		
. <i>Gross amount (1)</i>	1 692,8	1 481,6
. <i>Impairment</i>	-367,3	-273,2
. <i>Allocated callable guarantee funds (2)</i>	-418,6	-374,6
Net amount of doubtful loans	906,9	833,8
Receivables	68,5	40,4
Total(3)(4)	40 285,2	37 307,9
(1) Before deduction of any guarantees. (2) This item represents the impairment established on the guarantee funds. (3) Excluding collective provisions shown as balance sheet liabilities. (4) Of which eligible debts with the Eurosystem (ECB).	7 945,1	5 590,0

The total amount of doubtful receivables is broken down as follows:

(in millions of euros)	Doubtful outstandings	Compromised doubtful outstandings	TOTAL
Outstandings	455,7	1 237,1	1 692,8
Impairment	0,0	-367,3	-367,3
Allocated callable guarantee funds	-160,9	-257,7	-418,6
Net amount	294,8	612,1	906,9

Breakdown of loans outstanding (excluding related receivables) as at 31 December 2020

- By residual maturity

(in millions of euros)	D ≤ m.	3 m. <D ≤ 1 year	1 year <D ≤ 5 years	D > 5 years
Sound outstandings	7 267,4	7 147,2	16 095,2	8 800,0
	39 309,8			

- By economic business sectors

(in millions of euros)	Trade	Industry	Services	PW&CE	Tourism	TOTAL
Sound outstandings	3 606,3	8 480,1	24 348,3 *	1 230,2	1 644,9	39 309,8
Doubtful outstandings	192,9	410,5	970,0	58,3	61,1	1 692,8
Impairment	-84,3	-79,9	-110,6	-31,7	-60,8	-367,3

* Including €5,545 million with Agence France Trésor

- By major types of counterparty

(in millions of euros)	Central government agencies	Credit establishments	Non-credit institutions	Companies	Retail customers	TOTAL
Sound outstandings	5 687,8	0,0	14,6	33 605,7	1,7	39 309,8
Doubtful outstandings	0,0	0,0	0,0	1 692,8	0,0	1 692,8
Impairment	0,0	0,0	0,0	-367,3	0,0	-367,3

Securitisation

During the fiscal year 2019, Bpifrance securitised €2,001 million of medium- and long-term loans to customers (MLTL). Bpifrance is both the seller of the loans and the sole investor in the Securitisation Fund (FCT) to which the loans have been sold. This transaction enables the sold loans to be converted into securities eligible for the ECB's Targeted Longer-Term Refinancing Operations (TLTROs), thus benefiting from advantageous refinancing costs.

The securities subscribed by Bpifrance are recorded on the assets side of the balance sheet, in the investment portfolio, for an amount of €1,988 million as at 31 December 2020 (€2,001 million as at 31 December 2019).

A second operation of this type was carried out in fiscal year 2020 and concerns €2,002 million of unsecured loans (PSG).

The securities subscribed by Bpifrance are included in the investment portfolio, for an amount of €2,002 million as at 31 December 2020.

In order to optimise the operational processing of its digital loan offer for VSEs and SMEs launched in 2020, Bpifrance securitises all Rebound Loans distributed via its digital platform. Here again, Bpifrance is both the seller of receivables and the sole investor of the FCT.

The securities subscribed by Bpifrance are included in the investment portfolio, for an amount of €190 million as at 31 December 2020.

As Bpifrance retains all the risks and rewards of these loans through its subscriptions, the transactions are not deconsolidating for accounting purposes. FCTs are fully consolidated in Bpifrance's consolidated financial statements.

● NOTE 5 - FINANCE LEASE AND OPERATING LEASE TRANSACTIONS

Fund flows recorded during the 2020 fiscal year

(in millions of euros)	Finance lease and property leases	Finance lease and equipment	TOTAL
Gross value of fixed assets as at 31/12/2019	7 648,5	3 684,3	11 332,8
Entries	374,0	499,7	873,7
Exits	-449,7	-535,5	-985,2
Gross value of fixed assets as at 31/12/2020	7 572,8	3 648,5	11 221,3
Total depreciation and amortisation as at 31/12/2020	-2 402,3	-2 101,1	-4 503,4
Total impairment as at 31/12/2020*	-845,6	-3,0	-848,6
Total allocated guarantee funds as at 31/12/2020	-9,5	-4,1	-13,6
Net value of fixed assets as at 31/12/2020	4 315,4	1 540,3	5 855,7
Net receivables	187,4	143,6	331,0
Subtotal	4 502,8	1 683,9	6 186,7
Unrealised reserve	39,9	390,2	430,1
Net financial outstandings as at 31/12/2020	4 542,7	2 074,1	6 616,8
* Of which - Provisions Article 64 of the Sicomi Regime	-4,8	0,0	-4,8
- Provisions Article 57	-819,2	0,0	-819,2

● NOTE 6 - SECURITIES PORTFOLIO

6.1 Flows recorded during the 2020 fiscal year

(in millions of euros)	Public sector bills and similar securities	Bonds and other fixed-income securities	Shares and other variable income securities
Gross amount as at 31/12/2019	6 974,0	3 405,1	610,3
Entries	3 675,9	2 512,8	1 517,8
Exits	-1 023,7	-842,0	-1 198,3
Amortization of premiums/discounts	0,0	0,0	0,0
Change in related receivables	4,6	1,2	0,0
Gross amount as at 31/12/2020	9 630,8	5 077,1	929,8
Total impairment as at 31/12/2020*	0,0	-15,1	-0,8
Net amount as at 31/12/2020	9 630,8	5 062,0	929,0

* Impairment for unrealised capital losses and for doubtful receivables

The following table gives details of the share of securities held for the use of the guarantee funds:

(in millions of euros)	Public sector bills and similar securities	Bonds and other fixed-income securities	Shares and other variable income securities
Gross amount as at 31/12/2020	14,2	25,8	99,9
Related receivables at 31/12/2020	0,0	0,0	0,0
Total impairment	0,0	-1,5	0,0
Net amount as at 31/12/2020	14,2	24,3	99,9

Breakdown of the fixed income securities portfolio by residual duration as at 31 December 2020

(in millions of euros)	D ≤3 m.	3 m. <D ≤1 year	1 year <D ≤5 years	D >5 years	Receivables	TOTAL
Public sector bills and similar securities	0,0	549,9	3 796,9	5 207,7	76,3	9 630,8
Bonds and other fixed-income securities	66,5	0,0	178,8	4 812,6	4,1	5 062,0
	66,5	549,9	3 975,7	10 020,3	80,4	14 692,8
	14 612,4					

6.2 Breakdown by portfolio type (net amounts, including related receivables)

(in millions of euros)	31/12/2020						31/12/2019
	Public sector bills and similar securities	Bonds and other fixed-income securities		Shares and other variable income securities		TOTAL	TOTAL
		Listed securities	Unlisted securities	Listed securities	Unlisted securities		
Placements	1 847,0	755,1	4 257,1 (1)	713,3	215,7	7 788,2	3 856,2
Investments	7 783,8	49,8	0,0	0,0	0,0	7 833,6	7 127,6
Total	9 630,8	5 062,0 (2)		929,0		15 621,8	10 983,8

(1) See Note 4, "Securitization" section.

(2) Of which: - securities issued by the French State or local authorities: 0.0

- securities issued by other issuers: 5,062.0 million

Securities sold on repo amounted to €13,266.78 million at the end of 2020 versus €7,787.9 million at the end of 2019 (amounts expressed in net book value).

The net value of investment securities does not include any impairment for counterparty risk.

6.3 Transfers between portfolios and sale of investment securities before maturity

There were no transfers between portfolios, nor significant disposals of investment securities before maturity over the course of the fiscal year.

6.4 Portfolio valuation (including related receivables and excluding doubtful receivables) as of 31 December 2020

(in millions of euros)	Gross value difference	Market value	Difference	Unrealised capital losses (excluding doubtful receivables)	Unrealised capital gains
Market securities	7 804,1	7 885,9	81,8	-15,9	97,7
Investment securities*	7 833,6	8 443,3	609,7		

* The securities in the investment portfolio, mainly French OATs, participate in the overall management of the Institution's liquidity and interest rate positions, with the overall aim of hedging risks.

In particular, they enable the need for securities arising from the securing of interbank transactions and exchange systems to be met.

● **NOTE 7 - EQUITY INTERESTS AND OTHER LONG-TERM INVESTMENT SECURITIES, SHARES IN AFFILIATES**

7.1 Flows recorded during the 2020 fiscal year

	Equity interests	Other long-term securities	Share in affiliates
(in millions of euros)			
Gross amount as at 31/12/2019	14,1	15,5	78,6
Additions and other movements(1)	0,0	21,3	18 405,5
Exits and other movements	0,0	-0,2	0,0
Change in related receivables	0,0	0,0	11,5
Gross amount as at 31/12/2020	14,1	36,6	18 495,6
Total impairment as at 31/12/2020	-0,3	-0,9	-0,2
Net amount at 31/12/2020(2)	13,8	35,7	18 495,4
(1) See Note 2.1.2 "Significant events"			
(2) Of which: - Listed securities	0,0	0,0	0,0
- Unlisted securities	13,8	35,7	18 495,4

7.2 Equity interests and subsidiaries

Subsidiaries and equity interests (in thousands of euros)			Financial information									
			Capital	Reserves and retained earnings before allocation of earnings	Share of capital held as a percentage	Gross book value of securities held	Net book value of securities held	Loans and advances granted by the company and not yet repaid	Amount of sureties and endorsements given by the company	Revenue excluding taxes or NBI for the last fiscal year	Income (profit or loss for the last fiscal year)	Dividends collected by the company during the fiscal year
A - Detailed information on subsidiaries and equity interests representing at least 1% of the Company's share capital												
1. Subsidiaries (more than 50% of the capital held)												
	SIREN	Address										
AUXIFINANCES	352780605	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	57 188	1 486	100,0%	57 168	57 168	11 055		13 847	2 719	2 000
BPIFRANCE RÉGIONS	319997466	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	4 800	21 435	99,99%	9 797	9 797	1 944		6 689	3 090	
SCI TOPOR MONTAUBAN	340905389	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	0,8	-	100,0%	270	60	91		12	-87	
SCI BPIFRANCE	380974089	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	16	-	100,0%	105	105	8 257		21 674	226	259
BPIFRANCE BROKERAGE	351596572	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	306	449	100,0%	3 034	3 034			8 208	1 198	1 070
FCT BPIFRANCE SME 2019-1		27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	58	-	100,0%	58	58	6 800		2 541	-20 655	
FCT BPIFRANCE SME 2020-1		27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	95	-	100,0%	95	95	4 000		1 167	-36 347	
BPIFRANCE PARTICIPATIONS	509584074	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	15 931 803	200 000	100,0%	18 375 378	18 375 378			293 089	1 139 410	265 200
BPIFRANCE ASSURANCE EXPORT	815276308	27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	30 000	876	100,0%	30 000	30 000			47 385	3 456	900
2. Equity interests (10 to 50% of the capital held)												
	SIREN	Address										
ALSABAIL	718504004	7 place Sébastien Brant, 67000 Strasbourg	9 704	17 446	40,7%	5 365	5 365	244 024	10 000	4 773	1 230	-
EUREFI	382532554	CS 61428, 54414 Longwy Cedex	27 675	206	10,5%	2 919	2 919			-	811	-
CNRS INNOVATION	388461154	83 bld Exelmans, 75016 Paris	1 128	913	30,4%	343	343			4 464	6	-
IFCIC	327821609	46 avenue Victor-Hugo, 75016 Paris	5 455	8 643	25,5%	3 160	3 160			5 701	1 453	-
S.I.A.G.I.	775691074	2 rue Jean-Baptiste Pigalle, 75009 Paris	6 595	22 816	15,4%	4 165	4 165			14 318	2 990	-
SEML CORREZE EQUIPEMENT	502687817	9 rue René et Emile Fages 19000 Tulle	1 875	750	10,7%	200	123			410	24	-
SOGAMA	352086003	75 rue Saint-Lazare, 75008 Paris	13 089	2 249	40,9%	8 630	8 630			1 623	282	-
B - Overall information concerning subsidiaries and equity interests representing less than 1% of the Company's share capital												
1. Subsidiaries not included in paragraph A												
a. French subsidiaries (all)												
b. Foreign subsidiaries (all)												
2. Equity interests not included in paragraph A												
a. In French companies (all)						24 931	24 715					24
b. In foreign companies (all)						13	13					

7.3 Information on related parties

(in millions of euros)

COMMITMENTS GIVEN	31/12/2020
<i>Financing commitments</i>	
- Etablissements de crédit	0,0
- Clientèle	0,0
<i>Guarantee commitments</i>	
- Etablissements de crédit	0,0
- Clientèle	0,0
<i>Commitments on securities</i>	
- Etablissements de crédit	0,0
- Clientèle	0,0

Operations with related parties are negotiated at arm's length.

● NOTE 8 - TREASURY SHARES

(in millions of euros)

	31/12/2020			31/12/2019		
	Quantity	Gross value difference	Net book value	Quantity	Gross value difference	Net book value
Trading securities	0,0	0,0	0,0	0,0	0,0	0,0
Market securities	0,0	0,0	0,0	0,0	0,0	0,0
Capitalised securities	1 450 880	42,3	42,3	0,0	0,0	0,0
Total(1)	1 450 880	42,3	42,3	0,0	0,0	0,0

Par value of the share: €8

(1) See Note. 2.1.2 "Significant events"

● NOTE 9 - TANGIBLE AND INTANGIBLE FIXED ASSETS

(in millions of euros)	Intangible fixed assets	Tangible fixed assets		
		Land and Buildings		Other
		operating	non-operating	
Gross amount as at 31/12/2019	318,7	38,8	0,6	40,7
Acquisitions	66,3	6,8	0,0	4,2
Exits	-3,6	-2,9	0,0	0,0
Gross amount as at 31/12/2020	381,4	42,7	0,6	44,9
Total depreciation and amortisation as at 31/12/2020	-252,7	-27,2	-0,5	-34,5
Net amount as at 31/12/2020	128,7	15,5	0,1	10,4
Total	128,7	26,0		

Fixed assets are depreciated or amortised annually, on a straight-line basis for buildings, or fixtures and fittings, or on an accelerated basis for IT equipment, according to their estimated useful life, in general:

- Software: from 1 to 5 years;
- Buildings: from 25 to 55 years;
- Fittings, furnishings and office equipment: from 4 to 10 years;
- IT hardware: 4 years.

The amount of exceptional amortisation & depreciation was €13.6 million as at 31 December 2020.

● NOTE 10 - INNOVATION FINANCING AID

(in millions of euros)

Funds	Sound Gross Amounts	Doubtful Gross Amounts	Impairment	Allocated guarantee funds	TOTAL 31/12/2020	TOTAL 31/12/2019
Innovation aid - ISI*	463,3	188,1	0,0	-183,2	468,2	477,9
PMII - ISI 2008*	79,8	133,9	0,0	-132,9	80,8	85,0
FRGI*	23,8	4,1	0,0	0,0	27,9	27,2
DEEP TECH Industrial Innovation Fund	23,0	0,0	0,0	0,0	23,0	7,0
Aid on partners financing	35,4	36,2	0,0	0,0	71,6	75,6
FNI-FISO*	0,7	0,1	0,0	-0,1	0,7	0,8
Total	626,0	362,4	0,0	-316,2	672,2	673,5

* ISI: Industrial Strategy Innovation

PMII: *Programme Mobilisateur pour l'Innovation Industrielle* (Mobilising Programme for industrial innovation) initiated by the former

AI, *Agence pour l'Innovation Industrielle* (Industrial Innovation Agency)

FRGI: *Fonds Régionaux de Garantie de l'Innovation* (Innovation Guarantee Regional Fund)

FNI-FISO: *Fonds National d'Innovation - Fonds Innovation Sociale* (National Innovation Fund - Social Innovation Fund)

● NOTE 11 - OTHER ASSETS

(in millions of euros)	31/12/2020	31/12/2019
Guarantee margin paid on repos and interest rate swaps	205,5	180,5
Premiums on purchased conditional instruments	0,0	0,0
Subsidies to be received on leasing operations	1,7	5,9
Allocation to be received on guarantee funds	203,7	0,0
Allocation to be received on innovation financing aid	100,0	104,2
Allocation to be received on subsidised loans	95,0	5,2
Tax receivables	81,0	0,1
Other sundry debtors	106,9	101,8
Stocks and sundry assets	0,4	0,4
Total	794,2	398,1

● NOTE 12 - ACCRUALS – ASSETS

(in millions of euros)	31/12/2020	31/12/2019
Securities deposited for settlement	1,6	5,4
Adjustment accounts for off-balance sheet transactions in foreign currencies(1)	0,0	11,3
Loan issuance costs to be spread	20,4	21,1
Loan issuance premiums to be spread	74,7	57,3
Other prepaid expenses	132,3	114,1
Income to be received on forward financial instruments(2)	79,7	57,3
Proceeds to be received on leasing operations	3,5	3,7
Medium- and long-term direct debits in progress	8,2	6,3
Guarantee fee to be spread EMTN EPIC Bpifrance	19,5	25,6
Other	73,8	51,2
Total	413,7	353,3

(1) This item includes revaluation differences on off-balance sheet transactions put in place for the purpose of hedging balance sheet transactions.

(2) This income mainly represents the cumulative positive difference between interest receivable and interest payable for each interest rate swap contract.

● NOTE 13 - DEBTS DUE TO CREDIT INSTITUTIONS

(in millions of euros)	31/12/2020	31/12/2019
Demand deposits	107,1	2,1
Overnight borrowings	0,0	0,0
Term borrowings	834,7	1 051,9
. including resources from passbook savings accounts (Livret de Développement Durable)	750,0	950,0
. including KfW and CEB loans	51,1	66,7
Refinancing with the ECB(1)	14 800,0	4 300,0
Securities sold on repo(2)	3 216,3	5 689,9
Related liabilities(3)	-71,1	-46,7
Total	18 887,0	10 997,2
(1) Bpifrance subscribed to TLTRO III amounting to €14.8 billion as at 31 December 2020.		
(2) Of which - Public securities	3 216,3	5 689,9
- Bonds and other fixed-income securities	0,0	0,0
(3) Remuneration of a portion of the debts to lending institutions is at a negative interest rate		

Breakdown of debts (excluding accruals) by residual maturity as at 31 December 2020

(in millions of euros)			
D ≤ 3 m.	3 m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
2 644,9	1 151,0	15 152,2	10,0
18 958,1			

● NOTE 14 - TRANSACTIONS WITH CUSTOMERS – LIABILITIES

(in millions of euros)	31/12/2020	31/12/2019
Loan with EPIC Bpifrance	1 346,0	1 848,6
Security deposits	985,8	975,6
Ordinary credit accounts*	229,5	333,7
State shareholder advance: Capital Preservation Guarantee Fund	202,6	202,6
Funds received awaiting allocation		
. Short-term financing	161,0	152,0
. Medium- and long-term loans	73,3	56,2
Other payables	14,4	14,9
Total	3 012,6	3 583,6
* Of which - Bpifrance SA	0,0	74,1
- EPIC Bpifrance	21,7	131,8

Breakdown of customer deposits by residual duration as at 31 December 2020

(in millions of euros)	D ≤3 m.	3 m. <D ≤1 year	1 year <D ≤5 years	D >5 years
	622,8	672,4	1 295,3	422,1
	3 012,6			

● NOTE 15 - DEBTS REPRESENTED BY A SECURITY

Breakdown of outstanding debts by residual maturity as at 31 December 2020

(in millions of euros)	D ≤3 m.	3 m. <D	1 year <D	D >5 years		TOTAL
		≤1 year	≤5 years		Debts	
Interbank market securities and negotiable debt securities	1 994,0	2 299,8	199,0	0,0	-6,5	4 486,3
Bond loans	1 400,0	1 750,0	16 358,7	12 001,0	132,1	31 641,8
Total	3 394,0	4 049,8	16 557,7	12 001,0	125,6	36 128,1

● **NOTE 16 - OTHER LIABILITIES**

(in millions of euros)	31/12/2020	31/12/2019
Payments due on securities not fully paid up	0,0	0,0
Tax and company receivables	114,8	26,7
Guarantee margin received on repos and interest rate swaps	150,7	123,6
Premiums on conditional instruments sold	39,0	17,0
Advances from lessees	260,6	283,9
Equipment subsidies on finance lease operations	22,5	23,8
Suppliers of lease finance	53,0	54,5
Other miscellaneous creditors for leasing operations	0,5	3,3
Guarantee commissions earned in advance from customers	-0,5	0,4
Disputes to be paid on guarantee funds	790,9	854,0
Allocation of subsidised loans	198,6	50,2
Other sundry creditors	152,0	88,5
Miscellaneous advances	3,7	8,4
Total	1 785,8	1 534,3

● NOTE 17 - ACCRUALS – LIABILITIES

(in millions of euros)	31/12/2020	31/12/2019
Allocation to the Development Participatory Loan to be spread	253,0	109,4
Adjustment accounts for off-balance sheet transactions in foreign currencies(1)	20,4	1,8
Balances related to trading or termination transactions on interest rate swaps	8,9	3,0
Other deferred income	333,7	313,6
Expenses payable on forward financial instruments(2)	53,9	44,4
Provisions for paid holidays	37,4	31,9
Deferred finance lease rent	70,9	74,2
Subsidies to be paid on innovation aid	75,8	66,5
Guarantee commissions booked in advance	442,3	413,5
Innovation pending accounts	14,5	14,5
Cash on behalf of third parties	381,3	182,5
Miscellaneous	467,6	352,6
Total	2 159,7	1 607,9

(1) This item includes revaluation differences on off-balance sheet transactions put in place for hedging purposes involving balance sheet transactions.

