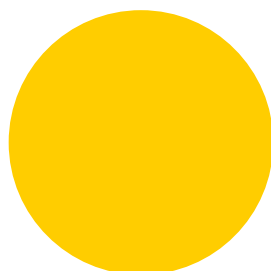


HALF-YEAR
CONSOLIDATED
FINANCIAL
STATEMENTS
30 JUNE 2021
BPIFRANCE





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I. BPIFRANCE HALF-YEAR BUSINESS REPORT AT

30 June 2021

1. BUSINESS ACTIVITIES

1.1. Merger and takeover of Bpifrance SA by Bpifrance Financement in December 2020

On 18 December 2020, the general meetings of the shareholders of Bpifrance SA and Bpifrance Financement approved the merger and takeover of the holding company Bpifrance SA by its subsidiary, the credit institution Bpifrance Financement, with immediate legal effect.

On the same date, the general meeting of the shareholders of Bpifrance Financement changed the company's name to Bpifrance.

This merger is a component of the reorganisation of the Bpifrance group, which aims to increase the capability of Bpifrance and its subsidiaries to act, especially their ability to grant guarantees to companies, as well as to simplify its organisational structure.

As a result of the merger, Bpifrance Participations and Bpifrance Assurance Export are now directly held by Bpifrance (formerly Bpifrance Financement), which is now the parent company of the Bpifrance group.

1.2. Description of business activities

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

Financing division

Bpifrance's business of financing small- and medium-sized companies, as well as very small businesses, is in line with the general economic interest mission entrusted to it by the public authorities, which it carries out in partnership with banks, investment capital professionals, local authorities, in particular the regions, and other public institutions operating in the corporate financing field.

Bpifrance acts directly alongside banks to finance corporate investment through medium- and long-term loans and lease purchase transactions. Some of these loans are granted without on-balance-sheet guarantees, thereby enabling companies to finance intangible investments. Via its short-term loan offering, the bank also finances the cash flow needs of small- and medium-sized companies, in particular by offering financing against receivables owed by public contracting authorities or certain large private groups. Finally, the bank offers export credit that provides financing for the export contracts of French exporters.

Bpifrance also indirectly supports credit to businesses through its offer of bank loan guarantees. This activity is backed by guarantee funds that are held on its balance sheet and are financed by the public authorities.



Lastly, Bpifrance operates in the innovation financing field by providing grants, loans and repayable advances to businesses. This activity is also backed primarily by financing granted to Bpifrance by the public authorities.

Investment division

Through its equity investments, the Investment division finances the development and growth of VSEs and SMEs with the aim of promoting the emergence, consolidation and expansion of medium-sized companies, which are essential to the competitiveness of the French economy and the development of exports.

Investments are made either directly by Bpifrance Participations or indirectly through funds.

The Investment division is organised into four business lines:

- A Fund of Funds, which primarily manages investments in partner funds;
- Growth Capital, which invests and monitors investments in companies of various sizes engaging in various businesses;
- Innovation, which acts on behalf of funds that Bpifrance Participations holds as own funds or in which it invests jointly with third parties;
- Support, which develops business support programs.

Export Insurance

Bpifrance Assurance Export manages public export guarantees in the name of, on behalf of and under the control of the French State.

1.3. Business activities during the first half of 2021

Excluding COVID-19 arrangements, new loan production remained stable in the first half of 2021 compared with the first half of 2020 (€3.8 billion).

Due to the high volume of production deployed in 2020 to provide COVID-19 support (in particular, unsecured “Atout” loans), activity under these arrangements logically decreased significantly compared with the first half of 2020 (€0.5 billion compared with €2.5 billion).

Short-term financing continued to fall due to the planned decrease in financing against competitiveness and employment tax credit (CICE) receivables (-34.2%), whereas Avance + trade receivable financing fell slightly by 3.9%.

Innovation financing through aid rose sharply by nearly 300% over the same period (agreements worth €2.0 billion at 30 June 2021, compared with €0.5 billion at 30 June 2020), mainly due to the deployment of the government’s stimulus plan in the first half of 2021 (€1.0 billion at end-June 2021).

The guarantee business was up by 7.5% for traditional funds and by 23.3% for regional guarantee funds.

At mid-year 2021, over €1.9 billion had been invested by the various Investment business lines, up 48% compared to the figure at 30 June 2020.

This figure breaks down as follows by business line:

- Over €1 billion was invested in growth capital, an increase of nearly 60% relative to 30 June 2020, due in large part to the ramp-up of the activity of the Lac 1 fund, as well as by very robust activity in the small cap and mid cap segments;
- The activity of the Innovation division’s various business lines totalled €0.3 billion at mid-year (+12% compared to 30 June 2020) and confirms the vitality of the venture capital market;

- With subscriptions at a level of nearly €0.6 billion, up 55% compared to 30 June 2020, the business of the Fund of Funds division remained very strong.

The various business lines of the Investment division generated nearly €1.2 billion in cash flow from disposals and redemptions of directly held lines and distributions by partner funds, representing an increase of 78% compared with mid-2020, which was marked by the health crisis:

- The growth capital business lines recognised nearly €0.6 billion in proceeds from disposals and redemptions, up 38% relative to 30 June 2020, mainly due to disposals totalling €0.3 billion in the large cap portfolio, the increase in divestments from the small cap portfolio, including a disposal of €75 million, and two disposals by the SPI fund totalling €0.1 billion;
- Over 23 disposal transactions (including 15 total disposals) amounting to €63 million were completed within the Innovation division's investment scope, compared with a total of €6 million in mid-2020;
- At 30 June 2021, distributions by partner funds exceeded €0.4 billion, a historically high level. The figure at mid-2021 includes the total disposal of the SSE SICAVs for a total of €84 million. Adjusted for this disposal, the distributions received from partner funds at 30 June 2021 were twice the level of mid-year 2020.

2. COMMENTS ON RESULTS

2.1. Loans to clients

At 30 June 2021, outstandings from all financing activities rose slightly to €45.5 billion, compared to €45.24 billion at 31 December 2020.

Equipment loans and short-term credit facilities (excluding collective impairment) totalled €21.6 billion versus €21.9 billion on 31 December 2020.

Lease purchase transactions (excluding collective impairment) were down slightly at €6.1 billion, compared to €6.3 billion at 31 December 2020.

Collective impairment totalled €570.8 million at 30 June 2021.



2.2. Financial assets at fair value through equity

The portfolio of financial assets at fair value through equity increased by €5 billion, from €12.3 billion at 31 December 2020 to €17.3 billion at 30 June 2021.

At 30 June 2021, the shares of the Stellantis group, which was created in January 2021, were classified as financial assets at fair value through equity with a value of €2.4 billion, thus increasing this item in the consolidated balance sheet.

Changes in value in this category totalled €1.9 billion in the first half of 2021, of which €0.8 billion was attributable to Stellantis.

2.3. Holdings in equity-consolidated companies

The €2.3 billion decrease in this item at 30 June 2021 is due to the loss of significant influence in the PSA group following the creation of the Stellantis group.

2.4. Commitments made to clients

At 30 June 2021, the Bpifrance group's commitments totalled €24.3 billion, compared to €23.6 billion at 31 December 2020.

Guarantee commitments remained stable at €12.4 billion.

2.5. Profit and loss statement

Net banking income totalled €1,506.1 million in the first half of 2021, up 274.4% compared to the first half of 2020 (€402.3 million). This sharp upswing is primarily due to the increase in net gains or losses on financial instruments at fair value through profit or loss (+€525 million in changes in value) and through equity (+€445 million in dividends) held by Bpifrance Participations, which were included in the consolidation scope at the end of 2020.

