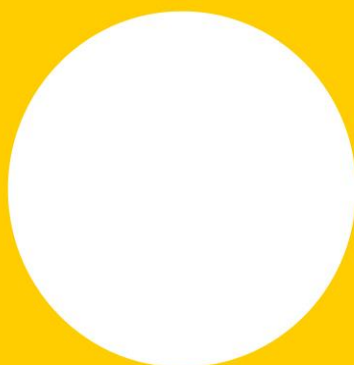


UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

2021



Bpifrance

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UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

2021

Bpifrance

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version of the Universal Registration Document which has been prepared in XHTML format and is available on the Issuer's website.



The Universal Registration Document was filed on 24 March 2022 with the AMF, in its capacity as the 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 CEO



Despite a French economy at a crossroads emerging from the health crisis, 2021 was once again an exceptional year for Bpifrance, both in terms of achievements and volumes of activity, with a historic net result of €1.8 billion.

This was first marked by the accelerated deployment of the Government Recovery Plan, which led Bpifrance to grow in magnitude by becoming a major player in the resilience of companies. The 4th part of the Investing in the Future Program (PIA) was launched in January 2021 and integrated into the France 2030 Plan, in which Bpifrance will also be a central operator.

Subsequently, numerous highlights marked operations, including the successful launch of our new product for individuals (Bpifrance Entreprises 1) subscribed to by more than 4,000 French citizens, French Tech's coming of age with its 25th start-up unicorn (11 of which are in Bpifrance's portfolio), the implementation of the Tech in Fab platform for bringing start-ups, SMEs and industrial mid-caps closer together, the launch of two new honorary loans with business creation support networks, the structuring of cultural and creative industries around the French Touch movement, our Inspire & Connect Africa event aimed at connecting SMEs and mid-caps from France and Africa, or the launch of our 100th Accelerator.

Throughout the year, Bpifrance mobilized all of its businesses to accelerate the recovery of the economy and implemented many intersecting plans, such as the French Fab, Touch, Climate, Tourism, Deeptech or industrial start-ups, that aim to renew the demographics of our industrial companies. In total, €50 billion has been injected into the economy in loans, equity, subsidies, aid and guarantees this year (in addition to €14 billion in Secured Loans, for which Bpifrance is guarantor).

Credit activity was intense in all of Bpifrance's 50 locations, with €15.9 billion lent to companies. Unsecured Loans, flagship products of the Bank's network, jumped by 93% in 2021, with €3.2 billion disbursed to more than 3,300 companies, including €1 billion in Green Loans to improve the environmental and energy impact of companies. Bpifrance also guaranteed €7.1 billion in loans (+14%), benefiting 45,000 companies, with activity restarting after a decline related to the massive deployment of state supported guarantees.

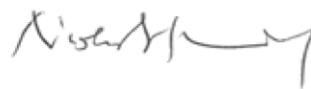
Funding for innovation has reached a level not seen since the creation of Bpifrance under the impetus of the Recovery Plan, combined with the increase in PIA funds. More than 7,600 companies have thus received €4.4 billion in financing (+45%) to develop their innovation projects, modernize their technological equipment or increase their production capacity in France.

Investment activity reached €4.4 billion (+21%), between direct interventions in companies' capital and indirect interventions at the service of the French investment ecosystem. The year 2021 also saw strong divestiture activity, in the interest of good risk management, freeing up room for manoeuvre to finance new investments. At the end of 2021, the change in value, generated by all managed portfolios, amounted to a record level of +€7.4 billion.

Support activity continued its growth trajectory with 3,352 consulting assignments for start-ups, SMEs and mid-caps (+56%), 37 new Accelerator promotions and 911 new companies (+108%) in training within them. 2021 has also seen an intensification of support for companies facing the challenges of ecological and energy transition (EET). Export support activity again played a countercyclical role this year (+35% overall), with an increase in public guarantees marked by record volumes in Credit Insurance (increased from €12.7 billion to €17.4 billion) and Surety Insurance, but also with strong growth in Export Credits (+83%).

The Creative sector contributed to a record in business formation in France in 2021 by financing and assisting 30 support networks for business creation, present throughout the territories in 1,900 locations. This year, 8,000 new Honorary Loans were granted to creators, and Bpifrance continued to direct its Entrepreneurship For All program towards Priority Neighbourhoods designated for urban development policy.

By remaining more than ever on the side of entrepreneurs, Bpifrance's teams will continue their activities in 2022 to allow companies to calmly approach economic changes and meet the challenges we will have to face in order to continue building the France of 2030.

A handwritten signature in black ink, appearing to read 'Nicolas Dufourcq', with a stylized, elongated final stroke.

Nicolas DUFOURCQ
CEO 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 with a capital of €5,440,000,000, whose registered office is located at 27-31, avenue du Général Leclerc in Maisons-Alfort (94710 Cedex), registered in the Trade and Companies Register under the number 320 252 489 RCS Créteil.

2.1. History and Development of Bpifrance

The development of the group over the last 15 years is described below.

2005: The Public Establishment with an Industrial and Commercial Nature OSEO was born from the merger of ANVAR (National Agency for Research Valorisation), BDPME (The Development Bank for SMEs) and its subsidiary SOFARIS (French SME Finance Guarantee Company).

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

2007-2008: As part of the Government's policy to promote and develop investment in research and innovation, priority has been given to supporting innovation in mid-tier enterprises. To achieve this ambition, the Government has decided to bring the Industrial Innovation Agency (IIA) closer to OSEO, as they are both invested with a mission of general interest: to finance and support companies in the most decisive phases of their life cycles. Thus, on 1 January 2008 and after the dissolution of the IIA, the activity of "Strategic Industrial Innovation" was transferred by the State to OSEO Innovation.

2008-2010: In order to improve OSEO's responsiveness and efficiency, and therefore the quality of its services, in particular by clarifying and simplifying its organisation, the merger project 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-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 Public Investment Bank (BPI). A public group serving the financing and development of companies, acting in support of public policies led by the State and the Regions, it brings together the activities of OSEO, CDC Entreprises and the Strategic Investment Fund (FSI). The creation of the BPI was formalized by Law no. 2012-1559 in 31 December 2012, amending Ordinance no. 2005-722 of June 29, 2005 relating to the creation of the public institution OSEO, which became EPIC BPI-Groupe then EPIC Bpifrance, and the public limited company OSEO (now Bpifrance). In the same way as the entities grouping the equity activity of CDC Entreprises and the FSI, now called Bpifrance Investissement and Bpifrance Participations respectively, the public limited company OSEO (now Bpifrance) became on July 12, 2013 a subsidiary of a company called BPI-Groupe then Bpifrance SA owned equally by the State via EPIC BPI-Groupe (now EPIC Bpifrance) and the Caisse des Dépôts.

2015: The Law no. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities amended the Ordinance no. 2005-722 of 29 June 2005 relating to the Public Investment Bank and allowed the harmonization of the corporate names of all the group entities, 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 has been the holding company of the Bpifrance Group. On 18 December 2020, the Issuer's Extraordinary General Meeting also changed the company's name (henceforth, Bpifrance). EPIC Bpifrance and Caisse des Dépôts each hold 49.2% of the Issuer's capital.

2.2. Key figures

- Bpifrance Group
- Activity

Investment Activity					
In millions of euros	2019	2020	2020 Development	2021	2021 Development
Assets under management	36,065	41,604	5,539	4,412	2,808
Fund of funds	11,905	12,679	774	13,479	800
Small-cap	2,153	2,346	193	2,413	67
Innovation (see Fonds SPI)	3,250	5,038	1,788	5,481	443
Mid & Large	18,656	21,541	2,885	23,038	1,497

NB: The deviation from 2020 corresponds to the mandate of a fund managed on behalf of the EPA.

Banking Activity					
In millions of euros	2019	2020	2020 Development	2021	2021 Development
Mid-long-term financing – Co-financing of investment	8,708	11,419	2,711	9,682	-1,737
Short-term financing - Mobilisation of credit-claims	3,961	3,861	-100	3,817	-44
Short-term financing - Prefinancing from CICE	4,147	2,886	-1,261	1,741	- 1,145
Amount of guaranteed risks (excluding internal funds)	3,629	2,719	-910	3,093	374
Amount of guaranteed risks Bpifrance Regions	336	279	-57	304	25
Assistance to Innovation	832	2,083	1,251	3,826	1,743

• Performance¹

Performance Indicators - Bpifrance					
In millions of euros	2019	2020	2020 Development	2021	2021 Development
Net banking income	1,454	1,239	-215	2,916	1,677
of which Bpifrance Participations	652	427	-225	1,914	1,487
Operating costs	-711	-793	-82	-870	-77
Risk cost	-83	-462	-379	-75	387
Operating income	660	-15	-675	1,972	1,987
Contribution from equity affiliates	456	-124	-580	49	173
Net income group share	1,018	-121	-1,139	1,835	1,956
	2019	2020	2020 Development	2021	2021 Development
Change in value (in millions of euros)	3,370	126	-3,244	6,260	6,134
Return on Equity	4.1%	-0.4%	-4.5%	6.5%	6.9%
Personnel	3,046	3,214	168	3407	193

¹ The change in value corresponds to the annual change in revalued net assets, adjusted for dividends and capital injections (net income + change in unrealised capital gains/losses). The change in unrealised capital gains/losses corresponds to the change in the value of securities at Fair Value per equity and the changes in the market value of equity affiliates

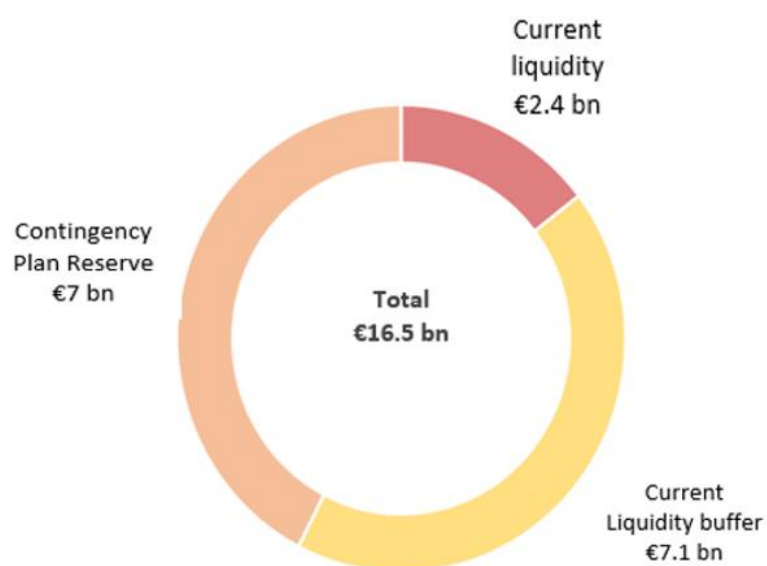
- **Status of Solvency and Liquidity**

	31/12/2019	31/12/2020	31/12/2021
CET1 Ratio	33.38%	30.75%	30.52%
Leverage ratio	24.16%	20.82%	20.88%
LCR liquidity ratio	450%	886%	425%

Risks weighted by Type



Liquidity reserve





2.3. Presentation of tasks and business lines

A public group dedicated to financing and business development, Bpifrance acts in support of policies led by the State and the Regions. Law no. 2012-1559 of 31 December 2012 provides 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 that acts through its subsidiaries Bpifrance Régions (which operates, together with the credit institution, the Financing division), Bpifrance Participations, Bpifrance Investissement (Investment division) and Bpifrance Assurance Export (Export Insurance 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 sector, payment services and investment services subject to the supervision of the French Prudential Supervision and Resolution Authority) which imposes 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 measurement and risk management systems. Bpifrance and its subsidiary Bpifrance Régions are under the control of the French Prudential Supervision and Resolution Authority and subject to the direct prudential supervision of the European Central Bank².

Bpifrance is a neutral investment player whose mission is to attract all financing partners, foremost among which being banks, as well as innovation development networks, for the benefit of companies by co-financing projects with private banks.

In compliance with private actors 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, but also as part of capacity investments. To do this, it relies on the endowments of public actors at different levels: the State, local authorities (especially the Regions) and the European Union.

Its public interest mission requires Bpifrance to work as closely as possible with the regions, in favour of VSBs, SMEs, and mid-caps, regardless of their legal status (including SSE companies³ and local state-owned enterprises⁴ engaged in a commercial activity), in all business sectors, with the exception of financial services.

Its public status also implies particular openness 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, development and innovation, subsidised loans) which prohibit in particular the financing of companies in proven difficulty or those who are not up to date with their social and tax contributions.

The following are the business lines of Bpifrance and its subsidiaries:

2.3.1. Financing

Bpifrance has a role as an investment bank: in partnership with banking and financial institutions as well as Regional Councils, Bpifrance intervenes in support of investments:

- for tangible and intangible assets through interventions carried out in the form of medium- or long-term loans and leasing operations, real estate, equipment or financial leasing, especially in the Energy-Environment;
- for intangible assets, as well as to finance working capital requirements, in the form of Unsecured Loans (Growth, Ecological Transition, Industry, Tourism, International, Transmission, Innovation), long and patient, without guarantees or security taken on the company or its directors.

² List published by the European Central Bank in accordance with Article 49(1) of (EU) Regulation no. 468/2014 of the European Central Bank (ECB/2014/17)

³ Companies with statute (cooperatives, SCOPs, mutuals, associations) or with a high social impact

⁴ SEM, SPL, SPLA

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

Bpifrance contributes to the financing of the operating cycle and finances the cash flow needs of small and medium-sized companies that are clients of public and private contractors. For financed contracts, it issues signature commitments: sureties and first demand guarantees.

2.3.2. Guarantee

Directly correlated to the financing granted by its partners, Bpifrance's Garantie is a crucial tool for encouraging banks to finance SMEs in the riskiest phases of their growth, especially in the creation, innovation or transmission 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, including actions in favour of the environment;
- with regard to transfers;
- with regard to strengthening the cash flow;
- with regard to international actions, including bank guarantees on export markets and the risk of failure of French subsidiaries abroad (GPI).

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

The guarantee is the preferred form of assistance, especially with smaller companies, because it is implemented in partnership with private banks, which are entitled to immediately decide on its granting up to €200,000 or by calling on Bpifrance for higher amounts.

The student loan guarantee, a scheme carried out on behalf of the State and largely reinforced as part of the recovery plan, makes it possible to guarantee loans made by banks for students' benefit without the latter having to provide other guarantees.

2.3.3. Innovation

The financing mission of Bpifrance's Innovation is to meet the financing needs of innovative individual or collaborative projects, from the idea stage to the market, in cases of the failure of conventional financing or the lack of experience of a commercial bank.

Bpifrance provides a financing solution for this which is adapted to the company according to its distance from the market (grant, recoverable advance, R&D, innovation loan or zero-interest loan, subsidised loan without guarantee, etc.) in close partnership with the players in Innovation financing and in particular with the Regions.

The innovation financing of companies falls into two main categories:

- Individual aid (in the form of grants, recoverable advances, and R&D innovation loans or zero-interest loans) and unsecured loans (start-up equity loans, innovation start-up loans, innovation loans), from the State Budget (PIA, Innovation and Industry Fund-FII), Regions and Partners, and operated by the Bpifrance Network in all Regions;

- Individual aid or for collaborative projects on the State Budget (PIA, FII, France Relance), provided within the framework of Competitions (i-Lab and i-Nov) or Calls for Projects (for the structural component of PIA4: PSPC, replaced by i-Demo in 2021; for the directed component of PIA4 launched in 2021: the sectoral AAPS of acceleration strategies and for France Relance the AAPS modernization of industry), in the form of grants and recoverable advances, operated by the Department of Innovation Expertise at Bpifrance.

Bpifrance has also developed a support offer for all phases of business growth (mainly start-ups and SMEs), including advice, training, contacts, international immersion missions and assistance in setting up international collaborative projects.

In 2021, Bpifrance has again seen its innovation financing action greatly strengthened with (1) the rise of France Relance, (2) the deployment of the AMI Capacity Building to strengthen French production capacities in the fight against COVID-19 and (3) the launch of new intervention components of the PIA4. Activity thus reached €4.4 million, an increase of +45% compared to 2020.

2.3.4. Investment business lines

2.3.4.1. Tasks of the Investment Division Business Line

i) Tasks of the Investment Division business line

As part of the creation of Bpifrance, the investment doctrine was specified 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 all of the Investment division carried by Bpifrance (and therefore to Bpifrance Investissement), is summarized as follows:

Through its equity interventions, Bpifrance finances the development and growth of VSBs and SMEs, in line with the FSI France Investissement 2020 program, and aims at the emergence, consolidation and multiplication of mid-caps, an essential link to the competitiveness of the French economy and the development of exports.

Bpifrance's investments, in funds as well as in companies, are carried out selectively, in accordance with good professional practices, 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 like any other. Its character as an informed investor operating under market conditions in the service of collective interest leads him to complete the investment offer of market segments characterised by a lack of private funds. As a result, Bpifrance devotes a significant part of its equity investments, from its own resources and those of third-party investors managed by Bpifrance, to the seed investment, venture capital, development capital and transfer capital segments, or to funds geared towards profitable companies in the social and solidarity economy but which, due in particular to their status, naturally attract few traditional investors. Bpifrance is also working to develop a mezzanine fund offer on the market as a complement or substitute for equity investments for companies whose shareholders would not like to open the capital to third-party investors.

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

- Bpifrance operates with a view to creating, via minority shareholdings, a ripple effect of 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 according to the same financial and legal provisions as the co-investors (*pari passu*). Whenever possible, it sits 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 funding, 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, freeing 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 projects on the competitiveness of the French economy assessed against a multi-criteria analysis grid, integrating extra-financial criteria such as the potential for export and international development, the contribution to innovation, ESG practices (environmental, social and corporate governance), the effects on employment and the development of the territory, the role in the sector, the development of family businesses, etc.
- In order 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 Private equity or to proceed with the delisting of 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 can invest in companies involved in the construction or operation of infrastructure;
 - 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 (SEM; sociétés d'économie mixte) which may also be the subject of investment by the Caisse des Dépôts.

Any investment decision likely to lead to competition with the other entities of the Caisse des Dépôts group will be subject to specific coordination.

- Bpifrance may exceptionally operate in the turnaround capital segment, which aims to turn around companies in difficulty, particularly SMEs and smaller mid-sized companies, by taking special precautions. Indeed, this type of investment by nature 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 non-completion of the investment operation;
 - The restructuring of companies in difficulty would subject Bpifrance, a public investor, to significant reputational risks.

Taking these factors into account, 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 with its partner funds and funded companies 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:
 - Fast-growing start-ups or SME;
 - Having 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 with technological or strategic interests for Bpifrance's business lines, in a Corporate Venture approach, and / or to contribute to the emergence of European champions. Investments in minority interests must systematically be carried out alongside a regulated or financial actor, as Bpifrance Investissement must not be or become the first shareholder among the category encompassing both regulated and financial investors, nor a reference shareholder in such companies.

Any investment decision likely to lead to competition with the other entities of the Caisse des Dépôts group will be subject to specific coordination.

ii) The Business Lines of the Investment Division

Bpifrance's investment activities are structured around three business lines:

- **The Development Capital Department** invests directly in equity, quasi-equity and debt in order to support SMEs, mid-caps and large French companies in their development and growth projects. Located throughout the country with 53 regional offices, the 160 professional investors of this division perform the role of active minority investors seeking sustainable and responsible performance for their holdings over the long term.

This department includes the activities of:

- **Large-Cap and Sovereign Wealth Fund Partnerships**, in order to support the development of mid-cap and large French companies and to partner with long-term investors and sovereign wealth funds (€17.2 billion under management);
- **Mid-Cap**, in order to accelerate the growth of independent SMEs and mid-caps with high potential (€1.7 billion under management);
- **Small-Cap**, in order to grow SMEs and mid-caps in our regions (€1.7 billion under management);
- **Specialised Funds (Tourism, Sectors, FAA (Automotive), Lake I)**, in order to address specific identified needs through management on behalf of third parties (€4.8 billion under management).

In total, the Development Capital portfolio consists of more than 660 investments with assets under management of €25.5 billion.

- **The Fund of Funds business line** mainly manages investments in partner funds subscribed to via funds of funds managed within the framework of SME Innovation programs (FPCR 2000, FCIR, FFT3⁵ and FPMEI), and France Investissement (FFI-A, FFI-B, FFI II, FFFI III, FFI IV and FFI V).

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

The Fund 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 MultiCap Croissance (FFMC2), the Fonds MultiCap Croissance No. 3 (MC3), the Fonds de Fonds de Retournement (FFR), Fonds de Fonds Quartiers Prioritaires (FFQP), the Fonds de Fonds Edtech (FFE), the Fonds French Tech Accélération (co-managed with the Innovation Department), the Fonds Accélération Bio Santé (FABS, co-managed with the Innovation Department and the Industrial Projects Equity Department), the Fonds French Touch (FFT, co-managed with the Innovation Department) subscribed by the State as part of the Programme d'investissements d'avenir (PIA), the Fonds France Relance États-Régions (FFRER) subscribed by the State as part of the recovery plan Facilité pour le Reprise et la Résilience validated by the European Commission, and the Plan National de Relance et de Résilience (PNRR), the FFI3+ subscribed by the savings funds of the Caisse des Dépôts, the Fonds de Fonds Digital (FFD) subscribed by the Caisse des Dépôts and some of its subsidiaries and the Fonds de Fonds Growth (FFG) subscribed by the CDC and insurers.

A new activity for individuals has also been developed through the Bpifrance Entreprises 1 Fund established in 2020. The commercialisation of the Fund was completed in 2021.

- **The Innovation Capital business line** invests directly in French start-ups and scale-ups positioned in sectors of the future, in particular biotechnology, environmental technologies, digital and creative industries. Investment teams are structured by investment divisions dedicated to sectors or stages of intervention and act on behalf of funds held in equity by Bpifrance Participations, or held by third parties (including some funds from the Investments for the Future Program).

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

- The **Large Venture** division, which invests via Bpifrance Participations and the Bpifrance Innovation I – Large Venture 2 fund in all areas of Innovation (mainly companies undergoing strong acceleration in the Digital and Life Sciences fields) and from €10 million of unitary investment;
- The **Digital Venture** division, which invests via the Ambition Numérique funds, Ambition Amorçage Angels and the Bpifrance Innovation I - Digital Venture Seed & Digital Venture AB fund in digital start-ups, at seed stages and series A and B;
- The **Life Sciences** division, which operates in the Biotech and Medtech sectors via the Bioam, InnoBio 1 and 2 funds, Biothérapies Innovantes et Maladies Rares, FABS and Bpifrance Innovation I - Medtech;
- The **Independent Patient** division, which operates in the digital health sector through the 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 FTA and FTA2 funds in support of accelerators and acceleration investment funds;
- The **Innovation Transverse Venture Capital** division, which operates via the PSIM funds, Definvest, Defence Innovation Fund and French Tech Seed funds;
- The **Cultural and Creative Industries** division, which intervenes via the following funds: Fonds pour les Savoir-Faire d'Excellence (FSFE), Mode et Finance 2, Patrimoine et Création 2, Bpifrance Mezzanine I, Bpifrance Capital I et Tech & Touch funds.
- The **Investments in industrial projects** division, which manages the SPI fund, was integrated into the Innovation Department in 2021 (previously in the Capital Development Department), in order to create a complete continuum to support deeptech start-ups with equity until industrialization.

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

Finally, Bpifrance was involved in the deployment of the new **Fonds French Tech Souveraineté**.



2.3.4.2. Intervention by the various Bpifrance Investment division business lines

The Bpifrance Group's investments are made either directly by Bpifrance Participations or through partner funds. The approaches 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 for investments in large companies (GE), new investments in mid-sized companies (mid-caps) are made through the 2020 mid-cap fund, raised during the first quarter of 2014. Investments in Tier 1 and Tier 2 automotive equipment manufacturers are made by FaaS funds, capital investments or mezzanine debt in the *mid-market* are realized by the Growth funds;
- b) The SME Equity and Fund of Funds business lines invest mainly through funds. These funds are mainly financed via an intermediary holding company (FSI SME Portfolio entirely owned by Bpifrance Participations) and managed by the management company Bpifrance Investissement;
- c) The Innovation Capital business line has 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 operates in a minority, alongside investors *corporate*, in industrial project companies aimed at supporting the development of industrial sectors in key sectors for the economy of tomorrow (energy transition, circular economy, etc.).

2.3.5. International

Bpifrance's Export Department is structured around three business lines:

1. Assurance Export

Since 1 January 2017, through Bpifrance Export Insurance, 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 guarantees to exporters are intended to encourage, support and secure French exports financed in the medium and long term, as well as French investments abroad.

More precisely, 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, secure exports and investments abroad, make the financing offered to foreign clients competitive and 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 organized into four divisions:

1. Key Accounts;
2. Mid-Sized Companies (Mid-caps) and SMEs;
3. International relations, development of the offer and rating;
4. Claims, consolidations and recovery.

2. Export financing

In an increasingly competitive international environment, French companies must support their technical and commercial tenders with financing proposals in order to win markets that will be the relays of their future growth.

Since 2015, the Export Finance Department has been offering medium-long-term financing solutions to exporting companies domiciled in France for their foreign buyers, whether they are state, public, private or project companies.

Regardless of the sector of activity (transport, energy, water, defence, industrial equipment, etc.) and the continent of destination, Bpifrance's Export Finance Department offers export credits, with the cover of Bpifrance Assurance Export, in the form of

- Purchase of supplier credit (from €1 to €25 million);
- Bilateral buyer credit (from €5 to €25 million) or equity (up to €75 million).

These means of intervention allow exporters to mitigate counterparty risks while offering their buyers competitive and long-term financing solutions.

3. International support

This division is the Hub of the internationalisation of Bpifrance companies. Its mission is to accelerate and support these companies in their international development through the following solutions and services:

- Every year, about fifteen international missions are organized with our partners from the France Export Team, whose objective is to allow the accompanied companies to confirm a new market or not;
- 6 mission formats adapted according to the needs and the life cycle of the company;
- Support for our customers in their future target areas thanks to our overseas team composed of 17 people. (9 offices: Mexico City, New York, Abidjan, Dakar, Nairobi, Casablanca, Dusseldorf, Dubai and Singapore);
- Relevant and targeted connections from France and around the world via our privileged partners, and quality and trusted experts in the Export ecosystem;
- Facilitating business by offering managers the best solutions and devices from Bpifrance's International offer;
- Coordinate and support programs dedicated to exporters, such as the International Accelerator.

The International division also consists of the **Department of International and European Affairs**.

The Department of International and European Affairs is an operational and transversal directorate within the Dised. In collaboration with all of Bpifrance's management teams, she strives to contribute to the influence of the Group and its model, as well as to the development of its businesses internationally. It invests and develops networks and partnerships with multiple actors: institutions, investors, support structures, associations, companies, public authorities. To this end, the Department is structured around 5 dedicated teams in constant contact with all our partners.

The team of fund-of-funds investors in Africa, Averroès Africa, currently manages 4 investment vehicles and monitors 25 participations. Its objectives are to participate in the growth of private equity on the continent, the profitability of its investments and the development of the business relationships of its underlying portfolio with French companies, within the framework of Bpifrance's policy in favour of sustainable development.

The EuroQuity team runs a digital platform for connecting companies and their development partners, in France and internationally, particularly in Europe and Africa.

The International Expertise team provides technical assistance to foreign institutions and governments wishing to expand development banking activities or products based on the Bpifrance model. It works particularly in Africa and Europe.

The Europe and International Relations team ensures Bpifrance's lobbying and regulatory monitoring with European authorities and mobilizes European financial resources for the benefit of Bpifrance and French companies. It builds and encourages partnerships with our counterparts and any other foreign entity.



Finally, the mission of the Sovereign Wealth Funds & Long-Term Investors team is to develop our relationships with international investors, within the framework of partnership agreements or management on behalf of third parties, so that they invest in French companies, in particular through vehicles managed by Bpifrance Investissement. It also ensures that Bpifrance is recognized as a sovereign wealth fund among its peers.

In 2021, the International and European Affairs Directorate continued the effort to develop its activities in Europe, Africa and the Middle East, to promote the Bpifrance model, attract funds for the benefit of French companies, and facilitate the connection between the latter and potential partners.

2.3.6. Business Support

The Support offer within Bpifrance is led by an Executive Support Department, structuring and harmonizing a complete offer (consulting, training, networking), articulated around 5 operational divisions in hierarchical relation, complemented by a strong interaction with The Hub, Bpifrance Excellence and the Innovation Department, in functional link with this department.

At the same time, a dynamic of decentralization continues with the deployment of 14 heads of consulting missions in France, the decision-making of accelerated company recruitment and the full appropriation of the Support business line by the network.

The 5 operational divisions are intended to strongly cross-sect in collaboration:

- 1) Development: Develops Support's products, improves the existing range, negotiates and contracts with partners (State, CDC, Regions, professional organizations, etc.);
- 2) Marketing and Commercial Support: Disseminates information about new products and programs, creates and disseminates commercial materials, trains prescribers and drives marketing;
- 3) Operations: Organizes the execution of Accelerator programs, trains and animates the Consulting and Accelerator teams, manages the pool of external consultants;
- 4) Programs / University of Leaders Courses: Defines and contracts the content of face-to-face and digital training, in and outside the Accelerators;
- 5) Steering and Management: manages the contractual relationship with companies and partners (contracts, invoices, grants), leads data collection and produces indicators.

2.3.7. Business creation

Bpifrance's mission is to strengthen and coordinate national and local action in favour of business creation and entrepreneurship throughout the region, including in the QPV (Priority Districts of the City's Policy; Quartiers prioritaires de la Politique de la Ville), with the objectives of strengthening:

- Regional coverage and the legibility of the offer;
- Support for project leaders and entrepreneurs;
- Awareness-raising and entrepreneurial promotion, to be carried out with different audiences, in particular with young people and women.

To reach these goals, Bpifrance encourages actors supportive of creation in order to better:

- Raise awareness, prepare and guide project leaders;
- Support and finance these projects;
- Act for everyone throughout the region;
- Observe the evolution of business creation and professionalise support networks to better meet the needs of creators.

2.4. Capital and shareholding

In accordance with Article 4, Paragraph I of the Ordinance No. 2020-739 of 17 June 2020 reorganizing the Public Investment Bank (BPI) and amending Ordinance No. 2005-722 of 29 June 2005 relating to the Public Investment Bank, Bpifrance's private shareholders who did not meet the conditions mentioned in Article 6, Paragraph II of the aforementioned Ordinance of 29 June 2005, namely (i) be a credit institution, an investment firm, a management company or an insurance company approved for this purpose in France or in a Member State of the European Union (EU) or party to the agreement on the European Economic Area (EEA) and (ii) be, directly or indirectly, the beneficiary of guarantees granted by Bpifrance or one of its subsidiaries as part of the mission mentioned in Article 6, Paragraph I, Line 2 of the aforementioned Ordinance of 29 June 2005, were required to transfer their shares to Bpifrance at the latest at the end of a period of eighteen months as of the publication of the aforementioned Ordinance of 17 June 2020, that is to say no later than 18 December 2021.

The conditions for the implementation of the transfer provided for in Article 4, Paragraph I of the aforementioned Ordinance of 17 June 2020 were set by decree No. 2021-899 of 6 July 2021.

In this context, 76 shareholders have sold 471,457 Bpifrance shares to the Company by mutual agreement. In addition, on 14 December 2021, 11,977 shares not presented by 41 shareholders affected by the assignment obligation were transferred automatically and informally to Bpifrance.

As of 31 December 2021, the share capital of the Issuer amounted to €5,440,000,000, divided into 680,000,000 shares with a nominal value of €8. Since that date, the Issuer holds 1,934,314 shares of its capital (self-owned shares).

Breakdown of the Issuer's capital and voting rights over three years ⁽¹⁾

	As of 31 December 2021				As of 31 December 2020				As of 31 December 2019		
	Number of shares	% of share capital	% of theoretical voting rights (1)	% of voting rights exercisable at GM	Number of shares	% of share capital	% of theoretical voting rights (1)	% of voting rights exercisable at GM	Number of shares	% of share capital	% of voting rights
EPIC Bpifrance (2)	334,434,120	49.18%	49.18%	49.32%	334,434,120	49.18%	49.18%	49.29%	-	-	-
Caisse des Dépôts	334,434,120	49.18%	49.18%	49.32%	334,434,120	49.18%	49.18%	49.29%	-	-	-
Bpifrance SA (3)	-	-	-	-	-	-	-	-	95,306,275	90.78%	90.78%
Bank shareholders and others	9,197,446	1.35%	1.35%	1.43%	9,680,880	1.42%	1.42%	1.43%	9,682,140	9.22%	9.22%
Self-held shares (4)	1,934,314	0.29%	0.29%	0.0%	1,450,880	0.21%	0.21%	0.0%	-	-	-
Total	680,000,000	100%	100%	100%	680,000,000	100%	100%	100%	104,988,415	100%	100%

(1) Complies with DOC-2021-02 position-recommendation of the AMF (see section 16 of the guide for the preparation of universal registration document)

(2) Including a share lent to the French State

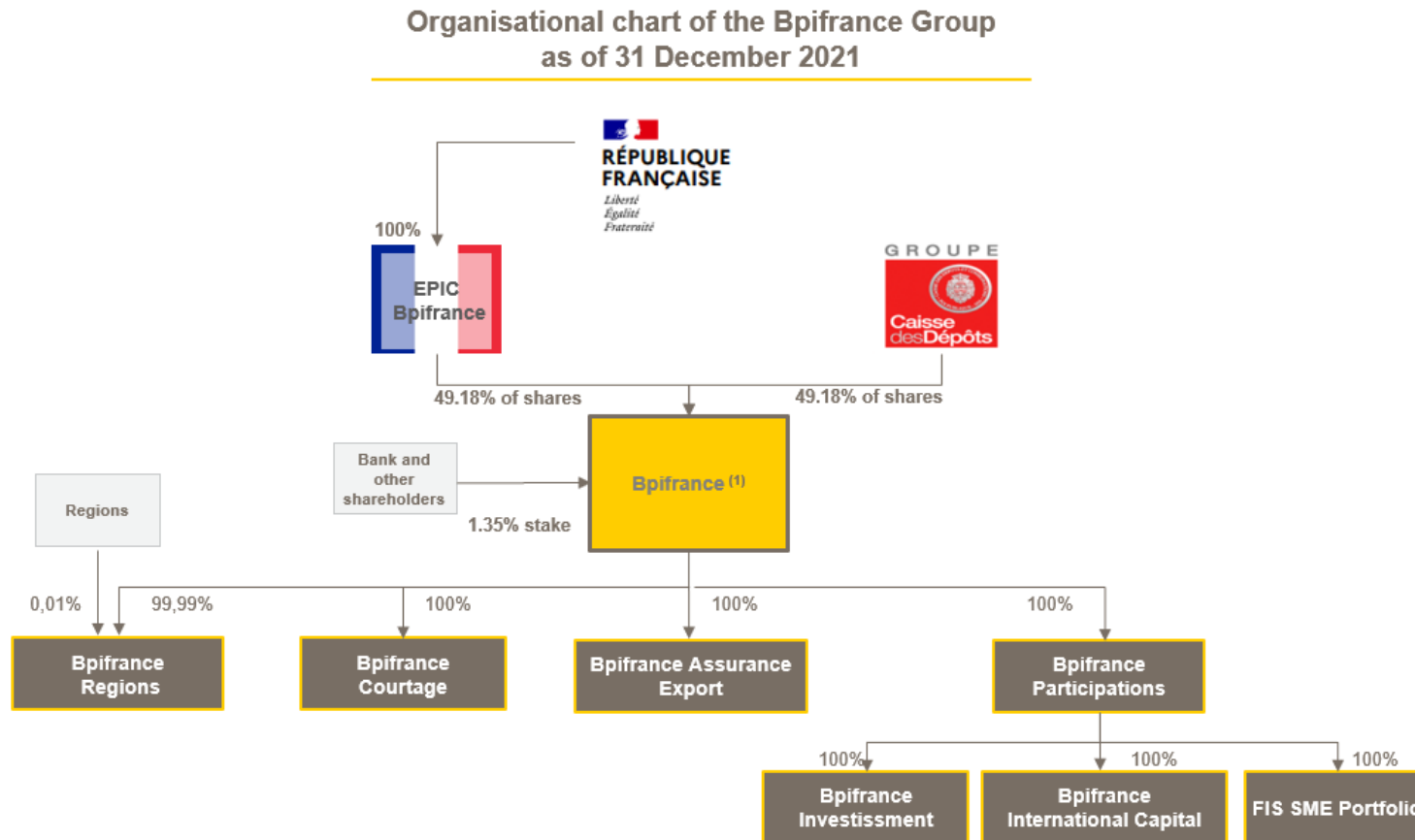
(3) Bpifrance Financement (today Bpifrance) absorbed Bpifrance SA on 18 December 2020

(4) In accordance with Article 223-11 of the AMF's general regulations, voting rights are associated with self-held shares for the calculation of the total number of voting rights; these shares do not have voting rights at the General Meeting



2.5. Capital structure of the Bpifrance Group

The capital structure of the Bpifrance Group as at 31 December 2021 is described below.



(1) Bpifrance holds a 0.29% stake

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

3.1. Activity report

3.1.1. Key events in 2021

Some of the key events in 2021 are listed below:

January

- Bpifrance, the French Ministry of Labour, Employment and Integration and the waste processing and recovery sector join forces to launch the Waste Recovery Accelerator, a support programme dedicated to SMEs in the sector;
- As part of the recovery plan and the France Num initiative, Bpifrance is entrusted with the implementation of a call for projects aimed at massively increasing digital support for VSEs and SMEs. This call for projects, led by the Directorate General for Enterprise, aims to select groups of operators capable of organising and deploying support projects for VSEs and SMEs;
- Bpifrance, Caisse d'Epargne CEPAC and Banque Postale arrange €246m in bank financing for the construction of 40 solar power plants by URBASOLAR.

February

- Bpifrance launches *Assurance Prospection Accompagnement* (APA), a comprehensive scheme dedicated to VSEs and SMEs that are first-time exporters - a key element of the government's export recovery plan;
- Bpifrance and Business France launch the first class of the Africa Accelerator made up of 25 French companies;
- Bpifrance launches two unsecured loans, *Création-Reprise* and *Renfort*, in partnership with the support networks Initiative France, France Active, Réseau Entreprendre and Adie, aimed at promoting the financing of business creation;
- The acquisition of a stake in EssilorLuxottica is the second investment by the Lac1 fund, which is managed by Bpifrance on behalf of French and international investors and is dedicated to providing long-term support to major French listed companies.

March

- The Argobio start-up studio launches, specialising in the creation and development of high-potential biotech companies, with a €50m investment from Bpifrance, Kurma Partners, Angelini Pharma, Evotec and the Institut Pasteur;
- Bpifrance and the Agence française de développement (AFD) Group sign a partnership aimed at strengthening the synergy of Bpifrance and the AFD Group operations in France and abroad, as well as promoting France's economic influence by supporting and financing French companies abroad and promoting sustainable development in the countries where Bpifrance and the AFD Group operate;
- Bpifrance and the Ministry for Gender Equality, Diversity and Equal Opportunities renew their commitment to the development of business creation and management by women with the signing of a new 2021-2023 agreement.

April



- Bringing industry and technology together: Bpifrance launches the Tech in Fab platform and announces a partnership with France Industrie for Deeptech;
- Six months after the announcement of its Climate Plan with the Banque des Territoires, Bpifrance organises the first edition of *Jour E*, bringing together experts, entrepreneurs and start-ups with the aim of boosting initiatives to combat climate change;
- The Ministry of Urban Affairs and Bpifrance launch the 20th edition of the *Talents des Cités* competition;
- The Centre national du cinéma et de l'image animée (CNC) and Bpifrance launch two support schemes dedicated to the cultural and creative industries: the Video Games Accelerator and the Audiovisual Cinema Accelerator;
- As part of its long-term strategy, Bpifrance issues its first 7-year green bond – the 'Bpifrance Green Bond' – for €1.25bn, the proceeds of which will be used entirely to finance or refinance wind and solar projects in France.

May

- As part of the Recovery Plan, Bpifrance massively strengthens the State-guaranteed Student Loan scheme, which will enable banks to issue up to €640m in loans to students, compared with €80m in 2020;
- Six months after the launch of the scheme aimed at accelerating the scaling-up of digital health start-ups and contributing to the transformation of the French healthcare system, Bpifrance has doubled the size of its Autonomous Patient fund to €100m with support from the Banque des Territoires, Harmonie Mutuelle and the Vivalto Santé Group;
- Through its Large Venture fund, Bpifrance participates in raising funds for Contentsquare, which is completing a \$500m Series E funding round led by SoftBank Vision Fund 2 to strengthen its global leadership and invest in innovation.

June

- In Abidjan, Bpifrance launches the first part of the 'Inspire and Connect' trilogy, which brings together 500 participants with the aim of strengthening economic relations between the African continent and France by encouraging fruitful and sustainable partnerships between entrepreneurs;
- Bpifrance and the CNRS sign a cooperation agreement aimed at mobilising their resources and skills in order to better leverage public research results, particularly into the start-up creation. This commitment is part of one of the objectives of Bpifrance's Deeptech plan.

July

- Bpifrance and Abu Dhabi Global Market (ADGM), the financial centre of the Emirate of Abu Dhabi, sign a partnership to strengthen their economic cooperation in order to increase the competitiveness and promote the international development of French and UAE companies in their area;
- The SPI fund, operated by Bpifrance on behalf of the French State, becomes the reference shareholder with a 25.9% stake in METEX in order to support the emergence of a European leader in industrial biotechnology.

September

- Bpifrance and the UIMM launch the 2021 edition of the French Fab Tour, a tour of all French regions to promote French industrial excellence and careers, particularly among young people;
- Bpifrance launches the 'Deeptech.fr' platform, constructed in collaboration with 23 technology transfer and innovation players and supported by the State, aimed at promoting the emergence and growth of Deeptech start-ups;
- The Lac1 fund makes its third investment by becoming a reference shareholder in Exclusive Networks, a cybersecurity specialist listed on Euronext Paris since 23 September 2021;
- Bpifrance launches a recruitment tool for start-ups: The Talent Hub;
- Launch of the États Régions Fund of Funds (endowed with €250m by the State as part of the government's recovery plan), which focuses on regional development capital funds to contribute to the recovery of regional SMEs.

October

- Bpifrance Assurance Export and Etihad Credit Insurance (ECI) sign a strategic reinsurance agreement to strengthen commercial and economic cooperation between France and the United Arab Emirates and to stimulate French and Emirati exports to third countries;
- Bpifrance launches a new accelerator dedicated to companies with external growth projects: The Conquerors;
- The 7th edition of *Bpifrance Inno Génération* (BIG), a national event bringing together entrepreneurs, major business groups, start-ups, VSEs, SMEs and MMEs, is organised, with 400 workshops, conferences, master classes and more than 1,000 French and international speakers;
- Bpifrance and ADEME launch *Diag Décarbon'Action*, a scheme aiming to help companies reduce their carbon footprint, as well as the *Accélérateur Décarbonation*, aimed at supporting French SMEs and MMEs in their ecological transition;
- Six years after the creation of the French Tech Acceleration Fund (FTA) and building on its success, the Government and Bpifrance announce the launch of a successor fund: French Tech Acceleration II, with a budget of €100m. This fund is part of the *Investing in the Future Programme* (PIA) and is managed by Bpifrance on behalf of the French government. It is aimed at accelerating innovative French companies and, more specifically, at start-up studios promoting the creation of Deeptech start-ups;
- Bpifrance participates in the financing of the CEOG project, the world's first and largest non-intermittent renewable hydrogen power plant in Guyana, involving Meridiam, HDF and SARA. For a total amount of €170m, Bpifrance has partnered with AFD, BEI, BNP Paribas, CIC and SMBC, for a complex hybrid financing round completed by an ADEME grant.

November

- Bpifrance launches the second edition of the Deeptech Tour to strengthen the connection between the research and entrepreneurship sectors;
- Bpifrance and Cassa Depositi e Prestiti (CDP), an Italian public-sector bank, unveil the first class of Franco-Italian Young Leaders;
- Bpifrance launches the *Entreprendre au Coeur des Territoires* call for projects, aimed at supporting entrepreneurship in the 'Heart of the City' and 'Small Towns of Tomorrow', financed in the amount of €10m by the Banque des Territoires, within the framework of France Relance;



- Bpifrance and UDICE, an association of ten major French research universities, strengthen their cooperation to support the emergence of Deeptech start-ups based on public research.

December

- Bpifrance and the French Ministry of Economy, Finance and Recovery sign two cooperation agreements with Mubadala to boost investment in the French economy through the reinforcement of the strategic co-investment partnership already established between Mubadala and Bpifrance with an additional joint allocation of €4bn, and a new agreement is signed between Mubadala and the French Ministry of Economy, Finance and Recovery, aiming at investing up to €1.4bn in French funds;
- Bpifrance inaugurates its 100th accelerator, with the launch of the first class of the Industry of the Future Solutions Accelerator in partnership with the Industry of the Future Alliance and with the financial support of the Government. The aim of this project is to support the companies in the sector in accelerating their transformation.

3.12. Post-balance sheet events

Russia's invasion of Ukraine on 24 February 2022 led to instability in the financial markets and the economy in general, as well as the unprecedented implementation of new economic sanctions by the international community.

Due to its mission to finance primarily French companies, the Bpifrance Group's direct exposure to Russia, Ukraine and Belarus is very limited and low, at around €10m. About half of this €10m is net exposure related to export loans financing Ukrainian buyers as part of Bpifrance's support for French exporters. The remainder relates to equity positions taken by Bpifrance Participations in three Russian entities, which have not yet been subject to French, European or US economic sanctions. However, these capital transactions were carried out alongside a Russian partner, which is now subject to European and US economic sanctions. Bpifrance aims to exit the partnership and/or the Russian assets as soon as possible in compliance with the applicable economic sanctions regulations.

The impact of this crisis on the economy – the effects of which we cannot yet measure with certainty – may have consequences for the business, profitability and even solvency of client or investor companies. Recent discussions with Bpifrance's significant counterparties do not reveal any critical issues at this stage that could generate provisions and/or specific impairments of our assets as at 31 December 2021.

In addition, it should be recalled that the Bpifrance Group includes Bpifrance Assurance Export, which acts in the name of, on behalf of and under the exclusive control of the French State with respect to supporting French exports. As such, this subsidiary is involved in the negotiation, implementation and monitoring of this public support for French exports. This exposure, directly borne by the State (and thus not on Bpifrance's balance sheet), represents a little over €580m for Russia and around €1.1bn for Ukraine.

The Bpifrance Group is closely monitoring the situation in conjunction with the authorities concerned, and especially the reactions of the international community with respect to economic sanctions, in particular against Russia and Belarus. The Bpifrance Group will continue to analyse the overall impact of this ongoing crisis in real time and to take all measures as may be necessary to comply with all applicable legal and regulatory provisions relating to economic sanctions.

3.1.3. Strategic plan for 2021-2024

The strategic plan for 2021-2024 comes at a very special time for the French economy, which finds itself at a crossroads as it emerges from the COVID-19 crisis.

In the coming years, Bpifrance's tools are not likely to change: guarantees, loans, aid for business creation, innovation and export, business support, direct and indirect investment, insurance.

Bpifrance's objectives are clear: a rebirth for French industry, an ecosystem of technology companies and venture funds unrivalled in Europe, a decarbonised economy, a creative industries sector commensurate with the country's glorious past, and revitalised health, tourism, defence and cyber security sectors.

This strategic plan for 2024 is based on 7 axes:

1. **The next stage in the transformation of French industry.** On the one hand, this will be a question of mobilising Bpifrance's current toolbox to support the reinvigoration of the industrial sector; on the other hand, it will be a matter of accelerating the sector's demographic renewal by supporting industrial start-ups – many in the field of Deeptech – which are increasingly requesting financing for their production lines and factories;
2. **The climate transition and the transformation of our businesses.** By reinforcing our actions under the Climate Plan in favour of the providers of solutions allowing us to accelerate our ecological transition, we can provide enormous support to companies themselves, helping them make their activities compatible with the carbon neutrality objectives of the Paris Agreement;
3. **Scaling up financing for innovation.** By supporting the growth of the innovation ecosystem while strengthening action around major sectoral dynamics in support of the PIA acceleration strategies as well as the primary objectives of France 2030;
4. **The recovery of our international market share.** In particular by mobilising a range of proven tools: export guarantees, export financing such as export loans, support for exporters and own funds activities;
5. **The inclusion of all actors in the economy.** Bpifrance's inclusive action will be based in particular on support for VSEs and start-ups, support for entrepreneurs throughout the country, easier access to investment capital, support for and promotion of women's entrepreneurship and, of course, a key action in terms of CSR;
6. **Strengthening partnerships with the Regions, Europe and long-term investors;**
7. **Support for strategic sectors with a strong innovation dimension, such as tourism, health, culture, cyber security and defence.**

3.1.4. Activities by business line and key figures

3.1.4.1. Financing

- Breakdown by type

(in € million)	2020	2021	Change in (%)
ACTIVITY			
Financing			
New production (1) (2)	11,458	9,682	-15.5%
Outstanding at 31 December (1) (2)	43,112	43,157	0.1%
Medium- and Long-Term Co-Financing	4,810	5,139	6.8%
Long- and Medium-Term Loans, including Export Credit	4,023	3,927	-2.4%
Financial lease	787	1,212	54.0%
Unsecured loans (2)	6,648	4,543	-31.7%
Of which Growth Loan and International Growth Loan	792	732	-7.6%
Short-Term (3)			
Receivables discounting	3,861	3,817	-1.1%
Pre-financing of CICE	2,886	1,741	-39.7%

(1) Excluding Short-Term Financing

(2) Of which Innovation 2020 Development Loans: €967m - 2021: €581m, including OC French Tech Seed, not included in 2020

(3) These amounts reflect financing authorisations as at 31 December for which the commission has been paid

- Breakdown of assistance excluding PCE by business sector

Breakdown of assistance excluding PCE by business sector	2020	2021
Industry	25.45%	24.57%
Construction	4.13%	3.69%
Trade - Transportation	19.65%	20.05%
Business services	16.99%	13.68%
Personal services	29.46%	29.97%
Tourism	4.31%	8.04%
Total	100.00%	100.00%

- Comments on the evolution of the activity

In 2021, financing activity accompanied the economic recovery with €8.7bn of medium- to long-term loans (+27% excluding emergency measures) and €7.2bn of Short-Term financing.

Investment financing activity exhibited a gradual recovery, with €4.7bn in financing, or 3% more than in 2020. The real estate and business equipment sectors recovered strongly, with +23% growth for each. These sectors compensated for the withdrawal of RE financing.

Unsecured loans (excluding crisis measures) surged and are up 93%, driven by the stimulus package:

- €1bn in Green Loans, enabling nearly 900 French companies to accelerate their ecological and energy transitions;
- €450m to support 1,000 companies in the tourism sector;
- More than €430m in growth loans to support industrial investment and sector consolidation.

The economic emergency measures will still account for €700m in 2021, with 4,500 companies financed.

Short-term financing activity grew in the second half of the year and ended the year with €7.2bn in traditional advances to SMEs and VSEs, a level equivalent to 2020.

3.1.4.2. Guarantee activity

● Key figures (in € million)

ACTIVITY	2020	2021	Change in %
Amount of risks (excluding internal funds)	2,719	3,093	13.7%
Creation	1,199	1,609	34.2%
Transfer	514	622	20.8%
Development	421	509	20.8%
Innovation	44	50	11.6%
International	70	78	11.8%
Cash (1)	470	226	-52.0%
Breakdown by type of guarantee intervention	2,719	3,093	13.7%
Bank loans	2,380	2,786	17.1%
Capital	80	108	34.0%
Short term	259	199	-23.0%
Number of guaranteed loans	54,817	66,486	21.3%
Net amount of covered risks (including internal funds)	5,873	5,315	-9.5%
Total outstanding risk as at 31 December (healthy)	17,766	17,685	-0.5%

(1) including the SME Strengthening and RT Supplementary Guarantee cash flow funds

● **Breakdown of guaranteed risks by purpose, excluding internal funds (in percent):**

Breakdown of guaranteed risks by purpose (excluding internal funds)	2020	2021
Creation	44.09%	52.03%
Transfer	18.92%	20.10%
Development	15.49%	16.44%
Innovation	1.63%	1.60%
International	2.56%	2.52%
Cash	17.30%	7.31%
Total	100%	100%

(1) including the SME Strengthening, CICE Pre-Financing, and RT Supplementary Guarantee cash flow funds

● **Breakdown of loans by business sector (in percentage):**

Breakdown of guaranteed loans by business sector	2020	2021
Industry	20.14%	21.24%
Construction	6.49%	7.51%
Trade - Transportation	23.80%	25.02%
Services for companies	19.27%	13.58%
Services for individuals	23.68%	19.91%
Tourism	6.63%	12.75%
Total	100%	100%

● **Comments on the evolution of the activity:**

Guarantee activity saw an overall increase of around 14% for the financial year 2021, notably driven by the two main funds, creation at +34% and transfer at +21%. The continuation of the SGL (State Guaranteed Loan) scheme had an impact on the Cash Flow Strengthening Fund, which fell by 52%.

The dynamics of the creation and transfer funds were supported in particular by the recovery plan, which enabled the quotas to be increased and the relative cost of the guarantee to be decreased.

The distribution by business sector remained stable, with the exception of stronger support for the tourism sector and a decline in the business and personal services sectors, which returned to 2019 levels after increases in 2020.

The student loan guarantee, a scheme implemented on behalf of the State and largely reinforced as part of the recovery plan, doubled in terms of the number of student loans guaranteed in 2021, with loan amounts more than doubling from €80m to €197m.

Key figures for Bpifrance Régions:

Activité (en M€ pour les montants)	2020	2021	Change as a %
Amount of guaranteed loans	1017	1062	4,48%
Creation	357	378	6,04%
Transfer/Buy-out	386	511	32,24%
Development	176	156	-11,68%
Cash	98	18	-81,79%
Distribution by type of guarantee intervention	1017	1062	4,48%
Bank loans	1017	1062	4,48%
Capital	0	0	
Short term	0	0	
Number of guaranteed loans	2720	2455	-9,74%
Net amount of covered risks	279	304	9,15%
Total risk outstandings at 31 December	1017	1049	3,11%

● Breakdown of guaranteed loans by business sector for Bpifrance Régions (in percentage):

Breakdown of guaranteed loans by business sector	2020	2021
Industry	17.34%	23.50%
Construction	8.97%	8.46%
Trade - Transportation	22.78%	24.76%
Business services	16.70%	11.84%
Personal services	21.27%	18.53%
Tourism	12.94%	12.91%
Total	100%	100%



3.1.4.3. Innovation

● Distribution of subsidies/advances/loans

(in € million)	2020	2021
Individual aid	540	681
. Subsidies	132	141
of which partners	60%	55%
. Repayable Advances	115	82
of which partners	30%	21%
. Interest-free loans	29	14
of which partners	49%	52%
. R&D Innovation Loan	263	443
of which partners	0%	0%
FII aid	95	162
Development loans	967	581
. Seed Loan (PA and PA FEI)	204	221
. Innovation Loan (PI FEI)	264	251
. Innovation Support Loan	459	76
. OC French Tech Seed	39	33
ACC Battery Plan	690	-
Battery Plan - new IPCEI	11	29
Recovery plan (Auto, Aero, critical industries, Industrial Regions)	421	1,381
Funding of collaborative projects	327	1,574
. PSPC - I DEMO	191	391
. C-INN	72	57
. FILIERE	41	233
. VOLET DIRIGE		871
. OTHER (FIS, FISO 2, FSN, FNI, PIAVE, SIA, FTT, FUI)	23	22

● Comments on the evolution of the activity

Innovation financing activity again reached an exceptional level in 2021: with €4.4bn granted to 7,654 companies in 2021, the increase in activity by value compared to 2020 (+45%) and has more than tripled as compared to 2019.

- Innovation aid increased by 42% as a result of the increase in allocations linked to the launch of the PIA4 and the expansion of the Deeptech plan to develop breakthrough innovations via technology transfer. The dedicated funding of the Deeptech Plan on the FII, namely the French Tech Emergence Grant and the Deeptech Development Grant was up sharply, at +75% compared to 2020, reaching €116m in 2021.

- Loans to innovative companies remained relatively stable at €500m, due to the increase in overall innovation support activity. The Innovation Support SGL, launched to cushion the impact of the COVID crisis, logically attracted less interest from companies in 2021 compared to 2020.

- France Relance's calls for projects to support industrial investment in companies in strategic sectors (aeronautics, automotive, nuclear, agri-food, health, electronics, essential inputs for industry – chemicals, materials, metals – and 5G telecommunications) as well as in Industrial Regions operated by Bpifrance represented approximately €1.4bn in agreements on behalf of 1,940 companies in 2021 (to be added to the €420m already deployed in the second half of 2020).

- The PIA's sectoral management component represented €1.1bn granted to 308 companies in 2021 through two mechanisms: the AMI Capacity Building to strengthen French production capacities in the fight against COVID-19 (€674m deployed in 2021) and the ramping up of the Acceleration Strategies implemented by Bpifrance (Cloud, Telecom-5G, Bioproduction, Digital Health, Infectious and Emerging Diseases, Cyber etc.).

3.1.4.4. Investment business lines

The activities of Bpifrance's investment business lines are presented below in two parts. Firstly, in the context of a synthetic analysis (I) highlighting the main features of the activities of these business lines in 2021, and then in the context of a detailed analysis (II) of the assets and portfolio under management in 2021 and the evolution during thereof this period.

I. Summary analysis - Main activities

a) Development Capital business line

Development Capital Department teams invested €2.2bn in more than 180 companies in 2021 (compared to €1.8bn in 2020).

- Large Cap activity reached €1.59bn in 2021. This record level was made possible by an exceptionally high level of investments in MMEs (over €500m) and the continued deployment of the Lac I fund (notably with a €139 m investment in Exclusive Network and the completion of investments in Essilor Luxottica and Arkema), as well as sustained activity in MMEs (€573m);
- On the Specialised Funds side, FAA reinvested €6m in the Trèves group, while FFA 2 carried out a second project as part of the automotive sector recovery plan for €12m in WYZ;
- Sovereign Wealth Fund Partnerships (Franco-Emirati and Franco-Qatari partnerships) activity amounted to €59m in investments and reinvestments, notably in Adista and Cogepart;
- Mid Cap and FBI fund activity remained strong, with €219m realised, of which €193m was invested in 24 new transactions. €110m was deployed in private and mezzanine debt (e.g., BCF Life Sciences, Rafaut and MVG), €6m in junk bonds, and €103m in equity (including Herbarom, BTP Consultants, Labelys and Lacroix/Firstronic in the US);
- Generalist Small Cap activity invested €158m (+60%) in 77 companies, including 65 new investments for €138m (including Grain de Sail, Blondel, Titok, Plissonneau, Vertiv, Hussor, The Reefer Group, and Ragni) as well as the first investments of the SME Reinforcement Fund (Oléron Pharma, Duffau, etc.) and in Recovery Bonds (Ouvéo);



- Tourism funds were particularly active, with €99m invested (20 new transactions and 13 reinvestments, including €19.6m in AVANTAGE, the holding company of Voyageurs du Monde);
- Finally, the Sector funds deployed €31m in 12 transactions in green sectors (renewable energies, solution providers in the ecological and energy transition and timber industries, including Solstyce, Sun'R and Lacroix Emballages).

In 2021, Development Capital Department teams remained highly mobilised in order to support companies in the uncertain recovery following the COVID-19 crisis. The plans launched in 2020 were continued.

Following a call for tenders led by France Assureurs (formerly FFA) and Caisse des Dépôts, Bpifrance's Small and Mid-Cap teams were awarded a management mandate for a €222m package of Recovery Bonds, partially guaranteed by the State. This scheme, which is part of the France Relance recovery plan, is designed to support the development and transformation of French companies and help them to recover from the public health crisis.

The portfolio turnover dynamic was maintained at the 2020, level with total disposals amounting to €0.9bn and an average multiple above 1.7x⁶ of the initial investment.

- The activity of the Large Cap and Sovereign Fund Partnerships team was marked by total or partial disposals in the education sector with high multiples (in particular AD Education, Grandir), and in the health sector (Bastide, DomusVi), as well as partial disposals of large listed or unlisted companies (CMA CGM);
- For Mid Cap, €91m was generated through 6 total disposals (notably Novarc and Sogetrel) and 9 partial disposals (including Artefact);
- Generalist Small Cap activity disposed of 104 investments for a total amount of nearly €200m (including Baobab, Klub France, Active Assurance, Viseo, Pommier Développement, Eductive or Ziemex);
- Among the Specialised Funds, we can note the disposals of Millet and PGS in timber and Sandaya in tourism.

b) Fund of Funds business line

Bpifrance indirectly takes minority stakes in companies, from start-up to transfer, in order to give them the means to grow. It invests indirectly through its own funds and funds managed on behalf of third parties in more than 500 national or regional private funds and 28 funds targeting Africa and the Mediterranean region.

Bpifrance assists the managers of innovation and development capital funds that meet private investors' expectations by subscribing, most often upon the first transaction of a significant size. Thus, the aim is to gradually contribute to market consolidation by selecting successful teams and encouraging an increase in the funds under management. On a limited basis, Bpifrance also supports a few new teams insofar as they present a highly differentiating investment strategy, a proven track record and the ability to raise a substantial fund.

After years of growth from 2013 to 2020, the Fund of Funds activity grew again in 2021, with a record €1,539m in subscriptions in 76 different vehicles.

Subscriptions made on behalf of Bpifrance's own account represented nearly 62% of the year's subscriptions, at nearly €950m⁷, while subscriptions on behalf of third parties reached 38%, at nearly €589m. The latter are carried out on behalf of the *Investing in the Future Programme*.

Venture Capital and Growth Capital accounted for two-thirds of subscriptions made in 2021, while Development Capital accounts for one-third.

For example, Bpifrance subscribed to:

⁶ Multiple calculated without the partial divestments of two highly impaired listed companies)

⁷ shares held by Bpifrance

- **Eiffel Essentiel**, a growth capital fund with a target size of €400m. The Fund aims to finance the equity needs of high-growth companies capable of becoming European leaders in the energy transition sector. The fund is managed by Eiffel Capital;
- **Lauxera Growth I**, an innovation fund dedicated to healthcare investments at the Growth Capital stage, managed by a new team Lauxera Capital Partners. The fund is endowed with €260m, and targets Medtech companies that have obtained the main regulatory approvals (EMA, FDA) authorising the marketing of their products, and that have the beginnings of commercial traction but limited or nascent commercial experience;
- **Cathay Small Cap VI**, a growth capital and buyout fund with a target size of €350m. This fund supports the growth of SMEs, in particular internationally, as well as their transformation into MMEs. The generalist fund invests in three main areas: transformation operations (software, logistics, etc.), consumer goods and health. The fund is managed by Cathay Capital Private Equity;
- **Edelweiss Transition** and **Impact I**, growth capital and buyout funds, with a target size of €60m. It targets French SMEs (€5m to €20m turnover) that are profitable and exhibit strong growth (>10%). The fund is present in the Very Small Cap segment (tickets between €1m and €6m), with both minority and majority shareholdings. The management company, Capital Croissance, has put in place a system to support its investments as well as an Impact approach;
- **Epopée Transitions 1**, an inter-regional development and transfer capital fund with a target size of €120m. The fund is intended to finance SMEs and MMEs in the Grand Ouest region in their growth projects (organic or external) and, to a lesser extent, in transfer operations. The fund targets profitable companies in all sectors, typically with sales of between €3m and €50m, with investments of between €2m and €10m. The fund is managed by Epopée Gestion, a new independent team created in 2020;
- **Irdi Impulsion**, a rebound fund with a target size of €60m dedicated to the Occitanie and Nouvelle-Aquitaine regions. This general fund targets SMEs with a turnover of more than €5m which have historically performed well but have been weakened by the public health crisis or another setback. The fund is managed by Irdi Capital-investissement.

In terms of regional and interregional funds, Bpifrance continued to support management teams focused on France's regions: €146m was subscribed to 12 new funds.

The regional activities of Bpifrance's Fund of Funds continued in the context of the consolidation of regional teams, in line with Bpifrance's strategy as well as the merger of French administrative regions implemented since 2015.

In Africa, Fund of Funds subscriptions amounted to nearly €11m.

c) Innovation Capital business line

Bpifrance Investissement's Innovation business line is made up of wise and patient investors who support companies over the long term in order to meet unmet market needs. Bpifrance co-invests with local players by selecting and supporting the companies with the greatest growth potential and by encouraging consolidation.

In 2021, in an extremely dynamic market (fundraising for French start-ups having more than doubled from €5.4bn in 2020 to €11.6bn in 2021, driven in particular by the largest financing rounds and the proliferation of unicorns), the Innovation business line posted a 15% increase in its investments, for a total of €657m invested in 140 companies, including 650 new holdings. In addition, the innovation business line carried out 42 disposals for a total of €388m, a significant increase compared to 2020.

At the end of 2021, the portfolio under management of the Innovation business line included 315 investments acquired for a total of €2.3bn.

Large Venture:

The Large Venture division invested €312.5m in 2021, up 35% on 2020: 13 new investments (Alma, Cubyn, Sightcall, Shift Technology, Vituro Technologies, Treefrog Therapeutics, OpenClassrooms, Botify, Afyren, Loft Orbital, etc.) for a total of €124m were made, as were 20 reinvestments for a total of €188m. In addition, the division made €51m in disposals.



Digital Venture:

The Digital Venture division invested €50m in 2021, up 35% from 2020: 18 new investments (in Singulart, WeMaintain, Ubble, IPaidThat, AI Verse, and C12 Quantum Electronics etc.) for a total of €27m were made, as were 13 reinvestments for a total of €23m. The division made €56m in disposals, including the sale of Talentsoft, Data-Impact and Neotys.

Autonomous Patient:

In 2021, the Autonomous Patient division made 3 investments for a total of €1.4m, including one new investment (Naox Technologies).

Life Sciences:

The Life Sciences division invested €39.5m in 2021, stable compared to 2020: 3 new investments (Argobio, Step Pharma, Egle Therapeutics...) by the Innobio 2 and Bpifrance Innovation I - Medtech funds for a total of €7m, and 12 reinvestments for a total of €33m were made. The division made €12m in disposals.

Eco-technologies:

The Eco-technologies division invested €25m in 2021: 3 new investments (Ayro, Tallano Technologies, Meiogenix) for a total of €9m were made, as were 10 reinvestments for a total of €7m.

French Tech Acceleration

The French Tech Acceleration division invested €6m in 2021.

Transverse Innovation Venture Capital:

The Transverse Innovation Venture Capital division invested €63m in 2021, including €12m via the countercyclical French Tech Bridge tool, launched in 2020.

The division made 17 new investments, including 8 via the French Tech Bridge, 1 via the Definvest fund (Pherecydes Pharma), 2 via the Defence Innovation Fund (Pasqal, Quandela), 3 via the PSIM fund (Adionics, Ecotech Ceram, Depixus) and 3 via the French Tech Seed (Mexbrain, Mon Petit Placement, Elicit Plant). In addition, it made 9 reinvestments for a total of €25m. The division made €58m of disposals in 2021.

Cultural and Creative Industries:

Through its action dedicated to the **Cultural and Creative Industries**, Bpifrance works proactively in favour of these dynamic sectors, which are key to France's growth, employment and international influence.

The Cultural and Creative Industries division invested €13.4m in 12 companies in 2021: 9 new investments (Officine Générale, Les Mini Mondes, Fleurs d'Ici, Satisfy, Tekyn, Arianee, Askmona, Paradiso Media, Groover) as well as 3 reinvestments in portfolio companies (FLCP & Associés, Brut, and Buffet Crampon) The division made €15m in disposals.

Investment in industrial projects:

In 2021, the SPI fund, which is dedicated to financing high-tech industrial projects, completed 7 transactions for €141m, including nearly €100m in new projects, such as Metabolic Explorer, Agronutris, Primo 1D. The fund also completed its first large-scale exits, totalling €189m for four transactions, including two total disposals for €49m (Carbiolice and Metex Noovista) and two partial exits for €139m (Yposkesi and Forsee Power).

Business Support - Bpifrance le Hub

Bpifrance Le Hub supported 55 start-ups in the Bpifrance portfolio in 2021, organised 300 expert sessions for them, and completed 20 strategic recruitments.

Finally, Bpifrance was involved in 1 investment of €5m for the French Tech Souveraineté fund in 2021.

II. Detailed analysis

i) Assets under management

The table below shows the assets under management by business line as at 31 December 2021. For managed funds, this represents the size of the fund, possibly reduced by the size of the funds held by that fund and managed by Bpifrance Investissement. For example, the size of FAA is reduced by its participation in FAA 2. For holdings directly held by Bpifrance Participations, this is the gross value of the holdings still in the portfolio.



Assets under management (in €M)	As at end of December 2021				
	Total	CAPITAL DEVELOPMENT		Funds	Innovation
		Mid & Large Cap	Small Cap		
FPMEI	901			901	
FPKR 2000	95			95	
FFT3	150			150	
FCIR	70			70	
FFI A	330			330	
FFI B	224			224	
FFI II	632			632	
FFI3+	121			121	
FFI III	1 450			1 450	
FFI 4	2 320			2 320	
French Tech Acceleration	200			120	80
French Tech Acceleration 2	50			25	25
FPKR	91			91	
FNA	580			580	
FFR	81			81	
FABS	200			60	140
FFQP	50			50	
FF Edtech	10			10	
FFMC2	650			650	
MC3	600			600	
FNA 2	350			350	
Private Funds	249			249	
FF Digital	139			139	
FFI V	2 500			2 500	
FFRER	250			250	
Aerros Finance 1	6			6	
Aerros Finance 2	30			30	
Aerros Finance 3	75			75	
Aerros Africa	55			55	
Affiliated international funds	48			48	
Sicav	12			12	
FEI	201			201	
Tech&Touch	125			25	100
FF Growth	405			405	
Other Funds (BE1 / BH1 / BE2 / BH2)	434			434	
WOOD STRATEGIC FUND	20		20		
CULTURE AND CREATION 2	45				45
FSFE	20				20
WOOD 2	24		24		
Fashion and Finance 2	18				18
RAIL GROWTH	40		40		
FDEN	30		30		
Definvest	50		25		25
FIR 1	380		380		
FIR 2	100		100		
AEM	60		60		
FIR 3	40		40		
FIR 4	150		150		
AED C4	140		140		
AEI	1		1		
AT	2		2		
FIT	100		100		
FRPME	94		94		
FAST*					
FIT 2	187		187		
FBEM	79		79		
Bpifrance Capital I	1 170	261	755		154
Bpifrance Mezzanine I	270	189	76		6
FBI	8	8			
OR Fund France	200	100	100		
OR Fund France - Bpifrance Investissement	22	11	11		
FCPR bioam	44				44
Bioam 1 Bis Compartment 1	7				7
Bioam 1 Bis Compartment 2	5				5
Innobio	173				173
Innobio 2	141				141
Eco-technologies fund	225				225
Digital Ambition	300				300
Rare diseases	50				50
PSIM	270				270
Large Venture	1 000				1 000
Direct Innovation	26				26
Cities of the future	50				50
Ambition Seed Angels	50				50
French Tech Seed	150				150
Bpifrance Innovation I	547				547
Bpifrance Innovation I - Large Venture 2	750				750
Autonomous Patient Fund	96				96
Defence Innovation Fund	100				100
French Tech Sovereignty	150				150
Direct investments Large corp.	10 971	10 971			
Direct investments Mid-tiers	1 143	1 143			
Pocket funds Large corp.	699	699			
ETI 2020	3 000	3 000			
ETI 22	540	540			
FAA	500	500			
FAA 2	330	264		66	
FAA rank 2	50	50			
FIC 1	180	180			
FIC 2	180	180			
FIC 3	146	146			
FIC 4	130	130			
FIC 5	195	195			
FIC Private Debt	140	140			
Bpifrance Private Debt II	200	200			
French/Qatar partnerships	300	300			
French/Emirates partnerships	337	337			
French/Russian partnerships	150	150			
French/Saudi Arabian partnerships	126	50		76	
French/Korean partnerships	15	15			
Other partnerships	11	11			
SPI	700				700
BEI SPI	33				33
Lac1	3 269	3 269			
TOTAL	44 412	23 038	2 413	13 479	5 481

*The FAST activity is operated by Bpifrance

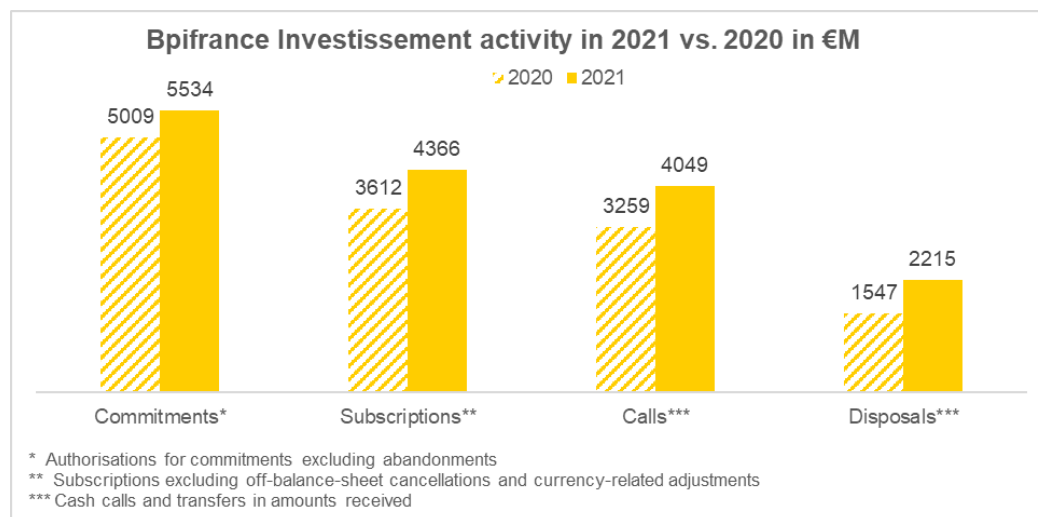
As at end of December 2020					
Total	CAPITAL DEVELOPEMENT		Funds	Innovation	Assistance
	Mid & Large Cap	Small Cap			
901			901		
95			95		
150			150		
70			70		
330			330		
224			224		
632			632		
121			121		
1 450			1 450		
2 320			2 320		
200			120	80	
91			91		
580			580		
31			31		
200	40		60	100	
50			50		
10			10		
650			650		
500			500		
350			350		
250			250		
139			139		
2 500			2 500		
6			6		
30			30		
75			75		
48			48		
79			79		
121			121		
125			25	100	
269			269		
328			328		
20		20			
45				45	
20				20	
24		24			
18				18	
40		40			
133		133			
50		25		25	
380		380			
100		100			
60		60			
40		40			
150		150			
140		140			
1		1			
2		2			
100		100			
94		94			
140		140			
66		66			
1 170	261	755		154	
270	189	76		6	
99					99
44				44	
7				7	
5				5	
173				173	
141				141	
225				225	
300				300	
50				50	
150				150	
1 000				1 000	
26				26	
50				50	
50				50	
135				135	
610				610	
750				750	
10 540	10 540				
812	812				
731	731				
3 000	3 000				
575	575				
50	50				
180	180				
180	180				
146	146				
130	130				
195	195				
140	140				
200	200				
300	300				
337	337				
150	150				
126	50		76		
15	15				
700	700				
33	33				
3 261	3 261				
41 604	22 215	2 345	12 679	4 265	99

NB: The deviation from 2020 corresponds to the Aerofund III mandate managed on behalf of APE.

Assets under management increased between 2020 and 2021 by €1.1bn, including:

- **Development Capital business line:** the change in the direct portfolio of LEs and MMEs is related to disposal and investment flows. €330m raised for the FAA 2 automotive fund, of which €264m was allocated to expansion capital, while the size of the FAA fund was reduced by €75m. €540m raised for the ETI 22 fund (which was taken under management), made up of part of the ETI 2020 portfolio and the France Relance Bonds fund for €200m, managed on behalf of third parties, as well as the France Relance Bonds - Bpifrance Investissement twin fund, wholly owned by Bpifrance for €22m. Size of the FIT 2 fund increased by €47m and FBEM by €13m. Following a call for tenders led by France Assureurs (formerly FFA) and Caisse des Dépôts, Bpifrance's Small and Mid-Cap teams were awarded a management mandate for a €220m package of Recovery Bonds, partially guaranteed by the State. This scheme, which is part of the France Relance recovery plan, is designed to support development and transformation;
- **Fund of Funds business line:** €330m raised for the FAA 2 automotive fund, of which €66m was allocated to the Fund of Funds, and €55m for the Averroès Africa fund, of which 23% and 73%, respectively, were subscribed by Bpifrance Participations. Size of the Fund of Funds Growth (managed on behalf of third parties) increased by €136m. Three new funds raised, managed on behalf of third parties – €250m for FFREER and €106m for the Bpifrance Hexagone II and Bpifrance Entreprises 2 funds. €50m raised for the French Tech Acceleration 2 fund (of which €25m was allocated to the Fund of Funds business), size of the MC3 increased by €100m and of the FFR by €50m, respecting the funds managed on behalf of the PIA (*Investing in the Future Programme*) Additional subscription of €80m in the FEI and disposal of part of our SICAV portfolio for a cost price of €66m;
- **Capital-innovation business line:** €96m raised for the Autonomous Patient fund (which was taken under management), of 65% of which was subscribed by Bpifrance Participations with the contribution, in this new fund, of the subscription made in the Bpifrance Innovation I fund. Size of the PSIM fund increased by €120m, held entirely by the PIA (*Investing in the Future Programme*). New management mandate for the French Tech Souveraineté fund in the amount of €150m, subscribed by the PIA. €100m raised for the Defence Innovation Fund (which was taken under management), subscribed by the Ministry of Defence.

iii) Change in the portfolio under management



In 2021, Bpifrance Investissement authorised €5,534m of investments, distributed as follows:

- €1,700m for funds of funds (partner funds and the Africa and Mediterranean funds);
- €2,862m for the Development Capital business line, including €2,504m for Mid & Large Cap funds and €359m for Small Cap funds;
- €971m for the Innovation Capital business line (including €175m for the Industrial Projects Equity Fund business line).

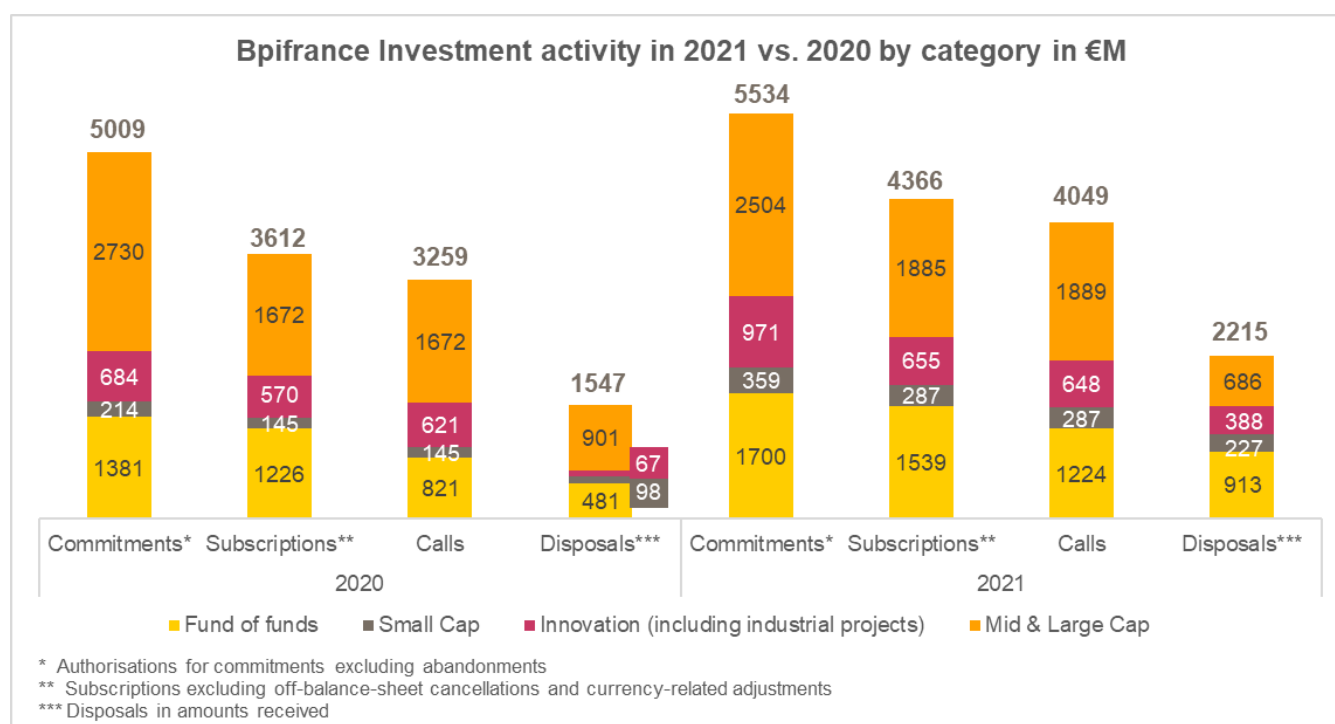
Subscriptions for 2021 amounted to €4,366m and are detailed as follows:

- €1,539m for funds of funds (excluding cancellations of commitments made);

- €2,172m of subscriptions for the Growth Capital business line, including €1,885m for the Mid & Large Cap business line and €287m for the Small Cap business line;
- €655m underwritten by Innovation Department teams (including €141m under the Industrial Projects Equity Fund).

In 2021, Bpifrance Investissement carried out disposals for €2,215m, broken down as follows:

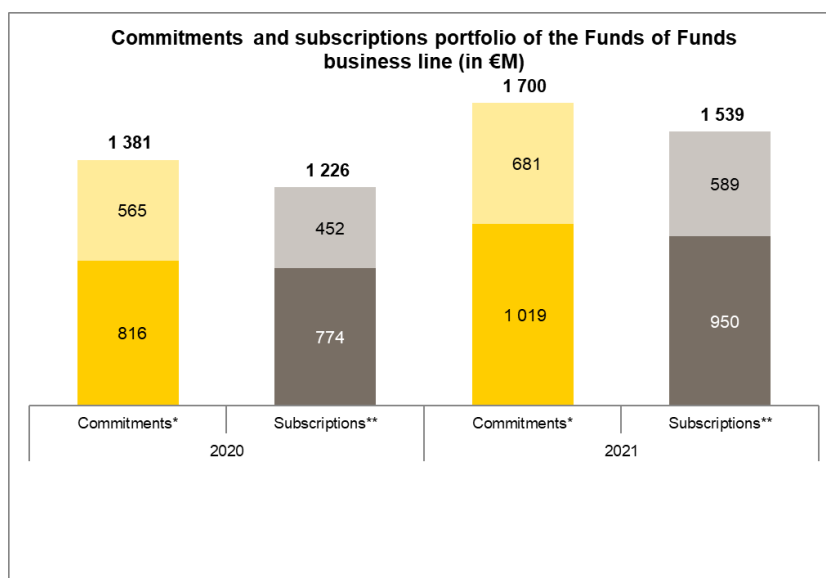
- €913m in distributions received by the Fund of Funds business line, including nearly €218m in net capital gains;
- €913m carried out by the Expansion Capital business line, of which €686m was generated by the Mid & Large Cap business line (including a €174m net capital loss), and €227m by the Small Cap business line (including a €104m net capital gain);
- €388m generated by the Innovation Capital business line, with a net capital gain of €180m (including €189m received with a €95m capital gain under the Industrial Projects Equity Fund business line)



iii) Change by business line

a) Fund of Funds business line

Commitment and subscription authorisations for 2021

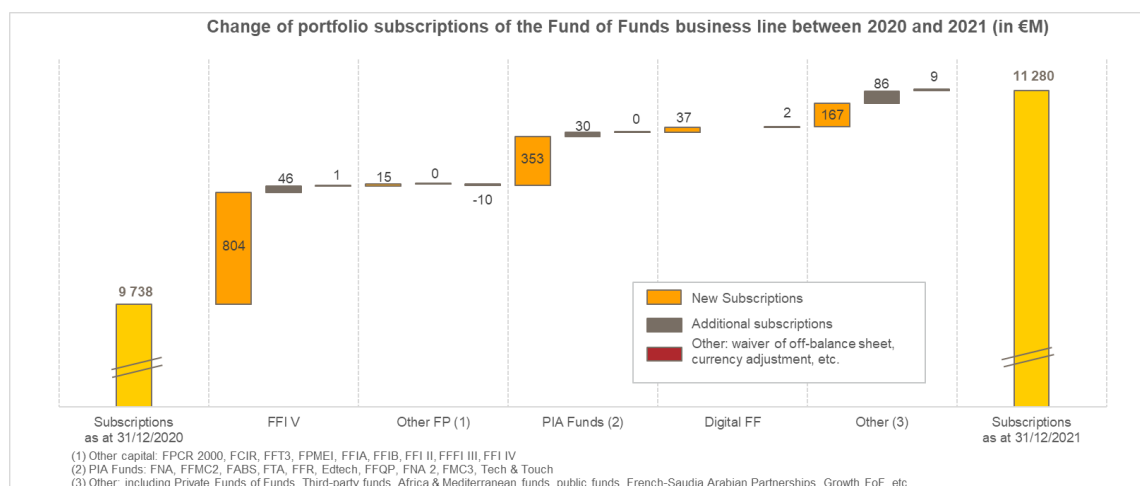


At the end of 2021, the amount of commitment authorisations, excluding waivers, taken by the Bpifrance Investment Committee was €1,700m. These commitment authorisations were taken on behalf of Bpifrance's own funds in the amount of €1,019m, with the balance mainly primarily across funds from the PIA programmes (FMC3, FNA 2, FFQP, Tech & Touch, etc.) in the amount of €394m, FoF Growth for €182m and FFRER for €67m.

These authorisations break down as follows:

- Seed, €113m authorised (of which €105m via the NAF 2) compared to €81m in 2020 (of which €70m via the NAF 2);
- Venture Capital, €263m authorised, compared to €329m in 2020;
- Development Capital, €676m authorised (of which €187m dedicated to Recovery Capital/Turnaround) compared to €655m authorised (of which €13m dedicated to Turnaround) in 2020;
- Growth capital, €558m authorised (of which €188m via the FFI V, €182m via the FFG and €137m via the FMC3), compared to €306m (of which €90m via the FMC3 and €85m via the FFG) authorised in 2020;
- Africa and Mediterranean Fund of Funds: €10m authorised, compared to €5m in 2020;
- €80m authorised from the FEI.

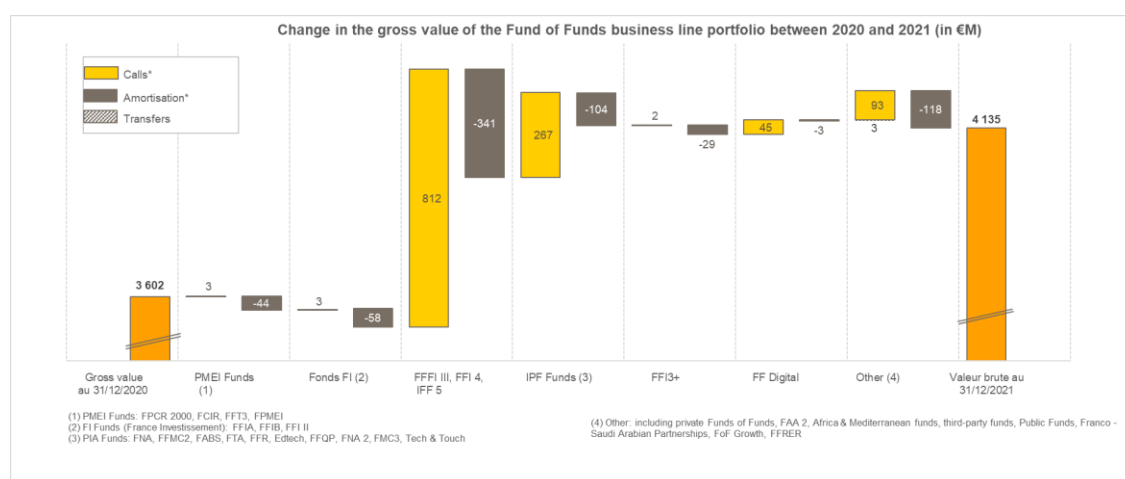
2021 was again marked by substantial investments in Development Capital and Innovation Capital, supported by the raising of several large funds as a result of the management teams' fundraising cycle.



New subscriptions in 2021 were mainly carried out by funds in the investment period, i.e., FFI V (€804m), FMC3 (€215m), FoF Growth (€135m), FNA 2 (€83m) and the Digital Funds of Funds (€37m). Bpifrance Participations also made an additional subscription of €80m in the FEI in 2021. Total Fund of Funds subscriptions in 2021 (including international funds and excluding cancellations of subscriptions following the abandonment of off-balance sheet items) amounted to €1,539m, compared to €1,226m in 2020.

Change in gross value of the fund of funds portfolio as at 31 December 2021

The graph below shows the change in the gross value of the fund of funds portfolio between 31 December 2020 and 31 December 2021. This represents the change in the stock of investments in partner funds; the assets relating to direct managed funds held by funds of funds have been restated. For example, the calls and amortisations of the FNA fund were restated from the flows related to the FBIMR fund.



* Including non-cash transactions

Portfolio calls in 2021 amounted to €1,224m (excluding €2m non-cash), while portfolio distributions amounted to €913m (excluding €1m non-cash) for a portfolio amortisation of €696m (excluding €1m non-cash). The gross value of the Fund of Funds portfolio (including international funds, SICAVs and EIFs) was €4.1bn at 31 December 2021.

Portfolio calls were concentrated on funds held in FFI IV (€381m), FFI V (€370m) and FFI III (€59m) as well as on PIA funds (€267m) including FMC3 (€90m), FFMC2 (€80m) and FNA (€36m). The FEI also called for €28m in 2021 in connection with the additional €80m subscription in 2021. For the other funds of funds under management, calls were concentrated on the Fund of Funds Digital (€45m) and the Fund of Funds Growth (€27m).

Portfolio distributions remain concentrated in FFFI III (€240m), FFI IV (€165m), FFI II (€104m), FNA (€66m) and FFM2 (€48m), which together account for over 75% of total distributions in 2021.

The funds of funds managed by Bpifrance Investissement collected nearly €218m in net capital gains in 2021, including 61m for FFI II, notably the SINO FRENCH SME FUND (€25m) and XANGE CAPITAL 2 (€12m), €59m for FFFI III, notably the FCDE II fund (€22m), €22m for FNA and €20m for FFI A

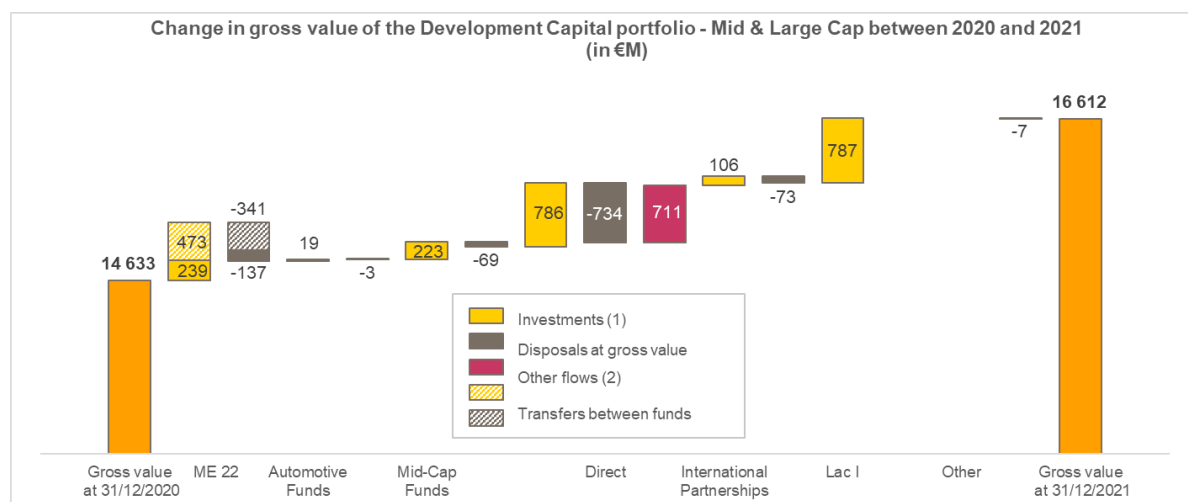
20 funds or investment companies exited the fund of funds portfolio in 2021 (liquidation of mature funds):

- 10 funds or companies in the FPMEI portfolio: REPENDRE ET DEVELOPPER (1.2x), SIPAREX DEVELOPPEMENT (1.3x), SIPAREX SPF II (1.2x), CAP DECISIF (1.7x), T-SOURCE (0.7x) EMERTEC 2 (0.6x), SI PARTICIPATIONS (1.1x), BAYTECH VENTURE CAPITAL II GMBH&Co (0.6x), WKB ALPHA (1.2x), RHONE-ALPES CREATION (1.2x);
- 2 funds in the FCIR fund portfolio: SOCRI II (0.6x) and GALIA INVESTMENTS 1 (1.4x)
- 1 fund from the Public Fund portfolio: SEFT VENTURES (1.6x);
- 1 fund from the FPCR 2000 portfolio: TRUFFLE VENTURE FPCR (1.5x);
- 1 fund from the FFI B portfolio: D&P ENTREPRENEURS (0.1x);
- 1 company from the FFI II portfolio: IT-TRANSLATION (1,1x);
- 1 passive direct co-investment fund from the FFI IV portfolio: ACTOMEZZ BIOGROUP INVESTORS (1.3x);
- 3 SICAVs held directly by Bpifrance Participations: INSERTION EMPLOIS DYNAMIQUE (1.3x), SCHNEIDER ENERGIE SICAV ENERGIE (1.1x) and SOLIDARITE - CCFD - TERRE SOLIDAIRE (1.1x).

b) Development Capital business line

• Mid & Large Cap

The graph below shows the change in the gross value of the portfolio of funds and direct investments managed by Bpifrance Investissement's Mid & Large Cap teams between 31 December 2020 and 31 December 2021. The flows for the FAA (formerly FMEA) are restated from the flows for the FAA Rank 2, in which it has a 50% stake.



- (1) €270m of non-cash investments, mainly related to the distribution of €156m of Stellantis dividends (from the PSA/Fiat Chrysler Automobiles merger) into Faurecia shares as well as the distribution of €44m of TechnipFMC dividends into Technip Energies shares (resulting from the separation of the engineering and construction activities into an independent entity)
- (2) : Other flows: Other impacts related to the de-consolidation of PSA

Mid & Large Cap fund investments increased to €1,307m (excluding €6m of capitalised interest and non-cash investments) in 2021 from €1,105m in 2020. The Lac1 fund, raised in 2020, remained stable, with €787m invested in 4 companies (including 2 new investments), compared to €801m in 2 companies in 2020. The level of activity in the other divisions, which had fallen in 2020 due to the public health crisis, rose again: €219m invested in Mid Cap funds (compared to €79m invested in 2020), €222m invested by the ETI 2020 fund (compared to €195m in 2020), €60m invested by the International Development Capital division (compared to €13m in 2020) and €19m invested by the Automotive division (compared to €18m in 2020).

Direct investments amounted to €582m (plus €203m of non-cash investments) in 2021, a level equivalent to 2020 investments (€567m). These consist of 5 new investments: €146m for Groupe Saint Bernard, €123m for Groupe Cerba Healthcare, €94m for Seqens, €78m for Malteries Soufflet, part of the Invivo group, and €25m for Believe, as well as five reinvestments, including €87m in Technip ENergies, which resulted from the separation of the engineering and construction activities of the TechnipFMC group, in which Bpifrance Participations was previously a shareholder, into an independent entity. There were also €203m of non-cash investments, mainly consisting of €156m of Stellantis dividends (from the PSA/Fiat Chrysler Automobiles merger) in Faurecia shares and €44m of TechnipFMC dividends in Technip ENergies shares.

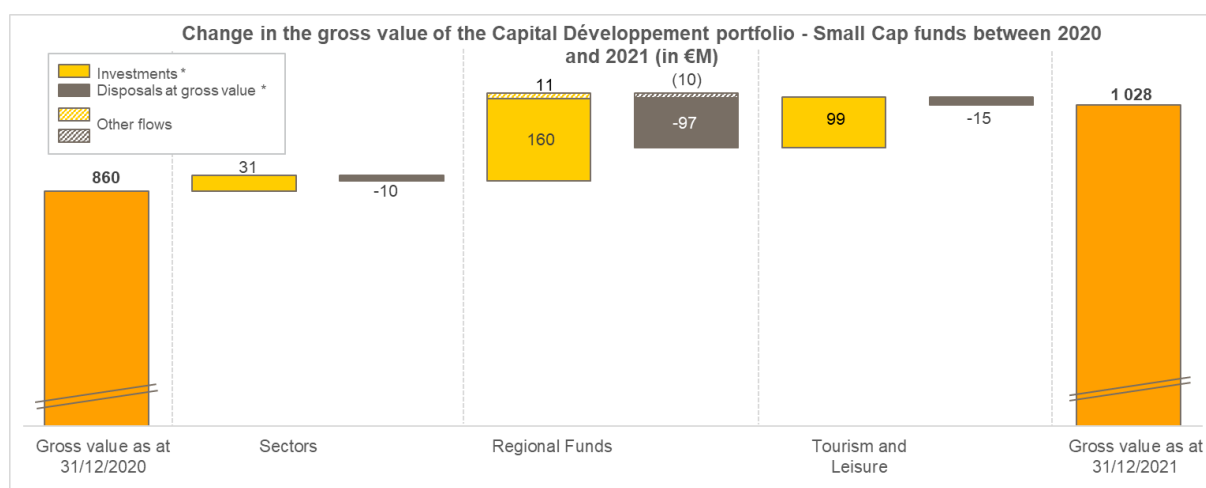
Disposals by funds managed by the Mid & Large Cap business line amounted to €289m in gross value for a cash inflow of €507m, a significant increase compared to 2020 (€91m for a cash inflow of €261m), which was strongly impacted by the public health crisis. The ETI 2020 fund completed 12 disposals (7 total and 5 partial) for a gross value of €137m and €259m in cash receipts. The Mid Cap funds completed 15 disposals (6 full and 9 partial) for a total gross value of €69m and €91m in cash receipts.

The International Development Capital funds completed 2 disposals during the year (1 total and 1 partial) for a gross value of €73m and €145m in cash receipts. Lastly, the automotive division's funds were sold for a total gross value of €3m and €5m in cash receipts.

In the direct scope, the disposals carried out during 2021 amounted to total disposal proceeds of €178m, broken down as follows:

- 3 partial disposals of Large Companies, including CMA CGM for €117m, Vallourec for €12m and TechnipFMC for €26m;
- 2 disposals of mid-sized companies, 1 of which was total (Les Petits Chaperons Rouges for €18m).
- **Small Cap**

The graph below shows the change in the gross value of the portfolio of the Development Capital Department's Small Cap funds managed by Bpifrance Investissement between 31 December 2020 and 31 December 2021. Most of these funds are directly or indirectly subscribed by Bpifrance Participations via FSI PME Portfolio, or funds of funds for SMEs. Only the Definvest fund, raised in 2018 for €50m, and the OR France Généraliste fund, raised in 2021 for €100m, are managed entirely on behalf of third parties.



* Including non-cash transactions (capital gains or losses on mergers, interest capitalised in securities, etc.)

Investments made in 2021 amounted to €287m (excluding €3m of non-cash operations on the Regions and Tourism and Leisure funds and €11m of transfers) in 119 companies, a level of activity that was up sharply compared to 2020 (€145m invested in 70 companies). This increase can be explained by the economic recovery following the public health crisis and the continuation of public aid, which provides better market visibility and increased confidence in the new projects studied.

Small Cap fund investments remained concentrated in the Regions division, which totalled €158m (excluding €3m of non-cash transactions and €11m of transfers) in 76 companies, compared with €92m in 46 companies in 2020. These were mainly concentrated on the Bpifrance Capital I (€135m), FRPME (€7m) and Bpifrance Mezzanine I (€3m) funds and on the Relaunch Bond positions managed at the end of 2021 (€6m), all of which are in the investment period. The other funds completed their investment period and are reinvesting in their portfolio companies for a total of €7.5m, concentrated on FIR 1.

The share of Tourism and Leisure in total Small Cap investment increased in 2021 to 34% from 19% in 2020. The division's funds invested €99m in 31 companies, compared with €28m in 16 companies in 2020. Most of the activity was concentrated on the FIT 2 fund (€89m invested in 22 companies), launched in 2020 as part of the Tourism Plan, including €20m in Voyageurs du Monde, €10m in SCSP HOTELS and €9m in EXPERIMENTAL GROUP.