(2) These expenses mainly represent the cumulative negative difference between interest receivable and interest payable on each interest rate swap contract.

● NOTE 18 - PROVISIONS

(in millions of euros)	31/12/2020	31/12/2019
Provisions on credit risks	634,1	378,9
Provisions for employee benefit commitments*	25,3	25,2
Provisions related to innovation activity	9,5	10,1
Other	15,6	7,7
Total	684,5	421,9

* Retirement lump sum benefits are covered by an insurance policy whose assets total €30.2 million.

● **NOTE 19 - SUBORDINATED DEBT, MUTUAL GUARANTEE DEPOSITS**

(in millions of euros)	31/12/2020	31/12/2019
Bpifrance SA subordinated term loan(1)	0,0	530,0
Reserve fund(2)	12,5	12,3
Mutual guarantee deposits	7,2	7,3
Debts	0,0	2,2
Total	19,7	551,8

(1) See Note. 2.1.2 "Significant events".

(2) This reserve fund was created by former OSEO guarantee shareholders; its purpose is to cover the outstanding guaranteed loans backed by it. Reimbursements to the latter require a decision from the shareholders.

● NOTE 20 - PUBLIC GUARANTEE FUNDS

20.1 Accounting position of the guarantee funds

(in thousands of euros)

Guarantee Fund	Balance of guarantee funds at 31 December 2019	2020 allocations	2020 repayments and redemptions	2020 results	Balance of guarantee funds at 31 December 2020	Repayment and interest in pay	Costs and Commissions Earned in advance	Guarantee fund accounting results
Reserve Fund								
RESERVE FUND	616 635	0	-3 483	2 820	617 968	0	0	617 968
MUTUAL FUND FOR GUARANTEE FUNDS	411 024	0	-150 514	2 451	262 960	0	0	262 960
AFT (Agence France Trésor)								
DEVELOPMENT OF SMES AND VSEs	52 361	0	-67 84	-23	-14 846	6 830	-43	-8 059
TEXTILES	29	0	0	0	29	8	0	35
CREATION OF SMES AND VSEs	69 103	0	-86 453	-59 997	535 83	329 426	41246	905 857
BUSINESS START-UP LOANS (PCB)	5 993	0	0	285	5 959	23	0	5 988
TRANSFER/BUY-OUT SMES AND VSEs	322 511	0	-41378	-9 918	282 217	144 622	21304	428 143
STRUCTURAL REINFORCEMENT FPN SMES VSEs	14 425	0	-9 558	-32	-2 205	15 803	196	13 794
CASH STREN. CO	27 641	0	-9 675	-800	10 165	15 505	217	25 887
INCREASING THE CASH POSITION	93 959	2 840	0	-5 830	90 260	34 564	4235	129 059
R&D MEDICINE	12 492	0	0	0	12 492	251	0	12 521
INNOVATION OF SMES AND VSEs	43 775	0	-11905	-2 958	28 912	46 259	2 209	77 380
OVER-MUTUALISATION FUND	0	0	0	0	0	0	0	0
SUPP. ST. FINANCING SMES AND VSEs	33 779	0	-11 968	1618	24 201	3 804	-12	27 993
INTERNATIONAL SHORT-TERM FACTORING	12 184	0	0	-1 087	11 107	2 445	2	13 554
VASSP	6 191	0	0	861	7 051	525	69	7 646
EQUITY GUARANTEE 2019/2020	67 618	6 850	0	-3 217	71 201	2 616	-26	73 719
EQUITY GUARANTEE - EF 2003/2004	1087	0	0	1	1072	0	0	1072
EQUITY GUARANTEE - EF 2007/2009	38	0	0	38	78	0	0	78
EQUITY GUARANTEE - EF 2010/2012	6 774	0	0	237	7 011	251	540	7 802
EQUITY GUARANTEE 2019/2019	8 531	0	0	844	9 375	95	0	9 570
EQUITY GUARANTEE 2019/2019	12 001	0	0	-1 459	10 543	878	1911	13 332
EQUITY GUARANTEE 2019/2019	35 916	0	0	-2 047	32 870	2 719	-137	35 552
PARTICIPATORY SEED LOAN	61 951	0	0	-4 151	57 700	9 586	3 965	69 602
PURSES ON INNOVATIVE PROJECTS	276	0	0	1	277	0	0	277
BIOTECHNOLOGY GUARANTEE	19 869	0	0	-982	18 707	449	-53	19 103
STRUCTURED FINANCING	31 655	0	0	476	31632	0	-74	31558
PARTICIPATORY DEVELOPMENT AGREEMENT (R&B) PMTR	536 052	38 320	0	-6 852	567 520	128 354	37 466	733 339
GREEN LOANS	48 267	0	0	-704	47 562	8 992	172	56 728
SUSTAINABLE DEVELOPMENT INNOVATION	43 975	0	0	-1 084	42 891	2 854	-8	51 758
WOOD PFD	7 685	0	0	78	7 714	71	0	7 800
ECO-ENERGY LOAN (PEE)	6 316	-1000	0	71	7 388	879	0	8 065
COCE PRE-FINANCING	23 611	0	0	-100	23 481	952	153	24 586
INNOVATION LOAN	1033	0	0	5	1038	4	0	1041
DIGITAL LOANS	90 360	12 209	0	-4 397	98 173	24 308	8 973	131 454
LCD	33 916	0	0	2 675	36 491	3 814	95	39 689
ROFRED	1633	0	0	-196	1437	417	12	1663
ROBOTICS LOAN	9 375	0	0	-215	9 160	2 262	0	11 431
INTERDEPENDENT ECONOMY (FRENCH ACRONYMS) LOAN	33 701	0	0	-389	33 312	4 412	1 183	38 907
INDUSTRY GROWTH LOAN	1679	0	0	-61	1618	110	2	1730
GREEN LOAN 2	20 772	0	0	223	20 995	4 798	564	26 358
PHET D'AMORCEUSE INVESTISSEMENT (INVESTMENT SEED)	29 231	0	0	480	29 711	3 312	2 033	35 557
PHET ENTREPRISES ET QUATRE COMPAGNY AND NEIGHB	46 629	11 250	0	-3 856	54 024	6 380	10 103	70 516
PHET CROSSANCE AUTOMOBILE (AUTOMOTIVE GROWTH LOAN)	2 046	0	0	-21	2 025	69	0	2 094
CASH-STRENGTHENING (RT) FOR LIVESTOCK FARMING	6 162	0	0	-1 966	4 196	7 027	491	12 514
PHET CROSSANCE INDUSTRIE 2 (INDUSTRY GROWTH LOAN)	12 912	0	0	-1 604	11 308	2 820	723	14 850
WOOD SECTOR LOAN	10 174	0	-29 900	-12 613	59 233	16 640	9 341	85 214
AGRICULTURAL METHANISATION LOAN	10 063	0	0	55	10 118	0	59	10 177
CREAT KIK 2019	10 060	0	0	51	10 111	0	44	10 155
DEV KIK 2019	1085	26 694	0	402	29 271	2 817	15 599	46 937
TRANS KIK 2019	268	0	0	28	297	1 903	6 298	10 405
CASH STRENGTHENING KIK	708	20 615	0	-82	21240	3 565	11 689	36 275
INTER DEV KIK	-372	2 785	0	-1 160	1254	2 818	2 621	6 692
CREA CG	44	0	0	-34	10	82	321	493
CREA ENH	926	30 401	0	1344	33 271	4 704	30 883	68 838
TRANS CG	979	3 707	0	422	4 309	876	4 444	9 528
DEV CG	-16	-1 494	0	81	1558	273	1374	3 205
RT CG	151	0	0	280	431	822	4 383	5 517
ADVANCE + OVERSEAS	18	1 834	0	154	2 104	595	1638	4 334
SUPPLEMENTARY COVID-19 CASH STREN. GUARANTEE SME	7 501	0	0	-51	7 450	500	-4	7 956
SUPPLEMENTARY COVID-19 CASH STREN. GUARANTEE MD	0	32 086	0	-295	31 771	307	27	32 044
SUPPLEMENTARY COVID-19 COL. GUARANTEE SME + VSE	0	32 086	0	92	32 167	0	279	32 447
SUPPLEMENTARY COVID-19 COL. GUARANTEE MD + TER COS	0	6 973	0	-263	5 910	284	0	6 944
COVID-19 CASH STREN. SME + VSE	0	1 283	0	2	1 285	0	0	1 285
COVID-19 CASH STREN. MD + TER COS	0	7 408	0	-82	7 346	72	28	7 446
COVID-19 COL. SME + VSE	0	21 377	0	9	21 386	0	44	21 430
COVID-19 COL. MD + TER COS	0	585	0	0	585	0	0	585
COVID-19 COL. MD + TER COS	0	581	0	0	581	0	0	581
ATOUT GUARANTEE SME	0	19 174	0	-4 116	15 058	7 073	2 473	22 611
ATOUT GUARANTEE MD + TER COS	0	33 346	0	-3 939	32 386	8 476	16 397	56 270
AUTOMOTIVE CASH STREN.	0	23 800	0	63	23 863	0	0	23 863
ACOME BPFRANCE GREEN LOAN	0	10 000	0	11	10 011	0	28	10 039
INJECTION METHANISATION LOAN	0	10 000	0	10	10 010	0	0	10 010
FRANCE DIGITAL	0	25 740	0	0	25 740	0	0	25 740
ENERGY SAVING LOAN (FOS PEE)	0	20 422	-5 422	6	15 006	0	0	15 006
GREEN LOAN 4	0	63 000	0	0	63 000	0	0	63 000
RECOVERY GROWTH LOAN	0	45 000	0	0	45 000	0	0	45 000
EB - FRENCH STATE	9	0	0	0	9	0	0	9
EASTERN COUNTRIES	17	0	0	0	17	0	0	17
EMEPIC	210	0	0	30	240	951	0	1 191
DEV LPT CAPITAL AND INDV. LOANS	191	0	0	2	193	80	0	373
YOUNG ENTREPRENEUR METAL	72	0	0	10	82	0	0	92
CASH STREN. SME - RT SME	44 841	0	0	-3 414	41 527	15 343	-54	56 816
SUPPLEMENTARY CASH STREN. GUARANTEE SME (G RT MD)	5 039	0	0	-94	4 955	8 217	-1	13 071
CASH STRENGTHENING FOR MD + TER COS - (RT MD + TER)	9 731	0	0	254	9 985	5 036	-173	16 847
SUPPLEMENTARY CASH STREN. GUARANTEE FOR MD + TER	6 442	0	0	-1 626	4 816	21 758	-59	26 515
CONFIRMED CREDIT LINES SME - (COL SME)	1068	0	0	594	1663	3 649	-4	5 308
SUPPLEMENTARY CONFIRMED CREDIT LINE GUARANTEE SM	1 405	0	0	45	1450	5 754	-85	7 719
CONFIRMED CREDIT LINES MD + TER COS - (COL MD + TER)	79	0	0	16	95	141	-10	225
SUPPLEMENTARY CONFIRMED CREDIT LINE GUARANTEE FQKP	508	0	0	37	545	427	-17	907
FQKP TRANCHE 1	20 190	0	0	-676	19 514	3 802	-31	23 285
FQKP TRANCHE 2	24 514	0	0	-429	24 085	10 470	-81	34 475
INTERNATIONAL DEVELOPMENT - T2	3 583	0	0	864	3 747	1317	-1	5 062
FQKP TRANCHE 3	59 089	0	0	1 738	60 827	29 456	2 979	93 262
INTERNATIONAL DEVELOPMENT - T3	2 497	0	0	-307	1890	4 216	88	6 196
FQKP TRANCHE 4	48 058	0	0	-5 398	42 660	44 603	22 985	110 249
INTERNATIONAL DEVELOPMENT - T4	-847	0	0	-776	-1623	3 825	894	2 898
DROM	52 426	0	0	-4 653	19 773	38 838	-624	67 987
CDC (Caisse des Dépôts et Consignations)								
FRANCE INVESTMENT GUARANTEE	520 885	21 300	0	-12 520	529 665	2 192	600	533 257
TOURISM LOAN	0	800 000	0	-523	99 877	960	449	900 461
Other Funds								
BSL DEV. TECHNOLOGY	0	0	0	0	0	0	0	0
EQUITY GUARANTEE - EROF OF	1782	0	0	2	1785	14	2	1800
NET ASSET VALUE GUARANTEE	5 774	0	0	0	5 774	0	0	5 774
UMM	193	0	-1	0	198	0	0	198
PPO UMM MD + PYRENEES	429	0	0	-70	359	1087	0	1427
ENTREPRENEUR CROSSANCE NETWORK	1386	0	0	-26	1360	256	35	1557
UMM MD + PYRENEES	866	0	0	15	882	19	0	900
UMM LMPCH	808	0	0	-84	724	978	0	902
COINNOVATION POL	607	0	-9	-77	520	230	1	751
BEST WESTERN	461	0	-481	0	0	0	0	0
FEDERATION NATIONALE DEL'HAILELLEMENT	895	0	-779	-24	91	72	1	94
PPO UMM GRAND NORD EST	644	0	0	-347	303	555	0	658
PPO UMM NATIONAL	637	0	0	0	637	0	0	637
PPO UMM NATIONAL 2	1218	0	0	-974	244	1 174	0	1 418
UMM FRENCH FAB	1587	0	0	-195	1412	975	0	1587
Other management	148 377	5 000	0	-4 616	148 762	0	0	264 003
GUARANTEE FUND	4 338 668	1 164 051	-1 442 164	-163 836	4 896 628	1 078 631	274 402	6 275 022

20.2 Earnings of the guarantee funds as at 31 December 2020

(in thousands of euros)

Business Fund	Financial income and net fees	Equity interest for capital gains and recoveries	Commissions	Doubtful provisions	Net doubtful expenses	Pro- litigation provisions	Results
Reserve Fund							
RESERVE FUND	2 820	0	0	0	0	0	2 820
MUTUAL FUND FOR GUARANTEE FUNDS	2 451	0	0	0	0	0	2 451
AFI (Agence France Trésor)							
DEVELOPMENT OF SMES AND VSES	236	0	-4	394	-43	4	-23
TEXTILES	0	0	0	1	0	0	0
CREATION OF SMES AND VSES	6 611	0	18 108	62 647	-80	22 446	-59 967
BUSINESS START-UP LOANS (PCE)	27	0	0	267	0	-4	269
TRANSFER-BUY-OUT SMES AND VSES	2 653	0	11 162	20 653	-62	12 326	-18 916
STRUCTURAL REINFORCEMENT FN SMES VSES	268	0	241	336	-25	252	-32
CASH-STREN CO	286	0	213	1 494	1	-159	800
INCREASING THE CASH POSITION	658	0	2 412	7 086	0	1 814	-5 830
RSE RECONVERSION	59	0	1	-66	0	0	127
INNOVATION OF SMES AND VSES	458	0	1 148	2 864	0	1 782	-2 958
OVER-MUTUALISATION FUND	0	0	0	0	0	0	0
SPECIF. ST FINANCING SMES AND VSES	287	0	377	-607	0	-346	1 618
INTERNATIONAL SHORT TERM FACTORING	107	0	116	731	0	846	-1 087
FABEP	47	0	588	-154	0	-31	861
EQUITY GUARANTEE 2001/2002	313	0	411	3 941	0	0	-3 217
EQUITY GUARANTEE - EF 2003/2004	5	0	0	0	0	0	5
EQUITY GUARANTEE - EF 2007/2009	0	39	0	0	0	0	39
EQUITY GUARANTEE - EF 2012/2012	33	205	0	0	0	0	237
EQUITY GUARANTEE 2015/2016	43	758	0	42	0	758	844
EQUITY GUARANTEE 2016/2016	55	-498	0	1 055	0	0	-1 459
EQUITY GUARANTEE 2016/2016	163	17	175	2 401	0	0	-2 047
PARTICIPATORY SEED LOAN	308	0	1 567	5 070	0	1 010	-4 131
SURETIES ON INNOVATIVE PROJECTS	1	0	0	0	0	0	1
BIO TECHNOLOGY GUARANTEE	92	127	101	1 217	0	88	-962
STRUCTURED FINANCING	140	0	333	0	0	476	0
PARTICIPATORY DEVELOPMENT AGREEMENT (RHE)	3 063	0	19 133	25 286	0	3 882	-6 852
PPMR	279	0	174	983	0	174	-704
GREEN LOANS	237	0	22	1 118	0	205	-1 064
SUSTAINABLE DEVELOPMENT INNOVATION	35	0	6	0	0	-35	76
WOOD PPD	33	0	0	330	0	-367	71
ECO-ENERGY LOAN (PEE)	117	0	115	229	0	134	-130
COCYRIS FINANCING	5	0	5	0	0	0	5
INNOVATION LOAN	514	0	2 726	6 294	0	1 342	-4 397
DIGITAL LOANS	180	0	635	2 070	0	-3 929	2 675
LCC	7	0	40	0	0	617	-569
ROFRED	52	0	0	190	0	72	-210
ROBOTICS LOAN	182	0	782	393	0	962	-389
INTERDEPENDENT ECONOMY (FRENCH ACRYLIMESS) LOAN	8	0	3	64	0	7	-61
INDUSTRY GROWTH LOAN	119	0	388	1 180	0	-886	223
GREEN LOAN 2	156	0	961	1 799	0	-1 163	480
PRÉT D'AMORÇAGE INVESTISSEMENT (INVESTMENT SEED LOAN)	234	0	2 114	4 002	0	2 201	-3 856
PRÉT ENTREPRISES ET QUARTIERS (COMPANY AND NEIGHBOURHOOD)	9	0	1	40	0	-9	-21
PRÉT CROISSANCE AUTOMOBILE (AUTOMOTIVE GROWTH LOAN)	54	0	227	1 367	0	80	-1 166
CASH-STRONG FINANCING (CASH-STRONG FINANCING)	64	0	217	1 258	0	-1 604	0
PRÉT CROISSANCE INDUSTRIE 2 (INDUSTRY GROWTH LOAN 2)	486	0	2 727	8 106	0	7 726	-12 613
WOOD SECTOR LOAN	46	0	9	0	0	0	55
AGRICULTURAL METHANISATION LOAN	46	0	5	0	0	0	51
CREAT KIK 2019	19	0	3 291	884	0	1 944	-482
DEV KIK 2019	7	0	1 652	162	0	1 468	29
TRANS KIK 2019	17	0	3 083	706	0	2 478	-462
CASH-STRONG KIK	1	0	524	301	0	1 787	-1 160
INTER DEV KIK	1	0	127	0	0	162	-34
CREA CG	26	0	6 559	1 706	0	2 935	1 944
CREA EX NI	4	0	1 125	330	0	376	423
TRANS CG	1	0	287	68	0	140	81
DEV CG	4	0	1 045	255	0	513	280
RT CG	-3	0	612	51	0	411	154
ADVANCE + OVERSEAS	34	0	35	0	0	120	-51
SUPPLEMENTARY COVID-19 CASH-STREN. GUARANTEE SME-VSE	6	0	6	0	0	307	-295
SUPPLEMENTARY COVID-19 CASH-STREN. GUARANTEE MD-TER CO	6	0	96	0	0	0	102
SUPPLEMENTARY COVID-19 CCL GUARANTEE SME-VSE	1	0	20	0	0	284	-263
SUPPLEMENTARY COVID-19 CCL GUARANTEE MD-TER COS.	0	0	2	0	0	0	2
COVID-19 CASH-STREN. SME-VSE	1	0	9	0	0	72	-62
COVID-19 CASH-STREN. MD-TER COS.	4	0	5	0	0	0	9
COVID-19 CCL SME-VSE	0	0	0	0	0	0	0
COVID-19 CCL MD-TER COS.	0	0	0	0	0	0	0
ATOUT GUARANTEE SME	22	0	732	0	0	7 072	-6 318
ATOUT GUARANTEE MD-TER COS.	67	0	4 450	0	0	8 476	-3 959
AUTOMOTIVE CASH-STREN.	63	0	0	0	0	0	63
ADOME BP FRANCE GREEN LOAN	11	0	0	0	0	0	11
ALUECTION METHANISATION LOAN	10	0	0	0	0	0	10
FRANCE DIGITAL	0	0	0	0	0	0	0
ENERGY SAVING LOAN (POS PEE)	6	0	0	0	0	0	6
GREEN LOAN 4	0	0	0	0	0	0	0
RECOVERY GROWTH LOAN	0	0	0	0	0	0	0
EBI - FRENCH STATE	0	0	0	0	0	0	0
EASTERN COUNTRIES	0	0	0	0	0	0	0
SMEPIC	5	0	0	-23	-2	0	30
DEV. FT. CAPITAL AND IND. / LOANS	2	0	0	0	0	0	2
YOUNG ENTREPRENEUR NETAL	0	0	0	-9	-1	0	10
CASH-STREN. SME - (RT SME)	448	0	60	3 972	0	-6	-3 414
SUPPLEMENTARY CASH-STREN. GUARANTEE SME (S RT SME)	77	0	10	247	0	77	-184
CASH-STRENGTHENING FOR MD-TER COS. - (RT MD-TER COS.)	95	0	75	-170	0	86	254
SUPPLEMENTARY CASH-STREN. GUARANTEE FOR MD-TER COS.	157	0	11	1 802	0	-8	-1 626
CONFIRMED CREDIT LINES SME - (CCL SME)	25	0	0	-569	0	0	594
SUPPLEMENTARY CONFIRMED CREDIT LINE GUARANTEE SME (S CO)	33	0	2	-11	0	0	45
CONFIRMED CREDIT LINES MD-TER COS. - (CCL MD-TER COS.)	1	0	1	0	0	-14	16
SUPPLEMENTARY CONFIRMED CREDIT LINE GUARANTEE MD-TER	8	0	3	-23	0	-3	37
FOXP TRANCHE 1	0	0	57	1 044	-2	-310	-676
FOXP TRANCHE 2	276	0	395	1 222	-1	-121	-429
INTERNATIONAL DEVELOPMENT - T2	36	0	15	-58	0	-54	164
FOXP TRANCHE 3	685	0	1 533	1 378	0	-783	1 738
INTERNATIONAL DEVELOPMENT - T3	61	0	71	541	0	-75	-307
FOXP TRANCHE 4	676	0	7 673	7 640	3	6 104	-5 398
INTERNATIONAL DEVELOPMENT - T4	26	0	352	719	0	435	-776
OBOM	844	0	168	5 131	0	552	-4 653
CSC (Caisse des Dépôts et Consignations)							
FRANCE RIVER TREATMENT GUARANTEE	0	1 484	61	14 387	15	0	-12 520
TOURISM LOAN	0	0	17	0	0	140	-123
Other funds							
EBI - DEV. TECHNOLOGY	0	0	0	0	0	0	0
EQUITY GUARANTEE - EROF EF	0	0	2	0	0	0	2
NET ASSET VALUE GUARANTEE	0	0	0	0	0	0	0
UMM	0	0	0	0	0	0	0
PPD UMM/MED-PYRENEES	0	0	0	105	0	-35	-70
ENTREPRENEUR CROISSANCE NETWORK	0	0	23	161	0	-109	-28
UMM/MEDITERRANEE	0	0	0	0	0	-15	15
UMM/LM PCH	0	0	0	3	0	81	-84
CCI INNOVATION POL	0	0	1	130	0	-51	-77
BEST WESTERN	0	0	0	0	0	0	0
FEDERATION NATIONALE DEL HABILLEMENT	0	0	0	-17	0	42	-24
PPD UMM/GRAND NORD EST	0	0	0	218	0	123	-341
PPD UMM/NATIONAL	0	0	0	0	0	0	0
PPD UMM/NATIONAL 2	0	0	0	101	0	873	-974
UMM/FRENCH FAB	0	0	0	0	0	175	-175
Other management	0	108	915	-890	-4 749	0	-4 615
GUARANTEE FUND	27 991	2 241	102 754	204 992	-4 946	87 796	-163 896