The Financing division's net interest income rose by €63.1 million (+24.3%), mainly due to the 10.1% increase in average outstanding loans over the period.

Operating expenses were up €157.2 million (56.0%) due to the inclusion of Bpifrance Participations in the group's consolidation scope and the increase in the group's business due to the health crisis.

Cost of risk provisions were reversed by a net amount of €15.9 million in the first half of 2021, whereas net cost of risk provisions of €387.3 million were recognised in the first half of 2020:

- Due to a more optimistic post-health crisis macroeconomic outlook, forecast risk provisions were reversed by €108.6 million in the first half of 2021, compared to net provisions recognised of €284.4 million in the first half of 2020 (an improvement of €393.0 million);
- Provisions for confirmed risk were €10.3 million lower than in the first half of 2020 (€92.6 million compared to €102.9 million).



Following the inclusion of Bpifrance Participations in the consolidation scope, the contribution to net income from equity-consolidated affiliates totalled €104 million at 30 June 2021, including ST Microelectronics' contribution of €84 million. Also noteworthy is the -€163 million impact of the deconsolidation of PSA-Stellantis, which is deducted from this contribution as a net loss on other assets.

Net income at 30 June 2021 totalled €893.9 million, compared with a net loss of €202.1 million at 30 June 2020.

3. RISKS

3.1. *Credit and counterparty risks*

As a banking institution, Bpifrance is exposed to credit and counterparty risk on its corporate financing transactions.

Credit and counterparty risk is a potential loss represented by a decrease in the value of an asset or by a payment default that Bpifrance may incur due to the deterioration of a counterparty's solvency.

Bpifrance is exposed to credit risk mainly as a result of its loans to VSEs/SMEs, medium-sized companies, and large companies.

All Bpifrance commitments, including financing, guarantee, and innovation operations, involving credit and counterparty risks, undergo an initial analysis by the Finance and Network Steering Department responsible for oversight and customer relations. The Credit Risk Department, within the Risk Management Department, is tasked with conducting a second analysis of the matters and presenting them to the relevant committees for decision.

Risks on credit transactions are concentrated primarily in the commercial, industrial, and real estate sectors.

On the basis of IFRS standards, at 30 June 2021, Bpifrance's maximum exposure to credit risk was €86,808 million, compared with €84,327.7 million at 31 December 2020.

3.2. *Liquidity, interest rate, and currency risk*

The group's liquidity, interest rate, and currency risk management framework is set out in the group Risk Management Policy and group Risk Appetite Framework.

These three financial risks are monitored by the ALM Committee and the Group Risk Management Committee.

In order to provide support to companies impacted by the health situation and the economic crisis caused by the COVID-19 pandemic, Bpifrance implemented a substantial support plan granting significant financing to these companies, in particular by deploying unsecured "Atout" loans and State-guaranteed loans (*Prêts Garantis par l'Etat* or PGE). These loans were refinanced in the financial markets. The Risk Management Policy has been extensively amended, in particular by extending the list of authorised refinancing instruments.



3.3. *Equity risk*

Market risk is the risk that financial instruments will lose value due to changes in market factors, the volatility of such factors and the correlations between such factors.

The Bpifrance group holds significant securities portfolios composed mainly of listed and unlisted shares, as well as units in investment funds. The creation of these portfolios is in line with the group's investment policy, which favours acquiring minority stakes, based on a prudent approach and a patient capital strategy.

Investments are chosen selectively, taking into account the value creation potential of companies or funds.

Accordingly, no Bpifrance group equity portfolio is dedicated to trading operations.

3.4. *Operational risk*

Bpifrance defines operational risk as the risk of loss due to deficient or inadequate internal processes or external events, whether intentional, accidental, or natural events.

Bpifrance must comply with the regulatory framework that governs how banks manage operational risk. This framework is established mainly by the Decree of 3 November 2014 on the internal control of companies in the banking sector, Directive 2013/36/EU of the European Parliament (CRD IV), and Regulation (EU) 575/2013 (CRR).

Within the Bpifrance group, the operational risk management and control system has been defined and supervised since March 2020 by the Operational Risk Department, which reports to the Compliance and Permanent Control Department.

The operational risk management and control system of Bpifrance Financement is based on a mapping of operational risks, cataloguing operational incidents generating losses as they occur and categorising them according to the seven Basel risk events (*internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, damage to physical assets, IT system failures, and execution, delivery and process management*), as well as quarterly committee meetings dedicated to monitoring and managing the Bpifrance group's operational risks, which are attended by the Risk Department, the Information Systems Department, the Legal Department, and the Bpifrance group's Compliance Division.



3.5. Non-compliance risk

Non-compliance risk is the risk of judicial, administrative, or disciplinary sanctions, significant financial loss or reputational damage due to non-compliance with the statutes and regulations, the professional and ethical standards and practices specific to Bpifrance's businesses, or instructions issued by the group's executive body pursuant to the guidelines of the regulatory authority.

Bpifrance is subject to a set of banking and financial regulations (requirements of a prudential nature are specifically discussed in connection with regulatory risk and the AML/CFT and anti-corruption laws in the relevant sections).

In the event of non-compliance with the compliance rules and principles, Bpifrance runs the risk of incurring reputational damage. This risk is specifically monitored by the group's Compliance and Permanent Control Department (DCCP).

4. FORESEEABLE CHANGES IN 2021

At 30 June 2021, Bpifrance was outperforming its annual budget.

This trend will be confirmed in the second half of 2021 if loss experience on credit risks are lower than expected and if the equity markets hold up.

APPENDIX

Key figures

1. Bpifrance business activities in the first half of 2021

- Key figures table:

(in millions)	2019	2020	Change 2020/2019	H1 2020	H1 2021
BUSINESS ACTIVITIES					
Innovation aid (State, Partners, Fund for Innovation and Industry (F2I), Single Inter-ministerial Fund (FUI), Investments for the Future Programme (PIA))	832	2,083	150.4%	471	1,972
Amount of risks guaranteed (excluding internal funds)	3,629	2,719	-25.1%	1,375	1,478
Amount of risks guaranteed by Bpifrance Régions	336	279	-17.0%	133	164
Investment co-financing	8,708	11,420	31.1%	6,397	4,374
Mobilisation of Receivables	3,961	3,861	-2.5%	3,970	3,814
Providing financing against CICE receivables	4,147	2,886	-30.4%	3,427	2,256

WORKFORCE*	2,135	3,023	41.6%	2,209	3,187
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(*This is the average FTE workforce on permanent employment contracts. The figures for 2019 concern Bpifrance Financement only).

- Key risk and solvency figures for the Bpifrance group:

	31/12/2019	31/12/2020	30/06/2021
CET1 ratio	33.38%	30.58%	31.79%
Leverage ratio	24.16%	20.69%	21.48%
Liquidity coverage ratio (LCR)	450%	886%	1,303%
Net stable fund ratio (NSFR)	109%	133%	125%

on a consolidated basis, at 30 June 2021

2. Financial figures at 30/06/2021 consolidated at the level of the Bpifrance public industrial and commercial establishment (EPIC)

(in € millions)	2019	2020	Change 2020/2019	H1 2020	H1 2021
EQUITY, GROUP SHARE	24,213.2	24,704.0	+2%	20,980.7	26,475.2
RESULTS					
Operating income before other revenue and expenses	-14.5	-14.0	+4%	-135.8	-6.5
Operating income	-14.5	-139.7	-863%	-135.8	-6.5
Operating income after share of net income of equity-consolidated companies	463.7	-206.5	-145%	-768.6	434.1
Pre-tax income	678.6	-463.6	-168%	-708.9	598.9
Net income, group share	660.5	-473.5	-172%	-713.6	595.3

(Unaudited financial figures)

The consolidated financial statements of the Bpifrance public industrial and commercial establishment (EPIC) include the consolidated financial statements of Bpifrance SA applying the equity method and the financial statements of the parent company.