The Sectors fund teams invested €31m in 2021 in 12 companies, compared to €25m in 2020 in 8 companies. As in 2020, these investments were concentrated on the energy and environment (EE) sector via the Bpifrance Capital I fund, with €18m invested in 7 companies in 2021 (€23m invested in 6 companies in 2020), and on the timber sector, with €11.5m of investments in 4 companies via the Wood and Eco-Materials Fund (FBEM). The Defence sector is continuing its investments with a €1m ticket via the Definvest fund, compared to €0.5m in 2020.

In 2021, portfolio disposals for the Growth Capital Department's entire Small Cap business line amounted to €123m in gross value (excluding €10m of transfers) for an actual cash receipt of €227m (excluding €12m of transfers), a significant increase compared to 2020, which was impacted by the public health crisis (€65m in gross value and €98m in cash receipts).

Disposals were mainly carried out by the Regions division's funds, with €97m (excluding €10m of transfers) of disposals in gross value and €185m of cash receipts (excluding €12m of transfers), compared to €58m of disposals in gross value and €89m of cash receipts in 2020. These disposals were concentrated on the FIR 1 fund, which achieved €61m in gross value over the year, with €133m in cash receipts, i.e., a multiple of almost x2.2, excluding financial income. Other funds with significant disposals in 2021 were FIR 4, with €11m of disposals in gross value over the period and €18m in cash receipts, FIR 2 with €11m of disposals in gross value and €16m in cash receipts, AED C4, with €3.8m of disposals in gross value and €3.5m in disposal value and AEM and Bpifrance Capital I, with €3.7m and €3.3m in gross value and €4.7m and €5.5m in cash receipts, respectively.

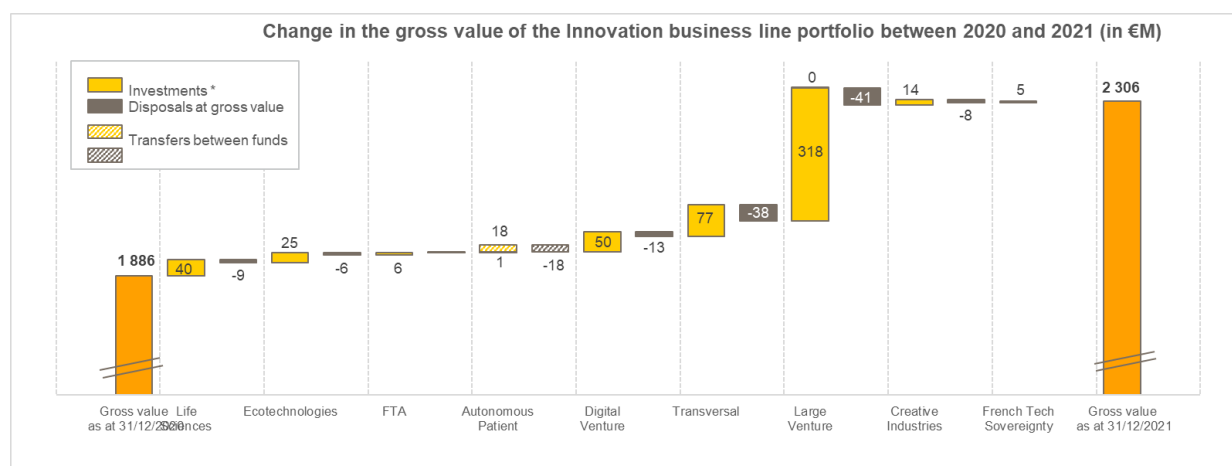
The Sectors division increased its sales compared to 2020, with a gross value of €10m and €21m in cash receipts, compared to €3m in gross value and €4m in cash receipts. These were concentrated on the Croissance Rail and Bois 2 funds, with €4.6m and €2.4m disposed at gross value and €6.2m and €6.3m in cash receipts, respectively.

In 2021, the Tourism and Leisure division funds completed disposals for €15m in gross value and €21m in cash receipts, compared with €4m in gross value and €5m in cash receipts in 2020, concentrated on the FIT fund, with disposals for €12m in gross value and €16m in cash receipts.

The gross value of the Development Capital division's Small Cap portfolio thus amounted to €1.0bn at the end of 2021.

c) Innovation Capital

The graph below shows the change in the gross value of the portfolio of funds and direct investments managed by Bpifrance Investissement's Innovation Capital teams between 31 December 2020 and 31 December 2021.



* Including non-cash transactions (capital gains or losses on mergers, interest capitalised in securities, etc.)

Following the raising of the Autonomous Patient Fund in 2021, the 6 investments held by Bpifrance Innovation I - Autonomous Patient were transferred to the fund for €18m. The following commentary on the business line is therefore exclusive of transfer effects.

Investments made by Innovation Capital funds (cash flows) in 2021 amounted to €515m (excluding €20m of non-cash transactions, and excluding SPI) in 133 companies, slightly down in volume (-6%) but up in value (11%) compared to 2020 (€463m in 142 companies). As in 2020, reinvestments were an important part of the activity, in particular by ensuring support for portfolio holdings in order to bolster fundraising for growth companies. In 2021, reinvestments represented 57% of the amounts invested by this business line (compared to 55% in 2020) and 54% of the completed projects (compared to 55% in 2020).

In 2021, 80% of the investments were made with Bpifrance's own funds, 18% from the PIA and 2% from other funds managed on behalf of third parties. In 2020, the investments made were distributed as follows: 68% from own funds, 30% from PIA funds and 2% from other funds managed on behalf of third parties.

In 2021, 61% of investments (by value) in Innovation Capital were made by the Large Venture team, which invested €312m (excluding €6m in non-cash transactions) in 33 companies. Of these 33 projects, 13 were new investments for €124m invested (Treefrog Therapeutics, Shift Technology, Afyren, etc.), i.e., an average ticket of €9.6m, slightly down on 2020 (€10.8m). The 20 other projects carried out correspond to reinvestments of €188m, including €23m in Payfit, €21m in Valneva, €21m in Contentsquare and €20m in Doctolib. At the end of 2021, the Large Venture portfolio included 9 unicorns.

More than 80% of the disbursements made in 2021 by the Life Sciences team concern reinvestments: of the 18 investments made for an amount of €40m, 15 are reinvestments for an amount of €33m. In 2020, reinvestments amounted to €34m in 16 companies out of the €39m invested in 20 companies.

In 2021, the level of investment by the Eco-technologies team was slightly lower than in 2020 (€31m in 15 companies) at €25m in 13 companies. Reinvestments amounted to €16M invested in 10 companies, i.e., 65% (in value) and 77% (in volume) of the total amount invested by the Eco-technologies team.

In 2021, French Tech Acceleration (FTA) fund investments increased to €6m in 5 companies, compared to €2m in 2 companies in 2020. These were only reinvestments, which include 1Kubator (€3m).

The amount of disbursements made in 2021 by the Transverse Innovation division reached €63m (excluding €14m of non-cash operations) in 26 companies. New investments represented 61% (in value) and 65% (in volume) of the division's total investments in 2021. The PSIM fund, raised in 2017, almost tripled its investments in value, with €33m in 7 companies, compared to €12m in 3 companies in 2020. The Definvest fund (co-managed with the Small Cap business line) invested €4m in 4 companies, down from €9m in 3 companies in 2020. The French Tech Seed fund made €15m investments in 13 companies, including €12m of French Tech Bridge investments initiated in 2020 in response to the public health crisis and €3m under French Tech Seed Phase 2. In 2020, the fund invested €71m in 27 companies, exclusively in French Tech Bridges. Lastly, the Defence Innovation Fund, raised at the end of 2021 (whose investments were still carried by Bpifrance Participations as of 31/12/2021), made two investments for €11m.

The Autonomous Patient team invested €1m in 3 companies, down from €6m in 2020 (investments in 4 companies).

The Digital Venture team invested nearly €50m in 30 companies, compared to €37m in 31 companies in 2020. New investments represented more than half of the investments, with €27m in 17 companies.

In 2021, the Creative Industries team made fewer investments, with €13m in 12 companies as compared to €26m in 11 companies in 2020. These investments were primarily made by the Tech & Touch and Bpifrance Capital I funds.



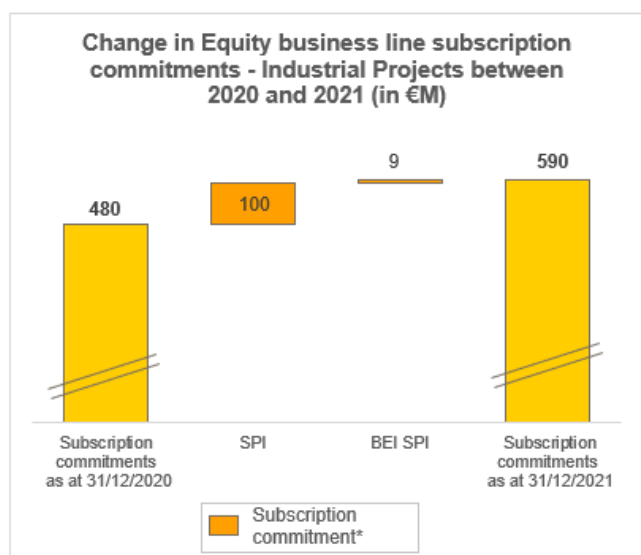
The total and partial disposals made by the Innovation portfolio in 2021 amounted to a gross value of €115m and €200m in cash receipts for 13 partial disposals and 25 total disposals, up on 2020 (15 disposals for €55m in gross value and €28m in cash receipts).

The Large Venture team completed 8 disposals for a gross value of €41m and €51m in cash receipts. These disposals are primarily partial disposals (7 out of 8 transactions). The Transverse Innovation team completed 7 disposals for €38m in gross value and €58m in cash receipts, including the partial disposal of HaliodX/Veracyte by the PSIM fund for €34m in cash receipts. The Digital Venture team completed 9 disposals for a gross value of €13m and €56m in cash receipts, giving an average disposal multiple over the year of 4.3x.

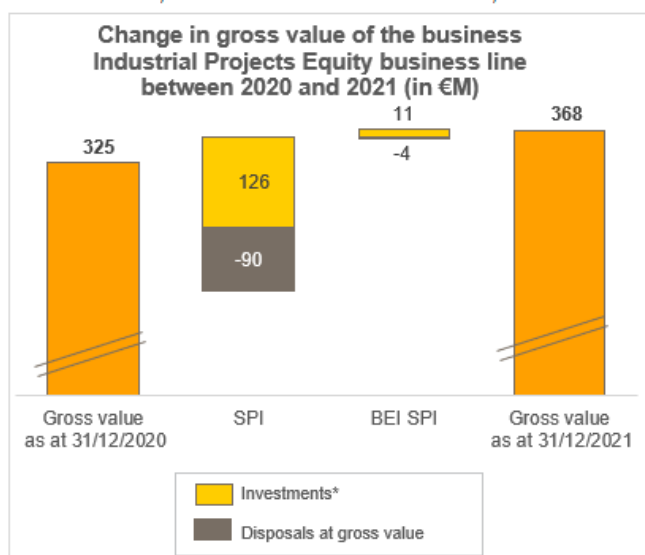
The remainder of the disposals in 2021 were divided between the Life Sciences (€9m gross value and €12m in cash receipts for 5 companies), Creative Industries (€8m gross value and €15m in cash receipts for 7 companies) and Eco-technologies (€6m gross value and €7m in cash receipts for 3 companies) teams.

• Industrial Projects Equity

The graphs below show the change in the stock of subscription commitments and the gross value of the portfolio of funds managed by Bpifrance Investissement's Industrial Projects Equity team between 31 December 2020 and 31 December 2021:



* Including subscription waivers



* Including non-cash transactions

In 2021, the SPI fund made 7 subscription commitments for €132m (excluding -€32m in commitment waivers), compared to 5 subscription commitments for €107m in 2020. The BEI SPI fund made 2 subscription commitments for €9m. Alongside these subscription commitments, the two funds made disbursements of €133m, respecting both subscription commitments made during the year as well as earlier subscriptions made since the funds were created.

The Industrial Projects Equity team completed 4 disposals in 2021 for €94m in gross value and €189m in cash receipts, an increase on 2020 (1 disposal for €75m in gross value and €38m in cash receipts). Over the year 2021, the team achieved an average multiple of 2x on completed disposals.

3.1.4.5. International

Export Department

In 2021, export support played its countercyclical role (+35%), with a strong increase in export financing and credit (+83%), combined with record volumes in credit and bond insurance. Business Development Insurance and guarantees for international projects are also progressing, both in terms of the number of projects and the amount granted to exporting SME.

a) Export Insurance

Bpifrance Assurance Export's activity in 2021 is presented below around the Export Insurance's four main business lines.

It should be noted that these business lines are not accounted for in Bpifrance Assurance Export's account, as the Export Insurance activity is carried out in the name and on behalf of the State and is accounted for in separate State, rather than Bpifrance Assurance Export accounts.

In response to the economic slowdown linked to the COVID-19 epidemic, the French government and Bpifrance, through its subsidiary Bpifrance Assurance Export, deployed an exceptional support plan for French exporters, which will be extended to 2021 and accompanied by recovery measures.

Credit Insurance

The amount of Credit Insurance guarantees granted as of the end of December 2021 was up significantly, at +37% (€17.4bn in 2021 vs. €12.7bn in 2020). The number of contracts concluded was up by 7%. This increase, which has reached record levels since the creation of Bpifrance Assurance Export in 2017, is linked in particular to several major transactions in the defence, aeronautics and renewable energy sectors. In addition, 2021 was marked by intense risk management efforts, particularly in the aeronautical sector, which has experienced major restructuring.

Business Development Insurance

Business Development Insurance rebounded in 2021, despite the persistence of public health constraints. The number of transactions and the volume of business increased in an environment that remained unfavourable to establishing new business development operations abroad. The number of BDI agreements increased, with 1,376 operations as at the end of December 2021, compared to 1,226 in 2020 (+12%). The amounts guaranteed also increased significantly (+23%). Finally, 2021 was marked by the launch of the *Assurance Prospection Accompagnement* (APA), aimed at accelerating first payments, as well as Green Business Development Insurance, which represents about a quarter of the guaranteed amounts this year.

Surety and pre-financing guarantees

This business had a very dynamic year, particularly in terms of surety guarantees, with historic highs both in terms of numbers and amounts, with a good increase in the number of agreements (+10% compared to 2020) and, above all, in the guaranteed amounts (+38%). This was thanks to several successful guarantee transactions in diverse sectors (energy, naval, events, railways, radiation protection, special machines, automation systems, etc.).

Unlike sureties, which are studied well in advance of projects, pre-financing is provided when contracts are concluded, and is therefore more affected by the current obstacles for exporters (complicated travel, slower supply chains, etc.). The pre-financing product was also affected by the support for companies' cash flow via the SGL, 'Atout' and Rebound loans.

Pre-financing activity therefore ended down by -11% in number of projects and -30% in total amount compared to 2020.



Foreign exchange insurance

Foreign exchange insurance remained in decline due to unfavourable market conditions and was marked by a contrasting year in 2021, with guarantees granted up slightly (by 4%) and the number of beneficiaries down (by -29%), after several years of growth.

b) Export financing

2021 was the best year for the Export Credit division since its launch in 2015.

Activity reached a record high in terms of production, with €398.3m in cumulative commitments (+83%), and in terms of the number of projects completed (27), the number of credit facilities signed (32) and the number of exporters assisted (21).

This production is largely the result of loans granted by a single lender (85%). It is complemented by highly visible co-financing with the banks NATIXIS (high voltage electricity network in Benin), CACIB (Sambangalou hydroelectric dam in Senegal) and Société Générale (solar street lights in Senegal) for significant volumes (€250m).

c) International Business Support

At the heart of Team France Export and under the umbrella of the Regions, international business support was able to adapt to the public health situation by assist 261 companies (+60%) and support 3,332 SMEs through diagnostics, personalised advice modules and accelerators.

International and European Affairs Directorate

Europe at the heart of Bpifrance's strategy

In 2021, Bpifrance concluded a series of agreements with the European Investment Bank group on a significant joint commitment to the recovery of French companies: an unprecedented cumulative amount of nearly €5bn in interventions through innovation loans, Touch (for the creative and cultural industries), Industrie PME (for the ecological transition), cash advances for SMEs and MMEs, and investment funds such as *France Investissement Tourisme*. At the same time, the bank confirmed its support for the European Investment Fund by participating in its €80m capital increase.

Bpifrance has continued to support the deployment of major European initiatives: in strategic sectors (batteries, cloud, etc.), in deeptech in conjunction with the European Innovation Council, and in sustainable finance with the commencement of the implementation of the European Taxonomy.

Bpifrance has strengthened its collaboration with its European partners, particularly in Germany and Italy, through its various business lines (financing of collaborative projects, investment in funds of funds, business support, etc.). A first class of 30 Young Leaders was launched in cooperation with *Cassa Depositi e Prestiti*. The aim of this 24-month programme is to develop and strengthen trusting and long-term relations between France and Italy. Bpifrance continued its sectoral operations to connect with companies in European countries and to share knowledge and know-how within the various European networks of which the bank is an active member. Bpifrance continued its partnership with the Hellenic Development Bank for Investments (HDBI) and the Director of International and European Affairs was appointed Vice-Chair of its Board of Directors.

Finally, with more than half of its 21,000 registered companies being European, the EuroQuity platform strengthened its leading position in supporting the European Commission, with more than 6 strategic 'access to finance' projects and contracts from early stage to series B underway.

Bpifrance continues to develop its activities in Africa

Bpifrance continued to invest in private equity funds, with two subscriptions, one in the AfricInvest IV fund, a pan-African development capital and transmission fund, and another in Amethis MENA Fund II, a development capital and transfer fund conducting significant minority and majority transactions in North Africa. Another transaction in a pan-African development capital fund was authorised by Bpifrance Investissement's investment committee. Subscription is expected to take place in the first quarter of 2022. In total, Bpifrance's African portfolio consists of 25 active funds.

In addition, Bpifrance and Mubadala, the Abu Dhabi sovereign wealth fund, signed a memorandum of understanding to launch a new co-investment programme dedicated to the African private equity market, jointly deploying up to €350m in direct investments in African companies and private equity funds, thereby contributing to the financing of fast-growing African start-ups, SMEs and MMEs.

Bpifrance also assists African governments in their desire to provide companies in their countries with the appropriate financing and support tools. To this end, several new contracts were signed, notably with the government of Ivory Coast, which recently created a one-stop shop for entrepreneurs, in Libya for the creation of a subsidy product, and in Tunisia for Smart Capital, the new national innovation bank. Several cooperation agreements were signed: with the Imanzi Institute and Agaciro in Rwanda, the National Investment Fund in Algeria and CDG Invest in Morocco.

The EuroQuity platform also continued its development in Africa, with 10 communities that position it as a major digital platform to connect the business ecosystems of Europe and Africa. Two new partnerships were signed to create communities: with ICT Chamber in Rwanda and CI20 in Ivory Coast.

In the rest of the world, Bpifrance pursued its strategy of attracting sovereign wealth funds and long-term investors to invest in French companies, either directly or via private equity funds. A new agreement was signed with Mubadala to extend co-investment programmes in France to €4bn over 10 years. The agreement to co-invest in innovative French companies with Khazanah Nasional Berhad, Malaysia's sovereign wealth fund, was also finalised.

Bpifrance continues to cooperate with other similar institutions to share best practices and facilitate the development of French companies internationally. To this end, Bpifrance was appointed as a Member of the Board of the International Forum for Sovereign Wealth Funds (IFSFW).

3.1.4.6. Business Support

In support of French companies after a disrupted year 2020, and still relying on its three pillars of intervention (advice, training and networking), the Business Support activity experienced strong growth in 2021:

- With 37 new Accelerators launched, 911 companies joined one of Bpifrance's support programmes in 2021 (+108% compared to 2020). This increase in volume was accompanied by a continued high level of satisfaction, with an average score of 8.4/10 on completed courses, which testifies to the quality of the support offered in a difficult business environment;
- One-off consultancy assignments also rose sharply, with 1,292 assignments completed in 2021 (2,183 when including Innovation assignments), compared with 453 in 2020. This dynamic was driven in particular by the success of *Diag Eco-Flux*, implemented in partnership with ADEME: 660 were signed during the year, against an initial target of 300.

As with the Accelerators, the satisfaction rate for consulting activities remained very high (between 95 and 98%), in a context of strong volume growth and an enhanced range;



- In terms of training activities, after a year marked by record activity during the global lockdowns, e-learning courses remained at a high level in 2021 (new registrations up +16% compared to 2019). Bpifrance Université continued to expand its catalogue of training courses, with 420 content items now freely available online. In addition, 2021 saw the launch of the France Num programme in partnership with DGE, which aims to support VSEs in their digital transformation through a dedicated training and support offer.
- The Business Support department also continued its networking activity, with, for example, 865 contacts made within the community of growth entrepreneurs, Bpifrance Excellence (+86% compared to 2020). Le Hub increased the number of contacts between large groups and start-ups (300 vs. 120 in 2020) and supported some twenty start-ups in their strategic recruitment.

The growth in activity was driven in particular by two key themes in 2021:

- **The re-industrialisation and transformation of French industry**, with several hundred 'Rebound' consultancy missions to support companies in their recovery, 7 new Accelerators dedicated to industrial sectors, the strengthening of consultancy and e-learning courses dedicated to the industry of the future, the launch of the Tech in Fab platform, aimed at encouraging closer ties between start-ups and industrial companies, etc.;
- **The ecological and energy transition**, with nearly 100 SMEs involved in sector-specific Accelerators dedicated to these issues as well as the launch of the 1st Decarbonisation Accelerator in partnership with ADEME, several thousand active learners on the EET online training course, the launch of the Green RVP, aimed at facilitating the recruitment of employees in these areas, etc.

3.1.4.7. Creation

In the context of a strong dynamic for business creation in France in 2021, Bpifrance mobilised alongside 30 business creation support networks present in 1,900 locations throughout the country.

As part of the Recovery Plan, Bpifrance has launched the Unsecured Loans, distributed through the digital channel, in partnership with support networks. These new resources made it possible to finance more than 8,000 creators in the amount of €51m.

In addition, the mobilisation of the Social Cohesion Fund, managed by Bpifrance on behalf of the State, made it possible to guarantee more than 36,000 micro-loans for businesses.

Bpifrance also strongly deployed its Entrepreneurship for All support programme towards priority urban areas (PUAs), with the support of the Caisse des Dépôts and the State: in addition to the 105 CitésLabs, 9 buses criss-crossed the Regions to enable us to get as close as possible to business creators. 50 information and advice kiosks were integrated into local Pôle Emploi offices and 480 entrepreneurs were supported through the Creation and Emergence Accelerator schemes.

3.1.5. Bpifrance structure and financial management

Financial markets in 2021

2021 saw the persistence of the virus, the emergence of risky variants and a mass vaccination campaign focused on developed countries. This second year of pandemic COVID-19 was just as intense as the first for the financial markets.

Global equity markets continued to rise, driven simultaneously by early signs of economic recovery, successive waves of stimulus from major central banks and a massive rebound in earnings from a resilient corporate sector; all supported by negative real interest rates.

However, the divergences in the global equity market were glaring. Nearly 65% of the Nasdaq 100's gains were attributable to just five groups: Microsoft, Alphabet, Apple, Nvidia and Tesla. The mirage of a re-normalisation of rates was favourable to the European banking sector, which had its best year for more than 10 years with a 33% gain. However, at both the macro and financial levels, a number of indicators more or less returned to their pre-crisis levels and may point to the end of the recovery.

Commodity markets have risen sharply. Oil and natural gas prices recorded gains of around 40% and 50%, respectively – the largest in five years.

The combined effects of a reopening economy, very low inventories, rising commodity prices, supply chain bottlenecks, fiscal stimulus and wage increases all pushed prices to historic levels and returned the US and Germany to inflation rates not seen for 2 or even 3 decades.

The logical and expected consequence of the rebound in economic activity and the rise in inflation is the beginning of normalisation by central banks, illustrated in particular by an effective reduction in numerous QE programmes and convincing rate hikes in developed countries.

In this context, we note the incredible resilience of the developed bond markets which, despite the monetary tightening, have suffered, but resisted well. The long end of the USD curve has paradoxically outperformed the euro curves, with the US 10yr just above 1.60% (compared to 1.9% in early 2020). Real rates and risk premiums remain at their lowest levels. Following the announcements, 2022 should see the implementation of these central bank policy changes, with turbulence likely to be expected in bonds and higher-risk assets.

In China, Beijing's regulatory tightening directed at large internet companies, combined with the woes of Evergrande and the real estate sector, have left investors in a cold sweat. These movements point to a risk in China, in particular to its growth model sustained by debt growth (with an impact yet to be seen on the real estate sector).

China's difficulties and the length of the pandemic caused emerging economy stocks to lose 7%. Local currency government bonds in emerging markets also suffered, and the prospect of a rise in US rates in 2022 should keep these economies under pressure.

A major positive note is that the financial markets are taking climate issues into account. Green bonds had another record year, with almost \$500bn issued. The 'ESG' version of MSCI's Global Equity Index is up more than 2% as compared to the conventional version, while the China Greenest Equity Index has jumped by more than 40%.

Financial structure of Bpifrance

The Issuer's consolidated balance sheet total is €100.9bn as at 31 December 2021, compared to €94.3bn as at 31 December 2020, an increase of €6.6bn. This sharp increase is attributable:

- in the amount of €1.5bn to the increase in loans and advances to customers at amortised cost;
- in the amount of €2.1bn to the decrease in investments in companies accounted for using the equity method, mainly due to the removal of the PSA group from significant influence following the creation of the Stellantis group;
- in the amount of €6.2bn to the increase in financial assets at fair value via equity, mainly due to the classification of the Stellantis Group's shares in this category.

Loans to customers amounted to €45.9bn after €1.0bn in credit risk write-downs, up €1.5bn compared with the end of 2020, due in particular to the dynamic activity in unsecured loans (+93% in 2021 excluding COVID-19 crisis measures, due to the stimulus packages). These loans were complemented by €6.2bn in finance leases.

The total amount of Bpifrance financial assets under the scope of fixed income (excluding Bpifrance Participations) at 31 December 2021 was €11,598m. It now consists of 96% of the portfolio associated with credit activities. This portfolio is composed as follows:

- €8.116bn in securities intended to be held to maturity, corresponding to €7.641bn in OATs (French government bonds) purchased as part of the management of the interest rate position associated with the refinancing of the credit activities and, for the remainder, to the investment of the guarantee funds and to Bpifrance Régions equity;
- €3.421bn in investment securities, of which €3.140bn is valued at fair value through equity and €281m at fair value through profit or loss; these are only securities purchased as investments of the company's cash or the guarantee funds it manages;
- €49m in non-consolidated investments.



At 31 December 2021, the breakdown of medium- and long-term financing of customer loans, i.e., €53.3bn in outstanding loans, according to the origin of resources was as follows:

- €31.3bn, or 59%, of resources recruited on the financial market within the framework of the EMTN (€31.1bn) or NEU MTN (€0.2bn) programmes;
- €0.3bn, or 0.6%, in contractual loans from financial institutions with resources from *Livret Développement Durable* (LDD) deposits;
- €0.84bn, or 1.6%, of public resources coming primarily from the *Investing in the Future* programme, through the EPIC Bpifrance;
- €20.8bn, or 39%, in a medium-term refinancing from the ECB (TLTRO).

The resources, backed by the guarantee activity conducted by the Issuer and by Bpifrance Régions, amounting to €6.7bn at 31 December 2021, were up compared to 2020.

Financial management of Bpifrance

The objective of the Group's financial management is to ensure that it has the necessary financial resources over the long term to carry out the tasks entrusted to it by the public authorities, while fully controlling its exposure to the risks inherent in capital market operations. In order to minimise its exposure to this type of risk (inherent in market transactions) which are not part of its core business, the Issuer does not engage in trading or financial intermediation.

Financing activity

Customer loans are refinanced by matching cash and interest rates on outstanding loans and leasing transactions. To this end, refinancing operations are supplemented by interest-rate hedging operations carried out either using financial instruments or via the creation of asset portfolios specifically dedicated for this purpose. Under these conditions, the institution is committed to limiting the risks inherent in financial operations and to optimising them in relation to market conditions. In this respect, it has set itself the objective of having a liquidity advance to enable it to cope with a temporary deterioration in market conditions.

The bond resources recruited in 2021 represent a total of €2.75bn of issues over the year:

2021	Type of operation	Date issued	Maturity date	Duration	Nominal (M€)
Trim 2	Syndication	29/04/2021	25/05/2028	7	1,250
	Syndication	28/05/2021	04/06/2031	10	1,000
Trim 4	Private placement - Retap	14/10/2021	25/11/2026	5	500
Total EMTN 2021					2,750

The prospectus governing this programme was supplemented on 12 June 2020 to indicate that the ceiling of the EMTN programme increased from €35bn to €45bn.

The EMTN programme thus represented 100% of the medium and long-term refinancing carried out in 2021 by Bpifrance. In total, the breakdown of outstanding refinancing by lender at 31 December 2021 was as follows: investors in EMTN and BMTN programmes represented 58.4% of outstanding amounts; Caisse des Dépôts, 0.6%; the European Central Bank via its monetary policy programmes, 39%; EPIC Bpifrance, 1.6%.

Outstanding short-term interbank refinancing (certificates of deposit and securities delivered under repurchase agreements) amounted to €5.2bn at 31 December 2021, compared with €7.5bn at 31 December 2020, i.e., a decrease of 31%.

This decrease was mainly due to securities given under repurchase agreements, which amounted to €0.435bn at 31 December 2021, compared with €3.2bn at 31 December 2020, i.e., a decrease of 86%.

Outstanding certificates of deposit amounted to €4.8bn at 31 December 2021, compared with €4.3bn at 31 December 2020.

As of 31 December 2021, refinancing from the European Central Bank consisted of €20.8bn of resources recruited under the TLTRO.

The total amount of Bpifrance's securities portfolio associated with the Financing activity for the management of the interest rate position and cash investment was €11.1bn at 31 December 2021. This mainly composed of OATs (€9.6bn, or 86%) and also included bonds issued by public agencies (€195m), local authorities (€394m), public sector companies (€128m) and major international commercial banks (€160m), as well as covered bonds (€395m) and other asset-backed securities (€124m).

Guaranteed activity

Guarantee activity is reported nationally on the Bpifrance balance sheet and regionally on that of Bpifrance Régions.

The total amount of financial assets representing the Bpifrance and Bpifrance Régions Guarantee Funds stood at €6.7bn at 31 December 2021. Most of these assets comprise deposits at Agence France Trésor (€5.8bn). The remaining assets are mainly invested in bonds issued by the French government and public agencies (€183m), major banks and companies (€31m), and in mutual funds, SICAVs or ETFs (€234m).

3.1.6. Bpifrance consolidated and corporate results

Consolidated accounts

Net Banking Income (NBI) amounted to €2,916.1m compared to €848.4m in 2020, up by €2,067.7m (+244%). This sharp increase was mainly due to the rise in net gains or losses on financial instruments at fair value through profit or loss (+€1,269.6m in value variations) and through equity (+€540.3m in dividends) within the scope of Bpifrance Participations, which was included in the consolidation scope at the end of 2020. In the banking business, the net interest margin rose by €119.2m (+20.8%) due to the 6.2% increase in average loans outstanding over the period as well as the increase in margin rates.

The continued high level of commercial activity in medium- and long-term financing in 2021 (€8.0bn in 2021 compared with €6.6bn in 2020, excluding COVID crisis-related products (+21%)), driven by unsecured loans under stimulus packages, which offset the decline in COVID crisis-related products, but offset by the decline in CICE pre-financing activity, enabled average outstanding loans to grow by a further 6.2%, thereby supporting NBI.

In 2021, the impact of the termination of the CICE pre-financing scheme on Financing NBI represented a decrease of €17.6m.

Regarding guarantee activity, the average amount outstanding now stands at €18.6bn (including funds mobilised for Unsecured Loans), up 3.6% and primarily supported by the guarantee fund mobilised for the 'Atout' loan. This increase is reflected in a €31.3m (+31.0%) rise in NBI resulting from €120.0m in commissions, up by €21.5m compared to 2020, as well as the collection in 2021 of remuneration for SGL management in the amount of €10.5m. The change in commissions is explained both by the level of 2020 commissions impacted by the freezing of maturities (up to €17.2m) as well as the €12.7m increase in commissions generated by investment funds, to a level of €74.5m, resulting in particular from dynamic new production (+13.7%). Guarantee fees from Bpifrance funds were also up by €9.4m, or +31.7%, to €39.2m, primary due to a full year effect for the 'Atout' loan. The regional guarantee fell slightly by -4.1% to €6.3m.



With regard to innovation activity, the NBI generated again rose in 2021 (+€19.3m, i.e., +26.2%), driven by the dynamic net interest margin on Unsecured Innovation Loans (seed and innovation loans) which increased by +24.1%, due to the good growth in average outstanding loans (+27.7%), as well as the 22.5% increase in management fees for aid schemes operated on behalf of the State, supported by the collection of management fees for the stimulus plan in particular (€10.5m collected in 2021).

Operating expenses (personnel costs, other operating expenses and investment expenses) amounted to €869.7m, up 9.7% compared to 2020, primarily due to the strengthening of resources enabling Bpifrance to deploy its strategy (climate plan, stimulus plan, French Touch, French Fab, support and assistance to VSEs/SMEs, etc.) and to consolidate control functions, but also thanks to the acceleration of the digitisation and transformation of IT, which is particularly necessary for the operational implementation of the various plans.

On the other hand, higher than expected savings on business travel/representation expenses and health logistics were achieved due to the continuation of remote work in 2021.

The net cost of risk in 2021 was -74.6 M€. This includes the provisioning of Expected Credit Losses, which represents a write-back of €95.9m, bringing the stock of the 2020 ECL provision to €636m. This is completed by a cost of risk of -€170.6m, up 28.0% (-€37.3m) compared to 2020.

Following the inclusion of Bpifrance Participations in the scope of consolidation, the contribution to net income from equity affiliates amounted to €231.6m at 31 December 2021, up by €232.2m compared with 2020, while the impact of the PSA/Stellantis deconsolidation should also be taken into account, which reduces this contribution under the item 'Net losses on other assets', which decreased by €170.4m over the period.

Net income, group share, was €1,828.6m, up €1,968.2m on 2020.

• The consolidated balance sheet

The balance sheet total amounted to €100.8bn, up by €6.5bn compared to 2020. This increase is attributable:

- in the amount of €1.5bn to the increase in loans and advances to customers, at amortised cost
- in the amount of €2.1bn to the decrease in investments in companies accounted for by the equity method, primarily due to the removal of the PSA group from significant influence following the creation of the Stellantis group
- in the amount of €6.2bn to the increase in financial assets recognised at fair value through equity, primarily due to the classification of the Stellantis Group's shares in this item.

The group share of shareholder equity before taking into account the result was €26.5bn at the end of 2021, up by €2.3bn (+9.5%).

Loans to customers amounted to €45.9bn after €1.0bn in credit risk write-downs, up €1.5bn compared with the end of 2020, due in particular to dynamic unsecured loans activity (+93% in 2021, excluding COVID crisis measures, due to the stimulus packages). These loans were complemented by €6.2bn in finance leases.

Financial assets at fair value through equity amounted to €18.5bn at the end of 2021, up by €6.2bn or 50%. Financial assets at fair value through profit or loss amounted to €6.3bn at the end of 2021, up by €0.4bn or 6%. Finally, investments in companies accounted for by the equity method amounted to €2.9bn at the end of 2021, down by €2.1bn.

Company accounts

The individual accounts are prepared in accordance with the provisions applicable to credit institutions under French standards.

In contrast to the consolidated financial accounts, the company accounts focus on the legal nature of the financial lease:

- the asset is depreciated in accordance with the tax rules (straight-line, declining-balance, progressive depreciation or another method specific to the SICOMI regime, as the case may be),
- all rent and charges related to the tenant's default are recorded in NBI.

The net result thus determined is €494.5m, resulting in a variation in the unrealised reserve on leasing operations of €84.4m.

3.1.7. Outlook for 2022

3.1.7.1. Financing activity

For 2022, Bpifrance expects to have a financing capacity of €13.2bn in commitments, divided between €4.9bn for short-term loans and €8.3bn for long-term loans:

- Intervention in the form of Secured Loans should amount to €5.3bn, including €1.8bn in financing for renewable energy;
- The level of production in Unsecured Loans will stabilise in 2022 at €3bn, thanks to thematic offers supporting companies' ecological and energy transitions, industrial investment needs and the transformation of the tourism sector;
- Short-term financing will aim to generate €4.9bn in commitments in 2022, driven by the continued recovery that began in the second half of 2021 and via the expansion of the range with the pre-financing of contracts and early supplier payments.

3.1.7.2. Guarantee activity

As part of the Recovery Plan, the State has entrusted significant resources to Bpifrance to guarantee loans, as the end of the SGL programme, scheduled for June 2022, requires facilitating access to credit.

The recovery plan therefore includes an increase in the guarantee quotas and a reduction in guarantee costs on the primary Development, Creation and Transfer Funds.

The GFPR (*Garantie Fonds Propres Relance*) fund, newly endowed by the State, will enable strong growth in guarantees for these operations to strengthen the equity capital of French SMEs and VSEs. Similarly, 2022 will see the mobilisation of the new Green Guarantee Fund to support the efforts of VSEs and SMEs to reduce their carbon footprint. Further significant growth is expected in student loan guarantees.

These new resources and the market conditions mentioned above lead us to anticipate further growth in guarantee activity.

3.1.7.3. Innovation

Innovation financing activity should continue to grow in 2022 to reach more than €6bn, after two years of very strong growth (€1.3bn in 2019, €3bn in 2020 and €4.4bn in 2021):

- Structural action to support innovation, primarily carried out by the PIA4 (with the support of the Regions and partners for certain programmes) and strengthened by France 2030, particularly in Deeptech, will represent €1.3bn in 2022;
- The France Relance AAPs, launched in mid-2020, will be finalised and will only represent approximately €320M in 2022;
- Unsecured Loans will represent €480m, accompanying the growing maturity of the ecosystem, while French Tech Seed Phase 1 financing will represent €40m;
- The deployment of the directed component of PIA4, reinforced by France 2030, will make it possible to support innovations in certain strategic sectors with more than €3.7bn (of which €3bn via IPCEI Hydrogen, Cloud and Health and €740m on acceleration strategies/strategic axes of France 2030);



- Finally, Bpifrance will deploy new tools to support the industrialisation of projects led by innovative start-ups, SMEs and MMEs. In the first quarter of 2022, Bpifrance will launch a 'first plant' AAP to deploy between €100 and €200m in 2022 as well as a New Industry Loan to deploy €150m to €200m.

3.1.7.4. Investment business lines

a) Development Capital business line

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

- To continue to be the partner of reference for French SMEs and MMEs across the country;
- To support the sectors and industries of the future, particularly those heavily impacted by the COVID-19 crisis, and to contribute actively to the recovery plan across the country;
- To participate in the creation of European champions, with French roots, while continuing to develop third-party management;
- To be exemplary in taking ESG criteria into account and to be a pillar of the Bpifrance Climate Plan.

b) Fund of Funds business line

Fund of Funds activity should continue to be dynamic in 2022. Indeed, the expected subscriptions of the managed funds should total €1.4bn. Distributions should reach nearly €836m in 2022, excluding secondary transactions.

- The Fund of Funds Department's subscription target for 2022 is €1.4bn, while the Africa and Mediterranean team's target is €15m;
- The FFI-V fund (established in 2019) and its successor, FFI VI, which is planned to be raised in 2022, are expected to have almost €875m in total subscriptions (mostly in new funds) in 2022.

In parallel, the funds of funds whose management has been entrusted to Bpifrance under the PIA will also be deployed:

- The MC3 and its successor fund, the MC4, planned for 2022, are expected to subscribe €176m over the year;
- The *Fonds National d'Amorçage N°2* fund (FNA 2, successor to the *Fonds National d'Amorçage*), is expected to subscribe €112m over the year;
- The French Tech Acceleration 2 (FTA 2) fund could subscribe to nearly €21m;
- The *Fonds de Fonds Retournement* (FFR) fund could subscribe nearly €16m.

Bpifrance will also continue to invest on behalf of the CDC group in the Digital 2 Fund (FFD 2, successor to the FFD), which is currently being set up and is expected to subscribe €47m during the year.

The Fund of Funds Growth (FFG), which was set up in January 2020 with the CDC and private insurers, is expected to reach €137m in subscriptions during financial year 2022.

The *Fonds d'Avenir Automobile 2* (FAA 2), raised in February 2021, is expected to subscribe €8m, as is the *France Relance État Régions* fund of funds, which could subscribe €43m in 2022.

c) Innovation Capital business line

For 2022, the Innovation Department's investment teams have an investment target of €605m (excluding *French Tech Souveraineté* or other new funds).

In 2022, Bpifrance will maintain a market share of less than 10% and will continue to focus on Deeptech and on companies offering solutions to combat global warming, as part of the Climate Plan.

The investment objectives by division for 2022 are as follows:

- Large Venture division: €260m;
- Digital Venture division: €53m;
- Autonomous Patient division: €11m;
- Life Science division: €40m;
- Eco-technologies division: €31m;
- French Tech Acceleration division: €12m;
- Innovation Transverse Venture Capital division: €87m;
- Cultural and creative industries division: €31m;
- Industrial Investment division: €80m.

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

Finally, the following is planned for 2022:

- The creation of SPI2, a successor fund to SPI, with a €1bn endowment from the State;
- The contribution of industrial leaders to the Defence Innovation Fund;
- The FEI's contribution to the Innobio 2 fund;
- The creation of the Eco-technologies 2 fund, endowed by the PIA4 with €300M, which will take over from the Eco-technologies fund.

3.1.7.5. Business Support

The Business Support business line will continue to develop in all its components in 2022:

- Its objective is to accelerate 900 new SME-MMEs, thanks to the deployment of approximately forty support programmes, co-financed in particular through the mobilisation of the PIA, the Regions and various key partners, including the Banque des Territoires. In addition to the existing Accelerators (generalist, sectoral and thematic), two new programmes will be launched in 2022 as part of the Entrepreneurship for All programme, one aimed at supporting start-up accelerator operators and the other at VSEs located in Priority Urban Areas. The support programmes in partnership with the Pays de la Loire CCI (DINAMIC + programme: objective of supporting 135 companies), as well as certain UIMM trade unions will also continue in 2022.
- 1,450 consulting missions will be carried out in addition to the Accelerators programmes in 2022, with a large proportion of interventions continuing to concentrate on issues relating to industrial transformation and the ecological and energy transition:
 - With regard to support for industry, the advisory services offered will be strengthened in particular in terms of support for the industry of the future, re-industrialisation, and management of supply chain issues;
 - Concerning climate issues, about 900 dedicated diagnostics (under the *Diag Eco-Flux* programme and the new *Diag Décarbon'action* programme) will be carried out in 2022.

The range of consultancy services is also planned to be broadened, with the development of technical diagnostics devoted to operational issues (e.g., flow optimisation, cyber security, etc.);

- In terms of innovation, the growth dynamic will continue, with a target of 1,200 Innovation Diagnostics carried out in 2022;
- In terms of training, 40 sessions will be organised outside the Accelerator programmes in 2022, and the objective is to reach 22,000 managers trained online over the year;
- As for start-ups, Bpifrance Le Hub aims to support 55 by 2022;
- Finally, Bpifrance Excellence plans to organise approximately 100 face-to-face events within its community in 2022, and to make 800 connections.

Furthermore, in line with the objectives of the 'France 2030' plan and in addition to the financial measures announced, the Business Support Department will also be mobilised in 2022 to support industrial project leaders in order to contribute to the country's industrial revitalisation.



3.1.7.6. International

2022 is the year of committed, comprehensive and ambitious revival centred around the major priorities as well as strategic industrial sectors across the country. To that end, the Export business lines will be mobilised to:

- Support the renewal of French industry by accelerating its internationalisation;
- Continue to support the success of French Tech, French Fab and French Touch;
- Accelerate the application of French engineering expertise to the challenges of decarbonisation and climate change.

This objective is reflected in the target volumes expected in 2022:

- In terms of Export Credit, after a growth of 83% to €398m in 2021, a volume increase to €500m is targeted for 2022. This objective envisages the emergence of our export project financing activities in the environment and climate sector in the amount of €50m, in addition to our normal export credit activity in the amount of €350m, as well as the opening of new, exotic markets (use of the Dollar, Iraq, Russia, etc.) expected in 2022 in the amount of €100m;
- The International Project Guarantee, now also open to the EEA, will support 170 projects in 2022, after supporting 144 projects in 2021;
- In the same vein, after a clear increase in 2021, credit insurance should land at €15bn with 220 projects (equivalent to 2021, with a line dedicated to renewable energy projects);
- Business Development Insurance has risen to 1,400 projects (vs. approx. 1,313 in 2021) for an increased amount (€308m vs. €280 in 2021) – **it should be noted that 25% of the budget is dedicated to Green Business Development Insurance**; We also note that Team France Export distributes Business Support Development Insurance on behalf of Bpifrance, with a goal of 300 transactions in 2022;
- The bond and pre-financing insurance business continues to grow, with 570 projects (561 in 2020) for lower average amounts (€1bn guarantee in 2022 vs. approximately €1.3bn in 2021) in order to serve more SMEs and MMEs;
- With €600m (for 65 clients) of insured capital, compared to €518m (for 61 clients) in 2021, foreign exchange insurance has returned to a growth trajectory;
- In terms of support, the consolidation of the Team France Export collective, and in particular through the work of Business France, export development will support 3,475 companies in 2022 (vs. 3,332 in 2021), including 275 planned missions (vs. 261 in 2021).

3.1.7.7. Creation

In a context of strong dynamics of business creation in France (with more than one million business creators in 2021), in 2022 Bpifrance will reinforce the deployment of entrepreneurship support mechanisms, continuing the financing of networks, expanding the distribution of Unsecured Loans in partnership with the support networks (target 44,000 loans), reinforcing its efforts to raise awareness of entrepreneurship among young people and women, and financing support systems in vulnerable areas, particularly within the framework of the *Entreprendre au cœur des territoires* call for projects, launched with the support of Caisse des Dépôts.

The implementation of the Entrepreneurship for All programme will aim in particular to increase the number of CitésLab (target: 130) and entrepreneurs from the Priority Urban Areas supported (target: 2,000).

3.1.8. Statement of non-financial performance

This chapter relates to the corporate, societal and environmental information required under Article R225-102-1 of the French Commercial Code, as amended by Ordinance 2017-1180 and its implementing decree 2017-1265, transposing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on the publication of non-financial information.

This Statement of non-financial performance details the issues, the approaches implemented and the indicators that Bpifrance monitors in order to assess its impacts.

BPIFRANCE'S SOCIETAL RESPONSIBILITY

Societal responsibility is at the heart of Bpifrance's missions as 'a public group at the service of business financing and development, acting in support of public policies led by the State and led by the Regions. With a view to supporting sustainable growth, employment and the competitiveness of the economy, it promotes innovation and the initiation, development, internationalisation, transformation and the transfer of businesses, by contributing to their financing through loans and equity⁸.

The CSR Charter expresses Bpifrance's public commitment to integrate social responsibility issues into its business lines and 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 form the backbone of its commitment: job development, quality of governance and management, promotion of women's entrepreneurship, and ecological and energy transition.

Bpifrance's societal responsibility lies, first and foremost, in the effectiveness of its action to create and maintain sustainable growth for businesses, which is long-lasting and creates economic value.

Since its creation, Bpifrance has worked towards this goal by providing support for the financial needs of companies and entrepreneurs at all stages of their development, including via the multiplying the effect of its interventions in its operations as a financial institution. A support offer has been added to the financial support measures, aimed at providing entrepreneurs with advice, training and contacts, taking into account the major challenges associated with their societal responsibility, such as employment, energy transition, climate change, innovation, regional development and digital technology.

In aiming to help companies achieve responsible growth, Bpifrance is careful to carry out its activities in a transparent and responsible manner, respecting and developing the skills of its employees and controlling its impact.

A SPECIFIC BUSINESS MODEL

OUR BUSINESS MODEL

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

⁸ Law 2012-559 of 31 December 2012 on the creation of the Public Investment Bank



OUR BUSINESS LINES AT THE SERVICE OF ENTREPRENEURS



OUR ORGANISATION

These activities are carried out:

- For our own account:

- o co-financing activities, by Bpifrance, in the form of long or medium-term loans or financial leases, as well as the financing of short-term receivables, from bond resources;
- o equity activities, by Bpifrance Investissement, directly or through investment funds.

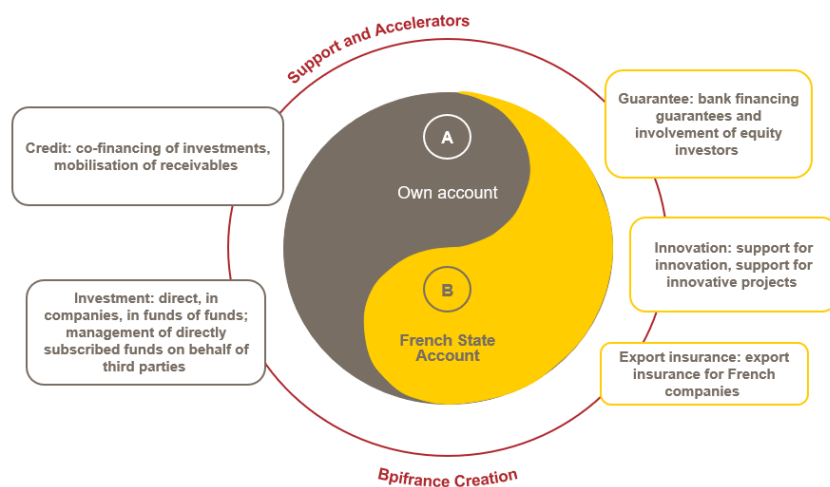
- On behalf of the State: carried out within the framework of public policy and based, by nature, on dedicated funds intended to cover the commitments made as part of their particular missions:

- o Guaranteeing bank loans or equity organisations (Bpifrance);
- o Financing innovation through loans or grants (Bpifrance);
- o Insuring companies' export operations (Bpifrance Assurance Export).

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

The business support and accelerator activities – as well as those of Bpifrance Création – are multi-functional, non-financial activities.

OUR FINANCIAL RESOURCES



Bpifrance's business model is that of an atypical organisation, built to respond to the companies' needs for sustainable growth in support of public policies.

bpi**france**

Our resources

Bpifrance: Financing, Innovation, Guarantee

Bpifrance Shareholding and Investment: Direct equity and Funds of funds

Bpifrance Assurance

Export: export guarantee

A continuum of solutions

AT EACH KEY STEP OF DEVELOPMENT



HUMAN

- Total personnel: 3,707 (+6.1% year on year)
- Including 262 apprentices and trainees
- Average age: 38.9 years
- 56% women and 44% men
- Almost 90% managers



STAKEHOLDERS

A unique environment for stakeholders

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



FINANCIAL

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



FINANCING



LOCAL AND INTERNATIONAL INTEGRATION

The bank for all entrepreneurs, firmly rooted in the regions

- 50 local establishments
- Partner of the 18 French regions

Bpifrance Creation
Entrepreneurship for all

INTANGIBLE VALUES

Proximity, Simplicity, Willingness, Optimism,

ONE MISSION

Serving the future

Proximity

Simplicity

Willingness

Optimism

SERVING
THE
FUTURE

FINANCING INNOVATION



FINANCIAL SUPPORT for COMPANIES and BANK PARTNERS

- **€7.95 bn** in long- and medium-term financing (+27%)
 - €0.75 bn in economic emergency measures (- 81%)
- **€7.15 bn** in short-term loans (+0.3%)
- More than **45,500 companies** guaranteed, for **€7.1bn**
- **€4.4bn** in innovation grants and loans (+45%) to more than 7,600 companies

EQUITY

INVESTMENT

€1.54 bn invested in 78 funds
€657M invested in Innovation capital,
€140M invested in business capital,
€287M in 119 SMEs, **€1,888M**
 invested in Mid- & Large-caps

ENTREPRENEURSHIP FOR ALL

480 new accelerated companies

15 new promotions

148 CiteLab devices

Tour: 490 events

Bpifrance CREATION

320 endorsements for support networks (+87%) of **€30M** (of which **€12.8M** was through Entrepreneurship for All)

€51.78M of direct interest-free loans for the benefit of 8,119 recipients



INTERNATIONAL

€20bn in insurance and export guarantee projects*

17 export support operations

More than **2,250** beneficiary companies

INTERNATIONAL



NON-FINANCIAL SUPPORT and NETWORKS

- **2,538** companies accelerated, including **916** in 2021 (+113%), **2,461** SME/Mid-caps (+78%), 891 innovation consulting missions, and 3,332 international support activities (+24%)

NETWORK EXCELLENCE

106 events, **4,337** participants, **865** links established (+86%)

NON-FINANCIAL SUPPORT

*operated in the name and on behalf of the State



OUR NON-FINANCIAL RISKS

The public interest missions entrusted to Bpifrance, its banking status and its specific business model determine its non-financial risks and the associated challenges. These are reviewed annually, as are the Group's strategic objectives, with a view to ensuring that they are closely aligned with current developments. The strategic objectives for 2021-2024 reflect the changing dimensions of Bpifrance, which has become a major player in business resilience and a central operator for Plan France 2030. This has resulted in increased responsibility for the analysis that will be repeated in 2020 to account for the particular expectations related to the public health crisis.

The mapping of non-financial risks, consistent with the approach taken by Caisse des Dépôts Group, was drawn up using the following method:

- Identification of potential risks;
- Identification of measures and means to control these risks;
- Prioritisation and rating of risks, according to a methodology adapted to the assessment of non-financial issues.

This was revised in 2021 in the light of the revised post-crisis strategic objectives for 2021-2024.

The food security, animal welfare, a responsible, fair and sustainable food industry, and the fight against food waste are not relevant material issues for Bpifrance due to its service activities.

The indicators for monitoring non-financial risks have been defined in line with the major risks identified, the missions assigned to Bpifrance and the expectations of its shareholders.

The primary non-financial risks and challenges and their key monitoring indicators are listed below; they will be detailed in each corresponding chapter.

MACRO RISK	CSR issues	Key indicators
GOVERNANCE AND ETHICS	Business ethics	Rate of employees trained in AML/CFT
	Security of data and funds	Rate of employees trained in anti-corruption measures
FAILING TO CARRY OUT MISSIONS OF PUBLIC INTEREST	Ecological and Energy Transition	Weight of EET funding in activity
	Regional economic development	Weight of funding compared to the economic potential of the Regions
	Digital transformation	Weight of 'Numetic' financing in the activity
STAKEHOLDER DISSATISFACTION	Customers	NPS and customer satisfaction rates
	Quality of the offer	
	Other stakeholders	Number of grievances and complaints filed against the entity regarding its environmental, social or human rights impacts
HUMAN CAPITAL	Quality of life at work (QLW)	Average number of days of absence due to illness, excluding long-term illness Employee satisfaction rate
	Diversity and equal opportunities	Recruitment rate of women on permanent and fixed-term contracts Percentage of young people under 30 and older people over 55 recruited
	Social dialogue	Number of agreements and amendments signed during the year
	Talents	Turnover rate of staff on permanent contracts
	Training	Training access rate
TAKING ESG ISSUES INTO ACCOUNT in the business lines	Integration of ESG issues	Carbon footprint of the listed portfolio Amount of assets under direct management directly exposed to the thermal coal sector

GOVERNANCE AND ETHICS

STRUCTURED GOVERNANCE TO MEET THE CHALLENGES

Bpifrance, resulting from the merger via absorption of Bpifrance SA by Bpifrance Financement on 18 December 2020, is a public limited company with a Board of Directors, whose Chairman and CEO positions are separate. Invested with missions of public interest as defined by the law creating Bpifrance⁹, as amended, it is majority owned by the State, via the EPIC Bpifrance and Caisse des Dépôts¹⁰, with 1.4% of the capital also held by bank shareholders.

Bpifrance acts in support of the public policies of the State and the Regions, fostering and supporting the sustainable growth of companies, taking into consideration environmental, social and societal issues in both its decisions and its management. The group's activities are carried out directly by Bpifrance or through its subsidiaries, all of which are incorporated under French law.

⁹ Law 2012-0559 of 31 December 2012

¹⁰ 49.2% each



The composition of Bpifrance's governing bodies is determined by the law, which establishes a strict principle of gender balance on the Board of Directors as well as the national and regional steering committees; these bodies are responsible for giving their opinion on the strategic orientation and the intervention doctrine of the company and its subsidiaries, as well as the means by which they carry out their respecting the public interest and the implementation of the ecological and energy transition.¹¹

The Chairman of the Board of Directors and Chief Executive Officer of Bpifrance are separate functions. The Board of Directors is composed of eight representatives of the Caisse des Dépôts and the State, two representatives of the Regions, two representatives of the employees and one qualified person. It has five committees:

- An Audit Committee;
- A Risk Committee;
- A Nominations Committee;
- A Remuneration Committee;
- A Climate Committee.

The Government Commissioner, appointed pursuant to the law creating Bpifrance, may attend the General Meeting of Shareholders as well as meeting of the Board of Directors and all 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 advisory committees and two business line committees – Financing and Guarantee and Innovation – as well as a Climate Committee, specifically charged with formulating opinions on the company's strategic orientations, its intervention doctrine and the means for carrying out its public interest missions, as well as the implementation of the ecological and energy transition; these committees are composed of directors, observers, and experts.

The detailed composition of the Board of Directors and the Committees, as well as the competencies of their members, are set out in detail in Section 4 of this document.

Four training sessions were held for directors to update their knowledge and/or strengthen their skills to better perform their duties. These sessions covered the exercise of directors' control, financial risk monitoring, non-financial risk monitoring and non-financial performance and corporate social responsibility (CSR).

Subsidiaries have governing bodies whose members are chosen for their skills and, depending on their activities, specialised committees. The Boards of Directors of Bpifrance Investissement and Bpifrance Participations are composed of equal numbers of representatives of the State and Caisse des Dépôts.

¹¹ These bodies, composed of elected officials from the National Assembly and the Senate, representatives of trade unions, professional organisations and sectoral experts for the National Steering Committee, and representatives of the State, the Region, the regional management of the Caisse des Dépôts, trade unions, the regional Economic, Social and Environmental Councils, the CCI and the regional Chamber of Trades (for the Regional Steering Committee) constitute privileged spaces for dialogue among Bpifrance stakeholders. However, it should be noted that the National Steering Committee did not meet in 2021, for the third year in a row; similarly, few regional steering committees are still active.

The table below provides a summary:

Name	Form	Separation of functions	Number of directors ¹² representing Bpifrance or its shareholders (State or CDC)	Number of directors (qualified persons)	Number of directors representing employees	Parity	Specialised committees
Bpifrance Investissement	SAS	No	8	2	0	Yes	NRC ¹³
Bpifrance Participations	SA	No	8	2	0	Yes	Audit and Risks Investment Appointments
Bpifrance International Capital	SA	No	3			No	
Bpifrance Export Insurance	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	6			No	

The internal regulations of the Boards of Directors of Bpifrance and its subsidiaries specify the function and prerogatives of each of these Boards of Directors, as well as those of the committees, and include a Directors' Charter, which defines the Directors' duties in terms of attendance, confidentiality and ethics.

ETHICS AND COMPLIANCE: commitment, organisation, deployment

Bpifrance places its action at the crossroads of the public interest and the interest of the market by supporting French companies according to its guiding values: Proximity, Simplicity, Willingness, and Optimism, by demonstrating loyalty, integrity, professionalism and honesty, and commits to respecting and ensuring respect for these values and principles, as well as the laws, regulations and recommendations of the professional associations applicable to its activities.

This commitment aims, on the one hand, to ensure that its activity complies with the laws and regulations in force and, on the other hand, to maintain the trust of all its stakeholders over the long term.

The entities of the Bpifrance Group are regulated entities which carry out banking and finance activities subject to obligations defined by a set of regulations, including in particular obligations in terms of the combating money laundering and the financing of terrorism as well as the fight against corruption.

In addition, Bpifrance is a public group serving the financing and development of companies, acting in support of public policies led by both the State and the Regions, in partnership with their environments, an issuer on the bond markets, acting on behalf of the State and with State resources, and a fund manager.

Unethical practices would generate risks:

- of administrative, monetary and/or disciplinary sanctions by an administrative authority acting under the prerogative of public authority (e.g., a sanction pronounced by the AMF or the ACPR),
- of civil sanctions: in case of legal action, which could result in damages,
- to reputation, generating distrust among clients and stakeholders, which may lead to loss of business, in turn resulting in financial losses, difficulties in raising funds, additional financing costs, loss of management mandates.

¹² Excluding the Chairmen of the Board of Directors

¹³ Nomination and Remuneration Committee



In carrying out its activities, Bpifrance strictly monitors respect for human rights¹⁴ and the fight against corruption and complies with the tax rules in force.

Bpifrance aims to be exemplary in its business practices, and expects its clients, partners and stakeholders to follow this example.

ORGANISATION AND SYSTEMS

The Compliance and Permanent Control Department is responsible for the second-level compliance and permanent control system. This department manages the procedures, systems and controls implemented by the institution to ensure that its operations comply with the laws, regulations and rules of the banking and financial sector. In particular, it is responsible for the implementation measures to combat money laundering and the financing of terrorism (AML/CFT), as well as corruption and fraud.¹⁵

Our policies and systems

Doctrine

Compliance policy (2016, updates in 2019 and 2021)

Group and departmental policies respecting combating money laundering and the financing of terrorism (AML/CFT) (2016, updates in 2019 and 2021)

Ant-corruption policy (2019)

Anti-fraud policy (2018)

Outsourcing policy

Employee AML/CFT training

Employee anti-corruption training

Whistleblowing policy (2020, updated 2021)

Permanent Control and Compliance Internet page (procedures and instructions)

CEO compliance and public engagement page on the Bpifrance website

Approved supplier platform

Bpifrance has implemented a set of instructions and procedures applicable to the Bpifrance Group and/or its subsidiaries, including in particular those respecting (non-exhaustive list):

- Combating money laundering and the financing of terrorism;
- The prevention and management of conflicts of interest;
- Combating corruption;
- Combating fraud;
- The rules governing gifts and other benefits received or offered;
- The rules governing employees' personal transactions in listed and unlisted securities;
- The operational incident reporting system;
- The whistleblowing system;
- The group compliance policy.

These systems are regularly updated.

Insofar as Bpifrance aims to be exemplary in terms of ethics, compliance and combating money laundering, the financing of terrorism, corruption and fraud, the Bpifrance Group has adopted an ethics charter, which is available on its website.

Bpifrance's ethics charter is supported by the commitment of its Chief Executive Officer and is based on five inseparable pillars:

- Compliance with financial security laws and regulations;
- Integrity in relationships with third parties;
- Respect for markets and the principles of free competition;
- Respect for confidentiality and the protection of personal data;
- Protection of the assets, people and interests of Bpifrance and its shareholders.

Consequently, Bpifrance is publicly committed, on its website and through the voice of its CEO, to not tolerate any unethical behaviour or actions and to combat all forms of corruption.

¹⁴ See the chapter Human capital

¹⁵ See Section 3.4 - 'Internal control and risk management system'

Business ethics and compliance are essential to the implementation of its actions. Each employee is an actor and responsible for this.

ETHICS

Bpifrance has also adopted codes of ethics for its financing and export insurance activities, as well as for its direct and indirect investment activities, which constitute a reference framework of its fundamental values, guiding principles and rules of good conduct and complement its internal regulations.

All new employees must read and accept the Code of Ethics and the internal regulations of Bpifrance.

By signing the code of ethics, employees undertake to behave loyally towards the Bpifrance Group, making a constant effort not to do anything that could compromise the group's image, and to demonstrate competence, care and diligence in their work.

COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

Non-compliance with the AML/CFT regulations by one of the entities of the Bpifrance Group may result in a risk to the company's reputation and image as well as a risk of sanctions, which may be administrative, disciplinary and/or criminal in nature. Therefore, the highest level of Bpifrance Group management is involved in the combating financial crime. Bpifrance does not finance, invest in or support companies or organisations whose identity, legal representative, proxies or beneficial owner(s) cannot be identified and verified.

The Bpifrance Group has a policy on combating money laundering and the financing of terrorism, which is translated into operational policies for the financing, export insurance and investment departments.

These policies describe the issues at stake in this fight, the due diligence to be conducted in order to obtain the required knowledge of the business relationship and the planned operation, as well as the rules for referring cases to the Financial Security Department.

A specific tool was deployed in 2018 to facilitate the performance of due diligence for knowledge and verification of business relationships and to ensure traceability.

All employees are required to be familiar with the Group's policy on combating money laundering and the financing of terrorism and to attend training programmes on these subjects, which are held annually for operational teams.

COMPLIANCE WITH APPLICABLE ECONOMIC SANCTIONS AND EXPORT CONTROL REGULATIONS

The Bpifrance Group undertakes to comply with all legislative and regulatory provisions relating to economic sanctions and export controls in the countries and territories where it operates. Thus, Bpifrance has set up a system to ensure compliance with applicable economic sanctions and export control regulations. The group policy on compliance with regulations on economic sanctions must be applied by all Bpifrance Group employees.

COMBATING CORRUPTION AND FRAUD

The provisions of Article 17 of the Sapin II Law¹⁶ on the fight against corruption and influence peddling came into force on 1 June 2017 and apply to all Bpifrance Group companies. Bpifrance has zero tolerance for corruption, influence peddling and, more generally, for illegal, unfair or unethical practices.

Bpifrance is also committed to the fight against fraud, both external and internal, and has put in place measures to combat all forms of damage to its assets, those of its agents and those of its employees.

These measures are at the heart of the values promoted by Bpifrance and included in its Codes of Ethics. Bpifrance employees must, in all circumstances, behave with loyalty, impartiality, fairness, discretion, diligence, honesty and professionalism, while respecting the integrity of the markets in which they operate. By informing employees and providing them with rigorous training, these policies aim to prevent any risk of fraud and corruption, any risk of granting any assistance to or concluding a purchase agreement with a company which has dubious practices or managers.

Group policies determine the rules and procedures applicable to all employees with regard to preventing and combating corruption and fraud, including the methods for detecting, handling and remedying cases of suspected, attempted or

¹⁶ See Section 3.6 - Regulatory environment



actual fraud. In order to strengthen its anti-fraud measures, in 2021 Bpifrance set up a new governance structure in order to provide a framework for managing this risk, to strengthen its anti-fraud policy and to organise awareness-raising activities among employees.

In addition, there are strict rules governing personal transactions and mandates, the receipt of gifts, invitations to meals and other types of benefits received by or offered to employees. Each employee, on an annual basis, must sign a declaration on their honour that they have complied with these rules, or, failing that, must explain circumstances of any deviations.

In addition, Bpifrance's defined delegation schemes structure award and investment decisions, as well as the rules for double-verification and collective decision-making via committees.

SUPPLIER REFERENCING

An electronic supplier referencing platform was set up in 2019 in order to strengthen transparency, promote consistent processes, evaluate Bpifrance Group's suppliers and service providers, and ensure the monitoring of anti-corruption measures in application of law no. 2016-1691 of 9 December 2016, known as Sapin II, by applying the following principles in particular:

- Fair competition (at the time of consultation and final choice);
- No conflicts of interest;
- Compliance with the applicable procedures on gifts, hospitality and other benefits;
- Confidentiality of exchanges as well as traceability and archiving of the entire purchasing process.

This platform allows the practices of companies and their managers who provide services to Bpifrance to be verified in order to ensure that Bpifrance may conclude commercial agreements with these service providers.

WHISTLEBLOWING POLICY

A whistleblowing system on a secure platform allows any employee to report any impropriety with respect to compliance with banking and financial regulations, the rules set out in the Bpifrance Codes of Ethics and in the Anti-Corruption Policy, as well as any crime, misdemeanour, serious and obvious violation of the law, threats or harm to the public interest, etc. that he or she may have observed to the Director of Compliance and Permanent Control in a direct and strictly confidential manner. This system complements other channels for reporting failures or improprieties.

OPERATIONAL AND COMPLIANCE RISK MANAGEMENT

The procedural framework dedicated to the management of operational and compliance risks includes an Operational Risk Management Policy as well as policies dedicated to the mapping of operational and compliance risks, the reporting and management of incidents and the monitoring of inherent action plans, as well as governance issues related to operational risks.

The mapping of operational and non-compliance risks for the entire Bpifrance Group is updated at least once yearly for all business lines. It describes the risks to which Bpifrance is exposed, including corruption risks, and prioritises them according to the impacts defined in the methodology in force for the Bpifrance 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.

In addition, an incident reporting system was deployed in 2021 and is governed by dedicated instructions. In summary, a process whereby incidents are validated by the first line of defence was put in place and completed by a systematic review of incidents by the Operational Risk Department (LoD2). The objective of this procedure is to identify operational risks and non-compliance incidents and to thus determine possible corrective actions and/or action plans in order to reduce the potential impacts and the probability of re-occurrence.

	Rate of employees trained in AML/CFT		Rate of employees trained in anti-corruption measures	
	Number of employees trained in measures combating money laundering and the financing of terrorism (AML/CFT) / Total number of employees who received one or more training courses during the year (permanent, fixed-term, work-study and traineeship)		Number of employees trained in measures combating money laundering and the financing of terrorism (AML/CFT) / Total number of employees who received one or more training courses during the year (permanent, fixed-term, work-study and traineeship)	
	2021	2020	2021	2020
Bpifrance	476	2,046	508	667
Bpifrance Investissement	88	69	88	69
Bpifrance Assurance Export	42	173	47	72
Brokerage	integrated into Bpifrance			
Total	606	2,288	643	808
Total number of employees who received one or more training courses during the year	3,661	3,334	3,661	3,334
	17 %	69 %	18 %	24 %

The significant decrease in the number of employees who attended AML/CFT training courses is due to the introduction of an online training module in 2020; this module is mandatory for employees who had not attended or updated their training in 2019. In 2021, this module was taken by new employees and those who had not previously taken it.

TAXATION

Bpifrance and its subsidiaries pay all their taxes in France.

In the context of the automatic and mandatory exchange of tax information with respect to cross-border reporting arrangements (or the 'DAC 6 Regulation'), the Bpifrance Group has mapped its activities in order to determine the arrangements potentially subject to the DAC 6 reporting obligation. Following a census of operations carried out since 25 June 2018, no reportable systems were identified. The implementation of a procedure dedicated to this obligation is included in an instruction.



INFLUENCE AND LOBBYING ACTIVITIES

Bpifrance is involved in exchanges and discussions with the Regions, banks, professional federations, Chambers of Commerce, incubators, etc. in France and at the European level, in order to assert its public interest mission of supporting sustainable growth, job creation and competitiveness, and to ensure that these ecosystems and stakeholders take this mission into account, on the one hand, and, on the other hand, to ensure that its offer meets expectations and needs.

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

PROTECTION OF DATA AND FUNDS, SECURITY AND RESILIENCE OF THE INFORMATION SYSTEM

Major risks identified

Failure to ensure the protection of data and the integrity of information systems

Embezzlement, fraud

Loss of customer and stakeholder confidence

Data protection and the integrity of information systems are essential to the performance of Bpifrance's activities.

Failure to ensure data protection the integrity of information systems results in risks of:

- Large-scale propagation of malicious files on the Bpifrance information system, leading to the physical unavailability of the system, the interruption or malfunction of a strategic service or a critical Bpifrance function, a ransom demand;
- External or internal fraud, resulting in financial losses;
- Damage (deletion, alteration, theft, etc.) to data under Bpifrance's responsibility (data of Bpifrance clients/employees/partners, etc.) generating legal risks of complaints.

Embezzlement and fraud carry the risk of sanctions:

- Administrative, monetary and/or disciplinary sanctions by an administrative authority acting under the prerogative of a public authority (e.g., a sanction pronounced by the AMF or the ACPR);
- Civil: damages, in case of legal action;
- Criminal: in accordance with the nature and impact of the fraud.

Failure to protect data and the integrity of information systems and/or the misappropriation of funds or fraud may result in damage to Bpifrance's reputation, generating distrust among clients and stakeholders, which may lead to loss of business, in turn resulting in financial losses, difficulties in raising funds, additional financing costs, loss of management mandates.

Our answers

Information system security policy

Data protection policy

Internal enforcement procedures and instructions

Authorisation procedure and tool for computer applications and systems

Security procedures and systems for access to premises

Employee awareness training

Anti-intrusion audits and tests

Our goals

Protecting personal and confidential data and funds from misuse

Information Systems Security (ISS) is a major challenge for Bpifrance and a particular focus for the Group's CEO and Directors.

The permanent objective is to continue to deploy the system and to demonstrate that the actions undertaken make it possible to control exposure to the cybersecurity risks faced by Bpifrance, by moving from a 'defensive' to an 'offensive' security posture, in order to:

- Protect the Information Systems and the data entrusted to them against any form of threat of accidental or intentional origin;
- Contribute to the overall performance of the IS and to Bpifrance's reputation;
- Contribute to the sustainability of Bpifrance's activities and services as well as the overall resilience of critical processes;
- Enable Bpifrance to put in place the appropriate security arrangements.

The management of the ISS is strengthened accordingly each year: a 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 and business line tools, were largely continued in 2021. Awareness-raising and training activities were stepped up, with the aim of making employees players in the fight against cybersecurity threats.

The public health crisis resulted in the implementation of new organisational and technical solutions to continuously test the resilience of the services operated by Bpifrance.

Additional measures have long been deployed to ensure the security of funds entrusted to or received by Bpifrance, including

- A tool for managing authorisations to Bpifrance applications and systems;
- Strict and traceable rules for separating payment requests and validations;
- Secure access to premises and a total absence of cash on the sites;
- An anti-corruption policy and training for employees;
- A rigorous internal control system;
- Audit and risk committees, both in the public limited company (SA) and its business line subsidiaries.

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

STAKEHOLDER SATISFACTION: a core concern

Major risks identified

Failing to meet stakeholder expectations

Failing in our role as a long-term partner for customers

Satisfaction is at the heart of Bpifrance's concerns, as it has a public interest mission to support sustainable growth, employment and competitiveness of the economy, in support of public policies.

The risks of stakeholder dissatisfaction are likely to generate financial losses, resulting from the disaffection of clients whose expectations of funding or support are not satisfied; a lack of confidence on the part of partners – particularly public partners – could result from the failure to meet expectations and fulfil missions and lead to a reduction in resources – particularly public resources.

Our goals

Maintain the high level of interaction with our stakeholders

Meet their expectations



Our answers

Doctrine
Bpifrance Group corporate social responsibility charter
Strategic ambitions reviewed annually
Partnerships and agreements (e.g., delegated guarantee)
Deployment of offers in line with public policies
Principle of co-intervention
Decentralised organisation
Proximity to customers and partners (decentralised organisation, networking, events)
A constantly evolving range of services to support all companies, whatever their size, at all stages of their development and on all their financial and non-financial issues
Offer transparency
Cross-functional Group offer committee
Measuring the impact of the actions deployed; annual customer satisfaction survey

A sustained dialogue

The satisfaction of our stakeholders is at the heart of Bpifrance's dynamics, and we maintain sustained relationships with them:

Key stakeholders	Main modalities of dialogue or expression
Customers	Dedicated contacts according to business line, needs and location Welcome platform and services: my Bpifrance online Events and round tables (Bpifrance Inno Génération, BIG Tour, Deeptech Tour, Entrepreneurship for All Tour, Hub Bpifrance, Communities: Excellence, Coq Vert, French Fab, French Tech, green tech companies) Direct or digital contact (new project guide) Satisfaction survey Studies (LAB), business surveys Tribu (Bpifrance's social network)
Banking partners, own funds	Exchanges with business line managers: co-financing, guarantees, investment departments and business lines Operational relations in the field, in co-financing or co-investment Market relations and meetings in organisations and networks (France Invest, ORSE, etc.) with business lines and cross-functional groups Studies (LAB), economic surveys
Regional partners	Dedicated contact persons: Regional partnerships, regional action and entrepreneurship department, network and regional directors

Key stakeholders	Main modalities of dialogue or expression
Employees	<p>Relationship with management: operational relations, annual appraisal interview and professional interview every 2 years, career interview carried out by HR at the employee's request.</p> <p>'DAC' meetings ¹⁷ and Visual management</p> <p>Satisfaction survey (every two years)</p> <p>Internal communication: intranets, information screens on each site, occasional information provided by messaging if necessary, chats organised with the CEO or executive directors, breakfasts, internal news programmes, business meetings</p> <p>Whistleblowing systems: psycho-social risks, harassment, operational risks, compliance, etc.</p>
Labour partners	<p>Employee representative bodies</p> <p>Employee representation agreement</p> <p>Interviews upon start and end of service</p>
Directors	<p>Boards of Directors and General Meetings</p> <p>Commissions and Committees</p> <p>Annual seminar on Group strategy for directors</p>
Supervisory authorities	<p>Regular meetings and exchanges between the relevant departments and sections of the Bpifrance Group and:</p> <p>‘ the ECB and the ACPR as part of their authorisation, supervision and prudential monitoring tasks;</p> <p>‘ the AMF as part of its regulatory tasks</p>
Investors and analysts	<p>Investment business line: dedicated contacts</p> <p>Bond investors: Finance Department, Investment tour</p> <p>Investor space on the bpifrance.fr website</p>
Non-financial rating agencies	<p>Dedicated contact</p> <p>Sustainable Development & CSR Department: answers and discussions on the rating</p> <p>Meetings</p>
Suppliers	<p>Exchanges with buyers and the Purchasing Department: responses to calls for tender, Initiative Conseil referencing process, contracts, referencing platform, CSR assessment for the main suppliers</p> <p>Operational monitoring of the service with the business lines</p>
Professional and local associations and networks	<p>Meetings, regular exchanges and participation in workshops and working groups (business lines, cross-functional)</p>
Media	<p>Dedicated media contact: Institutional and media communication department (press releases and conferences, discussions with journalists, institutional publications)</p> <p>Communication (including digital): Communication Department</p>

¹⁷ Continuous Improvement Process



An organisation that drives customer satisfaction

The entire Bpifrance organisation and its resources are geared towards satisfying its stakeholders and, in accordance with its mission, towards businesses and their environments, in support of public policies:

Close to customers and their environments	an integrated bank at the service of entrepreneurs	pooled resources, strictly limited financial resources
	50 locations	1,200 front office staff in the network
	a transparent organisation	the contact persons responsible for each location are identified, for simpler communication
An adapted and transparent financial offer	a continuum of products	for each company, whatever its size, at all stages of its development and its problems
	adapted solutions, in constant evolution	in financing tangible and intangible investments, in supporting innovation projects, in equity, in financing guarantees or equity
	transparent solutions	the terms and conditions of each solution are described on the website, for example: eligibility conditions, funded or eligible expenses, financial conditions, associated banking partnership.
Dedicated online spaces and tools	Regional service portal	to facilitate exchanges and streamline processes
	Banking space	to file, manage and check the status of applications
	Support networks area	to submit and manage applications for grants, unsecured loans
	Suppliers	a one-stop shop for referencing, completing and updating data in real time.
	Calls for tender	to respond to a consultation

A comprehensive offer for non-financial support	advice and support	in-depth diagnostics or consulting missions, in pairs of Bpifrance and external experts
	training	free online training courses that are constantly updated: https://www.bpifrance-universite.fr/
		face-to-face training: accelerators, seminars
	information	a think tank and studies, accessible online: https://lelab.bpifrance.fr/ SME business surveys, flash surveys
Networking and large events	Communities: Excellence, Deeptechs, Accelerated, Entrepreneurs, Coq Vert, French Fab, French Touch Bpifrance Inno Génération Big Tour, Deeptech Tour Entrepreneurship for all Jour E TRIBU: the social network Euroquity	to exchange and progress

Quality of the offer

Bpifrance's strategic objectives are reviewed annually, as part of an exercise involving all business lines and based on an analysis of observed changes, particularly in the economic climate, to better adapt Bpifrance's action plan to its public interest mission and to meet needs.

Bpifrance's strategic objectives for 2021 have thus committed it to strengthening its partnerships, firstly with the Regions in order to better integrate their priorities, with Europe as a key operator of the European recovery plan in order to put it at the service of French companies, and with long-term investors in order to respond to the challenges of increasing the capital mobilisation, particularly in sectors of the future.

Bpifrance is involved in a major dynamic in terms of creating new products and services, launching new activities, setting up or reorganising processes or the group's legal entities, with the constant aim of continuous improvement, striving for performance and satisfying all its stakeholders.

This dynamic is carried out with the dual aim of maintaining overall consistency within the Bpifrance Group and complying with regulatory requirements in this area.

A robust process of coordination between the Group's business line, functional and cross-functional departments has been put in place, making it possible to assess the consequences and impacts of the new proposals and to put in place the most appropriate deployment methods.

The activity: mission accomplished

Bpifrance's action in 2020 and 2021 will be strongly influenced by the public health crisis, first by supporting companies to help them get through the crisis, and then by helping them to revive their activity and grow.



- 2020: specific support schemes

While maintaining its business of financing business investments, Bpifrance contributed to the deployment of the State's Plan d'urgence 2020 via the management of State Guaranteed Loans, which were used by private banks on a large scale (€110bn for 608,000 companies), and which Bpifrance also mobilised as part of the granting of its own cash loans (€810m).

To complement this system and provide targeted support to VSEs, SMEs and MMEs, Bpifrance developed new products to support their specific needs during and after the crisis, including

- innovative companies have been able to use the Innovation Support Loan (€460m) or subsidies under the recovery plan (€312m for the Battery Plan, €93m for Industrial Regions, €44m for Aeronautical Modernisation, €30m for Automotive Modernisation, €18m for Critical Industrialisation and €12m for Grand Challenges)
- Coverage of cash flow needs was strengthened by granting dedicated unsecured loans such as the 'Atout' Loans (€2.3bn), as well as the Rebound Loans, deployed in partnership with the Regions (€861m, including €275m of Rebound flash), in addition to the SGL deployed by Bpifrance (€810m)
- Finally, sectoral measures made it possible to support specific sectors, in particular those that were heavily impacted by the public health crisis: Tourism Loan (235 M€), Tourism Recovery Loan (33 M€).

- 2021: strengthening the recovery from the crisis:

To serve this recovery objective, to revitalise growth and employment throughout the country and in all activities, Bpifrance has injected €50bn into companies in 2021, with a sharp increase in all its activities, credit, innovation financing, direct and indirect equity, and guarantees, to strengthen the recovery from the crisis.

Priority actions have been put in place for industry, technological innovation and the ecological and energy transition, for the major plans (French Fab, Deeptech, Touch, Climate and Tourism), as well as a financial continuum to strengthen the creation of production facilities.

Non-financial support, export support and business creation have also been strengthened and increased, for example, with the creation of 37 new accelerator classes and the arrival of 916 new companies to benefit from their programmes, 30 business creation support networks supported, making it possible to grant more than 8,000 loans of honour, and increased deployment of the Entrepreneurship for All programme in Priority Urban Areas.

Project, bring together, support.

The 'Tomorrow' project

Launched in 2018, the 'Tomorrow' centres around nine major issues for the world of tomorrow, all correlated with the Sustainable Development Goals. This cross-functional collective intelligence project brings people together to support companies in the face of the major challenges of transformation of the world by focusing on each of these issues, identifying solutions, challenges and technologies, anticipating changes in the economy, preparing for future disruptions and building a vision of the future. 38 'matrices' were finalised and published at the end of December 2021, presenting Bpifrance's convictions on these major challenges and the questions they raise.

Sector	Subject
AGRIBUSINESS	The digital transition of agriculture
AGRIBUSINESS	Biocontrol (natural plant treatment substances): towards a future without pesticides?
AGRIBUSINESS	The proteins of the future
AGRIBUSINESS	Impact of new distribution methods on the GSA
CYBERSECURITY	Cybersecurity in SMEs/MMEs: what are the challenges?
CYBERSECURITY	GDPR - General Data Protection Regulation
ENERGY - EET	Nuclear fusion: an energy mirage?
ENERGY - EET	The circular economy: bullshit or business?

Sector	Subject
ENERGY - EET	Building the building of tomorrow
ENERGY - EET	Energy consumption: what are the issues and the solutions?
ENERGY - EET	Energy storage: what are the solutions?
ENERGY - EET/INDUSTRY OF THE FUTURE	CO ₂ capture, storage and recovery: challenges and opportunities
ENERGY - EET/INDUSTRY OF THE FUTURE	The last mile: a necessary collaboration
ENERGY - EET/INDUSTRY OF THE FUTURE	The supply chain of tomorrow, resolutely digital and green
ENERGY - EET/INDUSTRY OF THE FUTURE	Industrial Energy Efficiency
ENERGY - EET/TRANSPORT	Tomorrow-Matrix Clean aeroplane - Intermediate document: presentation of clean aeroplane projects by French start-ups
ENERGY - EET/TRANSPORT	Transformation to clean motoring
INDUSTRY OF THE FUTURE	What are the business opportunities for Augmented Reality?
INDUSTRY OF THE FUTURE	Plastic: alternatives, recycling, composting
INDUSTRY OF THE FUTURE /CULTURAL AND CREATIVE INDUSTRIES	Innovative textiles: a little-known sector of the future
INDUSTRY OF THE FUTURE /HEALTH	Health and AI: data for the patient
INDUSTRY OF THE FUTURE /TRANSPORT	The conquest of Mars: a driver for the economy of tomorrow?
CULTURAL AND CREATIVE INDUSTRIES	Developing the video game ecosystem
HEALTH	Microbes for health and well-being
HEALTH/INDUSTRY OF THE FUTURE	3D printing
SILVER ECONOMY - JUNIOR ECONOMY	Edtech: Adapting companies in the education and training sectors to the jobs of tomorrow
TOURISM - HOTEL AND GASTRONOMY	Digitalisation of the tourism sector
TOURISM - HOTEL AND GASTRONOMY	The new urban hotels of tomorrow
TRANSPORT	Autonomous vehicles: what are the regulatory issues?
TRANSPORT	New spacetechnologies opportunities: nano-satellites, microsatellites, constellations
TRANSPORT/ENERGY - EET	Project Tomorrow: hydrogen and mobility
TRANSPORT/ENERGY - EET/INDUSTRY OF THE FUTURE	Hydrogen & Automotive Sector
Various	Matrix Digital transformation of sport - Citius, Altius, Fortius, Communis
Various	AI and paperless transition of the legal profession
Various	New retail models
Various	Blockchain: a step towards platform disintermediation?
Various	Initial Coin Offering
Various	Quantum computer



Bpifrance Inno Génération is an event bringing together Paris, the Regions and the international and entrepreneurial communities; it offers a unique opportunity for guests to develop their business and networks. Its 7th edition took place both in-person and remotely, bringing together entrepreneurs, start-ups, SMEs, MMEs and large groups, who could choose from among 400 workshops and conferences – all broadcast live – to help them understand the challenges of tomorrow and the technological trends, with more than 1,000 speakers and 70 major witnesses. 40 innovative companies presented their product and services, while new formats allowed for ever richer exchanges (support workshops, Bang studio, interview space, etc.). Following the 2020 edition, BIG 2021 was committed to environmental responsibility, strictly limiting the use of single-use materials, using low environmental impact materials and reusable furniture and signage, encouraging sustainable mobility and the use of public transport, and encouraging the event's partners to respect these same commitments.

Finally, the event's carbon footprint was assessed in order to identify the most significant items and reduce their impact.

The Tours

The French Fab Tour, Big Tour, Entrepreneurship for All, Deeptech Tour bring together companies and entrepreneurs and help them raise awareness among the general public.

The Leaders

Since 2013, Bpifrance has supported French men's and women's team sports, with which it shares its values of proximity, simplicity, determination and optimism.

The Leaders is a community of 55 men's and women's sports clubs, representing seven disciplines (football, rugby, basketball, handball, volleyball, ice hockey and water polo). Bpifrance's network of partner sports clubs covers 14 regions of France as well as other countries, forming a formidable network of players essential to the social cohesion and economic dynamism of their regions. By setting itself the objective of relaying thoughts, experiences, and innovative products and services, Bpifrance's objective is to disseminate information and promote networking among innovators in the sports world, and to energise this market on a sporting, economic, social and environmental level.

Measuring the impact of the actions implemented



Bpifrance monitors and evaluates the results and impacts of the projects it supports every year, particularly in terms of the growth of French companies as well as employment and publishes these elements on its website¹⁸.

As a public bank, Bpifrance aims to serve the public interest, including the Sustainable Development Objectives, within the framework of the missions entrusted to it by the French legislature. The principal Sustainable Development Objectives to which Bpifrance contributes have been defined within the framework of a task force by the Caisse des Dépôts Group, which has also defined the indicators for monitoring.

The results of these 2021 impact assessments are not available at the time of writing, and the data presented are those from the previous year's booklet, which are important for measuring the positive impact of Bpifrance's interventions.

A study of the impact of Bpifrance's actions is carried out after a three-year period to measure the effective impact of such actions; the results published in the 2020 impact booklet demonstrate the efficiency of the measures implemented by Bpifrance, in correlation with the missions entrusted thereto as well as the expectations of its stakeholders:

- A strong impact over three years on supported companies:
 - Employment and turnover are growing faster among supported companies, with an estimated 5.4% difference in jobs and 9.3% in turnover, and a gain of €111bn in turnover and 336,900 jobs maintained or created thanks to Bpifrance support over a seven-year period, from 2010 to 2016;
 - Supported companies are also more resilient after three years (compared to benchmark companies).

¹⁸ <https://bpifrance.fr/A-la-une/Dossiers/Impact-de-Bpifrance>

- A strong commitment to risky projects: in particular, the beneficiaries of the cash flow guarantee schemes exhibit higher-than-average risk, as do the beneficiaries of the specific COVID support schemes;
 - A knock-on effect on private funding through its various instruments:
 - o Unsecured loans: €1 of support from Bpifrance is accompanied by €4.2 of private financing in the case of unsecured loan schemes;
 - o Support for innovation: €1 of aid is accompanied by €1.3 of third-party funding;
 - o Guarantee: €1 mobilised in a Bpifrance guarantee fund covers €16.8 of risk
- Private equity: Bpifrance is responsible for an average of 15% of the subscriptions in its partner funds that have made investments.

Customer satisfaction

A survey is carried out annually to assess the satisfaction of Bpifrance clients and to identify their expectations, with a view to possible changes to the offer. The Bpifrance Group Offer Committee, which meets quarterly, is tasked with conducting an upstream review of any new products and services or transformations envisaged, issuing a downstream opinion downstream before presentation to Comex, and defining any cross-functional projects to be launched. This annual survey is subcontracted to an independent research company and its results are published on the Bpifrance website. The results of the survey conducted in 2020 reflected customers' appreciation of the commitment of Bpifrance and its teams during the COVID period.

The results of the 2021 survey show an almost stable customer satisfaction of 7.8 (7.9 out of 10, 7.2 in 2019) and a still satisfactory Net Promoter Score of 42 (49 in 2020, 27 in 2019).

OUR MAIN MISSIONS to serve the public interest

The doctrine of Bpifrance, a public group serving the public interest, was presented to the National Assembly and the Senate on 15 May 2013. It defines Bpifrance's intervention doctrines in its financing and investment activities, as well as its structural commitments: to be a tool serving companies, to revitalise regions, to work for innovation, to promote competitiveness and growth, and to adapt to specificities, by being as close as possible to the supported companies and by fostering close partnerships, in particular with the Regions.

Bpifrance's strategic objectives are updated each year, based on an assessment, together with the business lines, of their achievements, economic and sectoral developments, and broad consultations; these updates are submitted to all representative bodies of the Bpifrance Group's stakeholders and validated by the governing bodies before being published.

This annual update of the Bpifrance Group's strategic objectives aims to take into account the needs of companies and economic and sectoral developments as closely as possible, in light of its public interest mission to serve sustainable growth, employment and competitiveness of the economy, whose three major challenges are:

- Financing and supporting the ecological and energy transition;
- Financing and supporting digital transformation;
- Contributing to the economic development of the regions.

Bpifrance's failure to fulfil its public interest missions by supporting public policies and the business environment and by ensuring that market deficiencies are remedied would call into question its reputation and its credibility vis-à-vis its stakeholders with respect to the bank's public interest mission. This loss of credibility could result in lost customers, business failures among customers due to the lack of financing solutions in the face of market problems, and financial losses. Furthermore, Bpifrance's failure to accomplish its public interest mission could lead to a decrease in access to the public and/or European resources dedicated thereto, and thus to higher resource costs.



THE ECOLOGICAL AND ENERGY TRANSITION (EET)

Supporting the EET is one of the missions entrusted to Bpifrance by the French legislature in the law on its establishment, and is included in the intervention doctrine, as a priority in the CSR Charter proposed by Bpifrance to its stakeholders and governing bodies, validated in 2014, as well as the bank's strategic plans.

Failure to fulfil this public interest mission would generate the aforementioned reputational and financial risks for Bpifrance; these risks could result from the failures of companies that are not supported through the changes that are essential to their activities, whose business models have not evolved sufficiently to meet their customers' expectations, or from environmental risks that they have not sufficiently anticipated.

The climate risk management framework is described in Section 3.3.5 of the Universal Registration Document.

In five years, from 2016 to 2020, Bpifrance has implemented almost €13bn¹⁹ in financing for all activities, for the benefit of 11,420 companies and company projects. In 2020, Bpifrance supported nearly 2020 companies in the EET sector as well as those carrying out energy efficiency and renewable energy projects, for nearly €3.06bn, which represents just over 11% of its overall activity for the year.

This mobilisation in favour of the production of renewable energy and companies' ecological and energy transition aims to help them, in particular, to reduce their emissions, to better control their sources of supply and natural resources, to reduce waste, to preserve biodiversity, and to initiate or continue the transition of their business models by better managing the potential risks, in particular those resulting from climate change.

Through its financial and non-financial support, Bpifrance contributes to the Sustainable Development Goals of clean energy production, responsible production and consumption, and measures to combat climate change.

Major risks identified

Failure to support companies through the changes that are essential for their survival: accounting for climate change in their activities
Lack/inadequacy of offers contributing to the EET
Non-financing/ inadequate financing of the EET
Generating environmental impacts, delay in the transition of companies, economic impact

Our answers

Doctrine
Bpifrance Group Corporate Social Responsibility Charter
Strategic objectives, reviewed annually
Bpifrance Climate Plan
Our business processes
Our intervention restrictions
Support and awareness-raising

Our objectives for 2024

Strongly supporting transition solutions
Accelerating the transition of all businesses

¹⁹ €12.8bn

The Climate Plan

That climate change is an urgent issue is no longer a matter of debate, and there is an imminent rush to accelerate the ecological transition of the economy, which will cause profound changes in the industrial fabric. In order to avoid a disorderly transition and to avoid increasing challenges from stakeholders, more than ever, French companies must initiate and accelerate their transformation process, reduce their environmental impacts and adapt their business models to be more sustainable.

Indeed, environmental issues will be decisive in numerous ways: winning private/public contracts, benefiting from advantageous financing/investment conditions, attracting talent, being less exposed to fluctuations in raw material or energy prices... all these are critical differentiating factors that will enable them to improve their resilience and global competitiveness and to create jobs.

In this respect, in September 2020, Bpifrance and the Banque des Territoires announced an ambitious Climate Plan, constituting 'the Public Climate Bank, serving companies on the one hand, and local authorities on the other'.

Building on its historical strengths²⁰, Bpifrance has deployed an ambitious climate plan for its clients, aimed at:

- Support the emergence and growth of green tech companies and 'green' solution providers, bring about the necessary technological innovations and create French champions in the key sectors to accelerate the ecological transition;
- Increase financing and investment in the renewable energy sector, giving companies access to greener and carbon-free energy;
- Transitioning all companies via all Bpifrance business lines by adapting our intervention policy and introducing new dedicated products to enable customers to make their activity compatible with the carbon neutrality objectives of the Paris Agreement and to pursue new opportunities.

Governance

The implementation of this Climate Plan, announced in 2020, led to an acceleration of the work of all Bpifrance business lines in 2021, within a specific organisational framework: a Coordination team was created to report on project progress to a small group of executive directors and the CEO, while Climate agents were deployed in all network departments as well as several business line departments at the head office. Nearly 20 FTEs were created to support this climate plan in 2021. All of our business lines have thus moved to prioritise climate issues, leading to the creation of new products and the adaptation of our intervention policies.

A Climate Committee, made up of directors, observers and a college of experts, was also set up in 2020; this consultative body meets prior to the meetings of the Board of Directors and formulates opinions on the company's strategic orientations, intervention doctrine and methods for carrying out its public interest missions as well as the implementation of the ecological and energy transition.

Deployment

This acceleration in 2021 was manifested in particular by:

In financing

- Deployment of the green loan financed by France Relance in January 2021, more than €1bn of green loans were granted to nearly 900 companies;
- Financing of renewable energy projects, with €1.3bn committed;
- Increased consideration of environmental transition issues in certain key sectors (transport, real estate, construction and public works), with favourable intervention conditions for virtuous projects, notably with extended durations and proactive diagnostic suggestions.

²⁰ Role as a market bank with a proven knock-on effect in financing and investment, expertise in renewable energy and innovative projects, unique support activity for SMEs/MMEs



In innovation

- €590m of funding provided to support green tech companies;
- €165m invested in equity in green tech companies.

In accompaniment

- Creation of more than 30 dedicated training modules at Bpifrance Université, a free, short and targeted online training site, which have attracted nearly 9,000 learners;
- 560 self-diagnostics - Impact meter and Climatometer;
- Completion of 660 *Diag Eco-Flux* sessions, offered in partnership with ADEME; this one-year expert support programme helps identify action levers for making savings in energy, materials, water and waste; these diagnoses generated an average of €48k in annual savings for the beneficiaries;
- Hiring of a hundred or so green RVPs²¹ for a mission or a development project supporting the company's ecological and energy transition;
- Launch of the *Diag Décarbon'Action* programme in September 2021; this system, operated in partnership with ADEME, involves the completion of a comprehensive carbon assessment while establishing a decarbonisation plan and promoting it among stakeholders, at a cost of between €4 and €6k for a company with fewer than 500 employees;
- The launch and continuation of three accelerators dedicated to ecological transition issues:
 - The 'Energy Transition' accelerator launched its second class in June 2021 (20 SMEs), and preparations for the third are underway;
 - The 'Waste Recovery' accelerator, launched in January 2021, is training 29 SMEs and preparing for its second class;
 - Finally, the Decarbonisation accelerator was launched in October 2021, in partnership with ADEME.

In development capital

- €197m invested in green solution providers and RE developers (24 companies), including €23m via FIEE;
- Interest rate subsidies for certain bonds, particularly stimulus bonds, a mechanism designed to encourage SMEs and MMEs to accelerate their investments and strengthen their balance sheets; the interest rates of these instruments can be subsidised depending on the achievement of and compliance with ESG performance objectives over time.

In funds of funds:

- €750m raised by partner funds with an investment thesis focused on the ecological transition;
- Systematic consideration of climate issues in development capital.

In export:

- Asserting our position as a climate 'insurance bank' to mobilise our international partners, with adapted financing and guarantee programmes;
- More than 25% of business development insurance granted was 'green', allowing customers to benefit from increased support on average.
- Creation and deployment of our climate bonus from January 2021, aimed at encouraging export financing of both renewable energy and green technologies. To this end, preferential conditions are applied to eligible projects (rate stabilisation, advance on premium, etc.), assessed on the basis of their contribution to the first two criteria of the European Taxonomy.

In addition, in conjunction with ADEME and the MTE, Bpifrance created the Coq Vert community in 2020, which will be more active in 2021. This community aims to bring together companies whose actions contribute to carbon neutrality and environmental preservation, whether they are solution providers or companies in transition. As of the end of 2021, it has over 700 members, including 90 trailblazers. The objective of the community is to foster positive collaboration around issues related to the ecological transition by promoting networking, offering training content and providing increased visibility for its members.

²¹ Regional Volunteer Programme: launched in 2018, the RVP is a programme operated by Bpifrance that gives students on work-study programmes or recent graduates (from Bac+2, up to 2 years after graduation) the opportunity to take up positions of responsibility in French SMEs and MMEs. The Green RVP scheme is supported by the State and ADEME.

The climate has also played an important role in Bpifrance's communication activities, in particular at BIG, where a dedicated 'green bubble' was created and where numerous workshops and conferences on the ecological transition have been organised. Bpifrance also created and organised the first edition of *Jour E*, an event for entrepreneurs on the theme of ecological transition.

Lastly, Bpifrance has made a strong internal commitment by training all its employees in the challenges of the ecological transition and by structuring an ambitious internal transformation plan to make its operations more virtuous:

Training:

- Over 20 hours of e-learning modules have been created for employees;
- Nearly 700 employees underwent awareness training organised by Fresque du Climat (a French non-profit organisation) in 2021, with a goal of reaching 75% of employees by the end of 2022. Fresque du Climat offers a fun, educational workshop that helps participants understand the causes and consequences of climate change and establish a global understanding of the issues;
- Action sheets summarising the priority issues and key actions to be carried out in high-stake sectors (road transport, construction, etc.) were created;
- All our investors were trained on climate issues during dedicated seminars in 2021.

Dedicated financial resources

In April 2021, Bpifrance successfully issued its first green bond via its new Bpifrance Green Bond Framework ²² for an amount of €1.25bn at 7 years.