Note 21 - Net resources for innovation-related activity

21.1 Accounting position of the intervention guarantee funds

(in millions of euros)

Funds	Balance at 31/12/2019	2020 allocations	2020 repayments and redeployments	2020 results	Balance at 31/12/2020	Sound recoverable advances	Sound innovation loan amounts outstanding
Innovation aid - ISI	917,3	114,1	0,0	-116,0	915,4	463,3	905,9
PMII - ISI 2008	105,2	0,0	0,0	-0,2	105,0	79,8	0,0
FRGI	0,0	0,0	0,0	0,0	0,0	23,8	36,6
Aid on partners financing	248,3	19,0	0,0	-24,5	242,8	35,4	41,2
DEEP TECH Industrial Innovation Fund	34,2	85,0	0,0	-33,0	86,2	23,0	0,0
Overseas Departments and Territories	6,0	4,0	0,0	-3,0	7,0	0,0	0,0
FNI-FISO	8,6	0,0	0,0	0,0	8,6	0,7	1,4
Total	1 319,6	222,1	0,0	-176,7	1 365,0	626,0	985,1

21.2 Earnings of the intervention guarantee funds as at 31 December 2020

(in millions of euros)

Funds	Subsidies	Provisions, losses & recognised failures	Appraisals & miscellaneous expenses	Financial earnings & charges	Miscellaneous proceeds	Earnings at 31/12/2020
Innovation aid - ISI	-43,4	-75,1	-0,2	0,0	2,7	-116,0
PMII - ISI 2008	2,3	-4,7	0,0	0,0	2,1	-0,3
Aid on partners financing	-20,0	-4,7	-1,1	0,0	1,3	-24,5
DEEP TECH Industrial Innovation Fund	-32,2	0,0	-0,7	0,0	0,0	-32,9
Overseas Departments and Territories	-3,0	0,0	0,0	0,0	0,0	-3,0
FNI-FISO	0,0	0,0	0,0	0,0	0,0	0,0
Total	-96,3	-84,5	-2,0	0,0	6,1	-176,7

● NOTE 22 - CHANGE IN SHAREHOLDERS' EQUITY

	31/12/2019	Assignment of 2019 earnings	Other movements	31/12/2020
(in millions of euros)				
Subscribed capital	839,9	0,0	4 600,1 ⁽¹⁾	5 440,0
Issue premiums	971,6	0,0	14 490,4 ⁽¹⁾	15 462,0
Merger premiums	211,9	0,0	0,0	211,9
Legal reserve	59,1	12,3	0,0	71,4
Other reserves	164,6	0,0	0,0	164,6
Regulated provisions, investment subsidies	90,9	0,0	-13,6 ⁽²⁾	77,3
Retained earnings	671,8	234,6	0,0	906,4
Fiscal year earnings	246,9	-246,9	-47,9	-47,9
Total	3 256,7	0,0	19 029,0	22 285,7

(1) See Note 2.1.2 "Significant events".

(2) Accelerated amortisation of software

The share capital consists of 680 million ordinary registered shares with a par value of €8, all fully paid-up.

The majority of the share capital must remain in the ownership of the French State, a French State institution, public body or public corporation.

● NOTE 23 - EURO EQUIVALENT OF FOREIGN CURRENCY TRANSACTIONS

(in millions of euros)	31/12/2020	31/12/2019
Assets	2,0	2,2
Liabilities	367,2	306,8

These net balance sheet positions are covered by off-balance-sheet operations.

● **NOTE 24 - TABLE OF IMPAIRMENT FLOWS AND PROVISIONS**

	Impairment and provisions at 31/12/19	Allocations to impairment and provisions	Reversals of impairment and available provisions	Reversals of impairment and provisions used(1)	Other changes(2)	Impairment and provisions as at 31/12/20	Unrecoverable receivables not covered by provisions	Recoveries of amortised receivables	IMPACT ON INCOME(3)
(in millions of euros)									
Impairment & provisions for bad debts and credit risk	652,1	548,2	172,5	25,7	-0,6	1 001,5	5,8	2,6	-378,9
- <i>Impairment of doubtful loans</i>	273,2	152,7	32,3	25,7	-0,6	367,3	5,7	2,6	-123,5
. Interbank loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer loans	273,2	152,7	32,3	25,7	-0,6	367,3	5,7	2,6	-123,5
. Securities & other transactions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. <i>Collective credit risk provision</i>	375,6	394,8	137,5	0,0	0,0	632,9	0,0	0,0	-257,3
- <i>Other provisions</i>	3,3	0,7	2,7	0,0	0,0	1,3	0,1	0,0	1,9
Other operating provisions	43,0	12,7	5,3	0,0	0,0	50,4			
Fund for general banking risks	235,2	0,0	0,0	0,0	0,0	235,2			

(1) Reversals correspond to write-offs as losses.

(2) Changes in scope, exchange rates and reclassifications of provisions.

(3) -/+ Net additions or reversals

- Non-recoverable receivables

+ Recoveries on impaired receivables

NOTE 25 - OFF-BALANCE SHEET COMMITMENTS**25.1 Commitments given**

	31/12/2020	31/12/2019
(in thousands of euros)		
AFT (Agence France Trésor)		
Creation of SMEs and VSEs	2 862 146	3 654 996
Transfer/buy-out of SMEs and VSEs	1 394 798	1 781 632
Strengthening of the financial structure of SMEs and VSE	267 875	394 414
Innovation of SMEs and VSEs	162 349	178 484
Specific short-term financing for SMEs and VSEs	216 031	233 552
Cash strengthening SMEs & mid-tier companies	7 079	10 552
Supplementary cash strengthening guarantee SMEs & mid-tier comp	709	1 613
Confirmed credit lines for SMEs, VSEs and mid-tier companies	18	27
Supplementary cash strengthening guarantee SMEs, VSE and mid-ti	120	311
FGKP	1 234 678	1 560 516
FASEP	90 409	99 955
Equity guarantee (excluding ERDF IF)	26 597	30 772
Participatory Seed Loan	40	40
Sureties on innovative projects	147	147
Biotechnology guarantee	10 145	13 063
Structured financing	23 760	27 331
PPMTR	31	38
Sustainable Development Innovation	859	1 093
Development of SMEs and VSEs	205	597
Cash-Strengthening for Livestock Farming	26 126	32 860
Agricultural methanisation loan	701 339	468 644
CREAT K/K 2019	319 480	220 799
DEV K/K 2019	709 563	472 839
TRANS K/K 2019	89 579	76 993
INTER DEV K/K	20 674	17 638
CREA CG	783 106	287 723
CREA EX NI	107 503	38 217
TRANS CG	50 982	18 639
DEV CG	145 972	58 168
RT CG	53 149	32 194
Supplementary National Cash Stren. Guarantee Fund VSE-SME Cor	20 467	0
Supplementary National Cash Stren. Guarantee Fund mid-tier compa	16 207	0
Supplementary National CCL Guarantee Fund VSE-SME Coronavirus	29 376	0
Supplementary National CCL Guarantee Fund mid-tier companies Co	5 568	0
National Cash Stren. Guarantee Fund VSE-SME Coronavirus	2 719	0
National Cash Stren. Guarantee Fund mid-tier companies Coronavi	1 415	0
National CCL Guarantee Fund VSE-SME Coronavirus	3 950	0
National CCL Guarantee Fund mid-tier companies Coronavirus	4 550	0
CDC (Caisse des Dépôts et Consignations)		
France Investissement Garantie	113 675	116 396
Other funds		
UIMM	10	34
Other management	1 568 500	276 747
DROM		
DROM	26 758	39 256
Guarantee fund commitments	11 098 666	10 146 280
Doubtful guarantee fund commitments		
	1 792 527	1 791 540
Total guarantee fund commitments		
	12 891 193	11 937 820

Guarantee commitments correspond to repayment guarantees on loans distributed by credit institutions. They are primarily backing guarantee funds. The amount of guarantees given to Bpifrance loans amounted to €8,659.6 million.

Furthermore, guarantee contracts not yet completed as at 31 December 2020 totalled €638.3 million.

25.2 Commitments received

Of the financing commitments received from credit institutions, €2,800 million came from commitments received on repos and €700 million from Caisse des Dépôts et Consignation.

● **NOTE 26 - FOREIGN CURRENCY TRANSACTIONS AND FORWARD FINANCIAL INSTRUMENTS**

	31/12/2020								31/12/2019	
	Hedge				Position management*		TOTAL		TOTAL	
	Micro		Macro		Nominal	Market value	Nominal	Market value	Nominal	Market value
	Nominal	Market value	Nominal	Market value						
(in millions of euros)										
<u>OTC transactions performed</u>										
. Currency swap contracts	358,4	-17,0	0,0	0,0	27,9	0,0	386,3	-17,0	295,7	9,7
. Interest rate swap contracts	0,0	0,0	51 815,7	-646,6	0,0	0,0	51 815,7	-646,6	41 840,4	94,0
. Interest rate caps and floors	0,0	0,0	1 055,6	-43,6	0,0	0,0	1 055,6	-43,6	451,1	-12,5
<u>Transactions carried out on official markets</u>										
. Interest rate contracts sold firm	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Interest rate contracts purchased firm	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total	358,4	-17,0	52 871,3	-690,2	27,9	0,0	53 257,6	-707,2	42 587,2	91,2

* Isolated open positions.

Breakdown by residual maturity as at 31 December 2020

(in millions of euros)	D <1 year	1 year <D ≤5 years	D >5 years
OTC transactions performed	7 291,3	31 030,2	14 936,2
Transactions carried out on official markets	0,0	0,0	0,0

The notional amount of contracts listed above serves only as an indication of activity volume; the counterparty risk attached to the forward financial instruments used by Bpifrance is assessed according to the methodology used to calculate European prudential ratios as at 31 December. As such, it takes account of the impact of the offset contracts in effect at that date and of the guarantees received. It breaks down as follows:

(in millions of euros)	31/12/2020	31/12/2019
<i>Positive replacement cost(1)</i>	782,3	674,7
Risk with central administrations and equivalents	0,0	0,0
Risks with lending establishments in zone A(3)	782,3	0,0
Customer risks	0,0	0,0
<i>Potential credit risk(2)</i>	380,4	325,8
Total exposure (1)+(2)	1 162,7	1 000,5
Incidence of offsetting agreements	-846,0	-718,1
Incidence of guarantees received	-132,6	-122,4
Total after the impact of offsetting agreements and guarantees received	184,1	160,0
Weighted credit risk equivalent(4)	7,0	4,8
(1) Corresponds to positive net unrealised gains, before application of weighting linked to the nature of the counterparty:		
- interest rate instruments	782,3	661,3
- exchange rate instruments	0,0	13,4

(2) The potential credit risk is calculated on the basis of the total nominal amount multiplied by the mark-up factor depending on the remaining life of the transactions and the contract type, before applying the weighting rates.

● NOTE 27 - INTEREST AND SIMILAR INCOME

(in millions of euros)	31/12/2020	31/12/2019
Transactions with lending institutions	104,2	52,9
Transactions with customers(1)	829,5	757,8
- <i>Overdrafts</i>	0,0	0,0
- <i>Export loans</i>	3,8	2,1
- <i>Short-term credit facilities</i>	41,1	59,9
- <i>Medium & long-term loans</i>	408,9	344,3
- <i>Sundry loans & subordinated debt</i>	274,7	238,6
- <i>Off-balance sheet transactions</i>	101,0	112,9
Bonds and other fixed-income securities	231,4	263,6
Financial instruments for hedging purposes	27,4	18,9
Total(2)	1 192,5	1 093,2
(1) Of which reversal of impairment for doubtful receivables through the passage of time (See Note 1.2)	0,6	0,6
(2) Of which negative interest on liabilities and securities issuances	112,3	60,6

● NOTE 28 - INTEREST AND SIMILAR EXPENSES

(in millions of euros)	31/12/2020	31/12/2019
Transactions with lending institutions	-49,8	-70,7
Customer transactions	-132,1	-139,1
Bonds and other fixed-income securities	-322,8	-311,8
- <i>Commitments</i>	-319,7	-304,0
- <i>Negotiable debt securities</i>	-3,1	-7,8
- <i>Subordinated securities</i>	0,0	0,0
- <i>Result of micro-hedging</i>	0,0	0,0
Other interest and similar charges	-0,2	-0,2
Financial instruments for hedging purposes	-0,8	0,0
Total*	-505,7	-521,8
* Of which negative interest on receivables and securities portfolios	-2,5	-3,1

● NOTE 29 - INCOME FROM FINANCE LEASE AND OPERATING LEASE OPERATIONS

(in millions of euros)	31/12/2020	31/12/2019
Rents	1 160,8	1 201,6
Other proceeds	99,4	98,5
Capital gains	38,1	50,2
Cost of risk	-18,5	-11,0
Total	1 279,8	1 339,3

● NOTE 30 - EXPENSES ON FINANCE LEASE AND OPERATING LEASE OPERATIONS

(in millions of euros)	31/12/2020	31/12/2019
Depreciation allowances	-981,6	-773,6
Allocation to special provisions	-146,3	-145,0
Capital losses	-42,7	-43,0
Other expenses	-97,6	-94,6
Total	-1 268,2	-1 056,2

● NOTE 31 - INCOME FROM VARIABLE INCOME SECURITIES

(in millions of euros)	31/12/2020	31/12/2019
Equity interests	0,0	0,1
Other long-term securities	0,0	0,0
Shares in affiliated companies*	302,6	10,6
Total	302,6	10,7

* of which:

- Bpifrance Participations dividends: €265.2 million.
- Excess Spread of self-held securitisation operations 1 and 2: €33.4 million.

● NOTE 32 - COMMISSIONS

(in millions of euros)	31/12/2020	31/12/2019
Proceeds		
Commissions on transactions with customers	19,9	14,8
Commissions on the delivery of financial services	0,0	0,0
Total	19,9	14,8
Expenses		
Expenses on securities transactions	-1,8	-2,6
Total	-1,8	-2,6

● NOTE 33 - GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS

(in millions of euros)	31/12/2020	31/12/2019
Trading securities	0,0	0,0
Foreign exchange transactions	-0,1	0,1
Transactions involving financial instruments	5,7	0,0
Total	5,6	0,1

● NOTE 34 - GAINS OR LOSSES ON INVESTMENT PORTFOLIO AND SIMILAR TRANSACTIONS

(in millions of euros)	31/12/2020	31/12/2019
Net allocations to and write-backs of impairment	-9,0	-3,1
Disposal capital losses	-99,8	-0,1
Disposal capital gains	3,9	0,0
Total	-104,9	-3,2

● NOTE 35 - OTHER OPERATING INCOME

(in millions of euros)	31/12/2020	31/12/2019
Income charged to Group companies	26,1	29,7
Other expenses charged back	1,6	1,7
Use of partner resources in financing of innovation aid	0,5	0,7
Commissions on recoveries and insurance income	19,6	19,5
Recovery of available provisions	0,6	0,0
Share of investment subsidies	1,1	1,5
Miscellaneous proceeds related to innovation activity	20,9	12,0
Management proceeds on DROM managed funds	0,5	0,8
Other proceeds	10,0	9,7
Total	80,9	75,6

● NOTE 36 - OTHER OPERATING EXPENSES

(in millions of euros)	31/12/2020	31/12/2019
Depreciation/amortisation allowances for intangible and tangible non-operating fixed assets	0,0	0,0
Entrepreneurship and Region activity grants	-49,4	0,0
Allocations to provisions for liability litigation and banking operations	-8,8	-0,2
Retrocession of revenue from		
Regional Department for Industry, Research and the Environment grants	-0,7	-0,9
Other expenses	-4,8	-6,3
Total	-63,7	-7,4

* Note 2.1.2 "Significant events"

● NOTE 37 - GENERAL OPERATING EXPENSES

(in millions of euros)	31/12/2020	31/12/2019
Personnel costs		
- Salaires et traitements	-153,6	-141,3
- Charges des régimes à cotisations définies	-17,8	-16,5
- Charges des régimes à prestations définies	-3,0	-4,8
- Autres charges sociales	-54,8	-49,7
- Intéressement et participation	-17,4	-16,5
- Charges fiscales	-17,5	-14,3
- Dotations/reprises provisions pour engagements vis-à-vis du personnel	-3,8	-8,1
Subtotal	-267,9	-251,2
Duties and taxes	-22,5	-27,7
Other administrative costs	-210,2	-159,2
Total	-500,6	-438,1

37.1 Breakdown of fair value of assets covering retirement commitments

The breakdown of the fair value of the plan's assets between different categories is based on the nature of the assets and on the attached risks.