The increase in equity between 31 December 2020 and 30 June 2021 is mainly due to the change in gains and losses recognised directly in equity (€585.3 million at 30 June 2021 compared to -€564.5 million in 2020). Net income for the first half of 2021 is comprised essentially of the share of Bpifrance SA's net income of €440.6 million.

II. CONSOLIDATED FINANCIAL STATEMENTS

Bpifrance consolidated balance sheet at 30 June 2021

A S S E T S <i>(in millions of euros)</i>	30/06/2021	31/12/2020
Cash in hand, central banks	8 619,4	7 819,2
Financial assets at fair value through profit or loss	5 760,0	5 943,6
Hedging derivatives	4,8	5,9
Financial assets at fair value through equity	17 323,1	12 288,3
Securities at amortised cost	8 103,7	8 041,3
Loans and receivables owed by credit institutions and similar entities, at amortised cost	1 639,2	1 461,2
Loans and receivables owed by clients, at amortised cost	45 937,7	44 419,6
Finance leases and similar transactions, at amortised cost	6 100,6	6 185,5
Innovation financing aid	972,3	988,4
Fair value adjustments to debt portfolios hedged against interest rate	339,9	586,0
Current and deferred tax assets	197,8	260,2
Accruals and miscellaneous assets	1 189,8	826,6
Non-current assets held for sale	0,0	0,0
Holdings in equity-consolidated companies	2 768,2	5 052,8
Investment property	0,0	0,0
Property, plant and equipment	245,1	250,3
Intangible assets	188,1	185,0
Goodwill	2,1	2,1
TOTAL ASSETS	99 391,8	94 316,0

Bpifrance consolidated balance sheet at 30 June 2021

LIABILITIES <i>(in thousands of euros)</i>	30/06/2021	31/12/2020
Central banks	0,0	0,0
Financial liabilities at fair value through profit or loss	0,0	1,5
Hedging derivatives	56,5	84,2
Amounts owed to credit institutions and similar entities	20 691,3	18 801,0
Debts owed to clients	2 485,9	3 014,2
Debts represented by securities	37 150,4	36 347,0
Fair value adjustments to debt portfolios hedged against interest rate	484,1	727,5
Current and deferred tax liabilities	116,5	129,7
Accruals and miscellaneous liabilities	2 449,6	2 489,6
Lease liabilities	118,5	122,4
Debt related to non-current assets held for sale	0,0	0,0
Provisions	137,0	143,7
Net resources for innovation-related activity	1 992,9	1 916,3
- Allocated to commitments	927,6	920,9
- Not allocated	1 065,3	995,4
Public guarantee funds	6 575,8	6 455,6
- Allocated to commitments	2 333,9	2 387,0
- Not allocated	4 241,9	4 068,6
Subordinated debt	7,3	7,3
Shareholders' equity	27 126,0	24 076,0
Shareholders' equity - Group share	27 097,1	24 061,7
- Capital and related reserves	21 122,4	21 122,4
- Consolidated reserves	3 772,2	3 858,8
- Gains and losses directly recognised in shareholders equity	1 308,7	-779,9
- Result	893,8	-139,6
Minority interests	28,9	14,3
- Reserves	28,8	14,3
- Result	0,1	0,0
TOTAL LIABILITIES	99 391,8	94 316,0

Bpifrance publishable consolidated profit and loss statement

(in millions of euros)

	30/06/2021	31/12/2020	30/06/2020
Interest and similar income	901,0	1 631,5	795,1
Interest and similar expenses	-485,8	-884,1	-457,5
Net gains or losses resulting from net position hedging	0,0	0,0	0,0
Fees (income)	39,3	20,0	5,8
Fees (expenses)	-1,5	-1,9	-0,6
Net gains or losses on financial instruments at fair value through profit or loss	526,4	-0,4	10,0
Net gains or losses on financial instruments at fair value through equity	447,0	3,9	3,9
Net gains or losses resulting from the derecognition 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 profit or loss	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
Revenue from other activities	110,8	200,1	73,9
Expenses from other activities	-31,1	-120,7	-28,3
NET BANKING INCOME	1 506,1	848,4	402,3
General operating expenses	-397,0	-482,4	-247,4
Amortisation & depreciation allowances on property, plant and equipment and intangible assets	-40,8	-67,3	-33,2
GROSS OPERATING INCOME	1 068,3	298,7	121,7
Cost of credit risk	15,9	-461,5	-387,3
NET OPERATING INCOME	1 084,2	-162,8	-265,6
Share of net income from equity-consolidated companies	104,0	-0,6	-0,7
Net gains or losses on other assets	-169,6	0,4	0,4
Change in value of goodwill	-15,2	0,0	0,0
PRE-TAX INCOME	1 003,4	-163,0	-265,9
Corporation tax	-109,5	23,4	63,8
Income net of tax from discontinued operations	0,0	0,0	0,0
NET INCOME	893,9	-139,6	-202,1
Minority interests	0,1	0,0	0,0
NET INCOME - GROUP SHARE	893,8	-139,6	-202,1
* Earnings per share (in euros)	1,32	-0,21	-1,92
* Diluted earnings per share (in euros)	1,32	-0,21	-1,92

Net income and gains and losses recognised directly in the equity of Bpifrance

(in millions of euros)

	30/06/2021	31/12/2020	30/06/2020
NET INCOME	893,9	-139,6	-202,1
Items that can be reclassified (recyclable) in net income			
Translation adjustments	0,0	0,0	0,0
Revaluation of recyclable financial assets at fair value through equity	-39,7	40,1	-9,5
Revaluation of hedging derivatives on recyclable items	0,0	0,0	0,0
Share of gains and losses recognised directly in the equity of equity-consolidated companies	11,1	0,0	0,0
Other recyclable elements recognised through equity	0,0	0,0	0,0
Related taxes	10,2	-11,4	2,7
Items that cannot be reclassified (non-recyclable) in net income			
Revaluation of non-current assets	0,0	0,0	0,0
Revaluation (or actuarial gains and losses) on defined benefit plans	0,0	-0,8	0,0
Revaluation of own credit risk of financial liabilities recognised at fair value through profit or loss	0,0	0,0	0,0
Revaluation of non-recyclable equity instruments recognised at fair value through equity	1 889,5	1,0	0,3
Share of non-recyclable gains and losses recognised directly in the equity of equity-consolidated companies	87,9	0,0	0,0
Other non-recyclable items recognised through equity	0,0	0,0	0,0
Related taxes	68,2	-0,4	-0,4
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	2 027,2	28,5	-6,9
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	2 921,1	-111,1	-209,0
Of which, group share	2 921,1	-111,1	-209,0
Of which, share of minority interests	0,0	0,0	0,0
For information: Amount of non-recyclable items transferred to reserves	0,0	0,0	0,0

Changes in equity (group share)