These funds will be dedicated to the financing of 'Environmental Energy Loans' for wind and photovoltaic projects. These loans aim to finance the construction and management of onshore wind and rooftop photovoltaic power generation facilities, in line with the United Nations Sustainable Development Goals: #7 - Clean and affordable energy and/or #13: Measures to combat climate change.

Commitments

The Bpifrance Group:

- is a signatory to the Global Declaration on Climate Change, the Montreal and Paris conventions and the Financial Institutions Declaration of Intent on Energy Efficiency;
- committed in December 2017 as a French public investor to implement six principles defined in a joint charter with Caisse des Dépôts, Agence Française de Développement, Fonds de Réserve pour les Retraites (FRR) and ERAFP;
- committed to supporting and promoting the ACT (Assessing low Carbon Transition) initiative led by ADEME and the CDP (CARBON Disclosure Project), by signing the Charter on 27 November 2018 alongside Caisse des Dépôts, Agence des Participations de l'État, FRR, ERAFP, and IRCANTEC;
- participates in the work of the Caisse des Dépôts Group on the climate policy of the Group's financial businesses and on a second roadmap.

Bpifrance is also:

- a member of the One Planet Sovereign Wealth Funds (OPSWF) initiative;
- a member of the Carbon Disclosure Project;
- a partner of CDC Biodiversité as part of the Nature 2050 Programme and a member of the B4B+ Club (club for companies supporting positive biodiversity).

Restrictions on funding and investment

Bpifrance has committed, alongside Caisse des Dépôts, to a framework for financing in sectors exposed to fossil fuels. Thus, with respect to coal, Bpifrance has committed:

²² The Bpifrance Green Bond Framework was prepared in accordance with the ICMA Green Bond Principles and in anticipation of future regulatory developments in connection with the draft European Union Green Bond Standards. For this, Bpifrance took into consideration the recommendations of the Technical Expert Group on the EU Taxonomy report published in March 2020.

- not to invest directly in the listed shares and debt securities of companies whose coal mining or coal-fired power generation business²³ exceeds 10% of turnover²⁴. Bpifrance also applies this threshold to assets already in the portfolio;
- not to invest in funds that include assets or companies whose coal mining or thermal coal power generation activity exceeds 10% of turnover;
- to apply, as of 2021, absolute capacity thresholds of 10mt for mining and 10Gw for electricity, which will apply to stock from 2023 onwards;
- not to invest in or finance any thermal coal-based power generation project, and any transport infrastructure project dedicated to thermal coal;
- to encourage and support all energy and mineral extraction companies in which the Group is a shareholder and whose turnover is dependent on thermal coal to reduce their thermal coal activities in order to aim for near zero coal-based electricity generation by 2030 in the OECD and by 2040 in the rest of the world;
- to exclude from its investments companies that do not show a willingness and/or concrete efforts to implement their strategy in line with the objectives of the Paris Agreement; in particular, companies that refuse to engage in shareholder dialogue on climate issues;
- participate in promoting the development of policies to divest from thermal coal mining and use among stakeholders, in particular within the Powering Past Coal Alliance (PPCA) in conjunction with the French State.

It should be noted that Bpifrance is a shareholder in a renewable energy production company, which is transitioning to a coal-free mix.

Alongside Caisse des Dépôts, Bpifrance has also committed to implementing guidelines for the oil and gas sector in its financing and investment activities from 1 January 2021.

Exclusion policies for unconventional resources (oil and gas from tar sands, shale, Arctic) are being put in place²⁵:

- 1- The Group does not directly finance any company or dedicated project whose exposure to all three unconventional resources represents more than 10% of turnover based on available information;
- 2- The Group does not undertake new financing dedicated to greenfield oil infrastructure projects.

Companies are also expected to²⁶:

- 1- have a strategy for contributing to the energy transition, in the medium and long term, including:
 - GHG, carbon and methane emissions reduction targets (scopes 1-2-3, within the logic of Avoid, Reduce and Compensate, published alongside the methods envisaged, and in the case of compensation in accordance with ADEME's 5 principles);
 - Implementation arrangements (project assessment, management compensation policies);
 - Targets for diversification and increased investment in low-carbon assets and activities (published, based on the European taxonomy);
 - Detailed information on the content and implementation of the strategy;
 - An influence policy;
- 2- have a robust environmental risk management strategy, as follows:
 - Transparency and environmental risk management measures (publication of prevention and management plans, influence policy);

²³ Except pulverised coal with CCS

²⁴ Bpifrance may nevertheless intervene in such cases to support the company's transition to a new production model that meets its business criteria

²⁵ NB: these exclusion policies do not concern oil and gas companies which are expected to publish their share of turnover from each resource and to make their best efforts to limit the cumulative volume to less than 10% of turnover.

²⁶ Companies and project companies operating in the oil and gas sector (exploration, exploitation, processing, transport, refining activities, directly or as a partner or shareholder), direct operators in exploration and/or exploitation and their direct tier 1 suppliers, of at least of MME size

- Transparency measures and management of the exposure to unconventional resources (oil and gas from oil sands, the Arctic, hydraulic fracturing): better efforts to publish the share of turnover resulting from these resources²⁷;
- Transition risk management (publication of the risks identified, and the implementation of their just transition policy and the social impacts of their strategy).

Measuring the carbon footprint of portfolios

As part of its Climate Plan, Bpifrance is committed to regularly measuring the carbon intensity of its activities (Financing, Investment and Export Insurance).

An initial assessment procedure was carried out in the summer of 2020, covering all portfolios as at 31 December 2019 as well as scopes 1, 2 and 3; carried out with the support of external consultants, this procedure made it possible to define the calculation methodologies specific to each activity, line by line, and to assess, on an essentially statistical basis, the carbon intensity of each company in the portfolios, over its entire value chain, and then to allocate a share to Bpifrance, by major product line, and then by aggregates.

This assessment process was renewed and internalised for the portfolios as at 31 December 2020. Its results were presented to Bpifrance's management bodies and to the Climate Committee, which reports to the Board of Directors. At this stage, they are not intended to be published, but to promote reflection and to support the Group's climate-related projects.

In addition, Bpifrance calculates and publishes its carbon footprint on scopes 1 and 2 of listed companies in which it has directly invested. Bpifrance's carbon footprint is calculated in proportion to its holding in the companies concerned, on the basis of the emissions published by the listed companies invested, weighted per one thousand euro gross invested, not corrected for changes in scope, with the exception of the non-inclusion in the calculation of an unlisted company in 2020 and 2021, which brought the 2020 carbon footprint attributable to Bpifrance to 0.213teqCO₂; this correction was made with regard to the change in the ownership interest.

Measured dimensional scope	2021	2020 ²⁸
Number of listed companies	26	26
Gross amount invested (€ thousand)	13,693,272	12,850,707
Carbon footprint attributable to Bpifrance	0.097	0.122
Total LISTED HOLDINGS	14,758,234	13,630,279
% measured	92.8%	94.3%

Bpifrance taxonomy and activities

Bpifrance has calculated Key Performance Indicators for its sustainable economic activities, in accordance with Article 8 of the EU Regulation 2020/852 and subsequent texts. Two sets of indicators are published below: obligatory and voluntary.

The information note on this publication is included in Part 3 of the indicators in this Non-Financial Performance Statement.

²⁷ Special cases of dedicated companies or project companies: they are expected not to make new investments, to publish their existing activities, and to apply best practice in environmental risk management

²⁸ Corrected for the unlisted company



OBLIGATORY TAXONOMY INDICATORS

Article 8 of Regulation 2020/852 _Article 10 of Delegated Regulation 2021/4987

	In € billion	Numerator	Denominator: total FINREP assets	Ratio 1	Denominator: total assets covered (FINREP - exposure d. and e.)	Ratio 2
a.	Proportion of taxonomy-eligible economic activity exposures to total assets	0	100.3	0%	74	0%
b.	Proportion of non- taxonomy-eligible economic exposures to total assets	0	100.3	0%	74	0%
c.	Proportion of exposures to counterparties not subject to the NFRD	57.7	100.3	58%	74	78%
d.	Proportion of central bank and supranational issuer exposure	26.6	100.3	27%	74	
e.	Proportion of derivative exposures	0.01	100.3	0%	74	
f.	Share of the interbank demand loan portfolio in their total assets	1.3	100.3	1%	74	
g.	Share of the trading portfolio in their total assets	0.01	100.3	0%	74	

VOLUNTARY TAXONOMY INDICATORS

Article 8 of Regulation 2020/852 _Article 10 of Delegated Regulation 2021/4987

	In € billion	Numerator	Denominator: total FINREP assets	Ratio 1	Denominator: total assets covered (FINREP - exposure d. and e.)	Ratio 2
a.V	Proportion of taxonomy-eligible economic activity exposures to total assets	9.14	100.3	9%	74	12%
b.V	Proportion of non- taxonomy-eligible economic exposures to total assets	1.2	100.3	1%	74	2%

Integration of EET issues into business line processes

The issues and questions relating to the corporate EET are integrated into all of Bpifrance's financial business lines, which have drawn up their own climate roadmaps.

For investment business lines:

- the Environmental, Social and Governance (ESG) analysis tool, which enables direct investors to identify the materiality of the issues with regard to the company's business sector and its size, and then the company's maturity on these issues; if relevant, additional due diligence may be carried out to define the areas for improvement in environmental performance, in collaboration with management;
- these issues are included in the ESG diligence pack questionnaire of the Fund of Funds Department, and the progress of the invested funds is monitored; a Climate Kit (sharing of ESG good practices, definition of the carbon footprint, overview of service providers, etc.) has been drawn up and sent to all funds subscribed and the management companies managing them;
- In the annual survey of directly invested companies, partner funds and the companies they have invested in.

It should be noted that the strategy for reducing the climate change impacts of large companies in Bpifrance's direct investment portfolio was the subject of a detailed presentation to Bpifrance's Comex, spread over several months.

For the Financing and Innovation business lines:

The issues and questions relating to the EET are addressed in the analysis table implemented for the financing and innovation business lines, above certain thresholds; this encourages the assessor to evaluate companies on their control of energy consumption, greenhouse gas emissions, and use of natural resources as well as their implementation of eco-friendly design, pollution and waste solutions.



The consideration of transition issues was also strengthened for certain particularly affected sectors (transport, real estate, construction and public works), following internal working groups, with action sheets introduced.

For export credit insurance projects:

Environmental and social aspects are part of Bpifrance Assurance Export's underwriting criteria for all insurance projects over €10m as well as those located in a sensitive area, and for investment insurance projects, in accordance with the OECD Recommendation on Common Approaches for Officially Supported Export Credits as well as the environmental and social due diligence. It aims to ensure that the projects in question comply with the local regulations of the host country and with the relevant international standards, mainly those developed by the World Bank (WB) and the International Finance Corporation (IFC).

Since 1 January 2021 and in collaboration with the French State, preferential export guarantee conditions are offered for climate sustainable projects.

Training and support for teams

Support and training for teams and employees have been developed and reinforced, with more than 20 hours of e-learning modules, reinforced by webinars led by internal and external experts as well as specific training for investors during dedicated seminars. A selection of training courses dedicated to environmental issues has also been made available to employees on the Coopacademy platform.

Numerous sector-specific guides have been developed to better understand the climate-related issues facing businesses and to present the risks and challenges related to the energy transition, opportunities and solutions.

Six 'great climate witnesses' - scientific experts, political figures, activists, and transition actors from all levels – came to share their visions and expertise in digital form.

Finally, almost 700 employees took part in the climate fresh for 2021, thus raising their awareness of climate change, whatever their role.

THE DIGITAL TRANSFORMATION

The public health crisis has demonstrated, if it were necessary, that it is absolutely necessary for companies to have the digitised processes necessary to carry out their activities whatever the circumstances, and to have robust systems and data protection mechanisms.

The delayed or insufficient digital transformation of business models may lead to reduced activity, market losses that could lead to the failure of the companies concerned, and financial losses for Bpifrance, in addition to the risks of impaired reputation and loss already described that would result from the failure in its public interest missions.

Major risks identified

Failure to support businesses in their digital transformation, which is essential for their survival
Lack/insufficiency of offers participating in the financing of digital transformation
Economic 'disengagement', corporate and societal impacts

Our answers

Doctrine
Bpifrance Group Corporate Social Responsibility Charter
Strategic plan, reviewed annually
Digitisation of processes: Bpifrance Online, Partner spaces (Regions, Banks, Support networks, Suppliers)

Our goals

Supporting the digital transition of VSEs and SMEs with the FranceNum programme

Like supporting the EET, participating in the digital transition is part of Bpifrance's roadmap, and has been among its objectives since its intervention doctrine was established.

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

Beyond its financial tools, Bpifrance aims to support entrepreneurs in assessing their company's maturity with respect to this subject, firstly through a self-diagnosis tool – the 'digitalometer' – and then with the support of a third-party expert, if needed; e-learning programmes are offered on Bpifrance Université, as are exchanges between peers facilitated via networking schemes as well as courses as part of accelerator programmes. A practical awareness guide has been published to help VSEs and SMEs prepare for the GDPR, including 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; this is what the 'Frenchfabometer' is intended for.

In addition, Bpifrance has accelerated its own digital transformation and, in order to better support businesses, is in the process of deploying a customer portal; this portal digitises low value-added tasks as and part of our service offer in order to offer customers and their partners greater availability and efficiency. Four values shaped the way this portal was built: simplicity, proximity, personalisation and trust.

The business line and partner extranets have been designed in the same spirit, as has Tribu, Bpifrance's social network, where all Bpifrance communities can meet to exchange and share.

Bpifrance's interventions are measured on a so-called 'numetic' domain, within the sectors of the future, analysed as follows:

THEMES	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 embedded systems	• Contactless services
• Big data valuation	• Edtech

Support for this 'numetic' sector represented 10.65% of Bpifrance's total activity excluding holding companies (€21.8bn) in 2020, i.e., more than €2.5bn²⁹; this sector accounts for 35% of aid for innovation in the sectors of the future, and 23% of equity investments in these same sectors.

At the same time, Bpifrance is continuing to digitise its own processes by providing its customers and partners with dedicated areas that facilitate and streamline requests and access to its offers, including, for example, Bpifrance En Ligne and the training programmes on Bpifrance Université.

²⁹ Compared to €2.3bn in 2019 and €1.8bn in 2018



REGIONAL ECONOMIC DEVELOPMENT

Among Bpifrance's intervention principles is accounting for the challenges in balancing regional economic development, particularly in disadvantaged urban areas, in support of public policies, and to support sustainable growth and employment.

Partnerships with the Regions could be called into question, and French or European public resources could be reduced, reducing Bpifrance's capacity to intervene on behalf of businesses.

Major risks identified

Failure to take into account balance in regional economic development in its activities
Lack of offers participating in the balanced economic development of the territories
Lack or inadequacy of support for regional development
Loss of attractiveness of the regions, ESG impacts (departure of companies for example)

Our answers

Doctrine
Bpifrance Group Corporate Social Responsibility Charter
Strategic plan, reviewed annually
Regional partners
Entrepreneurship for all

Our goals

Strengthening partnerships with the Regions
Supporting VSEs and start-ups
Supporting creators in all areas

Bpifrance, a public group providing financing and development services, acts in support of public policies conducted by the State and the Regions, and ensures, in its activities, balance in terms of regional economic development.

Partnerships with the Regions around common schemes are the major axis of involvement in and with the Regions, for companies; by offering each Region tools that are adapted to the priorities of its economic development and its innovation strategy, and that meet the needs of companies at different stages of their development, access to available funding is simplified for them, while limiting the need for public funding.

These partnerships make it possible to develop a financing offer adapted to specific regional characteristics via common tools, in particular for the financing of innovation (Regional Innovation Funds), access to credit (Regional Guarantee Funds) covering most companies' needs in terms of creation, innovation and development, and access to equity capital, facilitated, moreover, by the implementation of regional or interregional investment funds, and the activity of the Regional Funds division of the Funds of Funds business line of Bpifrance Investissement.

The pooling of financial resources between Bpifrance and the Regions makes it possible to increase the effectiveness of interventions in serving regional development and employment.

In its impact indicators, Bpifrance monitors the weight of the Region in the total Bpifrance financing in relation to the economic potential of the Region, and reports to each Region on its own indicators, as shown in the table below.

Overseas Territories	Gross Regional Product 2018 (source: INSEE) in € million	ECONOMIC POTENTIAL OF THE REGION IN THE NATIONAL GDP	WEIGHT OF 2020 FUNDING COMPARED TO THE REGION'S ECONOMIC POTENTIAL	WEIGHT OF 2019 FUNDING COMPARED TO THE REGION'S ECONOMIC POTENTIAL
Auvergne-Rhône-Alpes	272,646	11.55%	15.24%	14.97%
Burgundy-Franche-Comté	78,367	3.32%	2.91%	2.64%
Brittany	98,893	4.19%	3.71%	3.75%
Centre-Val De Loire	74,286	3.15%	2.40%	2.38%
Corsica	9,443	0.40%	0.49%	0.45%
Grand Est	160,929	6.82%	7.41%	7.40%
Hauts-de-France	166,519	7.05%	6.01%	6.65%
Île-de-France	726,164	30.76%	32.29%	31.99%
Normandy	95,064	4.03%	2.95%	3.29%
Nouvelle-Aquitaine	176,801	7.49%	5.94%	5.80%
Occitanie	173,563	7.35%	7.16%	7.00%
Overseas Territories	43,984	1.86%	2.03%	1.80%
Pays-de-la-Loire	117,585	4.98%	4.79%	5.00%
Provence-Alpes-Côte-d'Azur	166,443	7.05%	6.67%	6.87%

Bpifrance thus covers the regional financing needs of France's productive fabric in a uniform manner, with support that is wholly proportional to the economic potential of the Regions.

The strengthening of partnerships with the Regions is pursued taking into account their strategic priorities, particularly on key issues.

The dynamics of VSEs and business start-ups are inextricably linked to the economic development of territories, particularly disadvantaged urban areas, and Bpifrance contributes more and more each year by facilitating entrepreneurship for all.

The dedicated Bpifrance Création website aims to remove the barriers to business creation, and offers in particular

- methodological content, practical information sheets;
- a referral service for regional support networks;
- an Entrepreneur Pass, a tool for obtaining targeted information and setting up projects;
- tools such as business plans, to-do lists, assistance in choosing a legal status, business pre-analysis, downloadable guides, etc.

By the end of 2021, 80,000 entrepreneur passes were created, 58,000 business plans completed, and the site had received 6.3m visits.

In the field, in 2021, Bpifrance strengthened its actions in support of business creation in all regions, including the most vulnerable.

Against a backdrop of strong growth in business creation in France (more than one million business creators in 2021), Bpifrance has continued to work alongside 30 business creation support networks, present in 1,900 locations across the country, to raise awareness, inform, guide, support and finance projects.

As part of the Recovery Plan, together with the support networks and via a digital, Bpifrance launched two new Unsecured Loans, called *Création-Reprise* and *Renfort*. These new resources made it possible to finance more than 8,000 creators in the amount of €51m.

In addition, the mobilisation of the Social Cohesion Fund managed by Bpifrance on behalf of the State has made it possible to guarantee more than 36,000 professional micro-loans.



Bpifrance has also strongly deployed its Entrepreneurship for All support programme in the PUAs, with the support of Caisse des Dépôts and the State: in addition to the 105 CitésLabs, 9 buses travelled throughout the regions to get as close as possible to business creators in urban areas; 50 information and guidance kiosks were integrated into local Pôle Emploi offices and 480 entrepreneurs were accelerated via the Creation and Emergence Accelerators.

490 events were organised as part of the Entrepreneurship for All Tour, and there are now 148 CitésLab ambassadors, whose mission is to find talent, prepare and secure pathways for entrepreneurs in urban areas, and direct aspiring or active entrepreneurs to local support solutions.

The 20th anniversary of the *Talents des Cités* competition, which rewards some thirty entrepreneurs who come from or have set up a business in priority urban areas (PUA) each year, was also celebrated in 2021, and Bpifrance is continuing its actions on behalf of youth and female entrepreneurship with the renewal of the framework agreement on women's entrepreneurship.

Through its actions in favour of balanced regional economic development, Bpifrance contributes to the maintenance and development of their economic growth and employment in all regions, and through its actions in favour of entrepreneurship for all, and in PUAs, it works towards the objective of decent work for all and fights inequality (SDG 8 and 10).

CSR AT THE HEART OF BPIFRANCE

The strategic objectives for 2021-2024 keep CSR at the heart of Bpifrance's strategy, both in terms of taking into account the environmental, social and governance (ESG) dimensions of each business line, and in raising awareness among entrepreneurs throughout the country, as well as in its own approaches, in line with Bpifrance's Corporate Social Responsibility Charter, presented to and validated by Bpifrance's stakeholders and its governing bodies

1 Integrating CSR into business processes

Businesses play an essential role in society and have to play their part in the major societal challenges.

For Bpifrance, helping managers place these issues at the centre of their concerns leads them to prioritise objectives of sustainable growth, resource conservation, job creation and social cohesion.

This integration at the company level is essential for companies to control their risks and their economic performance, and limits their risks of failure, which could lead to financial losses. In the context of this consideration of environmental issues in particular, Bpifrance is in a position to best fulfil its public interest missions of financing the EET and promoting regional development.

Major risks identified

Failing to raise awareness and to commit companies to take environmental, social and societal issues into account in their activities, in particular to combat climate change and to strengthen their positive impacts on the economy and society.

In order to take non-financial issues into account in its decisions, and to stimulate and support companies in their CSR initiatives, Bpifrance has deployed a series of commitments, policies and mechanisms in its business lines and in its support for companies.

Public commitments

Bpifrance, committed to the ecological and energy transition and the fight against climate change, has marked this commitment by signing:

- the Global Declaration on Climate Change, the Montreal and Paris conventions and the Financial Institutions' Declaration of Intent on Energy Efficiency;

- the Public Investor Charter on Climate, the Public Investor Charter on SDGs³⁰, the Santiago Principles and the Poseidon Principles³¹.

supporting initiatives:

- deployment of ACT methodologies;
- Planet Tech Care for the reduction of the digital footprint.

becoming a member of the Carbon Disclosure Project, and the One Planet Sovereign Wealth Funds (OPSWF) initiative and implementing financing and investment exclusions in the tobacco sector, as well as financing and investment exclusions and commitment policies in the fossil fuel sector.

As a responsible investor, Bpifrance is a signatory of the Principles for Responsible Investment (PRI) promoted by the United Nations, and a signatory of the France Invest responsible investor charter.

Bpifrance Investissement is also a signatory of the SISTA and Parité de France Invest charters, which aim to accelerate the financing of female entrepreneurs, particularly in start-ups, and the place of women in management, both in the management teams and in the companies receiving investment.

Bpifrance, Responsible Investor

Our answers

Responsible investor (RI) approach

Operational procedures for implementing the RI approach in direct investment and funds of funds

Annual ESG survey

Responsible Investor Policy

Bpifrance Investissement, the operational subsidiary of Bpifrance for direct investment and fund of funds activities, aims to meet the equity needs of companies of all sizes, from start-ups to large corporations, in order to finance and support their development and growth, and to stimulate, guide and develop private market players.

Bpifrance carries out these activities while taking into account Environmental, Social and Governance issues, and by encouraging the use of best practices in Socially Responsible Investment.

This responsible investment policy is carried out in a manner consistent:

- with international benchmarks and proactive best practices;
- with the orientations and objectives pursued by Bpifrance Investissement to develop the economy according to a sustainable model, while ensuring a financial return in line with the market practices of capital investors.

This policy of general integration of ESG criteria and commitments (incentives to do better and support) represents a constructive approach that aims to contribute to the dissemination and recognition of ESG issues in the business world.

In all of its investment decisions, Bpifrance seeks to systematically take into account the 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 benchmarks and proactive market practices on the one hand, and, on the other, with the orientations and objectives pursued by Bpifrance. The responsible investor policy is deployed in its direct investment activity as well as in its fund of funds activity, and is in accordance with:

- the provisions of Article 4 of Law 2012-1559 of 31 December 2019 relating to the creation of Bpifrance;
- the legal texts applicable to Bpifrance, in particular with regard to combating money laundering, the financing of terrorism and corruption, and compliance with the international conventions signed by France;
- the Bpifrance Group's Corporate Social Responsibility Charter;
- the responsible investment charter of the Caisse des Dépôts Group, a 50% shareholder in Bpifrance, and its climate policy.

³⁰ Sustainable Development Goals

³¹ Bpifrance Assurance Export



In compliance with the Disclosure Regulation applicable from March 2021, Bpifrance Investissement has published its sustainability policy, which describes how sustainability risks are taken into account in the investment decision-making process.

Bpifrance annually measures the carbon footprint of its listed investment portfolio and monitors it with a view to the transition to a low-carbon economy, as part of a support and assistance approach.³²

Integrating ESG analysis into direct investment activity

In the due diligence phase, the investment teams carry out an ESG 'inventory' of the entity to receive investment based on a study of the case, with the help of an internal tool that identifies the priority ESG issues according to its business sector and size.

This phase makes it possible to identify any ESG risks that are significant enough to prevent investment as well as any relevant issues with regard to the characteristics of the company concerned, then, on the basis of a shared diagnosis, to raise the awareness of the managers and to encourage a progress-driven approach, by determining actions for improvement in consultation with the entrepreneur.

The issues identified are then the subject of a shareholder dialogue as well as operational monitoring of the identified areas for ESG improvement, possibly via the Board of Directors. The analysis thus conducted is based, prior to the investment, on a generally qualitative approach and on the qualitative or quantitative information published or communicated by the company, and then, during the holding period, on the information published or communicated to the governing bodies on which a Bpifrance representative sits.

According to the company's workforce and business sector, the internal ESG analysis tool offers suggests the prioritised ESG issues to be examined with the company, and then, after data collection, evaluates the consideration of these issues, enabling the areas for improvement to be identified. In certain cases, this internal analysis may be supplemented by a more complete audit carried out by an external body.

The result of the ESG analysis – the status risk, risks, the company's CSR approach and practices, areas for improvement – is included in the investment memo presented to the Investment Committee and forms part of the assessment made of the company. It also helps to identify good business practices.

The areas of progress discussed and calibrated in consultation with the manager are given concrete form in a 'progress letter', or in a corporate social responsibility (CSR) clause integrated into the shareholders' agreement.

Secondly, throughout the holding of the investment, the company's progress on these key ESG issues will be monitored through regular dialogue with Bpifrance Investissement and the governing bodies in which a Bpifrance representative participates, or through follow-up meetings.

A specific reinforced system is implemented for LAC Fund1 investments in listed companies:

- Prior to any investment, the front office teams commission an initial ESG analysis to be conducted by a non-financial rating agency;
- ESG due diligence must be carried out before the investment committee, with two objectives:
 - To identify and analyse the company's strengths and weaknesses on its key issues;
 - To establish a first draft of an ESG roadmap for the future director, who will represent Bpifrance on the Board of Directors;
 - This ESG due diligence will be carried out by an external service provider chosen by the investment team and will focus in particular on highlighting the links between the company's strategy and sustainable development issues. Its conclusions form part of the investment memorandum and are taken into account in the decision.
- Based on the results of the due diligence, a roadmap is established, which specifies the areas of improvement identified for the company on all environmental (with particular attention to climate), social and governance issues and identifies the relevant monitoring indicators. This roadmap structures shareholder dialogue on ESG issues as part of the investment monitoring process.

³² See § The Ecological and Energy Transition

Finally, Bpifrance conducts an annual survey of companies invested in with respect to their commitments, policies and practices in the environmental, social, societal and governance fields, which, in addition to mapping the consideration of ESG issues by the companies in the portfolio, helps raise awareness of these issues.

In addition, the training modules for directors representing Bpifrance on the governing bodies of companies receiving investment continued in 2020, as part of the Institut Français des Administrateurs sessions, in conjunction with the investment legal department.

Integration of ESG analysis in the Fund of Funds activity

Bpifrance Investissement engages in a dialogue with each management company in order to make its commitment known, to raise awareness and to gain support. Prior to investment, it sends an ESG questionnaire in the 'due diligence pack'.

ESG analysis criteria

- In the direct business investment activity

The ESG analysis can be conducted with the help of a tool to identify relevant ESG issues according to the company's industry and size, and may be complemented, in some cases, by an external audit. It is based on the four priorities of the Bpifrance Sustainable Development Charter and four themes divided into fourteen questions:

Governance	Human Capital	Environment	Stakeholders
<ul style="list-style-type: none"> • Transparency and balance; • Anticipation. 	<ul style="list-style-type: none"> • Employment and labour policy; • Job and skills management; • Diversity and equal opportunities; • Well-being at work; • Climate and social dialogue. 	<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 supplier relationships; • Quality and customer satisfaction; • Relations with other external stakeholders.

- In the Fund of Funds activity

The ESG questionnaire in the due diligence pack focuses on the management company and its own CSR policy as a company, as well as the consideration of ESG criteria in its investment activities. 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 change issues in its investments, on the one hand, and the deployment of a corporate social responsibility approach in its operations, with a particular focus on professional equality and environmental issues, on the other hand.

Information used for ESG analysis

- In the direct business investment activity

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



- In the Fund of Funds activity

The answers to the ESG due diligence pack questionnaire are provided by the management company. During the life of the fund, Bpifrance Investissement encourages its partner management companies to adopt an approach that integrates ESG criteria into their analysis of investments in funds subscribed by Bpifrance Investissement. Management companies must provide an annual report on these subjects which covers their practices as a company and as an investor, as well as those of the companies invested by the funds subscribed by Bpifrance.

Strengthening sectoral policies

As of 1 January 2021, Bpifrance has strengthened its sectoral policies, particularly in the coal and oil and gas sectors.³³

With regard to coal, Bpifrance has supplemented its exclusion criteria (companies whose coal mining or thermal power generation activity exceeds 10% of turnover) with absolute mining capacity thresholds of 10mt and 10Gw electricity. This threshold exclusion will apply to stock as of 2023.

For oil and gas, Bpifrance expects companies to develop strategies to contribute to the energy transition and to manage environmental and social risks. In addition, regarding non-conventional resources (oil/gas from tar sands, shale and the Arctic), Bpifrance excludes: companies and/or projects whose exposure to all three non-conventional resources represents more than 10% of turnover based on the information available and new financing dedicated to greenfield oil infrastructure projects

Annual ESG survey

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

The survey questionnaire covers all ESG pillars, including questions on the impacts of climate change on the activities of companies and fund managers, as well as gender equality. It is reviewed and enriched again this year by a working group set up under the impetus of France Invest's ESG Committee and administered by the four members of this group with the funds and companies invested. This new questionnaire is recommended by France Invest as part of the advanced ESG approach for the second year running. Its use by a growing number of management companies should, in the short to medium term, allow for increasing collection and pooling of responses, and help to improve practices.

It should be noted that for the 2022 survey on 2021 data, the questionnaires submitted to partner holdings and funds include questions aligned with the European taxonomy and the application decree of the Energy and Climate Law.

Some aggregate results of the responses to the 2021 survey are provided below.

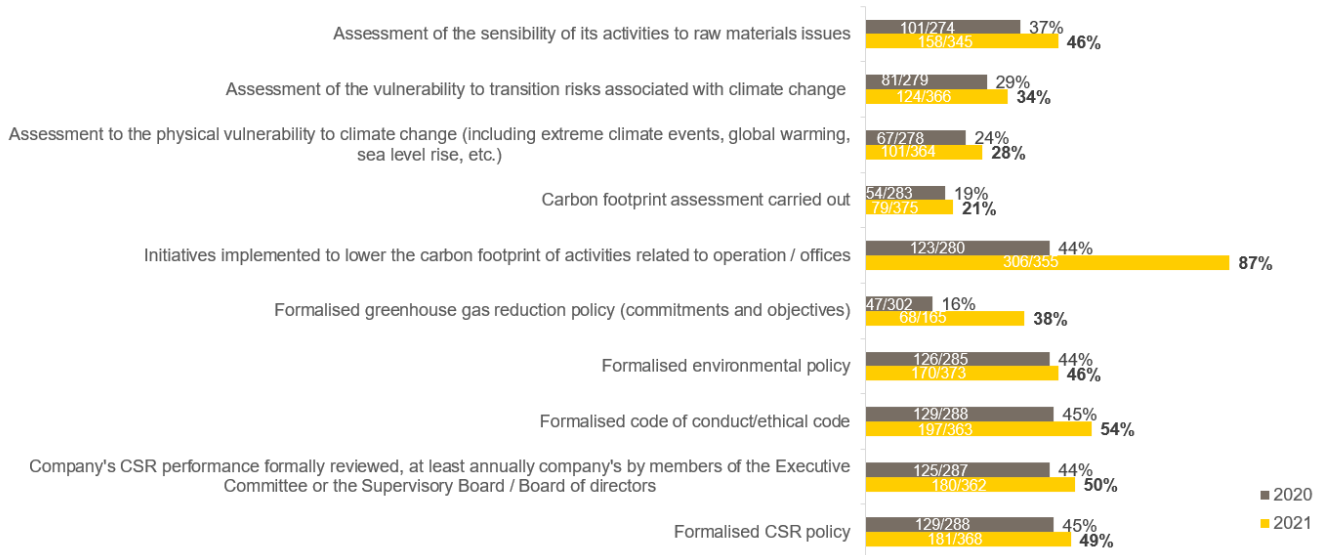
They show that CSR issues are increasingly taken into account by both companies and management companies (MC) of the funds subscribed by Bpifrance:

- In the direct business investment activity
 - Nearly 49% of responding companies stated that they have a CSR policy (+4%), and 50% (+6%) of responding companies stated that CSR issues are formally discussed at least once a year with members of the Executive Committee or the Board of Directors/Supervisory Board;

³³ <https://bpifrance.fr/download/media-file/41977>

- Of the 34% who identified the company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputational issues), less than 10% identified one or more risks;
- Of the 46% who assessed the main raw material risks in their value chain, 20% identified one or more risks.

Direct Investment Activities



- In the Fund of Funds activity

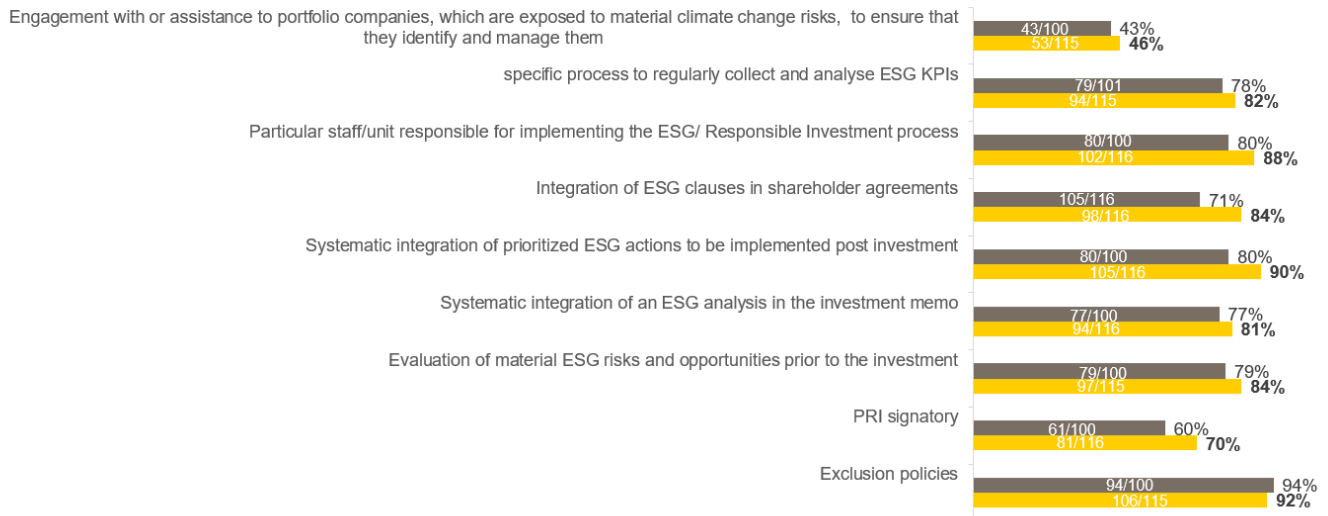
118 management companies responded in 2021 to the annual ESG survey conducted by Bpifrance.

Of these respondents:

- Only 3.5% (out of 114 respondents) do not have a formalised policy for integrating ESG criteria into the investment process, 8.5% are in the process of developing it, 31% have formalised it but not yet made it public and 57% have formalised and published it;
- 47% (out of 116 respondents) always try to identify priority ESG actions to be implemented after investment, 23% do so in most cases, and 20% do so on an ad hoc basis;
- Almost 82% of the MCs³⁴ have an ESG data collection system in place – 55.5% for the whole portfolio, 16.5% on a majority of companies invested in, 9.5% for a minority;
- 36% (out of 103 respondents) have at least one independent member in their governing body, and 46% at least one woman.

³⁴ Management companies (of funds invested by Bpifrance)

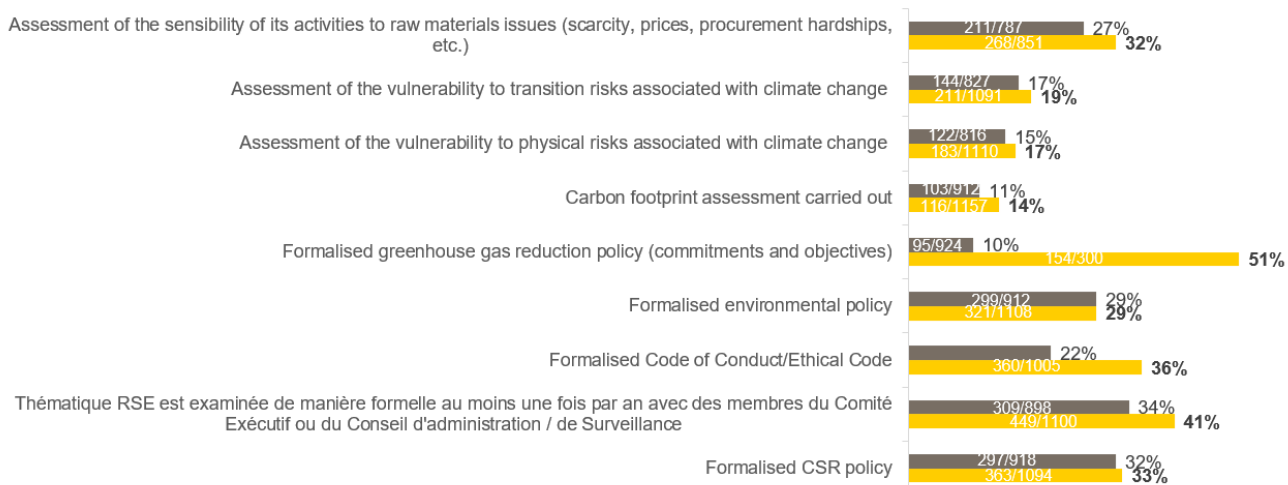
Funds of funds activities



1,247 companies invested in by Bpifrance funds ('underliers') also responded to the annual ESG survey.

- 51% (154/300) state that they have a formalised greenhouse gas reduction policy (commitments and targets), while 886 state that the question is not applicable;
- Of the 19% who assessed the company's exposure to the physical risks of climate change (extreme weather events, global warming, sea level rise), 5% consider themselves exposed to one or more significant risks;
- Of the 19% who assessed their company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputational issues), 6% believe they are exposed to one or more significant risks;
- Of the 32% who assessed the main risks related to raw materials in their value chain, less than 12% consider themselves exposed to one or more significant risks.

Companies invested by Bpifrance's partner funds



Taking CSR into account in financing activities

CSR are taken into account in the financing business in a manner adapted to the business and customer relationship processes.

A simplified 11-question analysis of the company's ESG practices is provided for credit or innovation support cases above certain thresholds.

These questions concern:

- For environmental issues: energy consumption, greenhouse gas emissions, use of natural resources and implementation of eco-friendly design, pollution and waste solutions
- Labour issues: the evolution of the number of employees (including those under 25), the quality of jobs, workplace health and safety, dialogue and social, climate and human resource management
- Societal issues: transparency and fair practices, regional integration
- Corporate governance.

Fiscal practices, such as respect for human rights, are examined as part of a normal financing review when these issues are relevant.

For a business manager, the CSR analysis of the company often consists in formalising points often addressed when analysing a loan application, without necessarily weighing on its operational agility.

This CSR assessment system was integrated into the study and decision support tool, with a view to simplifying the process in the operational phase, and to evaluating the company's consideration of the issues on a scale of 1 to 4, in order to complete the information required for decision-making.

This integration makes it possible to enrich and clarify the awareness of company practices on environmental, social and governance issues, if necessary, and to enrich the offer to better meet the identified needs.

Taking CSR into account in export insurance activities

Our answers

Environmental and social analysis of all credit insurance projects over €10m or located in a sensitive area, as well as investment insurance projects.

Roadmap to end support for hydrocarbon projects

Performance standard for thermal power plants

Preferential export guarantee conditions for climate sustainable projects.

Environmental and social analysis

Environmental and social aspects are part of Bpifrance Assurance Export's underwriting criteria for all credit insurance projects over €10m or located in a sensitive area, as well as investment insurance projects.

For these activities carried out in the name and on behalf of the State, Bpifrance Assurance Export conducts its environmental and social analyses in accordance with the OECD Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. It aims to ensure that the projects in question comply with the local regulations of the host country and with the relevant international standards, mainly those developed by the World Bank (WB) and the International Finance Corporation (IFC).

All applications for credit insurance are accompanied by an environmental and social assessment annex, which contains two parts.

If the project meets one of the two eligibility criteria in the first part (contract amount > €10m and/or location in a sensitive area), an in-depth environmental and social analysis must be carried out by Bpifrance Export Insurance. The second part of the annex, containing a more detailed environmental and social assessment questionnaire, must then be completed. For investment insurance applications, the environmental and social assessment annex also has two parts. The first is systematically fulfilled, the second only if the investment is made in a business sector or environment considered sensitive from an environmental and social point of view.



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

- Category A: projects with potentially significant impacts, for which an environmental and social impact assessment is required. This category of operations requires a thorough environmental and social analysis as well as risk monitoring;
- Category B: projects with less significant potential impacts, for which further information may be required. This category of operations requires a less detailed environmental and social analysis, and risk monitoring may be non-systematic;
- Category C: projects with little or no environmental and social impact. This category of operations does not require a detailed environmental and social analysis. No risk monitoring is required.

Operations should be assessed against sectoral or specialised standards, guidelines or other nationally and internationally recognised standards, with the most stringent standards being applied. As part of the appraisal and monitoring of operations, Bpifrance Assurance Export may request additional information and conduct site audits.

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

Bpifrance Assurance Export respects the fundamental right of public access to information concerning the projects covered by its guarantee.

The transparency mechanism is twofold:

Ex-ante transparency: prior to the guarantee decision, for projects under appraisal that have been classified as Category A. This ex-ante transparency is implemented in particular for the benefit of civil society and the local populations affected by the projects.

For projects classified in category A, Bpifrance Assurance Export asks to receive all relevant environmental and social information, including the environmental and social impact assessment (ESIA), the environmental and social management plan (ESMP) and the action and resettlement plan (RAP) for displaced persons, if applicable. In line with the OECD common approaches, Bpifrance Export Insurance will make its publicly available documents (ESIA) transparent. At the request of the buyer or exporter, these documents may have been previously redacted with respect to information whose disclosure would undermine the commercial or industrial confidentiality of the export.

The ex-ante transparency period starts 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 guarantee is accepted, for projects classified in category A or B and those relating to contracts of more than €10m, obtained by French companies and benefiting from a Bpifrance Assurance Export guarantee. This ex-post transparency is carried out on a quarterly basis. It entails the provision of a description of the projects and, where applicable, essential information on their environmental and social consequences as well as Bpifrance Export Insurance's monitoring requirements.

Climate plan for export financing

Following the report submitted to the Parliament on 12 October 2020, a three-part Climate Plan was decided by the State and implemented from February 2021, based on a roadmap for ending support for hydrocarbon exploitation projects, restricted support for thermal power plant projects and a climate 'bonus' system based on the European green taxonomy.

2 Raising awareness, coaching and supporting teams

Actions aimed at teams on CSR issues and challenges have been expanded and strengthened.

The first part concerns the directors who represent Bpifrance in the companies' governing bodies; their voice on CSR issues is essential for the implementation and involvement of governance in a structured and comprehensive approach.

The 2021 actions included:

- the continuation of the training modules for internal administrators, IFA/Bpifrance sessions, in liaison with the investment legal department;
- participation in the Lac1 Governance WG and the drafting of the CSR sheet for directors;
- the continuation of the Governance project with the drafting of a 'Climate' sheet for the Directors' Vademecum;
- the presentation of the Ethics & Boards tool to the Large Cap investment managers,

These actions have been enriched with:

- continued relations with the APIA (Independent Directors) and the drafting of a chapter on impact governance;
- exchanges with the management of Chapter Zéro France.

The second component aims to strengthen the knowledge and skills of employees, particularly the teams dealing with entrepreneurs, including, in 2021:

- the integration of a CSR module in the Climate training plan;
- the creation of a dedicated ESG space for investment hosting guides on ESG processes and sectoral issues (9 sectoral guides).

74% of employees who received one or more training courses during the year attended an SD/CSR training course.

The third component is support from the SD & CSR ESG Department teams for the needs and projects of business and cross-functional teams, such as discussions on climate roadmaps, measuring carbon footprints, setting up funds, analysing and implementing texts or standards... This expert support contributes to the understanding and integration of CSR issues in these projects.

3 Raising awareness of CSR among entrepreneurs

Awareness-raising among companies is based on several pillars:

- Events and interviews:

Organised by Bpifrance or Bpifrance taking part, these allow the CSR vision to be put into practice and to be a factor in the transformation of the company, in order to meet expectations and to play its part in the major environmental and social challenges.

- Support:

Both the production and provision of content (e.g., CSR guides, webinars) offer and the awareness raising: support offer continued in 2021, as did activities for the Bpifrance Transition Community, intended for entrepreneurs, experts, and various actors who want to succeed in social, environmental and societal transitions, launched in 2020 with the very active support of the Euroquity team.

In 2021, as in 2020, the CSR awareness-raising and training activities for companies were primarily carried out remotely, leveraging business networks and partners such as Initiative France, Réseau entreprendre and the Centre des Jeunes Dirigeants.

These programmes, carried out alongside five main partners, made it possible to raise awareness and/or train 324 companies (compared to 171 in 2020), excluding an exceptional event organised with CJD Grenoble (300 people on site), where two workshops were offered to entrepreneurs – one on the subject of climate/products and services/the Coq Vert Community and the other on biodiversity, in partnership with the ADEME and CDC Biodiversity

4 Bpifrance as a key player

Awareness-raising, both for entrepreneurs and business lines, is also achieved through the actions carried out by Bpifrance as a key player in:

- Participating in working groups: such as the joint development – alongside other private equity players and under the impetus of France Invest's ESG committee – of ESG survey questionnaires, applied by each participant in 2019, revised annually and recommended by France Invest;
- Piloting interventions at *Bpifrance Inno Génération* (round tables and testimonies);



- Participating in CSR fairs and events as part of our partnerships, or by inviting companies (start-ups/SMEs and MMEs), such as Produrable à Paris³⁵; we may also mention the 5th edition of the Handitech Trophy, the Choiseul CSR Club with top ranking guests, a round table organized by Tennaxia and Euronext, and the G20 for young entrepreneurs;
- Participating in juries and award 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, Atmosphères, the Handitech Trophy, Citizens entrepreneurs and the G20 young entrepreneurs, the Choiseul CSR Club, the Festivals (Atmosphères, Deauville Green Awards, Le Temps Presse), each a space for deliberations on the successful integration of these issues in strategy and practice, giving voice to committed entrepreneurs;
- Participation in various projects/reflections: within Planet Tech Care, or with Comité 21 in the creation and promotion of the 'Companies and stakeholders: new ways of resilience and governance' think tank at the Académie des Sciences Techniques Comptables et Financières;
- as a member of AFNOR's 'Environment and Social Responsibility' strategic committee;
- by interacting with the academic and university spheres; in this vein, together with Skema, Bpifrance has established the new 'Sustainable Finance & Fintech' master's degree programme.

Making progress in our internal practices

People, the driving force behind the Bpifrance dynamic

A human resources policy that neglects the talents and training of its employees, their quality of life at work, the issues of diversity and equal opportunities, and social dialogue leads to a loss of motivation, a refusal or reluctance to change, a mismatch between skills and the evolution of the company and its business, and a deteriorated social climate. These situations generate risks of absenteeism, inability to meet stakeholder expectations, especially in emergency situations, and this reputational damage may lead to customer disaffection, difficulties for customers, which may in turn lead to difficult situations, as well as stakeholder dissatisfaction, which may lead them to withdraw from partnerships or resource contributions. As an employer, a poor reputation may also lead to difficulties in recruiting the talent and skills needed to grow the business.

Since the creation of Bpifrance, the human resources policy has therefore focused on creating and leading a community of employees with a wide range of skills, based on the company's values: determination, optimism, simplicity and proximity, in the service of the unique public interest mission with which it has been entrusted: helping companies to see bigger and further, creating a positive impact and fostering a more dynamic French economy. Training, professional equality, quality of life at work and, in particular, the organisation of work and the workplace within a public health context that has turned them upside down, as well as the health and safety of the Group's employees, are at the heart of the human resources policy and the sustained social dialogue, both at Group level and at the level of each of its entities.

Employment trends

Bpifrance's employment policy is based on the creation of permanent jobs; thus, in 2021, recruitments on permanent contracts will represent 99.2% of recruitments, excluding work-study and traineeship contracts.

4 people were recruited on fixed-term contracts in 2021 (vs. 3 in 2020) and 478 people on permanent contracts (vs. 411 in 2020 and 448 in 2019), bringing the total number of employees on permanent contracts from 3,214 to 3,410, an increase of 6%, and 11% compared to 2019

Of these hires, 44% were women (vs. 50% in 2020); 58% of those hired were under 30 years of age (vs. 50% in 2020), and 0.4% were over 55 years of age as of the hire date (vs. 5% in 2020).

The average turnover rate for permanent staff will be 14.9% in 2021, compared with 13.5% in 2020 and 15.7% in 2019, while the average age of the group's permanent and fixed-term staff will fall from 39.5 years to 38.9 years in 2021.

³⁵ for our 6th year of partnership: the Tech4Good pavilion welcomed 25 start-ups, and our three round tables attracted more than 300 participants

It should be noted that the brokerage staff are being transferred to Bpifrance, thus explaining the decrease in brokerage staff from 12 in 2019, to 2 in 2020 and 1 in 2021.

Bpifrance has an active policy of supporting and upgrading the skills of students through its Schools and University policies; thus, at the end of 2021, 262 work-study and traineeship contracts were in progress (compared to 232 as at 31/12/2020), including 222 students in 2021 (compared to 232 students in 2020), thanks, in particular, to talks and events organised with major Paris and regional universities as well as partnerships (some of which are specifically focused on the employment and professional integration of students with disabilities), communication on social networks, and the recruitment space on the Bpifrance website.

The average number of days of absence of staff on permanent contracts, excluding long-term illness and part-time work, decreased at Group level, from 3.2 days in 2021 to 3.4 days in 2020, and 4.8 days in 2019, with slight variations by entity (stable at Bpifrance, with 3.3 days in 2021 as in 2020), a slight increase at Bpifrance Investissement (2.9 days in 2021 vs. 2.6 days in 2020, but 4.2 days in 2019) and a decrease in Bpifrance Assurance Export (3 days in 2021 vs. 6 days in 2020).

Career support

Our answers

Agreements on the Forward-Looking Management of Jobs and Skills
Talents Framework
Interview systems

The support and development of employee skills are organised via:

- An annual appraisal interview and a professional interview every two years;
- Upon hiring: an onboarding follow-up, carried out with the management hierarchy in the form of an interview at the end of the 3-month trial period;
- HR follow-up in the event of functional, geographical or intra-group mobility, including a 3-month integration period;
- Career interview, conducted by HR at the employee's request.
- Finally, for elected representatives: an interview at the beginning of the mandate and an interview at the end of the mandate.

The annual interview is an important exchange for both parties, manager and employee. Bpifrance is careful to ensure that it is conducted at the beginning of the year and has put in place an active campaign to remind everyone of the opportunity for a specific time dedicated such exchanges, notably regarding their goals, performance, objectives for the year, and interests concerning training.

Health and safety

The health and safety provisions of the QLW agreements provide for: - an annual report to the SEC - coordination of the head office occupational physician with the provincial occupational physicians - an annual activity plan for the occupational physician. The QLW agreement addresses working conditions and, in particular, subjects relating to health, stress, psychosocial risks, harassment and violence at work.

Bpifrance applied the authorities' guidelines and recommendations on remote work during 2021, and the specific provisions made as a result of the public health crisis in 2020 have been maintained:

- Occupational risk prevention plan and single risk assessment document (special COVID-19);
- Internal measures implemented during the public health crisis, upon return from lockdown: distribution of masks and disinfectant wipes, gel dispensers, twice-daily disinfection, catering protocols...
- New manager training course module dedicated to the prevention of psychosocial risks;
- 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 medical hotline;
- School support for children in partnership with Cours Legendre;
- Establishment of dedicated mailboxes for monitoring COVID-19 cases in conjunction with the Occupational Medicine Department and Regional Health Agencies.

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

- Posters (evacuation plan, health measures related to COVID-19) on site and on the intranet



- E-learning on safety issues
- Safety training: fire safety and first aid training, evacuation exercises.

In the particular context resulting from the public health crisis, special attention was paid to social dialogue and the Quality of Life at Work (QLW)

Social dialogue and QLW

Our answers

Social dialogue mechanisms
Employee representative bodies
Group and group companies
Bpifrance Group framework agreement and QLW agreements
Commitments and associated measures: occupational health - well-being measures (annual interviews, mobility, access to information, support mechanisms) - role of management - work time coordination - teleworking - parenthood: special leave - emergency childcare, cots, donations of days off

Social dialogue and quality of life at work are key success factors for a Bpifrance community that is competent and committed to the company and its values.

In this respect, the employee survey conducted in 2020 ('engaging together') will be repeated in 2022. For the record, the 2020 survey covered ten themes: trust and vision, commitment, culture and values, direct manager - managerial skills, performance management, organisational effectiveness, compensation, personal involvement, direct manager - proximity, and career development. Its results are particularly satisfactory, both in terms of the 82% participation rate (compared to 88% in 2019) and the responses to the main questions, given the working conditions that were severely disrupted by the public health context (remote work for all employees whose duties allowed them to do so during the period from 16 March to 22 May, and since the end of October).

The following may be highlighted:

- an overall favourable opinion score of 72.2%, up on 2019 (70.5%) and 2018 (68.8%), with an increase observed in almost all question categories (9/10); special mention should be made of the 'Direct Management' categories which, with scores of 80%, have progressed despite the difficult conditions of the months of confinement
- a very strong sense of pride, which has been steadily increasing since 2014 (94% of responses were positive), and confidence in the company, its strategy and its management (over 80%); this confidence is accompanied by an almost unanimous feeling of optimism for the future (92%), a particularly notable score this year.

Two expectations remained: cooperation between business lines and information sharing, with emphasis on management action and increased capacity to 'transform' ideas; in addition, employees wanted a better understanding of their performance assessment and of the objectives set for them, to be more involved in the decisions taken and to have more opportunities for career development within Bpifrance.

Communication with employees is fundamental to ensure information sharing, with significant resources are devoted to this: first of all, the intranet brings together news, information, and access to tools and apps; internal newsletters – particularly on specific topics – are widely distributed; information screens are present at each site; necessary information is distributed via messaging on a case-by-case basis, and regular digital meetings with management have also been implemented.

The aim is to strengthen social dialogue, to allow employees to express themselves directly and to propose their ideas, which will either be deployed after 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 modifying agreements (QLW agreements in particular) or new agreements.

Social dialogue within Bpifrance was still strong in 2021, as shown by the number of exchanges with employee representative bodies (123 in 2021 vs. 142 in 2020 and 134 in 2019). Agreements cover all issues, in particular Quality of Life at Work, professional equality, disability, working conditions and working hours, employee savings and provident funds.

The public health context has disrupted the organisation of work: almost all employees remain highly mobilised to meet the expectations of customers and partners and worked remotely, all while maintaining social connections, as the above-mentioned survey results show.

New arrangements for access to remote work were subsequently negotiated with the labour partners and set out in an amendment to the Quality of Life at Work agreement in 2021. The new provisions of this agreement have been very favourably received by employees, as at the end of 2021, nearly 60% of them had signed an amendment to their employment contract in order to benefit from it (compared to 9.9% at 31 December 2020). In addition, a supplementary mechanism to this contractually-defined remote work has been provided, making it possible for employees to work remotely from time to time, by agreement between with their manager.

Of particular note in 2021 will be the Group-level signing of a new profit-sharing agreement, whose calculations include three data points relating to Bpifrance's environmental footprint as well as an agreement relating to the implementation of the sustainable mobility package, and, at Bpifrance level, an agreement on FLJCP³⁶.

A total of 24 agreements and amendments were concluded in 2021, compared with 23 in 2020, with all issues covered by these new agreements, those already signed, and any relevant amendments.

Quality of Life at Work is a central issue for employees' health, well-being and motivation, and many initiatives were deployed during the public health crisis and maintained in 2021, during which remote work was imposed on all employees able to do so, in accordance with public directives and recommendations.

A few measures may be mentioned, beyond expanded access to remote work:

- In the area of health and well-being:
 - o Training courses are available for certain topics and webinars are held regularly to raise awareness of important issues such as PSR, MSD, chronic progressive illness, addictions, well-being and nutrition. All this is accessible via our internal TV Bpifrance channel.
 - o Bpifrance has launched a partnership with Gymlib allowing access to various facilities (around 4,000), activities (over 300) and wellness areas. Several workshops (pilates, stretching) and webinars were organised in 2021 to present these programmes to employees.
 - o The Moodwork platform allows employees to access personalised online advice and lectures as well as support for any situation via a link to expert practitioners (psychologists). On 14 September 2021, Moodwork organised a webinar on hybrid work organisation.
- To facilitate work/life balance:
 - o As part of its CESU 2021 campaign, Bpifrance has again increased the number of paperless vouchers offered to employees for domestic and personal service workers.
 - o The 'all my benefits' platform allows employees to view all benefits to which they are entitled according to their situation, whether from a collective organisation, the State, or Bpifrance, as well as benefits linked to a particular status. Users are eligible for an average of €3,000 in benefits.
- In solidarity measures:
 - o Employees can donate Reduced Working Time Days to a collective fund that allows employees to take care of a child who is ill, disabled or has suffered a serious accident.
 - o Today, Bpifrance offers its employees a variety of tools and measures organised around 4 strong themes: solidarity, health, work-life balance, and diversity and inclusion.
The solidarity leave scheme (with partner Planète Urgence) allows any employee to spend two weeks in a foreign country in order to share and pass on their skills and knowledge to support the development of local communities. In 2021, 6 missions were available but only 2 employees were able to go on mission due to the public health crisis.

In June, during QLW Month, but also throughout the year, Bpifrance offers its employees numerous opportunities to help them integrate the various measures and build their own 'well-being' at work.

³⁶Forward-Looking Management of Jobs and Skills



As a sign of the interest in these measures, 2000 employees took part in the last two editions of the QLW Month.

Team training, which is essential to ensure skills development as well as adherence to Bpifrance's values and dynamics, has been adapted to the working methods, particularly in terms of format.

Training policy

Our answers

Training policies
Process of defining the training programmes offered
Diversity of training programmes

Our goals

Deploying tools increasingly adapted to remote work and nomadism
Develop knowledge of the businesses and products
Develop employees' technical and business skills
Develop talent and the ability to evolve

Bpifrance has a very active and proactive training policy, organised within the framework of an annual skills development plan (Bpifrance's strategy is implemented along various lines: in particular, cross-functional knowledge of the group, digitalisation of products and processes, support for business plans, support for the transformation of business lines and managerial practices).

100% digital self-service training programmes are available to all employees.

The training offer is reviewed each year, adapted to changes in the business lines and processes, and takes into account the requests and observations resulting from the annual interview campaign, which benefits all employees. It is drawn up in consultation with the business units and presented to staff representative bodies and the management committee for approval.

The offer is structured around the business lines and the mandatory training programmes, but also around cross-functional themes (knowledge of the group, Climate Bank, professional skills, tools, safety, personal development, etc.) and developed using digital tools adapted to mobility and face-to-face sessions, as well as internal and external skills.

Access to digital training courses is free, and the training courses in the catalogue requested by the employee via their HR space are validated by their manager, after discussion if necessary.

An e-learning platform for soft skills was rolled out to all employees during the COVID period and has since been renewed.

The total number of training hours attended increased significantly in 2021 (+40.5%), from 63,972 hours to 89,849 hours. The sharp decrease observed in 2020 was explained on the one hand by the inability to quickly reorganise the planned training courses in response to the public health crisis, and on the other hand by the strong mobilisation of staff to meet the needs of companies within the context of the pandemic.

The number of hours of training taken in 2021 was up by 13% compared to 2019, slightly higher than the increase in the number of active employees, which was 12.6%; this was thanks to a radical adaptation of the training formats offered, which were digitalised to a significant degree.

3,403 employees (3,334 in 2020) of Bpifrance, Bpifrance Investissement and Bpifrance Assurance Export, on permanent and fixed-term contracts, as well as work-study traineeship contracts, attended one or more training courses during the year.

Bpifrance is committed to the fight against discrimination, in terms of professional equality, the integration of young people and the retention of older workers, and the integration of people with disabilities. Under the terms of Article 13 of the QLW agreement signed in May 2016, Bpifrance is committed to fighting against all forms of discrimination, and has signed the Diversity Charter in order to raise awareness and train its employees in diversity.

Anti-discrimination

Our answers

Agreements on gender and disability equality
Diversity commitment
Disability actions
Recruitment actions

Our goals

Fight against all forms of discrimination

Professional equality

Bpifrance's gender equality agreement, signed in July 2019, was concluded to perpetuate the actions already undertaken to correct inequalities and to strengthen them in order to create conditions favourable to gender diversity in all areas. Four areas are concerned by the planned measures: hiring and gender diversity, effective compensation, professional promotion and training; awareness-raising and training initiatives aimed at all those involved in the company are also planned. An action summary and a report on the comparative situation of men and women are produced each year and published on the intranet, after presentation to the staff representative bodies.

Gender equality agreements have also been signed in the Bpifrance Investissement³⁷ and Assurance Export subsidiaries, setting out the principles for equal treatment and gender diversity in the workplace, a set of objectives, actions to be taken and specific indicators for each case, as well as a system for identifying inequalities and taking corrective action, with particular regard to the pay gap.

The gender equality indexes for 2020³⁸ are 93 points for Bpifrance, 89 for Bpifrance Investissement and 96 for Bpifrance Assurance Export.

In the area of anti-discrimination, Bpifrance has the following initiatives:

- Non-discrimination and diversity awareness and training for leaders, managers and employees in the recruitment, training and career management fields;
- As part of the QLW agreement, communication to all employees on the company's commitments regarding non-discrimination and diversity;
- Establishment of a whistleblowing procedure for all employees who feel they are victims of harassment. In addition, contact persons for gender-based violence have been appointed in each subsidiary (one employer representative and one employee representative)
- Implementation of an e-learning course on non-discrimination, diversity and gender equality, as well as a module for new managers and new arrivals.

³⁷ New agreement in 2021

³⁸ At the time of writing, the 2021 indexes have not yet been published



Integration of young people and retention of older employees

Bpifrance is committed to the integration of young people and the retention of older employees in the labour market through:

- The signing of QLW and FLJCP agreements on the transmission of intergenerational skills through mentorship;
- An integration and HR follow-up programme for new employees under 30 years of age. These employees are assigned a mentor to help them integrate.
- Commitment to the implementation of an end-of-career skills scheme as part of the QLW 3 agreement (implementation to follow)
- Its proactive policy towards young people and future graduates in terms of welcoming work-study students and trainees. 75 events were conducted with schools between January and December 2021, in digital or mixed format: forums and recruitment days, Bpifrance presentations, student coaching, student meetings, admission juries, inter-company events, including 10 events dedicated to three strategic areas addressed in 2021:
 - Attracting more female candidates: 3 events (recruitment forums)
 - Attracting candidates with engineering profiles: 7 actions (recruitment forums)
 - Positioning Bpifrance as a Climate Bank for applicants: recruitment forum.

Integration of people with disabilities

Agreements in favour of the professional integration and employment of people with disabilities are in force, and Bpifrance is committed to the professional integration and employment of people with disabilities, with three objectives:

1. Supporting employees on a daily basis through measures to maintain employment (e.g., workstation adaptation and individual monitoring), access to services provided by the protected workers sector, based on regular exchanges with the Purchasing and business line support departments in particular, by raising awareness and training assistants, and via purchasing (envelopes, some masks provided to employees);
2. Recruiting disabled employees, welcoming young people on work-study or traineeship programmes, for example, by posting offers on specialised job boards via our multi-posting tool (handicap.fr, agefiph.fr, etc.);
3. Develop partnerships with schools and universities, set up awareness-raising actions for employees and managers.

Awareness-raising actions are organised every year to change the way people perceive disability, and the Manifesto for the inclusion of disabled people in life has been signed by Bpifrance, which has a group contact person for disability.

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

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

As part of the 'neo-manager' course, tutors, apprenticeship masters, HR managers and managers are trained and made aware of these issues. Thus, in October 2021, HR actors were trained in the Retention in Employment process.

Also within the framework of the Disability Mission, Bpifrance has been very active in 2021 in raising awareness with:

- The creation and distribution (to 3,775 recipients) of an awareness-raising brochure on the actions of the Disability Mission in partnership with Handiprint: the integration of the Disability Mission contact person into all 'HR on Tour' events (i.e., approximately 600 people concerned) in order to present the Accord, its challenges, the representations and definition of workplace disability and the attitudes that may help. This contact person also takes part in integration meetings for new employees and in training managers.

In 2020, a partnership between the Digital Department and the French Federation for the Blind was signed in order to train the digital teams in digital accessibility.

The CEO also signed a letter of intent indicating that in the years to come, Bpifrance would commit to digital accessibility, notably through the implementation of an HR partnership to promote the recruitment of visually impaired people and a partnership with Le Hub to provide digital accessibility training to customer companies. In 2021, the Digital Department supported the continuation and development of this partnership.

Thus, in the framework of the School and University Partnerships and on the theme of recruitment, it is worth noting:

- the renewal of the partnership with the Université Paris Dauphine. In 2021, mock interviews, exchanges with students and a career guidance event were organised. A web conference with Alex Aletru (the first paraplegic driver to win the Paris-Dakar Rally) was organised.
- the establishment of a new school partnership with the Grenoble Business School for the professional integration of students with disabilities
- student coaching: visits by the head of the Disability Mission to partner schools and universities; interview simulations, help with writing CVs, etc.
- financing of technical (purchase of ultra-light computers, ergonomic chairs) and human resources aids (teaching support, examination secretaries, temporary staff).

Active partnerships with specialised partners: Jobinlive (specialist recruitment agency), Kedge, Handicap.fr.

Bpifrance participates, among others, in specialised forums:

- The GEM disability forum (exchanges with 5 students, one of whom was recruited),
- The Hello Handicap virtual forums in May and October 2021.

As of 1 January 2020, only the direct employment rate is now taken into account, and a new tiered reporting system is in place. The direct employment rate was not yet validated at the time of writing but has been estimated at 2.51% (2.52% in 2020) for Bpifrance and 1.77% for Assurance Export.

Internal operation

Continuing the transition, 3rd pillar of the Climate Plan

The collective involvement of the employees has made it possible to continue and accelerate the deployment of the Climate Plan. As part of the 3rd pillar of the plan, which concerns Bpifrance's day-to-day operations, a group project called 'Together for the climate' was announced in December 2021. This project is accompanied by a dedicated website allowing employees to learn, get involved and find tools and resources to contribute to the reduction of the environmental footprint of internal operations.

The 'Together for the Climate' project structures a comprehensive internal transformation plan, with quantified targets for 2025, including a 25% reduction in scope 1+2 emissions by 2025 and 55% by 2030, compared to 2019³⁹, as well as targets and mechanisms on 6 themes:

- Energy efficiency of our buildings: reduce energy consumption per employee by 20% by 2025 and 40% by 2030;
- Waste management: achieve zero single-use plastic by 2023 and reduce paper consumption per employee by 50% by 2025;
- Mobility: reduce emissions per employee from business travel by 30% by 2025;
- IT: reduce the associated emissions by 30% and reduce the number of emails stored per employee by 20% by 2025 (compared to end 2020);
- Purchasing: obtain the Responsible Purchasing and Supplier Relations label by 2025;
- Events: label one of our signature events as environmentally responsible.

The first Group carbon assessment was carried out in 2019 on scopes 1, 2 and 3 upstream, and evaluates the group's emissions at 15,000teqCO₂, i.e., the annual footprint of approximately 1,500 French people.

Finally, the new employee profit-sharing agreement includes three new environmental criteria (energy consumption, paper consumption, GHG emissions from travel).

³⁹ To be complemented with scope 3 targets in future years once more data is available



Organisation of internal operations

The Facilities and Environment Department (FED) manages the Bpifrance head office and network offices, as well as the logistics resources of the entire group.

This centralised environmental management, coordinated with all departments, ensures the professional management of the sites, works, physical purchases - excluding IT - and services that ensure their operation. FED is also responsible for managing business travel for the Group.

The environmental impacts of activities can thus be measured and analysed, in order to determine and implement the most efficient reduction measures.

Facility locations

Bpifrance is located throughout France, close to companies and their environments, in properties that are mainly leased, some for the long term.⁴⁰ In the event of a change of location, the choice is determined according to the criteria of comfort and accessibility for employees and considering its environmental qualities.

The main sites – in terms of surface area and number of employees – are located in the Paris region: the head office in Maisons-Alfort and two others in the centre of Paris.

The 'HEQ service building in operation' certification of the 'Le Vaisseau' head office, obtained in 2014, is renewed each year at the excellent level on the Sustainable Building and Sustainable Management axis.

A second site, in Paris, obtained the same 'excellent' HEQ certification for a service building in operation in 2018, and another is HEQ service in operation certified for the common areas. In addition, several regional offices are located in certified buildings (BREEAM for Marseille and Bordeaux; B positive for Nancy; RT 2020 for Brest, BREEAM for the site rented in the Paris region in Fontenay).

Energy

The energy consumption (electricity and gas) indicators and greenhouse gas emissions resulting from the use of Bpifrance's sites have put Bpifrance on a path of constant improvement.

As in 2020, the interpretation of energy consumption data for 2021 is particularly difficult to interpret: on the one hand, Bpifrance employees worked remotely⁴¹, during certain periods in accordance with government directives, with the exception of functions that are essential to the Group's operations; on the other hand, the proportion of employees who have opted to work from home rose to nearly 60% at the end of 2021, compared with less than 10% at the end of 2020; finally, this proportion of remote work may be increased as a result of the opportunity to work remotely on an occasional basis.

Electricity consumption is not differentiated by use, and therefore corresponds to the needs of lighting, heating and cooling, and the powering of equipment, particularly computers.

The most recent measures to reduce energy consumption have included:

- the switch to LED lighting on all sites, regardless of their occupancy status;
- insulation work at the Maisons-Alfort site of the high floor of the first basement and the heating pipes;
- measures taken as part of the IT department's climate roadmap, which resulted in the deletion of 100 virtual machines and 5 terabytes of stored mail, and the introduction of a 30-day retention period for certain categories of mail (unwanted and deleted).

As a result, energy consumption has fallen by 13% per active employee.

⁴⁰ Previously rented as part of OSEO's activity, before the creation of Bpifrance

⁴¹ The supply of electricity and heating to all sites was maintained during these periods, thereby limiting the reduction in consumption and emissions

Since July 2021, approximately 50% of the sites (by surface area) are powered by electricity from renewable sources (RE). This consumption represented 13% of the year's overall electricity consumption and 6% of the associated emissions.

Paper, plastic and consumables

The strong decrease in the consumption of copy paper by volume, observed over the last few years, is due in particular to the digitalisation of processes, the measures taken (double-sided printing by default), and the general absence of staff from the site (health crisis, increase in remote work).

As a result, this consumption of copy paper has decreased further in 2021, to 6.5kg per active employee, a decrease of 45% compared to 2020, which was already 56% lower than in 2019.

The withdrawal of badge printing, which was implemented at head office in the last quarter of 2019 for wider roll-out in 2020, was delayed due to staff not being able to travel due to the health situation and continued in 2021.

Bpifrance is not concerned with the circular economy in its operations; however, the FED's actions are underpinned by waste reduction objectives, particularly with respect to plastic and aluminium capsules.

However, the installation of a dehydrator for food residues and waste at the head office allows them to be recovered as biomass, and solutions are being studied for two other sites.

In 2021, 2.2 tonnes of food waste were dehydrated (vs. 2.3 tonnes in 2020), down sharply from 2019, when 5.7 tonnes were dehydrated, again due to the limited presence of staff on site in the last two years.)

The measures already taken (plastic cups removed and replaced by paper cups at the end of 2018, sorting of waste and ink cartridges in place at all sites, water fountains connected to the network to avoid plastic bottles) will be completed and reinforced in 2022.

Business travel

Emissions from business travel increased between 2020 and 2021 (+21.5%), but remain 23.7% lower than in 2019, the last year without public health-related travel restrictions.

These developments should therefore be assessed with caution, despite the reinforced measures to limit intra-group meetings and reduce the use of air travel (remote meeting facilities, pooling of vehicles for collective travel, encouragement of train use, etc.).

Emissions attributable to the vehicle fleet, which is used by employees in direct contact with customers around the country, have returned to 2019 levels, and represent 85% of emissions in 2021, compared with 79% in 2020 and 59% in 2019, a sign of the resumption of physical meetings with customers.

Air travel is the second largest source of emissions (14.4%), corresponding to journeys of more than three hours' duration, mainly on international journeys outside Europe; the volume of emissions from rail travel, which accounts for only 0.5% of the total, has fallen by 55% in 2021 compared to 2020.

This uneven variation can be explained by continued travel restrictions, but also by the increase in the share of remote rather than face-to-face meetings, although it is not possible at this stage to determine the share represented by remote meetings.



Digital responsibility

As part of its Green IT/Responsible Digital approach, the Information Systems Department (ISD) has put in place a roadmap and a set of initiatives that will enable it to save 1.7 tCO₂e by 2021.

During the year, the ISD has:

- Assessed its environmental impact and maturity;
- Established a framework of reference and monitoring indicators;
- Carried out awareness campaigns on good practices with 70% of the ISD's employees, 75% participated in a climate fresh and organised an event (responsible digital week);
- Strengthened CSR/ESG criteria in the purchasing process;
- Implemented a re-use policy;
- Deleted 100 virtual machines and 5 terabytes of stored email.

This approach will be strengthened in 2022 with the integration of eco-friendly design principles in applications, the reduction of electricity consumption in data centres and the assessment of its carbon footprint on all 3 scopes.

OUR SOCIAL COMMITMENTS

Women's entrepreneurship

Promoting women's entrepreneurship is one of the priorities of Bpifrance's CSR Charter, which has had a strong intervention doctrine and action since its creation.

Bpifrance finances, invests in and supports growing companies, whether they are led by male or female managers. The criteria are based on the quality of the project, the company and the skills. Bpifrance makes no distinction between men and women who invest in companies.

In terms of its editorial communication strategy, Bpifrance's policy is not to single anyone out, but to maintain real parity in the presentation of the entrepreneur's portraits.

At the same time, Bpifrance continues to act in favour of women's entrepreneurship around four axes:

- By mobilising action to support entrepreneurship and business creation:
 - in support and financing:
 - via the business creation support and financing networks,
 - in the framework of the Regional Action Plans (RAP) for women's entrepreneurship,
 - by raising awareness among women from vulnerable regions, by capitalising on the CitéLab schemes, the Entrepreneurship for All tours and the actions dedicated to youth entrepreneurship;
- By integrating the issue of the share of women-led companies in its portfolio of direct holdings, and by seeking to drive the private equity market towards greater gender diversity;
- By mobilising support resources to:
 - Promote female participation in its Accelerator programmes as well as its pool of supported companies,
 - Raise awareness and train managers, consultants and staff,
- by mobilising and relying on networks of female leaders and women in France;
- By implementing a monitoring and research programme to remove barriers to women's entrepreneurship development.

In addition, information and guidance activities and participation in major events continued. Numerous external events are organised by Bpifrance or supported via partnerships in order to involve women managers of companies of various sizes, to share and provide feedback, notably *Bpifrance Inno Génération* (BIG), such as:

- The 'women's entrepreneurship project' created in 2015,
- Repeats of studies by Lab Bpifrance,
- Portraits of women entrepreneurs,
- Supporting events and programmes that promote women's entrepreneurship:
- Communication on events,

- The organisation of the Midi Entrepreneurs, a privileged moment of unfiltered feedback, in digital form in 2020 and 2021, with a planned return to in-person meetings in 2022.

Supporting the integration of young people

Bpifrance has long operated the student loan guarantee scheme on behalf of the Ministry of Higher Education, Research and Innovation. This covers 70% of the risk of student loans, granted by partner banking networks, intended to finance all expenses related to the student's life. In return for this guarantee, the partner banks do not take personal sureties from parents. The scheme therefore makes students whose parents cannot provide a surety eligible for bank loans. As part of the Recovery Plan, the State has entrusted Bpifrance with the resources to significantly increase the volume of loans allowed, bringing them to nearly €650m per year (i.e., a ratio of 1 to 8 compared to the previous status) which will allow the financing of nearly 80,000 students each year.

Bpifrance is committed to the integration of young people from underprivileged backgrounds; in this context Bpifrance:

- Is a partner of NQT (*Nos Quartiers ont des Talents*), which helps young graduates from priority neighbourhoods or disadvantaged social backgrounds find employment;
- Is a partner of Frateli, which promotes equal opportunities;
- Its Entrepreneurship for All programme for creators and entrepreneurs in vulnerable regions acts through 3 axes: facilitating access to the offer, empowering communities and accelerating businesses
- Is establishing a skills sponsorship scheme in conjunction with its partner associations;
- Mobilises part of the apprenticeship tax to support associations and participate in events they organise, for example, the Salon Jeunes d'Avenirs on 15/09/2020.

In addition to its involvement in schools, universities and forums, Bpifrance has also been involved since 2015 in supporting *Demos (Dispositif d'éducation musicale et orchestrale à vocation sociale)*, a cultural democratisation project centred on music, the philosophy of which is to enable children to practice music in an orchestra and to encourage their access to the classical repertoire. The project is aimed at children from 'urban policy' neighbourhoods or from rural areas far from the practice sites.

The '*Nos Quartiers ont du Talent*' association, which aims to integrate young graduates into the labour market (Bac+3 and over, Bac+4 and over for the Île-de-France region, with a Bac+3 experiment in the PUA) aged under 30, from modest social backgrounds, some of whom live in urban areas, thanks to a system of sponsorship by executives, or even experienced company directors (advice on job hunting, CVs, cover letters, interviews, help in building a network, etc.).

And answer their questions, work with them!

In particular, in 2021 Bpifrance supported the Road2Impact project, led by a team of students, winner of the Flash Challenge Bpifrance 2020, a learning expedition project that went in search of innovations and best practices in impact investing in Europe.

Finally, Bpifrance has updated its answers to the questions in the Manifesto for an ecological awakening.

Methodological note on the calculation of non-financial risk indicators

The non-financial performance statement in this chapter, which constitutes an integral part of Bpifrance's universal registration document, formally specifies the exclusions and includes the mandatory information required by law, with the exception of the description of Bpifrance's missions and business lines and its business model, which is included in Section 2.3 of the Universal Registration Document.

Scope:

The scope of this Non-Financial Performance Statement is that of the activities and operational structures of Bpifrance SA, fully consolidated as at 31 December 2021:

- 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.

Certain issues have been excluded from the scope of the study because they are not relevant to the activities carried out by the group on the one hand, and on the other, because of the challenges involved in the way these activities are



carried out. These include the fight against poverty and food waste, respect for animal welfare and responsible, fair and sustainable food.

Data collection:

The definition of each of the data points collected is specified in a reporting procedure and reviewed annually. Clarifications are made to the definition, where necessary, to facilitate understanding and reporting.

Collection process:

The data is collected by the Sustainable Development and CSR Department from the responsible departments (e.g., the Human Resources Department for HR data, the General Resources Department, particularly for data relating to facility locations and management, energy consumption and business travel, the Evaluation division of the Department of Evaluation, Studies and Forecasting, etc.).

The data are analysed and checked (variations, consistency tests), in order to validate their consistency and reliability, before being published and explained.

Collection limitations and reliability:

There may be limitations to accuracy and comparability, particularly in the case of unavailability; in such cases, appropriate explanations are provided.

The processes in place are designed to limit such inaccuracies in order to present information at a satisfactory level of reliability, verified by an independent third party.

INDICATORS

1. INDICATORS FOR MONITORING NON-FINANCIAL RISKS

Business ethics Bpifrance scope				
rate of employees trained in AML/CFT	Number of employees trained in measures combating money laundering and the financing of terrorism (AML/CFT)/Total number of employees who received one or more training courses during the year (permanent, fixed-term, work-study and traineeship)			
	2021	2020	2019	2018
	17%	82%	85.80%	83.80%

Security of data, security of funds Bpifrance scope				
Rate of employees trained in anti-corruption measures	Number of employees trained in measures combating corruption/Total number of employees who attended one or more training courses during the year (permanent, fixed-term, work-study and trainees)			
	2021	2020	2019	2018
	18%	27%	N/A	N/A

Regional economic development				
Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export				
Weight of funding compared to the economic potential of the Region	Weight of Bpifrance financing in year N-1, compared to the economic potential of the Regions (Gross Regional Product compared to national GDP, based on the latest INSEE publications)			
	2021	2020	2019	2018
NFPD for the financial year	See table Public interest missions...regional economic development	See table Public interest missions...regional economic development	See table §3.1.7.1.d Public interest missions...regional economic development	See table §3.1.7.1.d Public interest missions...regional economic development

Ecological and Energy Transition				
Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export				
Weight of EET funding in activity	Weight of EET in terms of intervention amounts in all Bpifrance actions excluding short-term financing (year N-1).			
	All supported companies supported in sectors aimed at: 'energy production from renewable sources 'optimisation of consumption and life cycle management and natural resources All supported companies that do not belong to the sectors listed above but have an identified EET project: 'by funding mechanism 'by investment fund strategy 'by project purpose 'by membership in an EET-linked competitiveness cluster			
	2021	2020	2019	2018
	11%	10%	10.00%	9.00%

Digital Transition				
Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export				
Weight of 'Numetic' financing in the activity	Weight of 'Numetic' activities in intervention amounts - excluding holding companies - in all Bpifrance actions - excluding holding companies - (year N-1).			
	'Numetic' covers Bpifrance's interventions in the fields of Digital, Microelectronics, Photonics, Nanotechnologies - Nanoelectronics, Innovative Materials, Systems, Software and Embedded Systems, Big data valorisation.			
	2021	2020	2019	2018
	10.65%	10.6%	9.9%	11.0%



Shareholder engagement
Bpifrance Investissement scope

<p>Number of companies that responded positively to the questions on the assessment of their activities with respect to physical climate change risks compared to the number of companies responding to this question in the annual ESG campaign</p>			<p>Number of companies that responded positively to the question on the sensitivity of their activities to climate/energy issues compared to the number of companies responding to the annual ESG campaign.</p>
2021	2020	2019	2018
<p>101 out of 363 (28%) assessed the company's exposure to the physical risks of climate change (extreme weather events, global warming, sea level rise, etc.)</p>	<p>67 out of 278 (24%) assessed the company's exposure to the physical risks of climate change (extreme weather events, global warming, sea level rise, etc.)</p>	<p>9.9% of companies assessed the exposure of their activities to the physical risks of climate change (extreme weather events, global warming, sea level rise, etc.)</p>	<p>More than 25% of companies declared their activities sensitive to climate or energy issues (26 listed and 303 non-listed companies answered this question)</p>

Shareholder engagement
Bpifrance Investissement scope

	<p>Number of companies that responded positively to the questions on the assessment of their activities with respect to climate change transition risks compared to the number of companies responding to this question in the annual ESG campaign</p>			<p>Number of companies that responded positively to the question on the sensitivity of their activities to climate/energy issues compared to the number of companies responding to the annual ESG campaign.</p>
	2021	2020	2019	2018
	<p>124 out of 366 (34%) assessed the company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputational issues)</p>	<p>81 out of 279 (29%) assessed the company's exposure to climate change transition risks (regulatory changes, new market trends, technological issues, reputational issues)</p>	<p>12.2% of companies assessed the exposure of their business to climate change transition risks (regulatory changes, new market trends, technological issues, reputational issues)</p>	<p>More than 25% of companies declared their activities sensitive to climate or energy issues (26 listed and 303 non-listed companies answered this question)</p>



Carbon footprint of the listed portfolio

Bpifrance Investissement scope

CO₂ emissions (scopes 1 and 2) published by the listed companies in the direct investment portfolio, reduced to the percentage of capital held by Bpifrance, then per thousand-euro gross invested, as at 31/12 of year N.

0.097TeqCO ₂ per thousand euro invested	0.122TeqCO ₂ per thousand euro invested	0.163 TeqCO ₂ per thousand euro invested	0.119 TeqCO ₂ per thousand euro invested
(Footprint calculated in 2021 based on data published by 26 companies in which Bpifrance invested, representing a gross amount invested of €13,693m, i.e., 92.8% of the listed portfolio)	(Footprint calculated in 2020 based on data published by 26 companies in which Bpifrance invested, representing a gross amount invested of €12,851m, i.e., 94.3% of the listed portfolio)	(Footprint calculated in 2019 based on data published by 24 companies in which Bpifrance invested, representing a gross amount invested of €9,615m, i.e., 94% of the listed portfolio)	(Footprint calculated in 2018 based on data published by 24 companies in which Bpifrance invested, representing a gross amount invested of €9,814m, i.e., 95% of the listed portfolio)

Amount of assets under direct management directly exposed to the thermal coal sector

Bpifrance Investissement scope

Gross amount invested directly in companies with direct exposure to the thermal coal sector (€ million)

	2021	2020	2019	2018
This outstanding amount corresponds to a holding in a renewable energy production company, partly substituted by coal in the seasonal absence of available biomass	25.1	24.4	23.9	23.4

Customers, Offer quality

Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export

NPS	The Net Promoter Score is an indicator that measures the net recommendation, positive or negative, that customers give to Bpifrance. It is calculated by subtracting the percentage of detractors (scores between 0 and 6) from the percentage of promoters (scores between 9 and 10).			
	2021	2020	2019	2018
	42	48	27	35
Customer satisfaction rate	Satisfaction rate (or score) expressed by customers out of 10			
	2021	2020	2019	2018
	7.8	7.9	7.2	7.5

Number of grievances and complaints filed against the entity regarding its environmental, social or human rights impacts

Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export

Number of grievances and complaints filed against the entity regarding its environmental, social or human rights impacts during the year in question, brought to the attention of the Group Legal Department

	2021	2020	2019	2018
	0	0	0	0

Average number of days of absence due to illness, excluding long-term illness

Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export

Total number of days of absence due to illness, excluding long-term illness, in relation to the total number of staff on 31/12 of year N, excluding unpaid leave

2021	2020	2019	2018
3.2	3.36	3.92	3.54

**QUALITY OF LIFE
AT WORK**

Employee satisfaction rate: satisfaction rate expressed by the number of employees who responded to the annual 'committing to each other' survey carried out in year N by an external firm

Annual survey now conducted every two years:	72.2% (based on 82% of employees responding to the satisfaction survey in 2020)	70.5% (based on 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 conducted in 2018)
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Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export
Percentage of young people under 30 years of age on their hire date on permanent contracts

2021	2020	2019	2018
58%	47%	46.40%	52.50%

**DIVERSITY AND
EQUAL
OPPORTUNITIES**

Percentage of older workers (over 55 years of age) on their hire date on permanent contracts

2021	2020	2019	2018
0.40%	2%	2%	1.50%

Bpifrance scope

Disability Employment

Direct legal employment rate Disability

Direct legal employment rate

2021	2020	2019	2018
2.73	2.65	2.52	2.7

**DIVERSITY AND
EQUAL
OPPORTUNITIES**

LABOUR RELATIONS	Themes of the agreements and amendments signed during the year Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export			
	2021	2020	2019	2018
	Profit-sharing PERCO PERECO PEE (employee savings plans) NAO Sustainable mobility package Quality of Life at Work FLJCP Professional gender equality Disability	Profit-sharing and shareholding, PEE, PERCO Vocational integration and employment of people with disabilities Professional gender equality Management of the social aspects of a merger	Social construction of Bpifrance Courtage, employee savings plans, disability, special employment situations, gender equality (Financing), working time, health and welfare, SEC	Quality of Life at Work, Professional Equality, Disability, working conditions and working time, employee savings plans

LABOUR RELATIONS	Number of agreements and amendments signed during the year Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export			
	2021	2020	2019	2018
	24 agreements and amendments	23 agreements and amendments	20 agreements and amendments	27 agreements and amendments

TALENT	Training access rate			
	Number of employees who have taken one or more training courses during the year (permanent, fixed-term, work-study and trainees) in relation to the total number of employees as at 31/12 of year N (permanent, fixed-term, work-study and trainees)			
	Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export			
	2021	2020	2019	2018
	99.60%	97%	96.90%	93.20%

TALENT	Staff turnover rate			
	Number of permanent employees who resigned in year N compared to the total number of permanent employees as at 31/12 of year N-1			
	Bpifrance, Bpifrance Investissement, Bpifrance Assurance Export			
	2021	2020	2019	2018
	3.02%	3%	2.90%	3.30%

2. ADDITIONAL INDICATORS

HUMAN RESOURCES

The Bpifrance Group's workforce

Change in the workforce as at 31 December	2021	2020	2019	Change 2021 vs. 2020
Total headcount Bpifrance Group⁴²	3,707	3,481	3,271	6.10%
<i>Of which permanent contracts (Bpifrance)</i>	2,574	2,402	2,275	6.68%
<i>Of which permanent contracts (Bpifrance Investissement)</i>	598	588	520	1.67%
<i>Of which permanent contracts (Bpifrance Assurance Export)</i>	241	226	239	6.22%
<i>Of which permanent contracts (Bpifrance Courtage)</i>	1	2	12	N/A
Total number of active employees, on permanent and fixed-term contracts, excluding work-study and trainee contracts⁴³	3,413	3,215	3,030	6.10%

CHANGES IN THE WORKFORCE Managers and Women as at 31 December	2021	2020	2019	CHANGE 2021 VS 2020
Total Bpifrance Group staff	3,707	3,481	3,271	6.10%
Of which women	56.40%	58.20%	59.00%	-3.19%
Of which managers	89.78%	88.70%	85.60%	1.08%
Of which women managers	55.80%	58.20%	59.00%	-2.40%

CHANGE IN THE AVERAGE AGE	2021		2020		2019	
	Average age permanent + fixed term contracts	Average age of all persons managed	Average age permanent + fixed term contracts	Average age of all persons managed	Average age permanent + fixed term contracts	Average age of all persons managed
Group	38.9	39	39.5	39.7	40.2	40.4

⁴² Number of permanent, fixed-term, and other staff and those on unpaid leave, excluding trainees, working full or part-time

⁴³ Number of employees on permanent and fixed-term contracts: excluding staff on unpaid leave and individual early retirement



Hires and departures

Hires on permanent contracts, of which transformation of other contracts into permanent contracts						
HIRES	2021	Of which women	2020	Of which women	2019	Of which women
Bpifrance	363	158	300	154	316	174
Investment	76	37	95	41	109	52
Export Insurance	39	16	15	10	22	14
Brokerage	0	0	1	0	1	1
Total hires	478	211	411	205	448	241

HIRES via TRANSFORMATION OF OTHER CONTRACTS TO INTO PERMANENT CONTRACTS			
	2021	2020	2019
Bpifrance	18	11	13
Investment	0	0	0
Export Insurance	3	0	1
Brokerage	0	1	0
Total	21	12	14

Hirings on permanent contracts, of which transition to permanent contracts from other forms of employment				
HIRES BY AGE	2021	2020	2019	Change
	< 30 years of age at the hire date			
Bpifrance	210	155	146	35.48%
Investment	45	44	49	2.27%
Export Insurance	24	6	13	300.00%
Brokerage	0	1	1	-100.00%
Total	279	206	209	35.44%

Hirings on permanent contracts, of which transition to permanent contracts from other forms of employment				
HIRES BY AGE	2021	2020	2019	Change
	> 55 years of age at the hire date			
Bpifrance	1	4	9	-75.00%
Investment	1	1	0	0.00%
Export Insurance	0	0	0	N/A
Brokerage	0	0	0	N/A
Total	2	5	9	

WORK-STUDY HIRES				
	Total			
	2021	2020	2019	Change 2021 vs. 2020
Bpifrance	212	183	148	15.85%
Investment	1	1	1	0.00%
Export Insurance	9	15	12	-40.00%
Brokerage	0	0	0	N/A
Total	222	199	161	11.56%
of which <30 years of age at the hire date				
	2021	2020	2019	Change 2021 vs. 2020
Bpifrance	209	178	146	17.42%
Investment	1	1	1	0.00%
Export Insurance	9	15	12	-40.00%
Brokerage	0	0	0	N/A
Total	219	194	159	12.89%
of which > 55 years old at the hire date				
	2021	2020	2019	Change 2021 vs. 2020
Bpifrance	0	0	9	N/A
Investment	0	0	0	N/A
Export Insurance	0	0	0	N/A
Brokerage	0	0	0	N/A
Total	0	0	0	N/A
of which women				
	2021	2020	2019	Change 2021 vs. 2020
Bpifrance	98	94	81	4.26%
Investment	0	1	1	-100.00%
Export Insurance	6	8	6	-25.00%
Brokerage	0	0	0	N/A
Total	104	103	88	0.97%



DEPARTURES from permanent contracts

Total

	2021	2020	2019	Change 2021 vs. 2020
Bpifrance	191	173	174	10.4%
Investment	66	27	46	144.4%
Export Insurance	24	28	32	-14.3%
Brokerage	1	11	0	-90.9%
Total	282	239	252	18.0%

of which individual early retirement

Bpifrance	13	9	18	44.4%
Investment	0	0	0	N/A
Export Insurance	2	1	0	100.0%
Brokerage	0	0	0	N/A
Total	15	10	18	50.0%

TURN OVER

Resignations permanent contracts N/headcount permanent contracts N-1

	2021	2020	2019
Bpifrance	2.2%	2.5%	3.0%
Investment	6.5%	3.5%	2.8%
Export Insurance	3.1%	0.8%	2.8%
Brokerage	0.0%	0.0%	0.0%
Total	3.0%	2.6%	2.9%

Departures of work-study staff

Total

of which work study & trainees => permanent contracts

	2021	2020	2019	Change 2021 vs. 2020	2021	2020
Bpifrance	180	142	111	27%	17	0
Investment	2	1	1	100%	0	0
Export Insurance	10	12	11	-17%	3	0
Brokerage	0	0	0	N/A	0	0
Total	192	155	123	24%	20	0

Organisation of working time

Workforce	2021	2020	2019
	3,420	3,223	3,049
Number of employees with fixed-term contracts (permanent + fixed-term)	3,305	2,943	2,634
<i>Of which Bpifrance</i>	2,492	2,192	1,934
Percentage of employees on salary contracts	96.64%	91.30%	86.40%
<i>Of which Bpifrance</i>	75.40%	74.50%	73.40%
Number of part-time employees (fixed-term + permanent)	293	338	360
<i>Of which Bpifrance</i>	268	308	328
Number of employees who opted for partial remote work	2,048	318	259
<i>Of which Bpifrance</i>	1,472	246	198
<i>Of which Bpifrance Investissement</i>	393	246	11
<i>Of which Bpifrance Assurance Export</i>	183	18	50
<i>Of which Bpifrance Courtage</i>	0	53	0
Share of employees who opted for partial remote work	59.88%	9.90%	8.50%

Number of meetings in the year								
LABOUR RELATIONS ⁴⁴	SEC		EQCC		Trade unions and representatives		HSWCC	
	2021	2020	2021	2020	2021	2020	2021	2020
Bpifrance	15	17	11	12	10	13	7	8
Investment	13	15	9	9	5	7	6	5
Export Insurance	14	16	10	12	9	8	6	5
Brokerage ⁴⁵	N/A	10	N/A	N/A	N/A	N/A	N/A	N/A
Group	0	0	0	0	8	5	0	0
Total	42	58	30	33	32	33	19	18

Number of agreements and amendments concluded during the year			
AGREEMENTS	2021	2020	2019
Bpifrance	4	6	5
Investment	4	6	3
Export Insurance	6	6	8
Brokerage (*)	5	2	3
Group	5	3	1
Total	24	23	20

⁴⁴ SEC: Social and Economic Committee; EQCC: Elected Questions and Complaints Committee; HSWCC: Health, safety and working conditions committee

⁴⁵ As of August 2020, there is no longer an SEC for Bpifrance Courtage, following the transfer of employees to Bpifrance (formerly Bpifrance Financement)



Health and safety

HEALTH & SAFETY	No. of occupational diseases			Number of reported accidents (with or without time off lost)					
				Workplace accident			Commuting accident		
	2021	2020	change	2021	2020	change	2021	2020	change
Bpifrance	1	0	N/A	8	13	-38.46%	14	21	-33.33%
Investment	0	0	N/A	2	2	0.00%	2	4	-50.00%
Export Insurance	0	0	N/A	0	1	N/A	1	1	0.00%
Brokerage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bpifrance Group	1	0	N/A	10	16	-37.50%	17	26	-34.62%

HEALTH & SAFETY	frequency rate		severity rate	
	of accidents at work with lost time			
	2021	2020	2021	2020
Bpifrance	0.62	2.69	0.02	0.083
Investment	0.89	2.92	0.01	0.041
Export Insurance	0.00	2.30	0.02	0
Brokerage	N/A	N/A	N/A	N/A
Bpifrance Group	0.78	2.7	0.02	0.07

Compensation

COMPENSATION	Total corporate gross payroll DADS 2021	Total corporate gross payroll DADS 2020	Total corporate gross payroll DADS 2019	Change 2021 vs. 2020
Total group	233,690,108	211,731,611	196,492,331	10.40%

ENVIRONMENTAL RESPONSIBILITY

ENERGY ⁴⁶ Bpifrance Group

ENERGY CONSUMPTION on the premises					
(kWh) ELECTRICITY+GAS	2021	Variation	2020	2019	Change 2020/2019
HEAD OFFICE	4,167,562	-4.88%	4,370,795	4,913,453	-12.42%
OTHER LOCATIONS	3,373,015	-7.73%	3,633,707	4,253,743	-17.06%
TOTAL	7,540,577	-6.15%	8,004,502	9,167,196	-14.53%
<i>Of which RE (since July 2021)</i>	809,972	N/A	N/A	N/A	N/A
Per active employee	2,052	-13.16%	2,322	2,849	-22.70%

CO ₂ EMISSIONS from company facilities					
(kgeqCO ₂) ELECTRICITY+GAS	2021	Variation	2020	2019	Change 2020/2019
HEAD OFFICE	394,866	-17.74%	464,923	509,421	-9.57%
OTHER LOCATIONS	213,297	-51.28%	322,683	390,210	-20.93%
TOTAL	608,163	-29.51%	787,606	899,630	-14.22%
<i>Of which RE (since July 2021)</i>	20,723	N/A	N/A	N/A	N/A
Per active employee	165.5	-37.76%	228	280	-22.81%

⁴⁶ Energy consumption based on bills.



Business travel Bpifrance Group

BUSINESS TRAVEL						
	2021	Change 2021 vs. 2020	Change 2021 vs. 2019	2020	2019	Change 2020 vs. 2019
TRAIN	12,451	14%	-54.9%	10,939	27,586	-60.3%
AIR	323,511	-13%	-70.5%	370,248	1,097,608	-66.3%
<i>(of which domestic routes)</i>	<i>76,640</i>	<i>9%</i>	<i>-63.8%</i>	<i>70,085</i>	<i>211,779</i>	<i>-66.9%</i>
<i>(of which EUROPEAN routes)</i>	<i>28,739</i>	<i>23%</i>	<i>-72.0%</i>	<i>23,319</i>	<i>102,674</i>	<i>-77.3%</i>
<i>(of which international routes, outside EU)</i>	<i>218,132</i>	<i>-21%</i>	<i>-72.1%</i>	<i>276,844</i>	<i>783,155</i>	<i>-64.7%</i>
VEHICLES	2,031,351	39%	11.9%	1,466,119	1,815,858	-19.3%
TOTAL	2,367,313	28.1%	-19.5%	1,847,306	2,941,052	-37.2%
<i>Taxis and car services</i>	<i>7,209</i>	<i>-17%</i>	<i>-44.4%</i>	<i>8,642</i>	<i>12,969</i>	<i>-33.4%</i>

Paper consumption Bpifrance Group

PAPER CONSUMPTION ⁴⁷				
	2021	2020	Change 2021/2020	Change 2020/2019
Bpifrance	21.1	31.5	-33%	-53%
Bpifrance Investissement	0.35	7.8	-96%	-25%
Bpifrance Assurance Export	0.63	0	N/A	N/A
TOTAL	22.1	37.7	-41%	-54%
Consumption per person (active permanent + fixed-term contracts) (kg)	6.5	11.7	-44%	-57%
Consumption per person (active permanent + fixed-term contracts + work-study) (kg)	6	10.9	-45%	-57%

⁴⁷ Copy paper

Water consumption Head office

Water consumption - Head office			
	2021	2020	Change 2021/2020
Overall consumption in m ³	6,639	8,538	-28.6%
Consumption per employee	6.1	8.5	-39.3%

Waste

(tonnes)	2021	2020	Change 2021 vs. 2020
Cardboard	11	13	-19%
Office bins	0	0	N/A
Glass	1.45	1	31%
Bulky goods (NHIW)	5.76	2.32	60%
Computer equipment	5.79	9.27	-60%
Non-food canteen waste	66.09	60.17	9%
Dehydrated food waste	2.20	0.00	100%
TOTAL	92	86	7%



3. INFORMATIONAL NOTE ON BPIFRANCE'S KEY PERFORMANCE INDICATORS FOR SUSTAINABLE ECONOMIC ACTIVITIES, published pursuant to Article 8 of EU Regulation 2020/852 and subsequent texts.