	31/12/2020	31/12/2019
	in %	in %
UCITS		
Monetary	3%	2%
Other	4%	4%
Equities	16%	17%
Bond	77%	77%
Total	100%	100%

37.2 Change in obligations in respect of post-employment benefits

	Retirement lump sum benefits			Health expenses	Long-service awards	TOTAL 31/12/2020		
	Commitments with respect to defined benefits	Plan assets	Net liabilities /(assets)			Commitment s	Plan assets	Net liabilities /(assets)
(in millions of euros)								
Opening balance	33,2	27,9	5,3	1,8	1,2	36,1	27,9	8,3
- Cost of services rendered during the period	2,1	0,0	2,1	0,0	0,2	2,2	0,0	2,2
- Interest on liabilities/assets relating to defined benefits	0,2	0,0	0,2	0,0	0,0	0,2	0,0	0,2
- Cost of past services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Transfer of AFE personnel	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Contribution to the employer's plan	0,0	5,3	-5,3	0,0	0,0	0,0	5,3	-5,3
- Contribution to the participant's plan	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss resulting from liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid services	-3,0	-3,0	0,0	-0,1	-0,1	-3,2	-3,0	-0,2
- Actuarial differences	0,7	0,1	0,7	0,0	-0,1	0,6	0,1	0,6
> of which actuarial gains & losses for the period relating to experience adjustments	0,5	0,0	0,5	0,0	-0,1	0,4	0,0	0,4
> of which actuarial gains & losses on adjustments relating to demographic assumptions	-0,4	0,0	-0,4	0,0	0,0	-0,4	0,0	-0,4
> of which actuarial gains & losses on adjustments to financial assumptions	0,6	0,1	0,5	0,0	0,0	0,6	0,1	0,6
Closing balance	33,2	30,2	3,0	1,6	1,2	36,0	30,2	5,8

	Retirement lump sum benefits			Health expenses	Long-service awards	TOTAL 31/12/2019		
	Commitments with respect to defined benefits	Plan assets	Net liabilities /(assets)			Commitment s	Plan assets	Net liabilities /(assets)
(in millions of euros)								
Opening balance	29,9	25,1	4,8	1,8	1,1	32,8	25,1	7,7
- Cost of services rendered during the period	1,7	0,0	1,7	0,0	0,2	1,8	0,0	1,8
- Interest on liabilities/assets relating to defined benefits	0,3	0,0	0,3	0,0	0,0	0,3	0,0	0,3
- Cost of past services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Effects of fluctuations in foreign currencies	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Transfer of AFE personnel	0,7	0,0	0,7	0,0	0,0	0,7	0,0	0,7
- Contribution to the employer's plan	0,0	4,7	-4,7	0,0	0,0	0,0	4,7	-4,7
- Contribution to the participant's plan	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss resulting from liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid services	-2,0	-2,0	0,0	-0,1	-0,1	-2,2	-2,0	-0,2
- Actuarial differences	2,7	0,0	2,7	0,0	0,0	2,7	0,0	2,7
> of which actuarial gains & losses for the period relating to experience adjustments	-0,1	0,0	-0,1	0,0	0,0	-0,2	0,0	-0,2
> of which actuarial gains & losses on adjustments relating to demographic assumptions	1,3	0,0	1,3	0,0	0,0	1,3	0,0	1,3
> of which actuarial gains & losses on adjustments to financial assumptions	1,5	0,0	1,5	0,1	0,0	1,6	0,0	1,6
Closing balance	33,2	27,9	5,3	1,8	1,2	36,1	27,9	8,3

● **NOTE 38 - COST OF RISK**

	31/12/2020			
	Reduction to assets	Collective provisions	Other liabilities	TOTAL
(in millions of euros)				
Net allocations to and write-backs of impairment and provisions	-120,4	-257,3	2,1	-375,6
Non-provisioned losses	-5,7	0,0	-0,2	-5,9
Recoveries of amortised receivables	2,6	0,0	0,0	2,6
Balance	-123,5	-257,3	1,9	-378,9

	31/12/2019			
	Reduction to assets	Collective provisions	Other liabilities	TOTAL
(in millions of euros)				
Net allocations to and write-backs of impairment and provisions	-67,9	13,2	-0,1	-54,8
Non-provisioned losses	-9,3	0,0	-0,1	-9,4
Recoveries of amortised receivables	3,2	0,0	0,0	3,2
Balance	-74,0	13,2	-0,2	-61,0

● **NOTE 39 - GAINS OR LOSSES ON NON-CURRENT ASSETS**

31/12/2020					31/12/2019
Investment securities	Tangible and intangible operating assets	Equity interests and other securities held long term	TOTAL		TOTAL
		Share in affiliates			
0,0	0,0	0,0	0,0		-0,1
0,0	0,0	0,0	0,0		0,0
0,0	0,0	0,0	0,0		0,0
0,0	0,2	0,0	0,2		0,0
0,0	0,2	0,0	0,2		-0,1

● NOTE 40 - RECONCILIATION BETWEEN THE CORPORATE RESULT AND FINANCIAL RESULT

	31/12/2020		
	Finance lease and property leases	Finance lease and equipment	TOTAL
(in millions of euros)			
Allocations to accounting depreciation & amortisation	-325,4	-656,3	-981,7
Accounting capital gains or losses	2,6	-7,2	-4,6
Total	-322,8	-663,5	-986,3
Allocations to financial depreciation & amortisation	-326,7	-569,1	-895,8
Financial capital gains or losses	2,6	0,3	2,9
Financial impairment on asset items	1,5	-0,3	1,2
Total	-322,6	-569,1	-891,7
Variation in latent reserve	0,2	94,4	94,6

● NOTE 41 - MAIN INTERIM FINANCIAL MANAGEMENT BALANCES

(in millions of euros)	31/12/2020	31/12/2019
NET BANKING INCOME	1 045,5	797,5
General operating expenses	-500,6	-438,1
Depreciation, amortisation & impairment on tangible and intangible fixed assets	-38,7	-35,6
GROSS OPERATING INCOME	506,2	323,8
Cost of risk	-392,8	-61,7
NET OPERATING INCOME	113,4	262,1
Gains or losses on non-current assets	0,2	-0,1
CURRENT INCOME BEFORE TAXES	113,6	262,0
Extraordinary profit or loss	0,0	0,0
Income tax	-80,5	-133,0
Charges to/recoveries from the FGBR & regulatory provisions	13,6	-27,8
Net Earnings	46,7	101,2

● NOTE 42 - TAX SITUATION

Corporate tax is recorded using the tax payable method.

The taxable income of the company for 2020 (provisional) at the basic rate is a profit of €245.3 million, taking into account the main net add-backs or deductions as follows:

(in millions of euros)

Pre-tax book income for the fiscal year	32,6
Dividends	-266,5
Spreading of subsidised loan budget	143,6
Net allowance of collective provision	257,3
Handling and administration charges to be spread	-1,8
Taxes and various non-deductible contributions	26,2
Entrepreneurship and Region activity grant	49,4
Other provisions	4,5
Taxable income	245,3

Taxable income at the ordinary tax rate, i.e. 34.43%, generates a tax charge of €78.5 million after deduction of tax credits.

No tax expense is recognised for taxable earnings at the lower rate of 15%.

● NOTE 43 - SECTOR-SPECIFIC INFORMATION

Bpifrance operates primarily in the following business lines:

- Medium- and long-term loans: this involves long- and medium-term financing in the form of direct loans, leasing operations on plant & equipment and property, and financial leases; it also includes innovation loans;
- short-term financing which includes the operations to participate in the financing of public sector receivables in France and its overseas departments and territories, either directly or by signature;
- the guarantee actions cover banks and equity investment institutions from risks of the failure of the beneficiaries of the financing;
- innovation financing aid in the form of repayable advances or grants.

The “Other” heading includes mainly income from investments and, to a lesser degree, income from equity interests and re-billing.

(in millions of euros)		31/12/2020		31/12/2019	
Activity	FINANCIAL NBI	Average outstandings	FINANCIAL NBI	Average outstandings	
Medium- and long-term loans	578,0	38 200,1	517,5	33 632,1	
- dont crédit-bail	80,9	6 206,9	87,2	6 280,8	
Short-term financing	94,5	4 327,4	123,3	5 840,0	
Guarantee	96,3	17 071,2	101,9	15 960,4	
- dont commissions	91,8		95,7		
- dont produits financiers	2,6		3,2		
Innovation	25,4		16,6		
Other	251,3		38,2		

● NOTE 44 - ACTIVITIES ON BEHALF OF THIRD PARTIES

Operations managed by Bpifrance (agent) on behalf of third parties (principal) are not included in the bank's balance sheet.

(in millions of euros)	31/12/2020							
	Assets				Liabilities			Off-balance sheet
	Receivables	Principal's account	Cash	Total	Debts	Principal's account	Total	
Financing activity								
ARI ⁽¹⁾	89,4	0,0	0,0	89,4	0,0	89,4	89,4	20,0
FDES PBAR ⁽¹⁾	58,0	0,0	42,0	100,0	0,0	100,0	100,0	2,1
Debt funds	83,1	0,0	0,0	83,1	0,0	83,1	83,1	0,0
Guarantee activity								
SGL ⁽¹⁾⁽²⁾	0,0	0,0	8,6	8,6	0,0	8,6	8,6	99 909,0
FCS ⁽¹⁾	10,2	0,0	60,2	70,4	0,0	70,4	70,4	92,6
DROM managed funds	37,6	0,0	24,5	62,1	0,0	62,1	62,1	0,0
Camulor	0,0	0,0	0,2	0,2	0,0	0,2	0,2	0,0
FGRU ⁽¹⁾	0,0	0,0	4,4	4,4	0,0	4,4	4,4	0,0
Student loans	0,0	0,0	32,6	32,6	0,0	32,6	32,6	171,4
Innovation aid activity								
Atout	0,0	0,0	42,7	42,7	0,0	42,7	42,7	0,0
DEEP TECH GPT	1,9	0,0	8,7	10,6	7,5	3,1	10,6	7,3
ENTREPRENEURSHIP	0,0	0,0	40,4	40,4	9,7	30,7	40,4	8,5
FIS	1,6	8,7	7,2	17,5	17,5	0,0	17,5	8,0
INDUSTRIAL INVESTMENT FUND	0,0	62,7	28,5	91,2	91,2	0,0	91,2	228,3
FSN ⁽¹⁾	101,7	0,0	48,5	150,2	68,2	82,0	150,2	29,4
PSIM ⁽¹⁾	30,9	0,0	7,2	38,1	6,3	31,8	38,1	5,8
PSPC ⁽¹⁾	204,9	0,0	54,8	259,7	182,8	76,9	259,7	251,3
SIA ⁽¹⁾	0,0	5,4	-1,2	4,2	4,2	0,0	4,2	0,8
FUI ⁽¹⁾	0,3	81,1	-1,7	79,7	79,7	0,0	79,7	1,6
FNI-PRI ⁽¹⁾	16,8	0,0	6,2	23,0	1,1	21,9	23,0	1,6
PIAVE ⁽¹⁾	72,7	0,0	12	84,7	33,3	51,4	84,7	65,4
Battery plan	0,0	237,4	0	237,4	237,4	0,0	237,4	82,6
French Tech	0,0	0,0	0,3	0,3	0,0	0,3	0,3	0,0
French Tech Tremplin	0,0	0,0	0,5	0,5	0,2	0,3	0,5	0,2
FRI GPT	47,0	0,0	116,9	163,9	34,5	129,4	163,90	29,0
Business Development Insurance	196,0	0,0	-8,5	187,5	0,0	187,5	187,5	205,8
MAJOR RISKS GPT	0,0	0,0	16,2	16,2	2,4	13,8	16,2	11,8
FGI ATF PIA 3 ⁽¹⁾	3,8	13,6	36,7	54,1	54,1	0,0	54,1	321,5
FGI Concours d'innovation PIA3	42,1	0,0	6,9	49,0	48,5	0,5	49,0	42,3
Total	998,0	408,9	594,8	2 001,7	878,6	1 123,1	2 001,7	101 496,3

(1) ARI: Reindustrialisation aid

FDES PBAR: *Fonds de Développement Economique et Social* (Economic and Social Development Fund)

SGL: State-guaranteed Loan

FCS: *Fonds de cohésion sociale* (Social Cohesion Fund)

FGRU: Guarantee Fund for Urban Renewal

FSN: *Fonds national pour la Société Numérique* (National Fund for the Digital Society)

PSIM: *Programme de Soutien à l'Innovation Majeure* (Major Innovation Support Programme)

PSPC: *Projet de recherche et de développement Structurants des Pôles de Compétitivité* (Structuring Research and Development Projects for Competitiveness)

FUI: Fonds Unique Interministériel (Single Interministerial Fund)

FNI-PRI: *Fonds national d'Innovation - Partenariats régionaux d'avenir* (National Innovation Fund - Regional Partnerships for the Future)

PIAVE: *Projets Industriels d'avenir* (Industrial Projects for the Future)

ATF PIA 3: Assistance and Transformation of the Sectors - Investments of the Future 3 Programme

SIA: Satt accelerator incubators

(2) SGL: see Note 2.1.1 "Significant events"

- **NOTE 45 - PERSONNEL**

The average headcount stood at 2,556 employees in 2020, 86% of whom were managers.

- **NOTE 46 - COMPENSATION PAID TO MEMBERS OF ADMINISTRATIVE BODIES**

The compensation allocated to the directors and the compensation paid to the Chairmen of the business line committees stood at €317.5 thousand.

10. PRO FORMA INFORMATION RELATING TO THE MERGER-ABSORPTION OF BPIFRANCE SA BY BPIFRANCE FINANCEMENT

1. Description of the transaction

The merger-absorption of Bpifrance SA by its subsidiary Bpifrance Financement was approved by the Extraordinary General Meetings of the two entities on 18 December 2020.

Bpifrance Financement is a credit institution whose capital is 90.78%-held by Bpifrance SA, with the balance being mainly held by credit institutions and other financial institutions.

Bpifrance SA is a financial company 50%-held by the French public institution EPIC Bpifrance and 50% by the Caisse des Dépôts et Consignations.

The purpose of this operation is increase the Bpifrance Group's ability to act as well as to streamline its organisation.

Legal framework

Bpifrance Financement 's capital amounts to €840 million, divided into 105 million shares with a par value of €8 each. On the date of the operation, a capital increase was carried out to compensate the contributions of Bpifrance SA, followed by a capital reduction aimed at cancelling the Bpifrance Financement shares contributed by Bpifrance SA.

Following these operations, the Bpifrance entity (formerly Bpifrance Financement) is held equally by EPIC Bpifrance and Caisse des Dépôts et Consignations, with each holding 49.29%.

Bpifrance now includes the wholly-owned entities Bpifrance Participations and Bpifrance Assurance Export in its scope. These entities are fully consolidated.

Accounting framework

Effective date of the merger:

The transaction date is the date of legal completion of the transaction, i.e. 18 December 2020. The income generated by the entities contributed between 1 January 2020 and 18 December 2020 is recorded in equity. Due to its insignificant nature, the income of the entities contributed between 18 and 31 December 2020 is also recorded in equity and therefore does not appear in the income statement.

Principles retained for valuing the contributions:

As this is an operation between companies under joint control, the valuation of the assets and liabilities contributed at their historical book value has been retained.

Presentation:

The accounting principles and presentation rules for the primary statements of Bpifrance (formerly Bpifrance Financement) and the companies contributed are similar. No restatement had to be made as part of the preparation of the pro forma financial information.

Expenses:

The incremental costs directly attributable to the transaction are charged to the merger premium and have been recognised in the 2020 financial statements. Other costs related to this transaction are not expected in the year 2021.

Financing/Refinancing:

Apart from the capital transactions described above, the transaction did not lead to any refinancing of debts held by the contributed entities that would have generated an impact on the income statement.

2. Regulatory framework

The transaction, described above, generated a change in size of more than 25% of Bpifrance Financement's key indicators. Consequently, pro forma financial information was prepared. It is presented in accordance with Annex 20 of Delegated Regulation No. 2019/980 supplementing European Regulation No. 2017/1129. The pro forma financial information applies the guidelines published by ESMA on the prospectus (ESMA 32-382-1138 of 4 March 2021) and AMF Position-recommendation DOC-2021-02, the third part of which relates to the recommendations for AMF pro forma financial information.

ESMA guidelines state that, if the transaction is already fully reflected in the balance sheet presented in the historical financial information included in the prospectus, it is not necessary to provide a pro forma balance sheet. However, a pro forma income statement must be included if the income statement in the most recent annual financial statements does not fully reflect the impact of the transaction.

Therefore, this Universal Registration Document only presents a pro forma income statement for the period from 1 January 2020 to 31 December 2020, supplemented by the explanatory notes. The pro forma income statement was prepared on the assumption that the transaction took place on 1 January 2020.

By its nature, the pro forma financial information deals with a hypothetical situation and is not intended to represent or give an indication of the net income that Bpifrance Financement would have had if the transaction had taken place on the date of the opening of the fiscal year covered by the pro forma income statement. The pro forma financial information is not indicative of the Group's future results.

In addition, the impacts of this transaction on the 2020 financial statements, at the date of its completion, are detailed in Note 1.1.1 "Merger-absorption of Bpifrance SA by Bpifrance Financement" to the consolidated financial statements.

3. Pro forma income statement

Bpifrance consolidated pro forma profit and loss statement if the merger had occurred on 1 January 2020

(in millions of euros)

	Consolidated profit and loss statement of Bpifrance 31/12/2020 (Note 1)	Profit and loss statements of companies contributed during the merger (before eliminations) (Note 2)		Elimination of reciprocal transactions (Note 3)	Pro forma profit and loss statement 31/12/2020
		Bpifrance Participations scope	Other companies		
Interest and related income	1 631,5	0,2	9,8	-9,8	1 631,7
Interest and related expenses	-884,1	-3,5	-0,1	9,8	-877,9
Net gains or losses resulting from net position hedging	0,0	0,0	0,0	0,0	0,0
Fees (income)	20,0	53,2	0,0	0,0	73,2
Fees (expenses)	-1,9	-1,9	0,0	0,0	-3,8
Net gains or losses on financial instruments at fair value profit or loss	-0,4	167,8	0,0	0,0	167,4
Net gains or losses on financial instruments at fair value through equity	3,9	185,3	266,1	-266,1	189,2
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	0,0	0,0	0,0	0,0	0,0
Net gains or losses resulting from reclassification of financial assets at amortised cost as financial assets at fair value through profit or loss	0,0	0,0	0,0	0,0	0,0
Net gains or losses resulting from reclassification of financial assets at fair value through equity as financial assets at fair value through profit or loss	0,0	0,0	0,0	0,0	0,0
Income from other activities	200,1	25,5	44,8	-45,1	225,4
Expenses from other activities	-120,7	-3,3	-41,9	0,0	-165,9
NET BANKING INCOME	848,4	423,4	278,7	-311,2	1 239,3
General operating expenses	-482,4	-227,3	-52,7	45,1	-717,3
Amortisation & depreciation and impairment on tangible & intangible fixed assets	-67,3	-8,1	-0,5	0,0	-75,8
GROSS OPERATING INCOME	298,7	188,1	225,5	-266,0	446,2
Cost of credit risk	-461,5	0,0	0,0	0,0	-461,5
NET OPERATING INCOME	-162,8	188,1	225,5	-266,0	-15,3
Share of net income from equity-consolidated companies	-0,6	-122,9	0,0	0,0	-123,6
Net gains or losses on other assets	0,4	0,0	0,0	0,0	0,4
Change in value of goodwill	0,0	-0,5	0,0	0,0	-0,5
INCOME BEFORE TAX	-163,0	64,6	225,5	-266,1	-139,0
Income tax	23,4	-5,9	0,9	0,0	18,4
Net income after tax from discontinued operations	0,0	0,0	0,0	0,0	0,0
NET INCOME	-139,6	58,7	226,4	-266,1	-120,6
Minority interests	0,0	0,1	0,0	0,0	0,1
NET INCOME - GROUP SHARE	-139,6	58,6	226,4	-266,1	-120,7

Note 1

This column presents the income statement of Bpifrance (formerly Bpifrance Financement) for the fiscal year from 1 January 2020 to 31 December 2020, as taken from the annual consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union. These financial statements have been audited.

Note 2

The companies involved in this transaction are as follows:

- the consolidation level comprising Bpifrance Participations and its subsidiaries of the Investment business line;
- Bpifrance Assurance Export; and
- Bpifrance SA before the merger.

The IFRS income statement data presented in the table were audited as at 31 December 2020 as part of the Bpifrance Group's consolidated financial statements.

The main activities of the companies contributed as part of the transaction are structured around two divisions: the Investment division led by Bpifrance Participations and its subsidiaries, and the Exporter Support division led by Bpifrance Assurance Export.

The profit/loss of the companies contributed during the merger amounted, after elimination of reciprocal transactions, to €19 million.

Note 3

The eliminated transactions consisted of reciprocal transactions between the companies contributed and Bpifrance (formerly Bpifrance Financement) during fiscal year 2020. These are mainly internal re-invoicing of rent and other operating expenses.

Also shown is the elimination of the dividend paid by Bpifrance Participations to Bpifrance during the fiscal year 2020 for €266 million.

Notes to the unaudited pro forma information – Balance sheet and income statement for the Bpifrance Participations level as at 31 December 2020 audited as part of the audit of the Bpifrance consolidated financial statements

Consolidated profit and loss statement – Bpifrance Participations scope

(in millions of euros)	Bpifrance Participations scope Profit and loss statement 31/12/2020
Interest and related income	0,2
Interest and related expenses	-3,5
Net gains or losses resulting from net position hedging	0,0
Fees (income)	53,2
Fees (expenses)	-1,9
Net gains or losses on financial instruments at fair value profit or loss	167,8
Net gains or losses on financial instruments at fair value through equity	185,3
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	0,0
Net gains or losses resulting from reclassification of financial assets at amortised cost as financial assets at fair value through profit or loss	0,0
Net gains or losses resulting from reclassification of financial assets at fair value through equity as financial assets at fair value through profit or loss	0,0
Income from other activities	25,5
Expenses from other activities	-3,3
NET BANKING INCOME	423,4
General operating expenses	-227,3
Amortisation & depreciation and impairment on tangible & intangible fixed assets	-8,1
GROSS OPERATING INCOME	188,1
Cost of credit risk	0,0
GROSS OPERATING INCOME	188,1
Share of net income from equity-consolidated companies	-122,9
Net gains or losses on other assets	-
Change in value of goodwill	-0,5
INCOME BEFORE TAX	64,6
Income tax	-5,9
Net income after tax from discontinued operations	-
NET INCOME	58,7
Minority interests	0,1

Consolidated balance sheet – Bpifrance Participations scope

(in millions of euros)

	Bpifrance Participations scope Balance sheet 31/12/2020
Cash in hand, central banks	
Financial assets at fair value through profit or loss	4 934,1
Derivative financial hedging instruments	
Financial assets at fair value through equity	9 510,4
Securities at amortised cost	
Loans and advances to credit institutions and related entities, at amortised cost	74,4
Loans and advances to customers, at amortised cost	545,6
Finance leases and similar operations	
Innovation financing aid	
Fair value adjustment to debt portfolios hedged against interest rate risks	
Current and deferred tax assets	67,3
Accruals and miscellaneous assets	161,7
Non-current assets held for sale and discontinued operations	
Holdings in equity-consolidated companies	5 041,8
Investment buildings	
Tangible fixed assets	4,9
Intangible fixed assets	15,2
Goodwill	
TOTAL ASSETS	20 355,4
Central banks	
Financial liabilities at fair value through profit or loss	
Derivative financial hedging instruments	
Amounts due to credit institutions	0,1
Amounts due to customers	1,8
Debts represented by a security	
Fair value adjustment to debt portfolios hedged against interest rate risks	
Current and deferred tax liabilities	120,4
Accruals and miscellaneous liabilities	840,9
Lease liabilities (IFRS 16)	
Liabilities related to non-current assets held for sale and discontinued operations	
Provisions	16,8
Public guarantee funds	
Public guarantee funds	
Guarantee fund "allocates"	
Net resources for innovation-related activity	
Net resources for innovation-related activity	
Innovation guarantee fund "allocates"	
Subordinated debt, guarantee deposits	
Shareholders' equity	19 375,4
Group share of shareholders' equity	19 361,1
- Capital and related reserves	
<i>Issued Capital</i>	
<i>Called but unpaid capital</i>	
<i>Capital-related premiums</i>	
- Consolidated reserves	20 106,2
- Gains and losses recognised directly in equity	-803,7
	58,6
- Profit or loss for the fiscal year	
Minority interests	14,3
- Consolidated reserves	11,7
- Gains and losses recognised directly in equity	2,5
- Profit or loss for the fiscal year	0,1
TOTAL LIABILITIES	20 355,4

11. REPORTS FROM THE STATUTORY AUDITORS

11.1. Report on the consolidated financial statements



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Tour Exaltis
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Bpifrance (formerly Bpifrance Financement S.A.)