	Capital and related reserves	Reserves	Gains and losses recognised directly in equity	Use	Total
<i>(in millions of euros)</i>					
Position at 31 December 2019	2 031,8	1 729,0	-4,2	0,0	3 756,6
2019 earnings				153,4	153,4
Earnings 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	-6,8	0,0	-6,8
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	-0,1	0,0	-0,1
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	-6,7	0,0	-6,7
Actuarial gains and losses on defined benefit plans	0,0	0,0	0,0	0,0	0,0
Miscellaneous	0,0	-0,7	0,0	0,0	-0,7
Position at 30 June 2020	2 031,8	1 881,7	-11,0	0,0	3 902,5
H1 2020 earnings				-202,1	-202,1
Earnings allocated to reserves	0,0	0,0	0,0	0,0	0,0
Change in gains and losses recognised directly in equity	0,0	0,0	36,4	0,0	36,4
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	1,0	0,0	1,0
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	35,4	0,0	35,4
Actuarial gains and losses on defined benefit plans	0,0	0,0	-1,1	0,0	-1,1
Capital increases	4 600,1	0,0	0,0	0,0	4 600,1
Merger premium	14 490,5	0,0	0,0	0,0	14 490,5
Treasury shares	0,0	-42,3	0,0	0,0	-42,3
Changes in scope	0,0	2 018,9	-804,2	0,0	1 214,7
Miscellaneous	0,0	0,5	0,0	0,0	0,5
Position at 31 December 2020	21 122,4	3 858,8	-779,9	0,0	24 201,3
H2 2020 earnings				62,5	62,5
Earnings allocated to reserves	0,0	-139,6	0,0	139,6	0,0
Change in gains and losses recognised directly in equity	0,0	12,8	2 000,9	0,0	2 013,7
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	2 039,6	0,0	2 039,6
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	-25,9	0,0	-25,9
<i>Disposal of FV-OCI financial instruments</i>	0,0	12,8	-12,8	0,0	0,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	-0,4	0,0	-0,4
Distribution of dividends	0,0	0,0	0,0	0,0	0,0
Translation adjustments	0,0	0,0	7,5	0,0	7,5
Changes in scope	0,0	40,1	80,4	0,0	120,5
Miscellaneous	0,0	0,1	0,2	0,0	0,3
Position at 30 June 2021	21 122,4	3 772,2	1 308,7	0,0	26 203,3
H1 2021 earnings				893,8	893,8



Changes in minority interests

Minority interests at 31 December 2019	0,0
Changes in gains and losses recognised directly in equity	0,0
<i>Change in value of financial instruments impacting equity</i>	0,0
<i>Changes in value of financial instruments apportioned to earnings</i>	0,0
Share of H1 2020 earnings	0,0
Minority interests at 30 June 2020	0,0
Changes in gains and losses recognised directly in equity	0,0
<i>Change in value of financial instruments impacting equity</i>	0,0
<i>Changes in value of financial instruments apportioned to earnings</i>	0,0
Changes in scope	14,3
Share of H2 2020 earnings	0,0
Minority interests at 31 December 2020	14,3
Changes in gains and losses recognised directly in equity	-0,1
<i>Change in value of financial instruments impacting equity</i>	-0,1
<i>Changes in value of financial instruments apportioned to earnings</i>	0,0
Distribution of dividends	-1,8
Changes in scope	16,4
Share of H1 2020 earnings	0,1
Minority interests at 30 June 2021	28,9

Bpifrance group statement of cash flows

(in millions of euros)	30/06/2021	31/12/2020	30/06/2020
Pre-tax income	1 003,4	-163,0	-265,9
Net depreciation/amortisation expense on property, plant and equipment, and intangible assets	40,8	67,3	33,2
Impairment of goodwill and other non-current assets	15,2	0,0	0,0
Net allocations to provisions	-10,4	488,4	509,0
Share of net income from equity-consolidated companies	6,7	0,6	0,7
Net loss/net gain from investment activities	-967,7	0,0	0,0
Other movements	-566,6	-108,6	-453,9
Other movements (specific to guarantee funds)	120,3	548,9	315,1
Total non-monetary items included in net income before taxes and other adjustments	-1 361,7	996,6	404,1
Flows related to transactions with credit institutions	1 949,8	7 794,8	3 866,1
Flows related to transactions with clients	-1 997,3	-5 132,6	-3 584,0
Flows related to other transactions impacting financial assets or liabilities	-234,7	-2 234,5	-493,5
Flows related to other transactions impacting non-financial assets or liabilities	489,6	-84,4	-60,3
Flows related to other transactions impacting the innovation business	92,7	81,5	42,6
Taxes paid	10,8	-93,2	-67,4
Net decrease/(increase) in assets and liabilities from operational activities	310,9	331,6	-296,5
Total net cash flow generated by operational activities (A)	-47,4	1 165,2	-158,3
Flows related to financial assets and equity interests	242,4	533,7	0,2
Flows related to investment properties	0,0	0,0	0,0
Flows related to property, plant and equipment and intangible assets	-31,7	-74,3	-17,6
Total net cash flow related to investment transactions (B)	210,7	459,4	-17,4
Cash flows from or to shareholders	-15,2	0,0	0,0
Other net cash flows from financing activities	831,1	6 009,6	7 283,8
Total net cash flow related to financing transactions (C)	815,9	6 009,6	7 283,8
Impact of exchange rate fluctuations on cash and cash equivalents (D)	0,0	0,0	0,0
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	979,2	7 634,2	7 108,1
Net cash flow generated by operational activities (A)	-47,4	1 165,2	-158,3
Net cash flow related to investment transactions (B)	210,7	459,4	-17,4
Net cash flow related to financing transactions (C)	815,9	6 009,6	7 283,8
Impact of exchange rate fluctuations on cash and cash equivalents (D)	0,0	0,0	0,0
Cash and cash equivalents - opening balance	9 139,5	1 505,3	1 505,3
Cash in hand, central banks (assets & liabilities)	7 819,2	1 045,9	1 045,9
Accounts (assets & liabilities) and sight loans/borrowing from credit institutions	1 320,3	459,4	459,4
Cash and cash equivalents - closing balance	10 118,7	9 139,5	8 613,4
Cash in hand, central banks (assets & liabilities)	8 619,4	7 819,2	7 959,7
Accounts (assets & liabilities) and sight loans/borrowing from credit institutions	1 499,3	1 320,3	653,7
Change in net cash position	979,2	7 634,2	7 108,1



III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Bpifrance at 30 June 2021

Note 1 – ACCOUNTING PRINCIPLES AND METHODS

The condensed half-year consolidated financial statements of the Bpifrance group for the six-month period ending on 30 June 2021 were prepared and are presented in accordance with IAS 34 “Interim Financial Reporting”. Therefore, the notes presented focus on significant items for the period and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2020, which are found in the 2020 Universal Registration Document.

Accounting principles and methods adopted

Regulatory framework

The consolidated financial statements of the Bpifrance group have been prepared in accordance with the IFRS standards in effect in the European Union at 30 June 2021.

The accounting principles and methods used to prepare the condensed half-year consolidated financial statements are the same as those used by the group to prepare the consolidated financial statements for the year ended 31 December 2020.

The accounting principles and valuation methods applicable on 31 December 2020 are described in notes 3 to 5 of the 2020 consolidated financial statements.

Furthermore, the group does not apply any standards, interpretations and amendments whose application is currently optional.

Presentation of the consolidated financial statements

The presentation of the condensed financial statements is consistent with the proposal of ANC recommendation no. 2017-02 of 2 June 2017 on the format of condensed financial statements of credit institutions and investment firms applying international accounting guidelines.

Use of estimates in the preparation of the financial statements

The preparation of the financial statements requires making estimates that involve uncertainties about their occurrence. In particular, post-employment commitments were measured at 30 June 2021 by extrapolating the actuarial valuation performed at 31 December 2020.

Seasonal, cyclical or non-recurring nature of activities

Other than the provision for paid leave, which recognises vested rights to leave not yet taken at 30 June, the group's activities are not seasonal, cyclical or non-recurring in nature.