Bpifrance is a public group dedicated to the financing and development of businesses. Bpifrance acts in support of the policies applied by the State and the Regions. Law no. 2012-1559 of 31 December 2012 assigns Bpifrance the task of promoting innovation, start-ups, and the development, internationalisation, transformation and transfer of businesses by contributing to their financing through loans and equity. It is specified that Bpifrance does not carry out any retail activity.

Bpifrance is a credit institution and a holding company which acts through its subsidiaries Bpifrance Régions (which operates the Financing activities in collaboration with the credit institution), Bpifrance Participations, Bpifrance Investissement and Bpifrance Assurance Export.

The indicators are published on the basis of Bpifrance's prudential consolidation scope.

1- Published quantitative indicators

In accordance with Article 10 of Delegated Regulation EU 4987 implementing Regulation EU 2020/852, Bpifrance publishes the following quantitative indicators for the two objectives of mitigation and adaptation to climate change in an aggregated manner:

- Numerator:
 - a. Exposures to eligible activities;
 - b. Exposure to non-eligible activities;
 - c. Exposures to companies not subject to the NFRD;
 - d. Exposure to central governments, central banks or supranational issuers;
 - e. Exposure to derivatives;
 - f. Trading portfolio and interbank demand loans.
- Denominator
 - o On the one hand, on total FINREP assets,
 - o On the other hand, on total covered assets.

Bpifrance also publishes two voluntary indicators:

- a.V. Exposure to eligible activities;
- b.V. Exposure to non-eligible activities;

Calculated:

- On the one hand, on total FINREP assets,
- On the other hand, on the total covered assets.

2- Scope and data sources

2-1 FINANCIAL SCOPE AND SOURCE OF FINANCIAL DATA

The financial scope covered is that of the social entities and funds under full consolidation as described in 'Note 4 - Scope of consolidation' of the accounting notes to the consolidated financial statements of Bpifrance, in the Bpifrance Universal Registration Document.

The quantitative data is taken from the FINREP financial statements as at 31 December 2021. Exposures are taken into account on the counterparty carrying the commitment.

2-2 DENOMINATORS

The published calculations were made taking into account two denominators:

- For ratio 1: the total consolidated assets of the FINREP financial statements as at 31 December 2021,
- For ratio 2: the same total, less exposures to central banks and supranational issuers, and to the trading book.

It should be noted that ratio 2 was calculated only for indicators of taxonomy-eligible and taxonomy-ineligible exposures, and for exposures to counterparties not subject to the NFRD.

2-3 OBLIGATORY AND VOLUNTARY INDICATORS on taxonomy-eligible and taxonomy-ineligible activities, and exhibitions not subject to the NFRD.

The texts determine the eligibility of the numerator of the regulatory indicators with regard to:

- whether the entity is subject to non-financial reporting obligations in accordance with EU Directive 2014/95, hereafter referred to as the NFRD, and Articles 19a and 29a of Directive 2013/34/EU;
- of the activities of the entities concerned.

Entities subject to the NFRD requirements are large 'public interest enterprises governed by the law of a Member State, the securities of which are admitted to trading on a regulated market of a Member State', with a total balance sheet of more than €20m or a turnover of more than €40m and an average number of employees of more than 500 over the financial year.

The eligible activities of these entities are defined by Delegated Regulation C (2021) 2800, supplementing Regulation EU 2020/852. They are determined by the information from the entities.

2-3-1- Rules applied

- exposures to central banks, derivative exposures, interbank demand loans and the trading book are excluded;
- only corporate entities carrying eligible or non-eligible exposures meeting the criteria defined in Article 19a of EU Directive 2013/34 have been included in the numerators;
- data on employees, total assets and turnover published by these entities for their last financial year, and collected from an external data provider, were analysed to determine their NFRD liability;
- exposures to holding entities have been restated to take into account headcount, total assets and turnover of listed operating entities, where sufficient information was available. Holding entities have, where appropriate, been retained as subject to the NFRD;
- exposures to counterparties not subject to the NFRD correspond to exposures to all unlisted European counterparties, or listed counterparties that do not meet the thresholds of 500 employees, total assets or turnover of, respectively, 500 employees, €20m or €40m.

Limitations due to insufficient data:

- as average headcount data is not available, the headcount used is the headcount at the closing date of the last published financial year and collected from an external data provider;
- the available data did not allow the identification of the parent companies of a large group that exceeded the criterion of an average of 500 employees on a consolidated basis at the balance sheet date⁴⁸;
- for investment activity, only funds managed by Bpifrance were treated transparently, while non-financial entities in which Bpifrance has invested were identified and their activities analysed; non-financial entities in which funds not managed by Bpifrance have invested could not be identified and analysed.

Consequences of the identified limitations:

some entities may not have been included in the calculation of the numerator, such as those whose:

- headcount at the end of the financial year was less than 500, but the average number of employees over the year was greater than this number,
- headcount was less than 500, but greater on a consolidated basis,

or received investment from funds not managed by Bpifrance.

2-3-2- Obligatory indicators published by Bpifrance

The scope of activities covered is that of the corporate entities and funds under full consolidation, as specified above.

The European Commission has published FAQs, which aim to provide guidance on the implementation of the information to be published under Article 8 of the EU Taxonomy Regulation.

In its responses, the Commission rules out any use of information not directly provided by entities to determine the nature of their activities, thus ruling out the qualification of these activities by using NACE-type activity codes or other reference systems, which are considered only as an approximation method.

⁴⁸ Article 29a of the EU Directive 2013/34



Bpifrance has strictly adhered to this position in determining its eligible and ineligible exposures to the taxonomy.

Indicators a. and b. of eligible and ineligible exposures to the taxonomy therefore have a zero numerator, due to the unavailability of declarative data on eligible activities, on the one hand, and the absence of retail activity carried out by Bpifrance, on the other.

2-3-3- Voluntary indicators published by Bpifrance

Bpifrance publishes two voluntary indicators:

- a.V. Exposure to eligible activities;
- b.V. Exposure to non-eligible activities;

To determine these indicators, the methodology described in 2-3-1 was applied.

An indicative mapping of some industry classification systems and their connection to the description of economic activities in the EU Taxonomy Delegated Act adopted by the Commission on 4 June 2021 was published on the European Commission's Sustainable Finance Platform, in the form of a table compiled under the aegis of the Sustainable Finance Platform.

Bpifrance used the NACE codes from this mapping, supplemented by a table of correspondence with the NACE codes, to identify eligible and ineligible activities in the entities subject to the NFRD, based on the NACE/NAF classifications that characterise them; this classification was also enriched by cross-referencing with external databases.

3- Results

The regulatory indicators for taxonomy-eligible and taxonomy-ineligible activities are set at 0, due to the lack of data published to date by companies subject to the NFRD, on the one hand, and to the fact that they are calculated in accordance with the (non-binding) instructions of the European Commission, on the other hand.

The voluntary indicators and the indicator of exposure to counterparties not subject to the NFRD reflect Bpifrance's positioning with respect to unlisted companies and SMEs, mainly French, whose activities cannot therefore be taken into account in the activities, eligible or not, whatever their nature, for climate change mitigation or adaptation objectives.

4 - Bpifrance's economic strategy

Bpifrance is a public group providing business financing and development services, acting in support of public policies led by the State and the Regions, which 'focuses its action primarily on... very small businesses, small and medium-sized businesses and mid-market businesses' and 'provides support for the implementation of the ecological and energy transition'.⁴⁹

This support is a key element of Bpifrance's actions, which is one of the priorities of its corporate social responsibility charter.

Over the period 2014-2020, Bpifrance has provided nearly €16bn in EET support, under all activities combined.

Committed to the fight against climate change and aware of its urgency, in September 2020 Bpifrance launched and Banque des Territoires joined forces to launch an ambitious Climate Plan, which has led to an acceleration of all Bpifrance's business lines over 2021.

Bpifrance's Climate Plan has been deployed on three strategic axes:

1. Accelerate the transition of companies and regions with financial and support solutions,
2. Support the development of renewable energies (RE) and contribute to the growth of international champions,
3. On a large scale, Finance and support innovation by green tech companies as well as sustainable and resilient networks aimed at finding technological solutions for the EET.

⁴⁹ Law 2012-1559 on the creation of the Public Investment Bank

Axes 2 and 3 address non-financial counterparties whose activities are eligible for the taxonomy by their nature; however, these counterparties are not, at this stage, eligible as the numerator of indicator a. or a.V., as they are mostly not subject to the NFRD (unlisted or listed but not meeting the size criteria).

With axis 1 of its Climate Plan, Bpifrance aims to bring all companies into transition, regardless of their activity, whether or not they are eligible for the taxonomy by their nature (excluding the NFRD criteria), in order to accelerate the decarbonisation of the economy. It should be noted that Bpifrance applies exclusion principles to the coal and oil and gas sectors, as well as commitment policies to the oil and gas sector.

Within the framework of the Climate Plan, new products have been created, such as Green Loans to finance targeted transition investments and a 'green' guarantee to encourage banks to finance transition projects; support products have been developed to help companies accelerate their transition, such as the *Eco Flux Diag*, the *Decarbon'Action Diagnostic*⁵⁰, accelerator programmes (Energy Transition, Decarbonisation), and free online training modules are available...

Transition issues are increasingly taken into account in emitting sectors (transport, real estate, construction).

This deployment aims to engage all companies, regardless of size or sector, in decarbonising their operations, while providing large-scale funding to clean energy or solution providers.

The integration of the taxonomy criteria is a further demanding step in this process, the details of which are currently being defined.

⁵⁰ This enables companies to finance a complete carbon assessment, structure a decarbonisation plan and publicise it.



Rapport de l'organisme tiers indépendant sur la Déclaration de performance extra-financière

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Bpifrance

Report of the independent third-party
organization on the verification of the
consolidated non-financial performance
statement included in the management
report

Year ended December 31, 2021

MAZARS SAS
SOCIETE PAR ACTIONS SIMPLIFIEE
SAS au capital de : 3 7000 euros • RCS : Nanterre 377 505 565 • SIRET : 377 505 565 00087 • APE : 7022Z
Siège social : Tour Exaltis 61 rue Henri Regnault - 92400 Courbevoie • N° de TVA Intracom : FR 94 377 505 565

Bpifrance

The limited company with a capital of 5,440,000,000 €

Head office: 27/31, avenue Général Leclerc 94700 Maisons-Alfort cedex

RCS 320 252 489

Report by one of the Independent Third Party on the verification of the consolidated non-financial statement included on a voluntary basis in the Group management report

For the year ended December 31, 2021

This is a free translation into English of the Independent Third-Party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,


In our capacity as the Independent Third Party, member of Mazars Group, statutory auditors of Bpifrance and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group, in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.



The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request, from the entity's head office.

Restrictions due to the preparation of the Information

The Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the Information is dependent on the methodological choices, assumptions and/or estimates made in preparing the information and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement with reference to 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 considering those risks and the outcomes of said policies, including key performance indicators and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is to provide a report 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 Information (observed or extrapolated) provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

As it is our responsibility to express an independent conclusion on the Information prepared by management, we are not authorized to be involved in the preparation of such Information, as this could compromise our independence.

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000¹.

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 applicable legal and regulatory requirements, the ethical requirements and the professional doctrine of the French National Association of Auditors.

Means and resources

Our work was carried out by a team of 5 people between January and March 2022, during 4 weeks.

We conducted some 10 interviews with the people responsible for preparing the Statement, representing the Sustainable Development and ESG department, the HR and training department, the HR reporting and projects department, the Group human resources department, the strategy department, and the evaluation, studies and forecasting department.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We estimate that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- 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, when appropriate;

¹ ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information



- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III;
- we verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including when relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Our work was carried out at central level;
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - 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 covers 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We are convinced 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.

Appendix 1: Information considered most important

Qualitative information (actions and results) on the main risks

- Risk « Governance and ethics »: Business ethics; Security of data and funds.
- Risk « Failing to carry out missions of public interest »: Ecological and Energy Transition; Regional economic development; Digital transformation.
- Risk « Stakeholder dissatisfaction »: Customers; Quality of the offer; Other stakeholders.
- Risk « Human Capital »: Quality of life at work; Diversity and equal opportunities; Social dialogue; Talents; Training.
- Risk « Taking ESG issues into account in the business lines »: Integration of ESG issues.

Quantitative indicators including key performance indicators

Macro risk	Indicators
Governance and ethics	Rate of employees trained in AML/CFT
	Rate of employees trained in anti-corruption measures
Failing to carry out missions of public interest	Weight of EET funding in activity
	Weight of funding compared to the economic potential of the Regions
	Weight of 'Numetic' financing in the activity
Stakeholder dissatisfaction	Net Promoter Score
	Customer satisfaction rates
	Number of grievances and complaints filed against the entity regarding its environmental, social or human rights impacts
Human capital	Average number of days of absence due to illness, excluding long-term illness
	Employee satisfaction rate
	Recruitment rate of women on permanent and fixed-term contracts
	Percentage of young people under 30 and older people over 55 recruited
	Number of agreements and amendments signed during the year
	Turnover rate of staff on permanent contracts
	Training access rate
Taking ESG issues into account in the business lines	Carbon footprint of the listed portfolio
	Amount of assets under direct management directly exposed to the thermal coal sector



3.1.9. Other information

3.1.9.1. Group scope, subsidiaries and holders

An organisation chart showing the main subsidiaries and holdings of Bpifrance appears in point 2.5 of this universal registration document.

The detailed table of subsidiaries and holdings appears on page 359 of the report (note 7.2 of the notes to the financial statements).

3.1.9.2. Free shares, stock options reserved for salaried employees and executive of Bpifrance

No plan has been put in place, during the past financial year, with a view to allocating free shares or stock subscription (or purchase) options to the salaried staff and managers of Bpifrance.

3.1.9.3. Bpifrance share buyback programme

No Bpifrance share buyback programme was set up during the past financial 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 earning from the financial year

During the past financial year, Bpi recorded a profit of 494,531.814,48 Euro. It is proposed that his profit be allocated as follows:

	Euro
Financial year profits to be distributed	494 531 814,48
Carried forward account	861 074 763,87
Constituting an available balance of	1 355 606 578,35
Allocation for legal reserve	24 726 590,72
Constituting a distributable profit of	1 330 879 987,63
<i>Distribution of an interim dividend (€0.63 per share being dividend bearing)</i>	427 181 382,18
<i>Distribution of the final dividend (€0.65 per share being dividend bearing ¹)</i>	440 742 695,90
Constituting a dividend of (approximately €1.28 per share)	867 924 078,08
Allocation to other reserves	-
Allocation to carried forward account	462 955 909,55
Total carried forward after profit allocation	462 955 909,55

¹ Assuming 678,065,686 dividend-eligible shares on the date of the meeting

This proposal was established on the basis of an assumption of Bpifrance treasury shares, on the date of payment of the balance of the dividend, of 1,934,314. In the event of a change in this number on the date of in payment of the balance of the dividend, the sum corresponding to the balance of the dividend not paid or to be paid due to the change in the number of treasury shares would, depending on the case, be credited or debited from the "carry forward".

3.1.9.6. Renewal of the term of office of 2 directors

The directorships of Mr. ERIC LOMBARD and Mr. Antoine SAINTOYANT expire at the end of the general meeting called to approve the financial statements for the past financial year.

It is proposed to renew these terms of office for a period of five years ending at the end of the Ordinary General Meeting which will be called upon to rule in 2027 on the financial statements for the 2026 financial year.

3.1.9.7. Appointment of PricewaterhouseCoopers Audit as Statutory Auditors

It is proposed to appoint PricewaterhouseCoopers Audit as statutory auditor, replacing MAZARS, for a period of six financial years ending at the Ordinary General Meeting which will be called upon to approve the accounts of the company in 2028. financial year 2027.

3.1.9.8. Non-renewal of the company's alternate statutory auditor

It is proposed not to renew the mandate of Alternate Statutory Auditor of Mr. Franck BOYER pursuant to the option provided for in Article L. 823-1 of the French Commercial Code.

3.1.9.9. Payment deadlines for supplier and customers

The balance of the accounts payable amounted to 1,753,566 Euro as of 31 December 2021.

The balance of the customer account at 31 December 2021 amounted to 223,738,318 Euro.

These balances are analysed according to the maturities of the debt (for supplier payment terms) and the receivable (for customer payment terms) in the following table. The information below does not include banking and related transactions.



Invoices received and issued but not paid as at period closure
which is closed (Table I of Article D.441-4)

		Art D.441.1°: Invoices received but not paid as at the end of the period which are now due						Art D.441.2°: Invoices received but not paid as at the end of the period which are now due					
		0 days (reference)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (reference)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Pay	(A) Payment Delays												
Number of concerned invoices	1					155	72						1756
Total amount of concerned invoices excl. Taxes	4	711 670	115 054	840 461	63 601	1 730 786	3 454 609	15 533 899	3 781 946	2 586 017	25 431 551		47 333 413
Percentage of total amnt excl. taxes of purchases excl. taxes for financial year	0%	0%	0%	0%	0%	0%							
Percentage of turnover excl. taxes for financial year							2%	1%	0%	0%	1%		3%
(B) Invoices excluded from (A) relative to litigious or unaccounted debts and receivables													
Number of excluded invoices	1	6	13	4	36	59	14	119	113	97	7 396		7 725
Total amount of excluded invoices	2 640	5 759	261	7 622	6 493	20 136	1 143 486	1 810 618	855 978	2 272 867	166 867 347		171 806 810
(c) Reference payment delay (contractual or legal delay Article L.441-6 or Article L.443-1 of the Business Code)													
Payment terms used to calculate payment delays	*Contractual delays: yes						*Contractual delays: yes						
	*Legal delays: no						*Legal delays: no						

3.1.9.10. Non-deductible charges

The non-deductible charges (Article 39-4 of the French General Tax Code) incurred by Bpifrance during 2020 totalled 1,096,271.50 euros.

3.1.9.11. Research and development activities

Bpifrance does not have any research and development activities.

3.2. Principal 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 outstanding loans 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 outstanding loans accounted for around 96.02% and 3.98%, respectively, of total outstanding loans.

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 financial 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 credit risk exposure of the "Credit institutions" asset class represented €2.0 billion after credit risk mitigation effects (CRM), i.e. 1.7% of the Bpifrance Group's exposure as of 31 December 2021 and only 0.8% of risk-weighted assets (RWA). Geographically, 92% 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.

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 of 31 December 2021, Bpifrance's EMTN program amounted to €31.5 billion, for information purposes, this represents 71% of customer loans. Unlike private banking establishments, Bpifrance does not have customer resources, the collection of deposits is very limited. The EMTN program thus represents a significant share of the resources of the Bpifrance banking establishment, around 53%. An increase in financing costs could therefore have a significant adverse impact on the results, financial situation and outlook of Bpifrance.

This risk can be apprehended in particular through the Short-term Liquidity Ratio (LCR) analysing the coverage of net cash outflows at thirty days in a stress scenario. The objective of the Bpifrance Group in terms of liquidity management is to be in a position to be able to deal with any type of liquidity crisis situation over prolonged periods of time.

As of 31 December 2021, the Bpifrance Group posted an LCR ratio (Liquidity Coverage Ratio - prudential ratio intended to ensure the short-term resilience of the liquidity risk profile) of 425% above the regulatory floor of 100%.

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 risk rate 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 2021, if interest rates had risen by 200 base points, the interest margin would have risk by 118.4 million and the net present value of the balance sheet would have fallen by 778,9 M€.

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 2021, 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.

Weighted assets specific to foreign exchange risks amounted to €889 million as of 31 December 2021.

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)).

Weighted assets specific to operational risks amounted to €2,260 million as of 31 December 2021.

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.

3.2.3.2. Bpifrance is exposed to the risk of fraud

Like the majority of companies, all sectors combined, the Bpifrance Group is faced with the risk of fraud, which can be committed both internally and externally.

The risk of internal fraud includes unauthorized activities and acts of internal malice, such as the theft or misappropriation of property or valuables by an employee, as well as risks of corruption and fraud (collusion / bribes or bad in competition with suppliers, inadequacy of the system for combating corruption and influence peddling, etc.).

In terms of external fraud, the Bpifrance Group is exposed to the risk of embezzlement, falsification or concealment of documents or identity theft by a third party, also including the risk of cyber-attack or breach of integrity of computer systems. In particular, the Bpifrance Group has to deal with new, more sophisticated operating methods in terms of cyberattacks, as well as loan applications accompanied by fraudulent documents.

Faced with these risks, the Bpifrance Group has a fraud risk monitoring system, in particular through control systems, awareness and governance relating to the fight against fraud.

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 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.

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 financial 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: fight against corruption and trafficking of influence;
- 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 (implementation of the obligations arising from the GDPR in the context of the processing of personal data carried out by Bpifrance).

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 the 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.

Fully mobilized to help companies overcome the economic difficulties linked to the consequences of this pandemic, Bpifrance continues to put in place appropriate financial measures to support French companies.

The Bpifrance Group has endeavoured, from the start of the epidemic in France, to identify the specific risks associated with its development and to identify the consequences as it evolves. These specific risks are summarized 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.
- Financial risks:
 - 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.
- Risks linked 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.

Between 2020 and 2021, outstanding loans on crisis products increased by 4% (including tourism loans). The tourism and leisure sector mainly benefited from this (+45% in outstanding loans).

Thus, this pandemic poses a risk to Bpifrance, insofar as Bpifrance's balance sheet is particularly exposed to the following elements which may be affected by the pandemic:

- The credit risk attached to the customer loan portfolio;
- The market conditions in which it is refinanced; and
- The valuation of the securities in its investment portfolio.

Depending in particular on the speed of dissemination of the economic support measures for companies put in place by the States, the supply of additional liquidity to the market and to the banks by the central banks and the resilience of the companies, the consequences of this pandemic could have a material adverse effect on the activities, operations and results of Bpifrance.

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 have affected economic activity in several sectors of activity. In the event of continuation or unfavourable development of this context, the Bpifrance Group could be faced with difficulties in reimbursing its corporate customers.

If the economic situation in France, or elsewhere in Europe and in the rest of the world, were to the operations of the Bpifrance Group could be affected and its activities, results and its financial situation 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, in particular the exceptional flood of the Marne that occurred in 2018).

These events would be likely to negatively affect the ability of the Bpifrance Group to conduct its activities. 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 regulations and numerous supervisory regimes in the jurisdictions where the Bpifrance Group operates.

This regulation covers in particular, by way of illustration:

- The 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 in terms of holdings and compensation (CRR2, "Capital Requirement Regulation 2", and CRD5, "Capital Requirements Directive");
- The rules applicable to bank recovery and resolution (BRRD, "Bank Recovery and Resolution Directive");
- The regulations applicable to financial instruments (including Bonds and other securities issued by the Bpifrance Group), as well as the rules relating to financial information, the disclosure of information and market abuse (MAR, "Market Abuse Regulation");
- Monetary, liquidity and interest rate policies and other policies of central banks and regulatory authorities;
- 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 regulatory authorities as well as fines, sanctions, public reprimands, damage to reputation, forced suspension of operations or, in extreme cases, the withdrawal of the authorization to operate.

Although the new measures aim to prevent the occurrence of a new global financial crisis, they have significantly modified and are likely to continue to modify the environment in which the Bpifrance Group and other financial institutions operate.

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. As it is not part of the list of Institutions of Global Systemic Importance (EISm) and the list of Other Institutions of Systemic Importance (A-EIS) defined by the French Prudential Control and Resolution Authority (ACPR), it is not subject to the specific associated requirements.



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. Management of credit and financial risks

Information relating to the management of credit risk and financial risk is presented in the appendix to the consolidated financial statements, in the chapter "NOTE 8 - EXPOSURE, MANAGEMENT AND MEASUREMENT OF RISKS».

3.3.2. Management of operational and non-compliance risks

3.3.2.1. General framework for managing operational and non-compliance risks

The system for measuring and monitoring operational and non-compliance risks applies to all activities carried out within the Bpifrance Group.

Bpifrance's appetite for operational and non-compliance risks is nil; thus, none of the activities carried out by the Group incorporates into its strategy or its models a voluntary exposure to operational or non-compliance risks. Nevertheless, Bpifrance has a tolerance for the operational risks induced de facto by the nature of its activities.

The Bpifrance Group has a governance and operational risk management system, the main purpose of which is to ensure overall control of operational and non-compliance risks as well as to provide reasonable assurance that the objectives set by the Group are achieved. The framework linked to this system is defined in the Bpifrance Internal Control Charter, which constitutes the reference framework for internal control within the Group. Another essential pillar of Bpifrance's risk appetite framework, Bpifrance's Operational Risk Management Policy (PGRO) is an integral part of the Group's Risk Management Policy. The PGRO applies in strict compliance with regulatory obligations and is aligned with the classification of operational risks established by the Basel Committee (article 324 of regulation 575/2013 of the European Parliament).

In accordance with the Supervisor's requirements, Bpifrance's operational risk and non-compliance management system was strengthened in 2021, based on a strict separation of the roles and responsibilities of the first two lines of defence in terms of operational risk management.

Thus, **the Departments/Businesses constituting the first line of defence are primarily responsible for identifying, evaluating, managing and monitoring their operational and non-compliance risks.** Each Department/Business Line has at least one correspondent in charge of coordinating work related to operational risk management. The latter ensures, in liaison with the Operational Risk Department (DRO), the implementation of the Group Policy in connection with Operational Risks. As such, the operational risk correspondent is responsible for identifying, evaluating and controlling the exposure to operational and non-compliance risks generated by his activity, in particular through:

- the operational and non-compliance risk mapping exercise (Risk Control and Self-Assessment – RCSA);
- the system for mandatory reporting of operational risk and non-compliance incidents;
- actions dedicated to improving the control of operational and non-compliance risks.

At the level of the second line of defence, the DCCP, and more particularly the **Operational Risk Department (DRO) within it, is responsible for the organization and operation of the system for controlling operational risks and non-compliance.** As such, the DRO has the role of:

- set the methodological framework relating to the operational risk and non-compliance management system;
- coordinate the definition and implementation of the permanent control system and the identification and management of operational risk within the Group, including its standards and methodologies, reports and related tools;
- provide a second look, independent of the first line of defence, via second-level controls relating to the Group's operational incidents and risks and the operation of the system;
- produce reports on operational and non-compliance risks and, if necessary, escalate related alerts.

In order to identify, monitor and control the impact of operational risks, the Bpifrance Group has the following system:

- a procedural framework dedicated to the management of operational and non-compliance risks, including the Operational Risk Management Policy as well as policies dedicated to the mapping of operational and non-compliance risks, to the system for reporting and managing incidents, the monitoring of inherent action plans and governance related to operational risks;
- a specific comitology, including the Operational Risk Management Committee (CGRO) as well as committees on operational risks within the Business Lines, supplemented in 2021 by a steering committee for the fight against fraud;
- alert thresholds and limits on operational risk and non-compliance incidents;
- a management information process in the event of a significant event for the Bpifrance Group;
- an IT operational risk management solution, allowing First Line of Defence operational staff to enter their operational risk and non-compliance maps, report their operational risk and non-compliance incidents, and monitor plans inherent actions;
- a system to raise awareness among teams on operational risk topics, including training dedicated to business referents as well as e-learning on incident reporting;
- second-level permanent controls relating to operational and non-compliance incidents and risks declared by the Business Lines and carried out independently by the Operational Risk Department.

3.3.2.2. Comitology

The operational and non-compliance risk management system is the subject of a dedicated committee procedure, reinforced in 2021. In addition to the boards of directors and umbrella committees, the governance dedicated to the management of operational and non-compliance risks compliance is structured around three dedicated committees:

- Operational Risk Management Committee (CGRO);
- Operational Risks Committee (CRO) of the Departments / Businesses;
- Anti-fraud steering committee.

The Operational Risk Management Committee (CGRO) meets quarterly and is responsible for, in particular to:

- share a consolidated vision of the operational and non-compliance risks of the Bpifrance Group, in particular through the mapping of operational and non-compliance risks as well as the incident collection database;
- present and discuss operational incidents considered significant for the period covered by the Committee and discuss the achievement of defined thresholds, if applicable (cumulative or individual incidents);
- provide a progress report on action plans relating to changes in the operational risk management and permanent control system, using a risk-based approach;
- explain the main operational or regulatory developments in Bpifrance's operational risk management system;
- decide on the implementation or monitoring of actions aimed at improving the prevention, detection and treatment of these risks.

Particular attention is paid to the identification, analysis and reduction of the impacts and/or frequency of operational risks.

In 2021, **Operational Risk Committees (CRO)** were progressively deployed in each Directorate/Trades of the first line of defence. These six-monthly committees feed the CGRO and:

- present the consolidated view of operational and non-compliance risks for each scope;
- present indicators on the results of the most recent first level control campaign;
- provide an inventory of current incidents in each Department;
- providing reporting on active action plans;
- present a report on the results of second-level controls in connection with the subjects of operational risks and non-compliance;
- Communicate on upcoming projects and deadlines over the period.

Note that the operation of CGROs and CROs is the subject of a dedicated policy, published in 2021.

In addition, a **Steering Committee dedicated to the fight against fraud within the Group** was set up in January 2021 and meets globally on a monthly basis. Led by the DCCP, this committee includes among its permanent members executive members and members of the CMG. In particular, it makes it possible to:



- define and monitor the implementation of the Group's anti-fraud forecast sheet;
- sharing Bpifrance's level of fraud risk with Group Management;
- validate the action plans and the associated budgets if necessary;
- prioritize the projects proposed during the committees;
- disseminate information / decisions with the operational teams;
- ensure the implementation of corrective actions.

The functioning of this committee is described in the update of the anti-fraud policy, to be published in early 2022.

3.3.2.3. Operational risks

Internal fraud	<p>In a context of increasing attempts at external fraud and the increasing complexity of their operating methods, in particular via cybercrime, since 2021 the Group has been deploying actions to strengthen its system for combating fraud, in order to preserve the interests of Bpifrance and of its customers.</p> <p>Several actions have been carried out in this direction, in particular through the strengthening of the first and second level permanent control system and the implementation of tools to combat the risk of document fraud, means of payment and fraudulent transfers.</p> <p>A committee dedicated to steering the fight against fraud within the Group was also introduced in 2021, providing visibility to Management on the level of exposure of the Group to this risk, as well as deciding and monitoring corrective actions.</p> <p>The proactivity of the teams in the event of fraud being essential for the Group, actions to raise awareness among employees on the subject are in progress and to come.</p>
External fraud	
Interruption failure of SI	<p>The banking environment is facing a sharp increase in external threats. In this context, the Bpifrance Group is mainly exposed to various acts of external, technological or physical malicious acts, including cases of cybercrime.</p> <p>Faced with these challenges, the Bpifrance Group has defined a security and protection framework for its information systems and data in order to ensure their availability, confidentiality, integrity and traceability.</p> <p>The Information Systems Security management system is strengthened accordingly each year, including a procedural corpus and associated permanent controls, new tools integrating the latest technologies, reinforced security requirements, etc.</p> <p>Audits and anti-intrusion tests, both on Group and business tools, were largely continued in 2021. Regular tests relating to business continuity have demonstrated their effectiveness, particularly in the context of teleworking due to the health crisis, by allowing all of the Group's employees to work in conditions of optimum efficiency, within tight deadlines, while ensuring the protection of Bpifrance's information system.</p> <p>Employee awareness and training actions on these risks have been stepped up, with the aim of increasing their vigilance in the event of cyber threats.</p> <p>All of these elements as well as the progress of the sites and the points of arbitration are shared during the Safety Committee which meets quarterly.</p>
Risk of cybercrime	

<p>Risk linked to outsourcing</p>	<p>As part of their activities, Bpifrance Group companies may entrust third parties with the performance of all or part of a process, service or activity. Depending on the subjects entrusted to these third parties, this may be what the regulations designate as "outsourcing", which is to be regulated. Indeed, it should be recalled that Bpifrance remains fully responsible for all outsourced services and activities, as well as the resulting management decisions.</p> <p>Also, Bpifrance pays great attention to the use of outsourcing of certain activities and services, in particular those relating to the deployment, maintenance and support of its information systems as well as those involving data outsourcing.</p> <p>The deployment of new products and distribution channels, in response to the Covid-19 economic and health crisis, has increased the use of outsourcing, which exposes the Group to a certain number of varied risks, including data leaks, dependence on certain service providers.</p> <p>In order to control these risks and apply the regulations applicable to outsourcing, Bpifrance has implemented a strict outsourcing policy.</p> <p>This system makes it possible to identify, measure and manage the risks associated with the outsourcing of processes and/or services and/or activities. It explains the different stages of the outsourcing process, the roles, responsibilities and regulatory obligations that flow from it.</p>
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3.3.2.4. Risks of non-compliance

The risk of non-compliance corresponds to the risk of legal, administrative or disciplinary sanction, of significant financial loss or damage to reputation, which arises from non-compliance with provisions specific to banking and financial activities, whether of a legislative or regulatory, national or directly applicable European, or whether they are professional and ethical standards, or instructions taken in particular in application of the guidelines of the supervisory body.

Bpifrance is exposed to the risk of non-compliance, in particular due to the constant changes in the regulations applicable to it and which could give rise to a misinterpretation of the new applicable texts or the late application of certain provisions. Such shortcomings could significantly affect the reputation of Bpifrance and therefore its business.

Thus, Bpifrance takes care to (i) respect all the laws and regulations, in particular banking and financial, to which it is subject⁵¹ and to (ii) establish solid and effective relations with its supervisory authorities.

The Compliance and Permanent Control Department (DCCP) is responsible for supervising the system for managing non-compliance risks. To do this, the DCCP manages the procedures, systems and controls implemented by the companies of the group to guarantee the compliance of the operations of the Bpifrance Group with the laws, regulations and market rules, particularly in terms of banking and financial regulations.

In order to do this, the DCCP:

- deploys and regularly reviews systems relating to the management of non-compliance risks.
- provides all useful advice and assists the Group's management by providing advice and training on compliance;
- carries out checks,
- is likely to interact with supervisory authorities;

⁵¹ See section 3.6 "Regulatory Environment"



More specifically, Bpifrance has deployed a system to fight against financial crime and thus prevent money laundering, terrorist financing and fraud.

Non-compliance with the LCB-FT regulations by one of the entities of the Bpifrance Group may lead to a risk of reputation and image but also a risk of sanctions, which may be of an administrative, disciplinary and/or criminal nature. The managers and employees of Bpifrance also incur the same risks. The supervisory authorities (ACPR in particular), which ensure compliance with the AML/CFT regulations, could thus sanction the entities of the Bpifrance Group in the event of breaches observed. Also, the highest level of governance of the Bpifrance Group is invested in matters relating to the fight against financial crime. It should be noted that an ACPR inspection carried out in 2018 resulted in Bpifrance (example: Bpifrance Financement) being given formal notice to put in place eight remedial measures. All of the points identified by the ACPR were finalized in 2021 (formal notice closed by the ACPR in July 2021).

Procedures relating to the fight against money laundering and the financing of terrorism (LCB-FT) have thus been put in place; in particular, they involve dedicated training for all employees (managers and operational staff) on these issues. A tool dedicated to LCB-FT makes it possible in particular to enter information relating to customers, to file documents relating to "know your customer" or "KYC" (Know Your Customer) and to make the data and links between the different companies more reliable. A supplier assessment system has also been put in place.

The deployment of new products for new customers, the use of new, more diversified and internationalized sources of financing, particularly in response to the health crisis of 2020/2021, has increased the Group's exposure to the risk of non-compliance, particularly in matter of LCB-FT. To cope, due diligence adapted and specific to natural persons (new typology of customers for Bpifrance) has been defined and implemented.

Entering into force on 1 June 2017, the provisions of Article 17 of the Sapin II⁵² Law relating to the fight against corruption and influence peddling apply to all Bpifrance Group companies. As a "public group at the service of the financing and development of companies, acting in support of public policies led by the State and led by the regions", Bpifrance must be an irreproachable and exemplary player in terms of ethics. and compliance. The Sapin II Law also created the French Anti-Corruption Agency (AFA), which monitors compliance with the preventive measures mentioned in the Sapin II Law and which can, through its Sanctions Commission, impose financial penalties on of the companies and managers concerned in the event of a breach of the aforementioned obligations.

Bpifrance was subject to an inspection by the French Anti-corruption Agency (AFA) which was carried out in 2018. This inspection resulted in a warning and eight recommendations to be implemented by Bpifrance. The anti-corruption system has thus been strengthened to cover the eight pillars of the Sapin II law. In particular, a map of the risks of corruption and influence peddling has been put in place covering all of the Group's activities, an anti-corruption policy, including a code of conduct, a complete training system dedicated to the subject intended for all Bpifrance employees or even a second and third level control system specific to the anti-corruption system.

The AFA's follow-up inspection in 2019 confirmed the deployment of said recommendations, thus concluding that there were no deviations from the regulator's requirements. The group continued to strengthen its system by obtaining certification to the ISO 37001 standard, which was renewed each year, including at the end of 2021 (with no deviation from the ISO standard).

The Bpifrance Group is also exposed to the risk of non-compliance with regard to the protection of personal data with regard to the obligations defined in the General Data Protection Regulations⁵³ (GDPR), which provides in particular for financial penalties which may amount to up to 4% of the Worldwide Annual Turnover. Given the operational complexity of deploying the requirements of the GDPR and the associated financial issues, Bpifrance has defined a significant compliance plan, the implementation of which is continuing and for which the Bpifrance Group is supported by external service providers in support of its staff dedicated to GDPR compliance.

In addition, Bpifrance has been marketing the Bpifrance Entreprises 1 fund since October 2020 via a digital distribution channel (and soon the Bpifrance Entreprises 2 fund, the launch of which should take place during the first quarter of 2022) to an unprecedented clientele for the Group. Bpifrance: individuals who wish to invest part of their savings in a new product. This change has given rise to new risks of non-compliance, insofar as the requirements relating to "natural

⁵² See section 3.6 "Regulatory Environment"

⁵³ See section 3.6 "Regulatory Environment"

person” customers are numerous, particularly given the obligations arising from the “MiFID 2”⁵⁴ regulations to which Bpifrance Investissement is subject. The marketing of this type of product therefore generates a risk related to “customer protection”. In fact, insofar as the Bpifrance Entreprises 1 and Bpifrance Entreprises 2 funds are/will be subscribed in particular by individual clients and ISPs on behalf of their own individual clients, it is advisable (i) to be vigilant about new regulatory requirements in terms of pre-marketing, in force since August 2021 and (ii) to ensure the appropriateness of the product to the customer's profile (and not the adequacy which applies to the advice).

Bpifrance's compliance system is also based on the deployment of systems in the fight against fraud, management of conflicts of interest, control⁵⁵, deployment of new offers or services, outsourcing, right to alert, reporting of incidents, operational and non-compliance risks, and handling of customer complaints.

Bpifrance also implements measures relating to the security of its information systems in order to control IT risk.

A regulatory monitoring committee is in charge of identifying new regulations to prevent the risk of non-compliance and to ensure that the work necessary for compliance resulting from the entry into force of new regulations is properly implemented.

In addition to the systems mentioned, Bpifrance structures and offers numerous awareness and training sessions for employees in order to allow the dissemination of standards and a good understanding of existing systems in terms of ethics and compliance among group employees.

However, despite all the measures deployed to control the risks of non-compliance, no guarantee can be given that, following a check by a regulator, the latter does not identify any areas aimed at improving the Bpifrance Group's compliance with applicable laws and regulations.

3.3.3. Management of cybersecurity risks

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 cybercriminal threats and lead to an increased need for information system resilience.

To face 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 in order to ensure their availability, confidentiality, integrity and traceability.

Cybersecurity risk cuts across all of the Group's activities.

The IS Security imperative is part of the Corporate Responsibility approach. Also, the main ISS challenges for Bpifrance are to:

- Protect the Information Systems and the data entrusted to them against any form of accidental or intentional threat;
- Contribute to the overall performance of IS and the reputation of Bpifrance;
- Contribute to the sustainability of Bpifrance's activities and services and contribute to the overall resilience of critical processes; and
- Allow Bpifrance to implement appropriate security measures integrating the best cost/benefit ratio.

⁵⁴ See section 3.6.6.2 Regulatory Framework for investment activities

⁵⁵ See section 3.4.1 “The organisation and functioning of the internal control of Bpifrance”



3.3.3.1. Cybersecurity risk management indicators

Bpifrance manages its cyber risks through various elements such as:

- The proper implementation of its control plan backed by its IS risk mapping;
- The results of robustness and resilience tests of its IS;
- Tools allowing in particular the identification of vulnerabilities on all of its Information System (servers, workstations, network equipment, applications exposed or not on the Internet); and
- Monitoring and detection services to identify discrepancies between the security measures implemented and the state of the art.

3.3.3.2. Comitology

The governance dedicated to cybersecurity risk management is structured around several committees:

- the DSI Security Committees, on a monthly basis, for intra DSI monitoring of the security actions implemented;
- Group/Restricted Security Committees, on a quarterly basis (ISS governance committees, presentations and monitoring of cyber risk exposure indicators);
- The Operational Risk Management Committees (CGRO), on a quarterly basis, for the presentations and monitoring of cyber risk exposure indicators;
- The Group Risk Management Committee (CGRG), on a quarterly basis, for the presentation and monitoring of cyber risk exposure indicators.

3.3.4. Emergency and Business Continuity Plan

Bpifrance adopts a multi-level digital resilience that encompasses people, processes and technology, in order to guarantee the continuity of its activities in compliance with the regulations to which it is subject.

The emergency and business continuity plan (PUPA), according to the terminology appearing in the decree of November 3, 2014, aims to quickly take measures in the event of a crisis situation in order to minimize the impacts of a major claim on 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 whose foreseeable or certain duration exceeds the maximum allowable interruption time for this activity.

The Responsible Director of the PUPA is under the responsibility of the Risk Department. Each year, it organizes an update review of these procedures, by updating the Continuity Plans of all the Departments.

The Business Continuity Plan (BCP) support DSI and PCA Informatique is integrated into the PUPA of the Bpifrance Group. An alert system automatically warns of the interruption or breakdown of equipment. Safeguards are put in place and preventive control of the environment is carried out in order to limit any failure of the systems.

The health situation in France and its impact on the economic and social situation have led the Bpifrance Group to continue to take specific measures. As such, in order to protect its employees while ensuring continuity of service to its customers, the Bpifrance Group, beyond basic protective measures (gloves, hydroalcoholic gel, masks, etc.), has implemented solutions remote working for all of its employees.

3.3.5. Management of Climate risk

3.3.5.1. Risks related to climate change

Climate-related risks are subdivided into two main families

- Physical risk refers to the financial consequences that result from climate change through extreme and/or chronic hazards.
- The transition risk which corresponds to the risk of losses incurred, directly or indirectly, due to an inadequate adaptation process towards a low carbon economy

With the acceleration of the transition to a more restrictive climate environment, the Bpifrance Group is adapting its activities appropriately in order to achieve its strategic objectives and avoid incurring losses. For example, through the Medium-Term Plan and its climate strategy, the Bpifrance Group is committed to accelerating the ecological and energy transition of companies and territories with support and financing solutions.

In addition, when the Bpifrance Group lends to companies whose activities generate significant quantities of greenhouse gases, it finds itself exposed to the risk that pressure from extra-financial rating agencies, investors or NGOs, or even stricter limitations are imposed on its borrower, which could have a significant adverse impact on the credit quality of the latter and thus reduce the value of the Bpifrance Group's debt portfolio.

The Bpifrance Group is gradually integrating the assessment of these risks into its risk management system. The monitoring of climate risks is indeed a particular challenge for Bpifrance in the context of its strategic objective of "Green Bank" and the Climate Plan launched in 2020. This Climate Plan is a joint plan with the Banque des Territoires to accelerate the ecological transition businesses, contribute to the recovery and make business activity compatible with the carbon neutrality objectives of the Paris Agreement.

This plan simultaneously targets the green transition projects of companies and public actors in the territories and is based on three pillars:

- Accelerate the ecological and energy transition of companies and territories with support and financing solutions
- Double funding dedicated to renewable energies and to contribute to the growth of international champions
- Massively finance innovation in "greentechs" and sustainable and resilient networks to find technological solutions for the EET

3.3.5.2. Presentation of the climate risk management framework

Bpifrance, through the Climate Plan, has set itself a strong ambition to support French companies in the face of the various challenges relating to the transition to a low-carbon economy.

At the same time, the regulatory authorities are deploying new regulatory components dedicated to the integration of climate risk into the risk management systems of banking institutions, in particular:

- The « Sustainability » roadmap of the EMBA;
- The BCE guide on the management of climate risks; and
- The climate stress tests of the ACPR in 2021 and of the BCE in 2022.

In this context of regulatory pressure, Bpifrance has adapted its appetite for climate risks, in particular the risk of ecological transition, in order to support the strategic ambitions of supporting the economy. The risk appetite framework will be strengthened in order to assess and control the exposures associated with the various so-called "green" financing and or investments initiated in 2021 with the launch of Bpifrance's first Green Bond. Four principles characterize Bpifrance's positioning regarding its acceptable or tolerable level of exposure and risk-taking relating to environmental and climate risks:

- To provide a framework for the products and activities resulting from the Climate Plan;
- To supervise and assess the sensitivity of the portfolio to assets and counterparties sensitive to the transition to a low-carbon economy;
- To scenario the transition risk in order to understand and anticipate the sector rotation of the portfolio;
- To understand the physical risk associated with the group's activities.

Started in 2021, the climate risk management system extends to all of Bpifrance's businesses and will continue to develop in 2022 in accordance with the action plan produced by the Group Risk Department. The implementation of this system is supported by the new Climate Risk Department created in 2021.



The other main areas of development will relate to:

- The establishment of a Climate Risk Committee;
- Taking climate-related risks into account in the credit granting process and investment decisions;
- Strengthening the system for identifying and assessing climate risk factors and their impact on the Group's risk mapping;
- The deployment of the management framework ensuring the monitoring and management of Bpifrance's exposure to climate risks.

3.3.5.3. Framework for managing climate-related risks

Bpifrance has adopted a framework aimed at assessing and quantifying the exposure of its portfolio to physical and climate transition risks.

This monitoring framework is based on a series of internal indicators (heatmap, KRI, scoring system, etc.), in development, which aim to identify pockets and/or counterparties with challenges requiring, where appropriate, an analysis, strengthened and/or appropriate intervention, to measure and manage the sensitivity of the portfolio to transition and to physical risk.

3.3.5.4. Main climate risk management indicators

In accordance with the action plan drawn up by the Risk Department, the climate risk management system is equipped with a series of management indicators, currently in the development phase, which should gradually feed into the group risk reporting system.

Bpifrance operates mainly in mainland France and in the DOM-TOMs. The clients and activities of the Bpifrance Group may be subject to severe weather events (particularly in coastal areas). In fact, the physical risk can lead to impacts on business processes and/or generate material losses on these assets and indirectly via the impacts of these events on its customers.

On physical risk, the exposure of the Bpifrance portfolio to physical risk will be assessed by:

- A set of maps combining the location of relevant climatic hazards and the geolocation and sectorization of outstanding loans;
- A system of physical risk score of a geographical area with climatic hazards in a prospective dimension.

With regard to transition risk, the exposure of the portfolio will be appreciated by:

- A set of maps (or heat map) in order to assess exposure at the level of the Bpifrance portfolio by segmenting the portfolio and defining homogeneous pockets of risk;
- A series of sectoral KRIs broken down into a sectoral mesh in order to quantify the exposure to the transition risk of a sector by valuing the vulnerability of each company that composes it.

3.3.5.5. Comitology

The Climate Risk Committee will be set up in 2022. It will be chaired by the Director of Financial, Climate and Country Risks of Bpifrance.

It will bring together all the stakeholders concerned and will in particular monitor Bpifrance's exposure profile to climate risks. It will present and endorse methodological developments, raise the issues in terms of data in accordance with risk monitoring.

In addition, the management (Executive Committee) and supervisory (Risk Committee and Board of Directors) bodies will be regularly informed of any deviation from the risk profile, whatever the origin. Finally, at the request of the members of the Climate Committee, specific presentations can be made on the sites relating to climate risks.

3.3.6. Capital management and capital adequacy

As of 31 December 2021, the main key indicators of the Bpifrance Group are:

CET1, Common Equity Tier 1	24 178 M€
Total equity	24 227 M€
Total risk exposure amount	79 231 M€
Common Equity Tier 1 capital ratio	30.52%
Tier 1 capital ratio	30.52%
Total equity ratio	30.58%

The change in the phased-in overall solvency ratio between 31 December 2020 (30.75%) and 31 December 2021 (30.58%) results from an increase:

- of shareholders' equity on the one hand (1.3 Md€); and
- of weighted assets (RWA) on the other hand (4.5 Md€)

3.3.6.1. Field of application

The scope of the prudential scope as defined in Regulation (EU) 2019/876 on capital requirements is different from that of the scope of accounting consolidation, the composition of which falls under the application of IFRS standards, as adopted by the European Union.

In accordance with the regulations, a prudential scope is defined by the Bpifrance Group for the exercise of supervision on a consolidated basis of the capital ratios.

3.3.6.2. Composition of regulatory capital

Own funds are determined and divided into three categories in accordance with EU Regulation No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions (CRR):

- Common Equity Tier 1 capital;
- Additional Tier 1 capital; and
- Tier 2 capital, made up of equity and debt instruments, on which regulatory adjustments are made.

Common Equity Tier 1 (CET 1) capital corresponds to share capital instruments and associated issue premiums, reserves (including those on accumulated other comprehensive income) and non-financial results. distributed. Total payment flexibility is required and the instruments must be perpetual.

Additional Tier 1 capital ("AT1") corresponds to perpetual debt instruments, free of any incentive or obligation to repay. AT1 instruments are subject to a loss absorption mechanism which is triggered when the CET1 ratio is below a threshold which must at least be set at 5.125%. The instruments can be converted into shares or undergo a reduction in their nominal value.

Tier 2 capital corresponds to subordinated debt instruments with a minimum duration of 5 years. Early redemption inducements are prohibited.

Bpifrance's capital is mainly made up of Common Equity Tier 1 capital.

3.3.6.3. Minimum capital requirements

The minimum capital requirements are set by European regulation 2019/876.



The calculation of weighted outstanding loans for credit risk and operational risk is carried out respectively according to the standard approach and the elementary approach within Bpifrance. The standard approach to credit risk is based on weighting coefficients determined by the regulations.

The table below summarizes the minimum requirements under Pillar I. Bpifrance's net currency position having crossed the threshold of 2% of prudential capital, and in accordance with the decision of the Solvency Committee, capital consumption under the currency risk is calculated as of 31 December 2021

	<i>In millions of €</i>	
	Total amount of risk exposure	Total capital requirements
Credit risk (excluding CCR)	76 044	6 083
Including standard approach	76 044	6 083
Including simple NI approach (F-IRB)	0	0
Including approach by referencing	0	0
Including equities using the simple weighting method	0	0
Including advanced NI approach (A-IRB)	0	0
Counterparty credit risk - CCR	31	2
Including standard approach	16	1
Including internal model method (IMM)	0	0
Including exposures to a CCP	3	0
Including credit valuation adjustment — CVA	12	1
Including other CCRs	0	0
Settlement risk	0	0
Securitization exposures in the non-trading book (after the cap)	7	1
Including SEC-IRBA approach	0	0
Including SEC-ERBA (including IAA)	7	1
Including SEC-SA approach	0	0
Including 1 250 % / deduction	0	0
Position, currency and commodity risks	889	71
Including standard approach	889	71
Including approach based on internal models	0	0
Major risks	0	0
Operational risk	2 260	181
Including elementary approach	2 260	181
Including standard approach	0	0
Including advanced measurement approach	0	0
Amounts below the deduction thresholds (subject to 250% weighting)	0	0
Total	79 231	6 338

3.3.6.4. Leverage ratio

European regulations introduce a leverage ratio among the prudential indicators, calculated as the ratio between Tier 1 capital and exposure to leverage, i.e. assets and off-balance sheet items after certain restatements on derivatives, intra-group transactions, securities financing transactions, items deducted from the numerator and off-balance sheet items.

The Group manages its leverage effect according to the CRR leverage ratio benchmark. The leverage ratio is not currently part of the indicators of the Group Risk Management Policy or of the Group Risk Appetite metrics. The leverage ratio is an indicator of the Preventive Recovery Plan (PPR).

If the minimum regulatory thresholds are exceeded, an escalation process and specific corrective actions are planned to remedy the situation.

As of 31 December 2021, the level of the leverage ratio in the group is set at 20.88%. The increase in the level of leverage ratio (20.82% in 2020) is mainly due to the increase in Tier 1 capital.

3.3.6.5. Capital assessment process

The capital assessment process (ICAAP: Internal Capital Adequacy Assessment Process) is defined in line with Bpifrance's Risk Appetite, based on risk indicators and whose thresholds and limits are set at tolerable levels allowing the maintenance of the Group's activities

The Bpifrance Group ICAAP framework is built on a dual approach to assess capital adequacy:

- A normative approach which concerns the permanent compliance with regulatory requirements in terms of capital through a stress test approach over a 3-year horizon. It is based on the definition of economic scenarios, the projection of the various solvency-related metrics in order to demonstrate the compliance of solvency ratios with regulatory requirements,
- An economic approach which consists of an internal assessment of economic capital needs over a 1-year horizon, put into perspective of available resources. This approach is based on the identification of significant risks which are quantified prospectively with methodologies and models internal to Bpifrance.

The two approaches are complementary and are based on the same basis, namely the analysis of the bank's business model as well as the associated risk profile.

3.3.6.6. Comitology

The Solvency Committee, chaired by the Deputy Chief Executive Officer, meets quarterly.

The management of the solvency of the Bpifrance Group relies heavily on the coexistence of two approaches, one regulatory and the other economic. During the Solvency Committee, these two approaches are the subject of a quarterly presentation.

The internal capital adequacy assessment process requires verifying that the capital requirements calculated under Pillar 1 adequately cover the residual risks.

3.3.6.7. Supervisory review and assessment process

As part of its supervisory review and assessment process carried out in 2021 (Supervisory Review and Evaluation Process, SREP), the European Central Bank has set the CET1 capital requirement at 9.88% that the Bpifrance Group will have to be met on a consolidated basis in 2022, of which:

- 1.88% under the requirements of the "Pillar 2 Requirement";
- 2.50% for the Capital Conservation Buffer;
- 0.00% for countercyclical buffers.



The overall solvency requirement ("Total Capital") is set at 12.38%. As of 31 December 2021, the overall phased-in solvency ratio of the Bpifrance Group stood at 30.58%, i.e. a level well above the minimum requirement set by the European Central Bank.

3.4. Internal control and risk management system

Approved by the Prudential Control and Resolution Authority (ACPR) as a credit institution, Bpifrance is subject to all the provisions of the Monetary and Financial Code as well as to the decree of November 3, 2014, relating to the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the Prudential Control and Resolution Authority.

It should also be noted that being approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company, Bpifrance Investissement, a sub-subsidiary of Bpifrance, is subject to all the provisions of the Monetary and Financial Code governing the management companies. In particular, the company is approved under Directive 2011/61/EU known as the "**AIFM Directive**".

In addition, the Single Supervisory Mechanism (SSM) system by the European Central Bank (ECB) has applied to the Bpifrance Group, and in particular to Bpifrance since November 4, 2014. Thus, since that date, Bpifrance has been directly supervised by the ECB, in coordination with the ACPR, which retains its sovereign role in issuing regulatory approvals and in the fight against money laundering and the financing of terrorism.

The regulatory environment in which Bpifrance operates is detailed in section 3.6 of this document.

3.4.1. The organization and operation of Bpifrance's internal control

The Bpifrance Group's internal control system is based on a set of means, procedures, functions and actions adapted to the characteristics of the group and each of its subsidiaries.

This system, which contributes to the control of activities, the effectiveness of processing and the efficient use of Bpifrance's resources, makes it possible to appropriately take into account the significant risks that the institution must face, whether they are credit, market, operational, financial or non-compliance.

Its definition, implementation and monitoring are the responsibility of General Management, under the supervision of the Board of Directors.

Bpifrance's internal control system relies in particular on three Departments:

- **The Compliance and Permanent Control Department (DCCP)**, in charge of the second-level compliance and permanent control system. Its director is also the Head of Compliance and Internal Control (RCCI) of the management company Bpifrance Investissement.

This department steers the procedures, systems and controls implemented by Bpifrance to guarantee the compliance of its operations with the laws, regulations and market rules in terms of banking and financial regulations. She is in particular in charge of the implementation of measures in the fight against money laundering and the financing of terrorism (LCBFT), the fight against corruption and the fight against fraud.

Reporting directly to the Chief Executive Officer of Bpifrance, the Director of the DCCP reports quarterly to the Board of Directors particularly via the Bpifrance Risk Committee.

Participating in the internal risk management committee, the DCCP also reports to the General Management of Bpifrance by also leading the group internal control committee dedicated to exchanges on internal control (permanent control and periodic control) and compliance.

- **The Risk Department**, responsible for implementing the group's strategy in terms of risk monitoring and management. It ensures that the risk system is effective and that the level of risks taken is consistent with the group's orientations.⁵⁶.
- Periodic audit, as provided for in Article 17 of the decree of November 3, 2014, is carried out by the **General Inspection - Audit of Bpifrance (IGA)**. The IGA 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 (exerted by operational activities) and second level (provided by the DCCP and the Risk Department). Through its missions, included in the annual audit plans, it proposes the implementation of remediation plans thanks to the recommendations that it formulates and which it monitors.
The IGA is also a privileged interlocutor of external controllers and supervisors and monitors the action plans relating to the recommendations issued by the latter.

● Permanent Control

First-level permanent control refers to all of the operational controls carried out by all of Bpifrance's operational departments. First-level permanent control is the indispensable and essential foundation of the control system. Thus, each employee, within the framework of "self-control", participates in Bpifrance's first-level permanent control system, based on controls integrated into operational procedures and on automated controls in the continuous processing of transactions.

Each line manager, responsible for all the risks related to the scope for which he is responsible, must ensure that his employees comply with the procedures. Depending on the evolution of the activity, regulations, professional standards or processing processes, it develops these procedures by integrating new appropriate controls. If necessary and as much as necessary, these first-level controls are defined in collaboration with the DCCP, which supports the businesses in defining these essential controls.

First-level controls make it possible in particular to ensure:

- compliance with processing procedures for all transactions and, where applicable, fund regulations for all transactions and their compliance;
- the justification of the transactions recorded in the management systems and ultimately in Bpifrance's accounts.

These controls are defined in the operational processes as mandatory points in the normal course of operations.

Second-level permanent control is exercised by a function independent of the operational functions, the DCCP.

Thus, the DCCP carries out second-level controls (a posteriori) which cover all of Bpifrance's key business processes in order to ensure, in particular, correct compliance with the applicable internal procedures and instructions (on the basis of samples of operations).

All of the permanent controls implemented by the DCCP are defined in an annual control plan. This control plan, articulated around the various key business processes of Bpifrance, defines, according to a risk-based approach, the various controls to be carried out over the year and their frequency. It is drawn up in collaboration with the operational departments controlled and is validated by the General Management of Bpifrance in the group internal control committee as well as by the Risk Committee (emanation of the Board of Directors) then implemented by the DCCP.

⁵⁶ See Appendix 8 for the complete presentation of the Group Risk Department and the Bpifrance risk management system



It is subject to formal quarterly monitoring. This monitoring highlights the evolution of the results of the regular assessments carried out by the permanent control teams and, if necessary, makes it possible to alert governance to the areas of risk identified and the action plans defined to remedy them.

- The DCCP is in charge of the compliance function.

As such, it establishes and manages the compliance policy, the founding document in this area. It thus plays a real advisory role with operational staff, generally upstream of transactions: it is consulted on the management of conflicts of interest, on the sharing of information, on transactions eligible or not in the funds, etc.; it also issues compliance notices for new products, services or activities; plays a key role in terms of the right to alert, protection of personal data or when so-called essential activities are outsourced.

It is the guarantor of the implementation of internal rules relating to ethics and professional conduct.

It oversees the LCBFT system, the fight against fraud, against corruption and ensures compliance with the rules on embargoes. As such, it intervenes in the definition of systems and in the analysis of operations/situations on a case-by-case basis.

The DCCP also steers the production and updating by the business lines of the operational risk and non-compliance risk maps inherent in all of the Bpifrance Group's activities; it is also in charge of the reporting and monitoring system for operational risk and non-compliance incidents.

It should also be noted that the *Data Protection Officer* (DPO), who drives GDPR compliance, is part of the DCCP.

Finally, the DCCP is the privileged interlocutor of the AMF as well as other regulators when it comes to (i) the fight against corruption, (ii) the fight against money laundering and 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 ⁵⁷
- The Periodic Audit

The General Inspection – Audit (IGA) is in charge of periodic control for the entire Bpifrance Group.

The entire team, composed on 31 December 2021 of the Inspector General (Director of the IGA), her deputy, an assistant, and 18 auditors and heads of mission, is located at the head office of Bpifrance, in Maisons-Alfort. Depending on the mission topics, the team organizes its trips to the regional offices and other Parisian premises.

The General Inspector reports to Nicolas Dufourcq, CEO of Bpifrance.

The operation of the IGA is part of an audit charter, validated on March 19, 2021 by the Bpifrance Board of Directors. This charter describes the purpose, powers, responsibilities and organization of the IGA as well as the general rules applicable to periodic control. It is established by reference to the decree of November 3, 2014 and to the professional standards of internal audit as defined by the French Institute of Audit and Internal Control (IFACI). It is still in application, without modification in 2021.

The Charter is supplemented by a manual of operational audit procedures, covering the detailed methodology of assignments and the follow-up of recommendations; this manual is being updated.

The portfolio of recommendations is managed using a dedicated tool which allows, via a Workflow integrating the auditees, the follow-up of the implementation of the recommendations and qualified reports. This monitoring, carried out over time by the entire audit team, makes it possible to control the volume of the portfolio.

The IGA is also in charge of monitoring recommendations issued by external control bodies, based on the same dedicated tool.

- The annual summary of the development of the system

⁵⁷ See Appendix 8 for the full presentation of the Group Risk Department and Bpifrance's risk management system.

The report on Bpifrance's internal control, risk measurement and monitoring is submitted each year to the Risk Committee and the Board of Directors for validation. It is then transmitted to the ACPR as required by the regulations.

The main changes in the internal control system are traced there, whether in terms of credit risk, market risk, those relating to the preparation of accounts or operational risks (including with regard to the security of information).

Since 2019, the Anti-Money Laundering and Terrorist Financing (LCB-FT) system has been the subject of a report dedicated to the subject, a report also validated by the Board of Directors and transmitted to the ACPR and to the AMF.

In 2021, the DCCP continued to work to strengthen the system in the fight against money laundering and terrorist financing, in particular following the ACPR's inspection in 2018. Thus, all the points that had been identified by the ACPR were the subject of a remediation which was finalized in 2021 (formal notice closed by the ACPR in July 2021). These actions have also resulted in an improvement in the functionality of the monitoring tools. The strengthening of the LCB-FT system also resulted in the implementation on the scope of Bpifrance Assurance Export of the same KYC tool as that used on the Financing and Investment scopes, a tool based on the classification of risks LCB-FT.

In addition, as part of its actions to promote the culture of compliance, the DCCP has carried out training/awareness-raising for teams, particularly in terms of economic sanctions and embargoes with investor teams.

In terms of compliance, the DCCP continued to support the launch and/or deployment of several digital platforms, in particular allowing the distribution of loans, or even offering business customers the possibility of having a personalized customer space. As such, the DCCP intervenes on subjects relating to the fight against fraud, the processing of personal data, remote identification in the context of KYC.

In addition, it supported (and continues to do so) the implementation of the digital subscription platform for the second Retail fund of funds (whose target investors are non-professional individuals, French tax residents, like the first fund launched in October 2020) of Bpifrance. The DCCP is thus a stakeholder in the process of structuring the product (preparation of the application file for approval with the AMF, review of the legal documentation, review of the content of the showcase site, review of the subscription platform, review of agreements with distributors, etc.). It should be noted that Bpifrance Investissement obtained approval for this second fund from the Autorité des Marchés Financiers in December 2021 and that marketing should begin in February 2022.

Among the other structuring projects in progress, it can be underlined that the DCCP has:

- (i) contributed to the project (currently being deployed) to bring the Bpifrance Group into compliance with the requirements resulting from existing regulations on sustainable finance⁵⁸ (in particular with the entry into force of Article 29 of the Energy and Climate Law and certain provisions European "Disclosure" and "Taxonomy" regulations);
- (ii) worked on the continuation of work relating to the supervision of outsourced services in accordance with regulatory requirements and in particular the EBA guidelines;
- (iii) worked on the overhaul of the system to oversee the process of creating, launching and modifying "offers", in order to fully meet regulatory requirements;

⁵⁸ See Section 3.6.5 Other significant regulations applying to the Bpifrance Group



- (iv) worked on the overhaul of the training system to enable the awareness/training of all Bpifrance Group employees of the regulatory obligations to which Bpifrance is subject. The DCCP has thus created new awareness/training modules on the fight against corruption, operational risk incidents, protection of personal data, the fight against fraud and economic sanctions.

Among the highlights, it should be noted that Bpifrance obtained the renewal of the certification to the ISO 37001 standard concerning its anti-corruption system, a system piloted by the DCCP.

In addition, as part of the implementation of the due diligence necessary to ensure the compliance of Bpifrance Courtage with the Insurance Distribution Directive⁵⁹ (the "DDA"), the DCCP supported the Bpifrance Courtage teams, particularly in the framework of the structuring of the training of employees subject to the DDA. These training actions will be renewed each year.

Regarding operational risk management, the year 2021 was marked by the deployment of a new system, making the Business Lines responsible for reporting incidents and producing their mapping of operational and non-compliance risks, as well as in the implementation and monitoring of related action plans. The system has also been strengthened through an update of the procedural framework, the deployment of linked governance, the implementation of a new operational risk management tool, awareness-raising actions for the teams as well as independent second level controls. In total, fifty recommendations issued by the ECB in terms of operational risk management were implemented in 2021.

On the other hand, 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 complete coverage of activities and operational processes. Thus, the 2nd level permanent controls focused in particular on compliance with procedures (eligibility, instruction, powers, delegations, formalization of 1st level permanent controls, etc.), the management and compliance of credit operations, investment or accounting records, data quality, security or confidentiality of several management or computer processing processes.

At the same time, the DCCP rolled out its new GRC tool, which combines different modules concerning the mapping of operational risks, operational incidents and 2nd level permanent controls. This tool also includes a module on permanent control of the 1st level allowing the centralization of the controls carried out by the operational staff of the middle of the bank since April 2021. These modules will be the subject of links from 2022.

2021 was marked by the appointment of a Deputy Inspector General, in office since 03/15/2021, to replace the Director of Internal Audit, who exercised her retirement rights.

Strengthening of the audit team continues:

- The growth in operational staff continued in 2021, reaching 18 auditors and mission heads as of 12/31/2021, supplemented by 2 trainees and work-study trainees recruited to improve the use of automated tools in particular; in total, the IGA workforce at 12/31/2021 was 21 people (for 22 people in average FTE over the year);
- The target of 23 FTEs, expressed in 2020, was reached during the year, but several auditors benefited from internal changes to other Group businesses, a sign of the IGA's increased skills;
- At the same time, an evolution of the organization has been recorded and will be effective on 01/01/2022, with the creation of the grade of supervisors for an objective of 2 FTEs already filled (an external recruitment and an internal evolution);
- In total, the 2022 budget in terms of average FTE for the IGA is 25, an increase of 80% in 6 years; this upward trend should continue over the next few years;
- In addition, particularly significant efforts have been dedicated to replacing the recommendation monitoring tool, to move towards a more flexible solution in terms of monitoring and reporting. This tool, which is already used by the Audit Department of Caisse des Dépôts, will be deployed in February 2022.
- Finally, the audit methodology has also been strengthened by overhauling the procedural body, the format of audit reports and working files; the certification of Management with regard to international auditing standards is in progress, following an assessment mission carried out by IFACI in December 2021.

⁵⁹ See Section 3.6.6.1 Regulatory framework for banking and insurance activities

The 2021 audit plan provided for 31 assignments. After arbitration with the Chief Executive Officer, the number of missions carried out was reduced to 30. Indeed, the "Security of cash flows" mission initially planned in the 2021 plan was postponed to 2022 after completion of the work to improve the system. control of the related risks, carried out by the DCCP.

All assignments have been completed as of the date of this universal registration document, giving rise to 27 reports (some topics have been grouped together).

In addition, 2 off-plan missions were carried out at the request of the Chief Executive Officer.

The missions carried out focused on:

Funding activities	Investment activities	Export Assurance	Cross-cutting themes
Innovation-Deeptech	Equity interventions	Currency Exchange Insurance	Anti-corruption device
Equity interventions - Convertible bonds	BE1 (including 123IM)		Emergency and Business Continuity Plan (PUPA)
Monitoring of credit and concentration risk (FO, MO, Accounting, Risks)	Silver Lake		Market abuse
National guarantee funds (including extension of guarantee, moratorium)	Valuation of direct holdings		Support - Consulting services
Litigation	"Rules of good conduct - including customer information (RG AMF)"		Coaching - Training services
PGE device on behalf of the State			Bpifrance/community websites (exchange of information)
Loan scheme (PGE Bpifrance, Rebond, Atout, PSG)			Bpifrance platforms (external flow)
			Quality of financial reporting
			Manual accounting interventions
			Trading Room
			Cybersecurity / Management of authorizations and review of admin rights
			LCB-FT
			ESG / Climate Bank
			Credit and Concentration risk monitoring

The mission outside the initial plan, relating to the Social Cohesion Fund, was carried out in 2021 at the request of the DIPCATE Management and approved by the General Management. It is part of a context of taking over the management of this fund by DIPCATE and a desire to establish an initial risk assessment with a view to conventional negotiations with the Treasury and the Department of Social Affairs taking place at the end of 2021.

The mission outside the initial "Fraud" plan, relating to digital "Rebound" loans, was added to the plan following the report of a shortcoming in the robustness of the granting process by the Digital Department. A collegial decision of the various departments involved (Digital Department, DCCP, IGA) has, with the approval of the Chief Executive Officer, tasked the IGA with quantifying the risk of fraud associated with the granting process.

In addition, the subsidiaries Alsabail, a specialized credit institution, Sogama, Crédit Associatif, a financial company providing credit to associations, and Memo Bank, a Fintech in the banking sector, are audited each year by the IGA as



part of the periodic control agreement drawn up in 2011 (for Alsabail and Sogama) and 2020 (for Memo Bank) between them and Bpifrance SA.

3.4.2 Outlook for 2022

Compliance and Permanent Audit Department

In 2022, the main structuring subjects in terms of compliance will be:

- continued support for projects aimed at digitizing Bpifrance's processes and businesses;
- the continuation of work in the fight against fraud, fraudsters being more and more inventive and ingenious;
- the continuation of work relating to the supervision of outsourced services in accordance with regulatory requirements, in particular taking into account the issues relating to data outsourcing and IT/cyber risk;
- the continuation of the compliance work initiated on the existing regulations in terms of sustainable finance⁶⁰ (in particular with the entry into force of Article 29 of the Energy and Climate Law and of certain provisions of the European regulations "Disclosure" and "Taxonomy");
- continued support in the context of setting up and monitoring the successor fund to the Bpifrance Entreprises 1 fund, namely Bpifrance Entreprises 2;
- the continued deployment of the General Data Protection Regulation compliance plan⁶¹.

Impact analyses will be established as part of the draft amendments to several regulations, including the draft "AIFM2" regulation (which would succeed the AIFM Directive⁶²), as well as the draft regulation intended to strengthen the system European Union for the fight against money laundering and the financing of terrorism.

In terms of permanent control, the flagship project will consist of carrying out work aimed at continuing to set up the tool centralizing the first-level controls of all of its business lines.

In addition, several actions to consolidate the system in connection with operational and non-compliance risks were initiated in 2021 and should continue in 2022, with particular attention to updating the mapping of operational and non-compliance risks. - compliance and new developments expected from the operational risk management tool.

Finally, actions aimed at promoting the culture of internal control and compliance will be continued: thus, the overhaul of the employee awareness/training system on major regulatory issues will continue in 2022 with the creation of training modules on new topics.

General Inspection – Audit

The 2022 audit plan, validated by the Board of Directors on December 17, 2021, was established on the basis of a risk-based approach and was built around 3 main axes:

- The Group's new risk maps (operational and financial) have been integrated in order to demonstrate the coverage of processes and risks by the three-year Audit Plan.
- New risks and new activities related to the health and economic context are taken into account in the plan;
- The insights provided by COMEX members, Directors and the conclusions of previous audit assignments feed into this plan;

If 2021 was "year zero" of the new risk-based approach, without a 3-year projection, the year 2022 marks the transition to "PPA" (Multiannual Audit Planning) over 3 rolling years. This overhaul of the audit approach makes it possible to combine complete coverage of activities over 3 years and an update of priority risks, particularly in the event of a new activity.

⁶⁰ See Section 3.6.5 Other significant regulations applicable to the Bpifrance group

⁶¹ See Section 3.6.5 Other significant regulations applicable to the Bpifrance group

⁶² See Section 3.6.6.2 Regulatory Framework of the investment activities

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 draws up company accounts according to French accounting standards and consolidated accounts according to the international accounting framework IFRS.

The financial statements to be published

The balance sheet, results and off-balance sheet that describe the separate financial statements are produced each month. These documents are disseminated to the Finance Department and the Management Control Department.

The consolidated financial statements are produced quarterly.

The financial statements drawn up at the end of June include a simplified appendix and are accompanied by a half-year activity report. These documents are subject to a limited review by the Statutory Auditors.

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 results (profit or loss)

This analysis is carried out at the consolidated level by the Purchasing Support and Management Control Department, the Bpifrance Investissement Finance Department and the Finance Department.

For the "financing" sector, it is based on the allocation to each commercial use of a conventional rate of resources based on market rates. This analysis system makes it possible to know the contribution to NBI of each commercial activity in this loans, leasing and short-term financing sector. This work is supplemented by a half-yearly analysis of the cost of risk and management expenses for the past 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 financial 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 2012⁶³ 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 2015⁶⁴ for growth, activity and equal economic opportunities.

The Bpifrance Group operates in the following areas through Bpifrance, the head of the Group, and its subsidiaries⁶⁵:

- 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.

3.6.1. Regulatory requirements imposed on the Bpifrance Group in terms of financial security and ethics

Fight against money laundering and terrorist financing (LCB-FT)

The main companies making up the Bpifrance Group are regulated entities, which carry out banking and financial activities subject to obligations defined by a set of regulations, including in particular obligations in the fight against money laundering and the financing of terrorism.

These obligations are described in particular in the following texts:

⁶³ Law No. 2012-1559 of December 31, 2012 amending Ordinance No. 2005-722 of June 29, 2005 relating to the creation of the public establishment OSEO, which became EPIC BPI-Groupe, and OSEO SA

⁶⁴ Law No. 2015-990 of August 6, 2015 for growth, activity and equal economic opportunity, having amended Ordinance No. 2005-722 of June 29, 2005 relating to the Public Investment Bank

⁶⁵ See section 2.5 "Capitalistic structure of the Bpifrance group".



- Monetary and Financial Code, Book V, Title VI: "Obligations relating to the fight against money laundering, the financing of terrorist activities, prohibited lotteries, games and bets and tax evasion and fraud, Articles L. 561 - 1 and following", The "5th Directive" Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes money laundering or terrorist financing as well as Directives 2009/138/EC and 2013/36/EU (Text with EEA relevance)⁶⁶.

As such, the Bpifrance Group has thus equipped itself with a mechanism to **combat money laundering and the financing of terrorism**;

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.

Compliance with applicable economic sanctions and export control regulations

The Bpifrance Group 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 carries out its activities, in particular those of France, the European Union, the United Nations and, insofar as these are applicable, the United States or other countries. Thus, Bpifrance has set up a system allowing compliance with the applicable economic sanctions and export control regulations.

Fight against corruption

The Bpifrance Group is subject to the applicable requirements in the fight against corruption, resulting in particular from Article 17 of Law No. 2016-1691 of December 9, 6 relating to transparency, the fight against corruption and the modernization of economic life, known as the "Sapin 2 Law".

Also, the Bpifrance Group has implemented measures intended to prevent and detect the commission or attempted commission, in France or abroad, of acts of corruption, favouritism or influence peddling.

Bpifrance has in particular set up an anti-corruption system that covers the 8 pillars of the Sapin II Law:

- A map 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 complete dedicated training system in this area intended for all Bpifrance employees,
- A third-party assessment system covering Bpifrance customers and suppliers,
- An extensive alert system,
- Reinforced accounting controls to identify the risks of corruption and influence peddling,
- A specific disciplinary regime relating to the fight against corruption and influence peddling,
- A second and third level control system specific to the anti-corruption system.

⁶⁶ This directive having been transposed into French law by Ordinance 2020-115 of February 12, 2020 supplemented by two implementing decrees No. 2020-118 and No. 2020-119 which entered into force on February 14, 2020. Other specific texts have also been adopted such as Ordinance No. 2020-1342 of November 4, 2020 strengthening the mechanism for freezing assets and prohibiting the making available or Law No. 2020-1508 of 3 December 2020 laying down various provisions for adaptation to European Union law in economic and financial matters dealing in particular with the circulation of cash and Order No. 2020-1544 of 9 December 2020 strengthening the framework for the fight against money laundering and terrorist financing applicable to digital assets.

The Bpifrance Group wished to obtain certification to the ISO 37001 anti-corruption standard. Thus, the Bpifrance anti-corruption management system obtained certification to the 37001 standards without reservation on December 6, 2019. This certification has since been the subject of an annual reassessment. Following the control audit carried out at the end of 2021, the certification was maintained with no deviation from the ISO standard. The Bpifrance Group has reached the end of the certification cycle (3 years) and thus plans to launch a new certification cycle to the ISO 37001 standard in 2022 in order to maintain said certification.

Management of conflict-of-interest situations

Article 38 of the decree of 3 November 2014 provides for the obligation for players such as Bpifrance Group companies to define "procedures to guarantee the separation of tasks and prevent conflicts of interest [...]".

The applicable regulations therefore require all entities of the Bpifrance Group to set up an appropriate and proportionate mechanism for the detection, prevention and management of conflicts of interest.

Also, in accordance with the regulations, the Bpifrance Group ensures the identification of conflicts of interest, their prevention and their management. The system implemented within the Bpifrance Group requires the involvement and commitment of everyone, regardless of their position in the hierarchy of the Bpifrance Group. Indeed, it is up to each employee to identify situations potentially generating conflicts of interest encountered in the performance of their duties, to report them in complete transparency to the Compliance and Permanent Control Department ("DCCP") so that the necessary and effective systems are put in place to prevent and/or manage such situations.

3.6.2. Regulatory requirements in terms of Internal control

The Order of 3 November 2014 relating to the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the ACPR and the ECB (the "Order") obliges companies of the Bpifrance Group to set up a special function: the "internal control"⁶⁷ function. The purpose of this "control" is broad: to verify the compliance of the operations of Group companies with laws and regulations, ethics, professional practices and the guidelines defined by the Group's General Management.

Thus, Bpifrance has set up and deployed an internal control and compliance system⁶⁸ which aims to secure the activities of the Bpifrance Group. Securing activities is based on controlling the risks arising from Bpifrance's activities. Also, it should be noted that the internal control system is closely linked with the risk management system. In any event, the internal control system:

- contributes to the control of activities, the effectiveness of processing and the efficient use of Bpifrance's resources,
- makes it possible to appropriately take into account the significant risks that the institution must face, whether credit, market, operational, financial or non-compliance.

Pursuant to the provisions resulting from the Order, Bpifrance has put in place a certain number of systems and in particular:

- a system for describing the key steps relating to the creation, launch or modification of an activity, product or service offered by any entity of the Bpifrance Group (hereinafter the "Offers") in order to guarantee the overall consistency of the Bpifrance Group's portfolio of Offers as well as compliance with regulatory requirements,
- a system intended to regulate outsourced services and provide governance in this area. Indeed, within the framework of their activities, the companies of the Bpifrance Group may entrust third parties with the performance of all or part of a process, a service or an activity. Bpifrance remains fully responsible for all outsourced services and activities, as well as the resulting management decisions. Consequently, Bpifrance's outsourcing policy provides for a process that makes it possible to identify, measure and manage the risks associated with the outsourcing of processes and/or services and/or activities,
- a system relating to the fight against internal and external fraud. The prevention of fraud within the Bpifrance Group is based in particular on shared principles and values, appropriate organizational measures, a mapping of operational and non-compliance risks including the risks of fraud, awareness-raising actions and training,

⁶⁷ See Section 3.4 "The risk management and internal control system".

⁶⁸ See Section 3.4 "The risk management and internal control system".



communication actions, automation and traceability of processes as well as the securing of tangible and intangible assets.

It should be noted that the Order of 25 February 2021 updated the Order of 3 November 2014 in order to specify the obligations incumbent on the companies covered by the Order, in particular on the following points:

- the organization of control functions;
- taking into account the guidelines of the European Banking Authority (hereinafter “EBA”): risk appetite, management of new products and significant changes, management of conflicts of interest, management of outsourcing, business continuity, and IT risk;

In order to take into account this change in the regulations, the Internal Control system of Bpifrance is the subject of compliance actions which will be continued and/or initiated during the year 2022.

3.6.3. Regulatory requirements imposed on 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 Directive⁶⁹ and the CRR Regulation⁷⁰ of 26 June 2013, which require compliance with minimum capital requirements and regulatory ratios.

These European texts have also been amended by the CRD V Directive and the CRR 2 Regulation⁷¹. 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.

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)⁷².

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).

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 3⁷³.

These same CRR and CRD regulations also impose rules on compensation and governance.

69 Directive 2013/36/UE 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.

70 Regulation (EU) 575/2013 of 26 June 2013 on the prudential requirements applicable to credit institutions and investment firms and amending Regulation (EU) No 648/2012. These Regulations have been supplemented by delegated acts and implementing acts.

71 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.

72 In accordance with the list published by the ECB in the context of the application of Article 49, paragraph 1 of EU Regulation No. 468/2014 known as the "Single Supervisory Mechanism / SSM Regulation".

73 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

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 2014⁷⁴. 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.

Within the framework of these regulations, 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 and this, for all the sums 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.

3.6.4. Regulatory framework in terms of taxation

Full compliance with tax obligations is part of the Bpifrance Group's commitments in terms of economic, social, civic and environmental responsibility.

To this end, in their relations with the French tax administration, the companies of the Bpifrance Group ensure that they strictly comply with tax procedures as well as all the reporting obligations imposed on companies. Bpifrance has also entered into a Tax Partnership with the General Directorate of Public Finances with the aim of increased cooperation with the tax administration.

With regard to tax policy, the Bpifrance Group complies with tax regulations and in particular those relating to tax transparency obligations. The FATCA regulations (Foreign Account Tax Compliance Act - US extraterritorial regulations in force since July 1, 2014), CRS (Common Reporting Standard - standard developed by the OECD in 2014 for the purpose of automatic exchange of information between partner countries at for the purpose of combating tax evasion), and DAC 6 ("Administrative Cooperation Directive 6" which targets European Directive (EU) 2018/822 of the Council of 25 May 2018 which aims in particular to strengthen cooperation between tax administrations of EU countries with regard to potentially aggressive tax planning arrangements) have the common objective of combating fraud and tax evasion; this is why the Bpifrance Group has implemented procedures to ensure, over time, continuous compliance with these regulations.

Finally, the Bpifrance tax department participates in the compliance process organized by the DCCP.

3.6.5. Other significant regulations applicable to the Bpifrance Group

The Bpifrance Group is also subject in all of its activities to the **General Data Protection Regulations (GDPR)**⁷⁵ and the "Data Processing and Individuals Liberties"⁷⁶ law, defining a European framework in this area. The "GDPR" regulation provides in particular for obligations when processing personal data in order to ensure more effective protection of this data and strengthens the sanctioning power of the national authorities competent in the matter.

⁷⁴ 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

⁷⁵ 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 this data, and repealing Directive 95/46/EC.

⁷⁶ "Data Processing and Individual Liberties" Law 76 No. 78-17 of 6 January as amending relating to information, files and liberties



As part of its GDPR compliance process, Bpifrance has appointed a Data Protection Officer (hereinafter "DPO") within the meaning of this Regulation, and this appointment has been notified to the CNIL. The DPO who heads the GDPR compliance department is hierarchically placed within the Compliance and Permanent Control Department. The missions of the GDPR compliance department include:

- to ensure the compliance of the processing of DACPs implemented by the various operational departments of Bpifrance with the national, European and international provisions, where applicable, existing in terms of the protection of DACPs,
- to deploy and implement the GDPR compliance plan and the associated action plan,
- to ensure that all employees are aware of the protection of personal data,
- to ensure the follow-up of requests to exercise the rights of the persons concerned,
- to ensure associated regulatory monitoring

In addition, recent European regulations on sustainable finance impose additional obligations on Bpifrance in connection with this theme.

The European Commission has made sustainable finance one of the priorities of the Capital Markets Union and one of the pillars for achieving carbon neutrality by 2050. Following the publication in March 2018 of its action plan on sustainable finance, the European Commission has implemented two major regulatory initiatives:

- The European "Taxonomy" regulation⁷⁷, a common European regulatory base, creating a single definition of environmentally sustainable economic activities;
- The European "Disclosure/SFDR" regulation⁷⁸, European brick on the requirements in terms of ESG information to investors.

With regard to the French regulatory framework, the requirements are even stricter via article 29 of the Energy-Climate Law⁷⁹, which constitutes a national brick, reinforcing the obligations of transparency previously implemented and going even further than those referred to by the "Disclosure" regulation.

○ **"Taxonomy"**

The "Taxonomy" Regulation (Regulation (EU) 2020/852) which entered into force in July 2020, establishes the basis of the European system for classifying economic activities considered to be environmentally sustainable, compatible with the ambition of a Europe of achieve carbon neutrality.

This system identifies green activities according to six environmental objectives, the first two of which constitute priority climate objectives: mitigation of climate change and adaptation to climate change.

Pursuant to Article 8 of the "Taxonomy" Regulation, Bpifrance must produce, from January 1, 2022, sustainability indicators relating to the two priority climate objectives, within its Declaration of Extra-Financial Performance (DPEF).

The reporting obligations provided for by the delegated regulation which specifies the methods for implementing Article 8, are spread over several stages. In particular, for financial companies, they provide for the production of "lighter" reporting over 2022 and 2023, before full reporting presenting indicators of alignment with the European Taxonomy from 2024.

In order to establish this first level of information, Bpifrance notably had to identify all of its exposures to economic activities, whether or not they were eligible for the Taxonomy, and to validate certain normative choices relating to the production of indicators.

For this first simplified reporting, Bpifrance has thus produced seven quantitative indicators in accordance with Article 8 of the "Taxonomy" Regulation and Article 10 of Delegated Regulation 2021/4987 (see pages 88-89).

⁷⁷ REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to promote sustainable investments and amending Regulation (EU) 2019/2088

⁷⁸ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector

⁷⁹ Law No.2019-1147 of 8 November 2019 relating to energy and climate

Given the gradual application schedule and the complexity of preparing certain quantitative and qualitative data, Bpifrance is now working on the gradual design of the alignment indicators and additional qualitative information provided for in the full reporting of the DPEF by 2024, by adopting the methods for calculating the indicators and the technical criteria for alignment, and by adapting its data collection and production systems.

- **“Disclosure Regulation”**

The “Disclosure / SFDR” Regulation (*Sustainable Finance Disclosure Regulation* –(EU) Regulation 2019/2088), which came into force in March 2021, imposes on market participants and financial advisers harmonized rules of transparency on:

- The integration of sustainability risks and the consideration of negative impacts (Principal Adverse Impacts) on sustainability in their processes;
- Provision of sustainability information regarding financial products.

While the level 1 requirements have been applicable since March 10, 2021, a gradual application of the level 2 texts (technical regulatory standards – RTS) is underway (deadlines scheduled for 2022 and 2023).

The “SFDR” Regulation also introduces a classification of financial products into three main categories. Depending on this classification, the requirements for updating the information provided by the pre-contractual documentation of the products, the publication of institutional information on the websites of the obliged entities and the addition of information to the periodic reports if apply since the entry into force of the Regulation, from 1 January 2022 or from 2023.

Bpifrance Investissement, in respect of level 1 requirements (applicable since 03/10/2021) and level 2 requirements (applicable from 01/01/2022) has in particular adopted a risk policy in terms of sustainability, proceeded to classify all of its funds and accordingly updated all of the pre-contractual documentation of its funds in order to include sustainability risks.

Bpifrance Investissement is currently continuing its work to ensure compliance with the requirements set out in the Regulation and applicable at the end of 2022 and in 2023, in particular with regard to taking into account the negative impacts.

- **Article 29 – Energy-Climate Law**

While the “Disclosure – SFDR” Regulation is the cornerstone of the European extra-financial transparency system for investors in climate-related matters, it allows national systems to be maintained when they include more stringent provisions than the European framework.

This is the case of article 29 of the Energy-Climate Law (LEC) No.2019-1147 of 8 November 2019, which retains, clarifies and reinforces the provisions resulting from article 173-VI of Law No. 2015 -992 of 17 August 2015 relating to the Energy Transition for Green Growth of 2015 (LTECV), a law which itself strongly inspired the European system and the “Disclosure – SFDR” Regulation.

The decree implementing article 29 of the LEC published on 27 May 2021⁸⁰, thus aims to articulate the requirements of European law, the national specificities resulting from the device art. 173-VI LTECV and the new reinforced requirements of article 29 of the LEC, and finally, to apply the recommendations of the Task force on Climate-related Financial Disclosures (TCFD).

Market participants must publish a dedicated annual report (and a periodic report for funds over €500 million) on their website, in conjunction with the European mandatory formats. This report must be sent to the competent authorities (banking and financial supervisors) and to the ADEME Climate Transparency Hub.

The implementation schedule is sequenced, consistent with European law:

⁸⁰ Decree No. 2021-663 of 27 May 2021 pursuant to Article L. 533-22-1 of the Monetary and Financial Code



- A first annual report as of 06/30/2022 on the 2021 financial year, presenting a certain number of key sections (in particular those relating to strategies for alignment with the objectives of the Paris Agreement and with the objectives of biodiversity);
- The first full annual report as of 06/30/2023 on the 2022 financial year, incorporating all the provisions (in particular information relating to the share of outstanding loans aligned with the European Taxonomy and outstanding loans in companies active in fossil fuels).

Bpifrance Investissement is currently finalizing the establishment of this first report 2022.

3.6.6. 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.

3.6.6.1. 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:

- support for innovation, accompaniment and financing of innovative projects, with proven and concrete prospects for placing on the market,
- the financing of investments and the operating cycle alongside banking establishments,
- the guarantee of bank financing and the interventions of equity organizations.

Bpifrance is therefore **subject to European and French banking regulations relating to these activities**.

In national law, reference should be made in particular to the decree of 3 November 2014⁸¹ as well as the provisions of the Monetary and Financial Code.

A public group serving the financing and development of businesses, Bpifrance acts in support of the policies conducted by the State and the Regions. Also, Bpifrance is subject to European regulations on State aid.⁸² under some of the proposed financing schemes. In accordance with the applicable regulations, Bpifrance has (i) defined the conditions under which certain Bpifrance activities may contain State aid and (ii) specified the possible backing⁸³ to ensure compliance of these activities with European rules on state aid.

Bpifrance Courtage, insurance brokerage company of the Bpifrance Group which operates an insurance distribution activity is subject to the provisions of the Insurance Code; this company falls within the scope of the **Insurance Distribution Directive ("IDD")**⁸⁴.

This Directive aims to strengthen the protection of consumers of insurance products and to harmonize the rules applicable to all insurance distributors, regardless of their status. It constitutes an overhaul of the provisions of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance intermediation, the application of which it extends to all sales of insurance products.

The DDA, which impacts Bpifrance Courtage, is structured around 5 major axes:

- Professional capacity, reputation and continuous training of distributors;
- Duty to advise and pre-contractual information;
- Product oversight and governance requirements;
- Distributor compensation policy and methods;
- Conflict of interest prevention and management policy.

81 Order of 3 November 2014 relating to the internal control of companies in the banking sector, payment services and investment services subject to the control of the Prudential Control and Resolution Authority

82 Articles 107 to 109 of the Treaty on the Functioning of the European Union

83 EU Regulation No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty on the Functioning of the European Union and Regulation (EU) No 1407/2013 of the Commission of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid

84 Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, this directive having been transposed into French law by Ordinance No. 2018-361 of May 16 2018 and decree 2018-431 of 1 June 2018.

In addition, Bpifrance Courtage will fulfil and implement the obligations arising from Law No. 2021-402 of 8 April 2021 relating to the "reform of insurance brokerage and brokerage in banking operations and payment services", which will come into force on 1 April 2022.

The so-called "Benchmark Regulation"⁸⁵ relating to the relevant indices, most of whose provisions entered into force on January 1, 2018 also recently impacted Bpifrance's activity. The purpose of this European Regulation is to reduce the risks of manipulation of the value of indices and underlying conflict 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 2019⁸⁶. This had been proposed by the working group in September 2018. Since October 2, the EONIA, which was previously calculated as the weighted average rate of overnight unsecured loan transactions in the euro interbank market in the European Union countries, is now calculated by the sum of the new €STR index and a spread of 8.5 bps. During the transition period until the end of 2021, the Bpifrance teams were able to finalize the switch from EONIA to the new €STR index, as well as preparing for the end of the publication of GBP LIBOR. The only two transactions indexed to the GBP LIBOR were unwound in advance before December 31 after agreement with the counterparties concerned with a very low financial impact. The Euribor index remains, although it is based on a new hybrid methodology based both on transactions carried out by the banks in the panel, as far as possible, and on other market pricing data.

Bpifrance has interest rate derivatives entered into as part of hedging relationships designated according to the objective pursued. These macro-hedging instruments are essentially interest rate swaps designated as fair value hedges of fixed-rate uses or fixed-rate resources of the group. One of the legs of these interest rate derivatives is indexed to a EURIBOR index. The notional amounts concerned amount to €52.3 billion at 12/31/2021.

These derivative instruments may have been traded within the framework of FBF contracts whose definitions were modelled on those of the ISDA (International Swaps and Derivatives Association). The ISDA has reviewed these definitions in light of this reform of the indices and has proposed a protocol to amend the contracts in place.

Market infrastructures gradually made it possible to process swaps in €STR before ensuring a complete transition to the €STR. Clearing services for the €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 at the LCH and EUREX clearing houses are no longer discounted in EONIA but in €STR. Bpifrance passed on these changes to its own models for valuing derivative instruments and the remuneration of the associated margin calls without any significant financial impact.

In view of the uncertainties that weighed on the future indices and their validation in 2019, and in order to manage and minimize the financial impacts that could have been generated during the transition and convergence phase towards the new indices, basic risk management strategies (EONIA vs. Euribor), on the one hand, and fixing risk, on the other, were proposed to the ALM Committee, then implemented.

In November 2020, in anticipation of Brexit, Bpifrance also relocated its entire portfolio of derivative contracts to the European continent. Indeed, derivatives, mainly rate swaps denominated in Euro, hitherto handled by the LCH clearing house are now handled by the Frankfurt stock exchange clearing house, Eurex.

3.6.6.2. Regulatory framework for investment activities

⁸⁵ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in the context of financial instruments and contracts or to measure the performance of investment funds and amending the 2008 directives /48/EC and 2014/17/EU and Regulation (EU) No. 596/2014.

⁸⁶ Euro short-term rate (€STR): Euro short-term rate that reflects unsecured euro overnight borrowing costs for eurozone banks.



The Bpifrance Group also invests in equity, in particular through investments made directly by **Bpifrance Participations**, or through funds managed by **Bpifrance Investissement**, a management company of the Bpifrance Group approved by the 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”**⁸⁷ and is therefore subject to all provisions of the AMF General Regulation related to the management of alternative investment funds (AIFs) (FIA).

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, compensation 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**⁸⁸ 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 the activities of Bpifrance Investissement.

In terms of European regulations, it is also worth mentioning the **“MAR” Regulation**⁸⁹ 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.

It should also be noted that Bpifrance Investissement is impacted by several regulations in terms of sustainable finance mentioned above⁹⁰ (in particular the European Disclosure Regulation “SFDR”, the European Taxonomy Regulation, the Energy-Climate Law). As such, Bpifrance Investissement has adopted a sustainability policy as well as a due diligence policy (the latter being finalized).).

Finally, pursuant to decree No. 2019-1235⁹¹ arising from the “SRD 2” shareholder rights directive, the management company has adopted a shareholder engagement policy.

3.6.6.3. Regulatory framework for export insurance activities

Bpifrance Assurance Export, a subsidiary of Bpifrance, in the name, on behalf of and under the control of the State, manages public export guarantees under **Article L. 432-2 of the Insurance Code** and in strict compliance with the **rules of the European Union and the OECD**, through a range of solutions aimed at:

- Support business development in foreign markets;
- Facilitate the issuance of guarantees and the granting of pre-financing by banks;
- Make the financing offered to foreign customers competitive, to protect against currency fluctuations;

⁸⁷ 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 and Regulations (EC) No 1060 /2009 and (EU) No. 1095/2010.

⁸⁸ 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.

⁸⁹ 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 Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

⁹⁰ See §3.6.4.

⁹¹ Decree No. 2019-1235 of 27 November 2019 transposing Directive (EU) 2017/828 of May 17, 2017 amending Directive 2007/36/EC with a view to promoting long-term shareholder engagement

4. CORPORATE GOVERNANCE REPORT

Relating to the financial year ended on 31 December 2021

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

Bpifrance's Board of Directors includes a maximum of 16 Directors.

The composition of the Bpifrance Board of Directors is governed by Article 7 of Ordinance No. 2005-722 of 29 June 2005 relating to the Public Investment Bank.

(ii) Non-voting board members

Up to 7 non-voting board members may attend the Board meetings. Of these, two non-voting members represent the French State and 2 non-voting members represent Caisse des Dépôts.

4.1.1. Board of Directors' meeting of 31 December 2021

As of 31 December 2021, the Board of Directors is made up of 15 Directors. A position of Qualified directors, chosen for their expertise in economic and financial matters, as well as sustainable development, is indeed vacant.

4.1.1.1. Chairman of the Board of Directors and director representing Caisse des Dépôts

Éric 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

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

Business address: Bpifrance, 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex

First appointed: 11 June 2013

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

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

Première nomination: 18 December 2020

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2021

Carole ABBEY

Director in Investments, manager 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

First appointed: 11 March 2020

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2021

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'Etat, 139 rue de Bercy, 75572 Paris Cedex 12

First appointed: 18 December 2020

Current term 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

First appointed: 18 December 2020

Current term 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

First appointed: 18 December 2020

Current term expires: 12 November 2025

Sébastien RASPILLER

Head of the Economic Financing Department – General Directorate of the Treasury

Date of birth: 1 January 1978

Business address: Direction Générale du Trésor, 139 rue de Bercy, 75572 Paris Cedex 12

First appointed: 27 May 2021

Current term expires: 26 May 2026

4.1.1.5. Ninth director representing the shareholders**Claire DUMAS**

CFO of Groupe Société Générale

Date of birth: 23 April 1969

Business address: Société Générale, 17 Cours Valmy, 92800 Puteaux

First appointed: 17 December 2015

Current term expires: Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2024

4.1.1.6. Board members representing the Regions

Annabel ANDRE

Regional Councillor Auvergne-Rhône-Alpes

Date of birth: 8 October 1970

Business address: Conseil Régional Auvergne Rhône Alpes, 1 esplanade François-Mitterrand, CS 20033, 69269 Lyon Cedex 02

First appointed: 18 December 2020

Current term expires: 18 August 2024

It is specified that on 28 January 2022, the Board of Directors took note of the resignation of Mrs. Annabel André from her office as director.