*Report of the Statutory Auditors on the
consolidated financial statements*

Fiscal year ended 31 December 2020

Bpifrance S.A.

27-31 avenue du Général Leclerc - 94710 Maisons-Alfort



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France

Bpifrance (formerly Bpifrance Financement S.A.)

Public limited company

Registered office: 27-31 Avenue du General Leclerc - 94710 Maisons-Alfort

Share capital: €5,440,000,000

Statutory Auditors' report on the consolidated financial statements

Fiscal year ended 31 December 2020

To the General Meeting,

Opinion

In fulfilment of the mission entrusted to us by the General Meeting, we have audited the consolidated financial statements of Bpifrance for the fiscal year ended 31 December 2020, as appended to this report.

We certify that, in accordance with the IFRS standards adopted by the European Union, the consolidated financial statements are true and fair and present an accurate picture of the results of the operations of the past fiscal year, as well as the financial situation and assets, at fiscal year-end, of the Group consisting of the persons and entities included in the consolidation.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the elements we have collected provide a sufficient and appropriate basis for our opinion.

The responsibilities incumbent on us pursuant to these standards are included in the section entitled "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements," in this report.

Independence

We conducted our audit in compliance with the rules of independence provided for by the French Commercial Code and the Statutory Auditors' Code of Ethics, over the period from 1 January 2020 until the date on which our report was issued, and specifically, we did not provide any services prohibited by Article 5, paragraph 1, of EU Regulation No. 537/2014.

Observation

Without calling into question the opinion expressed above, we draw your attention to the following points:

- in Note 1.1.1 to the consolidated financial statements specifying the legal framework and the accounting framework for the merger-absorption of Bpifrance by Bpifrance Financement;

- in Note 2.1 to the consolidated financial statements, specifying that the implementation of the new definition of default has no significant impact on Bpifrance's equity.

Justification of our assessments – Key audit matters

The global crisis related to the Covid-19 pandemic created particular conditions for the preparation and audit of the financial statements for this fiscal year. This crisis and the exceptional measures taken as part of the state of health emergency had multiple consequences for businesses, in particular on their activity and their financing, as well as heightened uncertainties about their future outlook. Some of these measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits could be conducted.

It is in this complex and evolving context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided to address these risks.

The assessments thus made are part of our audit of the consolidated financial statements taken as whole and have contributed to forming the opinion we expressed above. We do not express an opinion on any items in these consolidated financial statements taken separately.

1. Impairment and provisioning for credit risk

• Risk identified

As a reminder, since 1 January 2018, Bpifrance has applied IFRS 9 "Financial instruments", which notably defines a new impairment methodology for financial assets covering all sound and doubtful exposures and based on the assessment of expected losses on outstanding loans.

Impairment of performing and doubtful outstandings (bucket 1, bucket 2):

As indicated in Note 5.5 to the consolidated financial statements, Bpifrance recognises impairment for expected credit losses on performing and doubtful outstandings. Following the change in method described in the notes, this impairment is determined according to internal credit risk models, taking into account forward-looking macro-economic data and in particular the context of the Covid-19 health crisis and measures to support the economy. Outstanding loans are initially classified in "bucket 1". If they have not experienced a significant increase in credit risk since inception (SICR), they remain classified in "bucket 1" and their impairment is based on the expected 12-month credit losses. If there has been a significant increase in credit risk, the outstanding loans are transferred to "bucket 2"; impairment is determined based on the expected credit losses at maturity.

Impairment of loans on an individual basis (bucket 3):

Bpifrance records impairment to cover expected credit losses resulting from the inability of its customers to meet their financial commitments. As indicated in Note 5.5 to the consolidated financial statements, Management calculates impairment on an individual basis by the difference between the book value of the asset presenting a proven credit risk and the present value of the

future cash flows that it considers recoverable at maturity after taking into account the triggering of guarantees and, where applicable, the impact of the health crisis on these flows or the specific guarantees related to economic support plans.

We considered the determination of impairment of credit risk receivables to be a key audit matter due to:

- the risk of material impact on the bank's results;
 - the relative importance of outstanding loans in the balance sheet and commitments granted to customers;
 - the importance of the model parameters;
 - the complexity of estimating the probabilities of default, losses given default, including the value of the associated guarantees;
 - the sensitivity of the calculation parameters to the assumptions retained by Management.
- **Audit approach**

We have taken note of the internal control systems put in place by the bank in the context of the Covid-19 crisis to identify the receivables concerned and assess the amount of impairment of these outstandings to be recognized.

We also tested the design and operational effectiveness of key controls relating to these systems.

- For the impairment of performing and doubtful outstandings, we carried out a critical review of the documentation made available to justify the methodology used, the forecast economic parameters including a review of the scenarios and governance mechanism governing their updating, taking into account in particular the context of the Covid-19 health crisis and measures to support the economy, the audit trail and the controls carried out on the bases, and we verified the proper recording of the impairment in the accounting information system.
- For impairment estimated on an individual basis, we tested the automated controls on the downgrading of loans on a sample of credit files and the controls relating to the estimation of the amounts to be impaired (in particular the estimation of the value of guarantees obtained), taking into account, where applicable, the impact of the health crisis on these flows or the specific guarantees related to economic support plans.

We also carried out the following substantive procedures:

- For impairment of performing and doubtful loans, we verified the comprehensiveness of the bases, assessed the reasonableness of the main parameters used and conducted independent calculations of provisions at 31 December 2020 on the principal loan portfolios;
- For impairment on an individual basis, we verified, using sampling of loan files, the appropriateness of the impairment recorded in relation to the estimated future cash flow forecasts made by the bank.

2. Valuation of equity-accounted investments

- **Risk identified**

Bpifrance holds equity interests over which it exercises significant influence. For the preparation of the consolidated financial statements of the Bpifrance Group, these investments are accounted for using the equity method, which consists in replacing the value of the securities with the share that the Group holds in the shareholders' equity and earnings of the companies concerned. The income statement reflects the Group's share of the earnings of the companies accounted for using the equity method.

As indicated in Note 3.3 to the consolidated financial statements, the value of investments accounted for under the equity method is tested for impairment in accordance with the provisions of IAS 38 relating to the impairment of assets, if there is an objective indication of impairment resulting from one or more events occurring after the initial recognition of the investment and an indication that these events are likely to have an impact on the estimated future cash flows.

The book value of the investment accounted for by the equity method is then compared to its recoverable value, which corresponds to the higher of the value in use calculated according to the discounted future cash flow method or multi-criteria methods and the fair value less selling costs.

In view of the relative importance of the investments accounted for under the equity method in the Group's balance sheet and the significant amount of judgement required to determine the values in use, we considered that the implementation of the impairment tests on the investments accounted for under the equity method was a key audit matter at 31 December 2020.

As at 31 December 2020, investments accounted for under the equity method amounted to €5,052.8 million – see Note 6.12 to the consolidated financial statements.

• Audit approach

Management has put in place a control system to identify objective indicators of impairment and estimate recoverable amounts, in particular the value in use of equity-accounted investments.

We examined the control system in place and in particular:

- the operational monitoring procedures for the various investments;
- the identification of possible indications of impairment (particularly in an environment of uncertainty related to the Covid-19 crisis);
- the methods and models used by the Group to assess recoverable amounts;
- documentation of analyses carried out.

With the support of our valuation experts, we examined, for the main lines of the portfolio at 31 December 2020:

- the approach adopted and the data used by the Group (market valuation, recent performance or earnings forecasts, etc.) to assess the existence of objective indicators of impairment or to estimate the value in use of the securities;
- the market parameters used to estimate values in use (market beta and premium in particular);
- the valuation parameters (discount rate, long-term growth rate, tax rate);
- valuation model calculations.

We also examined the information provided in the notes to the consolidated financial statements.

3. Measurement of financial assets at fair value through profit or loss or equity classified in level 3 in the fair value hierarchy

• **Risk identified**

Bpifrance holds, through its Investment division, a portfolio of unlisted investments, bonds convertible or redeemable for shares and UCITS units, recognized at the acquisition date at the trading price.

At the time of subsequent valuations, the fair value of these financial assets held directly or through capital investment funds is estimated by comparison with any recent transactions involving the share capital of the participating interests, carried out with independent third parties and under normal market conditions. In the absence of such references, the fair value is determined (while taking into account the uncertain environment related to the Covid-19 crisis) by commonly used techniques (EBIT or EBITDA multiples, discounted cash flows, etc.) or on the basis of the Group's share of net assets calculated using the most recent information available, in the case of units of funds managed by companies outside the Group.

We considered the determination of the fair value of unlisted investments to be a key audit matter for the fiscal year ended 31 December 2020, due to:

- the risk of a significant impact on the Group's results, in view of the importance of the item in the consolidated financial statements;
- the sizeable amount of judgement required to determine the fair values and the use of unobservable data;
- the sensitivity of value-in-use to certain assessment parameters.

At 31 December 2020, the value of financial assets recognized at fair value through profit or loss amounted to €5,943.6 million and at fair value through equity amounted to €3,795.1 million (see Note 6.22).

• **Audit approach**

Management has set up a control system for the identification and operational monitoring of assets recorded at fair value through profit or loss or level 3 equity and for the measurement of their fair value. We examined this system and tested, on the basis of samples, the design and operational effectiveness of the main key controls relating in particular to:

- identification and classification of assets according to their value hierarchy;
- the choice of fair value measurement approaches, in the case of unlisted investments, units in UCITS or other assets recorded at fair value;
- determination of market parameters (beta and market premium) or valuation (expected contractual flows, where applicable, discount rate, growth rate, EBIT or EBITDA multiples, etc.);
- documentation of the analyses carried out and the first- and second-level controls on these analyses.

With the support of our valuation experts, we examined a selection of portfolio lines at 31 December 2020 and carried out the following work:

- review of the data used by the Group (including economic scenarios) and critical analysis of the assessment methodology (particularly in an environment of uncertainty related to the Covid-19 crisis);
- arithmetical verification of valuation models;
- review of valuation parameters (discount rate, long-term growth rate, tax rate, sector multiples);
- validation of the net asset values of the funds used.

We also examined the information provided in the notes to the consolidated financial statements.

Specific verification

We also proceeded, in accordance with the professional standards applicable in France, with the specific legal and regulatory verifications of the information provided on the Group in the management report of the Board of Directors.

We have no comments to make regarding their accuracy or consistency with the consolidated financial statements.

We hereby certify that the consolidated statement of non-financial performance required by Article L. 225-102-1 of the French Commercial Code is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this code, the information contained in that statement has not been verified by us as to its accuracy or consistency with the consolidated financial statements and should be the subject of a report by an independent third party.

Other verifications or information required by legal and regulatory texts

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of the company Bpifrance Financement S.A. (now Bpifrance S.A.) by the General Meeting of 28 May 2009 for KPMG S.A. and 18 May 2004 for Mazars.

At 31 December 2020, KPMG S.A. was in its twelfth uninterrupted year of office.

At that date, the uninterrupted term of office for Mazars was more than 24 years.

Responsibilities of Management and persons comprising the corporate governance relating to the consolidated financial statements

It is the responsibility of Management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, it is incumbent on Management to assess the company's capacity to continue operating; to present in these financial statements, as

applicable, the necessary information on its business continuity and to apply the accounting convention on business continuity, unless there is a plan to liquidate the company or discontinue operations.

It is the Audit Committee's responsibility to oversee the process for preparing financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where appropriate, internal audit, relating to procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements were prepared by your Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Audit objective and process

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements do not contain any significant misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the applicable professional standards will systematically detect any and all significant misstatements. Misstatements may be due to fraud or error and are considered significant when they can reasonably be expected, taken individually or together, to influence the economic decisions that users of the financial statements make on the basis thereof.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our certification assignment for the financial statements does not consist in guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his or her professional judgement throughout that audit. Moreover:

- he/she identifies the risks that the consolidated financial statements contain significant misstatements, whether these are the result of fraud or error, defines and implements audit procedures to deal with these risks, and gathers the materials that he/she deems sufficient and appropriate to form his/her opinion. The risk of a failure to detect a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, because fraud can involve collusion, falsification, wilful omissions, false statements, or circumvention of internal control;
- he/she familiarises him herself with the internal control relevant to the audit in order to define the appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she appraises the appropriateness of the accounting methods applied and the reasonable nature of accounting estimates made by Management, as well as the information about them provided in the consolidated financial statements;

- he/she appraises the appropriateness of Management's application of the accounting policy of business continuity and, based on the items collected, the existence or not of significant uncertainty relating to events or circumstances that may into question the company's capacity to continue operating. This assessment is based on the items collected up until the date of the report; however, subsequent circumstances or events could compromise business continuity. If the Statutory Auditor concludes that there is significant uncertainty, he/she draws the readers' attention to the information provided in the consolidated financial statements about such uncertainty or, if this information is not provided or not relevant, formulates a qualified certification or a refusal to certify;
- he/she reviews the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to provide a true and fair view;
- with respect to the financial information of the persons or entities included in the scope of consolidation, he/she collects those items he/she considers sufficient and appropriate to express an opinion on the consolidated financial statements. He/she is responsible for the management, supervision, and completion of the audit of the consolidated financial statements, as well as the opinion expressed on those financial statements.

Report to the Audit Committee

We produce a report for the Audit Committee, setting out, in particular, the extent of the audit work and the programme implemented, as well as the conclusions resulting from our work. We also draw its attention, where applicable, to any significant internal control weaknesses that we may have identified relating to the procedures for the preparation and processing of accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material misstatement that we believe to be the most significant in the audit of the consolidated financial statements for the fiscal year and which therefore comprise the key audit matters that we are required to describe in this report. .

We also provide the Audit Committee with the statement required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguard measures applied.



*Bpifrance S.A.
Report of the Statutory Auditors on the consolidated financial statements
24 March 2021*

The Statutory Auditors,

Paris La Défense, 24 March 2021
KPMG SA

Courbevoie, 24 March 2021
Mazars



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+01'00'

Ulrich Sarlati
Partner



Jean Latorzeff
Partner

2021.03.24
18:45:05 +01'00'


Signature
numérique de
Matthew BROWN
Date : 2021.03.24
17:54:19 +01'00'

Matthew Brown
Partner

11.2. Report on the separate financial statements



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92086 Paris la Défense Cedex
France



Mazars
Tour Exilia
81 rue Henri Regnault
92400 Courbevoie
France

Bpifrance (formerly Bpifrance Financement S.A.)

*Statutory Auditors' report on the annual financial
statements*

Fiscal year ended 31 December 2020

Bpifrance S.A.

27-31 avenue du Général Leclerc - 94710 Maisons-Alfort



KPMG S.A.
Registered office
Tour ECHO
2 Avenue Gambetta
CS 80058
92086 Paris la Défense Cedex
France



Mazars
Tour Exaltis
81 rue Henri Regnault
92400 Courbevoie
France

Bpifrance (formerly Bpifrance Financement S.A.)

Public limited company

Registered office: 27-31 avenue du General Leclerc - 94710 Maisons-Alfort

Share capital: €5,440,000,000

Statutory Auditors' report on the annual financial statements

Fiscal year ended 31 December 2020

To the General Meeting,

Opinion

In execution of the mission entrusted to us by your General Meeting, we have audited the annual financial statements of Bpifrance for the fiscal year ended 31 December 2020, as attached to this report.

We certify that the annual financial statements are, with respect to French accounting rules and principles, true and fair and provide an accurate picture of the results of the operations of the past fiscal year and of the financial situation and asset base of the company at the end of the fiscal year.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the elements we have collected provide a sufficient and appropriate basis for our opinion.

The responsibilities incumbent on us pursuant to these standards are included in the section entitled "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements," in this report.

Independence

We conducted our audit in compliance with the rules of independence provided for by the French Commercial Code and the Statutory Auditors' Code of Ethics, over the period from 1 January 2020 until the date on which our report was issued, and specifically, we did not provide any services prohibited by Article 5, paragraph 1, of EU Regulation No. 537/2014.

Observation

Without calling into question the opinion expressed above, we draw your attention to Note 2.1.2 to the annual financial statements, which sets out the accounting framework for the merger-absorption of Bpifrance S.A. by Bpifrance Financement, which is now called Bpifrance.

Justification of our assessments – Key audit matters

The global crisis related to the Covid-19 pandemic created particular conditions for the preparation and audit of the financial statements for this fiscal year. This crisis and the exceptional measures taken as part of the state of health emergency had multiple consequences for businesses, in particular on their activity and their financing, as well as heightened uncertainties about their future outlook. Some of these measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits could be conducted.

It is in this complex and evolving context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the annual financial statements for the fiscal year, as well as the responses we have provided to address these risks.

The assessments thus made are part of our audit of the annual financial statements taken as whole and have contributed to forming the opinion we expressed above. We do not express an opinion on any items in these annual financial statements taken separately.

Impairment and provisioning of credit risks

• Risk Identified

Bpifrance recognises impairments and provisions to cover the risk of losses resulting from the inability of its customers to meet their financial commitments.

Impairment and provisions are estimated on an individual or collective basis, taking into account the value of guarantees held. As indicated in Note 1.2 to the annual financial statements, Management calculates impairment on an individual basis by the difference between the book value of the asset presenting an identified credit risk and the present value at the original rate of the contract of future cash flows that it considers recoverable after taking into account the use of guarantees.

Provisions for expected risks are calculated on performing loans by analysing the credit risk on a homogeneous set of receivables, identified by means of the portfolio's internal ratings. As a reminder, the estimation methodology adopted by Bpifrance had been modified on 1 January 2018 when IFRS 9 came into force, across the scope of the bank's consolidated financial statements. Provisions for expected risks are estimated on the basis of stochastic scenario simulations that associate each counterparty with a possible date of default and a rate of loss given default. The measurement of impairment and provisions requires the exercise of judgement to identify exposures (or groups of homogeneous exposures) presenting a risk of non-recovery or for the determination of future recoverable flows and recovery periods, in particular in the context of the health crisis experienced during the fiscal year and at 31 December 2020.

As indicated in Note 24 to the annual financial statements, the impairment and provisions for credit risk amounted to €1,001.5 million as at 31 December 2020. We considered the determination of the impairment and provision of receivables for credit risk to be a key audit matter due to:

- the risk of material impact on the bank's results;
- the relative importance of outstanding loans in the balance sheet and commitments granted to customers;
- the complexity of estimating the probabilities of default, losses given default, including the value of the associated guarantees;
- the sensitivity of the calculation parameters to the assumptions retained by Management

• **Audit approach**

We have taken note of the internal control systems put in place by the bank in the context of the Covid-19 crisis to identify the receivables concerned and assess the amount of impairment of these outstandings to be recognized.

We also tested the design and operational effectiveness of key controls relating to these systems.

- For the impairment of performing and doubtful outstandings, we carried out a critical review of the documentation made available to justify the methodology used, the forecast economic parameters including a review of the scenarios and governance mechanism governing their updating, taking into account in particular the context of the Covid-19 health crisis and measures to support the economy, the audit trail and the controls carried out on the bases, and we verified the proper recording of the impairment in the accounting information system.
- For impairment estimated on an individual basis, we tested the automated controls on the downgrading of loans on a sample of credit files and the controls relating to the estimation of the amounts to be impaired (in particular the estimation of the value of guarantees obtained), taking into account, where applicable, the impact of the health crisis on these flows or the specific guarantees related to economic support plans.