Note 2 - EVENTS DURING THE PERIOD

2.1 Significant events during the period

2.1.1. PSA-FCA merger

On 4 January 2021, the shareholders of FCA and PSA approved the proposed merger between the two carmakers to create the world's fourth largest group. Bpifrance exchanged its PSA shares for Stellantis shares on 18 January 2021, the date of the new Stellantis group's initial listing with a market capitalisation of nearly €40 billion.

Following this exchange, the influence exercised by Bpifrance over the Stellantis group ceased to be classified as significant due to the decrease in Bpifrance's share of the capital and voting rights and the impact thereof on nearly all aspects relevant to the company's governance. Consequently, unlike the PSA shares, which were accounted for using the equity method in Bpifrance's consolidated financial statements, the Stellantis shares are recognised at fair value through equity.

The "Holdings in equity-consolidated companies" item fell by €2,475 million and the "Financial assets at fair value through equity" increased by €2,422 on the date of the transaction. The Stellantis shares were measured at their market value on the date of the initial listing. Bpifrance recognised a net loss of €163 million (including the recycling of OCI reserves) on the disposal of the PSA shares.

2.1.2. Impact of the health crisis

The 2020 financial year was impacted by the unprecedented health crisis due to COVID-19. This pandemic continues to affect economic and social activities in 2021, although its overall economic impact has become more limited.

In the first half of 2021, Bpifrance reversed cost of risk provisions by a net amount of €16 million, which breaks down into a €92 million allowance to bucket 3 and a €108 million reversal from buckets 1 and 2.

The reversal of impairment on expected credit losses (buckets 1 and 2) was due primarily to a substantial revision of the macroeconomic assumptions used in the forward-looking scenarios.

- **Measurement of expected credit losses (ECLs)**

Impacts of the COVID-19 crisis and the government's measures taken into account in forward-looking scenarios

Details of the scenarios

Because Bpifrance's clients are French companies, the scenarios defined concern French macroeconomic indicators only. The indicators used are the GDP growth rate, changes in the consumer price index, the unemployment rate, and one-year and ten-year French treasury bond (OAT) rates.

The four forward-looking scenarios used by Bpifrance to calculate expected credit losses (ECLs) at 31 December 2020 were updated.

Based, in particular, on the implementation of the "France Relance" stimulus plan, the gradual lifting of health restrictions, and the continued increase in the number of people vaccinated, Bpifrance forecasts a cumulative growth rate for 2021 and 2022 that has been revised upwards for all scenarios. However, the uncertainties concerning the recovery scenario remain high. Under the central scenario, GDP would approach its pre-crisis level around the second quarter of 2022, nine months earlier than the December 2020 forecast. The degraded and severely degraded scenarios forecast a resurgence of the epidemic after the summer holidays in September leading, respectively, to a postponement in the lifting of health restrictions until the end of 2021 and a new two-month lockdown period in the fourth quarter of 2021 and, consequently, an impact mainly on growth and employment.

All four scenarios predict a sharp increase in the unemployment rate in 2021 followed by a gradual decrease. However, the levels forecast in June 2021 are more optimistic than in December 2020.

The assumptions concerning OAT rates in 2021 and 2022 have been revised slightly upwards. With respect to inflation, a slight upward revision was applied for 2021 only.

Change in weightings

The weighting of the scenarios was adjusted slightly over the period to reflect the overall improvement in the health situation.

Scenario	Weight 31/12/2020	Weight 30/06/2021
Optimistic	15%	15%
Central	55%	60%
Degraded	20%	15%
Severely degraded	10%	10%

Methodological adjustments to the model

The economic context in 2020 has required making methodological adjustments to Bpifrance's ECL calculation model in response to two difficulties that have arisen:

- Macroeconomic parameter values far outside the model's calibration range, which has been handled by smoothing quarterly growth rates;
- A decorrelation between default rates and the macroeconomic context, which led to excluding 2020 from the calibration of the forward-looking model.



These adjustments have been maintained for 2021.

Smoothing of growth rates

The modelling of the link between the macroeconomic context and projected default rates is based on historical correlations between default rates and macroeconomic parameters. The macroeconomic parameters used in Bpifrance's model include the French GDP quarterly growth rate.

Quarterly growth rates in 2020 departed significantly from the levels observed over the model's calibration period, as well as from all available historical figures: historically, since 2000, rates have oscillated between -2% and +2%, whereas the rates in the second and third quarters of 2020 were respectively -13.7% and +18.5%. This contraction/rebound phenomenon also occurred after the second lockdown, which was followed by a rebound in 2021.

Because the growth rates for 2020 and 2021 are well outside the range of values on which the model has been calibrated, the quality of the results from the model would be unsatisfactory without adjustments. To bring the quarterly growth rates used to calculate ECLs into a more appropriate range, these rates have been smoothed for 2020 and 2021. This smoothing maintains the annual growth rate for each year but corrects for the peaks observed.

ECL would have been €22 million lower if it had been calculated without smoothing the quarterly growth rates.

Exclusion of 2020 and 2021 from the calibration of the model

Bpifrance's ECL calculation model is based on the historical correlation observed between macroeconomic parameters and default rates. These historical data show a negative correlation between GDP growth rate and default rates: the higher the growth rate, the lower the default rate. This result is consistent with economic theory.

In 2020, the growth rate was particularly low but, at the same time, the various support measures implemented for companies (in particular, the solidarity fund, short-time working, State-guaranteed loans and deferrals of charges) resulted in very low default rates. This situation, although less marked, also prevailed in the first half of 2021.

Therefore, including the 2020 and 2021 figures in the calibration of the model would significantly reduce the correlation between the growth rate and the default rate, and would reduce the ECL calculated accordingly.

Because the decorrelation between defaults and growth rates in 2020 and 2021 is due to economic support measures, it is not indicative of the actual impact of the economic shock on the solvency of companies. As a result, Bpifrance decided not to include the figures for 2020 and 2021 in the calibration of the ECL calculation model at 30 June 2021.

ECL would have been €60 million lower if calculated using a recalibrated model.

Sector-based adjustment

Tourism and leisure professionals are among those most affected by the COVID-19 pandemic. The repercussions of this crisis have been felt throughout the tourism ecosystem, in particular due to the closure of hotels and restaurants, the paralysis of



air traffic, the closure of landmark sites, the postponement of major events, and the ban on opening ski resorts.

Given these particularly negative economic circumstances and the relatively slow and delayed recovery in 2021, the adjustment made in 2020 to anticipate higher risk in this sector was maintained in the first half of 2021. This adjustment increases ECL by €34.3 million.

Measurement of the significant increase in credit risk

Use of probability of default at maturity

Bpifrance ordinarily uses the following significant credit risk increase criteria to allocate its exposures to the various buckets:

- Non-performing exposures are classified in bucket 3;
- Performing exposures are classified in bucket 2 if they meet one of the following criteria:
 - The counterparty is placed on a watch list;
 - The counterparty's one-year probability of default on the calculation date is greater than 20%;
 - The counterparty's one-year probability of default on the calculation date has increased by over 2% relative to the probability of default on the decision date, and the increase in the one-year probability of default is greater than 95% of the probability of default on the decision date.
- Performing exposures that do not meet any of the above conditions are classified in bucket 1.

Ordinarily, Bpifrance takes advantage of the possibility afforded by the standard to use the one-year probability of default as a measure of a significant increase in credit risk as an approximation of the probability of default at maturity.

The current context, which has been shaped by a very violent shock albeit limited in time, means that since the start of the health crisis the one-year probability of default has ceased to be a good approximation of the probability of default over the lifetime of loans.

To overcome this problem, the determination of whether credit risk has significantly increased is adjusted by adding a lifetime dimension to the probability of default at 30 June 2021. This probability of default is compared to the one-year probability of default at the origin of the instrument. The absolute and relative thresholds used in assessing significant increase in credit risk have not been modified.