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

Sophie STABILE

Group Financial Director - Lagardère

Date of birth: 19 mars 1970

Business address: Lagardère, 4, rue de Presbourg – 75116 Paris

First appointed: 25 June 2021

Current term expires: 24 June 2026

4.1.1.8. Directors representing the employees of Bpifrance and its subsidiaries

Marie DELEAGE

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

First appointed: 18 December 2020⁹²

Current term expires: date of publication of the results of the elections of Bpifrance employee representatives to be held in 2024

Philippe BAYEUX

Organization project manager in the Financing Department of Bpifrance

Date of birth: 27 August 1966

Business address: Bpifrance, 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex

First appointed: 18 December 2020

Current term expires: date of publication of the results of the elections of Bpifrance employee representatives to be held in 2024

⁹² Appointed non-voting member of Bpifrance Financement on 26 September 2018 then Director on 17 Director 2020.



4.1.1.9. Non-voting Directors

Catherine HALBERSTADT

Member of the Management Board of BPCE, Chief Executive Officer in charge of the Financial Solutions and Expertise Division

Date of birth: 9 October 1958

Business address: BPCE, 50 avenue Pierre Mendès-France, 75201 Paris Cedex 13

First appointed: 18 December 2020⁹³

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial 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

First appointed: 18 December 2020⁹⁴

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial year

Pierre PRIEUX

Chairman of ALCEN

Date of birth: 30 mars 1952

Business address: ALCEN, 6 rue Paul Baudry, 75008 Paris

First appointed: 18 December 2020⁹⁵

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial year

Jean-Louis DELCLOY

In charge of investments within the Department for the Management of Strategic Participations of the Caisse des Dépôts

Date of birth: 1^{er} May 1979

Business address: Caisse des Dépôts, 56, rue de Lille, 75356 Paris 07 SP

First appointed: 18 December 2020⁹⁶

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial year

Pierre CHABROL

Deputy Director of Corporate Financing and the Financial Market at the General Directorate of the Treasury

Date of birth: 18 November 1979

Business address: Direction Générale du Trésor, 139 rue de Bercy, 75572 Paris Cedex 12

First appointed: 24 September 2021

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial year

Mélanie JODER

Budget Director at the Budget Department

Date of birth: 29 May 1979

Business address: Direction du Budget, 139 rue de Bercy, 75572 Paris Cedex 12

First appointed: 24 September 2021

Current term expires: Board of Directors for the approval of the financial statements for the 2022 financial 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 & Deputy Government Commissioner at Bpifrance

⁹³ Appointed member of the Supervisory Board of Oséo Financement on 7 December 2010

⁹⁴ Appointed member of the Supervisory Board of BDPME on 8 March 2005 then non-voting Director of Oséo Financement on 7 December 2010

⁹⁵ Appointed non-voting Director of Bpifrance Financement on 27 September 2013

⁹⁶ Appointed non-voting Director of Bpifrance Financement on 14 May 2018

4.12. Mode of exercise of the General Management of Bpifrance

The Board of Directors, in its meeting of 26 September 2018, decided to opt for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer.

As of 31 December 2021, the Chairmanship of the Company's Board of Directors is assumed by Eric LOMBARD and the General Management by Nicolas DUFOURCQ.

4.13. Directorate General

General Manager

Nicolas DUFOURCQ

Current term expires on: 21 February 2023

4.14. Information on the directors whose terms of office ended during the past financial year and who do not sit on the Board of Directors of the merged entity

With regard to directors who are qualified personalities chosen for their skills in economic and financial matters, as well as in sustainable development:

4.1.4.1. Term expired on 22 January 2021

Barbara LAVERNOS

General Manager – Technology and Operations of the L'Oréal group.

Date de naissance: 22 April 1968

Business address: L'Oréal, RIO, 9 rue Pierre Dreyfus, 92110 Clichy

First appointed: 18 December 2020

4.1.4.2. Term expired on 17 December 2021

Bernard DELPIT

Deputy Chief Executive Officer and Chief Financial Officer of the Safran Group

Date de naissance: 26 October 1964

Business address: Safran, 2 boulevard du Général Martial Valin - CS51618, 75724 Paris Cedex 15

First appointed: 18 December 2020

4.2. No convictions of corporate officers

To the Issuer's knowledge, over the past five years, none of the corporate officers has been convicted of fraud, has been associated with a bankruptcy, sequestration or liquidation, has been the subject of an incrimination or official public sanction pronounced by statutory or regulatory authorities (including designated professional bodies), nor has he been prevented by a court from acting as a member of a body of administration, management or supervision of an issuer or to intervene in the management or conduct of the affairs of an issuer.



4.3. Information on corporate officers at 31 December 2021 and non-voting directors representing neither the French State nor Caisse des Dépôts

Chairman of the Board of Directors and director representing Caisse des Dépôts:

Éric 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 in the last 5 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 Board of the French Insurance Federation (FFA) (2006-2017)

Born on May 16, 1958, a graduate of the Ecole des Hautes Etudes Commerciales (HEC), Eric LOMBARD began his career in 1981 at Banque Paribas, where he held various positions within the International Trade and Financial Management departments until 1989. From 1989 to 1993, he worked for the State as a technical adviser in the office of Louis LE PENSEC, government spokesman (1989-1991). He was then adviser to Michel SAPIN in his functions as Minister Delegate for Justice (1991-1992), then adviser to the Minister of Economy and Finance (1992-1993).

In April 1993, he returned to 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 the Financial Institutions Group and member of the Corporate and Investment Banking General Management Committee, before taking responsibility for 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. He joined the Executive Committee of BNP Paribas in 2011. 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

CEO of Bpifrance

Chairman and Chief Executive Officer of Bpifrance Participations

Chairman of Bpifrance Investment

President of Bpifrance Assurance Export

Non-Executive Vice-Chairman of the Supervisory Board of STMicroelectronics

Member of the Supervisory Board of STMicroelectronics

Member of the Doctolib supervisory committee

Director of Stellantis (January 2021).

Officers held in the last five years:

Member of the strategic advisory board of Euler Hermes (2018 – 2021)

Permanent representative of Bpifrance Participations on the Orange Board of Directors (2017 - January 2021).

Director and Chief Executive Officer of Bpifrance SA (2013 - 2020)

CEO of Bpifrance SA (2013-2020)

Non-executive Chairman of the Supervisory Board of STMicroelectronics (2017 – 2020)

Chairman and CEO of FT1CI (2015 – 2019)

Chairman of Bpifrance Financement, now Bpifrance (2013 – 2018)

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.

A graduate of HEC and ENA, Nicolas DUFOURCQ began his career at the Ministry of Economy and Finance then at the Ministry of Health and Social Affairs in 1992. In 1994, he joined France Telecom, where he created the multimedia, before presiding over Wanadoo, a subsidiary of France Telecom for the Internet and the Yellow Pages.

In 2003, he joined Capgemini, where he initially managed the Central Europe & Southern Europe region, successfully leading its recovery plan. In September 2004, he was appointed Group Chief Financial Officer and member of the Executive Committee.

In 2005, he became Deputy Managing Director in charge of finance, risk management, information systems, delivery and purchasing and, from 2007, monitoring of 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

Director, member of the Appointments and Compensation Committees of Compagnie des Alpes (November 2020)

Director of Icade

Director of Egis

Director of La Poste (January 2021)

Member of the Supervisory Board, member of the Appointments and Remuneration Committees of CDC Habitat

Member of the Supervisory Board of La Banque Postale (February 2021)

Director of Bpifrance Participations (end of term in February 2022)

Director of Bpifrance Investissement (end of term in February 2022)

Offices held in the last 5 years:

Director of Bpifrance SA (2020)

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 Ministry of Economy and Finance at the General Directorate of the Treasury. 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 General Directorate of the Treasury as Head of the Banking Affairs Office then Deputy Director of Banks and General Interest Financing. Between 2012 and 2016, Antoine SAINTOYANT also held the position of Investment Director at the State Investment Agency, in charge of services (Orange, La Poste, Bpifrance, FDJ). From May 2017 to July 2020, Antoine SAINTOYANT was adviser and head of the Economy, Finance, Industry division in the cabinet 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

Chief Financial Officer of the Caisse des Dépôts Group

Director, member 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 Electricity Transmission Joint Venture (CTE)

Director of CDC Croissance

President and member of the Strategy Committee of Novethic

Administrator of I4CE

President of Alter Egales, the diversity network of the CDC Group

Member of the CDC Executive Committee

Offices held in the last 5 years:

Director, member of the Risk Committee and of the Audit Committee of Bpifrance SA (2015-2020)

Director, member of the Audit Committee/Strategy Committee of CNP Assurance (2012-2020)

Virginie CHAPRON-DU JEU is Chief Financial Officer of the Caisse des Dépôts Group and a member of the Executive Committee of Caisse des Dépôts and of the Group's Management Committee.

She has 35 years of experience in finance. After a first experience at 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 securitization within the financial markets department. In 1995, she became assistant and then head of risk management and control in the banking and financial activities department. In 2001, she joined the financial department of CDC IXIS as head of liability management and financial communication and then joined the financial department of IXIS CIB as head of financing, shareholdings and investments. In 2007, she became head of the financial balances, deposits and complex financing department in the financial department of savings funds at Caisse des Dépôts. Then in 2011 she joined the Finance, Strategy, Subsidiaries and International Department of the Caisse des Dépôts Group as Project Director to the Deputy CEO of the CDC. In 2013, she became Director of Investments and Accounting within the Pensions and Solidarity Department.

Since May-2016, she has been Finance Director of the CDC Group. As such, she is in charge of the group's financial management and the coordination of the group's sustainable policy. She is a member of the CDC Executive Committee and of the CDC Group Management Committee.

She is a graduate of IEP Paris and Paris Dauphine IX University in financial management and management control, international business and foreign trade.

Carole ABBEY

Director of investments, management of strategic investments at Caisse des Dépôts

Permanent representative of Caisse des dépôts, Director of Services Conseil Expertises Territoires (SCET)

Director of Tonus Territoire, Interprofessional Company for the Compensation of Securities (SICOVAM) and Icade

Director of TRANSDEV (2021)

Offices held in the last 5 years:

Director of Bpifrance SA (2019-2020) and of ICADE (2020)

Permanent representative of Caisse des dépôts, member of the supervisory board of CDC Habitat (2019 – September 2021)

Director of Aviva France (2019 – February 2021)

Compagnie des Alpes (October 2021)

Carole ABBEY has been responsible for steering Caisse des Dépôts' strategic investments since February 1, 2021. She joined the CDC in June 2017 to take care of a portfolio of investments which notably includes Bpifrance, Icade, Compagnie des Alpes and CDC Habitat. It contributes to the validation of strategic orientations and investment decisions and develops CDC's position within the governance bodies of these companies.

After a career as a Partner in the consulting firm EY, Carole ABBEY joined the teams of the Agence des Participations de l'Etat (Ministry of Economy and Finance) in early 2017.

Expert in Corporate Finance, she joined EY in 1999, where she supported investment funds and major French and international groups for more than 15 years in their complex financial projects. 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 Paris Dauphine University, a Diploma in Accounting Expertise and a CPA (Certified Public Accountant) certification (USA).

Board members representing the State:

Martin VIAL

Commissioner for State Investments - State Investments Agency (APE)

Member of the EDF Board of Directors, as representative of the State

Member of the Board of Directors of Groupe Renault as representative of the State

Member of the Board of Directors of Air France / KLM, as representative of the State

Offices held in the last 5 years:

Director of Bpifrance SA (2015-2020)

Director and member of the Strategy Committee and of the Governance and Remuneration Committee of Thales until 2017

Born 8 February 1954, Martin VIAL is a graduate of ESSEC and the National School of Posts and Telecommunications. He began his career as a PTT administrator in the financial department of the General Post Office. In 1986, he joined the Treasury Department at the Ministry of Economy and Finance where he was responsible for supervising banking establishments and marketing operations.

In 1988, he was called to the office of the Minister of Posts and Telecommunications and Space as technical adviser then deputy director then director of the office of the Minister of Equipment, Housing, Transport and Space., then was appointed director of the cabinet of the Minister of PTT.

In 1993, Martin VIAL was appointed Chairman and Chief Executive Officer of Aéropostale, an airline company jointly owned by Air France, La Poste and TAT. He was elected in 1996, President of the Chambre Syndicale du Transport Aérien (CSTA) and of the National Federation of Merchant Aviation (FNAM). At the end of 1997, he became Chief Executive Officer of La Poste Group. In December 2000, he was appointed Chairman of La Poste Group. At the same time, he was 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 Economic and Social Council and a member of the Strategic Council for Information Technologies placed 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 assumed the responsibilities of Managing Director of the Europ Assistance Group, world leader in the assistance market with 44 subsidiaries in 33 countries and Managing Director of Europ Assistance Holding. He also chairs several Boards of Directors of Group companies.

In January 2015, he founded the company Premium Care, an assistance company for the elderly, with a high technological content and delivering a complete range of remote assistance and home services. On 24 August 2015, Martin Vial was appointed State Participation Commissioner.

Diane SIMIU

Deputy Commissioner General for Sustainable Development at the Ministry of Economic and Solidarity Transition

Director of the National Research Institute for Agriculture, Food and the Environment (INRAE) (December 2020)

Administrator of the European Environment Agency (March 2020)

Offices held in the last 5 years:

Director of Bpifrance SA (2020)



A graduate of Ecole 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 Directorate General for Energy and Climate of the Ministry of Ecology as project manager for the European quota trading system, then in 2011 took over as head of the carbon markets office. She joined WWF France in 2014 as Program Director. After the 2017 presidential election, she became technical advisor for ecology in the offices of the President of the Republic and the Prime Minister. In September 2019, she was appointed Deputy Commissioner General for Sustainable Development at the Ministry of Ecological Transition.

Catherine LAGNEAU

General mining engineer

Assistant to the Head of Department of the General Council for the Economy

Deputy Director of the Paris School of Mines

Member of the Board of Directors of the University of Lorraine

Offices held in the last 5 years:

Director of Bpifrance SA (2020)

Catherine LAGNEAU, born in May 1982 in Lyon, is deputy head of department of the General Council for the Economy and Deputy Director of the Ecole des mines de Paris since 2017. Member of the Board of Directors of this higher education institution and in research, she performs human resources functions and support for young talents.

A former student of the Ecole Normale Supérieure on rue d'Ulm, holder of a master's degree in financial mathematics, engineer from the corps des mines, Catherine LAGNEAU began her career in 2007 in a decentralized administration of the Ministry of the Economy and Finances, in Lorraine, where she supported policies to support innovation and reindustrialisation. Passionate about the challenges of territorial development, she continued her career at the direction of the Ecole des mines d'Alès where she led a vast restructuring and development plan for this school.

Sébastien RASPILLER

Head of the Economic Financing Department – General Directorate of the Treasury

Censor to the General Council of the Banque de France

Member of the Supervisory Board (representing the Minister responsible for the economy) of the pension fund

Offices held in the last 5 years:

State representative on the Board of Directors of Bpifrance Financement (now Bpifrance) (2017-2018)

Director (representing the State) of Bpifrance Financement (now Bpifrance) (2013-2017)

Director of EPIC Bpifrance (2015 – 2018)

Director (representing the State) of the Institute for the Financing of Cinema and Cultural Industries (2013-2018)

A graduate of the École Polytechnique, Sébastien RASPILLER is Head of the Economic Financing Department at the General Directorate of the Treasury.

Formerly an economist at INSEE. He was then a member of the "Fiscal policy" office at the German Federal Ministry of Finance, before becoming head of the market and insurance products office at the General Directorate of the Treasury, then of the general secretariat of the Inter-ministerial Committee for Industrial Restructuring and of the business financing and financial market sub-directorate.

Ninth director representing the shareholders:

Claire DUMAS

Chief Financial Officer of Société Générale Group

No other mandate

Offices held in the last 5 years:

Deputy Chief Financial Officer of the Société Générale group (2018-2021)

Director Boursorama (2014-2021)

Director of Bpifrance SA (2017-2020)

Chief Financial Officer of Société Générale Group Retail Banking in France (2014-2018)

Director of SOGEPROM (2015-2018)

Director of FRANFINANCE (2014 – 2018)

Chairman of the Board of Directors and Director of Société Générale SFH (2014 – 2018)

Chairman of the Board of Directors and Director of Société Générale SCF (2014 – 2018)

Claire DUMAS began her career in 1992 in the Banking and Financial Institutions department of Deloitte. In 1998, she joined the Société Générale group, where she held various positions within investment banking support. In 2009, she joined the Risk Department, as Deputy and then Director of Group Operational Risks. In 2011, she also took charge of the group's ERM (Enterprise Risk Management) program, on behalf of the General Management. In October 2014, Claire DUMAS was appointed Chief Financial Officer of Retail Banking in France, then in December 2017 she was appointed Deputy Chief Financial Officer of the Group, in charge of supervising retail banking, insurance and financial services activities. specialized. In December 2021, she was appointed Group Chief Financial Officer.

Directors representing the Régions:

Annabel ANDRE

No other office

Offices held in the last 5 years:

Director of Bpifrance SA (2019- 2020)

Annabel ANDRE, born 8 October 1970 in Annecy, is a member of the Board of Directors of Bpifrance. Graduated with a master's degree in commercial and marketing engineering from IAE Annecy, she began her career in the private sector. For nearly 10 years, from London to Auxerre, from Avignon to Paris, she built up a rich professional experience, working for major international groups such as Gillette or Pilot. In 2004, she joined the family business created by her grandfather in 1969 and located in downtown Annecy. As a merchant, she is thus committed to the defence and development of the local economy. Because the local economy guarantees dynamism and social ties.

In addition to her professional investment, she naturally discovered the political world by 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 from 2017 to 2021. Annabel ANDRE has also been co-president of the Economic Commission of the Regions of France since 2017.

Harold HUWART

No other office

Offices held in the last 5 years:

Director of Bpifrance SA (2019- 2020)

Harold HUWART, born 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, civil administrator at the Ministry of the Budget, Harold HUWART first worked as a civil service adviser in a ministerial cabinet. In August 2013, he joined the Prime Minister's Office where he held the position of Advisor to the strategy, media and communication division. A year later, he was social adviser to the Minister of Finance, then adviser 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 the expertise in economic and financial matters, as well as sustainable development:

Sophie STABILE

Group Chief Financial Officer - Lagardère

Non-executive Director and chair of the audit committee of Ingenico

Independent Director and Chair of the Audit Committee of Sodexo

Independent Director and Chair of the Audit Committee of OVH (October 2021)

Manager of Reverence

Offices held in the last 5 years:

Director of Bpifrance Investissement and Bpifrance Participations (2018-2021)

Managing Director of HotelServices France and Switzerland (2015 – 2018)

Member of the Executive Committee of AccorHotels (2017)

Member of the CS of Altamir and of the audit committee (2019)

Member of the Unibail-Rodamco Westfield Supervisory Board (2015 - 2020)

Member of the Board of Directors of Spie, of the Audit Committee and of the Remuneration Committee (2014 - 2021)

After beginning her career in financial auditing, Sophie Stabile joined the Accor group in 1999. Appointed to the position of general controller of the group in 2006, she then supervised consolidation, the International Financial Departments and the Financial Control Departments, 'Internal Audit, of the holding company, as well as the financial back offices. In 2010, she became Group Chief Financial Officer, also in charge of purchasing and group information systems.

From 2015 to 2017, she was Managing Director, HotelServices France and Switzerland within the AccorHotels group.

Since February 2018, she has been the founder and manager of the company Révérence (advisory, investment, and equity investment).

In October 2020, she became Chief Financial Officer of the Lagardère group.

Directors representing the employees of Bpifrance and its subsidiaries

Marie DELEAGE

Head of the collaborative tools department at the Bpifrance Information Systems Department

No other mandate

Offices held in the last 5 years:

Director of Bpifrance SA (2019- 2020)

Non-voting Director of Bpifrance Financement, now Bpifrance (2019-2020)

After studying engineering at the Polytechnic Institute of Grenoble, Marie DELEAGE 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 IT support service to the information systems department while taking on the role of change facilitator in her field.

Marie DELEAGE was director representing the employees of Bpifrance SA since February 2019.

Philippe BAYEUX

Organization project manager in the Financing Department of Bpifrance

No other mandate

Offices held in the last 5 years:

Director of Bpifrance SA (2019- 2020)

Philippe BAYEUX has held the position of change facilitator since 2018, more specifically in charge of capitalization within the Bpifrance Financing Department.

After engineering studies and a first experience in the automotive industry, he was recruited in 1991 into the company's sales network as a business manager. He then moved on to the positions of Deputy Regional Director and Regional Director, in the Hauts-de-France, Grand Est and Ile-de-France regions.

After an experience in 2014 in the permanent financing control department, he joined the credit risk department to take responsibility for the MLT loans and short-term financing team for the Industry, Construction and Services sectors.

Philippe BAYEUX was director representing the employees of Bpifrance SA since February 2019.

Non-voting board members representing neither the State nor Caisse des Dépôts

Catherine HALBERSTADT

Managing Director in charge of the Financial Solutions and Expertise Division

Member of the Management Board of BPCE SA

Permanent representative of BPCE SA on the Board of Directors of Natixis

Chairwoman of the Board of Directors of BPCE Solutions Immobilières and BPCE Lease (March 2021)

Chairwoman of the Board of Directors of BPCE Financement, CEGC, BPCE Factor and Pramex International (April 2021)

Chairman of the Supervisory Board of SOCFIM (March 2021)

Director of Oney Bank (April 2021)

Offices held in the last 5 years:

Director of Bpifrance Financement, now Bpifrance (2013-2020)

Director of Crédit Foncier (2012 – 2020)

A graduate of a DECS and a DESCAF from the Ecole Supérieure de Commerce de Clermont-Ferrand, Catherine HALBERSTADT joined the Banque Populaire du Massif Central in 1982, where she successively held the responsibilities of Human Resources Director, Financial Director, then Chief Operating Officer and, from 2000, Deputy Chief Executive Officer. In 2008, Catherine HALBERSTADT became CEO of Natixis Factor. From 1 September 2010 to 25 March 2016, Catherine HALBERSTADT served as Chief Executive Officer of Banque Populaire du Massif Central.

From January 2016 to March 2021, Catherine HALBERSTADT served as a member of the BPCE Management Board in charge of Human Resources.

In March 2021, Catherine Halberstadt was appointed Managing Director in charge of the Financial Solutions and Expertise Division.

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 CEO of Helios

Chairman of Terralia and Chairman of PH Finances

Offices held in the last 5 years:

General Director of Paprec Holding (2018-2019)

A graduate of ESSEC in 1979, Jean-Luc PETITHUGUENIN was a management controller, Financial Director of a chemical group and then Managing Director of a construction company. In 1990, he became project manager at Générale des Eaux then Managing Director of the recycling and industrial cleaning branches within the same group. He took over the Paprec company in 1994, which at the time represented 40 people in La Courneuve (93). In 25 years, Paprec has grown to 12,500 employees spread over more than 210 sites in France and Switzerland. Its turnover will reach €2.2 billion in 2021. French leader in recycling, Paprec is now establishing itself as a specialist in global waste management, and as the future leader in waste treatment in France.



Jean-Luc PETITHUGUENIN is recognized for his commitment to diversity, secularism and the fight against all forms of discrimination in the company. He was chosen twice 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

Chairman of Cenal, Knowledge of Energies, HF, ITHPP Holding, Khimod, Tronico and Tronico Holding,

Chairman, member of the Supervisory Board of Alsolen

Deputy CEO of Alseamar and PMB

Manager of Flashknife, Hagalife, Alcediag Holding, Neo-28, Neo-35 and Ney

Member of the Board of Directors of Midparc SA

Offices held in the last 5 years:

Deputy CEO of Alsyom (2019-2021), Atmostat (2019-2021), Champalle (2019-2021), SEIV (2019-2021)

Manager of Flash-Knife (2017-2021)

Chairman of Alsolentech (2009-2021), Axfil (2008 – 2021), 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-President of the ALCEN Foundation for Energy Knowledge (2009-June 2020)

Manager of ALSOLEN SUP (2009-2016), F-ROV (2012-2016), NEO-20 (2016) and EOLE HOLDING (2013-2018)

Deputy Chief Executive Officer of ALSENAM (2019)

A graduate of Ecole Polytechnique (1971) and Insead (1975), Pierre PRIEUX 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 managing one of their watchmaking divisions, he held the position of "Senior Vice President" responsible for 4 divisions (automotive electronics, robotics, computer-aided design and watchmaking). In 1990 he took responsibility for the diversification of the SAE group, then 2 years later, decided to become an entrepreneur.

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 held the position of Chairman of the Alcen Group, made up of high-tech companies active in the fields of Defence & Security, Energy, Medical & Health, Aeronautics & Space, Large Scientific Instruments. He also presides over the media Conferecedesenergies.org.

4.4. Compensation of Directors, the Chairman of the Board and Chief Executive Officer

- *Compensation of the directors of Bpifrance and the chairmen of the Innovation, Financing-Guarantee and Climate committees*

In accordance with Article L. 225-45 of the French Commercial Code, the directors of Bpifrance receive compensation for their directorships and as committee members.

On December 18, 2020, the general meeting of Bpifrance shareholders decided to allocate, for financial years after financial year 2020, a fixed sum of 287,500 Euro to compensate for the activity of the directors of Bpifrance.

The amount of the compensation package is distributed by the Board of Directors based on attendance at meetings of the Board of Directors or of the committees to which the directors and non-voting directors concerned belong, on the basis of the distribution key (the "Distribution Key") next:

- €10,000 per director (excluding the Chief Executive Officer and directors representing employees);
- an additional €12,500 for the chairman of the audit committee and for the chairman of the risk committee;
- €7,500 in addition for the other members of the audit committee and for the other members of the risk committee;
- an additional €6,250 for the chairman of the appointments committee and for the chairman of the compensation committee;
- €3,750 in addition for the other members of the appointments committee and for the other members of the compensation committee;
- €7,500 for censors exercising the functions of chairman of the Innovation, Financing-Guarantee and Climate committees;

The compensation of directors representing the State and the compensation of directors representing Caisse des Dépôts are paid directly to their respective employers.

An attendance coefficient (number of attendances/number of meetings) is applied both for the Board of Directors and for the committees.

- Compensation allocated for the year 2021 (to be received in 2022):

The amount of compensation allocated for 2021 to the directors of Bpifrance and to the censors chairing the Innovation, Financing-Guarantee and Climate committees was set on 18 March 2022 by the Board of Directors, on the basis of the Distribution Key.

- Compensation allocated for the year 2020:

The compensation allocated for 2020 to the directors of the Issuer and to the non-voting directors chairing the Innovation and Financing-Guarantee committees was approved on March 19, 2021 and paid on August 11, 2021. For a total amount of €169,276.91, they have been distributed according to what is indicated below, on the basis of the Distribution Key.

Appendix 10.4 to the consolidated financial statements shows the total amount of the annual fixed compensation paid during the past financial year to the directors of the Issuer and to those of Bpifrance SA (company absorbed by the Issuer on 18 December 2020).



Table 3 of the AMF nomenclature – Table on the compensation received by non-executive corporate officers and by not-voting board members exercising the functions of Chairman of the Innovation, Financing-Guarantee and Climate Committees

Table regarding compensation received by non-executive administrators				
in euros, gross amounts				
Non-executive administrators	Amounts paid in financial year 2020		Amounts paid in financial year 2021	
	compensation for attendance	Other compensations	compensation for attendance	Other compensations
Administrators representing the Caisse des Dépôts				
Mrs Gisèle Rossat-Mignod (1)	8 000,00	-	7 213,11	-
Mr Olivier Fabas (1)	20 000,00	-	2 868,85	-
Mr Eric Beyrath (1)	356,16	-	21 398,91	-
Mr Eric Lombard	-	-	382,51	-
Mrs Virginie Chapron du Jeu	-	-	382,51	-
Mrs Carole Abbey	-	-	19 644,81	-
Mr Antoine Saintoant	-	-	382,51	-
Administrators appointed on the proposal of the State				
THE STATE (1)	25 000,00	-	24 043,72	-
Mr Alain Schmitt (1)	17 500,00	-	-	-
Mrs Christine Costes (1)	6 000,00	-	-	-
Mr Martin Vial	-	-	382,51	-
Mrs Catherine Lagneau	-	-	382,51	-
Mrs Diane Simiu	-	-	382,51	-
Mr Sébastien Raspiller (3)	-	-	-	-
Directors representing the Regions				
Mrs Annabel André	-	-	-	-
Mr Harold Huwart	-	-	-	-
Independent administrators				
Mrs Catherine Halberstadt (1)	30 000,00	-	26 448,09	-
Mr Joël Darnaud (1)	22 500,00	-	21 639,34	-
Mrs Claire Dumas	30 000,00	-	29 234,97	-
Mrs Barbara Lavernos	-	-	382,51	-
Mr Bernard Delpit	-	-	382,51	-
Mrs Sophie Stabile (3)	-	-	-	-
Directors representing employees				
Mrs Laetitia Montanier (2)	-	-	-	-
Mr Christophe Seillier (1)	-	-	-	-
Mrs Marie Deleage	-	-	-	-
Mr Philippe Bayeux	-	-	-	-
Total attendance fees	159 356,16	/	155 551,91	/

(1) term expired on 18 December 2020

(2) resigned during the financial year 2020

(3) appointed during the financial year 2021

Table on the compensation received by the censors exercising the functions of Chairman of the Innovation, Financing-Guarantee and Climate Committees				
in euros, gross amounts				
Censors exercising the functions of Chairman of the Trade Committees and the Climate Committee	Amounts paid in financial year 2020		Amounts paid in financial year 2021	
	compensation for attendance	Other compensations	compensation for attendance	Other compensations
Mr Pierre Prieux	/	5 625,00	/	7 500,00
Mr Hughes Maisonnier (1)	/		/	6 225,00
Mrs Catherine Halberstadt	N/A	N/A	/	0,00
Mr Jean-Luc Petithuguenin	N/A	N/A	/	0,00
Total compensation	/	5 625,00	/	13 725,00

○ **Compensation of the Chairman of the Board of Directors, non-executive corporate officer**

The Chairman of the Board of Directors does not receive, other than the compensation allocated for his participation in the Board of Directors, any compensation (fixed and/or variable), or benefits in kind, or options or performance shares, Bpifrance in respect of his duties as Chairman of the Board of Directors.

Eric LOMBARD has chaired the Board of Directors since December 18, 2020.

○ **Other information relating to Eric LOMBARD, Chairman of the Board of Directors**

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
Eric LOMBARD								
Chairman of the Board of Directors since 18.12.2020		X		X		X		X

○ **Compensation of the CEO**

Nicolas DUFOURCQ is the sole executive corporate officer of Bpifrance. He does not receive any compensation for the mandates he exercises within companies of the Bpifrance Group other than Bpifrance. In particular, he does not receive any compensation for his participation in meetings of the Board of Directors.



Table 1 of the AMF nomenclature – Summary of compensation due and options and shares granted to Nicolas DUFOURCQ (gross compensation and in euros)

This table summarizes the total amount of Nicolas DUFOURCQ's compensation due for the financial year ended 31 December 2021 and the previous financial year.

Summary table of compensation and the options and shares granted to each executive director		
Nicolas Dufourcq, Chief Executive Officer	financial year 2020	financial year 2021
Compensation allocated for the financial year	450 000	450 000
Value of multi-year variable compensation awarded during the financial year	-	-
Value of stock options granted during the year	-	-
Value of shares awarded freely	-	-
Value of other long-term compensation plans	-	-
TOTAL	450 000	450 000

The compensation of Nicolas DUFOURCQ 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 after approval by the Minister of the Economy. It generally falls under the ceiling relating to the compensation of public company executives and is exclusively composed of fixed compensation and a variable bonus based on objectives (PVO).

Regarding the variable portion of this compensation, its amount is capped at €50,000 gross and its allocation is based on quantitative or qualitative criteria reviewed each year by the Board of Directors after consultation with the Compensation Committee, depending on the strategy and group annual objectives. Although clearly identified, the criteria used are not detailed, for confidentiality reasons.

Table 2 of the AMF nomenclature – Summary of the compensation (gross and in Euro) of Nicolas DUFOURCQ

Summary table of the compensation of each executive director				
	Financial year 2020		Financial year 2021	
	Amounts allocated	Amounts paid	Amounts allocated	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 on the basis of directorial mandate	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	450 000	450 000	450 000	450 000

Table 4 of the AMF nomenclature – Options to subscribe or purchase shares granted during the financial year to Nicolas DUFOURCQ by Bpifrance or by a company of the Bpifrance Group.

N/A

Table 5 of the AMF nomenclature – Stock subscription or purchase options exercised during the financial year by Nicolas DUFOURCQ

N/A

Table 6 of the AMF nomenclature – Performance shares allocated during the financial year to Nicolas DUFOURCQ by Bpifrance or by a company of the Bpifrance Group

N/A

Table 7 of the AMF nomenclature – Performance shares that became available during the year

N/A

Table 8 of the AMF nomenclature – History of allocations of stock subscription or purchase options

N/A

Table 9 of the AMF nomenclature – Stock subscription or purchase options granted during the year to the top ten employees who are not corporate officers or exercised by them

N/A

Table 10 of the AMF nomenclature – History of free share allocations

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, CEO		X		X		X		X

Compensation of managers and persons referred to in Article L511-71 of the Monetary and Financial Code

The Issuer's General Meeting will be consulted on the total package of compensation paid by the Issuer during the 2021 financial year, in respect of the managers and persons referred to at the end of 2021 by Article L.511-71 of the Monetary and Financial Code.

The amount of this compensation for the year 2021 is €8,807,788.73 gross (57.05 FTE)

4.5 Conditions for preparing and organizing the work of the Board of Directors

The conditions for preparing and organizing the work of the Board of Directors are defined by the Company's Articles of Association (last updated on 24 September 2021) and by the Internal Regulations of the Board of Directors, the last amendment of which dates from September 30, 2021. July 2021. These Internal Rules refer in its appendix 1 to the charter relating to the role and prerogatives of the director and in its appendix 3 to the policy on good repute, conflicts of interest and diversity applicable to members of the Advice.

4.4.1. 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 Ordinance No. 2005-722 of 29 June 2005 (amended by Ordinance No. 2020-739 of June 17, 2020), the Board of Directors of Bpifrance is made up of the Chief Executive Officer of Bpifrance, 9 directors representing the shareholders (including 4 representatives of the State and 5 appointed by the general meeting of shareholders, including 4 on the proposal of Caisse des Dépôts), 2 directors representing the regions (appointed on the proposal of the association of the Regions of France), 2 qualified directors, chosen for their expertise in economic and financial matters, as well as sustainable development and 2 directors elected by the employees of the Bpifrance Group.

As many women as men are appointed (i.e. 8 women and 8 men if the Board of Directors is full) and strict parity is observed within the following categories of directors:

- i) qualified directors;
- ii) Directors representing the Regions;
- iii) directors representing the employees of the Bpifrance Group.

Under the terms of the diversity policy adopted by the Board on 18 December 2020, the Board of Directors delegates to the Appointments Committee (see page 208) the task of setting objectives to be achieved with regard to diversity in terms of age, qualifications and professional experience among the directors in order to ensure that at all times they have the necessary skills to understand the risks, the issues, including social and environmental issues, and potential changes in the society.

In the event that the Board of Directors does not have a particular skill, an appointment may be studied to remedy this, in the event of a vacancy of a director position within the framework of the categories referred to above.

As of 31 December 2021, eight women and seven men sit as directors; a seat as a qualified director, chosen for his competence in economic and financial matters as well as sustainable development is vacant. On this date, in addition to the Directors 7 non-voting board members, the Statutory Auditors, the Government Commissioner (or his deputy) and the Secretaries of the Works Councils of Bpifrance and Bpifrance Investissement are entitled to take part in the board meetings.

Rules relating to the appointment and replacement of members of the Board of Directors

Directors representing the State (4 directors) and the regions (2 directors) as well as qualified personalities (3 directors including the CEO 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 July 26, 1983 on the democratization of the public sector. They are elected by the employees of the company and its subsidiaries.

The other directors (namely the 4 directors representing Caisse des Dépôts and the ninth director representing the shareholders of Bpifrance) are appointed in accordance with the provisions of Articles L. 225-18 and L. 225-24 of the French Commercial Code.

The mandate 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 may only be dismissed for serious misconduct in the exercise of their mandate, by decision of the president of the judicial court ruling according to the expedited 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 Law No. 83-675 of July 26, 1983 mentioned above.

In accordance with the second paragraph of Article L. 225-18 of the French Commercial Code, the other directors (i.e. the 4 directors representing Caisse des Dépôts and the ninth director representing the shareholders of Bpifrance) may be dismissed at any time by the ordinary general meeting of the company.

4.4.2. Functioning of the Board of Directors

The Board of Directors meets at least once per quarter.

Most Board meetings are preceded by meetings of the Innovation, Financing-Guarantee, Climate Committees and meetings of the Audit Committee and the Risk Committee. A summary of the conclusions of these bodies is sent to the directors for information and an oral report is drawn up by the chairmen of the Committees during the Board meeting following the meeting of the Committees.

At least eight days before each Board meeting, the directors receive a notice from the Chairman mentioning the agenda. Except in exceptional cases, the documents and information necessary to fully exercise their duties within the Board and the Committees are communicated to them at least five days before the date of the meeting.

The Chairman of the Board of Directors chairs the meetings of the Board, organizes and directs the discussions and ensures compliance with the legal, regulatory and statutory provisions and the provisions of the internal regulations.

In principle, the Board of Directors rules by a majority of the members present and represented. However, decisions relating directly or indirectly to the implementation of financial assistance from the State cannot be adopted by the Board without the favourable vote of the directors representing the State.

Board meeting minutes are sent to Board members prior to the meeting during which the Board is called upon to approve these minutes.



4.4.3. Activities of the Board of Directors in 2021

The Board of Directors met nine times in 2021.

The meetings held in January, March, April, June, July, September, October and December 2021 were the subject of an updated presentation of the activity, the risks and the evolution of the company's products.

In 2021, the Board of Directors authorized the conclusion of a regulated agreement, the details of which appear in the special report of the Statutory Auditors on regulated agreements.

On 22 January 2021, the Board of Directors validated the risk mapping, the risk appetite reference document and the Group's 2021 risk management policy. It approved an agreement between Bpifrance and Bpifrance Participations in the event statement of Bpifrance's cash liquidity stress and the legal opinion relating to Bpifrance's request for liquidity exemption, made to the European Central Bank (ECB). It also validated the company's response to the ECB's letter on Bpifrance's compliance with the best practices referred to in the ECB circular in terms of detecting and measuring credit risk in the context of the Covid-19 pandemic. The Board of Directors has also appointed a member of the Financing-Guarantee Committee.

On 19 March 2021, the Board of Directors approved the company's 2020 financial statements, approved the 2020 internal control report and the report dedicated to the fight against money laundering and terrorist financing, approved the management report relating to the 2020 financial year and convened the Annual General Meeting behind closed doors in accordance with Ordinance No. 2020-321 of 25 March 2020. It examined the company's regulated agreements entered into prior to 2020 which continued during this financial year and set the amount of compensation due to members of the Board of Directors for the 2020 financial year. It also received a presentation from the JST (joint supervisory team) made up of representatives of the French Prudential Control and Resolution Authority (ACPR) and the ECB.

On 16 April 2021, the Board of Directors carried out a progress report on the Climate plan and adopted Bpifrance's *raison d'être*, authorized an investment by Bpifrance Participations in Younited Crédit and approved the compensation of the Chief Executive Officer. It modified the agenda of the Annual General Meeting and mandated the Human Resources Department to negotiate the three-year profit-sharing agreement for the company's employees. It validated the Internal Capital Assessment Process (ICAAP), the Internal Liquidity Assessment Process (ILAAP). It also examined the presentation of the assessment work of the Board of Directors as well as the training plan for directors. It was informed of the appointment of the Deputy CEO of Bpifrance Investissement (Benjamin RICHARD).

On 14 June 2021, the Board of Directors approved the update of the 2021 budget, authorized an exceptional investment denominated in Danish kroner and noted the appointment of a director by decree. He has been appointed as a member of committees.

On 30 July 2021, the Board of Directors examined the implementation of the recovery plan by Bpifrance, authorized investments by Bpifrance Participations and the sale of 3 holdings held in funds. He called an extraordinary general meeting. It also appointed the independent expert for the valuation of Bpifrance in the context of the implementation of the forced buyout of certain minority shareholders under private law who do not meet the conditions mentioned in II of Article 6 of the Ordinance No. 2005-722 of 29 June 2005 relating to the Public Investment Bank and prior authorization to amend the company's articles of association in order, in particular, to include the company's *raison d'être*. The Board of Directors noted the appointment of a director by decree. He was appointed as a committee member.

On 24 September 2021, the Board of Directors approved the consolidated half-year financial statements as of 30 June 2021 and approved Bpifrance's updated strategic plan. He also indicated that he had no observations on the independent expert's report valuing Bpifrance at €30.56 billion, i.e. a price per share of €44.94 and authorized, as necessary, the implementation of the forced buy-back procedure for shares held by minority shareholders governed by private law who do not meet the conditions mentioned in II of article 6 of order no. 2005-722 of 29 June 2005 relating to the Public Investment Bank. It also validated an increase in the amount of eligible senior bonds as part of a treasury securitization transaction and also appointed censors and committee members.

On 22 November 2021 and 30 November 2021, the Board of Directors authorized investments by Bpifrance Participations.

On 17 December 2021, the Board of Directors approved the distribution of an interim dividend, set the multiplier coefficients for 2022, adopted the company's budget and financing plan for 2022. It also authorized investments by Bpifrance Participations, validated the 2021 preventive recovery plan, the 2022 internal audit plan, approved the appointment of the Executive Director in charge of Group human resources, the update of the list of risk takers and approved the integration into the interest reserve fund recognized for the year 2020. It also appointed a committee member and authorized the downgrading of two regulated agreements.

4.4.4. Committees under the responsibility of the Board of Directors

The operation of the Committees placed under the responsibility of the Board of Directors is defined by the Internal Regulations of the Board of Directors. The composition of the various Committees is presented below, as of 31 December 2021.

- **Audit Committee**

The Audit Committee comprises no more than six members appointed from among the directors. On the date of this universal registration document, this committee is made up of Sophie STABILE (qualified personality director chosen because of her skills in economic and financial matters), who is its Chairman, Harold HUWART (director representing the regions), Virginie CHAPRON-DU JEU and Carole ABBEY (directors representing Caisse des Dépôts), Martin VIAL and Sébastien RASPILLER (directors representing the State).

Information on the members of this committee is provided in point 4.3 of this universal registration document.

A censor representing the State (Pierre CHABROL) and a censor representing Caisse des Dépôts (Jean-Louis DELCLOY) attend the meetings of this Committee in an advisory capacity.

The members of the audit committee are qualified in the financial, accounting and banking fields.

In accordance with Article L.823-19 of the French Commercial Code, the Audit Committee does not include any members exercising management functions in the company and at least one of them has specific skills in financial matters. or accountant and is independent with regard to the criterion specified in Article 6.2.1 of the Internal Regulations (meeting the independence criteria of the Afep Medef Code).

In 2021, the Audit Committee met seven times in the presence of the Statutory Auditors and the Government Commissioner. The following also participate in these meetings: The Deputy Chief Executive Officer, the Chief Financial Officer, the General Inspector, the Accounting Director, the Compliance and Permanent Control Director and the Risk Director.

The Audit Committee notably examined the company's financial statements as of 31 December 2020 and June 30, 2021, the prospects for landing at the end of 2021 and the 2022 budget. It was informed each quarter of the evolution of the financial situation. It examined the refinancing plan and gave a favourable opinion on the company's 2022 audit plan. Thematic points were also presented to the Audit Committee: The financial trajectory of the Support business, the financial trajectory of the Creation business, the credit risk provisioning policy, the review of the guarantee fund mechanism, cybersecurity.

- **The Risk Committee**

The Risk Committee comprises no more than six members appointed from among the directors. As of the date of this universal registration document, this committee is made up of Claire DUMAS (qualified personality director appointed for economic and financial matters), who is its Chairman, Virginie CHAPRON-DU JEU and Carole ABBEY (directors representing Caisse des Dépôts), Diane SIMIU and Sébastien RASPILLER (directors representing the State). On 25 January 2022, Annabel ANDRE resigned as a member of the Committee.

Information on the members of this committee is provided in point 4.3 of this universal registration document.



A non-voting board member representing the State (Pierre CHABROL) and a non-voting board member representing Caisse des Dépôts (Jean-Louis DELCLOY) attend the meetings of this Committee in an advisory capacity.

The members of the Risk Committee are qualified in finance, accounting and banking.

In 2021, the Risk Committee met eight times and counted the attendance of directors and the Government Commissioner. The following also attend these meetings: The Deputy Chief Executive Officer, the Risk Director, the General Inspector, the Compliance and Permanent Control Director and the Chief Financial Officer.

The Risk Committee discussed changes in the company's risks and risk profile on a quarterly basis (credit risk, investment, counterparty, climate, cyber, etc.).

It took note of the follow-up of internal and external assignments and of the stock of recommendations issued within the framework of these audits.

It was informed of the work of Permanent Control and Compliance and of the monitoring of operational risks. It was also informed of the results of the emergency and business continuity plan test carried out in 2020 and of the test program to come in 2021.

It also issued a favourable opinion on risk mapping, the Group Risk Appetite reference document, the Group risk management policy, Bpifrance's publication policy, the Pillar III report, the 2021 recovery plan, the internal capital assessment process (ICAAP), the internal liquidity assessment process (ILAAP) and the refinancing plan.

The Risk Committee also reviewed the 2020 internal control report, the 2021 control plan, the 2021 model validation plan and the 2021 audit plan.

It was informed on a quarterly basis of ECB supervision's points of attention.

● The Appointments Committee

The mission of the Appointments Committee is to issue opinions to the Board of Directors, in particular on all proposals concerning the appointment of Deputy Chief Executive Officers and Effective Managers within Bpifrance or Responsible Managers within Bpifrance Investissement, the appointment or recruitment of members of the Executive Committee, the appointment of qualified directors chosen for their skills in economic and financial matters as well as sustainable development and the appointment of independent directors to the boards of directors of Bpifrance Participations and Bpifrance Investissement.

At the date of this universal registration document, this committee is made up of four directors: Sophie STABILE (qualified personality director appointed for economic and financial skills), Antoine SAINTOYANT (director representing Caisse des Dépôts), Martin VIAL (director representing the State). Sophie STABILE chairs the meetings of this Committee.

On 25 January 2022, Annabel ANDRE resigned as a member of the Committee.

Information on the members of this committee can be found in point 4.3 of this universal registration document.

● The Remuneration Committee

The Remuneration Committee's mission is to issue opinions to the Board of Directors on all proposals concerning the remuneration, in all its components, of the Chief Executive Officer and the Deputy Chief Executive Officers and the remuneration, which it controls, of the managers in charge of risk management and compliance functions. It is also informed annually of the career and compensation situation of the employees who are members of the Executive Committee.

The Committee is also competent to analyse the policies and practices in terms of compensation, including with regard to the management of the group's risks.

At the date of this universal registration document, this committee is made up of three directors: Harold HUWART (director representing the regions), Antoine SAINTOYANT (director representing Caisse des Dépôts), Martin VIAL

(director representing the State). Since the resignation of Bernard DELPIT, the presidency of this Committee has been vacant.

Information on the members of this committee can be found in point 4.3 of this universal registration document.

● Other Committees

The Innovation Committee

As of the date of this universal registration document, the Innovation Committee is made up of two categories of members.

Firstly, it comprises three members appointed from among the directors and non-voting directors: Pierre PRIEUX (non-voting director meeting the independence criteria within the meaning of the Afep Medef Code), Catherine LAGNEAU (director representing the State) and Carole ABBEY (director representing the Caisse des Dépôts). Pierre PRIEUX chairs the meetings of the Innovation Committee.

The Innovation Committee also includes a college of experts:

(i) Pierre-Louis AUTIN (Ministry of Higher Education, Research and Innovation), Camille BUISSON (Direction Générale des Entreprises), Cédric PEIGNAT (Direction du Budget) and Arthur de MOZE (Direction Générale du Trésor), appointed on the proposal of the State;

(ii) Jean-Louis DELCLOY and Marion CABROL (Investment Officers at Caisse des Dépôts), appointed on the proposal of Caisse des Dépôts;

(iii) Benoist GROSSMANN (Managing Partner of Idinvest Partners and Eurazeo Growth) and Judith GRECIET (Chief Executive Officer of ONXEO), appointed on the recommendation of the Chairman of the Board of Directors.

The Innovation Committee is a consultative body that meets ahead of meetings of the Board of Directors and formulates opinions on technical subjects related to the business of innovation (determination of multiplier coefficients, budget forecasts in particular).

Le Financing-Guarantee Committee

As of the date of this universal registration document, the Financing-Guarantee Committee is made up of two categories of members.

It primarily comprises three members appointed from among the directors and censors: Pierre CHABROL (censor representing the State), Jean-Louis DELCLOY (censor representing Caisse des Dépôts) and Catherine HALBERSTADT (independent censor). Catherine HALBERSTADT chairs the meetings of the Financing-Guarantee Committee.

The Financing-Guarantee Committee also includes a college of experts:

(i) Eléonore DERVIEUX (Budget Department), Etienne FLORET (General Treasury Department), Céline BRUNET (General Business Department), appointed on the proposal of the State;

(ii) Eric BEYRATH (Head of the Balance Sheet and Financial Management Department of the Caisse des Dépôts Group) and Marion CABROL (Investment Officer at Caisse des Dépôts), appointed on the proposal of Caisse des Dépôts and

(iii) the French Banking Federation, Crédit Agricole and Hugues MAISONNIER (BNP Paribas), appointed on the proposal of the Chairman of the Board of Directors.

The Financing-Guarantee Committee is a consultative body that meets ahead of meetings of the Board of Directors and formulates opinions on technical subjects related to the financing and guarantee businesses (determination of multiplier coefficients, budget forecasts...).



The Climate Committee

The Climate Committee is made up of two categories of members.

First, it comprises three members appointed from among the directors and non-voting directors: Diane SIMIU (director representing the State), Virginie CHAPRON-DU JEU (director representing Caisse des Dépôts) and Jean-Luc PETITHUGUENIN (independent non-voting director). Jean-Luc PETITHUGUENIN chairs the meetings of the Climate Committee.

The Climate Committee also includes a college of experts: Mariella MORANDI (Head of the office of corporate governance at the General Directorate of the Treasury - appointed on the proposal of the State), Benoit LEGUET (General Manager 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 ahead of meetings of the Board of Directors and formulates opinions on the strategic orientations, the intervention doctrine and the procedures for the exercise by the company of its missions of general interest and on the implementation of the ecological and energy transition.

4.4.5. Limitations on the powers of the Chief Executive Officer by the Board of Directors

The CEO of the company is vested with the broadest powers to act in all circumstances on behalf of the company. He exercises these powers within the limits of the corporate purpose and subject to (i) those expressly attributed by law to shareholders' meetings and (ii) those expressly attributed by law and the articles of association to the Board of Directors. He represents the company in its relations with third parties.

4.6 Agreements falling with 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 Company's Statutory Auditors have been sent a summary statement of the agreements falling within the scope of Articles L. 225-38 et seq. of the French Commercial Code, duly authorized by the Board of Directors of the Issuer during the financial year ended 31 December 2021 or concluded previously but whose effects continued during the said financial year.

The list of agreements authorized and entered into in 2021 is detailed in the special report of the Statutory Auditors on regulated agreements.

4.7 Review of agreements signed and approved during previous financial years and the execution of which continued during the 2021 financial year

The Issuer's Board of Directors examined, during its meeting of March 18, 2022, the agreements entered into and authorized during previous financial years and whose execution continued during the 2021 financial year.

4.8 Decision of the Board of Directors, on 17 December 2021, to downgrade two agreements subject to the procedure provided for in Article L. 225-38 of the French Commercial Code

On 17 December 2021, the Board of Directors decided to downgrade the following two agreements:

- a) a) the periodic control service agreement entered into on 19 December 2011 between Bpifrance and Alsabail,
- b) b) the agreement relating to the periodic control of Sogama Crédit Associatif concluded on 28 October 2014 between this company and Bpifrance.

4.9 Agreements covered in paragraph 2 of Article L. 225-37-4 of the French Commercial Code

The Issuer has put in place adequate inventory procedures to identify the agreements referred to in paragraph 2 of Article L. 225-37-4 of the French Commercial Code ⁹⁷. Two agreements of this type were concluded in 2021:

(a) a multi-year contract (covering the period 2021 to 2025) concluded on June 11, 2021 between the company, Bpifrance Participations, Bpifrance Investissement, Bpifrance Assurance Export, the State and EPIC Bpifrance, in the presence of Caisse des Dépôts;

(b) a multi-year contract (covering the period 2021 to 2025) concluded on 15 October 2021 between the company, Bpifrance Participations, Bpifrance Investissement, Bpifrance Assurance Export and Caisse des Dépôts, in the presence of the State and EPIC Bpifrance. This latter agreement was also approved as a regulated agreement by the Board of Directors on 20 July 2021.

4.10 Delegations relating to capital increases

No delegation granted by the Company's General Meeting of Shareholders to the Board of Directors in the area of capital increases, pursuant to Articles L. 225-129-1 and L. 225 129-2 of the French Commercial Code, is not valid.

4.11 Rules applicable to amendments to the Company's Articles of Association

There are no stricter conditions in the company's articles of association than those laid down by law for amending the articles of association.

⁹⁷ The agreements covered by paragraph 2 of Article L. 225-37-4 of the French Commercial Code are agreements entered into between a manager or one of the shareholders holding a fraction of the voting rights greater than 10%, a company and, on the other hand, another company in which the latter owns, directly or indirectly, more than half of the capital.



5. RESOLUTIONS SUBMITTED TO THE GENERAL MEETING OF 11 MAY 2022

- **First resolution** (approval of the report of the Board of Directors on the situation and activity of the company during the financial year ended 31 December 2021)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the report of the Board of Directors relating to the financial year ended 31 December 2021 (including the report on corporate governance) and all the operations mentioned therein.

- **Second resolution** (approval of the corporate financial statements for the year ended 31 December 2021)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having reviewed the Board of Directors' report on the financial year ended 31 December 2021 and the Statutory Auditors' report on the financial statements annual accounts, approves the company financial statements, namely the balance sheet, the income statement and the appendix, closed on 31 December 2021 as presented and which result in a profit of €494,531,814.48, as well as the transactions reflected in these accounts.

- **Third resolution** (approval of the consolidated financial statements for the year ended 31 December 2021)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having reviewed the report of the Board of Directors on the financial year ended 31 December 2021 as well as the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements, i.e. the balance sheet, the income statement and the appendix, closed on 31 December 2021 as presented and which show a profit (net income group share) of 1, €8 billion, as well as the transactions reflected in these accounts.

The General Meeting acknowledges that the non-tax deductible expenses (article 39-4 of the General Tax Code) incurred by the company during the financial year ended 31 December 2021 amount to €1,096,271.50 and correspond to the fraction of non-deductible rents of rented vehicles. The amount of the corresponding tax borne is €329,758.47.

The General Meeting discharges the directors and members of the Board of Directors for the performance of their duties for the past financial year.

- **Fourth resolution** (allocation of profit for the year ended 31 December 2021)

The General Meeting, ruling 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 profit for the past financial year as follows:

	Euro
Financial year profits to be distributed	494 531 814,48
Carried forward account	861 074 763,87
Constituting an available balance of	1 355 606 578,35
Allocation for legal reserve	24 726 590,72
Constituting a distributable profit of	1 330 879 987,63
<i>Distribution of an interim dividend (€0.63 per share being dividend bearing)</i>	427 181 382,18
<i>Distribution of the final dividend (€0.65 per share being dividend bearing ¹)</i>	440 742 695,90
Constituting a dividend of (approximately €1.28 per share)	867 924 078,08
Allocation to other reserves	-
Allocation to carried forward account	462 955 909,55
Total carried forward after profit allocation	462 955 909,55

¹ Assuming 678,065,686 dividend-eligible shares on the date of the meeting

The General Meeting, noting that the Board of Directors of 17 December 2021 decided to pay, no later than December 24, 2021, an interim dividend of 427,181,382.18 euros (i.e. a unit of 0.63 euro), approves the distribution of this deposit.

The General Meeting decides to distribute the balance of the dividend in the total amount of 440,742,695.90 euros (i.e. 0.65 euro per share).

The General Meeting resolves that, if on the day of the payment of the balance of the dividend, the company holds a number of own shares (Bpifrance treasury shares) different from 1,934,314, the sum corresponding to the balance of the dividend not paid or to be paid due to the change in the number of these shares will, as the case may be, be credited or debited from the "retained earnings" account.

The General Meeting duly acknowledges the reminder of the amount of dividends distributed for the last three financial years to the Board of Directors:

Financial Year	Dividend per share
2018	No distribution
2019	No distribution
2020	No distribution

- **Fifth resolution** (approval of the special report of the statutory auditors on the agreements referred to in article L. 225-38 et seq. of the French Commercial Code)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having heard the reading of the special report of the statutory auditors on the agreements referred to in article L. 225-38 et seq. of the Code of commerce, approves the said report.



- **Sixth resolution** (approval of the 2021-2025 multi-year contract between Bpifrance and Caisse des Dépôts)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings and having considered the special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code, approves the contract multi-year 2021-2025 between Bpifrance, Bpifrance Participations, Bpifrance investment, Bpifrance Assurance Export and Caisse des Dépôts, in the presence of the State and EPIC Bpifrance, authorized by the Board of Directors on 30 July 2021 and signed on 15 July October 2021.

- **Seventh resolution** (renewal of Mr. Eric LOMBARD's term of office as director)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having read the report of the Board of Directors, decides to renew the term of office of Mr. Eric LOMBARD as director, for a period of five years ending at the end of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2026 in 2027.

- **Eighth resolution** (renewal of the directorship of Mr. Antoine SAINTOYANT)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having read the report of the Board of Directors, decides to renew the term of office of Mr. Antoine SAINTOYANT as director, for a period of five years ending at the end of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2026 in 2027.

- **Ninth resolution** (appointment of PricewaterhouseCoopers Audit as statutory auditor)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having read the report of the Board of Directors, decides to appoint PricewaterhouseCoopers Audit as statutory auditor, replacing MAZARS, for a period of six financial years ending at the meeting of the Ordinary General Meeting which will be called upon to rule in 2028 on the financial statements for the financial year which will end on 31 December 2027.

- **Tenth resolution** (non-renewal of the mandate of Mr. Franck BOYER, alternate statutory auditor of the company)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after having read the report of the Board of Directors, notes that the mandate of Mr. Franck BOYER, alternate statutory auditor of the company, has arrived due. He decides not to renew this mandate pursuant to the option provided for in Article L. 823-1 of the French Commercial Code.

- **Eleventh resolution** (favourable opinion on the total compensation package of all kinds, in the gross amount of €8,807,788.73, paid during the financial year ended 31 December 2021 to the persons referred to in Article L. 511-71 of the Code monetary and financial)

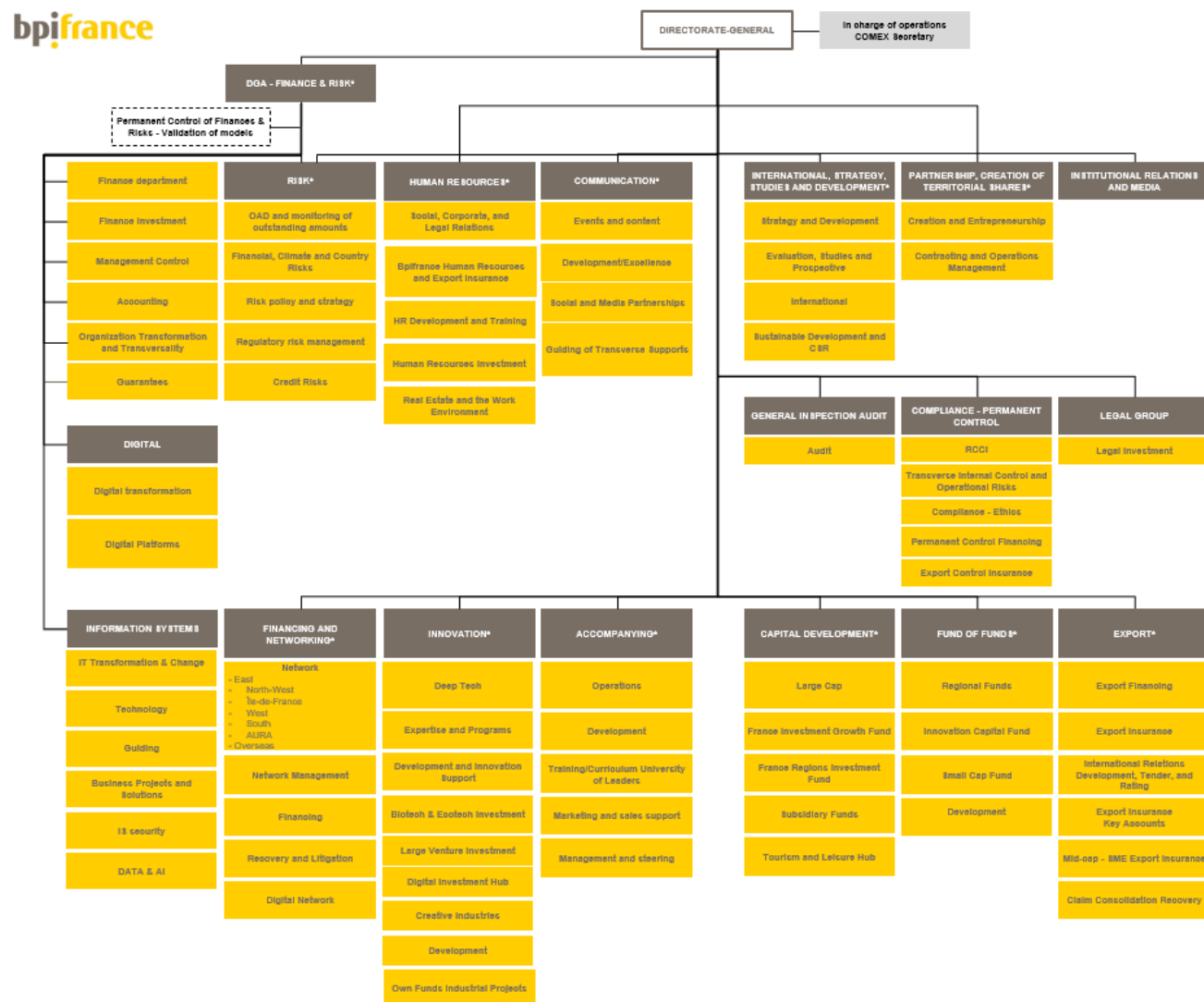
The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, consulted pursuant to article L. 511-73 of the Monetary and Financial Code, after having read the report of the Board of Directors, issues a favourable opinion on the total amount of compensation of all kinds, in the gross amount of €8,807,788.73, paid during the financial year ended 31 December 2021 to the persons referred to in Article L. 511-71 of the Monetary and Financial Code, i.e. 57.05 full-time equivalent people.

- **Twelfth resolution** (powers to carry out formalities)

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, grants all powers to the bearer of originals, extracts or copies of the minutes of this General Meeting to carry out all filing formalities and publicity required.

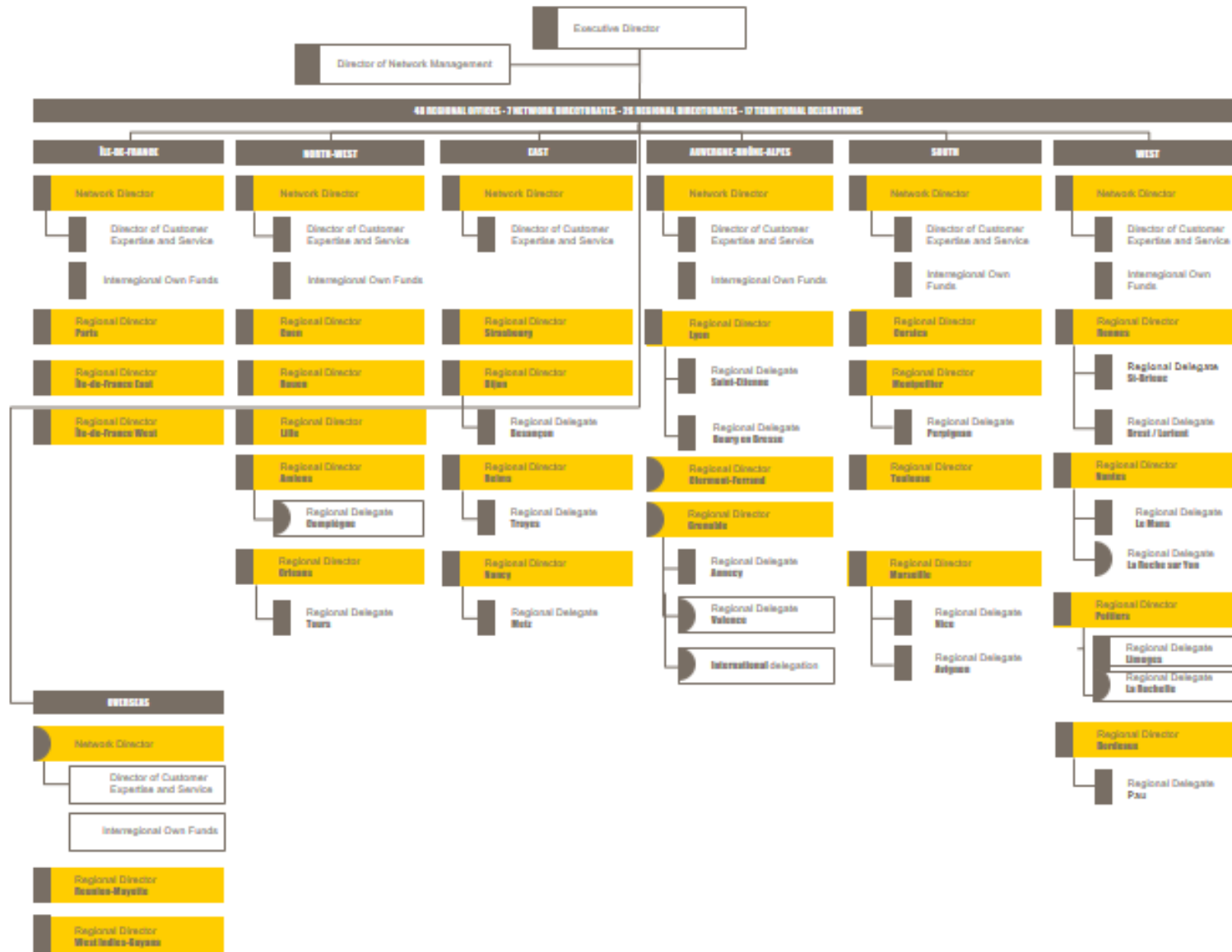
6. ORGANISATIONAL CHARTS OF BPIFRANCE

6.1. Organisational chart of business lines





6.2. Organisational chart of the network



7. FIVE-YEAR FINANCIAL SUMMARY

	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
I - Capital at financial year-end					
a) Capital (in euro counter-value)	839 907 320	839 907 320	839 907 320	5 440 000 000	5 440 000 000
b) Number of shares issued	104 988 415	104 988 415	104 988 415	680 000 000	680 000 000
II - Operations and results for the financial year (€ in thousands)					
a) Pre-tax revenue	2 424 817	2 454 122	2 530 506	2 776 349	3 018 067
b) income before taxes, shareholding or employee incentives, depreciation on assets and provisions	412 557	449 803	552 240	296 886	715 458
c) Income tax	138 193	132 187	132 987	80 502	39 207
d) Employee profit-sharing or incentives due for the financial year	15 095	15 152	16 540	17 415	17 976
(e) Net income after taxes, profit-sharing or employee incentives, depreciation on assets and provisions	200 198	214 502	246 928	-47 918	494 532
f) Distributed earnings	10 499	0	0	0	0
III - Earnings per share (in €)					
(a) Net income after tax, profit-sharing or employee incentives but before depreciation and amortisation allowances and provisions	2,47	2,88	3,84	0,53	1,05
(b) Net income after tax, profit-sharing or employee incentives and depreciation on assets and provisions	1,91	2,04	2,35	-0,07	0,73
(c) Dividend allocated to each share	0,10	0,00	0,00	0,00	1,28
IV - Personnel					
a) Number of employees as of 31 December	2 142	2 214	2 405	2 556	2 755
b) Total Payroll (€ in thousands)	126 883	135 460	148 186	158 461	173 003
(c) Amount paid with respect to social benefits (Social security, social work, etc.) (€ in thousands)	58 237	60 311	66 958	73 278	81 809

8. CONSOLIDATED FINANCIAL STATEMENTS

Bpifrance Publishable Consolidated Results

ASSETS (millions of euros)	Notes	31/12/2021	31/12/2020
Caisse, central banks	6.1	8 600,4	7 819,2
Financial assets at fair value per result	6.2	6 312,2	5 943,6
Hedging Derivatives	6.3	11,0	5,9
Financial assets at fair value per equity	6.4	18 479,8	12 288,3
Securities at amortised cost	6.5	8 053,1	8 041,3
Loans/credits on credit institutions and similar at amortised cost	6.6	1 715,9	1 461,2
Loans/credits on clients at amortised cost	6.7	45 932,8	44 419,6
Financial lease operations and similar at amortised cost	6.8	6 154,6	6 185,5
Innovation financing assistance	6.9	964,3	988,4
Re-evaluation discrepancies in interest rate hedged portfolios		124,0	586,0
Current and deferred tax assets	6.10	318,2	260,2
Regularisation accounts and misc. assets	6.11	762,2	826,6
Non-current assets held for sale		0,0	0,0
Investments in companies accounted for using the equity method	6.12	2 929,4	5 052,8
Investment properties		0,0	0,0
Tangible assets	6.13	262,7	250,3
Intangible assets	6.13	225,4	185,0
Acquisition discrepancies		2,1	2,1
TOTAL ASSETS		100 848,1	94 316,0

Bpifrance Publishable Consolidated Results

LIABILITIES (millions of euros)	Notes	31/12/2021	31/12/2020
Central Banks	6.1	0,0	0,0
Financial liabilities at faired value per result	6.2	0,0	1,5
Hedging Derivatives	6.3	36,5	84,2
Credit institution debts and similar	6.14	21 414,3	18 801,0
Client debts	6.15	2 443,2	3 014,2
Debts represented by securities	6.16	36 402,5	36 347,0
Re-evaluation discrepancies in interest rate hedge portfolios		264,5	727,5
Current and deferred tax liabilities	6.10	168,8	129,7
Regularisation accounts and misc. liabilities	6.11	2 844,1	2 489,6
Rental debts	6.17	140,5	122,4
Debts associated with non-current assets to be sold		0,0	0,0
Provisions	6.18	137,7	143,7
Net intervention to innovation resources	6.19	1 931,4	1 916,3
- Assigned to commitments		1 039,7	920,9
- Not assigned		891,7	995,4
Public Guaranteed Funds	6.20	6 690,8	6 455,6
- Assigned to commitments		2 378,8	2 387,0
- Not assigned		4 312,0	4 068,6
Subordinated debts		7,2	7,3
Equity Capital		28 366,6	24 076,0
Equity Capital - Group		28 340,5	24 061,7
- Capital and associated reserves		21 122,4	21 122,4
- Consolidated reserves		3 235,2	3 858,8
- Gains/losses directly accounted in equity capital		2 154,3	-779,9
- Result		1 828,6	-139,6
Minority Interest		26,1	14,3
- Reserves		26,0	14,3
- Result		0,1	0,0
TOTAL LIABILITIES		100 848,1	94 316,0

Bpifrance Publishable Consolidated Results

(in millions of euros)

	Notes	31/12/2021 (*)	31/12/2020
Interest and similar profits	7.1	1 827,4	1 631,5
Interest and similar expenses	7.1	-944,6	-884,1
Net gains/losses resulting from net position coverage		0,0	0,0
Commissions (profits)		85,0	20,0
Commissions (expenses)		-3,1	-1,9
Net gains/losses of financial instruments at fair value per result	7.2	1 269,2	-0,4
Net gains/losses of financial instruments at fair value per equity	7.3	544,2	3,9
Net gains/losses resulting from derecognition of financial assets at amortised cost		0,0	0,0
Net gains/losses resulting from reclassification of financial assets at amortised cost in financial assets at fair value per result		0,0	0,0
Net gains/losses resulting from reclassification of financial assets at amortised cost in financial assets at fair value per equity		0,0	0,0
Profits from other activities	7.4	259,3	200,1
Expenses from other activities	7.4	-121,3	-120,7
NET BANKING INCOME		2 916,1	848,4
General Operational Expenses	7.5	-786,9	-482,4
Contributions to amortisations and depreciations of tangible and intangible assets	7.6	-82,8	-67,3
GROSS OPERATING INCOME		2 046,4	298,7
Credit Risk Costs	7.7	-74,6	-461,5
OPERATING INCOME		1 971,8	-162,8
Share of net income of companies accounted for using the equity method	7.8	225,2	-0,6
Net gains/losses on other assets (**)		-170,0	0,4
Variations in value of acquisition deviations		-13,1	0,0
INCOME BEFORE TAXES		2 013,9	-163,0
Taxes on profits	7.9	-185,2	23,4
Net result of taxes on discontinued activities		0,0	0,0
NET INCOME		1 828,7	-139,6
Minority Interest		0,1	0,0
NET INCOME - GROUP		1 828,6	-139,6
Income per share (euros)		2,70	-0,21
Diluted income per share (euros)		2,70	-0,21

(*) the main contributions to the results of entities made within the merger of Bpifrance SA by its Bpifrance Financement subsidiary are presented for information in Note 7

(**) cf significant facts 1.1.2

Net income and gains and losses recorded directly
as equity of Bpifrance

(in millions of euros)

	31/12/2021	31/12/2020
NET PROFIT	1 828,7	-139,6
Items that can be reclassified (transferable) as net income		
Conversion differences	0,0	0,0
Revaluation of financial assets at fair value through transferable equity	-42,5	40,1
Revaluation of hedging derivatives of transferable items	0,0	0,0
Share of gains and losses recognised directly in the equity of equity-consolidated companies	63,9	0,0
Other transferable items recognised through equity	0,0	0,0
Related taxes	11,0	-11,4
Items that cannot be reclassified (non-transferable) as net income		
Revaluation of fixed assets	0,0	0,0
Revaluation (or actuarial gains & losses) under defined benefit plans	1,0	-0,8
Revaluation of equity risk of financial liabilities that have been recognised at fair value through profit or loss	0,0	0,0
Revaluation of equity instruments recognised at fair value by non-transferable equity	2 595,2	1,0
Share of gains and losses directly recognised in equity on non-transferable equity enterprises	189,3	0,0
Other items recognised as non-transferable equity	0,0	0,0
Related taxes	27,1	-0,4
TOTAL GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY	2 845,0	28,5
NET INCOME AND GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY	4 673,7	-111,1
Of which Group shares	4 673,4	-111,1
Of which minority interests	0,3	0,0
Amount of transfer in reserves of non-transferable items	-7,2	0,0

Change in equity (group share)

	Capital and related reserves	Reserves	Gains and losses recognised directly in equity	Allotment	Total
<i>(in millions of euros)</i>					
Situation as of 31 December 2019	2 031,8	1 729,0	-4,2		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-transferable equity</i>	0,0	0,0	0,9	0,0	0,9
<i>Change in the value of financial instruments affecting transferable equity</i>	0,0	0,0	28,7	0,0	28,7
<i>Disposal of financial instruments recognised at fair value through non-transferable equity</i>	0,0	0,0	0,0	0,0	0,0
Actuarial gains & 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
Various	0,0	-0,2	0,0	0,0	-0,2
Situation as of 31 December 2020	21 122,4	3 858,8	-779,9	0,0	24 201,3
2020 earnings				-139,6	-139,6
Income allocated to reserves	0,0	-139,6	0,0	139,6	0,0
Application of the IFRS IC decision on post-employment benefits (see 2.1)	0,0	2,7	0,0	0,0	2,7
Change in gains and losses accounted for directly in equity	0,0	-7,2	2 787,0	0,0	2 779,8
<i>Change in the value of financial instruments affecting non-transferable equity</i>	0,0	0,0	2 810,6	0,0	2 810,6
<i>Change in the value of financial instruments affecting transferable equity</i>	0,0	0,0	-30,8	0,0	-30,8
<i>Disposal of financial instruments recognised at fair value through non-transferable equity</i>	0,0	-7,2	7,2	0,0	0,0
Actuarial differences on defined benefit plans	0,0	0,0	4,1	0,0	4,1
Conversion differences	0,0	0,0	63,1	0,0	63,1
Distribution of dividends	0,0	-427,2	0,0	0,0	-427,2
Treasury shares	0,0	-21,7	0,0	0,0	-21,7
Change in scope	0,0	-30,9	80,0	0,0	49,1
Miscellaneous	0,0	0,3	0,0	0,0	0,3
Situation as of 31 December 2021	21 122,4	3 235,2	2 154,3	0,0	26 511,9
Profit 2021					1 828,6

Change in minority interest

Minority interest as of 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-transferable equity</i>	0,0
<i>Change in the value of financial instruments affecting transferable equity</i>	0,0
Change in scope	14,3
Share of income as at 31 December 2020	0,0
Minority interests as of 31 December 2020	14,3
Change in gains and losses accounted for directly in equity	0,2
<i>Change in the value of financial instruments affecting non-transferable equity</i>	0,2
<i>Change in the value of financial instruments affecting transferable equity</i>	0,0
Change in scope	14,2
Distribution of dividends	-2,7
Share of income as at 31 December 2021	0,1
Minority interests as of 31 December 2021	26,1

Cash flow table

The cash flow statement is presented using the indirect method model.

The **operational activities** are representative of the group's revenue-generating activities, including the assets listed in the "Securities at amortized cost" portfolio.

Tax flows are presented in full with the operational activities.

The **investment activities** represent cash flows for the acquisition and disposal of interests in consolidated and non-consolidated companies, tangible and intangible fixed assets and investment properties. The strategic equity securities listed in the "Financial assets at fair value through equity" portfolio are included in this compartment.

The **financing activities** result from changes related to financial structure operations concerning shareholders' equity and long-term borrowings.

The concept of **net cash** includes cash, liabilities and debts with central banks as well as demand accounts (assets and liabilities) and demand loans with lending institutions.

Bpifrance Group Cash Flow Statement

(in millions of euros)	31/12/2021	31/12/2020
Profit before taxes (*)	2 013,9	-163,0
Net amortisation of tangible and intangible assets	82,8	67,3
Impairment of goodwill and other fixed assets	13,1	0,0
Net provision allocations	75,3	488,4
Share of net income from equity-consolidated companies	-114,6	0,6
Net loss/gain from investing activities	-1 008,2	0,0
Other movements	-579,8	-108,6
Other movements (specific to guarantee funds)	235,2	548,9
Total non-cash items included in net income before taxes and other adjustments	-1 296,2	996,6
Flows related to operations with credit institutions	2 726,1	7 794,8
Flows related to customer transactions	-2 067,7	-5 132,6
Flows related to other transactions affecting financial assets or liabilities	18,7	-2 234,5
Flows related to other transactions affecting non-financial assets or liabilities	714,5	-84,4
Flows related to other operations affecting innovation activity	39,2	81,5
Taxes paid	-254,6	-93,2
Net decrease/(increase) in assets and liabilities from operational activities	1 176,2	331,6
Total net cash flow generated by the operating activity (A)	1 893,9	1 165,2
Flows related to financial assets and shareholding (**)	-148,7	533,7
Flows related to investment properties	0,0	0,0
Flows related to tangible and intangible fixed assets	-102,5	-74,3
Total net cash flow from investment operations (B)	-251,2	459,4
Cash flows to or from shareholders	-475,6	0,0
Other net cash flows from financing activities	-418,2	6 009,6
Total net cash flow from financing operations (C)	-893,8	6 009,6
impact of exchange rate variations on cash and cash equivalent (D)	0,0	0,0
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	748,9	7 634,2
Net cash flow generated by operational activity (A)	1 893,9	1 165,2
Net cash flow from investment operations (B)	-251,2	459,4
Net cash flow from financing operations (C)	-893,8	6 009,6
impact of exchange rate variations on cash and cash equivalent (D)	0,0	0,0
Cash and cash equivalents at opening	9 139,5	1 505,3
Cash, central banks (assets & liabilities)	7 819,2	1 045,9
Financial statements (assets and liabilities) and loans/borrowings from credit institutions	1 320,3	459,4
Cash and cash equivalents at closing	9 888,4	9 139,5
Cash, central banks (assets & liabilities)	8 600,4	7 819,2
Financial statements (assets and liabilities) and loans/borrowings from credit institutions	1 288,0	1 320,3
Change in net cash	748,9	7 634,2

(*) the TFT published in 2020 presents a net profit recorded in equity, excluding the contribution of the profit of the contributed entities

(**) the cash flows for the financial year 2020 relating to the contributed companies are not included in the TFT, with the exception of the cash acquired following the integration of subsidiaries in the amount of EUR 425.8 million, which is shown on the line "flows related to financial assets and shareholding".

Notes to the financial statements

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● **Note 1 – Significant events during the financial year and post-balance sheet events**

1.1 Significant events during the financial year

1.1.1 Impact of the health crisis

The 2020 financial year was marked by an unprecedented health crisis linked to Covid-19. This pandemic continued to affect economic and social activities in 2021, even if its economic repercussions were overall more measured. Invested in a general interest mission of financing and business development, in support of public policies, Bpifrance is fully committed to supporting French businesses during this period.

Consideration of the effects of the health crisis and government measures in forward-looking scenarios

Scenario details

Bpifrance has retained four forward-looking scenarios for the calculation of ECL in 2021, as in the financial year of 31 December 2020. These scenarios were updated in December 2021.

Since Bpifrance's clientele is made up of French companies, the scenarios defined relate to French macroeconomic indicators only. The indicators used are the GDP growth rate, the evolution of the consumer price index, the unemployment rate and the OAT rates (2 and 10 years).

The standard scenarios, adverse and severely adverse, over a medium-term horizon are based on the scenarios of the CDC group's macroeconomic framework produced once a year, at the start of the year, with the support of the group's network of economists. The optimistic scenario remains, for its part, proposed in its entirety by the Evaluation, Studies and Forecasting Department of Bpifrance (DEEP). Given the rapid evolution of the health situation, short-term forecasts (less than a year and regardless of the scenario) are produced by the DEEP, using a sectoral model (broken down into 19 sectors) fed by high-frequency indicators (indicators published daily or weekly).

The scenarios adopted for the year 2021 include the effects of health measures aimed at stemming the spread of the virus, which lasted until May 2021. In 2022, the assumption is made that strict health measures, such as confinement, are very unlikely due to a high rate of vaccination, thus preserving the hospital environment despite the emergence of new epidemic waves. The scenarios also take into account the effects of the tensions on supplies and recruitment that accompany the recovery, and which would continue to weigh on activity in certain sectors at the start of 2022.

The effects of the government's economic and financial measures are also integrated into the scenarios. These measures have greatly limited the impact of the crisis on growth and the unemployment rate. The very gradual end of these measures should only very slightly affect the momentum of growth in the short term, the unemployment rate should increase little in 2022 before falling back and the emergency measures would have largely limited the impact of the crisis on potential growth. In addition, the "France Relance" and "France 2030" plans would continue to support activity in 2022 and in the longer term. The effects of the ECB's monetary policy were naturally taken into account, particularly in the evolution of interest rates and inflation.

The GDP growth forecasts of the standard scenario (+6.7% in 2021 and +3.6% in 2022) are close to those of the other forecasting institutions. They are notably identical to those of December 2021 of the Banque de France.

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GDP growth (in %)		2021	2022
Standard scenario	nov.-21	6,7	3,6
Optimistic scenario	nov.-21	6,7	4,7
Adverse scenario	nov.-21	6,7	1,8
Severely adverse scenario	nov.-21	6,7	-0,5
<i>IMF</i>	<i>oct.-21</i>	<i>6,3</i>	<i>3,9</i>
<i>European Commission</i>	<i>nov.-21</i>	<i>6,5</i>	<i>3,8</i>
<i>OECD</i>	<i>déc.-21</i>	<i>6,8</i>	<i>4,2</i>
<i>Bank of France - favourable*</i>	<i>mars-21</i>	<i>4,0</i>	<i>4,0</i>
<i>Bank of France - average</i>	<i>déc.-21</i>	<i>6,7</i>	<i>3,6</i>
<i>Bank of France - severe*</i>	<i>mars-21</i>	<i>3,0</i>	<i>1,0</i>
<i>Consensus Forecast - min</i>	<i>déc.-21</i>	<i>6,0</i>	<i>3,0</i>
<i>Consensus Forecast - average</i>	<i>déc.-21</i>	<i>6,6</i>	<i>3,8</i>
<i>Consensus Forecast - max</i>	<i>déc.-21</i>	<i>7,0</i>	<i>4,5</i>

*scenarios not updated during the last publications

Uncertainties surrounding growth prospects remain high. The optimistic scenario calls for more dynamic growth in 2022 due to a faster recovery in activity in the sectors still affected by the crisis, as well as a more rapid reduction in supply difficulties. Conversely, the adverse scenario envisages a resumption of contamination in France and around the world, inducing a return to health constraints (gauge in public places for example) and accentuating supply difficulties. Moreover, the depressive effects would be more persistent, with the precautionary behaviour of households and companies leading to lower activity expectations and a more marked deterioration in the job market. In the severely adverse scenario, health measures would be stricter at the beginning of 2022, leading to a recession in the first half of 2022, with much more persistent negative effects on growth and employment.

Optimistic scenario*Rate (of growth) (annual average, in %)*

	2020	2021	2022	2023	2024	2025	2026
GDP	-8,0	6,7	4,7	2,2	1,5	1,5	1,5
Consumer price index	0,2	1,9	2,3	1,7	1,8	2,0	2,2
Unemployment rate (Metropolitan France)	7,9	7,9	7,7	7,3	7,2	7,1	6,9
2-year OAT rate (Q4 average)	-0,7	-0,7	-0,5	-0,3	-0,1	0,1	0,3
10-year OAT rate (Q4 average)	-0,3	0,1	0,4	0,5	0,9	1,3	1,7

Standard scenario*Rate (of growth) (annual average, in %)*

	2020	2021	2022	2023	2024	2025	2026
GDP	-8,0	6,7	3,6	1,7	1,3	1,2	1,2
Consumer price index	0,2	1,9	1,9	1,5	1,5	1,6	1,7
Unemployment rate (Metropolitan France)	7,9	7,9	8,0	7,9	7,7	7,6	7,6
2-Year OAT rate (Q4 average)	-0,7	-0,7	-0,6	-0,6	-0,5	-0,3	0,0
10-Year OAT rate (Q4 average)	-0,3	0,1	0,3	0,4	0,6	0,8	1,0

Adverse scenario*Rate (of growth) (annual average, in %)*

	2020	2021	2022	2023	2024	2025	2026
GDP	-8,0	6,7	1,8	1,2	1,1	1,0	1,0
Consumer price index	0,2	1,9	1,2	0,8	1,0	1,1	1,2
Unemployment rate (Metropolitan France)	7,9	7,9	9,3	9,3	9,2	9,1	9,1
2-year OAT rate (Q4 average)	-0,7	-0,7	-0,7	-0,7	-0,6	-0,5	-0,4
10-year OAT rate (Q4 average)	-0,3	0,1	0,0	0,0	0,2	0,4	0,6

Severely adverse scenario*Rate (of growth) (annual average, in %)*

	2020	2021	2022	2023	2024	2025	2026
GDP	-8,0	6,7	-0,5	0,0	0,6	0,6	0,6
Consumer price index	0,2	1,9	0,5	0,2	0,4	0,5	0,6
Unemployment rate (Metropolitan France)	7,9	7,9	10,9	10,9	10,8	10,7	10,6
2-year OAT rate (Q4 average)	-0,7	-0,7	-0,8	-0,8	-0,7	-0,7	-0,7
10-year OAT rate (Q4 average)	-0,3	0,1	-0,3	-0,2	-0,2	-0,1	0,0

Evolution of weightings

Scenario weightings as of 31 December 2021 have not been changed compared to the previous year.

Scenario	Weight 31/12/21	Weight 31/12/20
Optimistic	15%	15%
Standard	55%	55%
Adverse	20%	20%
Severely Adverse	10%	10%

Model methodological adjustments ¹

The context of the health crisis of the years 2020 and 2021 imposed the application of a methodological adjustment to the model for calculating Bpifrance's expected losses in order to correct the decorrelation observed between the economic context and the default rates.

Bpifrance's expected loss calculation model is based on historical observations of the correlation between macroeconomic parameters and default rates. These historical data show a negative correlation between GDP growth rate and default rate, in accordance with economic theory: default rates are all the lower as GDP growth rates are high.

¹ The characteristics of the expected loss calculation model are described in the appendix note 8.2.9.

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The major measures to support the economy put in place by the public authorities (in particular the solidarity fund, short-time working, deferrals of charges and loans guaranteed by the State) have massively protected French companies against the consequences of this crisis in 2020 and 2021. As a result, business failures have been very few, even though the GDP growth rate for the year 2020 is the most degraded in recent history.

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 calculated expected losses.

Since the decorrelation of the default to the growth rate observed in 2020 being due to the measures to support the economy, it does not reveal the real impact of the economic shock on the solvency of companies. The year 2021 is also problematic because the observed growth rate is very high compared to historical data, and distorts the correlation estimates. Bpifrance has therefore decided not to include the data for the years 2020 and 2021 in the calibration of the model for calculating expected losses as of 31 December 2021, and to renew the parameters used at the end of 2019.

The effect of not recalibrating the model is an increase in ECL of €23 million.

Sector adjustments

Tourism and leisure professionals have been among the hardest hit by the Covid-19 pandemic. The repercussions of this crisis are still being felt throughout the tourism ecosystem.

In this very deteriorated economic context, an adjustment remains imperative in order to anticipate an increase in risk in this sector. This adjustment increases the ECL by €27m.

In addition, significant tensions on supplies appeared in the course of 2021. These difficulties concern raw materials, components, transport and energy. These tensions are considered to be long-lasting (horizon over 12 months) and affect companies in the industry sector, degrading the financial situation of companies in this sector with an impact on their profitability, cash flow and WCR.

To incorporate these foreseeable effects on the solvency of the companies concerned, an adjustment is applied to companies in the industrial sector. This adjustment increases the ECL by €43.3 million.

Finally, the 2021 finance law provides for a revision of the electricity feed-in tariffs for certain photovoltaic installations. This results in a very significant drop in the future income of the operators of these facilities. Therefore, the ability of the companies concerned to repay their debt is uncertain.

To integrate this risk, the loans concerned are classified in bucket 2. The effect of this post-model downgrading is an increase in ECL of €40 million.

Other Forward-Looking adjustments

The cash flow of French companies has been massively supported since the spring of 2020 through the distribution of state-guaranteed loans (PGE). These loans include a one-year grace period, which can be extended later for an optional year. Consequently, most of the PGEs will enter the amortization period in the course of 2022. This increase in the debt burden after two years of deferred amortization could put some companies that have benefited from PGEs in difficulty.

In order to integrate the risk relating to the repayment capacity of companies, a post-model adjustment was made leading to an additional €90 million on the ECL.

Assessment of the significant increase of the credit risk

The significant credit risk deterioration criteria used by Bpifrance for the allocation of its exposures in the various buckets are as follows:

- Non-performing exposures are classified in bucket 3;
- Performing exposures are classified in bucket 2 if they satisfy one of the following criteria:
 - o the counterparty is on the watch list;
 - o the probability of default at annualized maturity of the counterparty on the calculation date is greater than 20%;
 - o the probability of default at annualized maturity of the counterparty on the calculation date increases by more than 2% compared to the probability of default at decision and the increase in the probability of default at annualized maturity is greater than 95% of the probability of failure to decision.
- Successful exposures that do not satisfy any of the previous conditions are classified in bucket 1.

Bpifrance usually uses the possibility opened up by the standard to use the probability of default at one year to measure the significant deterioration in credit risk, as an approximation of the probability of default at maturity.

In the context of the health crisis marked by a significant rebound in activity following a very marked economic shock, the probability of default at one year could not be considered as a good approximation of the probability of default over the entire duration of the credit (lifetime). To remedy this problem, the determination of the significant deterioration in credit risk had been adjusted by integrating a lifetime dimension into the probability of default. This probability of default is compared to the probability of default at one year at the origin of the instrument. The thresholds used to determine the significant increase in credit risk (absolute and relative thresholds) have not been changed. This adjustment was maintained as of 31 December 2021, although the impact is now marginal.

Effects of the guarantee on the determination of the ECL of loans guaranteed by the State

The determination of expected losses on loans guaranteed by the State takes this guarantee into account. The calculation of the ECL is only performed on the unsecured part of the loans.

ECL sensitivity analysis to macroeconomic scenarios

As described above, the four macroeconomic scenarios used in the calculation of the ECL as of 31 December 2021 correspond to very different economic situations. Consequently, they lead to significantly different ECL amounts¹.

Scenario	Amount of ECL in case of 100% weighting of the scenario (in millions of euros)	As a percentage of the ECL accounted for
Standard scenario	585	92%
Adverse scenario	727	114%
Severely adverse scenario	909	143%
Optimistic scenario	522	82%

¹ The calculations are based on an approximate version of the ECL calculation model, which shows a difference of 1% with the amounts recognized.

Scenario sensitivity calculations are made excluding adjustments to the photovoltaic sector and the repayment capacity of companies that have benefited from a PGE. The €130 million adjustment concerned is added to the result of the calculations for each scenario.

1.1.2 PSA – FCA Merger

On 4 January 2021, the shareholders of FCA and PSA validated the merger project of the two car manufacturers in order to create the fourth group in the world. On 18 January 2021, the first day of listing of the new Stellantis group, whose market capitalization on the date of the IPO was nearly €40 billion, Bpifrance exchanged its PSA shares for Stellantis shares.

Following this exchange, the influence exercised by Bpifrance on the Stellantis group cannot be qualified as significant due to the reduction in the share of capital and voting rights of Bpifrance and its impact on almost all of the points related to the governance of the company. Therefore, unlike the PSA shares which were accounted for using the equity method in the consolidated financial statements of Bpifrance, the Stellantis shares are recognized at fair value through equity.

The item “Investments in companies accounted for using the equity method” decreased by €2,475 million and the item “Financial assets at fair value through equity” increased by €2,422 million on the transaction date. Stellantis shares were recorded at their market value on the date of first listing. Bpifrance records a net loss of €163 million (including recycling of OCI reserves) due to the withdrawal of PSA shares.

1.2 Events after closing

The invasion of Ukraine by Russia on 24 February 2022 led to instability in the financial markets and the economy in general, as well as the implementation of sanctions by the international community.

Due to its vocation to mainly finance French companies, the Bpifrance Group's direct exposure to Russia, Ukraine and Belarus is very limited, around €10 million. About half of this €10 million breaks down into net risk of exposure linked to export credits financing Ukrainian buyers as part of the support provided by Bpifrance to French exporters. The rest concerns capital positions taken by a subsidiary of Bpifrance Participations in three Russian entities not currently targeted by European or American sanctions. However, these capital operations were carried out alongside a Russian partner, now targeted by European and American sanctions. Bpifrance aims to exit this partnership and/or the Russian assets as quickly as possible, in compliance with the applicable sanctions.

The impact of this crisis on the economy, the effects of which we cannot yet measure with certainty and definitively, may have consequences on the activity, profitability and even the solvency of client or invested companies. The interviews recently carried out with Bpifrance's significant counterparties do not highlight any critical issues for them at this stage, likely to generate provisions and/or specific impairments of Bpifrance's assets as of 12/31/2021.

In addition, it should be recalled that the Bpifrance Group includes the legal entity Bpifrance Assurance Export, which acts in the name, on behalf of and under the control of the French State with regard to the support of French exports. As such, this entity is involved in the negotiation, implementation and monitoring of this public support for French exports. These exposures, directly borne by the State (and not on Bpifrance's balance sheet), represent just over €580 million in Russia and approximately €1.1 billion in Ukraine.

● **Note 2 – Applicable accounting standards**

2.1 Applicable accounting standards as at 31 December 2021

The 2021 consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and applicable as of 31 December 2021.

The extension approved on 30 August 2021 of the cases eligible for the option introduced by the amendment to IFRS 16 "Leases" relating to rental concessions granted due to the Covid-19 pandemic did not have to be applied by the group.

The application of the IFRS IC interpretation relating to the allocation of post-employment benefits to periods of service published in May 2021 impacts the obligations in respect of end-of-career benefits in the amount of -2.7 M€.

The other standards, amendments and interpretations of mandatory application from 1 January 2021 had no material impact on the financial statements as of 31 December 2021.

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

2.2 Accounting standards that the Group will apply in the future

The European Union has adopted new standards which will enter into force on a mandatory basis from 1 January 2022.

The application of these new provisions should not have a material impact on the group's consolidated financial statements.

● **Note 3 - Group consolidation principles and methods**

Pursuant to EC Regulation No. 1606/2002, the group's consolidated financial statements are prepared in accordance with the IAS/IFRS international accounting standards in force within the European Union as at 31 December 2021.

3.1 Consolidation principles

General principle

Bpifrance's consolidated financial statements include all companies that the group controls or over which it exercises significant influence, except for those whose consolidation would have very little effect on the group's consolidated accounts. In application of this general principle, the material nature of this effect can in particular be assessed in various ways such as the size of a company's profit or loss or of its equity as a share of the group total.

The concept of control

The concept of Bpifrance's control over a company in which Bpifrance invests is independent of the nature of the link between the group and the company. Control means that the group is exposed or is entitled to variable returns and is able to influence such returns thanks to its power.

Consequently, the group controls a subsidiary if and only if all of the following factors apply:

- The group exerts power when it has the actual right to manage the subsidiary's business,
- The group is exposed or is entitled to variable returns when its returns depend on the subsidiary's profit,
- The group is able to exercise its power so as to influence the amount of its variable returns.

Joint control means sharing control pursuant to contract over a joint enterprise, which may be either a joint operation or a joint venture. Such joint control only exists if management decisions must be unanimous.

Significant influence is the power to participate in decisions on the associated firm's financial and operating policies, without however exercising control or joint control over them. Significant influence is presumed when the group holds, directly or indirectly, 20% or more of voting rights. It may also exist when Bpifrance is represented on the Board of Directors or the like, or if it participates in making policy or does a large amount of business with the associated firm, swaps managers with it or supplies it with vital technical information.

3.2 Consolidation methods

Consolidation methods depend on the nature of Bpifrance's control over the firms that might be consolidated entities, regardless of their line of business.

The accounts of companies subject to sole control, even if they use different accounting methods, are consolidated using the overall incorporation method.

Equity holdings that the group controls jointly through a joint venture and holdings subject to significant influence by the group are accounted for using the equity method.

Entities accounted for using the equity method are deemed to be operational in nature as an extension of the group's activity. Consequently, the share of the net income of companies accounted for using the equity method is shown after operating income, in accordance with recommendation no. 2017-02 of 2 June 2017 of the Accounting Standards Authority (ANC) relating to the format of consolidated accounts of banks drawn up in accordance with international accounting standards.

3.3 Special cases

Venture capital operations

When a holding in an associated firm (significant influence) or a joint venture (joint control) is held via a venture capital firm, the group has decided to evaluate this holding at fair value through profit or loss, in the "Financial assets at fair value through profit or loss" category, in accordance with the IFRS 9 standard on recognition and assessment of financial instruments.

Converting the financial statements of foreign subsidiaries

The group's consolidated financial statements are shown in euros. If a firm uses a different currency, amounts are converted at the exchange rate on the closing date. This implies that all assets and liabilities, whether monetary or not, are converted at the exchange rate in effect on the closing date of the financial year. Income and expenses are converted at the average exchange rate for the period. All exchange differences ensuing from the conversion are accounted for as a separate component of equity.

Equity holdings in companies accounted for using the equity method

The equity method consists in replacing the value of the securities with the share of total equity held by the group and its share in total earnings of the firms in question. The income statement reflects the group's share of the profit or loss of the companies accounted for using the equity method.

The entire holding accounted for using the equity method (including goodwill) is subject to a depreciation test under IAS 36 relating to the depreciation of assets, if an objective indication exists of depreciation resulting from one or more events occurring after the initial recognition of the investment and these events affected the holding's estimated future cash flows in a way that can be reliably estimated. The book value of the holding accounted for using the equity method is then compared to its recoverable value, namely whichever is greater of its use value calculated according to the discounted future cash flow method or multi-criteria methods, or its fair value minus the transaction cost of selling it.

When a depreciation is recorded, it is allocated to the investment accounted for using the equity method in the balance sheet, which authorises the subsequent reversal of the depreciation if the investment's use value or market value improves.

3.4 Consolidation rules

Restatements and eliminations

Restatements needed in order to harmonise the methods of evaluating consolidated companies are done whenever the restatement involves a substantial amount.

Reciprocal receivables, payables and commitments as well as reciprocal charges and income are completely eliminated for fully consolidated companies. Intra-group dividends, provisions on consolidated securities, capital gains from internal disposal transactions and depreciation allowances are neutralised in full for fully consolidated companies and up to the share held for companies accounted for using the equity method.

Acquisition discrepancies

Acquisition cost is equal to the sum of fair values on the acquisition date, of the assets delivered, net of any liabilities incurred or assumed and of the equity instruments issued in order to secure control of the company purchased. Costs directly incurred through the transaction are recognised as expenses, except for the costs of issuing equity instruments, which are deducted from shareholders' equity, as well as the direct transaction costs related to the financial debts contracted as part of the operation, which are deducted from the matching financial debts.