We also carried out the following substantive procedures:

- For impairment of performing and doubtful outstandings, we verified the comprehensiveness of the bases, assessed the reasonableness of the main parameters used and conducted independent calculations of provisions at 31 December 2020 on the principal loan portfolios.
- For impairment on an individual basis, we verified, using sampling of loan files, the appropriateness of the impairment recorded in relation to the estimated future cash flow forecasts made by the bank.

Valuation of shares in affiliated companies

• **Risk identified**

The shares in Bpifrance's affiliated companies (mainly investments in Bpifrance Participations, Auxifinances, and Bpifrance Assurance Export) are recorded at their initial acquisition cost, then valued at the end of the fiscal year at the lower of their cost price or their value in use.

The value in use can be determined according to different approaches taking into account, depending on the nature of the investments, the net asset value or the outlook linked to the forecast financial trajectories, in particular the context of the Covid-19 health crisis.

We considered the valuation of shares in affiliated companies to be a key audit matter for the fiscal year ended 31 December 2020, due to:

- the risk of a material impact on Bpifrance's earnings, in view of the importance of the item at the entity level and the risk of changes in the value of the assets held by Bpifrance's main investments;
- the importance of the judgement required to determine the values in use both for the development of forecast trajectories or the valuation of underlying unlisted assets involving the use of unobservable models or data;
- the sensitivity of value-in-use to certain assessment parameters.

As at 31 December 2020, the value of the shares in affiliated companies amounted to €18,495.6 million and impairment of €0.2 million was recorded in the financial statements. Investments in Bpifrance Participations, Auxifinances and Bpifrance Assurance Export were not impaired, as the value in use of these investments was higher than their cost price (see Note 7 to the separate financial statements).

• Audit approach

Management has set up a control system for the identification and operational monitoring of shares in affiliated companies.

We examined the documentation for the impairment test used by Management on the main investment lines and carried out a critical review of the valuation methodologies including the underlying assets of the investment division (particularly in an environment of uncertainty related to the Covid-19 crisis), with the help of our assessment experts.

We also carried out:

- an arithmetical verification of the results of the valuation models;
- a review of the main valuation parameters used (discount rate, long-term growth rate, tax rate, sector multiples, etc.).

We also examined the information provided in the notes to the financial statements.

Specific verification

We also proceeded, in accordance with the professional standards applicable in France, with the specific legal and regulatory verifications.

Information provided in the management report and other documents on the financial position and annual financial statements sent to shareholders

We have no comments to make regarding their accuracy or their consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the other documents on the financial position and annual financial statements sent to shareholders.

We have the following observations on the accuracy and consistency with the annual financial statements of the information relating to payment terms referred to in Article D. 441-6 of the French Commercial Code: as indicated in the management report, this information does not include banking and related transactions, as your company considers that they do not fall within the scope of the information to be produced.

Report on corporate governance

We certify that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code.

Other information

In accordance with the law, we have ensured that the various information relating to the acquisition of shareholdings and control has been communicated to you in the management report.

Other verifications or information required by legal and regulatory texts

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of the company Bpifrance Financement S.A. (now Bpifrance S.A.) by the General Meeting of 28 May 2009 for KPMG S.A. and 18 May 2004 for Mazars.

At 31 December 2020, KPMG S.A. was in its twelfth uninterrupted year of office.

At that date, the uninterrupted term of office for Mazars was more than 24 years.

Responsibilities of Management and persons comprising the corporate governance relating to the annual financial statements

It is the responsibility of Management to prepare the annual financial statements presenting a true and fair view, in accordance with French accounting rules and principles, as well as setting up the internal control that it deems necessary to the preparation of annual financial statements that do not contain any significant misstatements, whether due to fraud or error.

When preparing the annual financial statements, it is incumbent on Management to assess the company's capacity to continue operating; to present in these financial statements, as applicable,

the necessary information on its business continuity and to apply the accounting convention on business continuity, unless there is a plan to liquidate the company or discontinue operations.

It is the Audit Committee's responsibility to oversee the process for preparing financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where appropriate, internal audit, relating to procedures for the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the audit of the annual financial statements

Audit objective and process

Our responsibility is to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements do not contain any significant misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the applicable professional standards will systematically detect any and all significant misstatements. Misstatements may be due to fraud or error and are considered significant when they can reasonably be expected, taken individually or together, to influence the economic decisions that users of the financial statements make on the basis thereof.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our certification assignment for the financial statements does not consist in guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his or her professional judgement throughout that audit. Moreover:

- the Statutory Auditor identifies the risks that the annual financial statements contain significant misstatements, whether they are the result of fraud or error, defines and implements audit procedures to deal with these risks, and gathers the materials that he/she deems sufficient and appropriate to form his/her opinion. The risk of a failure to detect a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, because fraud can involve collusion, falsification, wilful omissions, false statements, or circumvention of internal control;
- he/she familiarises him/herself with the internal control relevant to the audit in order to define the appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by Management, as well as the information about them provided in the annual financial statements;
- he/she appraises the appropriateness of Management's application of the accounting policy of business continuity and, based on the items collected, the existence or not of significant

uncertainty relating to events or circumstances that may into question the company's capacity to continue operating. This assessment is based on the items collected up until the date of the report; however, subsequent circumstances or events could compromise business continuity. If the Statutory Auditor concludes that there is significant uncertainty, he/she draws the readers' attention to the information provided in the annual financial statements about such uncertainty or, if this information is not provided or not relevant, formulates a qualified certification or a refusal to certify;

- he/she reviews the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying operations and events in such a way as to provide a true and fair view.

Report to the Audit Committee

We produce a report for the Audit Committee, setting out, in particular, the extent of the audit work and the programme implemented, as well as the conclusions resulting from our work. We also draw its attention, where applicable, to any significant internal control weaknesses that we may have identified relating to the procedures for the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most significant in the audit of the annual financial statements for the fiscal year and which therefore comprise the key audit matters that we are required to describe in this report.



*Bpifrance S.A.
Statutory Auditors' report on the annual financial statements
24 March 2021*

We also provide the Audit Committee with the statement required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguard measures applied.

The Statutory Auditors

Paris La Défense, 24 March 2021


Courbevoie, 24 March 2021


KPMG S.A.


Mazars

Ulrich Sarfaty
Partner

Jean Latorzeff Matthew Brown
Partner Partner

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 Signature numérique de
Matthew Brown
Date :
2021.03.24
17:13:23 +01'00'

11.3. Special report on related-party agreements

mazars

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France

KPMG

Tour EQHO
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CS 60055
92066 Paris la Défense Cedex
France

Bpifrance (formerly Bpifrance Financement)

Statutory Auditors' special report on related-party agreements

General Meeting called to approve the financial statements for the year ended
31 December 2020

Bpifrance (formerly Bpifrance Financement)

Public limited company

Registered office: 27-31 avenue du General Leclerc - 94 710 Maisons-Alfort - France

Share capital: €5,440,000,000

Statutory Auditors' special report on related-party agreements

General Meeting called to approve the financial statements for the year ended 31 December 2020

To the General Meeting of Bpifrance,

In our capacity as Statutory Auditors of your company, we hereby present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information that has been given to us, of the characteristics, the main arrangements and the reasons justifying the interest for the company of the agreements of which we have been informed or that we have discovered during our assignment, without being required to comment on their usefulness and their merits or to seek the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the interest of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the execution, during the fiscal year ended, of agreements already approved by the General Meeting.

We have performed the due diligence that we deemed necessary in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relating to this assignment. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

Preamble

On 18 December 2020, the General Meetings of Shareholders of Bpifrance SA and Bpifrance Financement approved the merger-absorption of the holding company Bpifrance SA by its subsidiary Bpifrance Financement, a credit institution, with immediate legal effect.

The same day, the General Meeting of Shareholders of Bpifrance Financement changed the legal name of the company (now Bpifrance).

Consequently, for the purposes of this report:

- Bpifrance refers to the company Bpifrance Financement, whose legal name was changed following the merger-absorption of Bpifrance SA on 18 December 2020;
- Bpifrance SA refers to the former holding company that was merged into its subsidiary, Bpifrance Financement (now Bpifrance), on 18 December 2020.

Agreements submitted to the General Meeting for approval

Agreements authorised and concluded during the past fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past fiscal year which were subject to the prior authorisation of your Board of Directors.

Data exchange agreement with Caisse des Dépôts et Consignations

Co-contracting parties: Bpifrance and Caisse des Dépôts et Consignations (CDC).

Persons concerned: Caisse des Dépôts et Consignations (CDC), shareholder with more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of CDC and Chairman of the Board of Directors of Bpifrance and Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey, also Directors of Bpifrance.

Nature, purpose and terms and conditions

The agreement defines the practical arrangements for cooperation between the parties and for the communication by Bpifrance to CDC of certain information and data necessary for the latter to comply with its accounting, financial and prudential obligations.

- Transmission by Bpifrance and/or its subsidiaries to CDC of the information necessary for the application of CDC prudential model by Bpifrance;
- Communication by CDC to Bpifrance of the information necessary for the implementation of its autonomous prudential model and the conditions applicable to CDC of prudential simulation services for the first two fiscal years following the creation of Bpifrance SA and its subsidiaries.

Exchanges of data are organized monthly, to monitor the solvency situation on a monthly basis within a scope that includes Bpifrance (and its subsidiaries, and on an annual basis, to take into account the contribution of Bpifrance and its subsidiaries to CDC Medium-Term Strategic Plan (MTSP).

This agreement was authorised by your Board of Directors on 18 December, 2020 and signed on the same date.

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance for the 2020 fiscal year.

Reasons justifying its interest for the company

This agreement sets out the procedures under which Bpifrance and/or its subsidiaries will transmit to CDC the information necessary for the application of CDC's prudential model by Bpifrance.

Information exchange agreement with Caisse des Dépôts et Consignations

Co-contracting parties: Bpifrance and Caisse des Dépôts et Consignations (CDC).

Persons concerned: Caisse des Dépôts et Consignations (CDC), shareholder with more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of CDC and Chairman of the Board of Directors of Bpifrance and Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey, also Directors of Bpifrance.

Nature, purpose and terms and conditions

The purpose of this agreement is to organize cooperation between Bpifrance and CDC as well as the communication by Bpifrance and its subsidiaries to CDC of certain information and data.

This agreement was authorised by your Board of Directors on 18 December, 2020 and signed on the same date.

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance for the 2020 fiscal year.

Reasons justifying its interest for the company

This agreement is necessary for CDC to be able to comply with its accounting, financial and prudential obligations.

Agreement for the sale of 2,297,138 Proparco shares in favour of Bpifrance SA

Co-contracting parties: Bpifrance SA and CDC Entreprises ELAN PME (CDCE EPME).

Persons concerned: the CDC, shareholder holding more than 10% of Bpifrance SA, indirectly interested in view of its capacity as sole shareholder of the seller, CDCE EPME.

Nature, purpose and terms and conditions

This acquisition, amounting to €30,000,000, contains a condition precedent relating to a put option on the balance of the stake held by CDC Entreprises ELAN PME (368,000 shares).

As at 31 December 2020, Proparco shares were recorded on Bpifrance's balance sheet for an amount of €21,215,840.

Reasons justifying its interest for the company

The purpose of this agreement was to increase Bpifrance's stake in Proparco's capital to 5.3%, or 2,297,138 shares.

Agreements not previously authorised

In accordance with Articles L. 225-42 and L. 823-12 of the French Commercial Code, we inform you that the following agreements were not subject to prior authorisation by your Board of Directors.

It is our responsibility to inform you of the circumstances due to which the authorisation procedure was not followed.

Periodic control agreement entered into with Sogama Crédit Associatif

Co-contracting parties: Bpifrance Financement and Sogama Crédit Associatif.

Nature, purpose and terms and conditions

This agreement, signed on 28 October 2014, entrusts Bpifrance Financement with the task of providing periodic control services within Sogama Crédit Associatif as provided for in the Decree of 3 November 2014. This agreement took effect on 1 January 2015 for an initial period until 31 December 2017. It was then renewed automatically for a period of three years. Pursuant to this agreement, the assignments carried out within the defined framework will be invoiced at a fixed rate of €15 thousand excluding taxes per year, which may be revised at the end of the first period of the agreement. .

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Agreement signed with Bpifrance Participations relating to the back-up of market transactions

Co-contracting parties: Bpifrance Financement and Bpifrance Participations.

Persons concerned:

- Nicolas Dufourcq as Chairman and CEO of Bpifrance Financement until 18 December 2020 and of Bpifrance Participations;
- Caisse des Dépôts et Consignations, as Director of both Bpifrance and Bpifrance Participations, represented by Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey.

Nature, purpose and terms and conditions

Your Board of Directors' meeting on 17 December 2015 authorised the signature of this agreement between Bpifrance Participations and Bpifrance Financement. This agreement was signed on 14 January 2016 and allows Bpifrance Participations to mandate Bpifrance Financement to transmit orders, on the financial markets, relating to the acquisition or disposal of any type of financial securities and the acquisition or disposal of any type of financial assets. This agreement defines the framework for relations between Bpifrance Financement and Bpifrance Participations. The agreement took effect on 14 January 2016 and is automatically renewed for successive periods of one year unless terminated by one of the Parties.

The purpose of signing this agreement is to ensure continuity within the Bpifrance Group such that Bpifrance Participations' market transactions are processed even in the absence of Bpifrance Investissement employees in charge of these transactions and, additionally, to reduce operational risk.

In application of this agreement, the missions carried out within the defined framework will be invoiced at a fixed rate of €20 thousand excluding taxes.

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Service agreement with Bpifrance Assurance Export relating to the management of business development insurance and guarantee line products

Co-contracting parties: Bpifrance Financement, the French State, Bpifrance Assurance Export.

Persons concerned:

- Nicolas Dufourcq as Chairman and CEO of Bpifrance Financement on 18 December 2020 and Chairman of Bpifrance Assurance Export.

Nature, purpose and terms and conditions

On 14 March 2019, your Board of Directors authorised this agreement, the purpose of which is to mandate Bpifrance Financement, on behalf of Bpifrance Assurance Export, to carry out all or part of the following tasks:

- revenue collection;
- carry out amicable and litigious debt collection as appropriate, as well as any action to ensure the preservation of the rights of the State in France and abroad with the option of delegation to authorised third parties in accordance with the relevant legislation;
- ensure the payment of expenses, including claim compensation, and all operations for handling funds from its insured activity in the name and on behalf of the State, which remains the holder of the rights and obligations arising from these operations;
- collect receivables relating to the new "business development insurance" and "guarantee line" products. In addition, as part of the management of business development insurance products and guarantee line products, Bpifrance Financement provides its technical infrastructure, namely the following IT applications: BEL, GDC-OAD, Cassiopée, OSR, the associated accounting tools, Agora, Extranet and Atrium.

Lastly, Bpifrance Financement will also carry out on behalf of Bpifrance Assurance Export the various accounting and financial transactions necessary for the management of business development insurance and guarantee line products, in particular:

- resource monitoring;
- operational management of the cash accounts necessary for the collection and disbursement of business development insurance and guarantee line products;
- the accounting records associated with these flows.

The agreement authorised on 14 March 2019 allows Bpifrance Financement to provide Bpifrance Assurance Export with technical resources and infrastructure for the marketing and management of New products.

Bpifrance Financement undertakes to perform the Services diligently and to implement the means necessary for the proper execution of the agreement. Bpifrance Financement also undertakes to permanently assign a team with the necessary experience and skills as well as the appropriate human and material resources to carry out the services, as well as to ensure that Bpifrance Assurance Export has access to all the information, data, intelligence and documents required for the undertaking.

Bpifrance Assurance Export undertakes to provide Bpifrance Financement with all the resources and information necessary for the undertaking and management of transactions processed by Bpifrance Financement under the agreement. Bpifrance Assurance Export also commits to ensuring that Bpifrance Financement has access to all the information, data, intelligence and documents necessary

for the undertaking, as well as all the resources and information necessary for the undertaking and subsequent management of the transactions processed by Bpifrance Financement.

For the performance of the service, Bpifrance Financement will have a general power of representation, and may, on behalf of Bpifrance Assurance Export, sign any documents and perform any acts necessary to manage the financial flows related to the policies signed by Bpifrance Assurance Export with customers for business development insurance and guarantee line products. Compensation for all services provided by Bpifrance Financement under the agreement is based on a total fixed amount:

- €100,000 excluding taxes for the 2019 calendar year and subsequent calendar years in the event of tacit renewal.

Your company recognized income of €100,000 excluding tax corresponding to the compensation for this agreement for the fiscal year ended 31 December 2020.

These agreements referred to in Article L. 225-38 of the French Commercial Code were entered into without being presented to the Board.

Agreements already approved by the General Meeting

Agreements whose performance continued during the past fiscal year

In application of Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued during the year ended.

Related-party agreements already approved by the General Meeting of Bpifrance Financement

Shareholder advance agreement with the French State

Co-contracting parties: Bpifrance Financement and the French State.

Persons concerned: the French State, as Director of both Bpifrance and EPIC Bpifrance, represented by Martin Vial, Diane Simiu and Catherine Lagneau.

Nature, purpose and terms and conditions

These agreements concern the implementation of advances granted by the French State to your company, as part of the constitution of the over-mutualisation fund and the preserved capital fund.

This agreement had no financial impact in respect of the fiscal year ended 31 December 2020.

Agreement on the ERDF fund with Bpifrance Régions

Co-contracting parties: Bpifrance Financement and Bpifrance Régions.

Persons concerned: the Auvergne Rhône Alpes Region and the Centre Val de Loire Region represented by Annabel André and Harold Hlwart.

Nature, purpose and terms and conditions

This agreement defines the operating procedures for the ERDF system between Bpifrance Financement and Bpifrance Régions.

This agreement had no financial impact in respect of the fiscal year ended 31 December 2020.

Current account and cash pooling agreement entered into with EPIC Bpifrance

Co-contracting parties: Bpifrance Financement and EPIC Bpifrance.

Persons concerned: the French State, as Director of both Bpifrance and EPIC Bpifrance, represented by Martin Vial, Diane Simiu and Catherine Lagneau.

Nature, purpose and terms and conditions

This agreement defines the operation and remuneration methods of the current account opened in the name of your company as part of the centralized cash management.

As no funds were deposited into the account pursuant to this agreement, no interest expense or interest income was recorded in your Company's financial statements for the fiscal year ended 31 December 2020.

Financial management agreement signed with EPIC Bpifrance

Co-contracting parties: Bpifrance Financement and EPIC Bpifrance.

Persons concerned: the French State, as Director of both Bpifrance and EPIC Bpifrance, represented by Martin Vial, Diane Simiu and Catherine Lagneau.

Nature, purpose and terms and conditions

This agreement defines the nature of the services and the procedures for setting up and managing the investment and refinancing transactions on the financial markets, which your company carries out on behalf of EPIC Bpifrance. As part of this system, EPIC Bpifrance has delegated the power to implement these transactions to the Financial Operations Department of your company. This agreement does not provide for remuneration.

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Intragroup service agreement concluded with EPIC Bpifrance, Bpifrance Régions, Auxifinances and SCI Bpifrance

Co-contracting parties: Bpifrance Financement, EPIC Bpifrance, Bpifrance Régions, Auxifinances and SCI Bpifrance.

Nature, purpose and terms and conditions

This agreement, signed on 17 March 2008, amended amendment no. 1 to the agreement signed on 20 December 1999. Its purpose is to define the framework for cross-services and to set the general principles for all re-invoicing between the various parties. Your Board of Directors' meeting of 29 March 2011 also authorised an amendment to this agreement concerning Bpifrance Régions. This amendment signed on 30 March 2011 specifies the nature of the various services provided by your company to its subsidiary and sets the conditions for their remuneration, namely:

- €300,000 excluding tax for services related to accounting and financial management, monitoring of guarantee funds and legal monitoring of Bpifrance Régions;
- 0.45% of the amounts charged to the guarantee funds during the previous year for services relating to the marketing and granting of guarantees issued by Bpifrance Régions;
- 0.2% excluding tax of the amounts charged to guarantee funds during the previous year in respect of operations management services.

Pursuant to this agreement, for the year ended 31 December 2020 your company recognised:

- income of €676,536 for re-invoicing to EPIC Bpifrance;
- income of €288,299 for re-invoicing to Auxfinances for the cost of shared functions;
- income from the re-invoicing to Bpifrance Régions for services of a commercial nature and salary costs of €1,988,397.25;
- income of €217,899 for the re-invoicing to SCI Bpifrance for the costs of shared functions.

Agreement on the implementation of the Catering Modernization Fund (FMR) of 22 October 2009 concluded with the French State and EPIC Bpifrance

Co-contracting parties: Bpifrance Financement, the French State and EPIC Bpifrance.

Persons concerned: the French State, as Director of both Bpifrance and EPIC Bpifrance, represented by Martin Vial, Diane Simiu and Catherine Lagneau.

Nature, purpose and terms and conditions

This agreement on the implementation of the Catering Modernization and Transmission Loans ("PPMTR") provides for the establishment of two funds: the PMR guarantee fund (formerly the "PPMTR" guarantee fund) and the bonus compensation fund for the zero rate PMR. The French State pays the sums from the annual contribution on sales in the catering sector provided for by law to EPIC Bpifrance, which transfers them to the funds on the basis of calls for funds from your company. On 27 September 2011, your Board of Directors authorised this agreement, which allows the transfer from EPIC Bpifrance to Bpifrance Financement in an amount to meet the needs expressed and up to a limit of €7.9 million in resources, intended to finance promotional activities in the Catering sector and specifies the payment terms for the contribution to the FMR. In addition, this agreement provides for the evolution of the PPMTR to two formulas for Catering Modernization Loans, adapted to the needs of small establishments.