Using the probability of default at maturity has reduced ECL by €11 million.

Loan portfolio

- **Breakdown of gross carrying amounts (excluding accounts opened with Agence France Trésor (AFT))**



(In € millions)	Bucket 1 Expected losses at 12 months	Bucket 2 Expected losses at maturity	Bucket 3 Expected losses at maturity	TOTAL
Opening balance	33 480	10 139	1 955	45 574
Closing balance	34 041	9 579	2 319	45 939

- **Breakdown of expected credit losses**

(In € millions)	Bucket 1 Expected losses at 12 months	Bucket 2 Expected losses at maturity	Bucket 3 Expected losses at maturity	TOTAL
Opening balance	256	410	400	1 066
Closing balance	219	352	479	1 050

2.1.3. Impacts of the merger of Bpifrance SA with Bpifrance Financement on the profit and loss statement for the first half of 2021

The merger and takeover of Bpifrance SA by its subsidiary Bpifrance Financement was approved by the extraordinary general meetings of both companies on 18 December 2020.

Bpifrance (formerly Bpifrance Financement) now includes in its scope Bpifrance Participations and Bpifrance Assurance Export, which are wholly owned and fully consolidated.

The effective date of the merger was the closing date of the transaction for legal purposes, i.e. 18 December 2020; at 31 December 2020, the contribution to net income of the entities taken over is recognised in equity.

Presentation at 30 June 2021

The amounts used for the purposes of comparing the financial statements are taken from the consolidated financial statements of Bpifrance Financement at 30 June 2020 and of Bpifrance at 31 December 2020.

For information purposes, the main contributions to the 2021 profit and loss statement of the entities taken over are presented below.

Net Banking Income

The **Net gains or losses on financial instruments at fair value through profit or loss** item recognises changes in the value of the Investment division's funds totalling €525 million.



Share of net income from equity-consolidated companies

This item recognises primarily the contribution to the net income of equity-consolidated companies of Bpifrance Participations in the amount of €104 million. The main contributions are from ST Microelectronics for €84 million and Eutelsat for €15 million.

Net gains or losses on other assets

In connection with the PSA-FCA merger, Bpifrance recognised a loss of €163 million due to the disposal of PSA shares that had been equity-accounted.

2.2 Post balance sheet events

No significant events have occurred after the balance sheet date.

Note 3 - CONSOLIDATION SCOPE

The consolidated financial statements of the Bpifrance group include all exclusively controlled companies, except those whose consolidation does not materially impact the preparation of the group's consolidated financial statements.

The accounts of exclusively controlled companies are fully consolidated.

Change in the consolidation scope in the first half of 2021

The consolidation scope of the Bpifrance group at 30 June 2021 has changed since the last year-end closing of the consolidated financial statements at 31 December 2020. It now includes the accounts of FCT Prêt d'Honneur, which has been fully consolidated since 1 January 2021.

In addition, PSA was deconsolidated in January 2021 following the merger and creation of the Stellantis group in which Bpifrance no longer has significant influence (see section 2.1.1.). Lions Participations has ceased to be included in the consolidation scope following its takeover by Bpifrance Participations in May 2021.

The following table lists the consolidated companies, the percentage of their capital that is held directly or indirectly, and the consolidation method used.

Name	Consolidation method	30/06/2021 % of capital	30/06/2021 % of voting rights	31/12/2020 % of voting rights
Bpifrance - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Régions - MAISONS-ALFORT	Full	99,99%	99,99%	99,99%
Auxi-Finances - 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%	100%
FCT Bpifrance SME 2020-01 - SAINT-DENIS	Full	100%	100%	100%
FCT Prêts d'Honneur - SAINT-DENIS	Full	100%	100%	-
Bpifrance Assurance Export - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Participations - MAISONS-ALFORT	Full	100%	100%	100%
FSI PME Portefeuille - MAISONS-ALFORT	Full	100%	100%	100%
FFI A Units - MAISONS-ALFORT	Full	100%	100%	100%
FFI B Units - MAISONS-ALFORT	Full	100%	100%	100%
FONDS de FONDS PME - MAISONS-ALFORT	Full	100%	100%	100%
FFI 2 - MAISONS-ALFORT	Full	100%	100%	100%
FFI 3 - MAISONS-ALFORT	Full	100%	100%	100%
FFI 4 - MAISONS-ALFORT	Full	100%	100%	100%
FFI 5 - MAISONS-ALFORT	Full	100%	100%	100%
FPMEI - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Croissance 1 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Croissance 2 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Croissance 3 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Croissance 4 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Croissance 5 - MAISONS-ALFORT	Full	100%	100%	100%
FIC DETTE PRIVEE - MAISONS-ALFORT	Full	100%	100%	100%
FIC DETTE PRIVEE II - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Régions 1 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Régions 2 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Régions 3 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Régions 4 - MAISONS-ALFORT	Full	100%	100%	100%
France Investissement Tourisme - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Entreprise Développement C1 - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Entreprise Développement C2 - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Entreprise Développement C3 - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Entreprise Développement C4 - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Entreprise Mezzanine - MAISONS-ALFORT	Full	66,84%	66,84%	66,84%
Avenir Entreprise Investissement - MAISONS-ALFORT	Full	100%	100%	100%
Avenir Tourisme - MAISONS-ALFORT	Full	100%	100%	100%
ETI2020 - MAISONS-ALFORT	Full	100%	100%	100%
CDC Entreprises Capital Investissement - PARIS	Full	100%	100%	100%
FCPR Part'Com - PARIS	Full	100%	100%	100%
Lion participations - MAISONS-ALFORT	Full	-	-	100%
FSN Ambition Numérique - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Innovation 1 Venture - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Capital 1 - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Mezzanine 1 - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance International Capital - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance IC Investment Holding - MAISONS-ALFORT	Full	100%	100%	100%
FEF Capital - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Investissement - MAISONS-ALFORT	Full	100%	100%	100%
Bpifrance Innovation 1 Large Venture II - MAISONS-ALFORT	Full	100%	100%	100%
Alsabail - STRASBOURG	Equity method	40,69%	40,69%	40,69%
Tyrol Acquisition (Groupe TDF) - Luxembourg	Equity method	23,99%	23,99%	23,99%
Eutelsat Communications - PARIS	Equity method	19,98%	19,98%	19,98%
PSA - PARIS	Equity method	-	-	17,58%
STConso (Second-tier-subsiary held with STM Consolidated at 27.919	Equity method	50,00%	50,00%	50,00%
Future French Champion - MAISONS-ALFORT	Equity method	50,00%	50,00%	50,00%
Lac I fund - MAISONS-ALFORT	Equity method	33,69%	33,69%	33,39%

Note 4 - RESOURCES

The tables below show loans in excess of €100 million taken out or repaid (in full by date) over the period.