Identifiable assets, liabilities, contingent liabilities and off-balance sheet items of acquired firms are recognised at their fair value on the purchase date. This initial assessment can be fine-tuned within twelve months of the acquisition date.

The positive difference between the acquisition cost of the entity and the share of net assets acquired and thus revaluated is entered in the assets column of the consolidated balance sheet under the "Goodwill" heading when the firm acquired is fully consolidated under the heading "Investments in companies accounted for using the equity method" when the acquired company is accounted for using the equity method. If the difference is negative, it is recorded in profit and loss at once.

If the group's holding in an already controlled firm grows the difference between the acquisition price and the added share of equity should be recognised in equity.

When recoverable value is less than book value, an irreversible depreciation of goodwill is recorded in profit or loss. The recoverable amount is usually assessed using the discounted cash flow method.

3.5 Presentation of financial statements and closing date

Presentation of consolidated accounts

The presentation of the summary statements used complies with that proposed by ANC recommendation no. 2017-02 of 2 June 2017 on the format of the consolidated financial statements of institutions in the banking industry drawn up in accordance with international accounting standards.

Closing Date

The companies included in the scope of consolidation close their annual accounts on 31 December unless otherwise stated in Note 9.

● **Note 4 - Scope of consolidation**

The scope of consolidation of the Bpifrance Group as at 31 December 2021 differs from that of the last closing of consolidated accounts of 31 December 2020.

It now includes the accounts of the FCT Prêt d'Honneur company, which has been fully consolidated since 1 January 2021.

In the process of launching its second private equity fund Bpifrance Entreprises 2, Bpifrance created the ETI22 fund at the end of 2021. This fund was 100% consolidated as at 31 December 2021.

The PSA company was detached from the scope of consolidation in January 2021, following the creation of the Stellantis group over which Bpifrance exercises no significant influence (cf. 1.1.2). As part of this operation, Lion Participations - the holding company that held the PSA shares belonging to Bpifrance Holdings - was merged into Bpifrance Participations, which is consequently likewise excluded from the scope of consolidation.

Bpifrance IC Investment holding merged with Bpifrance International Capital during 2021.

Lastly, the AEDC3 fund was wound up in the course of 2021.

The table beneath identifies the consolidated companies, the fraction of their respective capital held directly and indirectly, as well as their method of consolidation.

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Name	Method of consolidation	31/12/2021 % of interest	31/12/2021 % of right to vote	31/12/2020 % of right to vote
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 Portfolio - MAISONS-ALFORT	Full	100%	100%	100%
FFI parts A - MAISONS-ALFORT	Full	100%	100%	100%
FFI Parts B - 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%
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%
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%
ETI22 - MAISONS-ALFORT	Full	100%	100%	-
Alsabail - STRASBOURG	Equity	40,69%	40,69%	40,69%
Tyrol Acquisition (Groupe TDF) - Luxembourg	Equity	23,99%	23,99%	23,99%
Eutelsat Communications - PARIS	Equity	20,01%	20,01%	19,98%
PSA - PARIS	Equity	-	-	17,58%
STConso (Palier avec STM Consolidé à 27,60%) - GENEVE	Equity	50,00%	50,00%	50,00%
Future French Champion - MAISONS-ALFORT	Equity	50,00%	50,00%	50,00%
Fonds Lac I - MAISONS-ALFORT	Equity	34,01%	34,01%	33,39%

● **Note 5 - Accounting principles and valuation methods**

5.1 Determining fair value

IFRS 13 sets the rules for determining fair value and provides guidance on how to measure the fair value of assets and liabilities, both financial and non-financial. Fair value is the price that can be fetched when selling an asset or that must be paid for the assignment of a liability in the course of a regular transaction between market participants on the date of valuation. Consequently, fair value is based on the disposal price.

On initial recognition, a financial instrument's value as a rule is its trading price (to wit the value of the consideration paid or received). On subsequent valuations, the fair value of assets and liabilities must primarily be estimated and determined by using observable market data, while ensuring that all the parameters that make up this fair value converge with the price that "market participants" would apply in a transaction.

5.1.1 Hierarchy of fair values

The three levels of fair value

The standard defines three levels of fair value for both financial and non-financial instruments:

Level 1: valuation using market quotes on a liquid market. These are instruments for which fair value is determined on the basis of prices quoted on brisk markets.

Level 2: Valuation relying on observable market data. This fair value level applies to instruments quoted on a sluggish market and to instruments valued relying either on directly observable parameters (prices) or indirectly observable ones (namely those inferred from price).

Level 3: Valuation using unobservable market data. This level includes instruments valued using unrecognised valuation models and/or those based on parameters not observable on the market, provided such parameters are likely to affect the valuation substantially.

Transfers from one fair value level to another

Transfers between fair value levels may be made when the instruments fulfil the criteria for classification in the new level. Such criteria depend on market conditions and the merchandise involved. Changes in observability, the passage of time and events affecting the life of the instrument are the main factors triggering transfers. Transfers are deemed to have been made at the end of the period in question.

5.1.2 Assessment techniques

General framework

The best estimate matches the market price of the instrument when traded on a brisk market (prices quoted and disclosed). The group treats the price tendered as the fair value of a long position (asset) and the asking price for a short position (debt).

In the absence of a market or of reliable data, fair value is determined by whichever means conforms to the valuation methods customary on the financial markets: reference to the market value of a comparable instrument, valuation models, and more generally by discounting estimated future cash flows.

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The fair value amounts of financial assets and liabilities are the estimates made on the closing date. Fair value is subject to change in different periods due to changing market conditions or other factors. Calculations are made relying on a number of assumptions. In practice, and assuming that a firm will remain in business, all of these financial instruments are not expected to be realised at once for whatever value has been estimated. The risk of non-performance of derivative liabilities (Debit Value Adjustment) and assessment of the counterparty risk on derivative assets (Credit Value Adjustment) have no significant effect 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 that issued the shares, conducted at arm's length and under normal market conditions. If there is no such benchmark, the shares are valued either using standard techniques (multiples of EBIT or EBITDA), or on the basis of the share of net assets attributable to the group according to the most recent information available.

Special case of financial assets and liabilities recognised at cost

Furthermore, market values approximate book value in the case of variable-rate financial assets and liabilities whose fair value is not significantly affected by interest rates, because the interest rates on these instruments often converge with market rates.

5.2 Initial recognition of financial assets and liabilities

All financial assets and liabilities within the scope of IFRS 9, except for those measured at fair value depending on profit or loss, are initially recognised at their fair value plus/minus the transaction costs of purchasing them. Transaction costs for financial assets and liabilities at fair value according to profit or loss are recognised directly in profit or loss on the date of their initial recognition.

The group recognises securities, loans and borrowings on the balance sheet on the settlement date.

All derivatives are recognised on the balance sheet on the date they are traded.

5.3 Classification and measurement of financial assets

Debt instruments

Loans and receivables as well as fixed-income securities are debt instruments that are evaluated at their depreciated or fair value depending on the business model and on the nature of the contractual cash flows. More specifically:

- Debt instruments held in a business model whose purpose is to collect contractual cash flows and for which the cash flows merely yield payment of principal and interest on the remaining principal falling due on specified dates (hereinafter "SPPI criterion" defined in the paragraph "Assessing the nature of contractual cash flows") are recognised at their discounted value. These debt instruments are subject to depreciation as set forth in Note 5.5 Depreciation of financial assets. Interest is calculated using the effective interest rate method, as set forth in Note 5.20 Interest income and expense.

- Debt instruments held in a business model whose purpose is both to collect and to sell the contractual cash flows and whose cash flows meet the SPPI criterion are recognised at fair value by equity. Changes in fair value are recognised in equity, except for the effects of credit risk, interest and foreign exchange gains or losses on monetary assets in foreign currency, which are recognised in profit or loss. In the event of derecognition, unrealised gains or losses previously recognised in equity are shifted to the income statement under the heading “Net gains or losses from instruments at fair value through equity”. Depreciation of such financial assets is calculated using the methods set forth in Note 5.5 Depreciation of financial assets. Interest is calculated using the effective interest rate method, as set forth in Note 5.20 Interest income and expense.

- Other debt instruments are recognised at fair value through profit or loss. They are either assets that do not meet the SPPI criterion, in particular investment (non-consolidated) fund units or bonds convertible into the issuer’s shares, or assets that do not meet the two management models described above (cash flow collection or cash flow collection and disposal).

Furthermore, from the time when they are initially recognised, the group may also irrevocably designate at fair value according to profit or loss a debt instrument that fulfils the conditions required for assessment at depreciated cost or at fair value through equity, if this designation eliminates or significantly reduces discrepancies between certain financial assets and liabilities depend on their accounting treatment.

Changes in the fair value of these instruments are recorded under “Gains and losses on financial instruments at fair value through profit or loss”.

Assessment of the traits of contractual cash flows

For the purposes of assessing the SPPI (Solely Payments of Principal and Interests) criterion, principal constitutes the fair value on the date of initial recognition; it can change during the lifetime of the financial asset, for example through depreciation of the principal. Interest consists primarily of consideration for the time value of money, the credit risk incurred by the group or any other kind of risk and costs associated with holding the financial asset for a certain time.

Interest can also include a margin, as is customary in conventional loan agreements.

The time value of money is the component of interest that compensates the lender only for the passage of time.

Contractual conditions that expose contractual cash flows to changes in share prices, commodity prices or exchange rates, or to a leverage effect are not deemed to fulfil the SPPI criterion.

Contractual terms that allow extending the maturity of a financial asset or else its premature redemption do not impair the SPPI criterion, provided that the compensation that the group receives is reasonable.

The SPPI nature of financial assets that include embedded derivatives is analysed as a whole (host contract and embedded derivative) in order to infer its IFRS 9 classification.

Assessment of the business model

The business model reflects the way the group manages its financial assets in order to generate cash flows: by collecting cash flows only, collecting cash flows and disposing of financial assets or some other approach.

The factors determining how the business model is assessed are:

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- The criteria used for assessing the performance of portfolio assets and explaining performance to top management;
- Risks influencing the performance of portfolio assets and how such risks are monitored and handled;
- How managers are paid;
- The frequency and volume of previous disposals made in the past.

In its character as a public investment bank, Bpifrance assists firms of all sizes (mainly very small to middling firms) throughout all stages of their development, from start-up to listing on the stock exchange. In view of its social aims, Bpifrance's financing consequently attuned to keeping in touch with its customer and collecting contractual flows. The debt instruments that make up Bpifrance's liquidity portfolio are managed according to two distinct management models: a model for collecting contractual flows, matching the accounting classification of investment securities under French standards and no disposals, as well as a collection and resale management model for covered bonds. With regard to the consolidated funds, a portfolio of financial assets is managed relying on fair value, which is also the basis for assessing performance. This justifies an "alternative strategy" model that leads to recognition at fair value through profit or loss of the debt instruments held, whether or not they fulfil the SPPI criterion.

Reclassification

Financial assets are reclassified when the business model under which they are held changes as a result of a strategic decision by management, responding to major changes in the group's operations. Reclassifications are prospective. They do not entail restatement of any profits or losses recognised before the date on which the financial assets concerned were reclassified.

During the reporting period the group has not changed its management model for financial assets. Consequently, no reclassification of financial assets has occurred until now.

Equity instruments

By default, equity investments are recognised at fair value through profit or loss both on the date of their initial recognition and hereafter. Changes in fair value, dividends, gains or losses on disposals are recorded under "Net gains or losses on financial instruments at fair value through profit or loss".

However, upon initial recognition, the group may irrevocably designate at fair value through equity investments in equity instruments that are not held for trading or as part of a business combination. This option is exercised performing transactions one at a time, and the group has decided to apply it to its entire equity portfolio, since the Bpifrance Group takes minority interests in growing companies (very small to huge companies, as well as start-ups) or acquires holdings in private investment funds in order to foster their development. The group also makes strategic investments in large companies. Changes in the fair value of these instruments are presented in equity, without subsequent recycling in profit or loss in the event of disposal. These financial assets are not subject to depreciation. Dividends from these investments are recorded in the income statement under "Net gains or losses on financial assets at fair value through equity".

5.4 Financing commitments given and received

Financing commitments are not shown on the balance sheet.

Over the commitment period, financing commitments given are subject to depreciation according to the methods set forth in note 5.5 Depreciation of financial assets. These depreciations are shown in the "Provisions" section.

5.5 Depreciation of financial assets

Debt instruments measured at depreciated cost or at fair value through equity, financing commitments given and financial lease receivables are systematically subject to depreciation for expected credit losses.

When they are first recognised, financial assets, including financing commitments but not financial assets depreciated when acquired or created, are subject to depreciation resulting from default events expected within the next 12 months (expected credit losses within 12 months). In the event of a significant increase in credit risk since the date of initial recognition, depreciations are amended to reflect the events of default expected over the instrument's entire life (expected credit losses at maturity).

Financial assets are initially allocated to "bucket 1". If they have not undergone any significant increase in credit risk since the beginning, they stay in "bucket 1". Depreciations are recognised in the amount of credit losses expected at 12 months.

If the credit risk of a financial asset rises substantially, it is transferred to "bucket 2"; depreciations are determined relying on expected losses at maturity.

Assets for which one or more objective indicators of depreciation exist related to events that have occurred since their initial recognition and affected the expected cash flows are allocated to "bucket 3". Losses expected at maturity are calculated for such assets.

Loan portfolio

• Significant increase in credit risk

A significant increase in credit risk is assessed by comparing the risk of default on the financial instrument on its initial recognition with the risk on the closing date. This impairment must be noticed before any objective indicator of loss appears (bucket 3).

This assessment is based on both qualitative and quantitative criteria.

It is routinely assumed that the credit risk of an outstanding debt has risen substantially if one of the following conditions is fulfilled:

- Placement on the watch list. The Bpifrance Group includes among the performance criteria that motivate placement on the watch list any payments in arrears between 30 and 90 days, and any restructured outstanding loans that are on probation (for two years);
- Current likelihood of default greater than 20%;
- Absolute increase in the likelihood of default greater than 2% between the date the loan is granted and the closing date, and any relative increase in the likelihood of default greater than 95% between the date the loan is granted and the closing date.

The model is applied symmetrically. Thus, if the reasons motivating its classification in bucket 2 no longer apply, the Bpifrance Group acknowledges the improvement in the situation of the counterparty by returning it to bucket 1.

• Financial assets that show objective indications of loss

These are financial assets that the group has classified as non-performing, to wit any asset for which Bpifrance is unlikely to collect all or part of the amount due of the commitments entered into by the counterparty as a result of financial difficulties.

Non-performing counterparties are in particular those for which (amicable or contentious) insolvency proceedings are in progress, an impairment in credit quality has been noted, those whose receivables are more than 90 days in arrears, or who have been declared in default, or for which Bpifrance's surety has been invoked.

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Any restructured or moratorium loan in arrears of payment for more than 30 days during a probationary period automatically leads to reclassification in the category of non-performing assets. The probationary period is one year before any possibility of placement on the watch list.

The Bpifrance Group has aligned the Basel definitions of default and non-performance with those of doubtful accounting and bucket 3 IFRS 9.

The Bpifrance Group writes off any asset once its rights as a creditor expire.

• Measurement of credit losses

For assets classified in buckets 1 and 2, expected credit losses are equal to the product of three parameters, to wit likelihood of default, loss rate in the event of default, and the exposure at the date of default. Expected credit losses are discounted at the effective interest rate of the asset in question.

The likelihood of default at 12 months and at maturity are respectively the risk of default of the counterparty in the next 12 months and the risk of default throughout the life of the instrument.

The rate of loss in the event of default is estimated using available historical data on losses incurred or based on expert opinion, or else relying on the regulatory level set by financing product or by counterparty. It also takes into account the collateral securing the loan.

The group relies on the systems used for setting regulatory provisions. In this context, the likelihood of default and the rate of loss in the event of default, observed throughout the cycle (for regulatory purposes, are adjusted so they can be measured at the date of default (point-in- time).

Furthermore, the likelihood of default and the loss rate also take into account the economic situation expected over a projection horizon (forward-looking). The group generally relies on 3 scenarios labelled baseline, optimistic and gloomy. The simulation horizon used is 6 years.

These scenarios are based on the French GDP growth rate, the consumer price index, the unemployment rate and the difference between the interest rates on 1-year and 10-year government bonds.

Exposure at the date of default takes into account amounts disburses and commitments given.

The outstanding amount at risk on the outstanding number of commitments given is estimated based on historical disbursement rates.

Exposure takes into account the depreciation and the potential repayment of the outstanding amount.

The depreciation of bucket 3 assets is estimated case by case. It equals the difference between the book value of the asset and its discounted value at the initial effective interest rate of estimated recoverable future cash flows, bearing in mind the effect of collateral, when they are included in the contract, unless they are recognised as separate assets.

Securities portfolio

The simplified approach known as low-credit risk has been adopted for the group's securities portfolio, given the low-risk profile of a portfolio consisting mainly of sovereign securities.

The credit risk of a financial asset is considered low when:

- The risk of default is low
- The borrower has ability to fulfil its contractual obligations is sound;
- This ability is not necessarily affected by adverse changes in longer-term economic and business conditions.

The group considers credit risk low when the counterparty is classified as "Investment Grade" and the securities of such counterparty are classified as "bucket 1". The downgrading of a title to "Speculative Grade" entails its reclassification into "bucket 2". A downgrade of two ratings during the six months preceding the closing date may be an additional factor for identifying a significant impairment of credit risk. In such cases, the group carries out a case-by-case analysis.

Within this framework, credit losses are measured according to the following rules:

- Buckets 1 and 2: the likelihood of default is calculated on the basis of data from rating agencies, the loss rates used are those of the Basel benchmark and the exposure at the date of default is equal to gross book value.
- Bucket 3: losses are estimated on an individual basis taking into account the counterparty's situation and, if applicable, the value of the collateral.

5.6 Distinction between debt and equity

Pursuant to IAS 32 on the presentation of financial instruments, financial instruments issued are qualified as debt or equity instruments depending on whether or not the contract binds the issuer to deliver to the holders of the securities cash or some other financial asset, or else 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 cover outstanding loans secured by it.

The Bpifrance reserve fund is classed as an equity instrument since paying interest to bearers is discretionary, and its reimbursement depends on the shareholder's decision.

5.7 Debts

Debts issued by the group that are not valued at fair value through profit or loss are initially recorded at cost, which equals the fair value of the amounts borrowed net of transaction costs.

These debts are valued on the closing date at their depreciated cost using the effective interest rate method and are recorded on the balance sheet under "Debts to credit institutions", "Debts to customers" and "Debts represented by a security" or "Subordinated debt".

Debts owed to credit institutions and debts owed to customers

Debts to credit institutions and to customers are itemised depending to their initial term or the nature of these debts: sight debts (day-to-day loans, regular accounts) and term loans for credit institutions; term loans, surety bonds and regular accounts for customers.

Interest accrued on these debts is posted to the related debts account against the income statement.

Debts in the form of a security

Debts in the form of a security are broken down by medium: interbank market securities, negotiable debt securities and bond issues, excluding subordinated securities, which are classified as "Subordinated debt".

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Accrued interest attached to these securities is recorded in a related debt account offsetting the income statement. Issue or redemption premiums for bond loans are depreciated using the effective interest rate method over the lifetime of the loans in question. The matching charge is recorded under "Interest and charges" in the income statement.

Subordinated debt

This item includes debts in the form of securities or otherwise, with a term or an indefinite duration, whose reimbursement in the event of liquidation of the debtor is only possible after other creditors have been paid.

These debts are valued on the closing date at their depreciated cost using the effective interest rate method. Where applicable, accrued interest attached to subordinated debts is recorded in a related debts account offsetting the income 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 irrevocably designated from the outset at fair value through profit or loss. This option is applied only in the following cases:

- The elimination or significant reduction of discrepancies in accounting treatment between certain financial assets and liabilities
- The alignment of the accounting treatment with management and measurement of performance, provided that this condition is based on an established risk management or investment policy and that internal reporting is based on a measurement of fair value.
- Measurement at fair value through profit or loss of certain hybrid financial liabilities without separation of embedded derivatives.
- An embedded derivative is the component of a "hybrid" contract, whether financial or not, which meets the definition of a derivative product. It must be extracted from the host contract and recognised separately when the hybrid instrument is not measured at fair value through profit or loss and the economic traits and associated risks of the embedded derivative are not closely linked to the host contract.

Changes in fair value during the period and interest on financial liabilities are recorded under "Net gains or losses on financial instruments at fair value through profit or loss", except for changes in fair value attributable to changes in the own credit risk which are recorded under "Gains and losses recognised directly in equity". In the event of derecognition of the liability before its maturity, the gain or loss in fair value realised, attributable to the own credit risk, is transferred directly to the heading consolidated reserves in equity, without affecting the result for the period.

5.9 Repo Transactions

Securities sold temporarily in the case of a repurchase agreement remain recognised on the group's balance sheet in their original portfolio.

The matching liability is recorded under the appropriate "Debts" heading ("Debts to Credit Institutions" or "Debts to Customers").

Securities acquired temporarily in the case of a reverse repurchase agreement are not recognised in the group's balance sheet. The matching receivable is recorded under the heading "Loans and Receivables with credit institutions and the like, at depreciated cost".

5.10 Derecognition of financial assets and liabilities

The group derecognises a financial asset when the contractual rights to collect the cash flows linked to the financial asset have expired, or when these contractual rights as well as almost all the risks and rewards inherent to ownership of the asset have been transferred. The rights and obligations created or retained during the transfer are, where applicable, recognised separately as assets or liabilities.

When derecognising a financial asset in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the book value of this asset and the value of the consideration received, and any unrealised profit or loss that would have been previously recognised directly in equity is corrected if applicable.

The group derecognises a financial liability only when this financial liability is extinguished, i.e. when the obligation specified in the contract is extinguished, is cancelled or has expired.

5.11 Derivative financial instruments and hedge accounting

A derivative is a financial instrument characterised by the following three traits:

- Its value depends on an interest rate, or on the price of a financial instrument, or on the price of a commodity, or on an exchange rate, or on a price index, a credit rating or a credit index;
- Its initial investment is zero or very small;
- It must be paid sometime in the future

Derivative instruments are accounted for at fair value. At each closing date, regardless of the purpose for which they are being held (transaction or hedging), they are valued at their fair value. Except for derivatives that for accounting purpose are considered cash flow hedges, changes in fair value are recognised in the income statement for the period in question.

There are two kinds of derivative financial instruments:

Trading derivatives

Trading derivatives are entered on the balance sheet under “Financial assets or liabilities at fair value through profit or loss”. Realised and unrealised gains and losses are entered in the income statement under the heading “Net gains or losses on financial instruments at their fair value through profit or loss”. The Bpifrance Group trades in trading derivatives and uses them for hedging purposes. Nonetheless they do not qualify as hedging derivatives for accounting purposes, or else the group has decided not to record them as such.

Hedging derivatives

The group has chosen the option offered by IFRS 9 not to include them in its hedge accounting, and instead continues to treat them for accounting purposes under the IAS 39 standard adopted by the European Union.

For a derivative instrument to qualify as a hedging instrument for accounting purposes, it must be recorded as a hedging instrument from the very beginning (i.e. hedging strategy, nature of the risk being hedged, name and nature both of the hedged item and of the hedge instrument).

Furthermore, the hedge's effectiveness must be proved at the outset and verified retrospectively at each closing date.

Derivatives purchased as a hedge are designated according to the goal pursued. Until now the group has only applied fair value hedge accounting. Changes in the fair value of hedging instruments and hedged items are recognised under “Net gains or losses on financial instruments at fair value through profit or loss”.

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Fair value hedge

The purpose of fair value hedging is to reduce the risk of change in the fair value of an asset or liability on the balance sheet or of an inflexible commitment (especially hedging the interest rate risk of fixed-rate assets and liabilities).

Any revaluation of the hedged item is recorded in income symmetrically to the revaluation of the derivative. Thus, if the hedge turns out to be ineffective, it appears directly in the income statement.

Interest that accrues on the hedging derivative is recognised in the income statement symmetrically to interest accrued on the hedged item.

In the case of hedging an identified asset or liability, revaluation of the hedged component is added to the balance sheet by type the hedged item.

If the hedge is discontinued (for instance because it becomes ineffective or the derivative or the hedged item is sold before maturity), the hedging derivative is shifted to the trading portfolio. The amount of the hedged item's revaluation recorded in the balance sheet is depreciated over the time span remaining before the hedge would have expired, as long as the entry for the formerly hedged item stays 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.

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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 financial year to which they pertain. They are recognised in the expenses for the financial 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 staff 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 staff 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 financial 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 and Bpifrance Courtage.

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. They include social security charges as well as taxes on wages.

5.26 Cost of credit risk

The net allowances of write-backs for impairment and provisions, receivables written off as losses during the financial 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". Personnel costs

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.

Commitments to provide guarantee 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-rated 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 number 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.

Among 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, staff 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**

6.1 Cash and central banks (assets and liabilities)

(in millions of euros)	31/12/2021	31/12/2020
Assets		
Cash, Central banks	8 600,4	7 819,2
Total assets	8 600,4	7 819,2
Liabilities		
Central banks	0,0	0,0
Total liabilities	0,0	0,0

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)	31/12/2021	31/12/2020
Bonds and fixed-income securities	1 367,8	1 250,8
UCITS units	301,5	1 338,9
Other assets at fair value through profit or loss	4 631,1	3 353,8
Trading derivative financial instruments	11,8	0,0
- <i>Interest rate derivatives</i>	0,0	0,0
- <i>Foreign exchange derivatives</i>	11,8	0,0
- <i>Equity and index derivatives</i>	0,0	0,0
Total financial assets at fair value through profit or loss	6 312,2	5 943,6

No financial assets are recorded at fair value on option

Financial liabilities at fair value through profit or loss

(in millions of euros)	31/12/2021	31/12/2020
Borrowings and term deposits	0,0	0,0
Debt represented by a title	0,0	0,0
Debt securities	0,0	0,0
Other liabilities at fair value through profit or loss	0,0	0,0
Trading derivative financial instruments	0,0	1,5
- <i>Interest rate derivatives</i>	0,0	0,0
- <i>Foreign exchange derivatives</i>	0,0	1,5
- <i>Equity and index derivatives</i>	0,0	0,0
Total financial liabilities at fair value through profit or loss	0,0	1,5

The only financial liabilities recorded at fair value on option are guarantee funds and net innovation intervention resources (see notes 6.19 and 6.20)

6.3 Derivative hedge instruments (assets and liabilities)

Asset hedging derivatives

(in millions of euros)	31/12/2021	31/12/2020
Fair value hedging	6,0	0,0
Cash flow hedging	0,0	0,0
Hedging of net investments in foreign currency	0,0	0,0
Restricted global fair value hedging	5,0	5,9
Total hedging derivative instruments (assets)	11,0	5,9

Hedging derivatives (liabilities)

(in millions of euros)	31/12/2021	31/12/2020
Fair value hedging	23,6	14,9
Cash flow hedging	0,0	0,0
Hedging of net investments in foreign currency	0,0	0,0
Restricted global fair value hedging	12,9	69,3
Total hedging derivative instruments (liabilities)	36,5	84,2

Hived-off global hedging at fair value – interest rate hedges

Interest rate risk hedging schedule

(in millions of euros)	Maturity as of 31/12/2021				
	Less than a month	1 to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
Hedging of financial liabilities					
Nominal amount	51,6	497,4	2 815,0	9 627,9	7 479,2
Hedging of loans to customers					
Nominal amount	39,2	514,8	6 208,5	13 345,4	6 345,2
Hedging of floor loans to customers					
Nominal amount	0,0	0,0	0,0	520,0	815,0
Hedging of debt securities at fair value through equity					
Nominal amount	0,0	0,4	0,6	422,7	919,1
Hedging securities at amortised cost					
Nominal amount	0,0	0,0	0,0	0,0	75,0

Amounts relating to hedging instruments and the associated amount of inefficiency

(in millions of euros)	31/12/2021						
	Nominal	Book value		Balance sheet line in which the hedging instrument is recognised	Change in fair value used for the calculation of inefficiency	Inefficiency recognised in profit or loss	Line of the income statement where inefficiency is accounted for
		Assets	Liabilities				
Interest rate risk							
Interest rate swaps - hedging of financial liabilities	20 471,1	393,0	-84,5	Note 6.3	308,5	0,0	Note 7.2
Interest rate swaps - customer loan hedging	25 468,5	157,0	-316,5	Note 6.3	-159,5	0,0	Note 7.2
Interest rate swaps - hedging of debt securities at fair value by equity	1 342,8	23,2	-10,1	Note 6.3	13,1	0,0	Note 7.2
Interest rate swaps - hedging of securities at amortised cost	75,0	0,8	-0,2	Note 6.3	0,6	0,0	Note 7.2
Floors - hedging of customer loans	1 335,0	0,0	-23,6	Note 6.3	-23,6	0,0	Note 7.2

Amounts relating to items covered

(in millions of euros)	31/12/2021					
	Book value		Cumulative amounts of fair value adjustments of the hedged item that are included in the Book amount of the hedged item		Balance sheet line in which the hedged instrument is recognised	Change in value used for the calculation of inefficiency
	Assets	Liabilities	Assets	Liabilities		
Interest rate risk						
Financial liabilities	0,0	50 775,0	84,5	-393,0	Notes 6.14, 6.15 and	-308,5
Customer loans	32 577,0	0,0	316,5	-157,0	Note 6.7	159,5
Debt securities at fair value through equity	1 874,0	0,0	10,1	-23,2	Note 6.4	-13,1
Securities at amortised cost	575,0	0,0	0,2	-0,8	Note 6.5	-0,6
Customer floor loans	3 080,0	0,0	23,6	0,0	Note 6.7	23,6

Fair value hedging – interest rate and foreign exchange hedges

Maturity of interest rate and exchange rate risk hedges

(in millions of euros)	Maturity as of 31/12/2021				
	Less than a month	1 to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
Hedging of financial liabilities in GBP					
Nominal amount	0,0	0,0	357,0	0,0	0,0

Amounts relating to hedging instruments and the associated amount of inefficiency

	31/12/2021						
	Nominal	Book value		Balance sheet line in which the hedging instrument is recognised	Change in fair value used for the calculation of inefficiency	Inefficiency recognised in profit or loss	Line of the income statement where inefficiency is
		Assets	Liabilities				
Interest rate and exchange rate risks	(in millions of GBP)	(in millions of euros)					
Cross-currency swaps - hedging of financial liabilities in GBP at fixed rate	300,0	6,0	0,0	Note 6.3	6,0	3,6	Note 7.2

Amounts relating to items covered

(in millions of euros)	31/12/2021					
	Book value		Cumulative amounts of fair value adjustments of the hedged item that are included in the Book amount of the hedged item		Balance sheet line in which the hedged instrument is recognised	Change in value used for the calculation of inefficiency
	Assets	Liabilities	Assets	Liabilities		
Interest rate and						
Financial liabilities in GBP	0,0	358,2	0,0	-6,0	Note 6.16	-6,0

6.4 Financial assets at fair value through equity



(in millions of euros)

	31/12/2021		31/12/2020	
	Fair value	Of which unrealised	Fair value	Of which unrealised
Bonds and fixed-income securities	3 140,3	-12,8	2 726,9	95,7
Stocks and other variable income securities	15 339,5	1 896,9	9 561,3	-676,8
Total financial assets at fair value through equity	18 479,8	1 884,1	12 288,3	-581,1

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Dividends received during 2021 on the shares held in the portfolio as at 31 December 2021 amount to € 543.1 million.

Dividends received in 2021 on shares sold during the year amounted to €0m. These disposals were made at a fair value of €1,270.4 million and led to the reclassification of a net loss of €6.3 million to consolidated reserves.

Bpifrance has selected the simplified so-called low credit risk approach for the Group's securities portfolio.

Breakdown of gross book values (including related receivables) of securities at amortised cost

	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	2 727,1	0,0	0,0	2 727,1
Closing	3 140,5	0,0	0,0	3 140,5

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 in impaired credit	TOTAL
(in millions of euros)				
Opening	0,2			0,2
Allowances on acquisitions for the year				0,0
Other allowances	5,6			5,6
Write-off reversals				0,0
Reversals related to asset outflows				0,0
Other reversals not used	-5,6			-5,6
Transfer between levels				0,0
Other movements				0,0
Closing	0,2	0,0	0,0	0,2

6.5 Securities at amortised cost

	31/12/2021	31/12/2020
(in millions of euros)		
Government bonds	7 812,6	7 863,7
Other bonds	179,0	78,5
Negotiable debt securities	0,0	24,1
Related receivables	61,9	75,4
Impairments on securities at amortised cost	-0,4	-0,4
Total securities at amortised cost	8 053,1	8 041,3

Bpifrance has selected the simplified so-called low credit risk approach for the Group's securities portfolio.

Breakdown of gross book values (including related receivables) of securities at amortised cost

	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	8 041,7	0,0	0,0	8 041,7
Closing	8 053,5	0,0	0,0	8 053,5

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 in impaired credit	TOTAL
(in millions of euros)				
Opening	0,4			0,4
Allowances on acquisitions for the year				0,0
Other allowances				0,0
Write-off reversals				0,0
Reversals related to asset outflows				0,0
Other reversals not used				0,0
Transfer 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

(in millions of euros)	31/12/2021	31/12/2020
Overdrafts	1 287,4	975,6
Overnight loans	0,0	0,0
Term loans	301,5	280,0
Guarantee deposits and margin calls	126,8	205,4
Credit risk related impairments	0,0	0,0
Related receivables	0,2	0,2
Total loans and receivables from credit institutions and similar, at amortised cost	1 715,9	1 461,2

These outstanding amounts are all classified in bucket 1.

6.7 Loans and advances to customers, at amortised cost

(in millions of euros)	31/12/2021	31/12/2020
Overdrafts	16,4	16,0
Accounts opened with the French State - Agence France Trésor	6 837,8	6 087,2
Trade receivables	88,4	123,4
Export loans	607,8	446,0
Cash loans	2 413,4	3 666,9
Equipement loans	19 387,0	18 333,7
Subordinated loans	697,0	601,4
Other loans	16 883,0	16 032,8
Credit risk impairments (*)	-1 046,3	-966,0
Related receivables	48,3	78,2
Total loans and receivables due from customers, at amortised cost	45 932,8	44 419,6

(*) see note 6.18

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Breakdown of gross book values (including related receivables) of loans and receivables from customers, at amortised cost

	MLTL (Co-financing activity on Medium and Long-term Loans)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	26 270,2	7 787,0	1 406,2	35 463,4
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	11 921,6	1 717,1	332,4	13 971,1
Repayments, when due	-8 635,9	-2 694,3	-506,1	-11 836,3
Disposals and restructurings	-17,8	7,9	9,9	0,0
Transfer between levels	-3 425,7	2 858,9	566,8	0,0
Merger/Contribution				0,0
Other movements				0,0
Changes in consolidation scope				0,0
Closing	26 112,4	9 676,6	1 809,2	37 598,2

Breakdown of expected credit losses (ECL) on loans and receivables from customers, at amortised cost

	MLTL (Co-financing activity on Medium and Long-term Loans)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	229,4	351,7	317,7	898,8
Reclassifications				0,0
Allowances on acquisitions for the year	30,1	30,2	214,8	275,1
Other allowances				0,0
Write-off reversals			-30,6	-30,6
Reversals related to asset outflows	-7,2	-14,3		-21,5
Other reversals not used	-84,9	-56,1	-55,3	-196,3
Transfer between levels	-40,4	95,6		55,2
Other movements			-0,5	-0,5
Closing	127,0	407,1	446,1	980,2

Breakdown of gross book values (including related receivables) of loans and receivables from customers, at amortised cost

	STFA (Short-Term Financing Activity)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	3 014,0	372,1	301,6	3 687,7
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	22,8	0,0	0,5	23,3
Repayments, when due	-1 126,5	-140,6	-14,3	-1 281,4
Disposals and restructurings				0,0
Transfer between levels				0,0
Merger/Contribution				0,0
Other movements				0,0
Changes in consolidation scope				0,0
Closing	1 910,3	231,5	287,8	2 429,6

Breakdown of expected credit losses (ECL) on loans and receivables from customers, at amortised cost

	STFA (Short-Term)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	9,7	2,1	55,1	66,9
Reclassifications				0,0
Allowances on acquisitions for the year	3,0	4,7	11,1	18,8
Other allowances				0,0
Write-off reversals			-2,5	-2,5
Reversals related to asset outflows	-4,2	-1,1		-5,3
Other reversals not used	-4,3	-0,3	-6,0	-10,6
Transfer between levels	-0,8	-0,5		-1,3
Other movements				0,0
Closing	3,4	4,9	57,7	66,0

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Breakdown of gross book values (including related receivables) of loans and receivables from customers, at amortised cost

	OTHER			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	6 233,1	0,0	1,3	6 234,4
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	716,8			716,8
Repayments, when due				0,0
Disposals and restructurings				0,0
Transfer between levels				0,0
Merger/Contribution				0,0
Other movements				0,0
Changes in consolidation scope				0,0
Closing	6 949,9	0,0	1,3	6 951,2

Breakdown of expected credit losses (ECL) on loans and receivables from customers, at amortised cost

	OTHER			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	0,2	0,0	0,0	0,2
Allowances on acquisitions for the year				0,0
Other allowances				0,0
Write-off reversals				0,0
Reversals related to asset outflows				0,0
Other reversals not used				0,0
Transfer 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)	31/12/2021	31/12/2020
Real estate leasing (CBI) and similar operations	4 120,3	4 063,2
Equipment leasing (CBM) and similar operations	1 846,7	1 912,8
Related receivables	267,9	309,2
Credit risk impairments (*)	-80,3	-99,7
Total financing and similar leasing operations, at amortised cost	6 154,6	6 185,5

(*) see note 6.18

Breakdown of gross book values (including related receivables) of finance lease and similar transactions, at amortised cost

	REL (Real estate leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	2 640,1	1 396,7	200,3	4 237,1
Change of method				0,0
Reclassifications				0,0
Restatements				0,0
Acquisitions	40,3	36,5		76,8
Repayments, when due	-10,6	-8,0	-14,5	-33,1
Disposals and restructurings				0,0
Transfer between levels		-3,3	3,3	0,0
Merger/Contribution				0,0
Other movements				0,0
Changes in consolidation scope				0,0
Closing	2 669,8	1 421,9	189,1	4 280,8

Breakdown of expected credit losses (ECL) on finance lease and similar transactions, at amortised cost

	CBI (Real estate leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	9,7	34,8	15,0	59,5
Reclassifications				0,0
Allowances on acquisitions for the year	0,9	1,6	14,7	17,2
Other allowances				0,0
Write-off reversals				0,0
Reversals related to asset outflows	-0,2	-0,6		-0,8
Other reversals not used	-4,0	-2,5	-9,9	-16,4
Transfer between levels	-1,2	3,0		1,8
Other movements			0,9	0,9
Closing	5,2	36,3	20,7	62,2

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Breakdown of gross book values (including related receivables) of finance lease and similar transactions, at amortised cost

	CBM (Equipment Leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	1 418,9	583,5	45,7	2 048,1
Change of method				0,0
Reclassifications				0,0
Recalculations				0,0
Acquisitions	85,1		6,5	91,6
Repayments, when due	-8,1	-173,8	-3,7	-185,6
Disposals and restructurings				0,0
Transfer between levels	14,0	-16,7	2,7	0,0
Merger/Contribution				0,0
Other movements				0,0
Changes in scope				0,0
Closing	1 509,9	393,0	51,2	1 954,1

Breakdown of expected credit losses (ECL) on finance lease and similar transactions, at amortised cost

	CBM (Equipment leasing)			
	Bucket 1 - Expected losses at 12 months	Bucket 2 - Expected losses at maturity	Bucket 3 - Expected losses in impaired credit	TOTAL
(in millions of euros)				
Opening	6,8	21,6	11,7	40,1
Reclassifications				0,0
Allowances on acquisitions for the year	0,5	0,6	3,6	4,7
Other allowances				0,0
Write-off reversals			-0,7	-0,7
Reversals related to asset outflows	-0,3	-0,9		-1,2
Other reversals not used	-4,6	-6,1	-3,5	-14,2
Transfer between levels	-0,5	-9,2		-9,7
Other movements			-1,0	-1,0
Closing	1,9	6,0	10,1	18,0

Other products on leasing operations

	Real estate Leasing	Equipment Leasing
(in millions of euros)		
Profit or loss realised on sales	9,8	-0,6
Financial income from net investment relating to the lease agreement	76,8	18,9

Maturity of lease receivables

	Book value	Sum of undiscounted rents	<= 1 year	> 1 - <= 2 years	> 2 - <= 3 years	> 3 - <= 4 years	> 4 - <= 5 years	> 5 years
(in millions of euros)								
Real estate Leasing	4 218,5	4 579,7	408,1	523,0	524,1	484,3	442,8	2 197,5
Equipment Leasing	1 936,1	1 785,4	589,3	449,3	319,6	200,3	115,7	111,4
Total	6 154,6	6 365,2	997,3	972,2	843,6	684,5	558,5	2 308,9

6.9 Innovation financing aid

(in millions of euros)	31/12/2021	31/12/2020
Innovation aid - ISI (*)	584,0	651,5
PMII - ISI 2008 (*)	203,7	213,7
FRGI (*)	24,1	27,9
Assistance on financing partners	68,9	71,6
FNI-FISO (*)	0,6	0,7
FGI PIA4 AGI (*)	22,8	0,0
FII AI COEFF (*)	13,0	0,0
DEEP TECH Industry Innovation Fund	47,2	23,0
Total aid to finance innovation	964,3	988,4

(*) ISI: Industrial Strategy for Innovation

PMII: Program for the Mobilisation of Industrial Innovation initiated by the former AI, Agency for Industrial Innovation

(Programme Mobilisateur pour l'Innovation Industrielle initié par l'ex AI, Agence pour l'Innovation Industrielle)

FRGI: Regional Fund for the Guarantee of Innovation (Fonds Régionaux de Garantie de l'Innovation)

FNI-FISO: National Fund for Innovation - Fund for Social Innovation (Fonds National d'Innovation - Fonds Innovation Sociale)

FGI PIA4 AGI: Innovation Assistance Window (Aides Guichet à l'innovation)

FII AI COEFF: Fund for Innovation and the Innovation Aid Industry

6.10 Current and deferred tax assets and liabilities

(in millions of euros)	31/12/2021	31/12/2020
Current taxes	172,7	77,0
Deferred taxes	145,5	183,2
Total current and deferred tax assets	318,2	260,2
Current taxes	147,4	46,1
Deferred taxes	21,4	83,6
Total current and deferred tax liabilities	168,8	129,7

(in millions of euros)	31/12/2021	31/12/2020
Assets and liabilities recognised at fair value through non-transferable equity	-22,8	-80,1
Assets and liabilities recognised at fair value through transferable equity	54,7	53,7
Other time offset	92,1	125,9
Total deferred taxes recognised (*)	124,0	99,5

(*) Tax assets are shown as positive, tax liabilities are shown as negative

6.11 Accruals, and other assets/liabilities

Accrual account assets

(in millions of euros)	31/12/2021	31/12/2020
Deferred expenses	184,2	142,4
Accrued income	20,2	8,2
Pending withdrawals from medium- and long-term loans	7,4	8,4
Other	12,6	40,2
Total of accruals and deferred income	224,4	199,2

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Miscellaneous assets

(in millions of euros)

	31/12/2021	31/12/2020
Receivables with State and Innovation Partners	66,6	100,0
Allowances receivable from guarantee funds	127,3	231,2
Other miscellaneous accounts receivable	332,0	273,6
Inventory accounts and miscellaneous assets	11,9	22,6
Total other assets	537,8	627,4

Accrual and prepayments

(in millions of euros)

	31/12/2021	31/12/2020
Subsidies to be paid (innovation)	91,4	75,8
Guarantee fees recognised in advance	476,9	465,3
Other income recognised in advance	26,5	15,8
Other tax and social security charges payable	92,3	88,5
Other accrued expenses	59,1	51,9
Cash on behalf of third parties	689,0	381,3
Other	408,2	378,4
Total accruals and prepayments	1 843,4	1 457,0

Miscellaneous liabilities

(in millions of euros)

	31/12/2021	31/12/2020
Outstanding payments on not-paid-up securities	647,8	730,4
Invoices payable on leasing transactions	57,5	52,9
Other tax and social security debts	132,7	139,3
Miscellaneous accounts payable	162,7	110,0
Total other liabilities	1 000,7	1 032,6

6.12 Holdings in equity-consolidated companies

(in millions of euros)	2021	
	Equity method value	Including goodwill of value adjustment
Lac 1	1 298,2	0,0
STMicroelectronics	1 050,2	0,0
Eutelsat	494,5	0,0
Future French Champions	74,2	0,0
Alsabail	12,3	0,0
Total shareholdings in companies accounted for using the equity method	2 929,4	0,0

(in millions of euros)	2020	
	Equity method value	Including goodwill 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
Alsabail	10,9	0,0
Total shareholdings in companies accounted for using the equity method	5 052,8	37,9

6.13 Tangible and intangible assets

(in millions of euros)	31/12/2021	31/12/2020
1 - Tangible fixed assets		
1.1 - Land and buildings	415,1	368,8
including right-to-use	206,3	162,5
Depreciation and amortisation	-172,9	-144,9
including right-to-use	-68,6	-44,2
Net amount	242,2	223,9
1.2 - Other tangible fixed assets	62,4	74,1
Depreciation and amortisation	-41,9	-47,6
Net amount	20,5	26,4
Total tangible fixed assets	262,7	250,3
2 - Intangible fixed assets		
2.1 - Software	521,6	448,5
Depreciation and amortisation	-333,3	-300,7
Net amount	188,3	147,8
2.2 - Other intangible assets	37,2	37,2
Depreciation and amortisation	0,0	0,0
Net amount	37,2	37,2
Total intangible assets	225,4	185,0

(in millions of euros)	Tangible fixed assets		Intangible assets	
	Land and buildings	Other tangible fixed assets	Software	Other intangible assets
Gross amount as of 31/12/2020	368,8	74,1	448,5	37,2
Acquisitions	6,2	10,5	180,7	0,0
Output	-5,0	-15,9	-112,5	0,0
Other movements (including rights of use)	45,1	-6,3	4,9	0,0
Gross amount as of 31/12/2021	415,1	62,4	521,6	37,2
Accumulated depreciation and amortisation as of 31/12/2021	-172,9	-41,9	-333,3	0,0
Net amount as of 31/12/2021	242,2	20,5	188,3	37,2

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Details of expenses on leasing operations and sublease income

(in millions of euros)	31/12/2021
Interest expense on rental liabilities	-0,1
Expenses related to short-term leases (exclusion)	-0,4
Expenses related to leases with low-value underlying assets (exclusion)	-3,2
Expenses related to variable rent payments not taken into account in the measurement of rental liabilities	N/A
Income from the sublease of assets recognised under the right of use	0,2
Total cash outflows related to leases	-27,8
Gains or losses from sale-leaseback transactions	N/A
Book value of assets recognised under the right of use as of 01/01/2021	118,3
Inflows of assets recognised under the right of use	43,8
Provision for depreciation on assets recognised under the right of use	-24,4
Book value of assets recognised under the right of use as of 31/12/2021	137,7

6.14 Debts due to credit institutions

(in millions of euros)	31/12/2021	31/12/2020
Demand and overnight debts	33,9	21,1
Deposits and current accounts	24,2	3,1
Overnight borrowings and accounts	0,0	0,0
Security deposits and margin calls	9,7	18,0
Term debts	21 598,6	18 851,0
Borrowings and term accounts	21 163,3	15 634,7
. including Codevi Resources/Sustainable Development Booklet	300,0	750,0
. including KfW and BDCE resources	35,6	51,1
. including refinancing from the European Central Bank (**)	20 800,0	14 800,0
Securities repurchased at maturity	435,3	3 216,3
Related debts	-218,2	-71,1
Total debts to credit institutions and similar (*)	21 414,3	18 801,0

(*) Debts to credit institutions and the like are recorded at amortised cost

(**) Bpifrance has subscribed to a total outstanding TLTRO III of €20.8 billion

6.15 Debts due to customers

(in millions of euros)	31/12/2021	31/12/2020
Demand and overnight debts	244,5	229,5
Deposits and current accounts	244,5	229,5
. including EPIC Bpifrance accounts	1,1	21,7
Overnight accounts and borrowings	0,0	0,0
Term debts	2 198,1	2 770,4
Borrowings and term accounts	1 995,5	2 567,8
. including EPIC Bpifrance loans	841,6	1 346,0
Capital-preserved guarantee fund	202,6	202,6
Securities repurchased at maturity	0,0	0,0
Related debts	0,6	14,3
Total debts owed to customers (*)	2 443,2	3 014,2

(*) Debts owed to customers are recorded at amortised cost

6.16 Debts represented by a security

(in millions of euros)	31/12/2021	31/12/2020
Bond issues	31 307,7	31 729,0
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	0,0	700,0
EMTN 2015	1 600,0	2 000,0
EMTN 2016	2 467,0	3 567,0
EMTN 2017	5 930,0	6 430,0
EMTN 2018	2 375,0	2 775,0
EMTN 2019	3 950,0	4 000,0
EMTN 2020	7 272,9	7 253,7
EMTN 2021	2 750,0	0,0
Issue premiums remaining to be amortised	198,8	239,3
Negotiable debt securities	4 972,4	4 492,5
Related debts	122,4	125,5
Total debts represented by a security (*)	36 402,5	36 347,0

(*) Debts represented by a security are recorded 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	24,7	81,9	33,9	140,5

6.18 Impairment and provisions

Provisions

(in millions of euros)	31/12/2021	31/12/2020
Provisions for credit risk on signed commitments	0,8	1,3
Provisions for restructuring	3,6	3,1
Provisions for other employee benefit commitments	44,7	44,3
Provisions for credit risk on financing commitments given	44,4	66,3
Other	44,2	28,7
Total provisions	137,7	143,7

Table of Impairment flows and provisions

(in millions of euros)	Depreciation and provisions as of 31/12/20	Allowances for depreciation and provisions	Reversals of available depreciations and provisions	Reversals of depreciation and provisions used (1)	Other changes (2)	Depreciation and provisions as of 31/12/21	Irrecoverable receivables not covered by provisions	Recovery on amortised receivables	Impact on income (3)
Impairment and provisions for credit risk	1 133,9	192,1	120,0	32,7	-0,8	1 172,5	5,5	3,0	-74,6
- Depreciations in bucket 1	256,6	-100,7	17,5	0,0	0,0	138,4	0,0	0,0	118,2
. Interbank Loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer credits	239,4	-97,4	11,4	0,0	0,0	130,6	0,0	0,0	108,8
. Leasing operations (excluding interest)	16,6	-8,9	0,5	0,0	0,0	7,2	0,0	0,0	9,4
. Securities at amortised cost	0,4	0,0	0,0	0,0	0,0	0,4	0,0	0,0	0,0
. Financial assets at fair value through equity	0,2	5,6	5,6	0,0	0,0	0,2	0,0	0,0	0,0
- Depreciations in bucket 2	410,1	61,1	16,9	0,0	0,0	454,3	0,0	0,0	-44,2
. Interbank Loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer credits	353,7	73,7	15,4	0,0	0,0	412,0	0,0	0,0	-58,3
. Leasing operations (excluding interest)	56,4	-12,6	1,5	0,0	0,0	42,3	0,0	0,0	14,1
. 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
- Depreciations in bucket 3	399,6	243,7	75,2	32,7	-0,8	534,6	5,2	3,0	-170,7
. Interbank Loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer credits	372,9	225,4	61,5	32,5	-0,5	503,8	4,9	1,8	-167,0
. Leasing operations (excluding interest)	26,7	18,3	13,7	0,2	-0,3	30,8	0,3	1,2	-3,7
. 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
- Provisions for credit risks on financing commitments given	66,3	-12,0	9,9	0,0	0,0	44,4	0,0	0,0	21,9
. Bucket 1	33,2	-8,2	5,8	0,0	0,0	19,2	0,0	0,0	14,0
. Bucket 2	33,1	-3,8	4,1	0,0	0,0	25,2	0,0	0,0	7,9
. Bucket 3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Provisions for credit risks on commitment by signature	1,3	0,0	0,5	0,0	0,0	0,8	0,3	0,0	0,2
Provisions for miscellaneous operating risks and expenses	28,7	17,4	1,1	1,8	1,0	44,2			
Other provisions	47,4	7,9	0,0	6,2	-0,8	48,3			
- Provisions for restructuring	3,1	2,1	0,0	1,6	0,0	3,6			
- Provisions for employee benefit commitments	44,3	5,8	0,0	4,6	-0,8	44,7			

(1) Reversals correspond to write-offs as losses

(2) Changes in scope, exchange rates and reclassifications of provisions

(3) -/+ Net additions or reversals

+ Risks attributed to guarantee funds

- Unrecoverable receivables

+ Recoveries on amortised receivables

6.19 Net resources for innovation-related activity

(in millions of euros)	31/12/2021		31/12/2020	
	Allocated to commitments	Not allocated	Allocated to commitments	Not allocated
Innovation aid - ISI (Industrial Strategy for Innovation)	745,7	407,3	756,7	456,7
PMII - ISI 2008 (Mobilising Program for Industrial Innovation)	191,6	23,5	135,6	102,4
FNI-FISO: National Fund for Innovation - Fund for Social Innovation	1,8	6,8	0,2	8,5
Deep Tech	47,4	45,5	21,0	65,2
OVERSEAS	0,0	7,8	0,0	7,0
PIA 4	44,3	48,0	0,0	0,0
Agroécologique	0,0	2,3	0,0	0,0
Assistance on financing partners	0,0	230,5	0,0	242,7
FRGI: Regional Fund for the Guarantee of Innovation	8,9	120,0	7,4	112,9
Total net innovation intervention resources	1 039,7	891,7	920,9	995,4

Net innovation intervention resources

(in millions of euros)	Allocated to commitments	Not allocated
Net innovation intervention resources as of 31/12/2020	920,9	995,4
Change in fair value		0,0
2021 allowances (net balance)		224,0
Subsidies		-146,6
Reimbursements and redeployments		0,0
Provisions, losses and recognised failures	118,8	-180,5
Financial income and expenses		2,4
Miscellaneous products		0,0
Appraisal and various charges		-3,0
Net innovation intervention resources as of 31/12/2021	1 039,7	891,7

6.20 Public guarantee funds

(in millions of euros)	31/12/2021		31/12/2020	
	Allocated to commitments	Not allocated	Allocated to commitments	Not allocated
Reserve and mutual funds	0,0	879,9	0,0	880,9
AFT (Agence France Trésor)	1 984,0	2 777,2	2 051,2	2 652,3
CDC	190,3	139,3	127,7	5,0
Hived-off assets	7,5	9,9	9,6	8,4
Other funds	30,5	135,3	31,3	148,8
Bpifrance Regions Fund	166,5	370,4	167,2	373,2
Total public guarantee funds	2 378,8	4 312,0	2 387,0	4 068,6

Public guarantee funds

(in millions of euros)	Allocated to commitments	Not allocated
Public guarantee funds as of 31/12/2020	2 387,0	4 068,6
Change in fair value		27,8
Allocations to guarantee funds 2021 (net balance)		366,8
Reimbursements of guarantee funds		-62,8
Guarantee commissions	-11,5	139,1
Financial income and recoveries		28,5
Cost of risk	3,3	-253,5
Updating of provisions		-2,5
Public guarantee funds as of 31/12/2021	2 378,8	4 312,0

The guarantee funds hedge customer outstanding loans (loans and finance leases) in Bpifrance's balance sheet assets for €8,987.2 million. The funds allocated to hedging these outstanding amounts stood at €1,344.3 million. This fund also hedges the financing granted to customers by bank partners for €12,510.2 million.

6.22 Fair value of assets and liabilities

(in millions of euros)	31/12/2021			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss	173,4	51,8	6 087,0	6 312,2
- Bonds and fixed-income securities	0,0	0,0	1 367,8	1 367,8
- UCITS units	173,4	40,0	88,1	301,5
- Other assets at fair value through profit or loss	0,0	0,0	4 631,1	4 631,1
- Trading derivative financial instruments including exchange rate derivatives	0,0	11,8	0,0	11,8
Hedging derivatives	0,0	11,0	0,0	11,0
- Fair value hedging	0,0	6,0	0,0	6,0
- Cash flow hedging	0,0	0,0	0,0	0,0
- Net investments in foreign currency hedging	0,0	0,0	0,0	0,0
- Restricted global fair value hedging	0,0	5,0	0,0	5,0
Financial assets at fair value through equity	11 906,4	521,5	6 051,9	18 479,8
- fixed-income bonds and securities	2 687,7	452,6	0,0	3 140,3
- Stocks and other variable income securities	9 218,7	68,9	6 051,9	15 339,5
Securities at amortised cost	8 424,1	4,7	0,0	8 428,8
- Government Bonds	8 242,6	4,3	0,0	8 246,9
- Other bonds	181,5	0,4	0,0	181,9
- Negotiable debt securities	0,0	0,0	0,0	0,0
Loans and receivables from credit institutions and similar entities, at amortised	1 414,2	301,7	0,0	1 715,9
Loans and receivables from customers, at amortised cost	0,0	46 763,8	0,0	46 763,8
Financing and similar leasing operations, at amortised cost	0,0	6 318,8	0,0	6 318,8
LIABILITIES				
Financial liabilities at fair value through profit or loss	0,0	0,0	0,0	0,0
- Loans and term accounts	0,0	0,0	0,0	0,0
- Debt represented by a title	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 including exchange rate derivatives	0,0	0,0	0,0	0,0
Hedging derivatives	0,0	36,5	0,0	36,5
- Fair value hedging	0,0	23,6	0,0	23,6
- Cash flow hedging	0,0	0,0	0,0	0,0
- Net investments in foreign currency hedging	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	12,9	0,0	12,9
Debts to credit institutions and similar	0,0	21 431,0	0,0	21 431,0
Debts to customers	0,0	2 423,9	0,0	2 423,9
Debt represented by a title	36 950,6	0,0	0,0	36 950,6

(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
including 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
- Net investments in foreign currency hedging	0,0	0,0	0,0	0,0
- Restricted global fair value hedging	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
- fixed-income bonds and securities	2 241,6	485,4	0,0	2 727,0
- Stocks 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 receivables from credit institutions and similar entities, at amortised	1 181,0	280,2	0,0	1 461,2
Loans and receivables from customers, at amortised cost	0,0	45 724,1	0,0	45 724,1
Financing and similar leasing 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
- Loans and term accounts	0,0	0,0	0,0	0,0
- Debt represented by a title	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	1,5	0,0	1,5
including exchange rate 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
- Net investments in foreign currency hedging	0,0	0,0	0,0	0,0
- Hived-off global hedging at fair value	0,0	69,3	0,0	69,3
Debts to credit institutions and similar	0,0	18 817,8	0,0	18 817,8
Debts to customers	0,0	3 017,0	0,0	3 017,0
Debt represented by a title	37 091,1	0,0	0,0	37 091,1

Quantitative information on unobservable data in 2021 (level 3 of fair value)

Instruments concerned	Valuation techniques used	Main unobservable data	Unobservable data intervals
Unlisted shares	- Discounting cash flow (DCF) - Stock multiples - Transaction multiples - Multiple input - Fundraising - Investment costs	1. Budget and business plan 2. Company accounts and outcomes 3. Discount rate 4. Perpetual growth rate 5. Investment costs	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 day of valuation with possible application of a trading/liquidity discount - for unlisted securities: cost of investment; multiples (stock market and/or transaction) with possible application of trading, size and comparability discounts	1. Cost of investment 2. Marketability discount 3. Size discount 4. Comparability discount 5. Cash flow 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 (ex: shares)	1. Nominal value 2. Cash interest 3. Capitalized Interest (PIK) 3. Non-conversion Premium (PNC) 4. Shares	1. Absence of interval 2. 0% to 10% 3. 0% to 10% 4. Target SORTING from 0 to 20% 4. 0% to 100%
Subscription warrants (BSA)	- DCF - Stock multiples - Transaction multiples - Multiple input - Contractual clauses (ex: shares)	1. Budget and business plan 2. Company accounts and outcomes 3. Discount rate 4. Perpetual growth rate 5. Shares	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 valued at fair value according to Level 3

	2021		
	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Total
(in millions of euros)			
Balance as of 1 January	5 013,8	3 795,1	8 809,0
Gains/losses for the period	1 002,0	1 377,8	2 379,8
<i>Recorded in profit or loss (*)</i>	1 002,0	0,0	1 002,0
<i>Recorded in equity</i>		1 377,8	1 377,8
Newly Consolidated	0,0	0,0	0,0
Purchases during the period	1 439,6	1 580,2	3 019,8
Sales during the period	-1 332,6	-735,2	-2 067,8
Emissions during the period	0,0	0,0	0,0
Settlements during the period	0,0	0,0	0,0
Reclassifications during the period	-35,8	35,8	0,0
Transfers	0,0	-1,8	-1,8
<i>To level 3</i>	0,0	0,0	0,0
<i>Excluding of level 3</i>	0,0	-1,8	-1,8
Balance as of 31 December	6 087,0	6 051,9	12 139,0

(*) Gains and losses from financial assets held on the balance sheet at the reporting date amount to EUR 1,002.00 million recorded in "Net gains or losses on financial instruments at fair value per profit" of which EUR 67.0 million on the revaluation of bonds and fixed-income securities and EUR 935.1 million on transaction derivative financial instruments.

	2020		
	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Total
(in millions of euros)			
Balance as of 1 January	721,6	29,2	750,8
Gains/losses for the period	3,5	0,0	3,5
Recorded in profit or loss (*)	3,5	0,0	3,5
Recorded in equity		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
To level 3	0,0	0,0	0,0
Excluding of level 3	-929,7	0,0	-929,7
Balance as of 31 December	5 013,8	3 795,1	8 809,0

(*) Gains and losses from financial assets held on the balance sheet at the reporting date amounted to EUR 3.5 million recorded as "Net gains or losses on financial instruments at fair value per profit", including EUR 4.9 million on the revaluation of bonds and fixed-income securities and EUR -1.4 million on transaction derivative financial instruments.

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 2021, 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 €45.2 million and €58.6 million. A downward change of 1% would have an impact on the profit and loss statement and on shareholders' equity of -€45.2 million and -€58.6 million respectively.

6.22 Euro equivalent of foreign currency transactions

(in millions of euros)	31/12/2021	31/12/2020
Assets	670,8	522,5
Liabilities	927,3	370,1

Assets denominated in foreign currencies are composed of variable income securities amounting to €670.8 million.

Foreign currency liabilities are hedged by over-the-counter financial instruments.

● **Note 7 - Notes relative to the profit and loss statement**

Impact of the merger of Bpifrance SA into Bpifrance Financement on the profit and loss statement as at 31 December 2021

The contribution to profit and loss statement of the entities contributed in the context of the merger of Bpifrance SA into its subsidiary Bpifrance Financement was recorded in the shareholders' equity as of 31 December 2020 (see URD 2020).

The main contributions of these entities to the profit and loss statement as at 31 December 2021 are presented below for information.

Net Banking Income

Net gains or losses on financial instruments at fair value through profit or loss include changes in the value of the investment division's funds amounting to €1,264.4 million.

The item **Net gains or losses on financial instruments at fair value through shareholders' equity** consists mainly of dividends received by Bpifrance Participations on its holdings classified at fair value through equity for a value of €543.1 million.

The main contributions are:

Stellantis €236 million, including €156 million received in Faurecia shares,

Orange €203m,

Technip Energies €44 million,

CMA CGM €30M.

Share of net income of companies accounted for by the equity method

This item mainly records the contribution to the results of companies accounted for by the equity method of Bpifrance Participations for an amount of €225.2 million. The main contributors are ST Microelectronics for €186.7m and Eutelsat for €36.4m.

Net gains or losses on other assets

In the context of the PSA - FCA merger, Bpifrance recorded a loss of €163 million due to the sale of PSA shares that were accounted for by the equity method.

7.1 Interest income and expenses

Interest and related income

(in millions of euros)	31/12/2021	31/12/2020
Transactions with credit institutions (*)	170,9	100,1
Customer transactions		
Overdrafts	26,2	31,3
Cash credit	30,5	41,1
Investment loans	376,3	345,6
Miscellaneous loans	566,1	491,8
Subordinated loans	14,8	11,3
Change in future discounted guarantee fees	11,5	21,7
Subtotal customer transactions	1 025,4	942,8
Finance lease transactions	131,4	123,5
Financial instrument transactions		
Financial assets measured at fair value by equity	2,9	2,7
Securities at amortised cost	102,1	137,4
Hedging derivatives	295,2	234,8
Subtotal financial instrument transactions	400,2	374,9
Other interests and related income	99,5	90,2
Total interest and related income (**)	1 827,4	1 631,5

(*) TLTRO III: Bpifrance met the objectives set by the ECB in terms of maintaining the outstanding amounts of eligible loans over the first reference period, which ran from 01 March 2020 to 31 March 2021. Bpifrance is almost certain to complete them over the second reference period, from 01 October 2020 to 31 December 2021. Thus, the remuneration retained is -1% between June 24, 2020 and June 23, 2022 and then -0.5% beyond. Bpifrance plans to repay part of the outstanding amounts drawn in advance, starting in June 2022. In accordance with IFRS 9 and the TIE method, the additional bonus of 50 basis points is spread over the estimated life of each subscription. In 2021, accrued interest recognised in profit and loss under TLTRO III amounted to €154.9 million; they were €62.9 million in the 2020 financial year.

(**) Including negative interest on liabilities for €370 million in 2021 (€242.9 million in 2020)

Interest and related expenses

(in millions of euros)	31/12/2021	31/12/2020
Operations with credit institutions	-71,8	-48,9
Customer transactions	-261,0	-266,3
including allocation of commission income to guarantee funds	-148,3	-130,1
Financial transactions		
Debt represented by a title	-325,6	-322,3
Subordinated debts	0,0	-5,3
Hedging derivatives	-261,1	-209,3
Subtotal financial transactions	-586,7	-536,9
Other interest and similar charges	-25,1	-32,0
including financial proceeds allocated to guarantee funds	-24,6	-31,4
including accrued interest on lease liabilities	-0,1	-0,2
Total interest and related expenses (*)	-944,6	-884,1

(*) Including negative interest on assets for €173.7 million in 2021 (€110.6 million in 2020)

7.2 Net gains or losses on financial instruments at fair value through profit or loss

(in millions of euros)	31/12/2021	31/12/2020
Bonds and fixed income securities (*)	141,1	0,3
Shares and other variable income securities (*)	1 126,0	0,0
Trading derivative financial instruments	13,3	-1,5
Fair value hedging instruments (***)	86,5	-19,9
including individual coverage (inefficiency)	3,6	0,4
Revaluation of hedged items at fair value (**)	-82,9	20,3
Net income from foreign exchange operations (**)	-14,8	0,4
Total net gains or losses on financial instruments at fair value through profit or loss	1 269,2	-0,4

(*) see note 7

(**) Bpifrance has set up economic hedges of financial liabilities in sterling by Fx swaps: the revaluation of Fx swaps is presented on the line "Transaction derivative financial instruments" while the revaluation of liabilities is presented on the line "Net result of foreign exchange operations"

(***) micro-coverage and confined global coverage

7.3 Net gains or losses on financial instruments at fair value through shareholders' equity

(in millions of euros)	31/12/2021	31/12/2020
Gains or losses on disposal of debt instruments	1,1	3,9
Dividends on equity instruments (*)	543,1	0,0
Total net gains or losses on financial assets measured at fair value by equity	544,2	3,9

(*) see note 7

7.4 Income and expenses from other activities

(in millions of euros)	31/12/2021	31/12/2020
Products		
Miscellaneous products related to innovative activity	25,5	21,4
Chargebacks	2,6	32,7
Chargeback property taxes Real estate leasing	76,0	93,3
Commission on recoveries and on insurance sold	39,4	19,6
Other products	115,8	33,1
Total income from other activities	259,3	200,1
Expenses		
Property taxes activity Real Estate Leasing	-76,0	-93,3
Other expenses	-45,3	-27,4
Total expenses from other activities	-121,3	-120,7

7.5 General operating expenses

(in millions of euros)	31/12/2021	31/12/2020
Personnel expenses	-447,1	-266,8
Taxes and duties	-40,5	-24,4
Other operating expenses	-297,2	-190,0
Restructuring costs	-2,1	-1,2
Total general operating expenses	-786,9	-482,4

7.6 Amortisation & depreciation and impairment of tangible & intangible fixed assets

(in millions of euros)	31/12/2021	31/12/2020
Depreciation	-58,4	-43,6
Depreciation allowances for the right-of-use asset	-24,4	-23,7
Impairment allowances	0,0	0,0
Reversal of provision	0,0	0,0
Total amortisation and depreciation allowances on tangible and intangible fixed assets	-82,8	-67,3

7.7 Cost of credit risk

(in millions of euros)	31/12/2021					31/12/2020				
	Bucket 1	Bucket 2	Bucket 3	Other Liabilities	Total	Bucket 1	Bucket 2	Bucket 3	Other Liabilities	Total
Net allocations or reversals of impairments and provisions	118,1	-44,1	-168,5	22,3	-72,2	-135,0	-174,8	-131,9	-17,0	-458,7
Non-provisioned losses	0,0	0,0	-5,1	-0,3	-5,4	0,0	0,0	-5,5	-0,1	-5,6
Recoveries on impaired receivables	0,0	0,0	3,0	0,0	3,0	0,0	0,0	2,8	0,0	2,8
Total cost of credit risk	118,1	-44,1	-170,6	22,0	-74,6	-135,0	-174,8	-134,6	-17,1	-461,5

7.8 Share of net income of companies accounted for by the equity method

(in millions of euros)	2021	
	Share of net income of companies accounted for by the equity method	Including correction for goodwill impairment
Lac 1 (*)	-2,3	0,0
STMicroelectronics (*)	186,7	0,0
Eutelsat (*)	36,4	0,0
Future French Champions (*)	2,8	0,0
Alsabail	1,6	0,0
Total shares of companies' net income under the equity method	225,2	0,0

(*) see note 7

(in millions of euros)	2020	
	Share of net income of companies accounted for by the equity method	Including correction for goodwill impairment
Alsabail	-0,6	0,0
Total shares of companies' net income under the equity method	-0,6	0,0

7.9 Taxes

Tax on profits

(in millions of euros)	31/12/2021	31/12/2020
Corporate income tax	-141,5	-85,7
Deferred taxes	-43,7	109,1
Total income tax	-185,2	23,4

Analysis of the tax burden

(in millions of euros)	31/12/2021	31/12/2020
Net income group share	1 828,6	-139,6
Net income minority share	0,1	0,0
Recognised net income tax expense	185,2	-23,4
Income before tax (A)	2 013,9	-163,0
French common law tax rates (B)	28,41	32,02
Total theoretical tax expense (C)=(A*B)	572,1	-52,2
Reconciling items:		
Effect related to changes in tax rates	-299,8	17,9
Other permanent differences	-108,4	11,0
Changes in the value of goodwill	3,7	0,0
Earnings from companies accounted for using the equity method	-32,6	0,6
Other items	50,1	-0,7
Total items reconciled (D)	-387,0	28,8
Recognised net income tax burden (C) + (D)	185,2	-23,4

● **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). Prudential supervision of the parent company is carried out on the basis of the consolidated accounts of Bpifrance.

The Bpifrance Group Risk Management Department is responsible for implementing the Group's risk monitoring and management strategy. It ensures that the risk management system is effective and that the level of risk taken is consistent with the Group's policies.

The Group Risk Management Department is placed under the control of an Executive Risk Director, who reports to the Chief Executive Officer and the Deputy Chief Executive Officer of Bpifrance.

This department is independent of the operational departments and does not conduct any commercial, financial or accounting activities. Its main tasks are structured around several activities, including:

- Strategic risk management:
 - Developing the internal risk management in support of the group's strategy
 - Determining risk appetite and developing risk policies
 - Consolidating risks, calculating and analysing solvency ratios
 - Developing and piloting the projected vision of solvency
 - Assessing the level of capital and steering the internal capital adequacy process
 - Developing and managing regulatory and internal stress tests
- Risk governance:
 - Monitoring activity boundaries and associated escalation processes
 - Managing the Risk Committees
 - Ensuring and managing the deployment of the Risk function in the Network
- Risk management and control:
 - Establishing the global risk map of the group
 - Managing credit, financial, climate and country risks
 - Co-managing operational risks in close collaboration with the Compliance and Permanent Control Department
- Regulatory requirements risk:
 - Monitoring, analysing and deploying regulatory risk standards and related projects
 - Producing and distributing regulatory risk reports
 - Establishing preventive recovery plans (PRP)
 - Developing and managing the Business Continuity Plan (BCP)

The main risks inherent to the activity of the Bpifrance Group are credit risks, financial risks and risks generated by the investment activity.

8.1.1 Risk management system

Within Bpifrance, risk management is carried out in compliance with applicable European standards and regulations.

In order to carry out its missions, ensure the sustainability of its businesses and achieve its strategic objectives, the Bpifrance Group accepts to be exposed to the risks inherent to its activities.

The Board of Directors of the Bpifrance Group sets the Group's strategic orientations and risk appetite, on the basis of which each of the business lines defines its action priorities and the associated risk management system under the supervision of the Group Risk Management Department.

The objective of the Bpifrance Group's risk appetite is to define the level and type of risks that the Group is willing to take, bear, tolerate and manage in pursuit of the Group's business model and the achievement of its strategic objectives. To this end, Bpifrance's Group risk appetite is based on a balance between:

- An acceptable level of risk to achieve the strategic objectives that the Bpifrance Group has set itself; and
- Sound, rigorous and sustainable management of its business lines, consistent with the values and missions of the Bpifrance Group, in compliance with the laws and regulations in force.

The Risk Appetite Framework comprises the policies, processes, controls and systems by which risk appetite is established, communicated and monitored. Its purpose is to guide risk-generating activities within the limits defined by the group. This framework can be activated, is measurable 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:

- To define a framework for the implementation of a structured, formalised and continuous process for the monitoring and management of the risks listed in the Group Risk Map;
- To describe the internal approach to risk management in the context of Bpifrance's activities.

The Group Risk Management Policy comprises a set of instruments and measures whose objective is to identify, assess, control 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 that they are exceeded, in accordance with a comitology adapted to each of the activities carried out by the entities of the Bpifrance Group.

The Group Risk Management Policy is updated annually by the Risk Policy and Strategy Department in consultation with the other departments of the Group Risk Management Department, the Finance Department and the Compliance and Permanent Control Department, depending on the type of risk addressed. It is validated by the Executive Committee, then submitted to the Risk Committee for its opinion, and finally approved by the Board of Directors of Bpifrance.

Quarterly dashboards are produced by the Group Risk Management Department, allowing regular and detailed monitoring of all these indicators and reporting to the supervisory body and/or any relevant committee. In particular, they are presented and commented on at the Group Risk Management Committee (GRMC), an internal Bpifrance committee that brings together every quarter, in addition to the executive, the functions belonging to Bpifrance's risk network. On this occasion, quantitative and qualitative information is presented to the Executive Officers on all the risks to which Bpifrance is exposed (credit risks, financial risks, concentration risks, financial counterparty risks, operational risks). For example, the following topics are commented on and discussed:

- Consumption of the overall exposure limit, the sectoral limits and the limits by financial counterparty, taking into account the consolidated investment and financing exposures;
- The credit risk capacity of counterparties and their changes over time;
- Changes to Watch List/Non-Performing Loans and Outstanding Litigation;
- Consumption of own funds and their projections to identify and anticipate possible additional needs;
- Monitoring of operational risks.

In the specific context of the Covid-19 economic and health crisis, the Group Risk Management Department regularly reviews its risk profile in relation to the Set Appetite, refines its hedging strategy for risks that have increased significantly and anticipates the increase or materialisation of certain risks. In particular, the following strategic orientations are developed:

- Anticipating the effects on the risk profile of the end of the support provided to clients after the Covid-19 economic and health crisis;
- The management of Non-Performing Loans (NPLs), portfolio loss experience (observed, projected and stressed) by distinguishing the commercial co-financing role from the reinforced counter-cyclical role of Bpifrance since the beginning of the health crisis;
- Increased monitoring of the sectoral concentration of credit risk in Financing and Investment activities, including (i) specific monitoring of industry and innovation in the equity portfolio in line with the objectives of supporting the French Fab aimed at securing and accelerating the rebound of industry and monitoring of sectors particularly impacted by the economic crisis (aeronautics and automotive plans in particular), and (ii) detection of weak signals of sectoral deterioration as well as regular analysis of distortions within the financing portfolio and its activities;
- Monitoring of specific and collective provisioning and any slippage in the cost of risk and profitability.

The management (Executive Committee) and supervisory bodies (Risk Committee and Board of Directors) are regularly informed of any deviation from the risk profile, regardless of its origin.

8.1.2 Role and responsibilities of the departments in charge of risk monitoring

The risk control system is organised around six operational departments and is part of the three lines of defence that make up the general internal control framework of the supervised financial institutions.

The following departments are responsible for risk monitoring within the Bpifrance Group:

- The Financing and Network Department;
- The Investment Business Units (Fund of Funds, Development Capital, and Innovation);
- The Finance Department;
- The Group Risk Management Department;
- The Compliance and Permanent Control Department;
- The Inspectorate General - Audit.

The Financing and Network Department and the Investment Departments represent the first line of defence. They are responsible for monitoring the risks arising from the conduct of their activities.

The Group Risk Management Department, the Finance Department and the Compliance and Permanent Control Department represent the second line of defence. They are responsible for the identification, measurement, monitoring and reporting of risks and compliance with 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 Inspectorate General - Audit is the third line of defence. It ensures through periodic reviews that the internal governance processes and mechanisms are effective and consistently implemented. The internal audit function is also responsible for the independent review of the first two "lines of defence."

Within the three lines of defence, appropriate internal control mechanisms and procedures are designed and monitored, and evaluated by the Board of Directors.

8.1.3 Risk oversight

The governance of risk is ensured through four types of bodies: the Board of Directors, the umbrella committees, the cross-functional committees and the operational risk monitoring committees.

Cross-functional committees and operational risk monitoring committees are the first level of risk analysis, monitoring or review. The decisions or orientations resulting from this are, when necessary, submitted to a second level of bodies, the umbrella committees. The latter issue opinions on matters requiring approval by the Board of Directors, which is the third level of decision-making on risk within the group.

8.1.3.1 Board of Directors

The Boards of Directors of Bpifrance and its subsidiaries determine the direction of the Group's activity and oversee their 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 risks that are imposed on the Bpifrance Group.

Thus, the Boards of Directors are responsible implementing and monitoring of risks, since they approve the Group Risk Management Policy and ensure that it is followed correctly. They also approve all documentation relating to the risks of the Bpifrance Group that is 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, which report to them. These are mainly the Audit and Risk Committees, which are umbrella committees for risk monitoring.

8.1.3.2 Umbrella committees

The umbrella risk monitoring committees are the Risk Committee of the Board of Directors and the Group Risk Management Committee. They meet quarterly or on an exceptional basis if circumstances so require.

8.1.3.2.1 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 this end, it is periodically informed of the evolution of the liquidity situation, compliance with limits, the main refinancing operations and the Group's risk appetite.

It also issues an opinion on the bank's recovery plan and all documentation on capital adequacy which it submits to the Board of Directors for approval.

8.1.3.2.2 The Group Risk Management Committee

The Group Risk Management Committee (GRMC) is chaired by the Chief Executive Officer of Bpifrance or one of the Group's Executive Officers. It is tasked with presenting and analysing the consolidated risks and making recommendations when necessary.

The committee meets once a quarter, or more frequently if necessary. The Group Risk Department acts as the secretariat for the Group Risk Management Committee. In this capacity, it is responsible for preparing the consolidation of contributions from the departments involved in risk management and for coordinating this committee.

8.1.3.3 Cross-functional committees

Cross-functional committees correspond to the most detailed level of analysis, monitoring or review of risks within 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, the application of risk models, and the monitoring of specific risks associated with the activity of Bpifrance.

They include the following committees:

- The Risk Strategy Oversight Committee, chaired by the Executive Risk Director, which provides, on behalf of the Executive Committee, oversight of risk strategy, risk appetite and related policies, as well as the governance of the oversight system;
- The Expert Model Validation Committee, chaired by the Executive Risk Director, which validates the Bpifrance Group's risk models;
- The ALM (Asset and Liability Management) Committee, chaired by the Chief Financial Officer of Bpifrance, which takes decisions relating to the management of the financial risks of the Bpifrance Group;
- The Solvency Committee, chaired by the Deputy Chief Executive Officer, which monitors the solvency of the Bpifrance Group and the adequacy between internal capital and economic capital allocation;
- The Operational Risk Management Committee, chaired by the Director of the Compliance and Permanent Control Department (DCCP), which analyses exposure to operational and non-compliance risks.

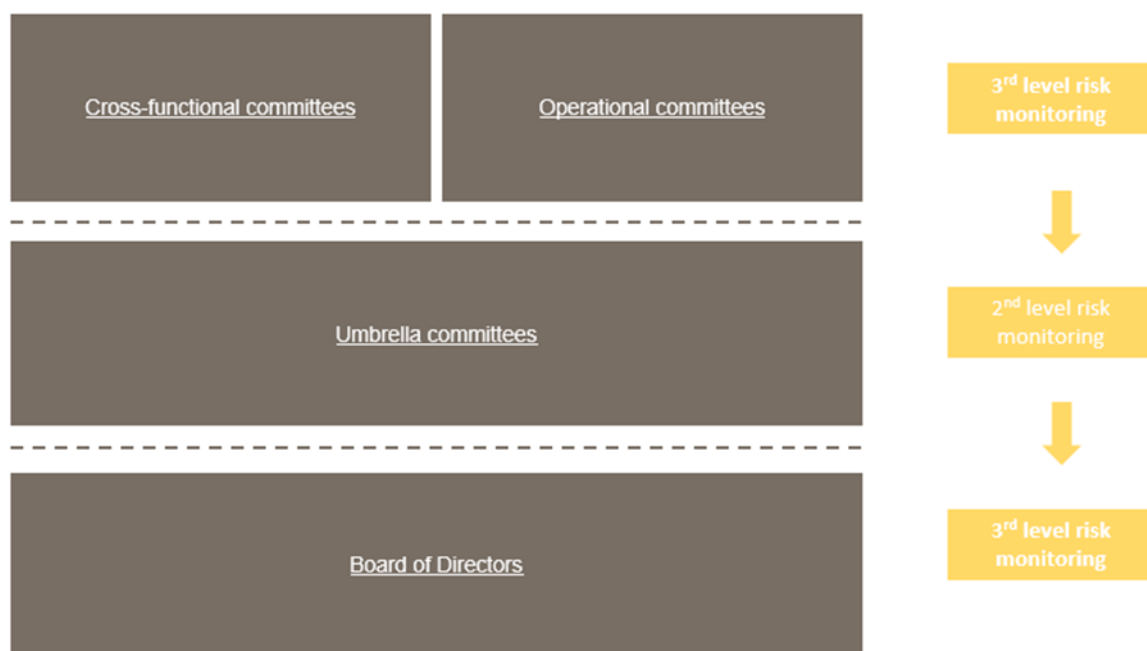
8.1.3.4 Operational risk monitoring committees

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.

Within Bpifrance, these include the Bpifrance Credit Committee, the Credit Risk Committee, the Credit Portfolio Monitoring Committee, the national Watch List/Non-Performing (NP) Monitoring Committee, the regional Watch List/Non-Performing (NP) Monitoring Committee, the Financial Management Committee and the Group Financial Counterparty Risk Committee.

Within Bpifrance Investissement and Bpifrance Participations, these include the Investment Committee (Innovation - Fund of Funds - Development Capital), the Valuation Committee, the Bpifrance Participations Investment Committee and the Bpifrance Participations Watch List / Non-Performing Monitoring Committee

Decision-making levels attached to risk oversight at Bpifrance



8.2 Credit risks

Credit risks include:

- default risk: the risk that a creditor will permanently lose its claim to the extent that the debtor cannot, even by liquidating all its assets, repay all its commitments
- migration risk: the potential loss resulting from the downgrading (or rating downgrade) of an internal/external credit instrument or counterparty, as well as the potential indirect losses that may result from a credit migration event
- single name concentration risk: risk arising from exposure to counterparties considered to be the same group of related clients
- sector concentration risk: risk arising from exposure to counterparties operating in the same economic sector

8.2.1 Credit risk management of financing activities

Bpifrance mainly deploys its financing activities for French companies of all sizes (from very small businesses to large corporations), through a wide range of asset classes (debt financing, loans, guarantees) and commitment horizons (short to long term).

In the financing that it grants, Bpifrance ensures that risk-taking is limited by means of (i) the implementation of co-financing involving risk-sharing with a commercial bank, (ii) the implementation of collateral or guarantees.

Bpifrance has guarantee funds as part of its banking activity that act as real risk buffers to protect its equity. These guarantee funds are segregated for accounting purposes and their terms and conditions are governed by formal agreements.

Collateral, whether personal or real, is subject to a specific analysis at the time of granting in order to assess the value of the asset. Regardless of the quality of the security, the primary criterion for the decision remains the debtor's ability to repay, generated by its operational activity. Bpifrance does not use credit derivatives as eligible risk mitigation techniques.

Bpifrance manages its individual and global credit risk exposures based on a granting policy that defines the characteristics of credit files and the levels of delegation according to the size of the commitment or the sensitive and/or specific nature of the transaction.

Credit decisions are based on a synthetic, comprehensive and regularly updated analysis, the Decision Support Tool (OAD) and the Fiben ratings provided by the Bank of France. They are made on the basis of objective criteria, with a long-term perspective, a desire for diversification, and by anticipating and taking into account changes in client ecosystems. These decisions are monitored and reviewed on a regular basis.

The Bpifrance Group is particularly vigilant about risk concentration (by client, sector, rating) and is careful to maintain a diversified portfolio.

8.2.2 General framework for credit risk management of financing activities

Bpifrance's financing activity is divided into three main business lines:

- The activity of financing innovation;
- The guarantee of credits;
- Short-, medium- and long-term financing of companies.

Bpifrance has put in place the following mechanism to contain and mitigate the credit risk of financing activities:

- An overall intervention capacity (grant envelope) determined annually and broken down by sector of activity;
- A mandatory decision support tool for all files that includes a counterparty rating;
- A system of delegation of authority to grant client transactions according to the risks associated with the transaction;
- A Credit Risk Policy reviewed at least annually, the purpose of which is to define the principles of intervention on financing operations;
- Traceability of all granting and management operations;
- A monitoring system for Watch List (WL) and Non-Performing (NP) files;
- 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 commercial unit that set up the transaction;
- A system for monitoring large amounts outstanding as part of the overall risk monitoring system;
- A system of limits and comitology.

8.2.3 Comitology

8.2.3.1 Bpifrance Credit Committees and Credit Risk Committees

The credit policy is part of the Group's risk management strategy in line with its risk appetite. It mainly revolves around the in-depth knowledge of the financed counterparties. All Bpifrance commitments (financing, guarantee and innovation operations) involving credit risks are subject to an initial analysis by the Financing and Network Management Department, which is responsible for monitoring and client relations.

The Credit Committee is responsible for matters beyond the powers of the Network Departments or the Credit Risk Department. The Credit Risk Committee is responsible for matters beyond the powers of the Credit Committee.

The Credit Risk Department is responsible for the counter-analysis of files that fall within the jurisdiction of the Credit Risk Committee and the Credit Committee of Bpifrance, and presents them to these committees for decision.

The Bpifrance Credit Committee is chaired by an Executive Officer and meets twice a week. The Credit Risk Committee is chaired by an Executive Officer and meets on a weekly basis.

8.2.3.2 Credit Portfolio Monitoring Committee

The Credit Portfolio Monitoring Committee is chaired by two Executive Officers (Deputy Chief Executive Officer and Head 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 the short- and medium long-term financing (MLT) portfolios and the guarantee funds.

8.2.3.3 Watch List / National and Regional Non-Performing Loan Monitoring Committees

The regional monitoring committees and the national monitoring committee are held quarterly to conduct:

- a review of the Watch List / Non-Performing portfolios;
- a harmonization of practices;
- a review of the expected regulations.

The Watch List / Non-Performing counterparts under normal management of each network are reviewed at the regional committee of each network. A review of the Major Issues (beneficiary groups or individual counterparties with an outstanding amount exceeding a certain threshold) as well as a national summary are presented to the national committee every quarter.

The national Watch List / Non-Performing Committee is chaired by the Executive Risk Director. The regional Watch List / Non-Performing Committee is chaired by the Network Director and attended by a representative of the Group Risk Management Department.

8.2.4 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 existence of co-financing with another 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.

The credit analysis of each transaction is based on the 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 level of delegation of the Network Departments, for which the decision rests with the Credit Committee or the Credit Risk Committee.

8.2.5 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 outstanding loans of Bpifrance.

They are set out in the Group Risk Management Policy. These limits apply to the sum of outstanding amounts and notified agreements not yet used.

There are 3 types of limits:

- The global limit;
- Limits by beneficiary group;
- Sector limits.

For each of these limits, alert thresholds are set. They must be respected when granting any new operation as well as when deciding to transfer outstanding amounts; they are in addition to any ceiling rules specific to certain products.

8.2.5.1 Global limit

The first limit is global; it is a maximum gross commitment limit.

8.2.5.2 Limits by beneficiary group

The beneficiary group is a set of counterparties linked for economic reasons such that economic difficulties in one would necessarily lead to serious difficulties in the other.

The limits per beneficiary group are determined on the basis of 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.

8.2.5.3 Sector limits

The limits are defined with reference to the main economic sectors defined by the INSEE (NAF codes). Only the "Tourism - Leisure - Health" sector is divided into two parts in order to favour specific monitoring of the tourism sector mainly impacted by the Covid crisis.

The limits and alert thresholds per sector of activity take into account several assumptions:

- The sectoral limits before adjustments are calculated according to each sector's share of overall activity in 2021.
- Adjustments are intended to strengthen the limits (offset by a decrease in limits in other sectors) on sectors for which either a significant increase is anticipated, or because Bpifrance has a tolerance for deterioration in activity as part of its countercyclical role in supporting the French economy.

Monitoring compliance with these limits is the responsibility of the Group Risk Management Department, which implements an alert system at the Risk Management Committee when the alert threshold is reached.

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.

8.2.5.4 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.

8.2.5.5 Second level controls on decisions

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 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.

8.2.6 Concentration risk

Bpifrance's financing activity is carried out exclusively on the territory of France.

In 2021, the main sectoral concentrations of the Bpifrance portfolio are Professional Services, Energy, Sanitation and Environment and Manufacturing.

8.2.6.1 Major outstanding loans

The monitoring of major outstanding loans was implemented to meet a regulatory requirement recorded in Articles 108 and 118 of the Order of 3 November 2014 on internal control.

It is intended to identify the beneficiary groups with the most significant amounts outstanding and to monitor their evolution in terms of concentration risk and the evolution of the quality of the amounts outstanding.

A review of the major outstanding loans, representing 37% of the MLT outstanding and 18% of the ST (short-term) outstanding as at 31 December 2021, is carried out quarterly and presented to the Risk Management Committee.

8.2.6.2 Major risks

A major risk is an exposure to a client or group of connected clients whose value, after regulatory exemptions, reaches or exceeds 10% of the reporting institution's eligible capital, but may not exceed 25% of that capital.

The quarterly reporting requirement is extended to the 20 largest risks, the 10 largest risks to credit institutions and the 10 largest risks to non-regulated financial entities, including where the exposures taken into account are exempt or do not exceed the threshold for identification of a major risk.

As at 31 December 2021, only one major risk has been identified, without exceeding the individual regulatory limit of 25% of own funds (net exposure of 13.27% of own funds).

8.2.7 Credit risk internal rating system

The Modelling and Analysis Domain of the Credit Risk Management Department is in charge of preparing statistical models and the annual back testing report on the tracking of the models.

The notion of “back testing 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.

An expert model validation committee, made up of the modelling and user departments and chaired by the Group Risk Management Department, validates, on presentation of the work of the model validation unit, the maintenance of the model and the implementation of minor changes to the models; major changes are proposed to the Risk Management Committee for validation.

An instruction defines the monitoring and validation of the internal credit risk rating model.

The internal credit risk rating system, "Decision Support Tool" (OAD), is used for the granting and re-rating of all MLT and ST financing operations, Innovation Aid, Export Prospecting Insurance, as well as for non-delegated guarantee transactions.

8.2.8 Follow-up of doubtful outstanding loans

Outstanding loans classified as doubtful are managed by the network's management departments until they are transferred to the Debt Collection and Litigation Department, in accordance with the rules in force.

The operational processing of files is carried out in accordance with procedures that make it possible to monitor the effectiveness of recovery or remarketing measures, to calculate recovery estimates and to validate depreciations.

The depreciations are updated as soon as an event affecting the value of one of our collaterals occurs, and these are reviewed periodically for each type of product. This review is carried out quarterly for the highest amounts outstanding managed by the Debt Collection and Litigation Department and annually for the lowest amounts outstanding. The Group Risk Management Department is involved in the periodic review.

8.2.9 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.

8.2.9.1 Probability of Default (PD) modelling

The central step in 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.

8.2.9.2 Loss Given Default (LGD) modelling

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 loss rates are applied to exposures net of bank counter-guarantees.

8.2.9.3 Exposure At Default (EAD) modelling

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.

8.2.9.4 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 Financial 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 Bpifrance Group is mainly exposed to the following market parameters: interest rates, share prices and indices, and exchange rates.

8.3.1 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.

8.3.2 Comitology

8.3.2.1 ALM Committee

The ALM (Asset Liability Management) Committee is chaired by the Chief Financial Officer of Bpifrance. It meets on a monthly basis for the Financing division, quarterly for the Group, and if necessary, at shorter intervals.

This committee decides on actions to be taken to manage financial risks.

8.3.2.2 Financial Management Committee

The Financial Management Committee is chaired by the Chief Financial Officer of Bpifrance and meets quarterly.

It defines investment and/or reinvestment decisions in financial securities for the Financing division. It is informed of the performance of the securities portfolio.

8.3.2.3 Group Financial Counterparty Risk Committee

The Group Financial Counterparty Risk Committee is chaired by the Chief Financial Officer of Bpifrance and meets quarterly.

In this respect, it sets the risk limits for each financial counterparty.

8.3.3 Counterparty risk on financial activities

From a regulatory point of view, counterparty risk represents the potential loss realised by Bpifrance in the event of a future default by a counterparty with which Bpifrance is involved in a market transaction.

8.3.3.1 Exposure to counterparty risk

Risk exposure is defined as follows:

- the amount of outstanding capital for a loan;
- the nominal value of the title for a security;
- for derivatives, according to the mark-to-market method, as provided for in Article 274 of Regulation (EU) 575/2013.
 - This method consists of determining the current replacement cost of all contracts with a positive value.
 - In addition to this replacement cost, there is an add-on representing a fixed percentage that depends on the type of transaction, the maturity and the nature of the underlying of the derivative.
 - The effects of offsetting agreements and collateral are taken into account by applying the offsetting rules as defined in the mark-to-market method and subtracting the collateral.
 - The majority of derivative transactions are conducted through central counterparties (CCPs), which further mitigates the counterparty risk.
 - Derivative transactions are subject to intraday margin calls with CCPs. A daily margin call system is in place for the rare transactions that are not carried out via CCPs.

The Bpifrance Group has structurally very low exposure to counterparty risks.

8.3.3.2 Measurement of counterparty risk

The default risk rating system is based on the ratings assigned by Moody's, Standard & Poor's and Fitch.

Counterparties are classified by risk category. These are deduced from the ratings assigned by the three selected agencies, which are matched. Where the ratings from the three agencies differ, the second-best rating is used.

For unrated counterparties, the Committee assigns a rating equivalent to those of the agencies in terms of probability of default.

The Committee may derogate from the above rules if its decision is justified

8.3.3.3 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 an A- rating from specialised agencies;
- transactions involving financial instruments are systematically subject to collateral agreements;
- cash transactions are governed by strict duration management rules.

Exceptional limit authorisations for counterparties rated BBB- to BBB+ may nevertheless be issued on a case-by-case basis by the Group Financial Counterparty Risk Committee after presentation of a specific analysis.

8.3.3.4 System for financial counterparty risk 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), whether for a loan, a security or a derivative.

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).

For each risk category, an alert threshold is defined at 90% of the limit.

8.3.3.5 Management method

Monitoring of the evolution of the quality of counterparties is performed by the Finance Department at both legal entity and economic group level. For each counterparty and each group, the Counterparty Risk Committee defines limits, which are separate for the Financing and Guarantee businesses.

8.3.3.6 Monitoring and reports

The Finance Department monitors the limits and their application on a daily basis. It reports on any entries, exits and changes in overruns recorded by counterparty. This report is sent to the traders in the trading room.

A monthly table presenting the main developments over the period is circulated to members of Bpifrance's General Management.

8.3.4 Liquidity risks

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.

8.3.4.1 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, while ensuring the continuity of 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, thus making it possible to calculate the financing gap.

Forecasts of the financing requirement with new activities are updated every month, on a monthly basis over the projection horizon.

Bpifrance has a management framework comprised of numerous indicators in order to detect and assess potential threats to liquidity risk promptly:

- Normative regulatory indicators such as the LCR (Liquidity Coverage Ratio, the liquidity coefficient at one month) and NSFR (Net Stable Funding Ratio, the liquidity coefficient at twelve months);
- Key quantitative management indicators defined in the context of risk appetite such as survival period and excess liquidity in stressed management;
- Additional monitoring indicators such as the monitoring of the liquidity reserve.

The regulatory liquidity limits relate to the LCR and NSFR. As at 31 December 2021, the structural short-term liquidity ratio (LCR), set up under the 2015/61 delegated regulation, is estimated at 425% at the level of the Bpifrance Group, above the regulatory floor of 100%, a sign of a very satisfactory level of liquidity with regard to short-term maturities.

8.3.4.2 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.

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.

8.3.4.3 Basic principle of the liquidity policy

The Bpifrance Group's liquidity policy is governed and described by the ILAAP (Internal Liquidity Adequacy Assessment Process), updated annually and presented to the Board of Directors for validation.

It is based on management principles defined to apply in both current and crisis situations and is assessed on the basis of internal indicators and regulatory ratios.

Its limits and alert thresholds are defined annually and presented for validation 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 at the ALM Committee and reported quarterly by the Group Risk Management Department to the Group Risk Management Committee.

The Risk Management Policy defines all the authorised firm refinancing instruments.

The organisation in place allows the principle of separation of functions to be respected:

- Operational trading and recording functions are performed by the Markets Department;
- The management, planning, monitoring and reporting functions are performed by the ALM Department.

8.3.4.4 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.

8.3.4.5 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)	31/12/2021						
	Carrying value	Total incoming (outgoing) flows	On request	Less than 3 months	Between 3 and 12 months	Between 1 year and 5 years	After 5 years
Repayment of term loans	54 584	-55 160	0	-257	-13 808	-29 299	-11 795
Bond issues guaranteed by EPIC Bpifrance	31 439	-32 363	0	-210	-3 546	-17 079	-11 528
Credit institution loans and term accounts	20 946	-20 736	0	-3	-9 829	-10 896	-8
Clientele loans and term accounts	2 199	-2 061	0	-44	-433	-1 324	-259
Repayment of short-term financing	5 676	-5 623	0	-3 559	-2 064	0	0
Current accounts	278	-243	0	-18	-226	0	0
Overnight loans	0	0	0	0	0	0	0
Certificates of deposit and negotiable medium-term notes	4 963	-4 945	0	-3 107	-1 838	0	0
Securities sold under forward repurchase agreements	435	-434	0	-434	0	0	0
Derivatives (*)	268	268	0	0	20	282	-34
Non-hedging derivatives	300	300	0	0	0	300	0
Hedging derivatives	-32	-32	0	0	20	-18	-34

(*) Maturity of derivatives at fair value

Annual flows (in millions of euros)	31/12/2020						
	Carrying value	Total incoming (outgoing) flows	On request	Less than 3 months	Between 3 and 12 months	Between 1 year and 5 years	After 5 years
Repayment of term loans	50 218	-50 861	0	-1 560	-3 290	-33 465	-12 546
Bond issues guaranteed by EPIC Bpifrance	31 861	-32 991	0	-1 410	-2 043	-17 246	-12 291
Credit institution loans and term accounts	15 572	-15 324	0	-4	-476	-14 836	-10
Clientele loans and 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
Current accounts	251	-208	0	-52	-156	0	0
Overnight loans	17	0	0	0	0	0	0
Certificates of deposit and negotiable 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
Derivatives (*)	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

(*) Maturity 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 (€8.5bn at the end of 2021 compared to €7.9bn at the end of 2020) have no contractual maturity. After the contract is signed, they can be disbursed at the customer's request. The guarantee commitments given (€12.5bn at the end of 2021 as at the end of 2020) may materialise in disbursement flows if the company benefiting from the guaranteed loan defaults and at the end of the recovery process carried out by the guaranteed institution.