This agreement had no financial impact in respect of the fiscal year ended 31 December 2020.

Periodic control services agreement signed with Alsabail

Co-contracting parties: Bpifrance Financement and Alsabail.

Nature, purpose and terms and conditions

The purpose of this agreement is to define the nature and terms of the periodic control services provided for in the Decree of 3 November 2014 carried out by the General Inspection and Audit Department of your company for Alsabail.

This agreement specifies that the services will be performed in compliance with the Bpifrance Financement audit charter and will be described in an audit plan whose content and procedures are approved each year.

This agreement had no financial impact in respect of the fiscal year ended 31 December 2020.

Invoicing agreement relating to the EPIC Bpifrance guarantee on the public issue of EMTN, amended by amendment no. 1 dated 8 April 2015

Co-contracting parties: Bpifrance Financement and EPIC Bpifrance.

Persons concerned: EPIC Bpifrance as a shareholder holding a fraction of the voting rights greater than 10%.

Nature, purpose and terms and conditions

The purpose of this agreement is the granting by EPIC Bpifrance of a guarantee to investors who have subscribed to EMTNs, BMTNs, bilateral loans and certificates of deposit issued by your company. It provides for remuneration to be paid to EPIC Bpifrance, given the advantage it provides to Bpifrance Financement.

The remuneration for the guarantee may be reviewed annually at the EPIC Bpifrance Board meeting. It is initially set at:

- 0.15% of the outstanding amount of securities issued under medium- and long-term financing programmes;
- 0.02% of the outstanding amount of securities issued under short-term financing programmes.

Pursuant to this agreement, a total expense of €45,707,457.75 was recognized by your company for the fiscal year ended 31 December 2020.

Service agreement for the implementation of the Regional Innovation Guarantee Funds signed with Bpifrance Régions

Co-contracting parties: Bpifrance Financement and Bpifrance Régions.

Persons concerned: the Auvergne Rhône Alpes Region and the Centre Val de Loire Region represented by Annabel André and Harold Huwart.

Nature, purpose and terms and conditions

The purpose of this agreement is to define the operation of the FRGI system and the nature of the services between Bpifrance Financement and Bpifrance Régions. As part of this system, local authorities provide Bpifrance Régions with funds to form the FRGIs, the purpose of which is to cover the risks and the liquidity cost incurred by the aids granted by your company's network.

This agreement sets the remuneration for the provision of services at 4.80% excluding tax of the amount of funds disbursed as part of the innovation aid eligible for the FRGL.

Pursuant to this agreement, your company recognized income of €1,496,952.26 for the fiscal year ended 31 December 2020.

Services agreement entered into with Bpifrance Participations relating to the conclusion by Bpifrance Participations of financial contracts and derivative instruments ("Equity swaps").

Co-contracting parties: Bpifrance Financement and Bpifrance Participations.

Persons concerned:

- Nicolas Dufourcq as Chairman and CEO of Bpifrance Financement until 18 December 2020 and of Bpifrance Participations;
- Caisse des Dépôts et Consignations, as Director of both Bpifrance and Bpifrance Participations, represented by Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey.

Nature, purpose and terms and conditions

The purpose of this agreement, signed on 15 September 2015, is to oversee the provision of services by Bpifrance Financement to Bpifrance Participations, relating to the conclusion, by Bpifrance Participations, of financial contracts and derivative instruments.

Pursuant to this agreement, the assignments carried out within the defined framework will be invoiced at a fixed amount of €50 thousand excluding taxes per year, increased by €10 thousand excluding taxes per transaction, on the basis of a number of transactions less than or equal to 10 equity swap transactions. By amendment, this remuneration will then be adjusted annually, on the basis of the volume actually recorded and the development prospects of the financial contracts and derivative instruments.

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Agreement termed "financial agreement" entered into with Bpifrance Assurance Export regarding the opening of a current account

Co-contracting parties: Bpifrance Financement and Bpifrance Assurance Export.

Persons concerned:

- Nicolas Dufourcq as Chairman and CEO of Bpifrance Financement until 18 December 2020 and Chairman of Bpifrance Assurance Export SAS.

Nature, purpose and terms and conditions

Your Board of Directors' meeting of 16 December 2016 authorised this agreement, the purpose of which is to define the conditions under which Bpifrance Financement undertakes, as a credit institution, to collect cash from Bpifrance Assurance Export or provide it with liquidity.

In application of this agreement, the amount of loan interest is calculated daily. It is equal to the product of this balance, the daily EONIA plus an average refinancing spread for Bpifrance Financement of three months, and based on a number of days of exactly 365. Interest is paid monthly and debited or credited to the account with effect from the first day of the following month.

As an indication and on the basis of an EONIA rate (equal to -0.354% per annum based on the rate at 16 December 2016), the overall effective annual rate is deemed to be zero at the date of signature of the agreement. The agreement was signed on 20 December 2016 and resulted in the opening of a current account with a credit balance of €5,591,705.33 at 31 December 2016.

As a credit institution with access to the money markets, Bpifrance Financement aims to actively participate in the cash management of the various entities of the Bpifrance Group by opening current accounts to them in its books, at market conditions.

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Service agreement entered into with EPIC Bpifrance and Bpifrance Investissement relating to the management of the FII

Co-contracting parties: Bpifrance Financement, Bpifrance Investissement and EPIC Bpifrance.

Persons concerned: the French State, as Director of Bpifrance, Bpifrance Investissement and EPIC Bpifrance, represented by Martin Vial, Diane Simiu and Catherine Lagneau.

Nature, purpose and terms and conditions

Your Board of Directors' meeting of 19 December 2016 authorised the signing of this agreement by which EPIC Bpifrance entrusts Bpifrance Financement and Bpifrance Investissement, under the terms and conditions provided for in the Agreement, with the mission of assistance and provision of services related to the management and implementation of the FII in the financial, accounting, administrative, legal and tax fields.

EPIC Bpifrance will specify and provide, for each service, in agreement with the Service Provider(s) (Bpifrance Financement and/or Bpifrance Investissement), the information or documents necessary for the performance of said Services by the Service Provider(s) concerned.

The Service Providers undertake to provide the Services in accordance with the rules and best practices generally applied by professionals providing services of a similar nature. The Service Providers shall perform the Services or any assignment carried out under the agreement on the basis that they deem most appropriate and freely organise the methods used in their action and the conditions under which the general coordination of information and stakeholders will be carried out within the time limits set for each of the Services or assignments.

The Service Providers shall regularly inform EPIC Bpifrance of the performance of the Services and/or of any assignment carried out under the agreement.

Reasons justifying its interest for the company: In a context of intensification of transactions via EPIC Bpifrance (PIA, ERDF, FII, bond issues, etc.), it seemed necessary to update and broaden the scope of the services provided by the Bpifrance Group on behalf of EPIC Bpifrance.

Pursuant to this agreement, your company recognized income of €300,000 excluding tax for the fiscal year ended 31 December 2020.

Related-party agreements already approved by the General Meeting of Bpifrance SA and transferred to Bpifrance as a result of the universal transfer of assets resulting from the merger-absorption on 18 December 2020.

Agreement on European affairs signed with the Caisse des Dépôts et Consignations on 25 March 2014

Co-contracting parties: Bpifrance SA and Caisse des Dépôts et Consignations (CDC).

Persons concerned: Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey, representatives of the Caisse des Dépôts et Consignations.

Nature, purpose and terms and conditions

As part of the establishment of joint Bpifrance/CDC representation at the European institutions in Brussels, the agreement on European affairs was authorised by your Board of Directors on 25 March 2014.

The memorandum of understanding provides for joint Bpifrance/CDC representation in Brussels, a six-monthly steering committee and joint actions in areas of common interest. Bpifrance makes a budgetary contribution to the CDC, fixed by an annual financial agreement determining the sharing of costs, at the end of the first year of application of the memorandum of understanding.

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance Financement for the 2020 fiscal year.

Memorandum of understanding and amendments nos. 1 and 2 relating to the acquisition of CDC IC and the Digital Ambition Fund (Fonds Ambition Numérique) by Bpifrance Participations

Co-contracting parties: Bpifrance SA, the French State, CDC, EPIC Bpifrance and Bpifrance Participations.

Persons concerned:

- the French State, as Director of both Bpifrance and Bpifrance Participations, represented by Martin Vial, Diane Simiu and Catherine Lagneau;
- Caisse des Dépôts et Consignations, as Director of both Bpifrance and Bpifrance Participations, represented by Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey.

Nature, purpose and terms and conditions

The transfer of the Digital Ambition Fund by the French State to Bpifrance, and approval of the principle of the contribution in kind to Bpifrance SA, was authorised by your Board of Directors on 27 July 2018. Amendment no. 1 to the memorandum of understanding providing for the transfer of CDC International Capital and the Digital Ambition Fund by the French State to Bpifrance was authorised by your Board

of Directors on 11 December 2018 and enabled the extension of the period during which the conditions precedent to the sale of shares were in effect.

Amendment no. 2 to the memorandum of understanding providing for the transfer of CDC International Capital and the Digital Ambition Fund by the French State to Bpifrance was authorised by your Board of Directors on 29 January 2019.

The purpose of this agreement is the transfer by the French State of the Digital Ambition Fund to Bpifrance, and validation of the continuation of the discussions and negotiations. Its purpose is also to approve the contribution in kind by Caisse des Dépôts and EPIC Bpifrance to Bpifrance SA of receivables held on Bpifrance Participation, the agreement on this principle of contribution in kind foreshadowing the conclusion of the contribution agreements that will be associated with it and which must be the subject of subsequent prior authorisation by the Board in accordance with the procedure for related-party agreements provided for in Article L. 225-40 of the French Commercial Code. In application of this agreement, the valuation of the contributions in favour of Bpifrance amounted to €411.4 million. The contributions of the EPIC Bpifrance (50%) and CDC (50%) assets were remunerated by Bpifrance through a capital increase of €411.4 million, carried out on 15 May 2019.

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance Financement for the 2020 fiscal year.

Agreement for the transfer by the Caisse des Dépôts et Consignations (CDC) to Bpifrance SA of the historical stock of associative contributions ("Entrepreneurship and regions")

Co-contracting parties: Bpifrance SA and Caisse des Dépôts et Consignations.

Persons concerned:

- Éric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey, Directors representing Caisse des Dépôts et Consignations.

Nature, purpose and terms and conditions

This agreement was authorised by your Board of Directors on 31 July 2019.

Under the terms of this agreement, CDC transferred to Bpifrance SA contributions made to associations working to support the creation of companies. These associations were provided with contributions intended to supplement the funds of unsecured loans. As of 31 March 2019, the total net amount of these contributions amounted to €180,512,222. This memorandum of understanding entered into force on 31 July 2019, for a period of 20 years. The parties agreed that the transfer of the historical contributions by CDC to Bpifrance did not give rise to the payment of any financial consideration whatsoever by Bpifrance to CDC.

Pursuant to this agreement, this contribution of €180,512,222 was recorded on the assets side of Bpifrance's balance sheet at 31 December 2020.

Related-party agreements already approved by the General Meetings of Bpifrance SA and Bpifrance Financement

Agreement relating to the loan agreement in the event of a stressed cash position at Bpifrance Financement

Co-contracting parties: Bpifrance Financement, Bpifrance SA and Bpifrance Participations.

Persons concerned:

- Nicolas Dufourcq as Chairman and CEO of Bpifrance Financement until 18 December 2020, Chairman and CEO of Bpifrance Participations and CEO of Bpifrance SA until 18 December 2020;
- Caisse des Dépôts et Consignations, as Director of both Bpifrance and Bpifrance Participations, represented by Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey.

Nature, purpose and terms and conditions

Your Board of Directors' meetings of 15 December 2018 (Bpifrance Financement) and 18 December 2018 (Bpifrance SA) authorised the signing of this agreement, the purpose of which is to formalize the terms of the mobilization, by Bpifrance SA and Bpifrance Participations, for the benefit of Bpifrance Financement, of a portion of their available cash in the event that cash difficulties are encountered by Bpifrance Financement and pending a permanent solution. This agreement was signed on 21 December 2018.

In application of this agreement, the amount of loan interest is calculated daily. It is equal to the product of this balance, the daily EONIA plus an average refinancing spread for Bpifrance Financement of three months, and based on a number of days of exactly 365.

This agreement had no financial impact during the fiscal year ended 31 December 2020.

Memorandum of understanding signed with CDC and Bpifrance Financement relating to the transfer of business support activities and service provision agreement between Bpifrance Financement and Bpifrance SA dated 20 December 2018

Co-contracting parties: Bpifrance SA, Bpifrance Financement and Caisse des Dépôts et Consignations.

Persons concerned:

- Eric Lombard, Olivier Sichel, Florence Mas, Virginie Chapron-du-Jeu, Directors representing the Caisse des Dépôts et Consignations;
- Nicolas Dufourcq, Chairman and CEO of Bpifrance Financement and Bpifrance SA until 18 December 2020;
- Claire Dumas, Director of Bpifrance Financement and Bpifrance SA until 18 December 2020.

Nature, purpose and terms and conditions

The memorandum of understanding signed between CDC, Bpifrance SA and Bpifrance Financement relating to the transfer of company support activities was authorised by your Board of Directors on 20 December 2018. This agreement is accompanied by a service provision agreement between Bpifrance SA and Bpifrance Financement, which was also authorised by your Board of Directors on 19 December 2018 (Bpifrance Financement) and 20 December 2018 (Bpifrance SA).

On 1 January 2019, Bpifrance SA took over all the activities previously carried out by Caisse des Dépôts in the field of business creation and entrepreneurship support. As part of its mission, Bpifrance

Financement uses its network to commercialise schemes related to the "Entrepreneurship and Region Activity", grant undertakings and contractualise operations. Bpifrance Financement also performs, on behalf of Bpifrance SA, all services, IT or other, necessary to carry out the "Entrepreneurship and Region Activity".

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance SA for the 2020 fiscal year. It should be noted that this agreement expired in fiscal year 2020.

Agreement concluded with the French State, Caisse des Dépôts et Consignations (CDC) and Bpifrance SA relating to the transfer of the management of the social cohesion fund

Co-contracting parties: Bpifrance Financement, the French State, CDC and Bpifrance SA.

Persons concerned:

- The French State, represented by Martin Vial, Diane Simiu and Catherine Lagneau;
- Caisse des Dépôts et Consignations, represented by Eric Lombard, Virginie Chapron-du-Jeu, Antoine Saintoyant and Carole Abbey.

Nature, purpose and terms and conditions

On 19 December 2019, your Board of Directors approved and signed an agreement between the French State, CDC, Bpifrance SA and Bpifrance Financement validating the transfer of the management of the PTZ/formerly NACRE Social Cohesion Fund. This agreement thus makes it possible to implement the transfer from 1 January 2020 of the FCS and management of the PTZ/formerly NACRE scheme from CDC to Bpifrance. In addition, CDC undertakes to examine the request for payment of a loan budget of €25 million euros so that it can take place before 31 December 2019 and subject to a guarantee decision for the FCS dedicated to covering this budget.

The agreement provides, on the one hand, for Bpifrance to take over the management mandate of the Social Cohesion Fund from 1 January 2020. On this point, the agreement provides for:

- the signing of a mandate agreement between Bpifrance and the French State. The agreement, approved in a first version by the Board of Directors on 19 December 2019, specifies in particular the management fees paid to Bpifrance;
- CDC's commitment to draw up an inventory of transferred assets and liabilities on the basis of the Decree of 31 December 2018 and to circulate it with the third parties involved across the whole scheme. CDC will inform Bpifrance of any discrepancies noted between the accounting balances and management monitoring. These elements will be presented and validated by the FCS governance bodies;
- the resumption by all of the previous commitments of the FCS, in particular those made to the subscribers and beneficiaries of the FCS.

The agreement also provides for the transfer of the PTZ scheme, from 1 January 2020, from CDC to Bpifrance. Thus, Bpifrance takes over the operational management of the PTZ system (formerly Nacre), instead of the CDC, with the agreement of the French State, which provides its guarantee, under the FCS. To facilitate the transfer of resources and avoid any disruption for project leaders, CDC will proceed with payment of a loan budget of €25 million to the Savings Fund by 31 December 2019. Once the entire budget of €25 million euros has been used up, the loans will no longer benefit from the savings fund subsidy, and Bpifrance Financement will assume the financing of these PTZs subject to the granting of the FCS guarantee. Bpifrance is committed to putting in place before the end of the first half


of 2020, using its own resources, the mechanisms necessary for the financing of PTZs for the creation of companies for people excluded from employment.

In application of this agreement, no financial impact was recorded in the financial statements of Bpifrance Financement for the 2020 fiscal year.

The Statutory Auditors,

Mazars
Courbevoie, 24 March 2021

KPMG Audit SA
Paris La Défense, 24 March 2021

 Signature
numérique de
Matthew BROWN
Date: 2021.03.24
17:09:24 +01'00'

Matthew BROWN



Jean LATORZEFF

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11.4. Report on the Pro forma Financial Information for fiscal year ended 31 December 2020



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Bpifrance (formerly Bpifrance Financement SA)

**Statutory Auditors' report on the pro-forma financial
information for the fiscal year ended 31 December 2020**

Fiscal year ended 31 December 2020

Bpifrance (formerly Bpifrance Financement SA)

27-31, avenue du général Leclerc - 94710 Maisons-Alfort

This report contains three pages

Reference: US-21-1-08



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Bpifrance (formerly Bpifrance Financement SA)

Registered office: 27-31, avenue du Général Leclerc - 94710 Maisons-Alfort
Share capital: €5,440,000,000

Statutory Auditors' report on the pro-forma financial information for the fiscal year ended 31 December 2020

Fiscal year ended 31 December 2020

To the CEO, Executive Director,

In our capacity as Statutory Auditors and pursuant to Regulation (EU) No. 2017/1129 supplemented by Delegated Regulation (EU) No. 2019/980, we have prepared this report on the pro forma financial information of Bpifrance S.A. (the "Company") relating to the fiscal year ended 31 December 2020 included in the section "Pro forma information relating to the merger-absorption of Bpifrance S.A. by Bpifrance Financement" of the prospectus prepared for the Universal Registration Document (the "Pro Forma Financial Information").

This Pro Forma Financial Information has been prepared for the sole purpose of illustrating the effect that the merger-absorption of Bpifrance S.A. by its subsidiary Bpifrance Financement could have had on the consolidated profit and loss statement for the fiscal year ended 31 December 2020 of the Company if the transaction had taken effect on 1 January 2020. By its very nature, it describes a hypothetical situation and is not necessarily representative of the performance that could have been observed if the transaction or event had occurred at a date prior to the date of its actual or envisaged occurrence.

This Pro Forma Financial Information was prepared under your responsibility in accordance with the provisions of Regulation (EU) No. 2017/1129 and the ESMA recommendations relating to Pro Forma Financial Information.

It is our responsibility, on the basis of our work, to express a conclusion, in the terms required by Annex 20, section 3 of Delegated Regulation (EU) No. 2019/980, on the correct submission of the preparation of the Pro Forma Financial Information on the basis indicated.

We have performed the due diligence that we deemed necessary in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relating to this assignment. These procedures, which do not include an audit or a limited review of the financial information underlying the preparation of the Pro Forma Financial Information, consisted mainly in verifying that the bases on which the Pro Forma Financial Information was prepared are consistent with the source documents in question as described in the explanatory notes to the Pro Forma Financial Information, examining the audit evidence justifying the pro forma restatements and consulting the Company's Management to gather the information and explanations that we deemed necessary.



Mazars

Bpifrance (formerly Bpifrance Financement S.A.)
Statutory Auditors' report on the pro-forma financial information for the fiscal year
ended 31 December 2020

26 March 2021

In our opinion:

- the Pro Forma Financial Information has been correctly prepared on the basis indicated;
- this basis is consistent with the accounting methods applied by the issuer.

This report is issued solely for the purpose of filing the Universal Registration


Document with the AMF and may not be used in any other context.


Paris La Défense, 26 March 2021
KPMG S.A.

 2021.03.26
10:08:17
+01'00'

Ulrich Sarfati
Partner

Courbevoie, 26 March 2021
Mazars

 2021.03.26
10:47:33 +01'00'

 Signature
Matthew BROWN
Date: 2021.03.26
11:02:04 +01'00'

Jean Latorzeff
Partner

Matthew Brown
Partner

12. GENERAL INFORMATION CONCERNING BPIFRANCE

Bpifrance is a French public limited company (*société anonyme*) with a Board of Directors, with share capital of €5,440,000,000, registered in the Créteil Trade and Companies Register under number 320 252 489 RCS Créteil (APE code 6492Z) and LEI number 969500STN7T9MRUMJ267.

Bpifrance was created on 22 December 1980 under the name of Crédit d'Équipement des PME. The term of the company is set at 99 years starting on 14 November 1980.

The registered office is located at 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex (Tel: +33 (0)1 41 79 80 00).

Website: www.bpifrance.fr

The information shown on the website is not part of the prospectus.