Loans taken out during the period

(in millions of euros)

Type	Amount	Term (in years)	Maturity
BDF (LTRO)	1 000,0	3	27/03/2024
BDF (LTRO)	2 700,0	3	26/06/2024
CD BPIFF IPA 03/05/2021	100,0	0	03/05/2021
CD BPIFF IPA 28/06/2021	150,0	0	28/06/2021
CD BPIFF IPA 13/08/2021	100,0	0	13/08/2021
CD BPIFF IPA 20/08/2021	145,0	0	20/08/2021
CD BPIFF IPA 27/08/2021	100,0	0	27/08/2021
CD BPIFF IPA 31/08/2021	125,0	0	31/08/2021
CD BPIFF IPA 24/09/2021	200,0	0	24/09/2021
CD BPIFF ESTER+6 08/02/2022	111,0	1	08/02/2022
CD BPIFF IPA 09/02/2022	100,0	1	09/02/2022
CD BPIFF IPA GBP 16/02/2022 (*)	115,2	1	16/02/2022
CD BPIFF IPA 23/02/2022	100,0	1	23/02/2022
CD BPIFF IPA 23/03/2022	200,0	1	23/03/2022
CD BPIFF IPA 16/05/2022	120,0	1	16/05/2022
BOND BPIFF 0% 25/05/2028	1 250,0	7	25/05/2028
BOND BPIFF 0.25 04/06/2031	1 000,0	10	04/06/2031

(*) GBP 100 million

Loans repaid during the half-year

(in millions of euros)

Loan repayment date	Counterparty	Amount
04/01/2021	BRED	50,0
04/01/2021	BNP PARIBAS	20,0
04/01/2021	HPC	50,0
06/01/2021	BRED	150,0
11/01/2021	SG	20,0
11/01/2021	BRED	150,0
13/01/2021	ING BANK NV	100,0
14/01/2021	BNP PARIBAS	100,0
22/01/2021	ING BANK NV	350,0
25/01/2021	ING BANK NV	250,0
19/02/2021	BNP PARIBAS	500,0
19/02/2021	BARCLAYS	650,0
19/02/2021	SG	250,0
05/03/2021	HPC	50,0
05/03/2021	CACIB	100,0
09/03/2021	CACIB	100,0
03/05/2021	HSBC FRANCE	100,0
25/05/2021	BNP PARIBAS	157,0
02/06/2021	ING BANK NV	100,0
24/06/2021	SG	100,0
28/06/2021	ING BANK NV	150,0
28/06/2021	HPC	50,0

Note 5 - FINANCING AND GUARANTEE COMMITMENTS

(in millions of euros)	30/06/2021	31/12/2020
Commitments made	20,898.7	20,434.8
Credit financing commitments	8,090.8	7,709.6
<i>to credit institutions</i>	20.0	10.0
<i>to clients</i>	8,070.8	7,699.6
Innovation aid financing commitments	216.6	198.0
Guarantee commitments	12,395.6	12,527.2
<i>to credit institutions</i>	0.0	0.0
<i>to clients</i>	12,395.6	12,527.2
Commitments on securities (securities deliverable)	195.7	0.0
Commitments received	5,313.3	6,406.2
Credit financing commitments received from credit institutions	3,806.9	4,946.9
Guarantee commitments received from credit institutions	1,506.4	1,459.3
Commitments on securities (securities receivable)	0.0	0.0

In connection with its foreign exchange forward transactions, at 30 June 2021 Bpifrance recognised €575.7 million in foreign currencies to be received (€365.9 million at 31 December 2020) and €577.7 million in euros to be delivered (€386.2 million at 31 December 2020).

Note 6 - SECTOR-BASED INFORMATION

The Bpifrance group engages primarily in the following businesses:

- medium- and long-term loans: medium- and long-term financing in the form of direct loans, personal property and real estate lease purchase agreements and finance leases, as well as innovation loans;
- short-term financing includes providing financing against the receivables of public entities in metropolitan France and the overseas departments and territories, either directly or as a surety;
- guarantees provided cover banks and equity funding institutions from the risks of default by the recipients of funding;
- innovation financing aid in the form of repayable advances or grants;
- equity investment activities in the form of direct investments, investments in directly held funds or investments in funds of funds;
- export insurance: Bpifrance Assurance Export, a Bpifrance subsidiary, manages public export guarantees in the name and on behalf of the French State.

The “Other” item includes the business conducted primarily by the real estate structures (SCI Bpifrance, Auxi-Finances), the support business, and the “Entrepreneurship & Territories” business line.

(in millions of euros)

30/06/2021	Financing	Guarantees	Innovation	Investment	Export Insurance	Other	Total	Expected amount
NBI	355,6	58,7	47,1	1 022,8	22,9	-1,0	1 506,1	1506,1
Overhead expenses	-167,8	-34,6	-63,0	-92,3	-16,5	-63,5	-437,8	-437,8
Cost of risk	20,1	0,0	-3,6	0,0	0,0	-0,5	15,9	15,9
Operating income	207,9	24,1	-19,5	930,5	6,4	-65,1	1 084,2	1084,2

31/12/2020	Financing	Guarantees	Innovation	Investment	Export Insurance	Other	Total
NBI	648,4	100,9	73,6	0,0	0,0	25,5	848,4
Overhead 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
Operating income	-122,0	25,1	-72,5	0,0	0,0	6,6	-162,8

30/06/2020	Financing	Guarantees	Innovation	Other	Total
NBI	301,1	53,3	26,6	21,3	402,3
Overhead expenses	-168,1	-40,5	-63,4	-8,7	-280,6
Cost of risk	-366,3	0,0	-21,0	0,0	-387,3
Operating income	-233,2	12,8	-57,8	12,6	-265,6

(in millions of euros)

Gross outstandings	30/06/2021	31/12/2020
Medium and long-term loans	36 527,1	35 463,4
. of which Innovation loans	1 185,3	1 109,8
Short-term financing	3 105,4	3 687,7
Innovation financing aid	972,3	988,4
Guarantees provided	12 395,6	12 527,2

At 30 June 2021, the guarantee funds totalled €6,575.8 million, compared with €6,455.6 million at 31 December 2020. Subsidies granted in connection with the innovation business totalled €57.9 million, compared with €106.1 million at 31 December 2020.

Note 7 - DIVIDENDS PAID

Bpifrance did not pay any dividends in the first half of 2021.

Note 8 - INFORMATION ON FAIR VALUE

(in millions of euros)

	30/06/2021			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss	173,0	42,4	5 544,6	5 760,0
- Bonds and fixed-income securities	0,0	0,0	1 332,3	1 332,3
- UCITS units	173,0	42,2	385,3	600,5
- Other assets at fair value through profit or loss	0,0	0,0	3 827,0	3 827,0
- Transaction derivatives	0,0	0,2	0,0	0,2
of which currency derivatives	0,0	0,2	0,0	0,2
Hedging derivatives	0,0	4,8	0,0	4,8
- 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
- Total hedging restricted to fair value	0,0	4,8	0,0	4,8
Financial assets at fair value through equity	11 855,6	870,3	4 597,2	17 323,1
- Bonds and fixed-income securities	2 788,4	414,9	0,0	3 203,3
- Equities and other variable income securities	9 067,2	455,4	4 597,2	14 119,8
Securities at amortised cost	8 087,7	20,7	0,0	8 108,4
- Government bonds	7 944,4	4,3	0,0	7 948,7
- Other bonds	143,3	0,4	0,0	143,7
- Negotiable debt instruments	0,0	16,0	0,0	16,0
Loans and receivables owed by credit institutions and similar entities, at amortised cost	0,0	1 639,2	0,0	1 639,2
Loans and receivables owed by clients, at amortised cost	0,0	47 034,7	0,0	47 034,7
Finance leases and similar transactions, at amortised cost	0,0	6 838,5	0,0	6 838,5
LIABILITIES				
Financial liabilities at fair value through profit or loss	0,0	0,0	0,0	0,0
- Borrowings and term deposits	0,0	0,0	0,0	0,0
- Debts represented by securities	0,0	0,0	0,0	0,0
- Liabilities on 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
- Transaction derivatives	0,0	0,0	0,0	0,0
of which currency derivatives	0,0	0,0	0,0	0,0
Hedging derivatives	0,0	56,5	0,0	56,5
- 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
- Total hedging restricted to fair value	0,0	56,5	0,0	56,5
Debts owed to credit institutions and similar entities	0,0	20 704,4	0,0	20 704,4
Debts owed to clients	0,0	2 480,9	0,0	2 480,9
Debts represented by securities	37 656,0	0,0	0,0	37 656,0