8.3.5 Structural balance sheet risks

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. In addition to these periodic meetings, the ALM Committee may be convened, in particular if market parameters change abruptly or if the limits set are exceeded.

8.3.5.1 Interest rate risks in the banking book

The Bpifrance Group manages its interest rate risk globally: all interest rate positions are monitored as macro-hedges by the ALM Department of the Finance Department. In this respect, hedging instruments are held in dedicated management portfolios and the assessment of their contribution to reducing the institution's interest rate risk is included in the monitoring system.

8.3.5.1.1 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:

- The 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;
- The 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 the change of the NPV in the event of a change in rates. The analysis of the current value of the balance sheet makes it possible to carry out a sensitivity analysis of the value of the balance sheet under the assumption that Bpifrance is a 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 (Economic Value of Equity, EVE), is intended to monitor the evolution of the NPV in the event of a change in rates. The EVE analysis allows for a sensitivity analysis of the balance sheet value on a liquidation basis.

These indicators are calculated and presented monthly at the ALM Committee of Bpifrance.

- Interest rate risk is also reviewed quarterly by the Risk Committee and by the Board of Directors, after presentation to the Group Risk Management Committee.

The graphs of deadlocks by maturity complete this system.

8.3.5.1.2 Cash flow sensitivity analysis

Bpifrance's exposure to interest rate risk is measured in particular on the basis of sensitivity analyses of the interest margin and the net present value of the balance sheet. As an indication, at 31 December 2021, in the event of a 200-basis point increase in interest rates, the interest margin would have increased by €8.3m and the EVE (Economic Value of Equity) would have decreased by €778.9m.

(in millions of euros)	Increase of 200 basis points	Decrease of 200 basis points
31 December 2021		
Sensitivity of the interest margin 2021	8,3	11,3
Sensitivity of the net present value of the balance sheet 2021 (EVE)	-778,9	303,3
31 December 2020		
Sensitivity of the interest margin 2020	118,4	-26,00
Sensitivity of the net present value of the balance sheet 2020 (EVE)	-557,0	79,0

8.3.5.1.3 Benchmark interest rate reform

Background

Regulation (EU) 2016/2011 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.

Transition to new benchmarks

The Bpifrance Group has taken measures to assess the risks and challenges associated with 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.

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.

EONIA / €STR index

As a replacement for the EONIA rate index, the ECB launched the new €STR index on 2 October 2019. Since then, the EONIA, which was previously calculated as the weighted average rate for unsecured overnight lending transactions in the euro interbank market in EU countries, is calculated by adding the new €STR index and a spread of 8.5 bps. During the transition period until the end of 2021, Bpifrance teams were able to finalise the switch from EONIA to the new €STR index.

The market infrastructure gradually allowed swaps to be traded in €STR before ensuring a complete transition to €STR. The clearing services for €STR, which are essential for the development of liquidity in the derivatives market, have been set up by the main European clearing houses.

Since 2020, euro swaps cleared at LCH and EUREX are no longer discounted at EONIA but at €STR. Bpifrance has reflected these changes in its own derivative valuation models and associated margin call remuneration with a non-material financial impact.

EURIBOR 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. These 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 €52.3 billion as at 31 December 2021.

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 has reviewed its definitions in light of this index reform and has proposed a protocol for amending existing contracts.

GBP LIBOR Index

In 2021, in preparation for the end of the publication of the GBP LIBOR, Bpifrance unwound early the only two transactions in its portfolio indexed to the GBP LIBOR after agreement with the counterparties concerned; the financial impact of these unwindings is not significant.

8.3.5.2 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.

The Bpifrance Group only intervenes occasionally in the foreign exchange market. The limits set are intended to desensitise the institution to the risk of currency fluctuations.

8.3.5.2.1 Foreign exchange risk management

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.
- Structural foreign exchange risk: Foreign exchange risk resulting from investments in foreign currencies.

The measurement of operational currency risk is presented monthly to the ALM Committee of Bpifrance. The measurement of operational 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 that the alert threshold has been exceeded and the corrective actions taken to remedy the situation. Information is presented to the Group Risk Management Committee to report on the crossing of the threshold and the corrective actions taken.

Transactions in foreign currencies comply with Bpifrance's risk appetite as presented in the Group's Risk Appetite. It should be noted that all foreign currency transactions are recorded in the Banking Book.

8.3.5.2.2 Authorised currencies

The currencies traded must have a liquid market. Thus, Bpifrance allows foreign exchange exposure to a limited list of currencies.

Depending on the foreign currency used, prior authorisation from the Group Risk Management Department may be required, or even a prior discussion with the Compliance and Permanent Control Department, particularly in terms of the impact of the applicability of extraterritoriality

8.3.5.2.3 Sensitivity analysis of operational currency risk

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.

At 31 December 2021, the only foreign currency exposures held directly by Bpifrance are in GBP and USD. Other foreign currency exposures are not held directly but via the fund and fund of funds activities.

A 15% increase in the USD/EUR and GBP/EUR conversion rates at 31 December 2021 would have resulted in an increase in profit of €0.156m. For the purpose of this analysis, all other variables, in particular interest rates, are assumed to remain constant.

A 15% decrease in the USD/EUR and GBP/EUR exchange rates at 31 December 2021 would have had the same impacts, but in the opposite direction, as those presented above, assuming that all other variables remain constant.

8.4 Quantitative analyses of the credit and counterparty risks on financial activities

Maximum credit risk exposure

(in millions of euros)	2021	2020
Financial assets at fair value through profit or loss	1 379,6	1 250,8
Asset hedging derivatives	11,0	5,9
Financial assets at fair value through equity	3 140,3	2 726,6
Securities at amortised cost	8 053,1	8 041,3
Loans and receivables to credit institutions, at amortised cost	1 715,9	1 461,2
Loans and receivables to customers, at amortised cost	45 932,8	44 419,6
Financing and similar leasing operations, at amortised cost	6 154,6	6 185,5
Given guarantee commitments and commitments by signature	12 510,2	12 527,2
Given financing commitments	8 255,6	7 709,6
Total	87 153,1	84 327,7

Concentrations

In accordance with IFRS 7, Bpifrance has defined asset classes within the accounting categories of financial instruments in IFRS 9 that are suited to its activity and its internal reporting method. Thus, the category "Loans and advances to customers" includes the following asset classes

- PLMT (Long- and Medium-Term Loans),
- FCT (Short-Term Financing),
- Others.

The category "Finance lease operations" consists of the following asset classes:

- CBI (Real Estate Leasing),
- CBM (Equipment Leasing).

Concentrations by counterparty type

Concentration of risks by type of counterparty on all financial assets

31/12/2021							
(in millions of euros)							
Type of counterparty/issuer	Central banks	Public administrations	Credit institutions	Other financial institutions	Non-financial institutions	Households	Total
Financial assets at fair value through profit or loss	0,0	0,0	11,8	0,0	1 367,8	0,0	1 379,6
Asset hedging derivative financial instruments	0,0	0,0	11,0	0,0	0,0	0,0	11,0
Financial assets at fair value through equity	0,0	2 339,5	700,3	32,9	67,6	0,0	3 140,3
Securities at amortised cost	0,0	7 889,0	35,4	128,7	0,0	0,0	8 053,1
Loans and receivables due to credit institutions, at amortised cost	0,0	0,0	1 715,9	0,0	0,0	0,0	1 715,9
Loans and receivables to customers, at amortised cost	0,0	6 842,0	0,0	91,6	38 999,2	0,0	45 932,8
Medium- and long-term loans	0,0	0,0	0,0	0,0	36 618,1	0,0	36 618,1
STF	0,0	0,0	0,0	0,0	2 363,6	0,0	2 363,6
Other	0,0	6 842,0	0,0	91,6	17,5	0,0	6 951,1
Finance lease transactions, at amortised cost	0,0	0,0	0,0	0,0	6 154,6	0,0	6 154,6
Real estate Leasing (CBI)	0,0	0,0	0,0	0,0	4 218,5	0,0	4 218,5
Equipment Leasing (CBM)	0,0	0,0	0,0	0,0	1 936,1	0,0	1 936,1
Total	0,0	17 070,5	2 474,4	253,2	46 589,2	0,0	66 387,3

31/12/2020							
(in millions of euros)							
Type of counterparty/issuer	Central banks	Public administrations	Credit institutions	Other financial institutions	Non-financial institutions	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 to customers, at amortised cost	0,0	6 213,1	0,0	3,8	38 202,7	0,0	44 419,6
Medium- and 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 (CBI)	0,0	0,0	0,0	0,0	4 177,5	0,0	4 177,5
Equipment Leasing (CBM)	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

31/12/2021							
(in millions of euros)							
Type of counterparty/issuer	Central banks	Public administrations	Credit institutions	Other financial institutions	Non-financial institutions	Households	Total
Given guarantee commitments and commitments by signature	0,0	0,0	0,0	0,0	12 510,2	0,0	12 510,2
Given financing commitments	0,0	0,0	20,0	0,0	8 235,6	0,0	8 255,6

31/12/2020							
(in millions of euros)							
Type of counterparty/issuer	Central banks	Public administrations	Credit institutions	Other financial institutions	Non-financial institutions	Households	Total
Given guarantee commitments and commitments by signature	0,0	0,0	0,0	0,0	12 527,2	0,0	12 527,2
Given financing commitments	0,0	0,0	10,0	0,0	7 699,6	0,0	7 709,6

Concentrations by rating

Breakdown of loans and receivables by financial instruments class

(in millions of euros)													
31/12/2021													
Loans and receivables to customers													
Internal rating	Medium- and 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	6 950			6 950	6 950
Low risk	18 091	2 975		21 066	826	13		839				0	21 905
Average risk	6 953	5 139		12 092	1 010	105		1 115				0	13 207
High risk	85	367		452	51	94		145				0	597
Not rated	856	788		1 644	20	15		35				0	1 679
Proven risk			1 363	1 363			230	230			1	1	1 594
Total	25 985	9 269	1 363	36 617	1 907	227	230	2 364	6 950	0	1	6 951	45 932

* Including accounts opened with the State - Agence France Trésor - for €6,837.8 million

Breakdown of loans and receivables by financial instruments class

(in millions of euros)													
31/12/2020													
Loans and receivables to customers													
Internal rating	Medium- and 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

(*) of which accounts opened with the State - Agence France Trésor - for €6,087.2 million

Breakdown of loans and receivables by financial instruments class

(in millions of euros)									
31/12/2021									
Finance lease operations									
Internal rating	Real estate Leasing (CBI)				Equipment Leasing (CBM)				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Risk-free				0				0	0
Low risk	1 960	417		2 377	1 288	89		1 377	3 754
Average risk	560	743		1 303	210	275		485	1 788
High risk	5	90		95		8		8	103
Not rated	140	136		276	10	15		25	301
Proven risk			168	168			41	41	209
Total	2 665	1 386	168	4 219	1 508	387	41	1 936	6 155

Breakdown of loans and receivables by financial instruments class

(in millions of euros)

31/12/2020

Finance lease operations									
Internal rating	Real estate Leasing (CBI)				Equipement Leasing (CBM)				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 other assets by accounting categories

(in millions of euros)

31/12/2021

Rating	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through equity				Securities at amortised cost				Loans and receivables to credit 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		384,7			384,7	126,8			126,8	0,0			0,0	511,5
Aa1		24,8			24,8	0,0			0,0	29,0			29,0	53,8
Aa2		2 126,0			2 126,0	7 898,9			7 898,9	0,0			0,0	10 024,9
Aa3		398,2			398,2	16,6			16,6	0,0			0,0	414,8
A1		139,2			139,2	5,9			5,9	356,9			356,9	502,0
A2		37,9			37,9	4,4			4,4	68,1			68,1	110,4
A3		25,1			25,1	0,0			0,0	67,9			67,9	93,0
Baa1		4,4			4,4	0,0			0,0	0,0			0,0	4,4
Not rated	1 379,6	0,0			0,0	0,4			0,4	1 194,0			1 194,0	2 574,0
Total	1 379,6	3 140,3	0,0	0,0	3 140,3	8 053,1	0,0	0,0	8 053,1	1 715,9	0,0	0,0	1 715,9	14 288,9

interdocument analysis

1 379,6 3 140,3

8 053,1

1 715,9

Breakdown of other assets by accounting categories

(in millions of euros)

31/12/2020

Rating	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through equity				Securities at amortised cost				Loans and receivables to credit 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

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) 31/12/2021													
Business sectors	Medium- and 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	
Trade	2 653,2	567,8	132,7	3 353,7	128,7	8,7	17,3	154,7	0,0	0,0	0,0	0,0	3 508,4
Industry	6 013,1	2 138,2	381,9	8 533,2	258,7	59,0	63,9	381,6	0,0	0,0	0,0	0,0	8 914,8
Services	16 053,6	5 486,8	748,1	22 288,5	1 231,4	115,7	116,0	1 463,1	6 949,8 *	0,0	1,3	6 951,1	30 702,7
PW&CE	633,5	122,7	34,2	790,4	262,2	39,0	31,5	332,7	0,0	0,0	0,0	0,0	1 123,1
Tourism	632,0	954,0	66,3	1 652,3	26,0	4,2	1,3	31,5	0,0	0,0	0,0	0,0	1 683,8
Total	25 985,4	9 269,5	1 363,2	36 618,1	1 907,0	226,6	230,0	2 363,6	6 949,8	0,0	1,3	6 951,1	45 932,8

* including accounts opened with the State - Agence France Trésor - for €6,837.8 million

(in millions of euros) 31/12/2020													
Business sectors	Medium- and 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	
Trade	2 568,2	622,6	138,7	3 329,5	175,8	22,1	25,2	223,1	0,0	0,0	0,0	0,0	3 552,6
Industry	6 561,9	1 191,3	326,9	8 080,1	400,8	44,1	42,1	487,0	0,0	0,0	0,0	0,0	8 567,1
Services	15 641,7	4 856,5	562,9	21 061,1	2 097,0	271,4	152,4	2 520,8	6 232,8 *	0,0	1,3	6 234,1	29 816,0
PW&CE	634,9	95,2	21,3	751,4	300,1	19,3	25,8	345,2	0,0	0,0	0,0	0,0	1 096,6
Tourism	634,1	669,7	38,7	1 342,5	30,6	13,2	0,9	44,7	0,0	0,0	0,0	0,0	1 387,2
Total	26 040,8	7 435,3	1 088,5	34 564,6	3 004,3	370,1	246,4	3 620,8	6 232,8	0,0	1,3	6 234,1	44 419,5

* including accounts opened with the State - Agence France Trésor - for €6,087.2 million

(in millions of euros) 31/12/2021									
Business sectors	Real estate Leasing (CBI)				Equipement Leasing (CBM)				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Trade	285,5	14,5	2,0	302,0	121,5	14,1	1,1	136,7	438,7
Industry	146,3	188,0	25,8	360,1	297,7	124,6	20,2	442,5	802,6
Services	2 058,3	979,9	5,1	3 043,3	917,4	181,5	15,7	1 114,6	4 157,9
PW&CE	46,1	6,8	30,2	83,1	150,3	41,9	4,1	196,3	279,4
Tourism	128,4	196,4	105,2	430,0	21,1	24,9	0,0	46,0	476,0
Total	2 664,6	1 385,6	168,3	4 218,5	1 508,0	387,0	41,1	1 936,1	6 154,6

(in millions of euros) 31/12/2020									
Business sectors	Real estate Leasing (CBI)				Equipement Leasing (CBM)				TOTAL
	Bucket 1	Bucket 2	Bucket 3	Total	Bucket 1	Bucket 2	Bucket 3	Total	
Trade	222,0	30,0	4,3	256,3	111,8	45,6	1,6	159,0	415,3
Industry	237,0	125,1	33,7	395,8	276,0	99,4	14,1	389,5	785,3
Services	1 970,6	1 051,2	126,3	3 148,1	858,9	350,0	16,1	1 225,0	4 373,1
PW&CE	51,4	4,5	1,8	57,7	133,3	53,8	2,1	189,2	246,9
Tourism	149,3	151,1	19,2	319,6	32,0	13,2	0,1	45,3	364,9
Total	2 630,3	1 361,9	185,3	4 177,5	1 412,0	562,0	34,0	2 008,0	6 185,5

(in millions of euros) 31/12/2021						
Business sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Given guarantee commitments and commitments by signature	2 115,2	2 520,8	5 617,0	658,5	1 598,7	12 510,2

(in millions of euros) 31/12/2020						
Business sectors	Trade	Industry	Services	PW&CE	Tourism	Total
Given guarantee commitments and commitments by signature	2 012,1	2 280,8	6 181,1	625,6	1 427,6	12 527,2

Individually impaired financial assets by sector of economic activity

(in millions of euros)		31/12/2021															
		Loans and receivables to credit institutions		Loans and receivables to customers								Finance lease operations					
				Medium- and long-term loans		STF		Other		Total		Real estate Leasing (CBI)		Equipment Leasing (CBM)		Total	
Sectors of	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Trade	0,0	0,0	200,7	132,7	27,5	17,3	0,0	0,0	228,2	150,0	2,0	2,0	2,6	1,1	4,6	3,1	
Industry	0,0	0,0	505,2	381,9	68,2	63,9	0,0	0,0	573,4	445,8	29,0	25,8	23,4	20,2	52,4	46,0	
Services	0,0	0,0	970,5	748,1	154,5	116,0	1,3	1,3	1 126,3	865,4	21,6	5,1	20,0	15,7	41,6	20,8	
PW&CE	0,0	0,0	48,4	34,2	36,0	31,5	0,0	0,0	84,4	65,7	30,8	30,2	5,2	4,1	36,0	34,3	
Tourism	0,0	0,0	84,4	66,3	1,5	1,3	0,0	0,0	85,9	67,6	105,7	105,2	0,0	0,0	105,7	105,2	
Total	0,0	0,0	1 809,2	1 363,2	287,7	230,0	1,3	1,3	2 098,2	1 594,5	189,1	168,3	51,2	41,1	240,3	209,4	

(in millions of euros)		31/12/2020															
		Loans and receivables to credit institutions		Loans and receivables to customers								Finance lease operations					
				Medium- and long-term loans		STF		Other		Total		Real estate Leasing		Equipment Leasing (CBM)		Total	
Sectors of	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Trade	0,0	0,0	185,7	138,7	32,9	25,2	0,0	0,0	218,6	163,9	4,7	4,3	2,8	1,6	7,5	5,9	
Industry	0,0	0,0	392,5	326,9	45,8	42,1	0,0	0,0	438,3	369,0	36,9	33,7	18,8	14,1	55,7	47,8	
Services	0,0	0,0	752,4	562,9	188,7	152,4	1,3	1,3	942,4	716,6	132,3	126,3	20,5	16,1	152,8	142,4	
PW&CE	0,0	0,0	29,8	21,3	33,1	25,8	0,0	0,0	62,9	47,1	1,8	1,8	3,5	2,1	5,3	3,9	
Tourism	0,0	0,0	45,7	38,7	1,0	0,9	0,0	0,0	46,7	39,6	24,6	19,2	0,1	0,1	24,7	19,3	
Total	0,0	0,0	1 406,1	1 088,5	301,5	246,4	1,3	1,3	1 708,9	1 336,2	200,3	185,3	45,7	34,0	246,0	219,3	

Offsetting of financial assets and liabilities

(in millions of euros)	31/12/2021					
	Gross amounts accounted for	Amounts offset in the balance sheet	Net amounts shown in the balance sheet	Amounts related to financial instruments not offset on the balance sheet		
				Impact of offsetting agreements	Collateral given/received	Net amounts
ASSETS						
Interest rate hedging derivatives	580,5	573,6	6,9	-	-	6,9
Repurchase agreements, securities borrowings and similar agreements	-	-	-	-	-	-
LIABILITIES						
Interest rate hedging derivatives	411,4	403,1	8,3	-	16,6	- 8,3
Repurchase agreements, securities loans and similar agreements	434,6	-	434,6	-	-	434,6

(in millions of euros)	31/12/2020					
	Gross amounts accounted for	Amounts offset in the balance sheet	Net amounts shown in the balance sheet	Amounts related to financial instruments not offset on the balance sheet		
				Impact of offsetting agreements	Collateral given/received	Net amounts
ASSETS						
Interest rate hedging derivatives	813,8	807,9	5,9	-	-	5,9
Repurchase agreements, securities borrowings and similar agreements	-	-	-	-	-	-
LIABILITIES						
Interest rate hedging derivatives	746,6	677,3	69,3	-	62,0	7,3
Repurchase agreements, securities loans and similar agreements	3 207,7	-	3 207,7	-	13,2	3 194,5

Quantitative information relating to guarantee 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. Total sureties and guarantees received amounted to €16,936.3 million at 31 December 2021, compared with €15,631 million at 31 December 2020.

8.5 Risks generated by the investment activity

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.

8.5.1 General framework for investment risk management

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 carried by Bpifrance Participations.

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 mainly 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 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 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).

8.5.2. Comitology

8.5.2.1 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.

8.5.2.2 Bpifrance Participations Investment Committee

This committee 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.

8.5.2.3 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.

8.5.3 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.

8.5.4 Risks related to the Fund of Funds activity

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.

The regulations of each Partner Fund are negotiated between the Fund 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 2 pillars:

- A unit commitment limit that meets diversification constraints;
- Risk diversification 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.

8.5.5 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.

The VaR gives an estimate of the maximum potential loss that Bpifrance faces at a given time horizon with a given probability. In theory, if the VaR of a portfolio is €1m at the 99% threshold at a 1-month horizon, then there is a 99% chance that the loss incurred will not exceed €1m at 1 month.

The 95% total VaR is calculated as an internal risk indicator. The 99.99% VaR is calculated to define the need for economic capital in the same way as the CDC prudential model.

The VaR implemented at Bpifrance is a so-called Monte Carlo VaR (one million draws) with two confidence intervals (99% and 99.99%). The Group Risk Management Department carries out an ex-post analysis (back testing) of the results of the model used to calculate VaR in order to measure its quality.

Stress scenarios are also used to simulate an extreme situation in order to assess the financial consequences on Bpifrance's results or equity. The use of these scenarios is a tool for analysis and control to better understand the risks associated with Bpifrance's investment activity.

At 31 December 2021, the 1-year VaR for a 99.99% confidence interval is €12,590m.

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.

8.6 Climate risk management

8.6.1 Climate change risks

Climate-related risks can be divided into two main categories:

- Physical risk refers to the financial consequences that result from climate change through extreme and/or chronic hazards;
- Transition risk is the risk of losses incurred, directly or indirectly, as a result of inadequate adaptation to a low-carbon economy.

The Bpifrance Group is gradually integrating the assessment of these risks into its risk management system. The monitoring of climate risks is indeed a particular challenge for Bpifrance in the context of its strategic objective of "Green Bank" and the Climate Plan launched in 2020.

The plan is based on three principles:

- Accelerate the ecological and energy transition of companies and territories with support and financing solutions;
- Double the financing dedicated to renewable energy and contribute to the growth of international champions;
- Massively fund innovation in greentechs and in sustainable and resilient networks to find technological solutions for ecological and energy transition.

8.6.2 Management framework

Four principles characterise Bpifrance's positioning regarding its acceptable or tolerable level of exposure and risk-taking in relation to environmental and climate risks:

- Ensure a framework for the products and activities resulting from the Climate Plan;
- Frame and assess the sensitivity of the portfolio to assets and counterparties sensitive to the transition to a low-carbon economy;
- Scenario transition risk in order to understand and anticipate sectoral portfolio turnover;
- Understand the physical risk associated with the activities of the Group.

Started in 2021, the climate risk management system is being extended to all of Bpifrance's business lines and will continue to be developed in 2022 in accordance with the action plan produced by the Group Risk Management Department.

The other main areas of development will be:

- The establishment of a Climate Risk Committee;
- Integrating climate risks into the credit process and investment decisions;
- Strengthening the system for identifying and assessing climate risk factors and their impact on the Group's risk mapping;
- The deployment of the management framework ensuring the monitoring and management of Bpifrance's exposure to climate risks.

8.6.3 Management system

Bpifrance has developed a framework to assess and quantify the exposure of its portfolio to physical and climate transition risks.

This monitoring framework is based on a series of internal indicators that are being developed to identify pockets and/or counterparties at risk that may require enhanced analysis and/or appropriate intervention, and to measure and monitor the sensitivity of the portfolio to transition and physical risk.

● **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 which Bpifrance recognises under the equity method despite a percentage of voting rights below 20%. In fact, the non-executive 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 held 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 using the equity method in 2021 and 2020

	ST (**) Microelectronics	Tyrol Acquisition 1 Cie SCA (*)	Eutelsat (*) Communications	Lac I
(in millions of euros) as of 31 December 2021				
Main place of business	Switzerland	Luxembourg	France	France
Ultimate holding percentage	13,80%	23,99%	20,01%	34,01%
Method of consolidation	Equity method	Equity method	Equity method	Equity method
Dividends received	25,3	-	42,8	-
Assets	14 419,9	2 720,8	7 279,0	4 115,3
Non-current assets	6 975,1	2 720,8	6 051,5	4 060,5
Current assets	7 444,8	-	1 227,5	54,8
Assets held for sale	-	-	-	-
Liabilities	14 419,9	2 720,8	7 279,0	4 115,3
Equity	7 556,9	283,5	2 690,7	3 817,1
Non-current liabilities	3 178,5	2 436,8	4 185,0	295,1
Current liabilities	3 684,4	0,6	403,3	3,1
Liabilities related to assets held for sale	-	-	-	-
Net income - Group share	680,7	-	214,1	-6,8
Income from operating activities	5 304,6	-	1 233,9	-
EBITDA	-	-	-	-12,9
Operating income	832,6	-	347,2	-12,9
Financial income	-46,8	-	-95,0	6,1
Income Tax	-102,4	-	-24,2	-
Consolidated income	683,4	-	228,1	-6,8
Fair value (if there is a quoted price)	5 436,5	NA	494,5	NA
Reconciliation with the carrying amount of related interest				
Shareholders' equity in group shares	7 912,3	2 480,8	2 573,8	3 817,1
Equity as a percentage of interest	1 098,2	595,2	515,1	1 298,2
Goodwill	-	-	-	-
Consolidation adjustment	-48,0	-595,2	-20,6	-
Book value of interests in associated business	1 050,2	-	494,5	1 298,2
Consolidation of investments	-2 817,8	-384,2	-918,3	-1 087,8
Value of shareholders' equity	-1 767,6	-384,2	-423,8	210,4

(*) Tyrol Acquisition 1 Cie SCA and Eutelsat Communications close their financial year on 31 March and 30 June respectively.

(**) Detailed IFRS financial information as of 31/12/2021 not available, data as of 30/06/2021

	ST (**) Microelectronics	PSA	Tyrol Acquisition 1 Cie SCA (*)	Eutelsat (*) Communications	Lac I
(in millions of euros) as of 31 December 2020					
Main place of business	Switzerland	France	Luxembourg	France	France
Ultimate holding percentage	13,88%	12,32%	23,99%	19,98%	33,39%
Method of consolidation	Equity method	Equity method	Equity method	Equity method	Equity method
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
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 intended for disposal	-	-	-	-	-
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 quoted price)	3 795,7	2 474,6	NA	426,6	NA
Reconciliation with the carrying amount of related interest					
Shareholders' equity in group shares	6 919,3	21 294,0	2 480,8	2 510,7	3 282,4
Equity as a percentage of interest	960,4	2 623,9	595,2	501,6	1 096,0
Goodwill	-	37,8	-	-	-
Consolidation adjustment	-45,8	-187,2	-595,2	-13,4	-
Book value of interests in associated business	914,6	2 474,6	-	488,2	1 096,0
Consolidation of investments	-2 817,8	-1 874,6	-384,2	-918,3	-1 086,4
Value of shareholders' equity	-1 903,2	600,0	-384,2	-430,1	-

(*) Tyrol Acquisition 1 Cie SCA and Eutelsat Communications close their financial year on 31 March and 30 June respectively.

(**) Detailed IFRS financial information as of 31/12/2020 not available, data as of 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)	31/12/2021	31/12/2020
Overall book value	86,5	10,9
Overall amount of shares		
Net income from continuing operations	4,4	0,6
Net income after tax from discontinued operations	0,0	0,0
Other elements of the overall earnings	3,0	0,0
Overall earnings	7,4	0,6

9.4 Interests held in non-consolidated structured entities

(in millions of euros)	31/12/2021	31/12/2020
Nature and development of risks in unconsolidated structured entities		
Book value of assets/liabilities	396,3	343,2
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through profit or loss
Items in the financial statements where these assets/liabilities are recorded	Loans and receivables	Loans and receivables
Amount of the maximum exposure (on- and off-balance sheet) of risk of loss (*)	943,0	767,4
Difference between book value and maximum risk of loss	-546,7	-424,1

(*) The maximum exposure amount of risk of loss was assessed by adding the outstanding amounts on the balance sheet to those of off-balance sheet liabilities, considering that the sum of the amounts already committed and those to be disbursed best represent the maximum risk of loss in unconsolidated structured entities.

9.5 Companies excluded from consolidation and significant non-consolidated equity investments as at 31 December 2021

Company excluded from the consolidation (> 20% voting rights and gross amount > 0.5% of Bpifrance's capital)

Name	Head office	% holding	Reason for non-consolidation
PAPREC	PARIS	28,81%	IFRS accounts not available within the deadlines compatible with Bpifrance's consolidated financial statements order
LABRADOR INVESTMENT HOLDINGS LIMITED	LONDON	20,09%	Holding of a 4.96% stake in the Cerba Group via a holding company

Significant unconsolidated equity securities (% < 20% and gross amount > 1% of Bpifrance capital)

(in millions of euros)

Name	Head office	% holding	Equity	Income
Orange	PARIS	8,20%	35 361	778
Stellantis	POISSY	6,15%	56 307	14 208
TechnipFMC	PARIS	4,58%	3 018	12
Valeo	PARIS	5,09%	4 491	245
Vallourec	BOULOGNE - BILLANCOURT	2,27%	1 808	32
Verallia	COURBEVOIE	7,51%	800	249
Worldline	PARIS	4,44%	9 915	0

● **Note 10 - Personnel benefits and other remuneration**

10.1 Staff expenses

(in millions of euros)	31/12/2021	31/12/2020
Wages and salaries	-254,7	-157,7
Other social security contributions	-109,6	-55,8
Tax expenses	-32,0	-17,5
Defined contribution retirement plan expenses	-20,0	-16,9
Defined benefit retirement plan expenses	-1,9	-3,0
Incentives and profit-sharing	-30,8	-17,5
Allocations/reversals provisions for staff commitments	1,9	1,6
Total personnel expenses	-447,1	-266,8

10.2 Other employee benefits

Post-employment benefits: defined benefit 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 %)	31/12/2021	31/12/2020
UCITS		
Monetary	2%	3%
Other	5%	4%
Shares	19%	16%
Bonds	75%	76%
	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:

	31/12/2021		31/12/2020	
	manager	non-manager	manager	non-manager
Under 35 years old	6,2%	6,4%	6,0%	5,5%
Between 35 and 44 years old	2,9%	1,9%	2,5%	1,9%
Between 45 and 54 years old	0,7%	0,9%	0,7%	0,9%
55 years and over	0,3%	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 2021 financial year is equal to €1.9 million.

As at 31 December 2021, the average duration of the obligation relative to the defined benefit plans was 18.9 years for retirement lump sum benefits and 10.7 years for health expenses (respectively 18.9 years and 11.8 years in 2020).

A 0.5% increase in the discount rate would lead to a €2.7 million decrease in the commitment, while a 0.5% decrease would result in a €3 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 relating to post-employment benefits

Change in commitments relating to post-employment benefits	End-of-career lump sum benefits			Costs of healthcare	Long-service award	Total 31/12/2021		
(in millions of euros)	Commitments relating to defined-benefits	Assets of the plan	Liabilities (Assets) net	Commitments relating to defined-benefits	Commitments for other long-term benefits	Commitments	Assets of the plan	Liabilities (Assets) net
Opening balance (1)	45,9	30,2	15,7	1,6	3,3	50,9	30,2	20,7
Impacts on income statement	-0,7	-0,8	0,1	-0,1	0,2	-0,6	-0,8	0,2
- Cost of services rendered during the period	3,4	0,0	3,4	0,0	0,2	3,6	0,0	3,6
- Interest on defined-benefit liabilities/assets	0,2	0,1	0,1	0,0	0,0	0,2	0,1	0,1
- Cost of past services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Effects of changes in foreign currency exchange rates	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Contribution to the employer's plan	0,0	3,0	-3,0	0,0	0,0	0,0	3,0	-3,0
- Contribution to the plan of the participant	0,0	0,0	-3,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss result of liquidation	0,0	0,0	-3,0	0,0	0,0	0,0	0,0	0,0
- Paid benefits	-4,3	-3,9	-0,4	-0,1	0,1	-4,3	-3,9	-0,4
- Actuarial deviations (on other long-term benefits)	n/a	n/a	n/a	n/a	-0,1	-0,1	n/a	-0,1
Variation in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Impacts in gains and losses recognised in equity	-0,5	0,5	-1,0	0,0	0,0	-0,5	0,5	-1,0
- Actuarial deviations	-0,5	0,5	-1,0	0,0	n/a	-0,5	0,5	-1,0
> including actuarial differences of the period related to the experience	1,5	0,0	1,5	0,0	0,0	1,5	0,0	1,5
> including actuarial differences on adjustments related to demographic assumptions	-0,3	0,0	-0,3	0,0	0,0	-0,3	0,0	-0,3
> including actuarial differences on adjustments to financial assumptions	-1,7	0,5	-2,1	0,0	0,0	-1,7	0,5	-2,2
- Return on plan assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Change in the effect of the asset ceiling	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Closing balance	44,7	29,9	14,8	1,4	3,5	49,7	29,9	19,8

(1) The opening balance is adjusted for the following:

+€15 million on end-of-career allowances and +€2.1 million on commitments under labour rights, relating to commitments made by integrated entities following the merger-absorption of Bpifrance SA by its subsidiary Bpifrance Financement on December 18, 2020;

- €2.7M on end-of-career allowances, following the application of the interpretation of IFRS IC relating to the allocation of post-employment benefits to periods of service published in May 2021 (see note 2.1).

Change in commitments relating to post-employment benefits	End-of-career lump sum benefits			Costs of healthcare	Long-service award	Total 31/12/2020		
	Commitments relating to defined-benefits	Assets of the plan	Liabilities (Assets) net			Commitments	Assets of the plan	Liabilities (Assets) net
(in millions of euros)								
Opening balance	33,8	27,9	6,0	1,8	1,2	36,7	27,9	8,9
Impacts 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	0,0	2,1	0,0	0,2	2,3	0,0	2,3
- Interest on defined-benefit liabilities/assets	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
- Effects of changes in foreign currency exchange rates	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 plan of the participant	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss result of liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid benefits	-3,2	-3,0	-0,2	-0,1	-0,1	-3,4	-3,0	-0,4
- Actuarial deviations (on other long-term benefits)	n/a	n/a	n/a	n/a	n/a	-0,1	n/a	-0,1
Variation in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Impacts in gains and losses recognised in equity	0,7	0,1	0,7	0,0	0,0	0,7	0,1	0,7
- Actuarial deviations	0,7	0,1	0,7	0,0	n/a	0,7	0,1	0,7
> including actuarial differences of the period related to the experience	0,5	0,0	0,5	0,0	n/a	0,5	0,0	0,5
> including actuarial differences on adjustments related to demographic assumptions	-0,4	0,0	-0,4	0,0	n/a	-0,4	0,0	-0,4
> including actuarial differences on adjustments to financial assumptions	0,6	0,1	0,5	0,0	n/a	0,6	0,1	0,5
- Return on plan assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Change in the effect of the 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

10.3 Headcount

The average headcount of fully consolidated companies stood at 3,551 employees in 2021, 89% 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 2021 (for the financial year 2020) to the directors and non-voting members who chair the business line committees amounted to €345 thousand (of which €175 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 or via direct funds (Development Capital Investment) or in the form of indirect investments via funds of funds (Investment in Funds of Funds),
- international: 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), export credit, Digital Innovation Invest, the support activity as well as the business line “Entrepreneurship and Regions”.

(in millions of euros)

31/12/2021	Financing	Guarantee	Innovation	Capital	Investment in	International	Other	Total
GNP	723,1	132,2	92,9	718,7	1 118,4	46,3	84,5	2 916,1
General expenses	-295,1	-78,7	-125,3	-116,8	-35,6	-45,8	-172,5	-869,7
Cost of risk	-16,6	0,0	-43,6	0,0	0,0	0,0	-14,5	-74,6
Operating income	411,5	53,6	-76,1	601,9	1 082,8	0,5	-102,4	1 971,8

31/12/2020	Financing	Guarantee	Innovation	Capital	Investment in	International	Other	Total
GNP	648,4	100,9	73,6	0,0	0,0	0,0	25,5	848,4
General expenses	-330,3	-77,9	-122,2	0,0	0,0	0,0	-19,3	-549,7
Cost of risk	-440,2	2,1	-23,8	0,0	0,0	0,0	0,4	-461,5
Operating income	-122,0	25,1	-72,5	0,0	0,0	0,0	6,6	-162,8

(in millions of euros)

Gross outstanding amounts	31/12/2021	31/12/2020
Long- and medium-term loans	37 598,2	35 463,4
including Innovation loans	1 326,1	1 109,8
Short-term financing	2 429,6	3 687,7
Aid to finance innovation	964,3	988,4
Guarantees given	12 510,2	12 527,2

Reminder:

The guarantee funds amounted to €6,690.98 million in 2021, versus €6,455.6 million in 2020.

The subsidies provided as part of the innovation activity amounted to €134.1 million in 2021, versus €106.1 million in 2020.

Assets under management by the Investment business lines amounted to €36,396.4 million in 2021, versus €37,216.3 million in 2020; available cash amounted to €1,298.4 million, versus €620.0m in 2020.

● Note 12 - Commitments

(in millions of euros)	31/12/2021	31/12/2020
Commitments given	20 992,4	20 434,8
Credit finance commitments	8 255,6	7 709,6
to credit institutions	20,0	10,0
to customers	8 235,6	7 699,6
Commitments to finance innovation aid	226,6	198,0
Guarantee commitments	12 510,2	12 527,2
to credit institutions	0,0	0,0
to customer	12 510,2	12 527,2
Commitments on securities (securities to be delivered)	0,0	0,0
Commitments received	2 577,9	6 406,2
Credit financing commitments received from credit institutions	916,7	4 946,9
Guarantee commitments received from credit institutions	1 661,1	1 459,3
Commitments on securities (securities receivable)	0,1	0,0

Bpifrance recorded for its forward foreign exchange transactions as at 31 December 2021 a foreign currency outstanding receivable of €926.5 million (€365.9 million at 31 December 2020) and an outstanding amount of €908.4 million (€386.2 million at 31 December 2020).

● 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 other related but non-consolidated entities are shown in the column “Other related parties”.

31 December 2021

Balance sheet

(in millions of euros)	Companies exercising joint	Associated companies	Other related parties	Total
Assets				
Loans and advances	29,0	266,4	0,0	295,4
Equity instruments	0,0	0,0	3,4	3,4
Other receivables	14,5	0,0	0,0	14,5
Total assets	43,5	266,4	3,4	313,3
Liabilities				
Deposits	1,1	0,0	0,0	1,1
Term loans	1 142,2	0,0	0,0	1 142,2
Other liabilities	39,0	0,0	0,1	39,1
Total liabilities	1 182,3	0,0	0,1	1 182,4
Miscellaneous information				
Guarantees issued by the group	0,0	21,1	0,0	21,1
Guarantees received by the group	0,0	0,0	0,0	0,0
Other commitments	0,0	0,0	0,0	0,0
Impairment of doubtful accounts	0,0	0,0	0,2	0,2

Profit and Loss Statement

(in millions of euros)	Companies exercising joint	Associated companies	Other related parties	Total
Total expenses, including:	59,0	0,0	0,1	59,1
Interest expenses	59,0	0,0	0,0	59,0
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 products, including:	0,9	3,5	0,0	4,4
Interest revenue	0,0	3,4	0,0	3,4
Fees and commissions	0,0	0,0	0,0	0,0
Services provided	0,9	0,0	0,0	0,9
Dividend income	0,0	0,1	0,0	0,1
Other	0,0	0,0	0,0	0,0
Other information				
Financial year expenses for doubtful accounts	0,0	0,0	0,0	0,0

31 December 2020**Balance sheet**

	Companie s exercising joint	Associate d companie s	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 loans	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
Guarantees 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 accounts	0,0	0,0	0,2	0,2

Profit and Loss Statement

	Companie s exercising	Associate d companie	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 products, including:	1,7	1,9	0,0	3,6
Interest revenue	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				
Financial year expenses for doubtful accounts	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	
	2021	2020	2021	2020	2021	2020
Certification of accounts	908	798	885	894	426	406
Other services	35	52	49	1 018	143	210
Total (*)	943	850	934	1 912	569	616

(*) Reminder: the fees of the entities brought in as part of the merger are presented in equity for the 2020 financial year

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.

	31/12/2021							
	Assets				Liabilities			Off balance sheet
	Receivables	Principal	Cash	Total	Debts	Principal	Total	
(in millions of euros)								
Financing activity								
ARI (1)	70,6	0,0	0,0	70,6	0,0	70,6	70,6	19,4
FDES PBAR (1)	185,1	0,0	11,4	196,5	0,0	196,5	196,5	1,9
Debt funds	57,4	0,0	0,0	57,4	0,0	57,4	57,4	0,0
Guarantee activity							0,0	
PGE (1)(2)	0,0	0,0	79,7	79,7	0,0	79,7	79,7	96 966,2
FCS (1)	0,0	0,0	94,0	94,0	0,0	94,0	94,0	87,2
Overseas dep. managed funds	0,0	0,0	62,7	62,7	0,0	62,7	62,7	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	50,2	50,2	0,0	50,2	50,2	266,1
Innovation aid activity								
Assets	0,0	0,0	42,7	42,7	0,0	42,7	42,7	0,0
DEEP TECH GPT	2,6	3,2	4,0	9,8	9,8	0,0	9,8	2,4
FIS	1,8	3,8	6,1	11,7	11,7	0,0	11,7	6,7
INDUSTRIAL INVESTMENT FUND	0,0	676,5	221,8	898,3	898,3	0,0	898,3	218,7
FSN(1)	78,7	0,0	73,2	151,9	36,1	115,8	151,9	26,5
PSIM(1)	28,5	0,0	11,2	39,7	4,4	35,3	39,7	3,9
PSPC(1)	203,8	0,0	94,1	297,9	218,4	79,5	297,9	257,6
SIA(1)	0,0	12,9	-3,0	9,9	9,9	0,0	9,9	0,6
FUI(1)	0,0	23,2	24,2	47,4	47,4	0,0	47,4	1,1
FNI-PR(1)	11,1	0,0	11,4	22,5	1,1	21,4	22,5	1,2
PIAVE(1)	73,3	0,0	29,9	103,2	26,1	77,1	103,2	47,7
PIA4 DEMONSTRATORS LEAD (1)	38,2	41,6	17,9	97,7	97,7	0,0	97,7	257,5
PIA4 DEPLOYMENT LEAD (1)	45,1	0,0	14,5	59,6	4,3	55,3	59,6	361,7
PIA4 STRUCTURAL (1)	0,5	92,1	14,9	107,5	107,5	0,0	107,5	83,4
PIA4 MATURATION LEAD (1)	0,0	0,0	1,6	1,6	0,7	0,9	1,6	35,4
BATTERIES PLAN	0,0	237,4	0,0	237,4	237,4	0,0	237,4	82,6
French Tech	0,0	0,0	0,3	0,3	0,1	0,2	0,3	0,0
French Tech Springboard	0,0	2,2	0,1	2,3	2,3	0,0	2,3	0,8
FRI GPT	48,1	0,0	103,9	152,0	35,1	116,9	152,0	26,6
Prospecting Insurance	320,4	0,0	-24,2	296,2	0,0	296,2	296,2	246,4
KEY GPT CHALLENGES	0,0	22,8	6,8	29,6	29,6	0,0	29,6	4,3
FGI SST PIA 3(1)	51,8	27,9	21,1	100,8	100,8	0,0	100,8	452,3
FGI PIA3 Innovation competition	53,1	0,0	9,7	62,8	52,1	10,7	62,8	49,5
Total	1 270,1	1 143,6	984,8	3 398,5	1 930,8	1 467,7	3 398,5	99 507,7

(1) ARI: Aid for re-industrialisation

FDES PBAR: Economic and Social Development Fund - Budgetary Planning and Resource Allocation (Fonds de Développement Economique et Social (progr

PGE: Loan Guaranteed by the State. (Prêt Garanti par l'Etat)

FCS: Social cohesion fund (Fonds de cohésion social)

FGRU: Guarantee Fund for Urban Renewal (Fonds de Garantie pour le Renouvellement Urbain)

FSN: National Fund for Digital Society (Fonds national pour la Société Numérique)

PSIM: Major Innovation Support Program (Programme de Soutien à l'Innovation Majeure)

PSPC: Project for research and development in Structuring Competitiveness Clusters (Projet de recherche et de développement Structurants des Pôles de

FUI: Single Interministry Fund (Fonds Unique Interministériel)

FNI-PR: National Innovation Fund - Regional Partnerships for the Future (Fonds national d'innovation - Partenariats régionaux d'avenir)

PIAVE: Industrial Projects of the Future (Projets Industriels d'Avenir)

SST PIA 3: Sector Support and Transformation - Investing in the Future programme 3 (programme d'investissements d'avenir)

SIA: Sait Incubators and Accelerators

PIA 4: Investing in the Future programme 4 (programme d'investissements d'avenir)

(2) PGE: State Guaranteed Loan (Prêt Garanti par l'Etat)

	31/12/2020							
	Assets				Liabilities			Off balance sheet
	Receivables	Principal	Cash	Total	Debts	Principal	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								
PGE (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
Overseas dep. 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								
Assets	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 FUNDS	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
BATTERIES 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 Springboard	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
Prospecting Insurance	196,0	0,0	-8,5	187,5	0,0	187,5	187,5	205,8
KEY GPT CHALLENGES	0,0	0,0	16,2	16,2	2,4	13,8	16,2	11,8
FGI SST PIA 3(1)	3,8	13,6	36,7	54,1	54,1	0,0	54,1	321,5
FGI PIA3 Innovation competition	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: Aid for re-industrialisation

FDES PBAR: Economic and Social Development Fund - Budgetary Planning and Resource Allocation (*Fonds de Développement Economique et Social (projet)*)

PGE: Loan Guaranteed by the State. (*Prêt Garanti par l'Etat*)

FCS: Social cohesion fund (*Fonds de cohésion sociale*)

FGRU: Guarantee Fund for Urban Renewal (*Fonds de Garantie pour le Renouvellement Urbain*)

FSN: National Fund for Digital Society (*Fonds national pour la Société Numérique*)

PSIM: Major Innovation Support Program (*Programme de Soutien à l'Innovation Majeure*)

PSPC: Project for research and development in Structuring Competitiveness Clusters (*Projet de recherche et de développement Structurants des Pôles de*

FUI: Single Interministry Fund (*Fonds Unique Interministériel*)

FNI-PRI: National Innovation Fund - Regional Partnerships for the Future (*Fonds national d'innovation - Partenariats régionaux d'avenir*)

PIAVE: Industrial Projects of the Future (*Projets Industriels d'Avenir*)

SST PIA 3: Sector Support and Transformation - Investing in the Future programme 3 (programme d'investissements d'avenir)

SIA : Satt Incubators and Accelerators

PIA 4: Investing in the Future programme 4 (programme d'investissements d'avenir)

(2) PGE: State Guaranteed Loan (*Prêt Garanti par l'Etat*)

9. SEPARATE FINANCIAL STATEMENTS

Bpifrance

SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021

- Separate balance sheet
- Separate off-balance sheet items
- Separate income statement

Bpifrance Publishable Balance Sheet

(millions of euros)

ASSETS	Notes	31/12/2021	31/12/2020
Cash in hand, central banks		8 600,4	7 819,2
Public sector bills and similar securities	6	10 084,7	9 630,8
Receivables on credit institutions	3	840,6	835,1
- Current		538,9	554,9
- At maturity		301,7	280,2
Customer transactions	4	39 944,3	40 285,2
- Business Credits		88,4	123,4
- Other client business		33 932,5	34 593,0
- Ordinary debtor accounts		5 923,4	5 568,8
Bonds and other fixed-income securities	6	6 737,2	5 062,0
Shares and other variable income securities	6	154,4	929,0
Equity interests and other securities held long-term	7	46,1	49,5
Shares in equity-consolidated companies	7	21 490,9	18 495,4
Finance and ordinary leases with purchase option	5	5 899,2	5 992,0
Operating lease	5	167,7	194,7
Intangible fixed assets	9	158,6	128,7
Tangible fixed assets	9	25,5	26,0
Subscribed but unpaid capital		0,0	0,0
Treasury shares	8	64,1	42,3
Innovation financing aid	10	551,5	672,2
Other assets	11	728,7	794,2
Accruals	12	452,8	413,7
TOTAL ASSETS		95 946,7	91 370,0

Bpifrance Publishable Balance Sheet

(millions of euros)

LIABILITIES	Notes	31/12/2021	31/12/2020
Central Banks		0,0	0,0
Due to credit institutions	13	21 487,2	18 887,0
- Current		106,8	107,1
- At maturity		21 380,4	18 779,9
Customer transactions	14	2 441,8	3 012,6
- Current		244,5	229,5
- At maturity		2 197,3	2 783,1
Debts represented by a security	15	36 227,9	36 128,1
- Interbank Market Securities. & negotiable debt securities		4 963,4	4 486,3
- Bonds		31 264,5	31 641,8
Other liabilities	16	3 705,1	1 785,8
Accruals	17	2 524,8	2 159,7
Provisions	18	633,9	684,5
Subordinated debts, mutual guarantee deposits	19	18,9	19,7
Public Guarantee Funds	20	5 025,4	4 806,7
Net resources for innovation-related activity	21	1 266,5	1 365,0
General Banking Risk Funds		235,2	235,2
Shareholders' equity excluding contingencies fund (FRBG)	22	22 380,0	22 285,7
- Subscribed Capital		5 440,0	5 440,0
- Merger and Issuance premiums		15 674,0	15 674,0
- Reserves		236,0	236,0
- Regulated provisions, investment grants		101,6	77,3
- Balance brought forward		861,1	906,3
- Period results		494,5	-47,9
- Downpayments on dividends		-427,2	0,0
TOTAL LIABILITIES		95 946,7	91 370,0

Bpifrance separate off-balance sheet items

(millions of euros)	Note	31/12/2021	31/12/2020
Commitments Given	25		
- <i>Financial commitments</i>			
. Commitments to credit institutions		20,0	10,0
. Commitments to customers		8 462,2	7 897,6
- <i>Guarantee commitments</i>			
. Commitments on behalf of credit institutions		0,0	0,0
. Commitments on behalf of customers		12 701,2	12 891,2
- <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 credit institutions		916,7	4 946,9
- <i>Guarantee commitments</i>			
. Commitments received from credit institutions		786,7	913,3
- <i>Commitments on securities</i>			
. Securities sold with buyback/recovery option		0,0	0,0
. Other commitments received		0,1	0,1

Bpifrance separate income statement

(millions of euros)

	Notes	31/12/2021	31/12/2020
Interest and similar income	27	1 207,9	1 192,5
Interest and similar expenses	28	-510,5	-505,7
Income on leasing and similar transactions	29	1 208,1	1 192,7
Expense on leasing and similar operations	30	-1 165,6	-1 185,1
Profits on simple rentals operations	29	82,0	87,1
Expense on operating leases	30	-82,0	-83,1
Income from variable income securities	31	424,3	302,6
Fees (income)	32	17,3	19,9
Fees (expenses)	32	-1,4	-1,8
Gains/losses on trading portfolio transactions	33	4,8	5,6
Gains or losses on long-term portfolio & similar transactions	34	-41,7	-104,9
Other banking operational income	35	115,4	80,9
Other banking operational expenses	36	-68,3	-63,7
NET BANKING INCOME		1 190,3	937,0
General Operating Expenses	37	-530,5	-500,6
Depreciation, amortisation & impairment on tangible & intangible fixed assets		-43,9	-38,7
GROSS OPERATING INCOME		615,9	397,7
Risk Costs	38	-51,2	-378,9
NET OPERATING INCOME		564,7	18,8
Gains/losses on fixed assets	39	-6,7	0,2
CURRENT INCOME BEFORE TAXES		558,0	19,0
Extraordinary profit or loss		0,0	0,0
Corporate income taxes	42	-39,2	-80,5
Charges to/recoveries from the FGBR & regulatory provisions		-24,3	13,6
NET RESULTS		494,5	-47,9

Bpifrance

NOTES TO THE PUBLISHABLE SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021

Notes to the financial statements

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● **NOTE 1 - PRESENTATION AND ASSESSMENT RULES**

The annual accounts have been drawn up and are presented in accordance with the allowances of the Accounting Standards Authority (ANC) Regulation No 2014-07 on the accounts of companies in the banking sector.

1.1 Presentation of accounts

● **Balance sheet**

- Related receivables and liabilities are combined with the assets or liabilities to which they relate.
- The securities portfolio is broken down by the type of the securities that comprise it: government securities, bonds and other fixed-income securities, shares and other variable income securities. Its breakdown by economic purpose (transactions, investments) is provided in Note 6.2.
- Subordinate assets are carried forward, depending on their nature, either in receivables from credit institutions, in receivables from customers or in the item "bonds and other fixed-income securities".
- Bad debts are recorded according to their nature in the asset items to which they relate at their amount net of depreciation.
- On a liability basis, mutual security deposits are included in the "subordinate debts" item.
- The item "Non-FRBG Equity" includes the items "subscribed capital", "issuance and merger premiums", "reserves", "regulated allowances and investment subsidies", "retained earnings", "profit and loss for the year" and "dividend payments".
- Equipment subsidies received in respect of leasing operations are listed under the item "Other liabilities".

● **Income statement**

The presentation of the income statement is based on 5 interim management balances: Net Banking Income, Gross Operating Result, Operating Result, Current Profit and Loss Before Tax and Net Operating Result.

The significant elements of the income statement are described in Notes 27 to 42.

1.2 Accounting principles and methods

• Credit risk

The classification of credit transactions is based on the notion of proven credit risk. Risk is established as long as it is probable that a portion of the amounts owed by a counterparty will not be collected 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 institution is aware of the counterparty's deteriorated financial situation, which results in a risk of non-recovery;
- there are litigation procedures between the establishment and its counterparty.

A distinction is made between performing, restructured, doubtful and impaired loans.

Performing loans

Non-risk-generating credit transactions are recognised as performing loans.

Restructured loans

So-called restructured receivables are defined as receivables held by counterparties who have experienced financial difficulties such that the institution has been required to review the original characteristics of the receivable.

Doubtful loans

Credit operations that generate a proven risk are doubtful loans. For a given counterparty, all credit transactions will be classified as doubtful loans by "reference".

Credit transactions become compromised if recovery prospects are significantly degraded and if the transition to a term loss is envisaged (see note 4).

Events that may lead to a downgrade to impaired loans include:

- term lapse;
- termination of the agreement;
- closing the relationship with the customer.

One year after the classification of doubtful loans, the outstanding credit is presumed to be impaired unless the transition to a term loss is not envisaged. The existence of guarantees will be taken into account for the qualification of impaired loans.

Impaired loans are classified under doubtful loans.

When the irrecoverable nature of the receivables is confirmed, these assets are written off.

Receivable segmentation

The nature of the operation of the establishment leads to the segmentation of receivables by:

- remaining term;
- industry;
- main counterparty types.

As part of its commercial policy, its selection policy and its risk control, Bpifrance uses an internal rating system.

Impairment losses allocated to doubtful customer loans

Impairment losses allocated to doubtful receivables are deducted from the corresponding asset items.

The allowances that Bpifrance has deemed necessary to cover doubtful receivables are recorded as liabilities in the balance sheet.

Impairment losses on medium and long-term loans and other receivables, whether or not backed by guarantee funds, are determined on an ad hoc basis, per receivable, after analysis of the estimated loss based on probable recoveries, including guarantees, discounted at the original interest rate of the loan.

At the balance sheet date, the net outstanding impairment is equal to the lowest of the historical cost and present value of the expected future cash flows in respect of interest, repayment of capital and value of guarantees.

Impairment charges and reversals for non-recovery risk are recorded in risk cost. The increase in the carrying value associated with the passage of time is recorded in the interest margin.

Impairment of guarantee commitments provided and innovation grants

For guarantee commitments provided, the impairment corresponds to the capital loss as well as the contractual interest covered by the guarantee funds. The capital loss is assessed using a statistical method for estimating potential recoveries. These impairments do not impact the income statement; they are charged to the guarantee funds.

For innovation grants, impairment is estimated individually. These impairments do not impact the income statement; they are charged to the guarantee funds.

Dynamic collective allowances

Since 2000, allowances have been made for performing loans to customers. The estimation methodology applied has been revised twice: in 2007 when the consolidated financial statements were changed to IFRS standards, and in 2018 when IFRS 9 came into force.

The existence of a credit risk on a homogeneous set of receivables gives rise to the recording of an allowance, without waiting for the risk to have affected one or more receivables individually.

The methodology implemented by Bpifrance is mainly based on the analysis of the internal ratings of the portfolio. The model for estimating collective allowances is based on stochastic scenario simulations that associate a potential default date and a loss rate in the event of default with each counterparty.

The collective allowance is recognised as a liability in the balance sheet. As risks arise, allowances for bad debts are recorded and deducted from impaired loans, with the collective allowance being reversed accordingly.

- **Early repayment of loans to customers**

Bpifrance directly records in the operating result the prepayment allowances for loans granted to customers, at the date of execution.

- **Leasing and related transactions**

Bpifrance carries on a business of movable leasing, financial leasing and real estate leasing, a residual part of which is subject to the SICOMI scheme.

In the separate financial statements, these transactions appear on the balance sheet under the items "leasing and rental with purchase option" and "operating leasing" and on the income statement under the items "leasing and related products", "leasing and similar charges" and "leasing products", "charges on simple leasing operations".

Leased or rented assets are recorded in the balance sheet at their purchase price, which in the case of real estate leasing includes the acquisition costs, the cost of construction and the purchase price of the land.

Accounting depreciation, which is subject to the double limit of the depreciation allowed for tax purposes and the minimum linear allocation, is calculated on an item-by-item basis, except for land, which is not depreciated.

When a contract becomes doubtful, if the estimated value of the probable recoveries is less than the carrying amount of the asset, the difference is depreciated in the Net Banking Income.

Contractual termination benefits are accounted for as "proceeds on leasing and related transactions". Impairments to cover indemnities due are also recorded in this item.

This corporate presentation is associated with a financial presentation, which reflects the economic substance of the operations. Rents are broken down, on the one hand, into interest and, on the other, into capital depreciation called financial depreciation.

The financial balance sheet shows the financial debt equal to the gross value of the fixed assets less financial amortisation and depreciation.

The financial income statement shows:

- in the Net Banking Income: the interest included in the accrued rents for the year and the financial plus or minus-value on performing financial loans;
- in the risk cost: changes in financial impairment and financial plus or minus-value on doubtful financial loans.

Financial data are included in Notes 5, 40 and 41.

- **Financial instrument transactions**

Balance sheet transactions

The portfolio consists of securities, treasury bills, other negotiable debt instruments and interbank market instruments.

Depending on their economic purpose and the risks attached to them, securities are classified in four portfolios that are subject to specific accounting rules:

Transaction securities

These are securities that are:

- acquired or sold with the intention of reselling or redeeming them in the short term;
- owned by an institution because of their market content activity;
- acquired or sold as part of specialised portfolio management;
- the object of a sale commitment in the context of an arbitration transaction.

They are registered on their acquisition date for their purchase price excluding expenses, including accrued interest. At each balance sheet date, they are revalued at market price. The overall balance of the differences resulting from price changes is recognised in the Net Banking Income.

Marketable securities

This portfolio is composed of securities that cannot be recorded among transaction securities, investment securities, portfolio activity securities, other long-term securities, equity securities and shares in related companies.

These securities are recorded at their acquisition price, expenses and accrued interest at purchase.

The differences between the acquisition price of fixed-income securities and their repayment price are spread over the residual life of those securities using the actuarial method.

At the balance sheet date, these securities are valued at their market value. If the value is less than the carrying amount, they are subject to an impairment charge that affects the Net Banking Income.

Investment securities

These are fixed-income securities intended to be held on a long-term basis, in principle up to maturity.

These securities are financed by allocated resources or are rate hedged. They are recorded at acquisition cost, excluding expenses and accrued interest. The difference between this price and the redemption value is spread actuarially over the period remaining until the redemption date. At the balance sheet date, no allowance is made for unrealised losses unless there is a counterparty risk.

In the event that some of these securities are sold before maturity for a significant amount, the entire portfolio would be downgraded to marketable securities for the current and two subsequent years, unless otherwise provided by law.

Portfolio-activity securities

Securities acquired on a regular basis with the sole aim of making a capital gain in the medium term, without the intention of investing in the development of the issuing company on a long-term basis or participating actively in its management, are considered to be portfolio investments. The activity must be carried out in a significant and permanent manner within a structured framework that provides the institution with recurring profitability, mainly from capital gains on disposals. This category includes securities held as part of a venture capital activity; these securities are recorded, depending on their nature, under the items "Bonds and other fixed-income securities" and "Shares and other variable-income securities".

They are valued at the end of the financial year at the lower of their cost price or their value in use, determined by taking into account the general development prospects of the issuer and the holding period. They are subject, where appropriate, to impairment which affects the Net Banking Income.

Repurchase agreements

Securities received under repurchase agreements are recorded as assets in an account representing the claim thus generated. The corresponding products are registered as a Net Banking Income.

Securities delivered under repurchase agreements generate 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 transactions

These transactions are identified on the basis of the notional amount and market value of the contracts and are distinguished according to their economic purpose (see Note 25).

The results of these transactions are recorded in the Net Banking Income.

Hedging transactions are the main part of the negotiated transactions:

- income and expenses relating to forward financial instruments intended to hedge, in an identified manner from the outset, an item or a set of homogeneous items (micro-hedging¹) are recorded symmetrically with the recognition of income and expenses on the hedged items;
- income and expenses related to instruments used to adjust the characteristics of resources to the needs defined in the context of the overall management of interest rate or currency positions (macro hedging²) are accounted on a pro rata basis in the Net Banking Income.

In the event of the cancellation of interest rate or currency swap agreements entered into in connection with the overall management of interest rate positions, the compensation received or paid is spread over the remaining life of the cancelled agreement.

¹ Foreign currency transactions (currency and/or rate exchange agreements).

² Macro hedging includes transactions on firm or conditional interest rate and currency instruments set up as part of the overall management of Bpifrance's positions.

For transactions that make up isolated open positions:

- transactions traded on an organised or similar market are valued at each balance sheet date. The corresponding gains or losses directly affect the Net Banking Income;
 - the results of transactions negotiated on an over-the-counter market are recorded according to the nature of the instruments, either at the conclusion of the agreements or on a pro rata basis. The unrealised losses on the balance sheet date affect the Net Banking Income.
- **Equity securities and related business shares, other long-term securities**

These securities are recorded at the acquisition price, excluding costs.

Holdings, shares in related companies

Equity securities and shares in related companies are values that give rights in the capital of a business. Their lasting possession is considered useful to the activity of the company that holds them, either because it enables it to exercise significant influence over the issuing company or because it is the expression of a partnership relationship.

These securities are valued at year-end at the lowest of their cost or value in use. The value in use represents what the company would be willing to pay to obtain these securities if it had to acquire them given its holding objective. This may be determined in particular on the basis of the market value, the net asset value, the business prospects of the issuing company, the realisation prospects and the economic situation. If this value is less than their carrying value, the securities are depreciated as "gains or losses on fixed assets".

Other long-term securities

These are investments made in the form of securities with the intention of fostering the development of lasting professional relationships by creating a privileged link with the issuing company, but with no influence on the management of the company due to the small percentage of voting rights held. These securities are valued using the method used for equity securities and related business shares.

- **Intangible and tangible assets**

Fixed assets are amortisable or non-amortisable assets from which the enterprise expects future economic benefits.

The amortisation of a fixed asset is the systematic allocation of its amortisable amount according to its use.

The amortisation allowance is found in the item "Depreciation and amortisation charges on intangible and tangible fixed assets" in the income statement.

Accelerated amortisations resulting from the application of the General Tax Code are recorded in the item "Additions/reversals of FRBG and regulated provisions" of the income statement.

- **Guarantee fund and net innovation intervention resources**

In order to fulfil its general economic interest, the State provides Bpifrance with public resources to cover the commitments resulting from this task. The activities covered by these funds are, on the one hand, the guarantee of bank credit and, on the other hand, the distribution of aid for innovation mainly in the form of grants and repayable advances.

The resources granted by the State appear on the balance sheet's liabilities and are reduced by losses and allowances recognised on the transactions concerned. The financial income resulting from treasury market investments is mainly reallocated to the resources granted.

The main positions affected by these activities of general economic interest are:

- as assets, aid for financing innovation (see Note 10) and grants receivable (see Note 11);
- as liabilities, the guarantee funds (see Note 20) and the innovation intervention resources (see Note 21);
- in the off-balance sheet, the guarantees provided (see Note 25).

Guarantee funds meet the definition of debt instruments as they are repayable. Given their specificity and significance to the group, they are classified as balance sheet liabilities under specific items entitled "Public guarantee funds" and "Net resources for innovation intervention."

They are valued at cost. This valuation includes the allocations received, plus the share of income accruing to the funds (commissions, net financial income, holdings in capital gains on securities), net of proven litigation (expenses, litigation provisions and pre-litigation provisions).

Gains, losses and allowances allocated to the guarantee funds, as described in Notes 20.2 and 21.2, are not recognised in the income statement. Expenses and income are not subject to tax.

Similarly, public partners, mainly the regions, provide Bpifrance with resources for the financing of grants and repayable advances. The net amount of these resources is combined with the innovation guarantee funds in the item "Net resources for innovation intervention".

• **Funds for General Banking Risks**

The Fund for General Banking Risks is allocated at the discretion of the executives in order to meet charges and risks of an exceptional nature relating to the banking activity.

• **Foreign currency transactions**

Assets, liabilities and off-balance sheet items are converted into euro at the current market price on the date of the balance sheet.

The differences resulting from the revaluation of the foreign exchange positions are recognised in the Net Banking Income.

• **Interests and Commissions**

Interest and commissions are recorded in Net Banking Income using the accrual method.

Commissions and handling fees, if insignificant, are not deferred.

• **Borrowing expenses**

The issuance costs and the repayment or issuance premiums are spread over the term of the loan. The resulting charge is recognised in the Net Banking Income.

The annual interest expense on step-up or balloon loans is recognised on the basis of the actuarial cost rate of the loan.

- **Tax situation**

Bpifrance is the parent company of the tax consolidation group comprising Bpifrance Investissement, Bpifrance Export Insurance, Bpifrance Participations, Bpifrance Brokerage and Auxifinances. Bpifrance is the beneficiary of the overall savings on tax, proceeds or expense achieved by the tax consolidation group as a result of the application of the consolidation regime.

- **Pensions and other social commitments**

Post-employment benefits

They cover retirement benefits, bank pension supplements and post-employment health care costs.

These benefits may be classified into two categories: defined contribution plans (not representing a commitment to be funded by the company) and defined benefit plans (representing a commitment to be paid by the company and giving rise to valuation and funding).

- **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan in which an entity pays defined contributions (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 compensate all benefits related to the services rendered by staff during the periods in question.

- **Defined benefit plan**

The bonds, covered by an insurance agreement, are evaluated on an actuarial basis, taking into account demographic and financial assumptions such as age, seniority, probability of attendance at the date of the benefit award and discount rate (market rate of return for bonds of companies with high credit quality).

This calculation allocates the expense over time according to the period of activity of the staff members (projected credit method). The recognition of bonds takes into account the value of the assets built up as a hedge of the bonds and actuarial assets.

Defined benefit expenses consist of the cost of the services rendered for the year, interest on the net defined benefit liabilities or assets (at the market rate of return for high-quality credit corporate bonds), contributions to the employer's plans and benefits paid.

Any actuarial gains and losses (revaluations), returns on assets (excluding interest) and the consequences of any reductions and settlements are recognised in the income statement.

Other long-term benefits

- **Labour medal of honour bonus**

The employees of the group are awarded bonuses for labour medals of honour. These commitments are set forth on the basis of the agreement signed on 15 December 2011.

- Supplementary retirement

The AFB professional agreement of 13 September 1993 on the reform of pension regimes in the banking profession applies to Bpifrance staff. The payment of a bank pension supplement and abatements not covered by the host funds in respect of the rights acquired by these staff on 31 December 1993 is ensured by a reserve fund whose amount is sufficient to cover the needs.

- Early retirement

With regard to early retirement, Bpifrance is committed to its staff. These liabilities are provided for.

Termination benefits

These are the allowances granted to employees upon the termination of their employment agreement prior to retirement, whether in the event of dismissal or acceptance of a voluntary retirement plan. An allowance is made for termination benefits. Those paid more than twelve months after the balance sheet date are discounted.

Significant actuarial assumptions

Actuarial mortality assumptions are based on public mortality statistics tables.

The terms of employment rotation (turnover) change mainly according to the age of the employee based on historical statistical data.

The discount rate, the rate of first-category bonds, was determined on the basis of the carrying period of the relevant liabilities.

The economic assumptions concerning the annual rate of wage growth and the rate of revaluation of the labour medal commitments are also included in the actuarial assumptions.

● **NOTE 2 - SIGNIFICANT FACTS OF THE YEAR AND POST-BALANCE SHEET EVENTS**

2.1 Significant facts of the financial year

2.1.1 Impact of the health crisis

The 2020 financial year was marked by an unprecedented health crisis related to Covid-19. This pandemic continued to affect economic and social activities in 2021, although its economic impact was more limited overall.

Having a general interest to finance and develop companies, in support of public policies, Bpifrance is fully committed to supporting French companies during this period.

As in 2020, the economic context requires the application of methodological adjustments to the Bpifrance model for calculating the collective allowance. Sectoral adjustments have therefore been made to tourism, industry and photovoltaic energy companies. Bpifrance also recorded an adjustment on companies that received a EMP to take account of their ability to repay their debts.

2.1.2 Subscription to the capital increase of Bpifrance Participations

On 17 December 2020, the Bpifrance Participations Extraordinary General Meeting decided and fixed the terms and conditions for a capital increase of EUR 2,389,770,390, through the issuance of 362,635,871 shares with a nominal value of EUR 6.59 and the creation of an overall issue premium of EUR 610,229,610.

On 19 May 2021, Bpifrance fully subscribed to the 362,635,871 new shares, for a total subscription price of 3,000,000,000 euros, paid in cash up to 207,672,208 euros.

2.2 Post-balance sheet events

Russia's invasion of Ukraine on 24 February 2022 led to instability in financial markets and the economy in general, as well as to the implementation of sanctions by the international community.

Due to its vocation to finance mainly French companies, Bpifrance Group's direct exposure to Russia, Ukraine and Belarus is very limited, around € 10 M. About half of this € 10 M is made up of net exposure related to export credits financing Ukrainian buyers as part of the support provided by Bpifrance to French exporters. The remainder concerns equity positions taken by a subsidiary of Bpifrance Participations in three Russian entities not yet targeted by European or American sanctions. However, these capital operations were carried out alongside a Russian partner, now subject to European and American sanctions. Bpifrance's objective is to exit this partnership and/or the Russian assets as soon as possible, in compliance with the applicable sanctions.

The impact of this crisis on the economy, the effects of which we cannot yet measure with certainty and definitively, may have consequences for the activity, profitability and even solvency of client or investor companies. The recent interviews with Bpifrance's significant counterparties do not point to any critical issues at this stage that are likely to generate specific allowances and/or depreciations of Bpifrance's assets as at 31/12/2021.

In addition, it should be recalled that the Bpifrance Group includes the legal entity Bpifrance Assurance Export, which acts on behalf of and under the control of the French State with regard to the support of French exports. As such, this entity is involved in the negotiation, implementation and monitoring of this public support for French exports. These exposures, directly borne by the State (and not on Bpifrance's balance sheet), represent slightly more than € 580 million in Russia and approximately € 1.1 billion in Ukraine.

● NOTE 3 - RECEIVABLES FROM CREDIT INSTITUTIONS

(in millions of euros)	31/12/2021	31/12/2020
Demand deposits and overnight loans	538,9	554,9
Term accounts and loans	301,5	280,0
Subordinated loans	0,0	0,0
Securities received under repurchase	0,0	0,0
Doubtful account		
. <i>Gross amount</i>	0,0	0,0
. <i>Depreciation</i>	0,0	0,0
Net amount in bad debts	0,0	0,0
Related receivables	0,2	0,2
Total (*)	840,6	835,1
(*) including refinancing loans from subsidiaries or shares	266,4	242,0

Breakdown of performing loans (excluding related receivables) by remaining term at 31 December 2021

(in millions of euros)	D ≤ 3 m.	3m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Healthy stocks	561,4	22,2	111,2	145,6
	840,4			

● NOTE 4 - CUSTOMER TRANSACTIONS - ASSETS

This section describes medium-term loan and short-term debt financing transactions.

(in millions of euros)	31/12/2021	31/12/2020
Trade receivables	88,4	123,4
Overdrafts (excluding AFT)	24,6	19,4
Cash credit	2 126,2	3 367,4
Equipment loans	15 613,8	16 065,4
<i>of which restructured loans</i>	350,5	212,9
Accounts opened with Agence France Trésor	5 894,6	5 545,0
Export credit	584,5	441,1
Other loans and subordinated loans	14 512,4	13 733,5
<i>of which restructured loans</i>	257,8	168,0
Loans to financial customers	18,8	14,6
Doubtful account		
. <i>Gross amount (1)</i>	2 035,4	1 692,8
. <i>Depreciation</i>	-480,8	-367,3
. <i>Callable allocated guarantee funds (2)</i>	-514,8	-418,6
Net amount in bad debts	1 039,8	906,9
Related receivables	41,2	68,5
Total (3)(4)	39 944,3	40 285,2
(1) Before deducting any guarantees		
(2) This item represents the impairments accrued on the guarantee funds		
(3) Excluding the collective provision in the liabilities of the balance sheet		
(4) Of which eligible claims with the Eurosystem (ECB)	9 222,4	7 945,1

The overall bad debt amount is broken down as follows:

(in millions of euros)	Doubtful outstanding	Compromised doubtful outstandings	TOTAL
Outstandings	412,5	1 622,9	2 035,4
Depreciation	0,0	-480,8	-480,8
Allocated callable guarantee funds	-280,8	-234,0	-514,8
Net amount	131,7	908,1	1 039,8

Breakdown of outstanding amounts (excluding related receivables) as at 31 December 2021

- Depending on the time remaining

(in millions of euros)	D ≤ 3 m.	3m. < D ≤ 1 year	year < D ≤ 5 years	D > 5 years
Healthy stocks	7 805,9	5 618,7	16 528,0	8 910,7
	38 863,3			

- By economic activity sectors

(in millions of euros)	Trade	Industry	Services	PW&CE	Tourism	TOTAL
Healthy stocks	3 536,0	8 522,0	23 695,0 (*)	1 220,0	1 890,3	38 863,3
Doubtful outstandings	213,0	554,0	1 084,0	80,4	104,0	2 035,4
Depreciation	-70,0	-120,0	-253,0	-16,8	-21,0	-480,8

(*) Of which 5,894.6 million euros are from Agence France Trésor

- By major types of counterparty

	Central	Credit	Non-Credit	Companies	Retail	TOTAL
(in millions of euros)	Administrations	institutions	Institutions		customers	
Healthy stocks	6 481,4	3,6	1 013,8	31 363,3	1,2	38 863,3
Doubtful outstandings	7,0	0,0	54,5	1 973,9	0,0	2 035,4
Depreciation	0,0	0,0	0,0	-480,8	0,0	-480,8

Securitisation

During the 2019 financial year, Bpifrance securitised € 2,001 million of medium to long-term loans to customers (MLTL). In November 2021, the securitised amount outstanding is topped up to EUR 1,461 million.

Bpifrance is both the assignor of the receivables and the sole investor in the Common Securitisation Funds (FCT) to which the receivables have been assigned. This transaction makes it possible to convert the loans sold into securities eligible for the ECB's long-term refinancing operations (TLTRO) and thus benefit from advantageous refinancing costs.

The securities subscribed by Bpifrance appear on the balance sheet assets in the market investment portfolio for an amount of EUR 3,450 million at 31 December 2021 (EUR 1,988 million at 31 December 2020).

A second transaction of this type was carried out in the financial year 2020 and concerns EUR 2,002 million of unsecured loans (PSG).

The securities subscribed by Bpifrance are included in the market investment portfolio, for an amount of EUR 2,002 million at 31 December 2021 (EUR 2,002 million at 31 December 2020).

In order to optimise the operational processing of its digital offer of loans to VSBs and SMEs, Bpifrance securitises all Rebond loans distributed via its digital platform. Once again, Bpifrance is both the assignor of the receivables and the sole investor in the FCT.

The securities subscribed by Bpifrance are included in the market investment portfolio, for an amount of EUR 238 million at 31 December 2021 (EUR 190 million at 31 December 2020).

Bpifrance securitises according to the same model all of its digital Bonus Loans offer, launched for project leaders supported by the support networks.

The securities subscribed by Bpifrance are included in the market investment portfolio, for an amount of EUR 57 million at 31 December 2021 (EUR 12 million at 31 December 2020).

As Bpifrance retains all the risks and benefits of these loans through its subscription, the transactions are not deconsolidated for accounting purposes. The Common Securitisation Funds are consolidated using the overall integration method in the consolidated financial statements of Bpifrance.

● NOTE 5 - LEASING AND OPERATING LEASE TRANSACTIONS

Cash flows recorded in financial year 2021

(in millions of euros)	Finance lease and property lease	Finance lease and equipment	TOTAL
Gross amount of fixed assets as of 31/12/2020	7 572,8	3 648,5	11 221,3
Input	648,8	566,7	1 215,5
Output	-469,4	-563,1	-1 032,5
Gross amount of fixed assets as of 31/12/2021	7 752,2	3 652,1	11 404,3
Accumulated depreciation and amortisation as of 31/12/2021	-2 472,6	-2 253,6	-4 726,2
Accumulated impairments as of 31/12/2021 (*)	-892,9	-2,4	-895,3
Allocated guarantee funds accumulated as of 31/12/2021	-7,8	-3,1	-10,9
Net amount of fixed assets as of 31/12/2021	4 378,9	1 393,0	5 771,9
Net receivables	181,5	113,5	295,1
Subtotal	4 560,4	1 506,5	6 066,9
Unrealised reserve	48,7	465,7	514,4
Net financial outstanding as of 31/12/2021	4 609,1	1 972,2	6 581,3
(*) Including - Provisions Art. 64 of the Sicomi Plan	-3,8	0,0	-3,8
- Provisions Art. 57	-861,7	0,0	-861,7

● NOTE 6 - SECURITIES PORTFOLIO

6.1 Cash flows recorded in financial year 2021

(in millions of euros)	Treasury bills and similar securities	Bonds and other fixed-income securities	Shares and other variable income securities
Gross amount as of 31/12/2020	9 630,8	5 077,1	929,8
Input	1 139,7	4 875,5	55,1
Output	-649,9	-3 194,0	-829,8
Amortisation of premiums/discounts	0,0	0,0	0,0
Change in related receivables	-12,8	-0,4	0,0
Gross amount as of 31/12/2021	10 107,8	6 758,2	155,1
Accumulated impairments as of 31/12/2021	-23,1	-21,0	-0,7
Net amount as of 31/12/2021	10 084,7	6 737,2	154,4

(*) Impairments for unrealised capital losses and for bad debts

The table below details the part of the securities held for use in the guarantee funds:

(in millions of euros)	Treasury bills and similar securities	Bonds and other fixed-income securities	Shares and other variable income securities
Gross amount as of 31/12/2021	18,6	27,2	155,1
Related receivables as of 31/12/2021	0,0	0,1	0,0
Cumulative impairments	0,0	-1,6	-0,7
Net amount as of 31/12/2021	18,6	25,7	154,4

Breakdown of fixed-income portfolio by remaining term to maturity at 31 December 2021

(in millions of euros)	D ≤ 3 m.	3 m. < D ≤ 1 year	year < D ≤ 5 years	D > 5 years	Related receivables	TOTAL
Treasury bills and similar securities	0,0	431,4	5 681,9	3 908,0	63,4	10 084,7
Bonds and other fixed-income securities	4,0	1,5	287,6	6 440,4	3,7	6 737,2
	4,0	432,9	5 969,5	10 348,4	67,1	16 821,9
	16 754,8					

6.2 Breakdown by portfolio type (net amounts, including related receivables)

(in millions of euros)	31/12/2021					31/12/2020	
	Treasury 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		
Property investment	2 349,0	833,7	5 757,8	154,4	0,0	9 094,9	7 788,2
Investment	7 735,7	145,7	0,0	0,0	0,0	7 881,4	7 833,6
Total	10 084,7	6 737,2	(*)	154,4		16 976,3	15 621,8

(*) Including: - Securities issued by the French State or local authorities: 0.0
- Securities issued by other issuers: 6,737.2 million

At 31 December 2021, € 13,020.06 million of securities were given under repurchase agreements, compared with € 13,266.78 million at 31 December 2020 (amounts expressed in net book value).

Marketable investment securities are not subject to any impairment for counterparty risk

6.3 Transfers between portfolios and disposal of investment securities before maturity

During the year, there was no transfer of securities between portfolios or significant sale of investment securities before maturity.

6.4 Portfolio estimate (including related receivables and excluding bad debts) as at 31 December 2021

(in millions of euros)	Gross book value	Market value	Difference	Unrealised capital losses (excluding doubtful receivables)	Unrealised Capital gains
Market securities	9 139,7	9 114,4	-25,3	-44,8	19,6
Investment securities (*)	7 881,4	8 242,8	361,4		

(*) The securities of the investment portfolio, mainly French OATs, participate in the overall management of the positions of liquidity and interest rates of the Institution with a general objective of hedging risks.

In particular, they make it possible to satisfy the needs for securities resulting from the process of securing operations interbank and exchange systems.

● **NOTE 7 - INVESTMENTS AND OTHER LONG-TERM SECURITIES HELD, SHARES IN RELATED COMPANIES**

7.1 Cash flows recorded during the financial year 2021

(in millions of euros)	Shares	Other long-term detained securities	Shares in related companies
Gross amount as of 31/12/2020	14,1	36,6	18 495,6
Inputs and other movements (1)	0,0	0,0	3 000,0
Outputs and other movements	-3,9	-0,6	0,0
Change in related receivables	0,0	0,0	-4,5
Gross amount as of 31/12/2021	10,2	36,0	21 491,1
Accumulated impairments as of 31/12/2021	0,1	0,0	-0,2
Net amount as of 31/12/2021 (2)	10,3	36,0	21 490,9
(1) See Note 2.1.2 Significant facts			
(2) Of which: - Listed securities	0,0	0,0	0,0
- Unlisted securities	10,2	35,9	21 490,9

7.2 Investments and subsidiaries

Subsidiaries and shares (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 made by the company and not yet repaid	Amount of sureties and endorsements given by the company	Revenue excluding tax or GNP of the last financial year	Income (profit or loss for the last financial year)	Dividends received by the company during the financial year
A – Detailed information on subsidiaries and interests representing at least 10% of the company's capital										
1. Subsidiaries (more than 50% of capital held)										
AUXI-FINANCE SIREN 352780605 Address 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	57 188	13 068	100.0%	57 168	57 168	12 149	-	13 974	2 390	2 500
Bolfrance Regions 319 997 486 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	4 800	24 244	99.99%	9 797	9 797	2 448	-	6 219	2 970	-
SCI TOPOR MONTAUBAN 340906389 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	1	-	100.0%	270	45	156	-	-	81	-
SCI BPIFRANCE 380974089 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	16	-	100.0%	105	105	12 157	-	-	364	-
BPIFRANCE COURTAGE 351596572 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	306	449	100.0%	3 034	3 034	-	-	24 459	1 454	1 198
FCT BPIFRANCE SME 2019-1 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	58	-	100.0%	58	58	11 150	-	1 256	5 156	-
FCT BPIFRANCE SME 2020-1 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	95	-	100.0%	95	95	4 200	-	7 208	4 456	-
BPIFRANCE PARTICIPATIONS 509 584 074 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	18 321 573	1 243 274	100.0%	21 375 378	21 375 378	-	-	3 718	506 044	350 000
BPIFRANCE ASSURANCE EXPORT 815 276 308 27-31 av. du Gal Leclerc, 94710 Maisons-Alfort Cedex	30 000	1 684	100.0%	30 000	30 000	-	-	48 202	3 229	3 000
2. Equity interests (10 to 50% of capital held)										
ALSABAIL SIRFN 718 504 004 Address 7, place Sébastien Brant, 67000 STRASBOURG	9 704	18 676	40.7%	5 365	5 365	266 458	-	5 669	1 957	115
CNRS INNOVATION 388 481 154 83, bld Exelmans, 75016 PARIS	1 128	919	30.4%	343	343	-	-	9 074	237	-
IFCIC 327 821 609 46, avenue Victor-Hugo, 75016 PARIS	5 455	9 910	25.3%	3 160	3 160	-	-	5 939	16 36	-
S.I.A.G.I. 775 691 074 2, rue Jean-Baptiste Pissalé, 75009 PARIS	6 339	25 805	15.4%	4 165	4 165	-	-	10 894	882	-
SEML CORREZE EQUIPMENT 502 687 817 3, rue René and Emilie Fages 19 000 TULLE	18 75	750	10.7%	200	423	-	-	410	24	-
SOGAMA 352 086 003 75 Rue Saint-Lazare, 75008 Paris	13 089	2 531	40.3%	8 630	8 630	-	-	1 363	10	-
B – Aggregate information regarding subsidiaries and interests representing less than 10% of the company's										
1. Subsidiaries not included in paragraph A										
a. French subsidiaries (all)										
b. Foreign subsidiaries (all)										
2. Shareholding not included in paragraph A										
a. In French companies (all)										
b. In foreign companies (all)										
				24 275	24 253	-	-			20
				13	13	-	-			-

7.3 Transactions with related companies and investments

(in millions of euros)

RECEIVABLES	31/12/2021	31/12/2020
Credit institutions	268,8	245,9
Customer	39,8	30,2
Bonds and other fixed-income securities	5 465,7	4 004,5
DEBTS		
Credit institutions	106,8	106,8
Customer	0,0	0,0
Debt represented by a title	24,1	20,1
Subordinated debts	0,0	0,0
COMMITMENTS GIVEN		
Financing commitments		
- Credit institutions	20,0	10,0
- Clients	0,0	0,0
Guarantee commitments		
- Credit institutions	0,0	0,0
- Clients	1 176,3	1 205,8
Commitments on securities		
- Credit institutions	0,0	0,0
- Clients	0,0	0,0

Transactions with affiliated parties are negotiated on market terms.

● NOTE 8 - EQUITY

(in millions of euros)

	31/12/2021			31/12/2020		
	Amount	Gross book value	Net book value	Amount	Gross book value	Net book value
Transaction securities	0	0,0	0,0	0	0,0	0,0
Investment securities	0	0,0	0,0	0	0,0	0,0
Fixed assets	2 198 615	64,1	64,1	1 450 880	42,3	42,3
Total	2 198 615	64,1	64,1	1 450 880	42,3	42,3

Nominal value of the share: 8 euros

● NOTE 9 - INTANGIBLE AND TANGIBLE ASSETS

(in millions of euros)	Fixed intangible assets	Tangible fixed assets		
		Land and buildings		Other
		operating	non-operating	
Gross amount as of 31/12/2020	381,4	42,7	0,6	44,9
Acquisitions	163,6	6,0	0,0	5,1
Output	-112,4	-15,6	-0,1	-5,1
Gross amount as of 31/12/2021	432,6	33,1	0,5	44,9
Accumulated depreciation and amortisation	-274,0	-18,9	-0,4	-33,7
Net amount as of 31/12/2021	158,6	14,2	0,1	11,2
Total	158,6	25,5		

Fixed assets are depreciated annually on a straight-line basis for buildings and furniture and on a declining balance basis for computer equipment according to their useful life, i.e.:

- Software: 1 to 5 years
- Buildings: 25 to 55 years
- Office fittings, furniture and equipment: 4 to 10 years
- Computer equipment: 4 years

The amount of accelerated depreciation was € 24.3 M at 31 December 2021.

● NOTE 10 - INNOVATION FINANCING AID

(in millions of euros)

Funds	Gross healthy amount	Gross doubtful amount	Depre- ciation	allocated guarantee funds	TOTAL 31/12/2021	TOTAL 31/12/2020
Innovation aid - ISI (*)	358,3	225,7	0,0	-223,6	360,4	468,2
PMII - ISI 2008 (*)	14,4	189,4	0,0	-189,1	14,7	80,8
FRGI (*)	19,1	5,0	0,0	0,0	24,1	27,9
DEEP TECH Industry Innovation Fund	47,2	0,0	0,0	0,0	47,2	23,0
Assistance on financing partners	29,9	39,1	0,0	0,0	69,0	71,6
FNI-FISO (*)	0,5	0,0	0,0	0,0	0,5	0,7
FGI PIA4 AGI (*)	22,6	0,1	0,0	-0,1	22,6	0,0
FII AI COEFF (*)	13,0	0,0	0,0	0,0	13,0	0,0
Total	505,0	459,3	0,0	-412,8	551,5	672,2

(*) ISI: Industrial Strategy for Innovation

PMII: Program for the Mobilisation of Industrial Innovation initiated by the former AII, Agency for Industrial Innovation
(Programme Mobilisateur pour l'Innovation Industrielle initié par l'ex AII, Agence pour l'innovation Industrielle)

FRGI: Regional Fund for the Guarantee of Innovation (*Fonds Régionaux de Garantie de l'Innovation*)

FNI-FISO: National Fund for Innovation - Fund for Social Innovation (*Fonds National d'Innovation - Fonds Innovation Sociale*)

FGI PIA4 AGI: Innovation Assistance Window (*Aides Guichet à l'innovation*)

FII AI COEFF: Fund for Innovation and the Innovation Aid Industry Coefficient

● NOTE 11 - OTHER ASSETS

(in millions of euros)	31/12/2021	31/12/2020
Guarantee margins paid on repo transactions; and interest rate swap contracts	126,9	205,5
Premiums on purchased conditional instruments	0,0	0,0
Grants receivable on leasing operations	1,1	1,7
Allocations receivable from guarantee funds	99,7	203,7
Allocations to be received from innovation aid financing	66,6	100,0
Allocation receivable in subsidised loans	59,3	95,0
Tax receivables	175,5	81,0
Other miscellaneous accounts receivable	199,2	106,9
Inventory accounts and miscellaneous jobs	0,4	0,4
Total	728,7	794,2

● NOTE 12 - ACCRUAL ACCOUNTS – ASSETS

(in millions of euros)	31/12/2021	31/12/2020
Cash values	1,2	1,6
Off-balance sheet adjustment accounts in foreign currency (1)	14,6	0,0
Issuance costs on spread-based borrowings	19,5	20,4
Issue premiums on spread-based borrowings	62,4	74,7
Miscellaneous expenses recognised in advance	179,9	132,3
Receivables on forward financial instruments (2)	84,7	79,7
Proceeds receivable on leasing transactions	3,4	3,5
Pending withdrawals from medium- and long-term loans	7,4	8,2
EPIC Bpifrance guarantee commissions to spread	13,5	19,5
Other	66,2	73,8
Total	452,8	413,7

(1) In this item are recorded the revaluation deviations of off-balance sheet operations set up for the purposes of hedging balance sheet transactions

(2) These revenues essentially represent the cumulation of the positive differential between interest receivable and interest to be paid of each interest rate exchange contract

● **NOTE 13 - DEBTS TO CREDIT INSTITUTIONS**

(in millions of euros)	31/12/2021	31/12/2020
Ordinary accounts payable	106,8	107,1
Overnight borrowing	0,0	0,0
Term loans	363,3	834,7
. including Booklet Sustainable Development (BSD) resources	300,0	750,0
. of which KfW and BDCE borrowings	35,6	51,1
Refinancing with the ECB (TLTRO III)	20 800,0	14 800,0
Repurchased securities delivered (1)	435,3	3 216,3
Related debts (2)	-218,2	-71,1
Total	21 487,2	18 887,0
Of which are treasury bills	435,3	3 216,3
- Bonds and other fixed-income securities	0,0	0,0
(2) The remuneration of part of the debts to credit institutions is at a negative rate		

Breakdown of debts (excluding related debts) by remaining term at 31 December 2021

(in millions of euros)				
D ≤ 3 m.	3m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years	
544,4	10 019,7	11 133,8	7,5	
21 705,4				

● NOTE 14 - CUSTOMER TRANSACTIONS - LIABILITIES

(in millions of euros)	31/12/2021	31/12/2020
EPIC Bpifrance borrowing	841,6	1 346,0
Security deposits	1 037,3	985,8
Current accounts payable (*)	244,5	229,5
State Shareholder Advance: Guarantee Fund with Preserved Capital	202,6	202,6
Funds received pending allocation		
. Short-term financing	65,4	161,0
. Medium and long-term loans	49,8	73,3
Other amounts due	0,6	14,4
Total	2 441,8	3 012,6
(*) Including EPIC Bpifrance	1,1	27,7

Breakdown of customer accounts payable by remaining term at 31 December 2021

(in millions of euros)	D ≤ 3 m.	3m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
	505,0	326,5	1 308,5	301,8
	2 441,8			

● NOTE 15 - DEBTS REPRESENTED BY A SECURITY

Breakdown of outstanding amounts by remaining term at 31 December 2021

(in millions of euros)	D ≤ 3 m.	3 m. < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years	Related debts	TOTAL
Interbank market securities and negotiable debt securities	3 121,3	1 851,2	0,0	0,0	-9,1	4 963,4
Bond issues	200,0	3 257,0	16 365,0	11 311,0	131,5	31 264,5
Total	3 321,3	5 108,2	16 365,0	11 311,0	122,4	36 227,9

● NOTE 16 - OTHER LIABILITIES

(in millions of euros)	31/12/2021	31/12/2020
Outstanding payments made on securities not fully paid up	1 792,3	0,0
Tax and social debts	164,7	114,8
Collateral margins received on repo transactions delivered and interest rate swap contracts	177,7	150,7
Premiums on conditional instruments sold	42,4	39,0
Advances to lessees	287,7	260,6
Equipment subsidies on leasing operations	19,0	22,5
Leasing providers	57,5	53,0
Other miscellaneous accounts payable leasing transactions	10,8	0,5
Customer guarantee fees collected in advance	-0,2	-0,5
Litigation to be paid out of guarantee funds	725,6	790,9
Allocation of subsidised loans	193,9	198,6
Other miscellaneous accounts payable	233,5	152,0
Miscellaneous advances	0,2	3,7
Total	3 705,1	1 785,8

(*) see note 2.1.2

● NOTE 17 - ACCRUAL ACCOUNTS – LIABILITIES

(in millions of euros)	31/12/2021	31/12/2020
Allocation to the Development Participatory Loan to be spread	300,5	253,0
Off-balance sheet adjustment accounts in foreign currency (1)	0,0	20,4
Payments related to trading operations or termination of interest rate swap contracts	4,8	8,9
Other income recognised in advance	292,2	333,7
Accrued liabilities on forward financial instruments (2)	55,5	53,9
Provisions for paid holidays	42,3	37,4
Lease rents recognised in advance	73,7	70,9
Subsidies to be paid out of innovation aid	91,4	75,8
Guarantee fees recognised in advance	453,7	442,3
Innovation suspense accounts	14,5	14,5
Cash on behalf of third parties	689,0	381,3
Miscellaneous	507,2	467,6
Total	2 524,8	2 159,7

(1) In this item are recorded the revaluation deviations of off-balance sheet operations set up for the purpose of hedging balance sheet operations

(2) These charges essentially represent the cumulation of the negative differential between interest receivable and interest payable

● NOTE 18 - PROVISIONS

(in millions of euros)	31/12/2021	31/12/2020
Provisions for credit risks	535,7	634,1
Provisions for employee benefit commitments (*)	25,3	25,3
Provisions related to the innovation activity	9,5	9,5
Other	63,4	15,6
Total	633,9	684,5

(*) The end-of-career benefits are covered by an insurance contract with assets amounting to €29.9 million.

● NOTE 19 - SUBORDINATED DEBTS, MUTUAL SECURITY DEPOSITS

(in millions of euros)	31/12/2021	31/12/2020
Reserve fund (*)	11,7	12,5
Security deposits of a mutual nature	7,2	7,2
Related debts	0,0	0,0
Total	18,9	19,7

(*) This reserve fund was set up by the shareholders of ex OSEO garantie and is intended to cover the secured loans backed by it. Its repayment is subject to a decision by the shareholders.