12.1. Corporate purpose of Bpifrance

The purpose of Bpifrance, in particular, in accordance with Order No. 2005-722 of 29 June 2005 relating to the Public Investment Bank, is to carry out, directly or through its subsidiaries, the following public interest missions:

- 1) Foster growth through innovation and technology transfer under the conditions set out in Article 9 of said Order;
- 2) Contribute to economic development by taking on some of the risk resulting from loans to small and medium-sized enterprises;
- 3) Meet the specific financing needs of small and medium-sized enterprises in terms of their capital expenditure and operating receivables.

It contributes to the financing of investments and operating receivables of mid-tier companies.

It also contributes to reinforcing the national and local actions to promote entrepreneurship, notably in fragile regions, to promote the creation and takeover of companies, and to support the development of very small enterprises and small and mid-tier companies.

It also aims, since 18 December 2020, to act directly or through its subsidiaries in favour of the equity financing of small and mid-tier companies, intermediate-sized companies in growth, technological or industrial sectors, as well as large companies and the promotion of private equity investments in small and mid-tier companies. In this context, Bpifrance and its subsidiaries act as an informed investor in a market economy.

It is authorised to carry out in France and abroad, itself or through its subsidiaries or companies in which it holds an interest, all activities that are directly or indirectly related to its statutory corporate purpose.

It may, under the conditions determined by the laws and regulations applicable to credit institutions, carry out banking transactions or transactions involving financial instruments, insofar as this is necessary, either for the achievement of its corporate purpose or for the management of the cash, investments, investments or transactions (or the hedging of related risks) of the entities that Bpifrance controls (the notion of "control" being understood in all cases, as direct or indirect), or as part of facilities it grants to its employees.

It does not receive, itself or through a subsidiary, any cash or securities deposits (other than in connection with banking transactions, financial instruments or, more generally, the transactions referred to in the previous paragraph) and does not grant any loans other than those covered by these Articles of Association.

For the performance of its duties, Bpifrance may (i) rely on the means and resources of its subsidiaries and (ii) proceed with:

- the acquisition, subscription, holding, making of an equity investment or taking an interest, direct or indirect, in all commercial, industrial, financial, movable and real estate companies and undertakings,

whether through the creation of new companies or the acquisition of existing companies, contributions, mergers, spin-offs or joint ventures, through leasing of assets;

- all provisions of services and consulting services to its Group companies in the areas of human resources, IT, management, communication, finance, legal, marketing and purchasing to its subsidiaries and direct or indirect investments;

and generally, all transactions, whether financial, commercial, industrial, civil, real estate or movable property that may be directly or indirectly related to the above-mentioned activities or likely to facilitate their accomplishment within the limits allowed by the Bpifrance credit institution status.

12.2. General Meetings

Shareholders' meetings are called and held subject to the conditions provided by law. Each share gives the holder the right to attend General Meetings and to vote under the conditions laid down by law.

As at 31 December 2020, the Issuer held 1,450,880 shares of its share capital, representing approximately 0.2% of the share capital. These shares are deprived of voting rights at General Meetings of Shareholders.

12.3. Other general information about the Issuer

12.3.1. Information included by reference

The following information is incorporated by reference in this Universal Registration Document:

- for the 2019 fiscal year, the Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on 14 April 2020, under number D.20-0291. The consolidated financial statements appear on pages 116 to 208 and the corresponding audit report is on pages 262 to 269 of the same document. The declaration by the persons responsible for the Registration Document is on page 310;
- for the 2018 fiscal year, the Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on 15 April 2019, under number D.19-0339. The consolidated financial statements appear on pages 93 to 190 and the corresponding audit report is on pages 242 to 249 of the same document. The declaration by the persons responsible for the registration document is on page 279.

12.3.2. Trend information

Bpifrance certifies that no significant deterioration has affected its prospects since the date of its last audited and published financial statements.

12.3.3. Legal proceedings and arbitration

Bpifrance certifies that over the last 12 months, no government, legal or arbitration proceedings of which it is aware, which are pending or by which it is threatened, are likely to have or have had any significant effect on the financial position or profitability of the company or the Group.

12.3.4. Significant change in the issuer's financial position

Bpifrance certifies that no significant change in the Group's end of the last fiscal year for which audited financial statements were published.

12.3.5. Conflicts of interest at the level of the administrative and management bodies

To the knowledge of the persons responsible for this Universal Registration Document, there is no conflict of interest between the obligations towards the Issuer of any of the members of the Board of Directors and their private interests and/or other obligations.

12.3.6. Documents available to the public

The Issuer certifies that:

- copies of the act of incorporation and updated Articles of association of the Issuer may be consulted at its registered offices, 27-31 avenue du Général Leclerc 94710 Maisons-Alfort Cedex;
- the Issuer's annual report for 2020 is available on its website: bpifrance.fr,
- the 2019 and 2018 annual reports, serving as Registration Documents, are available for consultation on the website: bpifrance.fr.

13. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND AUDITS

13.1. Persons responsible

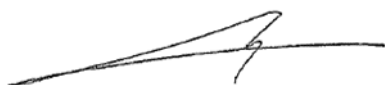
Nicolas Dufourcq, Chief Executive Officer of Bpifrance and Arnaud Caudoux, Executive Director, are responsible for the information contained in this Universal Registration Document.

13.1.1. Statement of the Chief Executive Officer and the Executive Director

We certify that the information contained in this Universal Registration Document is, to the best of our knowledge, true to the facts and does not contain any omission likely to alter its scope.

We certify that, to the best of our knowledge, the financial statements have been prepared in compliance with the applicable accounting standards, and provide a fair picture of the assets, financial situation and earnings of the company and of all of the companies included in the consolidation, and that the management report contained on pages 20 to 171 of this Universal Registration Document includes an accurate picture of the evolution of the business, results and financial situation of the company and of all of the companies included in the consolidation, and that it describes the main risks and uncertainties with which they are faced.

26 March 2021,



Arnaud Caudoux
Executive Director



Nicolas Dufourcq
Chief Executive Officer

13.2. Statutory Auditors

13.2.1. Principal

MAZARS, member of the Regional Association of Versailles, Exaltis – 61 rue Henri Regnault 92075 La Défense Cedex – appointed for the first time in 1996 and whose term of office was renewed by the Ordinary General Meeting on 9 May 2016 and that expires at the close of the General Meeting called to approve the financial statements of the fiscal year to 31 December 2021, represented by Jean Latorzeff and Matthew Brown.

The separate and consolidated financial statements for the year ended 31 December 2018 and those for the year ended 31 December 2019 were audited and certified by Jean Latorzeff and Matthew Brown.

KPMG SA, member of the Regional Association of Versailles – 2 avenue Gambetta – CS 60055 – 92066 Paris La Défense – appointed for the first time in 2009, whose term of office was renewed by the Combined General Meeting on 12 May 2015 and expires at the close of the General Meeting called to approve the financial statements for the year ending 31 December 2020, represented by Ulrich Sarfati.

The separate and consolidated financial statements for the year ended 31 December 2018 and those for the year ended 31 December 2019 were audited and certified by Ulrich Sarfati.

The appointment of KPMG Audit FS I for six fiscal years is proposed to the General Meeting of 5 May 2021 to replace KPMG SA (see section 5 of this Universal Registration Document).

13.2.2. Alternates

Mr Franck Boyer
61 rue Henri Regnault – 92075 La Défense Cedex
Appointed by the General Meeting of 27 May 2010 for a term of six fiscal years
Member of the Regional Association of Versailles
Expiry of term of office: fiscal year 2022.

KPMG Audit FS I
2, avenue Gambetta – CS 60055 – 92066 Paris La Défense
Appointed by the General Meeting of 12 May 2015 for a term of six fiscal years
Member of the Regional Association of Versailles
Expiry of term of office: fiscal year 2021.

It is proposed to the General Meeting of 5 May 2021 that the term of office of KPMG Audit FS I as Alternate Statutory Auditors not be renewed, pursuant to the option provided for in Article L. 823-1 of the French Commercial Code (see section 5 of this Universal Registration Document).

14. CROSS-REFERENCE TABLES

1. Cross-reference table of the Universal Registration Document

This cross-reference table contains the page numbers of this Universal Registration Document on which information can be found relating to each of the headings of the Regulation provided for in Annexes I and II to European Commission Delegated Regulation (EC) No. 2019/980 of 14 March 2019 (the “Regulation”).

Unless otherwise stated, the references to notes contained in this cross-reference table refer to the notes to the consolidated financial statements.

Annexes I and II of the European Regulation (EU) No. 2019/980			Universal Registration Document
			Section(s)/Page(s)
I		Persons responsible, third party information, experts' reports and competent authority approval	
1.		Persons responsible	13.1/p. 429
2.		Statement of the persons responsible for the Universal Registration Document	13.1/p. 429
3.		Statement or report attributed to a person as an expert	Not applicable
4.		Information from a third party	Not applicable
5.		Approval of the competent authority	Not applicable
II		Statutory Auditors	
1.		Names and addresses of the issuer's Auditors	13.2/p. 430
2.		Auditors who have resigned, been removed or not been reappointed	13.2/p. 430
III		Risk factors	3.2/p.129-136
IV		Information about the issuer	12.3/p.427-429
V		Business overview	
1.		Main activities	2/p.10-17; 3.1.4/p. 24-47
2.		Main markets	2/p.10-17; 3.1.4/p. 24-47
3.		Significant events in the development of the business	3.1.1; 3.1.2/p.20-23
4.		Strategy and objectives	3.1.3/p. 23-24
5.		Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Not applicable
6.		Competitive position	2.3/p.10-17
7.		Investments	3.1.9.1/p. 127
IV		Organisational structure	
1.		Brief description of the Group	19
2.		List of the significant subsidiaries	3.1.9.1/p.127 and note 7.2 (separate financial statements)
IX		Operating and financial review	
1.		Financial condition	3.1.6/p. 52-54
2.		Net operating income	2.2/p. 8; and note 41 (separate financial statements)

Annexes I and II of the European Regulation (EU) No. 2019/980		Universal Registration Document
		Section(s)/Page(s)
X	Capital resources	
1.	Share capital information	3.1.5/p. 48-52
2.	Sources and amounts of the issuer's cash flows	8/p. 210-211
3.	Information on the funding requirements and funding structure of the issuer	3.1.5/p. 49-52
4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	3.2/p. 129-136
5.	Information regarding the anticipated sources of funds	Note 8.6.4 (consolidated financial statements)
XI	Regulatory environment	3.6/p. 164-171
XII	Trend information	
1.	Main recent trends	3.1.7/p. 54-57; 12.3.2/p. 428
2.	Trend likely to have a significant impact on the issuer's outlook	3.2/p. 129-136
XIII	Profit forecasts or estimates	Not applicable
XIV	Administrative, management and supervisory bodies and senior management	
1.	Board of Directors and General Management	4.1 to 4.3/p.172-186
2.	Conflicts of interest within administrative, management and supervisory bodies and senior management	12.3.5/p.429
XV	Remuneration and benefits paid to persons referred to in item XIV.1	
1.	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	4.4/p.186-192
2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	4.4/p.192 and note 10 (consolidated financial statements)
XVI	Board and management practices	
1.	Date of expiration of the current term of office of members of administrative, management and supervisory bodies	4.1.1/p. 172-175, 4.1.3/p. 176
2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries	Not applicable
3.	Information about the issuer's audit committee and remuneration committee	4.5.4/p. 195-196
4.	Compliance with the applicable corporate governance regime	4./p. 172
5.	Potential significant impacts on corporate governance	4.3/p. 178-185
XVII	Employees	
1.	Number of employees at the end of the period covered by the historical financial information or the average number for each financial year in the period and a breakdown of employees	7./p. 204 and notes 45 (separate financial statements) and 10.3 (consolidated financial statements).

2.	Directors' shareholdings and stock options	Not applicable
3.	Arrangements for employee participation in the issuer's share capital	Not applicable

Annexes I and II of the European Regulation (EU) No. 2019/980			Universal Registration Document
			Section(s)/Page(s)
XVIII	Main shareholders		
1.	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law		Not applicable
2.	Differences between the voting rights of major shareholders		Not applicable
3.	Ownership or control of the issuer and measures in place to ensure that such control is not abused		2.4/p.18
4.	Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer		Not applicable
XIX	Related party transactions		11.3/p.406-423 and note 13.1 (consolidated financial statements)
XX	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
1.	Historical financial information, including annual financial statements (separate and consolidated financial statements)		7/p.204
2.	Interim and other financial information		Not applicable
3.	Audit of historical annual financial information		13.2/p. 430
4.	Pro forma financial information		10/p. 380-385 11.4/p.424-426
6.	Dividend policy		3.1.9.5/p.127
7.	Legal proceedings and arbitration		12.3.3/p. 428
8.	Significant change in the issuer's financial position		12.3.4/p. 428
XXI	Additional information		
1.	Issued capital		12 (preamble)/p. 427
2.	Memorandum and Articles of Association		12.3.6/p. 429
XXII	Material contracts		Not applicable
XXIV	Available documents		12.3.6/p. 429

2. Cross-reference table for the annual financial report

This Universal Registration Document includes all items from the annual financial report referred to in Article L. 451-1-2, subsection I of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation. The following cross-reference table refers to sections of the Universal Registration Document corresponding to the different sections of the annual financial report.

The references to notes contained in this cross-reference table refer to the notes to the consolidated financial statements.

Annual financial report		Universal Registration Document
		Section(s)/Page(s)
I	Annual financial statements of the Company	9./p.319-379
II	Consolidated financial statements of the Company	8./p.205-318
III	Management report containing at least the information referred to in Articles L. 225-100-1, L 225-102, L 225-102-1 L. 225-211 paragraph 2 and L. 22-10-35 of the French Commercial Code	See cross-reference table in the management report on p. 435-436
IV	Declaration by the persons responsible for the annual financial report	13.1/p. 432
V	Report from the Statutory Auditors on the annual and consolidated financial statements	11.2 (p. 397-405) and 11.1 (p.387-396)

3. Cross-reference table of the management report, the corporate governance report and the statement of non-financial performance

This cross-reference table contains the page numbers of the Universal Registration Document on which information can be found relating to the elements required by the provisions of the French Commercial Code applicable to public limited companies (*sociétés anonymes*) with a Board of Directors.

Management report		Universal Registration Document
		Section(s)/Page(s)
I	Group situation and activity	
1.	Review of the financial position and results	2.2/p.8-9, 3.1.6/p. 52-54
2.	Financial key performance indicators	2.2/p. 8-9
3.	Non-financial key performance indicators (social and environmental information)	3.1.8/p.58-126
4.	Significant events since the end of the fiscal year	3.1.2/p.23
5.	Identity of the main shareholders	2.4/p.18
6.	Existing branches	Not applicable
7.	Acquisition of significant shareholdings	3.1.9.1/p. 127
8.	Cross-shareholdings	Not applicable
9.	Foreseeable developments and future outlook	3.1.7/p.54-57
10.	Research and development activities	3.1.9.8/p.128
11.	Table of results for the last five fiscal years	7/p. 204
12.	Information on supplier and customer payment terms	3.1.9.6/p.128
13.	Amount of inter-company loans granted and statement by the Statutory Auditors	11.3/p.406-423
II	Internal control and risk management	
1.	Description of the main risks and uncertainties	3.2/p.129-136
2.	Information on financial risks related to the effects of climate change	Not applicable
3.	Preparation and processing of accounting and financial information	3.5/p.162-164
4.	Exposure to risks	3.2/p.129-136
5.	Anti-corruption measures	3.3.5.4/p. 152 3.6.2/p.166
6.	Vigilance plan	Not applicable
III	Report on corporate governance	
1	Compensation information	4.4/p.186-192
2	Governance information	
	List of all terms of office and functions exercised by corporate officers	4.3/p.178-185
	Agreements between an executive or a significant shareholder and a subsidiary	4.8/p.198
	Delegations relating to capital increases	4.10/p.198
	General management procedures	4.1.2/p. 176
	Composition, preparation and organisation of the work of the Board	4.5/p.192-197
	Principle of gender balance	4.5.1/p.192
	Limitations on the powers of the Chief Executive Officer	4.5.5/p.198
	Reference to the Corporate Governance Code	4/p. 172
	Terms of participation in the General Meeting	12.2/p. 428
	Valuation procedure for current agreements	Not applicable
	Information referred to in Article L. 22-10-11 of the French Commercial Code: - Factors that may be relevant in the event of a tender offer	Not applicable
V	Shareholding and capital	
1.	Capital structure, change	2.4/p.18

Management report			Universal Registration Document
			Section(s)/Page(s)
2.		Acquisition and disposal by the company of its own shares	3.1.9.3/p.127
3.		Employee shareholding status	3.1.9.2/p.127
4.		Information on transactions by senior executives	3.1.9.2/p.127
5.		Amount of dividends for the last three fiscal years	5/p. 200
VI		Statement of Non-Financial Performance	3.1.8/p.58-120
VII		Other information	3.1.9/p.127-128

4. Cross-reference table of information included by reference

This cross-reference table contains the page numbers of the 2019 Universal Registration Document and the 2018 Registration Document on which information can be found relating to each of the headings of the Regulation provided for in Annexes I and II to European Commission Delegated Regulation (EC) No. 2019/980 of 14 March 2019 (the "Regulation").

Information included by reference Annexes I and II of the European Regulation (EU) No. 2019/980		2019 Universal Registration Document	2018 Universal Registration Document
		Page(s)	Page(s)
I	Persons responsible, third party information, experts' reports and competent authority approval		
1.	Persons responsible	310	279
2.	Statement of the persons responsible for the Universal Registration Document	310	279
II	Statutory Auditors		
1.	Names and addresses of the issuer's Auditors	311	280
2.	Auditors who have resigned, been removed or not been reappointed	Not applicable	Not applicable
III	Risk factors	70-83; 173-196	23-29; 154-177
IV	Information about the issuer		
1.	History and development of the issuer	308	277
V	Business overview		
1.	Main activities	6-7, 13-19	7-9; 13-19
2.	Main markets	6-7, 13-19	7-9; 13-19
3.	Significant events in the development of the business	11; 70-83	23-29
4.	Strategy and objectives	11-12	11-12
5.	Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Not applicable	Not applicable
6.	Competitive position	6-7	7-9
7.	Investments	25-65; 66-69	31-52; 59
IV	Organisational structure		
1.	Brief description of the Group	9	10
2.	List of the significant subsidiaries	66; 235	59; 215
IX	Operating and financial review		
1.	Financial condition	23-24	29-30
2.	Net operating income	5; 257	6; 237
X	Capital resources		
1.	Share capital information	20-23	20-24
2.	Sources and amounts of the issuer's cash flows	116-208	93-190
3.	Information on the funding requirements and funding structure of the issuer	20-23	20-24
4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	70-83; 173-196	23-29; 154-177
5.	Information regarding the anticipated sources of funds	193	174-175
XI	Regulatory environment	83	62

Information included by reference Annexes I and II of the European Regulation (EU) No. 2019/980			2019 Universal Registration Document	2018 Universal Registration Document
			Page(s)	Page(s)
XII		Trend information	25; 309	31; 278
XIII		Profit forecasts or estimates	Not applicable	Not applicable
XIV		Administrative, management and supervisory bodies and senior management		
1.		Board of Directors and General Management	91-98	69-76
2.		Conflicts of interest within administrative, management and supervisory bodies and senior management	310	279
XV		Remuneration and benefits paid to persons referred to in item XIV.1		
1.		Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	98-104	76-81
2.		Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	116-208; 198-204	93-190; 179-185
XVI		Board and management practices		
1.		Date of expiration of the current term of office of members of administrative, management and supervisory bodies	91-94	.69-72
2.		Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries	Not applicable	Not applicable
3.		Information about the issuer's audit committee and remuneration committee	105-107	82-84
4.		Compliance with the applicable corporate governance regime	104 (preamble)	81 (preamble)
		Potential significant impacts on corporate governance	91-94	69-72
XVII		Employees		
1.		Number of employees at the end of the period covered by the historical financial information or the average number for each financial year in the period and a breakdown of employees	115; 261	92; 241
2.		Directors' shareholdings and stock options	Not applicable	Not applicable
3.		Description of any arrangements for involving the employees in the capital of the issuer	Not applicable	Not applicable
XVIII		Main shareholders		
1.		Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law	Not applicable	Not applicable
2.		Differences between the voting rights of major shareholders	Not applicable	Not applicable
3.		Ownership or control of the issuer and measures in place to ensure that such control is not abused	6	7
4.		Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Not applicable	Not applicable

Information included by reference Annexes I and II of the European Regulation (EU) No. 2019/980			2019 Universal Registration Document	2018 Universal Registration Document
			Section(s)/Page (s)	Page(s)
XIX		Related party transactions	66; 105; 205-207; 278-307	59; 82; 186-187; 257-276
XX		Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
1.		Historical financial information	115	92
		Interim and other financial information	Not applicable	Not applicable
		Audit of historical annual financial information	311	280
2.		Pro forma financial information	Not applicable	Not applicable
3.		Annual financial statements (consolidated and parent company financial statements)	116-208; 209-261	93-190; 191-241
7.		Dividend policy	68	60
8.		Legal proceedings and arbitration	309	278
9.		Significant change in the issuer's financial position	309	278
1.		Issued capital	308 (preamble)	277 (preamble)
2.		Memorandum and Articles of Association	310	13.4.6/p.
XXII		Material contracts	Not applicable	Not applicable
XXIV		Available documents	310	310



Bpifrance

Public Limited Company with Board of Directors

Capital of €5,440,000,000

320 252 489 RCS Créteil

Registered office

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