(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
- Transaction derivatives	0,0	0,0	0,0	0,0
of which currency 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
- Total hedging restricted to 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
- Equities 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 instruments	0,0	24,1	0,0	24,1
Loans and receivables owed by credit institutions and similar entities, at amortised cost	0,0	1 461,2	0,0	1 461,2
Loans and receivables owed by clients, at amortised cost	0,0	45 724,1	0,0	45 724,1
Finance leases and similar transactions, 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 securities	0,0	0,0	0,0	0,0
- Liabilities on 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
- Transaction derivatives	0,0	1,5	0,0	1,5
of which currency derivatives	0,0	1,5	0,0	1,5
Hedging derivatives	0,0	84,2	0,0	84,2
- 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
- Total hedging restricted to fair value	0,0	69,3	0,0	69,3
Debts owed to credit institutions and similar entities	0,0	18 817,8	0,0	18 817,8
Debts owed to clients	0,0	3 017,0	0,0	3 017,0
Debts represented by securities	37 091,1	0,0	0,0	37 091,1

Quantitative information on unobservable inputs at 30 June 2021 (Level 3 fair value)

Instruments concerned	Valuation techniques used	Principal unobservable inputs	Unobservable inputs intervals
Unlisted equities	- Discounted free cash flow (DCF) - Stock market multiples - Trading multiples - Entry multiples - Fundraising - Cost of investment	1. Budget and business plan 2. Company accounts and year-end forecast 3. Discount rate 4. Perpetual growth rate 5. Cost of investment	1. No interval 2. No interval 3. 5% to 20% 4. 0% to 3% 5. No interval
Venture capital mutual funds	Fair value measurement, therefore: - for listed securities: spot price or weighted average price on the valuation date with possible application of a tradability/liquidity discount - for unlisted securities: cost of investment; multiples (stock market and/or trading) with possible application of tradability, size and comparability discounts	1. Cost of investment 2. Tradability discount 3. Size discount 4. Comparability discount 5. Cash flow at fund level	1. No interval 2. 0 to 20% 3. 0 to 30% 4. 0 to 30% 5. No interval
Convertible bonds	- DCF - Contractual clauses (e.g. quantity)	1. Nominal value 2. Cash interest 3. Compound interest (PIK) 3. Non-conversion premium (NCP) 4. Quantity	1. No interval 2. 0% to 10% 3. 0% to 10% 4. Target IRR of 0 to 20% 4. 0% to 100%
Share warrants	- DCF - Stock market multiples - Trading multiples - Entry multiples - Contractual clauses (e.g. quantity)	1. Budget and business plan 2. Company accounts and year-end forecast 3. Discount rate 4. Perpetual growth rate 5. Quantity	1. No interval 2. No interval 3. 5% to 20% 4. 0% to 3% 5. 0% to 100%

Change in the balance of financial instruments valued at fair value under Level 3

(in millions of euros)	30/06/2021		
	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Total
Balance at 1 January	5 013,8	3 795,1	8 808,9
Gains/losses during the period	393,3	684,4	1 077,7
<i>Recognised in profit and loss (*)</i>	393,3	0,0	393,3
<i>Recognised in equity</i>	0,0	684,4	684,4
Scope additions	0,0	0,0	0,0
Purchases during the period	663,8	406,2	1 070,0
Sales during the period	-510,3	-304,6	-814,9
Issues during the period	0,0	0,0	0,0
Settlements during the period	0,0	0,0	0,0
Reclassifications during the period	-16,1	16,1	0,0
Transfers	0,0	0,0	0,0
<i>To Level 3</i>	0,0	0,0	0,0
<i>From Level 3</i>	0,0	0,0	0,0
Balance at 31 December	5 544,5	4 597,2	10 141,7

(*) Gains and losses on financial assets held on the balance sheet at the balance sheet date totalled €393.3 million recognised as "Net gains or losses on financial instruments at fair value through profit or loss", of which €22.7 million on the revaluation of bonds and fixed-income securities and €370.5 million on trading derivatives.

Fair value sensitivity of Level 3 financial instruments

Because the fair value measurement of Level 3 financial instruments requires judgment, a change in unobservable input assumptions would result in a significant change in fair value.

At 30 June 2021, a 1% increase 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 equity of €41.1 million and €44.5 million respectively. A 1% decrease would have an impact on the profit and loss statement and on equity of -€41.1 million and -€44.5 million respectively.



IV. STATUTORY AUDITORS' REPORT ON THE 2021 HALF-YEAR FINANCIAL INFORMATION

Bpifrance

A société anonyme (limited company) with share capital of €839,907,320
Registered office: 27-31 avenue du Général Leclerc, 94700 Maisons-Alfort Cedex
Trade and Companies Register no.: 320 252 489

Report on the statutory auditors' limited review of the condensed
half-year consolidated financial statements

Period from 1 January 2021 to 30 June 2021



KPMG AUDIT F S I
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France



Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Bpifrance S.A.

Registered office:
Share capital: €5,440,000,000

Report on the statutory auditors' limited review of the condensed half-year consolidated financial statements

Period from 1 January 2021 to 30 June 2021

To the Chief Operating Officer,

In our capacity as the statutory auditors of Bpifrance S.A. and in response to your request, we conducted a limited review of the accompanying condensed half-year consolidated financial statements of Bpifrance S.A. for the period from 1 January to 30 June 2021, as appended to this report.

The global crisis due to the COVID-19 pandemic has created special conditions for the preparation and limited review of the condensed half-year consolidated financial statements. This crisis and the exceptional measures adopted in connection with the health state of emergency have generated multiple consequences for companies, particularly for their business and financing, and have increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and on the way our work is performed.

These condensed half-year consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements on the basis of our limited review.

We conducted our limited review in accordance with the standards of professional practice applicable in France and the professional guidelines of the French National Board of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relevant to this assignment.

A limited review consists primarily of conducting discussions with the members of management responsible for accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit performed in accordance with the standards of professional practice applicable in France. Consequently, the assurance that the financial statements taken as a whole do not contain any material misstatements obtained based on a limited review is moderate assurance, which is lower than the assurance that would be obtained based on an audit.



*Bpifrance S.A.
Report on the statutory auditors' limited review of the condensed
half-year consolidated financial statements*

Based on our limited review, no material misstatements have come to our attention that would cause us to believe that the condensed half-year consolidated financial statements are not in compliance with IAS 34 of the IFRS principles, as adopted by the European Union for interim financial information.

The statutory auditors

Paris La Défense, On 27 September 2021
KPMG AUDIT FS I

Courbevoie, On 27 September 2021
Mazars

Ulrich Sarfati
Associé

Nicolas Bourhis
Partner

Matthew Brown
Associé

Jean Latorzeff
Associé



V. PERSON RESPONSIBLE FOR THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Person responsible

Mr Arnaud Caudoux: Executive Director

Statement by the person responsible

I certify that, to my knowledge, the reviewed financial statements for the past six months were prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets, financial position and results of the company and all companies within the consolidation scope, and that the half-year business report on page 3 presents a fair overview of major events that have occurred during the first six months of the year, their impact on the financial statements, and a description of the main risks and uncertainties for the remaining six months of the year.

Maisons-Alfort, 27 September 2021



Bpifrance Financement

Société anonyme (limited company)

Créteil Trade and Companies Register no. 320 252 489 - Activity (APE) code: 6492 Z

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