● NOTE 20 - PUBLIC GUARANTEE FUNDS

20.1 Accounting status of guarantee funds

(in thousands of euros)

Guarantee fund	Balance of guarantee funds as of 31 December 2020	allocatio n 2021	Reimburse ment s and reallocation 2021	Income 2021	Balance of guarantee funds as of 31 December 2021	Litigation and interest payable	Customer Commission Received in advance	Assets recognised for guarantee fund
Reserve fund								
RESERVE FUND	617 966	0	-2 653	2 244	617 558	0	0	617 558
MUTUAL FUNDS OF GUARANTEE FUNDS	262 960	0	-1 574	938	262 324	0	0	262 324
AFT (Agence France Trésor)								
SME AND VSB DEVELOPMENT	-14 846	0	0	509	-14 336	5 855	-41	-8 522
TEXTILE	28	0	0	-18	10	0	0	10
CREATION OF SMEs AND VSBs	535 184	0	-59 464	-5 383	470 337	285 483	25 840	781 659
BUSINESS LOAN AND CREATION (BLC)	5 959	0	0	131	6 090	53	0	6 143
SME AND VSB TRANSMISSION	262 217	0	-21 713	-2 932	237 573	130 380	14 426	382 379
FINANCIAL STRUCTURAL REINFORCEMENT SME VSB	-2 205	0	0	-339	-2 544	12 744	110	10 310
SFP CCE	10 165	0	0	962	11 126	11 809	172	23 108
STRENGTHENING OF CASH FLOW	90 260	0	-28 468	168	61 961	29 806	2 392	94 158
RSF REPURPOSING	12 289	0	0	47	12 336	196	2	12 534
INNOVATION OF SMES AND VSBS	28 912	0	1574	854	31 340	41 186	1671	74 197
OVER-MUTUALISATION FUND	0	0	0	0	0	0	0	0
SPECIFIC FINANCING SEESMES AND VSBs	24 201	0	-12 680	227	11 748	2 570	-28	14 290
INTERNATIONAL SHORT TERM	11 107	0	0	1208	12 315	959	-26	13 248
FACTORING	7 051	0	0	217	7 268	595	41	7 904
FASEP	71 201	0	6 667	-2 637	75 231	2 556	-3	77 783
EQUITY GUARANTEE 2001/2002	1072	0	0	4	1076	0	0	1076
EQUITY GUARANTEE- EIF 2003/2004	78	0	0	0	79	0	0	79
EQUITY GUARANTEE- EIF 2007/2009	7 011	0	0	51	7 061	251	584	7 897
EQUITY GUARANTEE- EIF 2010/2012	9 375	0	0	142	9 517	195	4	9 716
EQUITY GUARANTEE 2013/2015	10 543	0	0	308	10 851	1013	1890	13 755
EQUITY GUARANTEE 2016/2018	32 970	0	0	-40	32 930	2 836	-136	35 630
SEED EQUITY LOAN	57 130	0	0	-5 010	52 120	12 004	4 611	68 736
GUARANTEES ON INNOVATIVE PROJECTS	277	0	0	1	278	0	0	278
GUARANTEED BIOTECHNOLOGY	18 707	0	0	234	18 940	251	-56	19 136
STRUCTURAL FINANCING	31 632	0	0	357	31 989	0	-46	31 943
PARTICIPATORY DEVELOPMENT CONTRACT (RHB)	567 520	0	-22 000	-5 596	539 923	124 302	27 958	692 184
subtotal	1 777 838	0	-136 084	-16 535	1 625 219	665 044	79 365	2 369 631

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(in thousands of euros)

Guarantee fund	Balance of guarantee funds as of 31 December 2020	Allocatio n 2021	Reimburse ment s and reallocation 2021	Income 2021	Balance of guarantee funds as of 31 December 2021	Litigation and interest payable	Customer Commission Received in advance	Assets recognised for guarantee fund
PPMTR	47 562	0	0	-829	46 733	8 516	138	55 387
GREEN LOANS	48 911	0	0	1 113	50 023	1 566	-5	51 584
SUSTAINABLE DEVELOPMENT INNOVATION	7 741	0	0	48	7 790	101	-2	7 888
PPD BOIS	7 386	0	0	-172	7 214	880	0	8 095
ECO-ENERGY LOAN (EEL)	23 481	0	0	-44	23 438	1 025	104	24 567
CICEPRE-FINANCING	1 038	0	0	4	1 042	4	0	1 045
LOAN FOR INNOVATION	98 173	2 500	0	-1 459	99 214	24 584	9 542	133 340
DIGITAL LOAN	36 491	0	0	-490	36 001	3 642	4	39 647
PIPC	1 065	0	0	552	1 616	81	3	1 700
SOFIRED	9 169	0	0	-336	8 833	2 092	0	10 925
ROBOTICS LOAN	33 312	0	0	-475	32 837	5 239	550	38 626
LOAN FOR THE SOCIAL AND SOLIDARITY ECONOMY	1 619	0	0	1	1 619	118	0	1 737
INDUSTRY GROWTH LOAN	20 995	0	0	1 017	22 012	4 785	174	26 971
GREEN LOAN 2	29 711	0	0	86	29 797	3 378	1 071	34 246
SEED LOAN INVESTMENT	54 024	10 730	15 420	-4 616	75 558	11 294	15 592	102 444
LOAN BUSINESSES AND NEIGHBORHOODS	2 025	0	0	8	2 033	59	0	2 092
AUTOMOTIVE GROWTH LOAN	4 996	0	0	-2 778	2 218	10 098	314	12 630
STRENGTHENING LIVESTOCK SECTOR FINANCIAL POSIT	11 308	0	0	705	12 013	2 327	522	14 861
INDUSTRY GROWTH LOAN 2	59 233	0	0	-11 545	47 688	30 486	5 753	83 927
PRÊT FILIERE BOIS	10 118	0	0	50	10 168	0	54	10 222
AGRICULTURAL MECHANISATION LOAN	10 111	0	0	49	10 160	0	69	10 229
CREAT K/K 2019	28 271	0	26 871	1 885	57 027	7 295	24 085	88 407
DEVK/K 2019	297	0	81	554	932	3 817	9 663	14 412
TRANS K/K 2019	21 240	0	16 621	2 145	40 006	6 743	15 864	62 612
SFP K/K	1 254	0	926	771	2 951	3 214	2 247	8 412
INTER DEVK/K	10	0	4	-165	-150	483	271	604
CREA CG	33 271	0	27 453	3 839	64 563	15 139	42 976	122 678
CREA EXNI	4 309	0	5 140	559	10 008	2 722	7 986	20 716
sub total	607 121	13 230	92 516	-9 523	703 344	149 688	136 975	990 004

(in thousands of euros)

Guarantee fund	Balance of funds guarantee as of 31 December 2020	allocation 2021	Reimbursements and reallocation 2021	Income 2021	Balance of funds guarantee as of 31 December 2021	Litigation and interest payable	Customer Commission Received in advance	Assets recognised for fund of guarantee
TRANS CG	1558	0	1592	164	3315	715	2193	6223
DEVCG	411	0	208	279	898	2647	5615	9160
RTCG	2104	0	455	213	2772	1237	1330	5339
ADVANCE+OVERSEAS	7450	0	0	101	7550	132	-4	7678
Over-collateralisation SFP VSB-SME Covid19	31771	0	-1066	-3045	27660	3478	19	31158
Over-collateralisation SFP Mid-cap Covid19	32167	0	-66	280	32381	0	180	32561
Over-collateralisation LCC VSB-SME Covid19	5910	0	-14	303	6200	0	0	6200
Over-collateralisation LCC Mid-cap Covid19	1285	0	19	6	1310	0	1	1311
SFP VSB-SME Covid19	7346	0	0	-183	7162	298	22	7483
SFP Mid-cap Covid19	21386	0	51	98	21535	0	27	21562
LCC VSB-SME Covid19	585	0	0	2	587	0	0	587
LCC Mid-cap Covid19	561	0	-5	-1034	-478	1036	0	558
SMEASSET GUARANTEE	111256	0	1426	-6218	106464	14648	1486	122598
MID-CAP ASSET GUARANTEE	327386	0	-346	-44128	282912	61394	11578	355884
SFP AUTOMOTIVE	23063	0	0	84	23147	0	0	23147
GREEN LOAN ADEME BPI FRANCE	10011	0	0	-506	9504	640	805	10949
LOAN MECHANISATION INJECTION	10010	0	0	39	10049	0	44	10093
DIGITAL France	25740	0	0	0	25740	0	0	25740
ENERGY-SAVING LOAN (FDS ESL)	15006	0	10000	33	25039	0	165	25204
GREEN LOAN 4	133000	0	0	196	133196	800	14161	148157
GROWTH STIMULUS LOAN	45000	0	22000	1060	68060	0	8640	76701
DEVELOPMENT RECOVERY	0	1806	0	90	1896	183	2390	4469
DEVELOPMENT RECOVERY CONTRACT	0	616	0	1	616	0	0	616
INTERNATIONAL DEVELOPMENT RECOVERY	0	213	0	17	230	0	97	327
LOAN ON TRUST REINFORCEMENT RECOVERY	0	6000	6000	0	12000	0	0	12000
LOAN ON TRUST CREATION REVIVAL RECOVERY	0	12500	12500	0	25000	0	0	25000
Creation Standard Recovery Case by Case	0	22491	0	40	22532	0	-1	22530
Creation Standard Recovery Contract	0	26924	0	291	27215	67	2017	29299
Transmission Recovery	0	24787	0	38	24825	0	-8	24817
Transmission Recovery Contract	0	1554	0	-59	1495	73	81	1649
subtotal	813 006	96 891	52 754	-51 838	910 812	87 348	50 838	1 049 000

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(in thousands of euros)

Guarantee fund	Balance of guarantee funds as of 31 December 2020	Endowme nt 2021	Reimbursement s and reallocation 2021	Income 2021	Balance of guarantee funds as of 31 December 2021	Litigation and interest payable	Customer Commission Received in advance	Assets recognised for guarantee fund
Creation Ex-Nihilo Recovery Contract	0	4 477	0	0	4 477	8	-1	4 484
GUARANTEE OF EQUITY RECOVERY	0	75 000	0	29	75 029	0	0	75 029
GREEN LOAN	0	12 000	0	2	12 002	0	5	12 007
Creation Ex-Nihilo Recovery, Case by Case	0	3 533	0	1	3 534	0	0	3 534
EIB - STATE	9	0	0	0	9	0	0	9
EASTERN COUNTRIES	17	0	0	0	18	0	0	18
PIC SME	240	0	0	331	571	624	0	1 195
CAPITAL DEVLPT AND INDIV. LOANS.	193	0	0	38	230	144	0	374
INSTALL. YOUNG ENTREPRENEURS	89	0	0	0	90	12	0	102
STRENGTHENING FINANCIAL POSITION SME - (SFP SME)	41 527	0	0	47	41 574	11 456	-64	52 966
OVER-COLATERALISATION STRENGTHENING FINANCIAL POSITION SME - (O	4 855	0	0	1 068	5 923	5 821	-9	11 735
STRENGTHENING FINANCIAL POSITION MID-CAP - (SFP MID)	9 985	0	0	723	10 708	7 152	-208	17 652
OVER-COLATERALISATION STRENGTHENING FINANCIAL POSITION MID-CAP	4 816	0	0	-913	3 903	20 729	-49	24 583
LINES OF CREDIT CONFIRMED SME - (LCC SME)	1 663	0	0	263	1 925	3 312	-4	5 233
OVER-COLATERALISATION LINES OF CREDIT CONFIRMED SME - (OCLCC SM	1 450	0	0	335	1 785	5 356	-85	7 056
LINES OF CREDIT CONFIRMED MID-CAP - (LCC MID)	95	0	0	52	147	0	-10	137
OVER-COLATERALISATION LINES OF CREDIT CONFIRMED MID-CAP - (OCLC	545	0	0	15	560	417	-71	906
FGKP TRANCHE1	19 514	0	0	379	19 893	3 224	-19	23 098
FGKP TRANCHE2	24 086	0	0	1 887	25 972	8 157	-76	34 053
INTERNATIONAL DEVELOPMENT - T2	3 747	0	0	15	3 762	1 128	-3	4 887
FGKP TRANCHE3	60 827	0	0	1 298	62 125	26 191	2 110	90 426
INTERNATIONAL DEVELOPMENT - T3	1 800	0	0	-200	1 600	3 294	49	4 943
FGKP TRANCHE4	42 660	40	0	1 429	44 129	44 252	16 778	105 159
INTERNATIONAL DEVELOPMENT - T4	-1 623	0	0	769	-854	2 474	439	2 060
Overseas Department	118 773	0	0	2 299	121 072	37 090	-702	157 460
subtotal	335 268	95 050	0	9 867	440 184	180 841	18 080	639 106

(in thousands of euros)

Guarantee fund	Balance of guarantee funds as of 31 December 2020	Endowme nt 2021	Reimburse ment and reallocation 2021	Income 2021	Balance of guarantee funds as of 31 December 2021	Litigation and interest payable	Customer Commission Received in advance	Assets recognised for guarantee fund
CDC (Caisse des Dépôts et Consignations)								
FRANCE INVESTMENT GUARANTEE	129 665	0	0	-6 136	123 530	5 123	26	128 678
TOURISM LOAN	99 877	100 000	0	-6 272	193 605	7 270	6 950	207 825
Other funds								
EIB - DEV. TECHNOLOGICAL	0	0	0	0	0	0	0	0
EQUITY GUARANTEE - ERDF IDF	1 785	0	0	1	1 785	14	2	1 801
NET ASSET VALUE GUARANTEE	5 774	0	0	0	5 774	0	0	5 774
UIMM	198	0	-1	0	197	0	0	197
PPD UIMM MID-PYRENEES	359	0	0	-202	157	993	0	1 150
ENTREPRENEURIAL GROWTH NETWORK	1 267	0	-1	-171	1 096	359	16	1 471
UIMM MEDITERRANEAN	881	0	0	-90	791	109	0	899
UIMM LIMPCH	724	0	0	15	739	162	0	902
CCI INNOVATION PDL	520	0	-9	1	512	230	1	742
BEST WESTERN	0	0	0	0	0	0	0	0
NATIONAL FEDERATION OF CLOTHING	91	0	-43	20	68	53	0	122
PPD UIMM GREAT NORTH EAST	303	0	0	-161	142	717	0	858
PPD UIMM NATIONAL	637	0	0	-111	526	111	0	637
PPD UIMM NATIONAL 2	244	0	0	118	361	956	0	1 317
UIMM FRENCH FAB	1 412	0	0	81	1 494	94	0	1 587
Other management (*)	148 762	# REF!	-17 263	-1 328	# REF!	0	0	134 567
GUARANTEE FUND	4 806 658	310 171	-12 358	-79 082	5 025 389	1 099 112	292 253	6 416 150

(*) Other administrations: Fonds National Revitalisation du Territoire, Fonds Rénovation Hôtelière, PCE, Crédit Professionnel and more

20.2 Guarantee fund operating result as at 31 December 2021

(in thousands of euros)

Guarantee fund	Financial products and net fees	Shares in capital gains and recoveries	Commission	Litigation provisions	Net litigation expenses	Pre-litigation provisions	Income
Reserve fund							
RESERVE FUND	2 244	0	0	0	0	0	2 244
MUTUAL FUNDS OF GUARANTEE FUNDS	938	0	0	0	0	0	938
AFT (Agence France Trésor)							
SME AND VSB DEVELOPMENT	26	1	-1	-351	-125	-7	509
TEXTILE	0	0	0	18	0	0	-18
CREATION OF SMEs AND VSBs	4 724	184	19 793	37 103	-247	-6 772	-5 383
BUSINESS LOAN AND CREATION (BLC)	22	134	0	25	0	0	131
SME AND VSB TRANSMISSION	1 873	26	10 289	14 323	-185	982	-2 932
FINANCIAL STRUCTURAL REINFORCEMENT SME VSB	135	0	113	610	-53	30	-339
SFP CCE	154	12	94	-554	3	-151	962
STRENGTHENING OF CASH FLOW	518	0	2 209	3 575	0	-10 16	168
RSF REPURPOSING	47	0	1	1	0	0	47
INNOVATION OF SMEs AND VSBs	309	0	1311	2 787	-1	-2 020	854
OVER-MUTUALISATION FUND	0	0	0	0	0	0	0
SPECIFIC FINANCING SEE SMEs AND VSBs	170	57	411	72	0	339	227
INTERNATIONAL SHORT TERM	84	18	134	-706	0	-266	1208
FACTORING	40	0	250	43	0	30	217
FASEP	264	0	396	3 295	0	0	-2 637
EQUITY GUARANTEE 2001/2002	4	0	0	0	0	0	4
EQUITY GUARANTEE - EIF 2003/2004	0	0	0	0	0	0	0
EQUITY GUARANTEE - EIF 2007/2009	26	24	0	0	0	0	51
EQUITY GUARANTEE - EIF 2010/2012	35	107	0	0	0	0	142
EQUITY GUARANTEE 2013/2015	43	476	0	211	0	0	308
EQUITY GUARANTEE 2016/2018	129	66	172	407	0	0	-40
SEED EQUITY LOAN	236	8	1876	5 521	0	1608	-5 010
GUARANTEES ON INNOVATIVE PROJECTS	1	0	0	0	0	0	1
GUARANTEED BIOTECHNOLOGY	69	0	79	16	0	-101	234
STRUCTURAL FINANCING	115	0	242	0	0	0	357
PARTICIPATORY DEVELOPMENT CONTRACT (RHB)	2 490	38	18 861	3 057	0	23 929	-5 596
subtotal	11 514	1 151	56 230	69 453	-608	16 585	-16 535

(in thousands of euros)

Guarantee fund	Financial products and net fees	Shares in capital gains and recoveries	Commission	Litigation provisions	Net litigation expenses	Pre-litigation provisions	Income
PPM TR	213	0	41	240	0	843	-829
GREEN LOANS	187	0	3	-779	0	-144	1113
SUSTAINABLE DEVELOPMENT INNOVATION	29	47	3	0	0	27	48
PPD BOIS	29	0	0	134	0	67	-172
ECO-ENERGY LOAN (EEL)	93	0	75	165	0	47	-44
CICE PRE-FINANCING	4	0	0	0	0	0	4
LOAN FOR INNOVATION	448	0	4 090	3 873	0	2 122	-1459
DIGITAL LOAN	143	0	187	307	0	512	-490
PIPC	6	0	9	0	0	-536	552
SOFIRED	40	0	0	552	0	-176	-336
ROBOTICS LOAN	137	0	698	-22	0	1332	-475
LOAN FOR THE SOCIAL AND SOLIDARITY ECONOMY	6	0	2	8	0	1	1
INDUSTRY GROWTH LOAN	94	783	444	781	0	-478	1 017
GREEN LOAN 2	119	0	999	150	0	882	86
SEED LOAN INVESTMENT	244	0	3 796	4 948	0	3 708	-4 616
LOAN BUSINESSES AND NEIGHBORHOODS	8	0	0	0	0	0	8
AUTOMOTIVE GROWTH LOAN	44	0	248	9	0	3 061	-2 778
STRENGTHENING LIVESTOCK SECTOR FINANCIAL POSI	52	0	212	648	0	-1089	705
INDUSTRY GROWTH LOAN 2	371	0	3 498	717	0	14 697	-11 545
PRÊT FILIERE BOIS	37	0	13	0	0	0	50
AGRICULTURAL MECHANISATION LOAN	37	0	12	0	0	0	49
CREAT K/K 2019	133	0	6 636	2 996	0	1888	1885
DEV K/K 2019	13	0	2 670	553	0	1576	554
TRANS K/K 2019	105	0	5 235	879	0	2 316	2 145
SFP K/K	18	0	1 169	414	0	2	771
INTER DEV K/K	1	0	156	0	0	322	-165
CREA CG	174	6	15 056	7 918	0	3 481	3 839
CREA EX NI	25	12	2 778	1479	0	777	559
subtotal	2 810	848	48 030	25 970	0	35 238	-9 523

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(in thousands of euros)

Guarantee fund	Financial products and net fees	Shares in capital gains and recoveries	Commission	Litigation provisions	Net litigation expenses	Pre-litigation provisions	Income
TRANS CG	8	0	694	116	0	421	164
DEV CG	8	0	2 114	1010	0	833	279
RT CG	12	0	844	608	0	35	213
ADVANCE + OVERSEAS	28	0	85	30	0	-18	101
Over-collateralisation SFP VSB-SME Covid19	115	0	12	1236	0	1936	-3 045
Over-collateralisation SFP Mid-cap Covid19	117	0	163	0	0	0	280
Over-collateralisation LCC VSB-SME Covid19	22	0	-3	0	0	-284	303
Over-collateralisation LCC Mid-cap Covid19	5	0	1	0	0	0	6
SFP VSB-SME Covid19	27	0	15	0	0	225	-183
SFP Mid-cap Covid19	78	0	20	0	0	0	98
LCC VSB-SME Covid19	2	0	0	0	0	0	2
LCC Mid-cap Covid19	2	0	0	1036	0	0	-1034
SME ASSET GUARANTEE	435	0	1097	704	0	7 046	-6 218
MID-CAP ASSET GUARANTEE	1234	0	7 556	0	0	52 918	-44 128
SFP AUTOMOTIVE	84	0	0	0	0	0	84
GREEN LOAN ADEME BPIFRANCE	37	0	97	0	0	640	-506
LOAN MECHANISATION INJECTION	36	0	3	0	0	0	39
DIGITAL France	0	0	0	0	0	0	0
ENERGY-SAVING LOAN (FDS ESL)	13	0	20	0	0	0	33
GREEN LOAN 4	7	0	989	0	0	800	196
GROWTH STIMULUS LOAN	9	0	1052	0	0	0	1060
DEVELOPMENT RECOVERY	3	0	270	0	0	183	90
DEVELOPMENT RECOVERY CONTRACT	1	0	0	0	0	0	1
INTERNATIONAL DEVELOPMENT RECOVERY	0	0	17	0	0	0	17
LOAN ON TRUST REINFORCEMENT RECOVERY	0	0	0	0	0	0	0
LOAN ON TRUST CREATION REVIVAL RECOVERY	0	0	0	0	0	0	0
Creation Standard Recovery Case by Case	40	0	1	0	0	0	40
Creation Standard Recovery Contract	34	0	324	0	0	67	291
Transmission Recovery	36	0	2	0	0	0	38
Transmission Recovery Contract	2	0	12	0	0	73	-59
subtotal	2 379	0	12 577	3 614	0	63 621	-52 281

(in thousands of euros)

Guarantee fund	Financial products and net fees	Shares in capital gains and recoveries	Commission	Litigation provisions	Net litigation expenses	Pre-litigation provisions	Income
Creation Ex-Nihilo Recovery Contract	7	0	1	0	0	8	0
GUARANTEE OF EQUITY RECOVERY	12	0	18	0	0	0	29
GREEN LOAN	2	0	0	0	0	0	2
Creation Ex-Nihilo Recovery, Case by Case	1	0	0	0	0	0	1
EIB - STATE	0	0	0	0	0	0	0
EASTERN COUNTRIES	0	0	0	0	0	0	0
PIC SME	4	0	0	-316	-11	0	331
CAPITAL DEVLPT AND INDIV. LOANS.	1	0	0	-28	-8	0	38
INSTALL. YOUNG ENTREPRENEURS	0	0	0	0	0	0	0
STRENGTHENING FINANCIAL POSITION SME - (SFP SME)	317	0	35	287	0	18	47
OVER-COLATERALISATION STRENGTHENING FINANCIAL POSITION	56	0	8	-962	0	-41	1068
STRENGTHENING FINANCIAL POSITION MID-CAP - (SFP MID)	75	0	47	-254	0	-347	723
OVER-COLATERALISATION STRENGTHENING FINANCIAL POSITION	105	0	-10	1017	0	-9	-913
LINES OF CREDIT CONFIRMED SME - (LCC SME)	19	0	0	-244	0	0	263
OVER-COLATERALISATION LINES OF CREDIT CONFIRMED SME - (O	26	0	0	-309	0	0	335
LINES OF CREDIT CONFIRMED MID-CAP - (LCC MID)	1	0	0	-1	0	-49	52
OVER-COLATERALISATION LINES OF CREDIT CONFIRMED MID-CAP	4	0	1	0	0	-10	15
FGKP TRANCHE 1	0	0	7	-230	-3	-139	379
FGKP TRANCHE 2	204	0	275	-1276	0	-132	1887
INTERNATIONAL DEVELOPMENT - T2	28	0	11	-36	0	60	15
FGKP TRANCHE 3	512	0	1398	754	5	-148	1298
INTERNATIONAL DEVELOPMENT - T3	41	0	54	520	0	-224	-200
FGKP TRANCHE 4	546	21	7 413	6 566	1	-15	1429
INTERNATIONAL DEVELOPMENT - T4	20	0	288	701	0	-1 162	769
Overseas Department	654	107	151	-1 130	0	-256	2 299
subtotal	2 616	128	9 678	5 059	-16	-2 454	9 838

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(in thousands of euros)

Guarantee fund	Financial products and net fees	Shares in capital gains and recoveries	Commission	Litigation provisions	Net litigation expenses	Pre-litigation provisions	Income
CDC (Caisse des Dépôts et Consignations)							
FRANCE INVESTMENT GUARANTEE	0	3 194	291	9 645	6	0	-6 136
TOURISM LOAN	0	0	858	50	0	7 080	-6 272
Other funds							
EIB - DEV. TECHNOLOGICAL	0	0	0	0	0	0	0
EQUITY GUARANTEE - ERDF IDF	0	0	1	0	0	0	1
NET ASSET VALUE GUARANTEE	0	0	0	0	0	0	0
UIMM	0	0	0	0	0	0	0
PPD UIMM MID-PYRENEES	0	0	0	89	0	113	-202
ENTREPRENEURIAL GROWTH NETWORK	0	0	19	150	0	41	-171
UIMM MEDITERRANEAN	0	0	0	53	0	37	-90
UIMM LIM PCH	0	0	0	-8	0	-7	15
CCI INNOVATION PDL	0	0	1	0	0	0	1
BEST WESTERN	0	0	0	0	0	0	0
NATIONAL FEDERATION OF CLOTHING	0	0	1	17	0	-35	20
PPD UIMM GREAT NORTH EAST	0	0	0	162	0	-1	-161
PPD UIMM NATIONAL	0	0	0	0	0	111	-111
PPD UIMM NATIONAL 2	0	0	0	202	0	-320	118
UIMM FRENCH FAB	0	0	0	67	0	-148	81
Other management(*)	0	57	2 252	-3 529	2	0	-1 328
GUARANTEE FUND	22 536	5 378	132 765	112 090	-616	121 123	-79 082

(*) Other administrations: Fonds National Revitalisation du Territoire, Fonds Rénovation Hôtelière, PCE, Crédit Professionnel and more

● NOTE 21 - NET INNOVATION INTERVENTION RESOURCES

21.1 Accounting situation of intervention guarantee funds

(in millions of euros)

Funds	Balance as of 31/12/2020	Allocation 2021	Reimbursements and redeployments 2021	Income 2021	Balance as of 31/12/2021	Healthy Recoverable Advances	Healthy Innovation Outstanding Loans
Innovation aid - ISI	915,4	0,0	6,8	-112,9	809,3	358,3	833,3
PMII	105,0	0,0	-20,0	-58,9	26,1	14,4	0,0
FRI 2	0,0	0,0	0,1	0,0	0,1	19,1	30,0
Agroecological Transition	0,0	2,4	0,0	-0,1	2,3	0,0	0,0
PIA4 AGI COEFF	0,0	121,0	0,0	-31,8	89,2	22,6	289,1
FII AI COEFF (*)	0,0	58,8	0,0	-15,9	42,9	13,0	0,0
Aid on financing partners	242,8	15,2	0,0	-27,3	230,7	29,9	37,8
DEEP TECH Industry Innovation Fund	86,2	0,0	-0,1	-36,3	49,8	47,2	0,0
OVERSEAS	7,0	4,5	0,0	-3,7	7,8	0,0	0,0
FNI-FISO	8,6	0,0	0,0	-0,3	8,3	0,5	1,0
Total	1 365,0	201,9	-13,2	-287,2	1 266,5	505,0	1 191,2

21.2 Operating result of intervention guarantee funds as at 31 December 2021

(in millions of euros)

Funds	Grants	Provisions, losses and failure reports	Expertise and various charges	Financial income and expenses	Miscellaneous income and expenses	Income as of 31/12/2021
Innovation aid - ISI	-15,6	-99,3	-0,2	0,0	2,2	-112,9
PMII	0,0	-59,9	0,0	0,0	1,0	-58,9
Agroecological Transition	-0,1	0,0	0,0	0,0	0,0	-0,1
PIA4 AGI COEFF	-28,4	-3,1	-0,3	0,0	0,0	-31,8
FII AI SUB	-15,9	0,0	0,0	0,0	0,0	-15,9
Aid on financing partners	-24,3	-2,2	-1,8	0,0	1,0	-27,3
DEEP TECH Industry Innovation Fund	-35,6	0,0	-0,7	0,0	0,0	-36,3
OVERSEAS	-3,7	0,0	0,0	0,0	0,0	-3,7
FSI	0,0	-0,3	0,0	0,0	0,0	-0,3
Total	-123,6	-164,8	-3,0	0,0	4,2	-287,2

● **NOTE 22 - CHANGE IN EQUITY**

(in millions of euros)	31/12/2020	Allocation of income 2020	Other movements	31/12/2021
Subscribed capital	5 440,0	0,0	0,0	5 440,0
Issue premiums	15 462,0	0,0	0,0	15 462,0
Merger premiums	212,0	0,0	0,0	212,0
Legal reserve	71,4	0,0	0,0	71,4
Other reserves	164,6	0,0	0,0	164,6
Regulated provisions, investment subsidies	77,3	0,0	24,3 (1)	101,6
Carry forward account	906,4	-47,9	2,6 (2)	861,1
Income for the financial year	-47,9	47,9	494,5	494,5
Dividend installments	0,0	0,0	-427,2	-427,2
Total	22 285,8	0,0	94,2	22 380,0

(1) Provision for derogatory depreciation of software

(2) See Note 37.2

The capital stock consists of 680 million registered ordinary shares, with a nominal value of 8 euros, fully paid-up.

The majority of the capital must remain the property of the State, of a State public institution, of a public body or of a public undertaking.

● **NOTE 23 - COUNTERVALUE OF FOREIGN CURRENCY TRANSACTIONS IN EURO**

(in millions of euros)	31/12/2021	31/12/2020
Assets	2,1	2,0
Liabilities	927,5	367,2

These net balance sheet positions are covered by off-balance sheet transactions.

● **NOTE 24 - CASH FLOW STATEMENT FOR IMPAIRMENTS AND PROVISIONS**

(in millions of euros)	Depreciation and Provisions as of 31/12/20	Allocation for depreciation and provisions	Reversals of depreciation and provisions available	Reversals of depreciation and provisions used (1)	Other changes (2)	Depreciation and Provisions as of 31/12/21	Receivables irrecoverable not covered by provisions	Recovery on receivables amortised	IMPACT ON INCOME (3)
Impairments and provisions for bad debts and credit risks	1 001,5	258,9	210,9	32,5	0,5	1 016,5	5,0	1,8	-51,2
- <i>Impairment for doubtful loans</i>	367,3	204,9	58,3	32,5	0,5	480,9	4,7	1,8	-149,5
. Interbank Loans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Customer credits	367,3	204,9	58,3	32,5	0,5	480,9	4,7	1,8	-149,5
. Securities and other transactions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- <i>Collective provision for credit risks</i>	632,9	54,0	152,0	0,0	0,0	534,9	0,0	0,0	98,0
- <i>Other provisions</i>	1,3	0,0	0,6	0,0	0,0	0,7	0,3	0,0	0,3
Other operating provisions	50,4	68,2	14,9	5,5	0,0	98,2			
General banking risk fund	235,2	0,0	0,0	0,0	0,0	235,2			

(1) The recoveries correspond to passages in losses

(2) Changes in scope, foreign exchange and reclassifications of provisions

(3) -/+ Net allocations or takeovers

- Unrecoverable receivables

+ Recoveries on amortised receivables

● **NOTE 25 - OFF-BALANCE SHEET COMMITMENTS**

25.1 Commitments given

	31/12/2021	31/12/2020
(in thousands of euros)		
AFT (Agence France Trésor)		
Creation of SMEs and VSBs	2 140 931	2 862 146
Transmission of SMEs and VSBs	1 047 020	1 394 798
Strengthening the financial structure of SMEs and VSBs	163 799	267 875
Innovation of SMEs and VSBs	152 714	162 349
Specific short-term financing for SMEs and VSBs	216 603	216 031
Strengthening Financial Position SME - Mid-cap	6 158	7 079
Over-colateralisation Strengthening Financial Position SME - Mid-cap	199	709
Lines of Credit Confirmed VSB - Mid-cap	44	18
Over-colateralisation Lines of Credit Confirmed VSB - Mid-cap	8	120
FGKP	932 438	1 234 678
FASEP	92 805	90 409
Equity guarantee (excluding ERDF IF)	21 241	26 597
Crowdfunding seed loan	40	40
Guarantees on innovative projects	0	147
Guaranteed biotechnology	8 031	10 145
Structured Finance	15 683	23 760
PPMTR	24	31
Sustainable Development Innovation	628	859
CICE Pre-financing	0	0
Development of SMEs and VSBs	96	205
Strengthening of the Livestock Sector	21 834	26 126
Agricultural mechanisation loan	1 008 720	701 339
CREAT K/K 2019	267 089	319 480
DEV K/K 2019	947 226	709 563
TRANS K/K 2019	87 810	89 579
SFP K/K	0	0
INTER DEV K/K	16 110	20 674
CREA CG	1 164 699	783 106
CREA EX NI	192 353	107 503
TRANS CG	86 388	50 982
DEV CG	195 043	145 972
RT CG	51 445	53 149
subtotal	8 837 179	9 305 471

	31/12/2021	31/12/2020
(in thousands of euros)		
PIC SME	0	0
National Over-colateralisation Fund SFP VSB-SME Coronavirus	11 386	20 467
National Over-colateralisation Fund SFP Mid-cap Coronavirus	12 307	16 207
National Over-colateralisation Fund LCC VSB-SME Coronavirus	0	29 376
National Over-colateralisation Fund LCC Mid-cap Coronavirus	1 350	5 568
National Guarantee Fund SFP VSB-SME Coronavirus	1 985	2 719
National Guarantee Fund SFP Mid-cap Coronavirus	1 275	1 415
National Guarantee Fund LCC VSB-SME Coronavirus	0	3 950
National Guarantee Fund LCC Mid-cap Coronavirus	0	4 550
SME ASSET GUARANTEE	0	0
MID-CAP ASSET GUARANTEE	0	0
SFP AUTOMOTIVE	0	0
GREEN LOAN ADEME BPIFRANCE	0	0
LOAN MECHANISATION INJECTION	0	0
DIGITAL France	21	0
ENERGY- SAVING LOAN (FDS ESL)	0	0
GREEN LOAN 4	0	0
GROWTH STIMULUS LOAN	1 600	0
DEVELOPMENT RECOVERY	229 989	0
INTERNATIONAL DEVELOPMENT RECOVERY	7 146	0
Creation Standard Recovery Case by Case	60 652	0
Creation Standard Recovery Contract	151 347	0
Transmission Recovery	41 015	0
Transmission Recovery Contract	9 160	0
Creation Ex-Nihilo Recovery Contract	1 686	0
GUARANTEE OF EQUITY RECOVERY	3 968	0
GREEN LOAN	4 100	0
Creation Ex-Nihilo Recovery, Case by Case	2 782	0
subtotal	541 769	84 252

	31/12/2021	31/12/2020
(in thousands of euros)		
CDC (Caisse des Dépôts et Consignations)		
France Investment Guarantee	110 806	113 675
Other funds		
Equity guarantee (ERDF IDF)	0	0
UIMM	0	10
Other management	1 533 995	1 568 500
Overseas Department		
Overseas Department	19 431	26 758
Guarantee fund commitments	11 043 180	11 098 666
Guarantee fund doubtful commitments		
	1 658 044	1 792 527
Total guarantee funds commitments		
	12 701 224	12 891 193

Guarantee commitments record guarantees for the repayment of loans distributed by credit institutions. They are mainly backed by guarantee funds. The amount of guarantees given to Bpifrance loans is € 8,685.8 million.

Moreover, guarantee agreements are not yet implemented at 31 December 2021 for an amount of EUR 475.6 million.

25.2 Commitments received

Within the financing commitments received from credit institutions, € 435.3 million came from commitments received on securities sold under repurchase agreements

● **NOTE 26 - FOREIGN CURRENCY TRANSACTIONS AND FORWARD FINANCIAL INSTRUMENTS**

	31/12/2021								31/12/2020	
	Coverage				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>Over-the-counter transactions</u>										
. Currency swap contracts	352,6	4,8	0,0	0,0	559,3	11,8	911,9	16,6	386,3	-17,0
. Rate swap contracts	0,0	0,0	50 670,8	144,1	0,0	0,0	50 670,8	144,1	51 815,7	-646,6
. Ceiling and floor rate contracts	0,0	0,0	1 335,4	-25,4	0,0	0,0	1 335,4	-25,4	1 055,6	-43,6
<u>Transactions carried out on markets organised</u>										
. Rate contracts sold firm	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
. Rate contracts bought firm	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total	352,6	4,8	52 006,2	118,7	559,3	11,8	52 918,1	135,3	53 257,6	-707,2

(*) Isolated open investments.

Breakdown by residual maturity as at 31 December 2021

(in millions of euros)	D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Over-the-counter transactions	11 475,4	25 762,3	15 680,4
Operations performed on organised markets	0,0	0,0	0,0

The notional amount of the agreements listed above only provides an indication of the volume of activity; the counterparty risk attached to the forward financial instruments used by Bpifrance is estimated according to the methodology used to calculate the European prudential ratios at 31 December. As such, it takes into account the effect of the compensation agreements in force on that date as well as the guarantees received. It is hereby analysed as follows:

(in millions of euros)	31/12/2021	31/12/2020
<i>Positive replacement cost (1)</i>	99,6	782,3
<i>Potential future exposure (2)</i>	16,8	380,4
Total Exposure = 1.4 x ((1) + (2))	163,0	1 627,8
Equivalent weighted credit risk	14,1	7,0

Since 30 June 2021 and following the implementation of CRR 2 (Capital Regulation Requirements 2, prudential regulations applicable to Bpifrance), Bpifrance has modified the method for calculating counterparty risk on derivative transactions by applying the SA_CCR calculation.

● **NOTE 27 - INTEREST AND RELATED INCOME**

(in millions of euros)	31/12/2021	31/12/2020
Operations with credit institutions	177,1	104,2
customer operations (1)	793,8	829,5
- <i>Current accounts receivable</i>	0,0	0,0
- <i>Export credits</i>	4,9	3,8
- <i>Cash appropriations</i>	30,5	41,1
- <i>Medium and long-term loans</i>	369,6	408,9
- <i>Miscellaneous credits and subordinated receivables</i>	279,9	274,7
- <i>Off-balance sheet operations</i>	107,5	101,0
- <i>Various</i>	1,4	0,0
Bonds and other fixed-income securities	208,0	231,4
Hedging financial instruments	29,0	27,4
Total (2)	1 207,9	1 192,5
(1) Including recovery of impairment for bad debts as a result of the passage of time (see note 1.2)	0,6	0,6
(2) Including negative interest on debts and issues of securities	187,5	112,3

● **NOTE 28 - INTEREST AND RELATED EXPENSES**

(in millions of euros)	31/12/2021	31/12/2020
Operations with credit institutions	-70,7	-49,8
Customer transactions	-113,0	-132,1
Bonds and other fixed-income securities	-326,4	-322,8
<i>Bonds</i>	-325,6	-319,7
- <i>Negotiable debt securities</i>	-0,5	-3,1
- <i>Income in micro-hedges</i>	-0,3	0,0
Other interest and similar charges	-0,2	-0,2
Hedging financial instruments	-0,2	-0,8
Total (*)	-510,5	-505,7
(*) Including negative interest on receivables and securities portfolios	-3,7	-2,5

● **NOTE 29 - INCOME ON LEASING AND OPERATING LEASING TRANSACTIONS**

(in millions of euros)	31/12/2021	31/12/2020
Rent	1 154,8	1 160,8
Other products	84,9	99,4
Capital gains	53,5	38,1
Cost of risk	-3,1	-18,5
Total	1 290,1	1 279,8

● **NOTE 30 - EXPENSES ON LEASING AND OPERATING LEASING TRANSACTIONS**

(in millions of euros)	31/12/2021	31/12/2020
Depreciation	-982,9	-981,6
Allocations for special provisions	-151,8	-146,3
Capital losses	-35,3	-42,7
Other expenses	-77,6	-97,6
Total	-1 247,6	-1 268,2

● **NOTE 31 - INCOME OF VARIABLE INCOME SECURITIES**

(in millions of euros)	31/12/2021	31/12/2020
Shares	0,2	0,0
Other securities held long-term	0,0	0,0
Shares in related companies (*)	424,1	302,6
Total	424,3	302,6

(*) of which:

- Bpifrance Shareholding Dividends: €50.0M (€65.2M as of 31 December 2020)
- Excess Spread of self-retained securitisations 1 and 2: €7.4M (€3.4M as at 31 December 2020)

● NOTE 32 - COMMISSIONS

(in millions of euros)	31/12/2021	31/12/2020
Products		
Commissions on customer transactions	17,3	19,9
Commissions on the provision of financial services	0,0	0,0
Total	17,3	19,9
Expenses		
Charges on securities transactions	-1,4	-1,8
Total	-1,4	-1,8

● NOTE 33 - GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS

(in millions of euros)	31/12/2021	31/12/2020
Transaction securities	0,0	0,0
Foreign exchange transactions	0,4	-0,1
Financial transactions	4,4	5,7
Total	4,8	5,6

● NOTE 34 - GAINS OR LOSSES ON MARKET INVESTMENT PORTFOLIO AND SIMILAR TRANSACTIONS

(in millions of euros)	31/12/2021	31/12/2020
Net impairment charges or recoveries	-28,2	-9,0
Capital losses on disposal	-14,6	-99,8
Capital gains from disposal	1,1	3,9
Total	-41,7	-104,9

● **NOTE 35 - OTHER BANKING OPERATING RESULTS**

(in millions of euros)	31/12/2021	31/12/2020
Products invoiced to Group companies	31,8	26,1
Other chargebacks	1,7	1,6
Use of partner financing resources supporting innovation	2,5	0,5
Accessory product insurance	14,1	13,3
SGL commissions	10,5	0,0
Recovery of available provisions	0,8	0,6
Share of investment grants	2,4	1,1
Miscellaneous products related to innovative activity	23,0	20,9
Overseas department administrated fund management products	1,1	0,5
Other products	27,6	16,3
Total	115,5	80,9

● **NOTE 36 - OTHER BANKING OPERATING EXPENSES**

(in millions of euros)	31/12/2021	31/12/2020
Depreciation and amortisation for intangible assets and tangible assets excluding operations	0,0	0,0
Entrepreneurship and Region activity grants	-20,6	-49,4
Allocations to provisions for miscellaneous banking operation risks	-38,0	-8,8
Handover of Management grant proceeds		
Regional Directorate for Industry, Research and the Environment	-1,1	-0,7
Other expenses	-8,6	-4,8
Total	-68,3	-63,7

● NOTE 37 - GENERAL OPERATING EXPENSES

(in millions of euros)	12/31/2021	12/31/2020
Staff costs		
- Wages and salaries	-168,4	-153,6
- Fixed contribution benefit costs	-19,7	-17,8
- Defined benefit program costs	-2,0	-3,0
- Other social services	-61,3	-54,8
- Incentive schemes and profit sharing	-18,0	-17,4
- Tax burden	-19,6	-17,5
- Allocation/reversal provisions for commitments to staff	-5,3	-3,8
Subtotal	-294,3	-267,9
Taxes and duties	-21,3	-22,5
Other administrative costs	-214,9	-210,2
Total	-530,5	-500,6

37.1 Breakdown of the fair value of assets covering retirement commitments

The allocation of the fair value of regime assets to the different categories is based on the nature of the assets and the risks associated with them.

	31/12/2021 (in %)	31/12/2020 (in %)
UCITS		
Monetary	2%	3%
Other	5%	4%
Shares	19%	16%
Bond	75%	77%
Total	100%	100%

37.2 Change in post-employment benefit obligations

	Retirement lump sum benefits			Costs of healthcare	Long-service award	TOTAL 31/12/2021		
	Commitments regarding defined benefits	Plan assets	Net Liabilities			Commitments	Plan assets	Net Liabilities
(in millions of euros)								
Opening balance (*)	30,6	30,2	0,4	1,6	1,2	33,3	30,2	3,1
- Cost of services rendered during the period	2,2	0,0	2,2	0,0	0,0	2,2	0,0	2,2
- Interest on defined-benefit liabilities/assets	0,1	0,0	0,1	0,0	0,0	0,1	0,0	0,1
- Cost of past services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Effect of changes in the exchange rate of foreign currencies	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Contribution to the employer's plan	0,0	3,0	-3,0	0,0	0,0	0,0	3,0	-3,0
- Contribution to the plan of the participant	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss result of liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid benefits	-3,9	-3,9	0,0	-0,1	0,2	-3,8	-3,9	0,1
- Actuarial deviations	0,2	0,6	-0,4	0,0	-0,1	0,1	0,6	-0,5
> including actuarial differences of the period related to the experience	1,6	0,0	1,6	0,0	0,0	1,5	0,0	1,5
> including actuarial differences on adjustments related to demographic assumptions	-0,4	0,0	-0,4	0,0	0,0	-0,4	0,0	-0,4
> including actuarial differences on adjustments to financial assumptions	-1,0	0,6	-1,6	0,0	0,0	-1,0	0,6	-1,7
Closing balance	29,2	29,9	-0,6	1,4	1,3	31,9	29,9	2,1

(*) The opening balance is adjusted by -2.6 M€ on the end-of-career allowances, following the application of the update of the ANC Recommendation n° 2013-02 of 7 November 2013 on the rules for the evaluation and accounting of pension commitments and similar benefits. The impact of this change in accounting regulations was charged to the opening equity, again deferred (see note 22).

	Retirement lump sum benefits			Costs of healthcare	Long-service award	TOTAL 31/12/2020		
	Commitments regarding defined benefits	Plan assets	Net Liabilities (Assets)			Commitments	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 defined-benefit liabilities/assets	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
- Effect of changes in the exchange rate of foreign currencies	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 employee's plan	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Profit or loss result of liquidation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Paid benefits	-3,0	-3,0	0,0	-0,1	-0,1	-3,2	-3,0	-0,2
- Actuarial deviations	0,7	0,1	0,7	0,0	-0,1	0,6	0,1	0,6
> including actuarial differences of the period related to the experience	0,5	0,0	0,5	0,0	-0,1	0,4	0,0	0,4
> including actuarial differences on adjustments related to demographic assumptions	-0,4	0,0	-0,4	0,0	0,0	-0,4	0,0	-0,4
> including actuarial differences 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

● **NOTE 38 - RISK COST**

(in millions of euros)	31/12/2021			
	Reduction to assets	Collective provisions	Other liabilities	TOTAL
Net allocations or reversals of provisions and impairments	-146,6	98,0	0,6	-48,0
Unrealised losses	-4,7	0,0	-0,3	-5,0
Recoveries on amortised receivables	1,8	0,0	0,0	1,8
Balance	-149,5	98,0	0,3	-51,2

(in millions of euros)	31/12/2020			
	Reduction to assets	collective provisions	Other liabilities	TOTAL
Net allocations or reversals of provisions and impairments	-120,4	-257,3	2,1	-375,6
Unrealised losses	-5,7	0,0	-0,2	-5,9
Recoveries on amortised receivables	2,6	0,0	0,0	2,6
Balance	-123,5	-257,3	1,9	-378,9

● **NOTE 39 - GAINS OR LOSSES ON FIXED ASSETS**

(in millions of euros)	31/12/2021				31/12/2020
	Investment securities	Tangible and intangible fixed assets for operation	Shares and other long-term holdings and securities; Shares in affiliates	TOTAL	TOTAL
Impairment allocations	0,0	0,0	0,0	0,0	0,0
Recoveries of impairments	0,0	0,0	1,1	1,1	0,0
Capital losses on disposal	0,0	-6,6	-1,2	-7,8	0,0
Capital gains from disposal	0,0	0,0	0,0	0,0	0,2
Balance	0,0	-6,6	-0,1	-6,7	0,2

● **NOTE 40 - TRANSITION BETWEEN INCOME STATEMENT AND NON-OPERATING REVENUES AND EXPENSES**

	31/12/2021		
	Finance lease and property lease	Finance lease and equipment	TOTAL
(in millions of euros)			
Accounting depreciation and amortisation	-326,0	-656,8	-982,8
Accounting gains/losses	10,1	8,0	18,1
Total	-315,9	-648,8	-964,7
Financial depreciation and amortisation	-322,8	-572,3	-895,1
Financial gains/losses	10,1	0,6	10,7
Financial impairment on assets	5,6	-1,6	4,0
Total	-307,1	-573,3	-880,4
Change in the latent reserve	8,8	75,6	84,4

● **NOTE 41 - MAIN INTERIM FINANCIAL MANAGEMENT BALANCES**

(in millions of euros)	31/12/2021	31/12/2020
NET BANKING INCOME	1 277,8	1 045,5
General operating expenses	-530,5	-500,6
Depreciation and amortisation expense on intangible and tangible fixed assets	-43,9	-38,7
GROSS OPERATING INCOME	703,4	506,2
Cost of risk	-54,3	-392,8
OPERATING RESULT	649,1	113,4
Gains or losses on fixed assets	-6,7	0,2
CURRENT INCOME BEFORE TAX	642,4	113,6
Outstanding income	0,0	0,0
Income Tax	-39,2	-80,5
Allocations/takeovers of FRBG and regulatory provisions	-24,3	13,6
Net Income	578,9	46,7

● NOTE 42 - TAX SITUATION

Corporate tax is accounted for using the tax payable method.

The tax result for the financial year 2021 (provisional) at the standard rate is € 157.2 million, taking into account the following main net additions or deductions:

(in millions of euros)

Accounting profit before tax for the financial year	533,7
Dividends	-353,2
Spread for subsidised loans	47,5
Net allocation for collective provision	-98,0
File and instruction fees to be displayed	-2,5
Taxes and other non-deductible contributions	14,9
Entrepreneurship and Region activity grant	20,6
Other provisions	-5,8
Taxable income	157,2

The tax result at the standard rate of 30.80% generates a tax expense of € 44 million after charging tax credits.

No tax charge is recorded for the tax result at the reduced rate of 15%.

● NOTE 43 - SECTORAL INFORMATION

Bpifrance's main activities are the following:

- long and medium-term loans: these are long and medium-term financing in the form of direct loans, equipment and property leasing and financial leasing; they also include innovation loans;
- short-term financing includes the financing of public debt in mainland France and French overseas territories, either directly or by entering into agreements;
- guarantee interventions cover banks and equity providers from the risk of default of the beneficiaries of financing;
- innovation financing aid in the form of repayable advances or grants.

In the "other" section, the main items are equity income and, to a lesser extent, market equity income and re-invoicing.

(in millions of euros)		31/12/2021		31/12/2020	
Activity	GDP financial	Average outstanding amount	GDP financial	Average outstanding amount	
Long- and medium-term loans	661,2	42 070,8	578,0	38 200,1	
- including leasing	97,3	5 991,2	80,9	6 206,9	
Short-term financing	76,1	3 107,4	94,5	4 327,4	
Guarantee	127,5	17 669,0	96,3	17 071,2	
- including commissions	113,7		91,8		
- including financial products	1,5		2,6		
Innovation	35,1		25,4		
Other	377,9		251,3		

● NOTE 44 - ACTIVITIES ON BEHALF OF THIRD PARTIES

Transactions managed by Bpifrance (agent) on behalf of third parties (principal) are not included in the bank's balance sheet.

	31/12/2021							
	Assets				Liabilities			Off balance sheet
	Receivables	Principal	Cash	Total	Debts	Principal	Total	
(in millions of euros)								
Financing activity								
ARI (*)	70,6	0,0	0,0	70,6	0,0	70,6	70,6	19,4
FDES PBAR (*)	185,1	0,0	11,4	196,5	0,0	196,5	196,5	1,9
Debt funds	57,4	0,0	0,0	57,4	0,0	57,4	57,4	0,0
Warranty activity								
SME (*)	0,0	0,0	79,7	79,7	0,0	79,7	79,7	96 966,2
FCS (*)	0,0	0,0	94,0	94,0	0,0	94,0	94,0	87,2
OVERSEAS DEPARTMENT MANAGED F	0,0	0,0	62,7	62,7	0,0	62,7	62,7	0,0
CAMULOR	0,0	0,0	0,2	0,2	0,0	0,2	0,2	0,0
FGRU (*)	0,0	0,0	4,4	4,4	0,0	4,4	4,4	0,0
Student loans	0,0	0,0	50,2	50,2	0,0	50,2	50,2	266,1
Innovation assistance activity								
ASSET	0,0	0,0	42,7	42,7	0,0	42,7	42,7	0,0
DEEP TECH GPT	2,6	3,2	4,0	9,8	9,8	0,0	9,8	2,4
FIS	1,8	3,8	6,1	11,7	11,7	0,0	11,7	6,7
INDUSTRIAL INVESTMENT FUND	0,0	676,5	221,8	898,3	898,3	0,0	898,3	218,7
FSN (*)	78,7	0,0	73,2	151,9	36,1	115,8	151,9	26,5
PSIM (*)	28,5	0,0	11,2	39,7	4,4	35,3	39,7	3,9
PSPC (*)	203,8	0,0	94,1	297,9	218,4	79,5	297,9	257,6
SIA (*)	0,0	12,9	-3,0	9,9	9,9	0,0	9,9	0,6
FUI (*)	0,0	23,2	24,2	47,4	47,4	0,0	47,4	1,1
FNI-PRI(*)	11,1	0,0	11,4	22,5	1,1	21,4	22,5	1,2
PIAVE (*)	73,3	0,0	29,9	103,2	26,1	77,1	103,2	47,7
PIAVE DEMONSTRATORS LEAD (*)	38,2	41,6	17,9	97,7	97,7	0,0	97,7	257,5
PIAVE DEPLOYMENT LEAD (*)	45,1	0,0	14,5	59,6	4,3	55,3	59,6	361,7
PIAVE STRUCTURAL (*)	0,5	92,1	14,9	107,5	107,5	0,0	107,5	83,4
PIAVE MATURATION LEAD (*)	0,0	0,0	1,6	1,6	0,7	0,9	1,6	35,4
PLAN BATTERIES	0,0	237,4	0,0	237,4	237,4	0,0	237,4	82,6
FRENCH TECH	0,0	0,0	0,3	0,3	0,1	0,2	0,3	0,0
FRENCH TECH SPRINGBOARD	0,0	2,2	0,1	2,3	2,3	0,0	2,3	0,8
FRI GPT	48,1	0,0	103,9	152,0	35,1	116,9	152,0	26,6
PROSPECTING INSURANCE	320,4	0,0	-24,2	296,2	0,0	296,2	296,2	246,4
KEY GPT CHALLENGES	0,0	22,8	6,8	29,6	29,6	0,0	29,6	4,3
FGI SST PIA 3(*)	51,8	27,9	21,1	100,8	100,8	0,0	100,8	452,3
FGI INNOVATION COMPETITION PIA3	53,1	0,0	9,7	62,8	52,1	10,7	62,8	49,5
Total	1 270,1	1 143,6	984,8	3 398,5	1 930,8	1 467,7	3 398,5	99 507,7

(*) ARI: Aid for re-industrialisation

FDES PBAR: Economic and Social Development Fund - Budgetary Planning and Resource Allocation (*Fonds de Développement Economique et Social - programmatic*)

PGE: Loan Guaranteed by the State (*Prêt Garanti par l'Etat*)

FCS: Social cohesion fund (*Fonds de cohésion sociale*)

FGRU: Guarantee Fund for Urban Renewal (*Fonds de Garantie pour le Renouvellement Urbain*)

FSN: National Fund for Digital Society (*Fonds national pour la Société Numérique*)

PSIM: Major Innovation Support Program (*Programme de Soutien à l'Innovation Majeure*)

PSPC: Project for research and development in Structuring Competitiveness Clusters (*Projet de recherche et de développement Structurants des Pôles de Compétitivité*)

FUI: Single Interministry Fund (*Fonds Unique Interministériel*)

FNI-PRI: National Innovation Fund - Regional Partnerships for the Future (*Fonds national d'innovation - Partenariats régionaux d'avenir*)

PIAVE: Industrial Projects of the Future (*Projets Industriels d'Avenir*)

SST PIA 3: Sector Support and Transformation - Investing in the Future Programme 3

SIA : Satt Incubators and Accelerators

PIA 4: 4th Investing in the Future Program

	31/12/2020							
	Assets				Liabilities			Off balance sheet
	Receivables	Principal	Cash	Principal	Debts	Principal	Total	
(in millions of euros)								
Financing activity								
ARI (*)	89,4	0,0	0,0	89,4	0,0	89,4	89,4	20,0
FDES PBAR (*)	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
Warranty activity								
SME (*)	0,0	0,0	8,6	8,6	0,0	8,6	8,6	99 909,0
FCS (*)	10,2	0,0	60,2	70,4	0,0	70,4	70,4	92,6
Overseas department 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 (*)	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 assistance activity								
Asset	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(*)	101,7	0,0	48,5	150,2	68,2	82,0	150,2	29,4
PSIM(*)	30,9	0,0	7,2	38,1	6,3	31,8	38,1	5,8
PSPC(*)	204,9	0,0	54,8	259,7	182,8	76,9	259,7	251,3
SIA(*)	0,0	5,4	-1,2	4,2	4,2	0,0	4,2	0,8
FUI(*)	0,3	81,1	-1,7	79,7	79,7	0,0	79,7	1,6
FNI-PRI(*)	16,8	0,0	6,2	23,0	1,1	21,9	23,0	1,6
PIAVE (*)	72,7	0,0	12,0	84,7	33,3	51,4	84,7	65,4
PLAN BATTERIES	0,0	237,4	0,0	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 Springboard	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	163,9	29,0
Prospecting Insurance	196,0	0,0	-8,5	187,5	0,0	187,5	187,5	205,8
KEY GPT CHALLENGES	0,0	0,0	16,2	16,2	2,4	13,8	16,2	11,8
FGI SST PIA 3(*)	3,8	13,6	36,7	54,1	54,1	0,0	54,1	321,5
FGI Innovation competition PIA 3	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

- **NOTE 45 - HEADCOUNT**

The average headcount was 2,755 employees in 2021, of whom 87% were executives.

- **NOTE 46 - REMUNERATION ALLOCATED TO MEMBERS OF ADMINISTRATIVE BODIES**

The remuneration for attendance paid to the managers and the remuneration paid to the chairmen of the business committees amounted to 344,600 euros.

10. REPORTS FROM THE STATUTORY AUDITORS

10.1. Report on the consolidated financial statement



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



Mazars
Tour Exaltis
61 rue Henri Regnault
92400 Courbevoie
France

Bpifrance S.A.

*Report of the statutory auditors on the consolidated
financial statements*

Financial year ended 31 December 2021

Bpifrance S.A.

27-31 Avenue du Général Leclerc - 94710 Maisons-Alfort



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Bpifrance S.A.

Registered office: 27-31 Avenue du Général Leclerc - 94710 Maisons-Alfort

Share capital: €5,440,000,000

Report of the statutory auditors on the consolidated financial statements

Financial year ended 31 December 2021

To the General Meeting,

Opinion

Basis for the opinion

In compliance with the engagement entrusted to us by your general meetings, we have audited the consolidated financial statements of Bpifrance S.A. for the financial year ended 31 December 2021, as attached to this report.

We certify that the consolidated financial statements, in accordance with the IFRS standards adopted by the European Union, give a true and fair view as at the end of the financial year of the assets and liabilities and of the financial position of the Group, consisting of the legal entities included in the consolidation, and of the financial results of its operations for the year then ended.

The above opinion is consistent with the contents of our report to the Audit Committee.

Audit guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained provides an adequate and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are set out in the section in this report entitled "Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements".

Independence

We conducted our audit, over the period from 1 January 2020 to the date on which our report was issued, in compliance with the independence rules provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics, and, in particular, we did not provide any services prohibited by Article 5, paragraph 1, of EU regulation No. 537/2014.

Justification of our assessments - Key audit matters

The global crisis related to the Covid-19 pandemic created exceptional conditions for the preparation and audit of the financial statements for this year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency had numerous consequences for businesses, in particular on their operations and financing, and created greater uncertainty as to their future prospects. Some of those 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 performed.

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 draw your attention to the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements for the financial year, as well as the responses provided by us with regard to these risks.

The assessments thus made are part of our audit of the consolidated financial statements taken as a whole, and have contributed to the opinion we expressed above. We do not provide an opinion on individual items in these consolidated financial statements.

1. Impairment and provisioning for credit risk:

• Risk identified:

Impairment of performing and doubtful loans due to expected credit risk (bucket 1, bucket 2):

As indicated in Note 5.5 to the consolidated financial statements, Bpifrance recognises impairment for expected credit losses in respect of performing and doubtful loans. As indicated in Note 6.18 of the consolidated financial statements, the impairment for expected credit risk with regard to performing and doubtful loans (on-balance sheet and off-balance sheet) amounted to €636.5 million at 31 December 2021. 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.

In view of the continuation of this context, the methodology of Bpifrance's model for calculating expected losses required a certain number of changes as specified in Note 1.1.1.

Outstanding loans are initially classified as "bucket 1". If they have not experienced a significant increase in credit risk since their issue (SICR), they remain classed as "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" and impairment is determined based on the expected losses at maturity.

Impairment on an individual basis in respect of known credit risk (bucket 3):

Bpifrance records impairment to cover 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 the impairment of individual loans as the difference between the book value of the asset having a known credit risk and the present value of the future cash flows that they consider can be recovered by maturity of the loan after taking into account the

triggering of guarantees and, where appropriate, the impact of the health crisis on these cash flows and the specific guarantees relating to economic support plans.

As indicated in Note 6.18 to the consolidated accounts, the impairment in relation to proven credit risk amounted to €534.8 million at 31 December 2021.

We considered the determination of impairment of receivables due to credit risk to be a key audit matter because of:

- the risk of material impact on the bank's financial results.
- the relative importance of outstanding loans on the balance sheet and of commitments made to customers.
- the importance of the model's parameters and the judgement of internal experts.
- the complexity of estimating the probabilities of default and the losses in cases of default, including the value of the associated guarantees.
- the sensitivity of the calculation parameters to the assumptions used by management.
- **Audit approach:**

We noted the internal control systems put in place by the bank in the context of the Covid-19 crisis to identify the relevant receivables and assess the impairment amount to be recognised with respect to these outstanding loans.

We also tested the design and operational effectiveness of key controls relating to these systems.

- For the impairment of performing and doubtful loans, we undertook a critical review of the documentation made available to justify the methodology used and to assess Bpifrance's criteria for identifying business areas which are considered more sensitive, due to their environment, to impacts from the current economic and health context; the forecast economic parameters including a review of the economic scenarios and of the governance framework with regard to their update, the audit trail and the controls operated in respect of the bases of calculation, and we verified that the impairment was correctly entered into the accounting information system.
- For impairment estimated on an individual basis, we tested the automatic controls with regard to loan impairment for a sample of credit files, and the controls relating to estimating the impairment amounts (in particular estimating the value of guarantees obtained), taking into account, where appropriate, the impact of the health crisis on these cash flows and the specific guarantees relating to economic support plans.

We also implemented the following substantive procedures:

- For the impairment of performing and doubtful loans, we verified the comprehensive nature of the basis of calculation, assessed the reasonableness of the principal parameters used and performed an independent calculation of the provision in respect of the main loan books as at 31 December 2021.
- For impairment on an individual basis, we verified, through the sampling of credit files, the adequacy of the impairment recognised with regard to the cash flow forecasts made by the bank.

2. Valuation of equity-accounted investments:

• Risk identified:

Bpifrance holds investments over which it exercises significant influence. When preparing 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 group's share of the shareholders' equity and net profit or loss of the relevant companies. The profit and loss account reflects the group's share of the net profit or loss of the companies accounted for using the equity method.

As indicated in Note 3.3 to the consolidated financial statements, the value of the investments accounted for using the equity method is tested for impairment according to the provisions of IAS 36 relating to the impairment of assets. The value of such investments is tested where there is an objective indication of impairment resulting from one or more events occurring after the initial recognition of the investment and these events are likely to have an impact on the forecast future cash flows.

The book value of the investments accounted for on an equity basis is then compared with the recoverable value which is the higher of, on the one hand, the value-in-use generally calculated according to the discounted future cash flow method or multi-criteria methods, and on the other, the fair value less selling costs.

In view of the relative importance within the group balance sheet of the investments accounted for by means of the equity method and the significant element of judgement required to determine the values-in-use, we considered that the implementation of the impairment tests for investments accounted for under the equity method was a key audit matter as at 31 December 2021.

As at 31 December 2021, investments accounted for under the equity method amounted to €2,929.4 million – see Note 6.12 to the consolidated financial statements.

• Audit approach:

Management has put in place a control system to identify objective impairment indicators and estimate recoverable values, in particular values-in-use of equity-accounted investments.

We reviewed the current control system, and in particular:

- the operational monitoring procedures for the various investments.
- the identification of possible indications of impairment (particularly in an uncertain environment linked to the Covid-19 crisis).
- the methods and models used by the group to assess recoverable amounts.
- documentation of analyses performed.

With the help of our valuation experts, we reviewed the main lines of the investment portfolio as at 31 December 2021 for:

- the approach adopted and the data used by the group (stock market valuation, recent performance or forecast profits, etc.) to assess whether there are objective indications of impairment and to estimate the value-in-use of the securities.
- the market parameters adopted to estimate the values-in-use (beta and market premium in particular)
- the valuation parameters (discount rates, long-term growth rates, tax rates).
- valuation model calculations.

We also reviewed the information provided in the notes to the consolidated financial statements.

3. Fair value measurement using profits or shareholders' equity of financial assets classified as 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 or UCITS units, recognised at the date of acquisition at the price negotiated.

In subsequent valuations, the fair value of these financial assets held directly or through investment funds is estimated by comparing it with any recent transactions in the share capital of these investments, undertaken with independent third parties under normal market conditions. Where no such comparisons are available, the fair value is determined (taking into account the uncertain environment linked to the Covid-19 crisis), through commonly used techniques (EBIT or EBITDA multiples, discounted cash flows, etc.) or, in the case of units of funds managed by companies outside the group, on the basis of the group's share of the net assets calculated using the most recently available information.

We considered the determination of the fair value of unlisted investments to be a key audit matter as at 31 December 2021 due to:

- the risk of a significant impact on the group's financial results, in view of the item's importance within the consolidated financial statements,
- the significant amount of judgement required in determining the fair values and the use of unobservable data,

- the sensitivity of values-in-use to certain valuation parameters.

As at 31 December 2021, the value of financial assets classified as level 3 in the fair value hierarchy and recognised: i. with a fair value based on profits amounted to €6,087.0 million; ii. with a fair value based on shareholders' equity amounted to €6,051.9 million (see Note 6.21).

• **Audit approach:**

Management has set up a control system for the identification and operational monitoring of assets recorded at fair value on the basis of level 3 profits or shareholders' funds and for the measurement of their fair value.

We examined this system and tested, on the basis of samples, the design and operational efficiency of the principal key controls relating in particular to:

- The identification and classification of assets according to their value hierarchy.
- The choice of fair value measurement approaches, in respect of unlisted equity, UCITS units or other assets recorded at fair value.
- The determination of market parameters (beta and market premium) or valuation parameters (expected contractual cash flows where applicable, discount rates, growth rates, EBIT or EBITDA multiples, etc.).
- The documentation of the analyses performed and the first and second-level controls of these analyses.

With the assistance of our valuation experts, we reviewed a selection of investment portfolio lines as at 31 December 2021 and carried out the following work:

- Review of the data used by the group (including economic scenarios) and critical analysis of the valuation methodology (particularly in an uncertain environment due to the Covid-19 crisis).
- Verification of the arithmetic of the valuation models.
- Review of valuation parameters (discount rates, long-term growth rates, tax rates, sector multiples).
- Validation of the net asset values of the funds held.

We also reviewed the information provided in the notes to the consolidated financial statements.

Specific verification

We also performed, in accordance with the professional standards applicable in France, the specific verification required by law and regulation of the information provided with regard to the group in the management report of the Board of Directors.

We have no matters to report as to its accuracy or its consistency with the consolidated financial statements.

We 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 that code, the information contained in that statement has not been verified by us as to its accuracy or consistency with the consolidated financial statements. This information should be reported on by an independent third party.

Other verifications or information required by law or regulation

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We also verified that, in accordance with the professional standards applicable in France with regard to the procedures performed by the statutory auditor in respect of the annual and consolidated financial statements presented in the European single electronic format, the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, whose preparation is the responsibility of the Chief Executive Officer, complies with European Delegated Regulation No. 2019/815 of 17 December 2018. As these are consolidated financial statements, our procedures include verification of the consistency of the tagging of these accounts with the format defined by the previously mentioned regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We are not responsible for verifying that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF accord with those on which we carried out our work.

Appointment of the statutory auditors

We were appointed statutory auditors of Bpifrance S.A. by the General Meeting of 28 May 2009 in the case of KPMG Audit FS I, and that of 18 May 2004 in the case of Mazars. It was not possible to reconstruct the history of Mazars' term of office prior to this when Bpifrance's legal name was BDPME.

As at 31 December 2021, KPMG Audit FS I was in the 13th year without interruption of its term of office.

As at the same date, the uninterrupted term of office of Mazars was more than 24 years, taking into account the years prior to 2004.

Responsibilities of management and those charged with governance in respect of the consolidated financial statements

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with IFRS as adopted in the European Union, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing in its financial statements, as applicable, required matters relating to going concern, and using the going concern basis of accounting, unless they expect to liquidate the company or cease trading.

The Audit Committee is responsible for overseeing the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the 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 taken as a whole are free of material misstatement. Reasonable assurance is a high level of comfort, but it is not, however, a guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability or quality of management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. Furthermore:

- he/she identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures in response to these risks, and gathers audit evidence considered to be adequate and appropriate to provide a basis for his/her opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal controls;
- he/she obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the consolidated financial statements;
- he/she assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists relating to events or circumstances that may cast doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence gathered up to the date of the audit report. However, subsequent events or circumstances may call into question the company's ability to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he/she draws attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are irrelevant, issues a qualified opinion or declines to sign-off the accounts.

- he/she evaluates the overall presentation of the consolidated financial statements and assesses whether these statements give a true and fair view of the underlying business and events;
- with regard to the financial information in respect of the legal entities included within the consolidation scope, he/she obtains audit evidence considered adequate and appropriate to express an opinion on the consolidated financial statements. He/she is responsible for the management, supervision and carrying out of the audit of the consolidated financial statements and for 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 scope of the audit work and the program implemented, as well as the conclusions from our work. We also draw to its attention, if appropriate, significant weaknesses in internal control identified by us with regard to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatements that we consider to have been of most significance in the audit of the consolidated financial statements for the financial year and are therefore the key audit matters which we are required to detail in this report.



*Bpifrance S.A.
Report of the statutory auditors on the consolidated financial statements
21 March 2022*

We also provide the Audit Committee with the statement required by Article 6 of EU Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Paris La Défense, 21 March 2022


Courbevoie, 21 March 2022

KPMG AUDIT FS I

Mazars


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DocuSigned by:

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Ulrich Sarfati
Partner

Nicolas Bourhis
Partner

Jean Latorzeff
Partner

Matthew Brown
Partner

10.2. Report on the separate financial statements



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Bpifrance S.A.

*Report of the statutory auditors on the annual
financial statements*

Financial year ended 31 December 2021

Bpifrance S.A.

27-31 Avenue du Général Leclerc - 94710 Maisons-Alfort

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Bpifrance S.A.

Registered office: 27-31 Avenue du Général Leclerc - 94710 Maisons-Alfort
Share capital: €5,440,000,000

Report of the statutory auditors on the annual financial statements

Financial year ended 31 December 2021

To the General Meeting

Opinion

In compliance with the engagement entrusted to us by your general meetings, we have audited the annual financial statements of Bpifrance S.A. for the financial year ended 31 December 2021, as attached to this report.

We certify that the annual financial statements, with respect to French accounting rules and principles, give a true and fair view of the assets and liabilities and of the financial position of the company as at the end of the financial year, and of the financial results of its operations for the year then ended.

The above opinion is consistent with the contents of our report to the Audit Committee.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained provides an adequate and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are set out in the section in this report entitled "Responsibilities of the statutory auditors relating to the audit of the annual financial statements".

Independence

We conducted our audit over the period from 1 January 2021 to the date on which our report was issued in compliance with the independence rules provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics and, in particular, we did not provide any services prohibited by Article 5, paragraph 1, of EU regulation No. 537/2014.

Observation

Without questioning the opinion expressed above, we draw your attention to the following point set out in Note 37.2 to the annual financial statements with regard to *post-employment benefits*: *"The opening balance is reduced by €2.6 million in respect of retirement packages, further to the application of the updated French Accounting Standards Authority (ANC, Autorité des normes comptables) Recommendation No. 2013-02 of 7 November 2013 with regard to the rules for the valuation and recognition of pension commitments and similar benefits."*

Justification of our assessments - Key audit matters

The global crisis related to the Covid-19 pandemic created exceptional conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency had numerous consequences for businesses, in particular on their operations and financing, and created greater uncertainty as to their future prospects. Some of those 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 performed.

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 draw your attention to the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year, as well as the responses provided by us with regard to these risks.

The assessments thus made are part of our audit of the annual financial statements taken as a whole, and have contributed to the opinion we expressed above. We do not provide an opinion on individual items in the annual financial statements.

Impairment and provisioning for credit risk

- **Risk identified:**

Bpifrance records impairment and makes 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 the guarantees held. As indicated in Note 1.2 to the annual financial statements, management calculates the impairment on an individual basis as the difference between the book value of the asset having a known credit risk and the present value at the original interest rate of the contract of the future cash flows that they consider can be recovered taking into account the triggering of guarantees.

Provisions for expected risks are calculated on performing loans by analysing the credit risk on a set of receivables of the same type, identified by means of the loan book's internal ratings. Provisions for expected risks are estimated from stochastic scenario simulations that give each counterparty a possible default date and a loss rate in the event of default.

Assessing impairment and provisions requires that judgement be exercised to identify exposures (or groups of the same type of exposure) presenting a risk of non-recovery and to determine

recoverable future cash flows and their recovery periods as at 31 December 2021. In view of the continuation of the crisis relating to the Covid-19 pandemic, the methodology of Bpifrance's model for calculating expected losses required a certain number of changes as specified in Note 2.1.1.

As indicated in Note 24 to the annual financial statements, the impairment and provisions in relation to credit risk amounted to €1,016.5 million as at 31 December 2021. We considered the determination of impairment and provisions in relation to receivables due to credit risk to be a key audit matter because of:

- the risk of material impact on the bank's financial results,
- the relative importance of outstanding loans on the balance sheet and of commitments made to customers,
- the complexity of estimating the probabilities of default and the losses in cases of default, including the value of the associated guarantees,
- the sensitivity of the calculation parameters to the assumptions used by management.

• **Audit approach:**

We noted the internal control systems put in place by the bank in the context of the Covid-19 crisis to identify the relevant receivables and assess the amount of impairment and provisions to be recognised with respect to these outstanding loans.

We also tested the design and operational effectiveness of key controls relating to these systems.

- For provisions in relation to performing and doubtful loans, we undertook a critical review of the documentation made available to justify the methodology used, the forecast economic parameters including a review of the economic scenarios and the governance framework with regard to their update taking into account in particular the Covid-19 health crisis context, the audit trail and the controls operated in respect of the bases of calculation, and we verified that the impairment was correctly entered into the accounting information system.
- For impairment estimated on an individual basis, we tested the automatic controls with regard to loan impairment for a sample of credit files, and the controls relating to estimating the impairment amounts (in particular estimating the value of guarantees obtained), taking into account, where appropriate, the impact of the health crisis on these cash flows and the specific guarantees linked to the economic support plans.

We also implemented the following substantive procedures:

- For provisions in relation to performing and doubtful loans, we verified the comprehensive nature of the basis of calculation, assessed the reasonableness of the principal parameters used and performed an independent calculation of the provision in respect of the main loan books as at 31 December 2021.
- For impairment on an individual basis, we verified, through the sampling of loan files, the adequacy of the impairment recognised with regard to the cash flow forecasts made by the bank.

Valuation of shares in affiliated companies

- **Risk Identified:**

Shares in affiliated companies of Bpifrance (primarily investments in Bpifrance Participations, Auxifinances, and Bpifrance Assurance Export) are recorded at their initial acquisition cost and then valued at the end of the financial year at the lower of their cost or their value-in-use.

The value-in-use may be determined according to various methods taking into account the nature of the investments, the revised net asset value or the outlook linked to the trajectory of financial forecasts, particularly the Covid-19 health crisis context.

We considered the valuation of shares in affiliated companies to be a key audit matter as at 31 December 2021 due to:

- the risk of a material impact on Bpifrance's financial results, in view of the significance of the item at the company level and the risk of a change in value of the assets held by the principal investments of Bpifrance,
- the significant amount of judgement required in determining the values-in-use, both in preparing the financial forecasts and valuing the unlisted underlying assets which involves the use of unobservable models and data.
- the sensitivity of values-in-use to certain valuation parameters.

As at 31 December 2021, the gross book value of shares in affiliated companies amounted to €21,491.1 million and cumulative impairment to €0.2 million. The investments in Bpifrance Participations, Auxifinances, and Bpifrance Assurance Export are not impaired, the value-in-use of these investments being higher than their cost (see Note 7 to the annual financial statements).

- **Audit approach:**

Management has set up a control system to identify and operationally monitor shares in affiliated companies.

We examined the impairment testing documentation used by the Management for the main investment lines and conducted a critical review of the valuation methodologies, including for the underlying assets held by the investment division (particularly given the uncertain environment relating to the Covid-19 crisis).

We also carried out:

- An arithmetic verification of the results of the valuation models;
- A review of the principal valuation parameters used (discount rates, long-term growth rates, tax rates, sector multiples, etc.).

We also reviewed the information provided in the notes to the financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law and regulation.

Information given in the management report and in other documents with respect to the financial position and in the annual financial statements provided to shareholders

We have no matters to report as to the accuracy and the consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the company's financial position and in the annual financial statements provided to the shareholders.

We have the following comment to make with regard to 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, which your company does not consider as falling within the scope of the information that must be provided.

Report on corporate governance

We certify that the Board of Directors' report with regard to corporate governance includes the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the various information relating to the acquisition of minority and controlling interests has been disclosed to you in the management report.

Other verifications or information required by law or regulation

Format of the presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standards applicable in France with regard to the procedures performed by the statutory auditor in respect of the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, whose preparation is the responsibility of the Chief Executive Officer, complies with European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material aspects, with the European single electronic format.



We are not responsible for verifying that the annual financial statements that will actually be included by your company in the annual financial report filed with the AMF accord with those on which we carried out our work.

Appointment of the statutory auditors

We were appointed statutory auditors of Bpifrance S.A. by the General Meeting of 28 May 2009 in the case of KPMG Audit FS I, and that of 18 May 2004 in the case of Mazars. It was not possible to reconstruct the history of Mazar's term of office prior to this when Bpifrance's legal name was BDPME.

As at 31 December 2021, KPMG Audit FS I was in the 13th year without interruption of its term of office.

As at the same date, the uninterrupted term of office of Mazars was more than 24 years, taking into account the years prior to 2004.

Responsibilities of management and those charged with governance in respect of the annual financial statements

Management is responsible for preparing annual financial statements that give a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures they deem necessary for the preparation of annual financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing in these financial statements, as applicable, required matters relating to going concern, and using the going concern basis of accounting, unless they expect to liquidate the company or cease trading.

The Audit Committee is responsible for overseeing the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to the 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

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of comfort, but it is not, however, a guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability or quality of management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. Furthermore:

- he/she identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error, designs and performs audit procedures in response to these risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his/her opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal controls;
- he/she obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the annual financial statements;
- he/she assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence gathered, whether a material uncertainty exists relating to events or circumstances that may cast doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, subsequent events or circumstances may call into question the company's ability to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he/she draws attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are irrelevant, issues a qualified opinion or declines to sign-off the accounts.
- he/she evaluates the overall presentation of the annual financial statements and assesses whether these statements give a true and fair view of the underlying business and events.

Report to the Audit Committee

We produce a report for the Audit Committee, setting out, in particular, the scope of the audit work and the program implemented, as well as the conclusions from our work. We also draw to its attention, if appropriate, significant weaknesses in internal control identified by us with regard to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatements that we consider to have been of most significance in the audit of the annual financial statements for the financial year and are therefore the key audit matters which we are required to detail in this report.

We also provide the Audit Committee with the statement required by Article 6 of EU Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France



Bpifrance S.A.
Report of the statutory auditors on the annual financial statements
21 March 2022

as specified in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Paris La Défense, 21 March 2022


Courbevoie, 21 March 2022

KPMG AUDIT FS I

Mazars

Decoupled by:

YDCEBEP2564846P

Decoupled by:

SAC1E3BP25A747P

Decoupled by:

33MDFCBBDA160P

Decoupled by:

CDB48DE970843P

Ulrich Sarfati
Partner

Nicolas Bourhis
Partner

Jean Latorzeff
Partner

Matthew Brown
Partner

10.3. Special report on related-party agreements

[Logo: Mazars]

Exaltis Tower
61 Rue Henri Regnault
92 400 Courbevoie
France

[Logo: KPMG]

KPMG Audit FS1
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris La Défense
Cedex France

Bpifrance

Special report of the auditors on related-party agreements

General Meeting for the approval of the annual accounts for the financial year ended 31 December 2021

Bpifrance

Public limited company

Company and Trade Register (RCS) Creteil B 320 252 489

Special report of the auditors on related-party agreements

General Meeting for the approval of the annual accounts for the financial year ended 31 December 2021

To the General Meeting of Bpifrance,

As the auditors of your company, we present our report on your related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, essential terms, conditions and reasons justifying the interest of the company regarding the agreements of which we have been informed or which we may have discovered during our assignment, without having to express an opinion on their usefulness and appropriateness or to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest in signing 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 past financial year, of agreements already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with the professional guidance issued by the National Auditing Body relating to this engagement. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it is derived.

Preamble

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

On the same day, the general meeting of shareholders of Bpifrance Financement changed the company's name (now Bpifrance).

Therefore, for the purposes of this report:

- Bpifrance refers to Bpifrance Financement, whose corporate name was changed following the merger with 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 for approval by the General Meeting

Agreements authorised and signed during the preceding financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Board of Directors.

Multi-annual agreement 2021-2025 signed with the Caisse des Dépôts et Consignation, Bpifrance Participations and Bpifrance Investissement in the presence of the State and Epic Bpifrance

Contracting parties: Bpifrance, the Caisse des Dépôts et Consignation (the CDC), Bpifrance Participations and Bpifrance Investissement in the presence of the State and EPIC Bpifrance

Persons involved: the Caisse des Dépôts et Consignations (the CDC), shareholder holding more than 10% of the voting rights represented by Eric Lombard, Chief Executive Officer of the CDC and Chairman of the Board of Directors of Bpifrance and Virginie Chapron-du Jeu, Antoine Saintoyant and Carole Abbey, also Bpifrance directors.

Nature, purpose and modalities

The purpose of this agreement is to set out the general principles of intervention of the Bpifrance Group and its subsidiaries whose general interest tasks are entrusted to them by the State, Epic Bpifrance and the CDC in application of Articles 1 and 6 of the Order of 29 June 2005 or by agreement.

Within this framework, the Bpifrance Group acts to boost the economy, the economic development of territories and the reinforcement of competitiveness and investment of companies. The Bpifrance Group aims to intervene in market segments or in companies for which other financial players are not, or not sufficiently, present.

This agreement includes the tasks entrusted by the CDC to the Bpifrance Group as part of the tasks assigned by the State to the group through its financing and investment activities.

It also recalls that the State and the CDC jointly have:

- the majority of the seats on the boards of directors of Bpifrance and its 100%-owned subsidiaries and the appointment power of the executives of these companies.
- the majority of voting rights in the General Meetings of the companies either directly or indirectly.

Thus, the State and the CDC together define for the Bpifrance Group the strategic orientations and the main organisational choices, in particular in the context of the annual decisions concerning the strategic plan, the medium-term plan or the adoption of the budget.

This agreement is established for a period of 5 years from the date of signing (i.e. 15 October 2021) and is renewable by tacit agreement for every 5 years, unless explicitly terminated by the CDC with 6 months' notice. Bpifrance may request the termination of the agreement by mutual agreement with the CDC.

This agreement was authorised by your Board of Directors on 30 July 2021

Reasons for its interest in the company

This agreement reinforces the quasi-regime on which the relationship between the State and Bpifrance and its subsidiaries is historically based.

Agreements already approved by the General Meeting

Agreements that continued to be executed during the past year

Pursuant to 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 to be executed during the past year.

Shareholder advance agreement with the French State

Contracting parties: Bpifrance (formerly Bpifrance Financement) and the French State.

Persons involved: The French State, as joint director of Bpifrance and EPIC Bpifrance, represented by M. Vial, D. Simiu, C. Lagneau and S. Raspiller

Nature, purpose and modalities

These agreements relate to the implementation of the advances granted by the State to your company within the framework of the constitution of the over-mutualisation fund and the preserved capital fund.

This agreement had no financial effect for the financial year ended December 2021.

Current account and cash pooling agreement with EPIC Bpifrance

Contracting parties: Bpifrance (formerly Bpifrance Financement) and EPIC Bpifrance.

Persons involved:

- the French State, as joint director of Bpifrance and EPIC Bpifrance, represented by M. Vial, D. Simiu, C. Lagneau and S. Raspiller,
- EPIC Bpifrance as a shareholder holding more than 10% of the voting rights.

Nature, purpose and modalities

This agreement defines the operation and the terms of remuneration of the current account opened on behalf of your company within the framework of centralised cash management.

As no funds have been deposited in the account under this agreement, no interest expense or income has been recognised in the accounts of your Company for the year ended 31 December 2021.

Intra-group service agreement with EPIC Bpifrance, Bpifrance Régions, Auxi Finance and SCI Bpifrance

Contracting parties: Bpifrance (formerly Bpifrance Financement, EPIC Bpifrance, Bpifrance Régions, Auxi Finances and SCI Bpifrance)

Persons involved:

- EPIC Bpifrance (as a shareholder holding more than 10% of the voting rights).

Nature, purpose and modalities

This agreement, signed on 17 March 2008, modified amendment No. 1 to the agreement signed on 20 December 1999, and aims to define the framework for cross-services and to set the general principles for all re-invoicing between the various parties. On March 29, 2011, your Board of Directors 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 related to the marketing and granting of guarantees issued by Bpifrance Régions;
- 0.2% excluding tax of amounts charged to guarantee funds in the previous year for operation management services.

Pursuant to this agreement, your company has recognised for the year ended December 2020:

- an income of € 667,766 for re-invoicing to Bpifrance Régions for services of a commercial nature and wage costs;
- an income of € 229,412 for re-invoicing to Auxi Financials for mutualisation costs;
- an income of € 333,921,27 for re-invoicing to Bpifrance Regions regarding services of a commercial nature and wage costs;
- an income of € 186,072 for re-invoicing to SCI Bpifrance for costs for the pooling of resources.

Agreement relating to the implementation of the Restaurant Modernisation Fund of 22 October 2009 signed with the State and EPIC Bpifrance;

Contracting parties: Bpifrance (formerly Bpifrance Financement), the State and EPIC Bpifrance

Persons involved:

- the French State, as joint director of Bpifrance and EPIC Bpifrance, represented by M. Vial, D. Simiu, C. Lagneau and S. Raspiller.

- EPIC Bpifrance as a shareholder holding more than 10% of the voting rights.

Nature, purpose and modalities

This agreement relating to the implementation of the Restaurant Modernisation and Transfer Loan plan ("PPMTR") provides in particular for the establishment of two funds: the PMR guarantee fund (formerly the "PPMTR" guarantee fund) and the compensation fund for the zero interest PMR. The State pays the sums from the receipts of the annual contribution on sales in the restaurant 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 of an amount, up to the needs expressed and within the limit of 7.9 million euros of resources, intended to finance promotional actions in the Restaurant sector and specifies the terms and conditions for the payment of the contribution to the FMR. On the other hand, this agreement provides for the evolution of the PPMTR into two Restaurant Modernisation Loan formulas, adapted to the needs of small establishments.

This agreement had no financial effect in the year ended 31 December 2021.

Invoicing agreement relating to the guarantee of EPIC Bpifrance on the public issue of EMTNs, modified by amendment No. 1 dated 8 April 2015

Contracting parties: Bpifrance (formerly Bpifrance Financement) and EPIC Bpifrance

Persons involved: EPIC Bpifrance as a shareholder holding more than 10% of the voting rights.

Nature, purpose and modalities

The purpose of this agreement is for EPIC Bpifrance to grant a guarantee to investors who have subscribed EMTNs, NMTNs, bilateral loans and certificates of deposit issued by your company. It provides for a remuneration of EPIC Bpifrance in view of the advantage it provides to Bpifrance Financement.

The remuneration of the guarantee is reviewable annually at the EPIC Bpifrance Board of Directors. It is initially fixed at:

- 0.15% of outstanding securities issued under medium and long-term financing programmes;
- 0.2% of outstanding securities issued under short-term financing programmes.

Pursuant to this agreement, a total expense of € 45,081,629.61 was recorded by your company for the year ended 31 December 2021.

Agreement on European affairs signed with the Caisse des Dépôts et Consignations on 25 March 2014

Contracting parties: Bpifrance (as successor to Bpifrance SA) and the Caisse des Dépôts et Consignations (the CDC)

Persons involved: the CDC as a shareholder holding more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of the 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 modalities

In the context of the establishment of a joint Bpifrance/the CDC representation for the European institutions in Brussels, the agreement relating to European affairs was authorised by your Board of Directors in March 2014.

The Memorandum of Understanding provides for a joint Bpifrance/the CDC representation in Brussels, a bi-annual steering committee and joint actions in areas of common interest. Bpifrance provides the CDC with a budgetary contribution, 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.

Pursuant to this agreement, no financial impact has been recognised in the accounts of Bpifrance for the year 2021.

Service level agreement signed with EPIC Bpifrance and Bpifrance Investissement relating to the management of the Innovation and Industry Fund (FII)

Contracting parties: Bpifrance (formerly Bpifrance Financement), Bpifrance Investissement and EPIC Bpifrance.

Persons involved:

- EPIC Bpifrance as a shareholder holding more than 10% of the voting rights
- A. Saintoyant and C. Abbey as joint directors of Bpifrance and Bpifrance Investissement

Nature, purpose and modalities

On 19 December 2018, your Board of Directors authorised the signing of this agreement by which EPIC Bpifrance entrusts Bpifrance and Bpifrance Investissement with the task of providing assistance and 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 of the services, in agreement with the service provider(s) (Bpifrance and/or Bpifrance Investissement), the information or documents necessary for the performance of the said Services by the Service Provider(s) concerned.

The Service Providers undertake to provide the Services in accordance with best practices. The Service Providers will perform the Services or any assignment carried out under the Agreement on the basis they deem most appropriate and will freely organise the terms and conditions of their actions and the conditions under which the general coordination of information and participants will be carried out within the time limits set forth for each Service or assignment.

The Service Providers will regularly inform EPIC Bpifrance of the execution of the Services and/or of any assignment carried out under the Agreement.

Reasons for its interest in the company: In a context of the intensification of operations at EPIC Bpifrance (Investments for the Future Programme or PIA, ERDF, FII, bond issues, etc.), it seemed necessary to update and expand the scope of services provided by the Bpifrance Group on behalf of EPIC Bpifrance.

Pursuant to this agreement, your company has recognised income amounting to € 257,500 excluding tax for the year ended 31 December 2021.

Agreement signed with the State, the Caisse des Dépôts et Consignations (the CDC) and Bpifrance SA on the transfer of the management of the social cohesion fund

Contracting parties: Bpifrance (formerly Bpifrance Financement and successor to Bpifrance SA), the State and the CDC

Persons involved:

- The French State, represented by M. Vial, D. Simiu, C. Lagneau and S. Raspiller
- the CDC, as a shareholder holding more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of the 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 modalities

On 19 December 2019, your Board of Directors validated and signed an agreement validating the transfer of the management of the "PTZ (zero-interest loan)/ex-NACRE (new support for the creation or takeover of a business)" social cohesion fund. Thus, this agreement makes it possible to implement the transfer of the social cohesion fund and the management of the PTZ/ex-NACRE regime from the CDC to Bpifrance as of 1 January 2020. In addition, the CDC undertakes to examine the request for payment of a EUR 25 million loan package so that it may take place before 31 December 2019, subject to a guarantee decision by the social cohesion fund dedicated to the coverage of this package.

The agreement provides for Bpifrance to take over the management mandate of the Social Cohesion Fund as of 1 January 2020. In this regard, the agreement provides for:

- The signing of a mandate agreement by and between Bpifrance and the State. The agreement, validated in a first version by the Board of Directors in December 2019, specifies in particular the management fees paid to Bpifrance;
- the CDC's commitment to prepare an inventory of the assets and liabilities transferred on the basis of the balance sheet as at 31 December 2018 and to send it to the third parties concerned throughout the plan. the CDC will inform Bpifrance of any discrepancies between the accounting balances and the management monitoring. These elements will be presented and validated by the social cohesion fund governance bodies.
- The resumption of all the previous commitments of the SCF, in particular those established with the subscribers and beneficiaries of the SCF.

The agreement also provides for the transfer of the PTZ regime from the CDC to Bpifrance as of 1 January 2020. Thus, Bpifrance takes over the operational management of the PTZ (ex-Nacre) regime, instead of the CDC, with the agreement of the State, which provides its guarantee, within the framework of the SCF. To facilitate the transition and avoid any disruption for project leaders, the CDC will pay, before 31 December 2019, a loan package on a Savings Fund of EUR 25 million.

Once the entire package of 25 million euros has been provided, the loans will no longer benefit from the subsidy on savings funds, and Bpifrance Financement will assume the financing of these PTZs, subject to the granting of the SCF guarantee. Before the end of the first half of 2020, Bpifrance undertakes to implement, from its own resources, the mechanisms necessary to finance PTZs for the creation of businesses for unemployed people.

Pursuant to this agreement, no financial impact has been recognised in the accounts of Bpifrance Financement for the financial year 2021.

Data exchange agreement signed with the Caisse des Dépôts et Consignations

Contracting parties: Bpifrance and the Caisse des Dépôts et Consignations (the CDC)

Persons involved: the CDC, as a shareholder holding more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of the 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 modalities

The agreement defines the practical arrangements for cooperation between the parties and for the communication by Bpifrance to the CDC of certain information and data necessary for the latter's compliance with its accounting, financial and prudential obligations.

- Transmission by Bpifrance and/or its subsidiaries to the CDC of the information necessary to apply the CDC's prudential model to Bpifrance.
- Communication by the CDC to Bpifrance of the information necessary for the implementation of its autonomous prudential model and the conditions applicable to the CDC for the provision of prudential simulations for the first two financial years following the incorporation of Bpifrance SA and its subsidiaries.

Data exchanges are organised on a monthly basis, for the monthly monitoring of the solvency situation within a circuit including Bpifrance (and its subsidiaries) and on an annual basis, to take into account the contribution of Bpifrance and its subsidiaries in the CDC's Medium Term Strategic Plan (MTSP).

This agreement was authorised by your Board of Directors on 18 December 2020 and was signed on the same date.

Pursuant to this agreement, no financial impact has been recognised in the accounts of Bpifrance for the financial year 2021.

Agreement for the exchange of information signed with the Caisse des Dépôts et Consignations

Contracting parties: Bpifrance and the Caisse des Dépôts et Consignations (the CDC)

Persons involved: the CDC, as a shareholder holding more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of the 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 modalities

The purpose of this agreement is to organise the cooperation between Bpifrance and the CDC and the communication by Bpifrance and its subsidiaries to the CDC of certain information and data.

Pursuant to this agreement, no financial impact has been recognised in the Bpifrance accounts for the financial year 2021.

Agreement on the loan agreement in case of cash flow stress of Bpifrance Financement

Contracting parties: Bpifrance Financement, Bpifrance SA and Bpifrance Participations

Persons involved:

- Nicolas DUFOURCQ as CEO of Bpifrance;
- the CDC, as a shareholder holding more than 10% of the voting rights, represented by Eric Lombard, Chief Executive Officer of the 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 modalities

On 15 December 2016, your Board of Directors (Bpifrance formerly Bpifrance Financement), and on 16 December 2016 (Bpifrance SA absorbed by Bpifrance), your Board of Directors authorised the signing of this agreement, whose purpose is to formalise the terms and conditions of the transfer by Bpifrance SA (absorbed by Bpifrance) and by Bpifrance Participations, for the benefit of Bpifrance (formerly Bpifrance Financement), of part of their available cash in the event of proven cash flow difficulties of Bpifrance (formerly Bpifrance Financement), pending a permanent solution. This agreement was signed on 21 December 2016.

Under this agreement, the amount of interest on the loan is calculated every day. It is equal to the result of this balance: the EONIA of the day plus an average refinancing spread of Bpifrance Financement of 3 months, and an exact number of days equal to 365.

Pursuant to this agreement, no financial impact has been recognised in the accounts of Bpifrance for the financial year 2021. This agreement was replaced on 25 January 2021 by a non-regulated agreement with the same purpose, signed by and between Bpifrance and Bpifrance Participations, thus rendering it null and void.

The auditors,

Mazars
Courbevoie, 21 March 2022

KPMG Audit FS1
Paris La Défense, 21 March 2022

Digital signature of
Matthew BROWN
Date: 21.03.2022
23:02:40 +01'00'
Matthew BROWN

[Signature]
Jean LATORZEFF

[Signature]
Ulrich SARFATI

[Signature]
Nicolas Bourhis

11. GENERAL INFORMATION CONCERNING BPIFRANCE

Bpifrance is a public limited company with a French Board of Directors, with a capital of 5,440,000,000 euros registered in the Register of Commerce and Companies of Créteil under number 320 252 489 RCS Créteil (code APE 6492Z) and Legal Entity Identification (LEI) number 969500STN7T9MRUMJ267.

Bpifrance was created on 22 December 1980 under the name Crédit d'Équipement des PME. The term of the corporation is set at ninety-nine years, effective 14 November 1980.

The head office is located in France at 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex (Telephone: 01.41.79.80.00).

Website: www.bpifrance.fr

The information on the website is not part of the prospectus.

11.1. Corporate purpose of Bpifrance

The purpose of Bpifrance, in particular, in accordance with Order No 2005-722 of 29 June 2005 concerning public investment banks, is to carry out, directly or through its subsidiaries, the following tasks of general interest:

- 1) promote growth through innovation and technology transfer, under the conditions mentioned in Article 9 of the Order;
- 2) contribute to economic development by taking on part of the risk resulting from loans granted to small and medium-sized enterprises;
- 3) contribute to the specific financing needs of investments and trade receivables of small and medium-sized enterprises.

It contributes to the financing of investments and trade receivables of intermediate-sized enterprises.

It also contributes to the strengthening of national and local action in favour of entrepreneurship, particularly in fragile territories, to promote the creation and take-over of enterprises, to assist in the development of very small businesses (VSBs) and small and medium-sized enterprises.

It is also intended to act directly or through its subsidiaries in favour of financing in equity of small and medium-sized enterprises, of intermediate-sized enterprises, technology or industrial enterprises as well as large enterprises and promotion of private equity investment in small and medium-sized enterprises. In this context, Bpifrance and its subsidiaries act as a knowledgeable investor in a market economy.

It is entitled to carry out in France and abroad, itself or through its subsidiaries or the companies in which it is a stakeholder, all activities that relate directly or indirectly to its statutory corporate purpose.

It may carry out, under the conditions determined by the legislation and regulations applicable to credit institutions, transactions in banking or through financial instruments, to the extent necessary, carry out the execution of its corporate purpose, the management of the treasury, the investments or transactions (or the coverage of the risks thereof) of the entities that Bpifrance audits (the notion of "audit" in any case, whether directly or indirectly), or as part of the facilities it grants to its staff.

It does not receive, itself or by a subsidiary, any deposit of cash or securities (other than in connection with the banking transactions, financial instruments or more generally the transactions referred to in the preceding paragraph) and does not give any loans other than those covered by the articles of association.

For the performance of its tasks, Bpifrance may (i) rely on the means and resources of its subsidiaries and (ii) carry out:

- the acquisition, subscription, holding, acquisition of shares or interests, directly or indirectly, in all commercial, industrial, financial, securities and real estate companies and enterprises, whether by way

of the creation of new companies or the acquisition of existing companies, of contributions, mergers, demergers or joint ventures, by way of leasing of property;

- all services and advisory to the companies of its group in the field of human resources, information technology, management, communication, finance, legal, marketing, and purchases from its subsidiaries and direct or indirect holdings;

and generally, all operations, be they financial, commercial, industrial, civil, real estate or securities that may relate directly or indirectly to the above activities or that may facilitate the performance of the above activities within the limits permitted by the credit institution status of Bpifrance.

11.2. General Meetings

General Meetings of Shareholders are convened and deliberated under the conditions laid down by law. Each share gives the right to participate, under the conditions laid down by law, in the General Meetings and in the votes.

As at 31 December 2021, the Issuer held 1,934,314 shares of its capital representing approximately 0.29% of the capital. These shares are deprived of voting rights at shareholders' meetings.

11.3. Other general information concerning the Issuer

11.3.1. Information included by reference

The following information is included by reference in this Universal Registration Document:

- for the financial year 2020, the reference document was registered with the Financial Market Authority on 26 March 2021, under filing number D.21-0208. The consolidated financial statements are shown on pages 205 to 318 and the corresponding audit report is shown on pages 387 to 396 of the same document. The certification of the persons responsible for the reference document is shown on page 429.
- for the financial year 2019, the reference document was registered with the Financial Market Authority on 14 April 2020, under filing number D.20-0291. The consolidated financial statements are shown on pages 116 to 208 and the corresponding audit report is shown on pages 262 to 269 of the same document. The certification of the persons responsible for the reference document is shown on page 310.

11.3.2. Information on trends

Bpifrance certifies that no significant impairment has affected its outlook since the date of its last audited and published financial statements.

11.3.3. Legal and arbitration procedures

Bpifrance attests that during the last 12 months no governmental, legal or arbitration proceedings, of which it is aware, whether they be pending or announced, cannot or have not recently had significant effects on the financial situation or profitability of the company or group.

11.3.4. Significant change in the Issuer's financial position

Bpifrance certifies that no significant changes in the Group's financial position have occurred since the end of the last financial year for which audited financial statements were issued.

11.3.5. Conflicts of interest at the level of administrative and management bodies

To the knowledge of the persons responsible for this universal registration document, there is no conflict of interest between the duties of any member of the Board of Directors with respect to the Issuer and their private interests and/or other duties.

11.3.6. Documents available to the public

The Issuer certifies that:

- copies of the memorandum of incorporation and the current articles of association of the Issuer may be consulted at the registered office, 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex,
- the Issuer's 2021 annual report is available on its website: [bpifrance.fr](https://www.bpifrance.fr),
- the 2020 and 2019 annual reports, which serve as reference documents, are available on the website: [bpifrance.fr](https://www.bpifrance.fr).

12. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND AUDITS

12.1. Persons responsible

Nicolas DUFOURCQ, CEO of Bpifrance and Arnaud CAUDOUX, Executive Director of Bpifrance, are responsible for the information contained in this Universal Registration Document.

12.1.1. 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, factual and does not contain any omission which would alter its scope.

We certify that, to the best of our knowledge, the accounts are established in accordance with the applicable accounting standards and give a true and fair view of the wealth, financial position and profits of the company and of all the companies included in the consolidation, and that the management report on pages 21 to 184 of this universal registration document presents a true image of the evolution of the business, the profits and financial position of the company and of all the companies included in the consolidation and that it describes the main risks and uncertainties they face.

On 23 March 2022,

Arnaud CAUDOUX
Executive Director

Nicolas DUFOURCQ
CEO

12.2. Statutory auditors

12.2.1. Principals

MAZARS, member of Compagnie Régionale de Versailles, Exaltis – 61 Rue Henri Regnault 92075 La Défense Cedex – appointed for the first time in 1996 and whose mandate was renewed by the Ordinary General Meeting on 9 May 2016 and will expire at the end of the General Meeting that will rule on the accounts for the financial year ended 31 December 2021, represented by Jean LATORZEFF and Matthew BROWN.

The separate financial statements and consolidated financial statements for the year ended 31 December 2020 and for the year ended 31 December 2019 were audited and certified by Mazars under the responsibility of Jean LATORZEFF and Matthew BROWN.

The appointment of PricewaterhouseCoopers Audit for six years was proposed at the General Meeting on 11 May 2022 to replace MAZARS (see section 5 of this Universal Registration Document).

KPMG Audit FS I, member of Compagnie Régionale de Versailles – 2, Avenue Gambetta – CS 60055 – 92 066 Paris La Défense – appointed for the first time in 2021 and whose mandate expires at the end of the General Meeting which will rule on the accounts for the financial year ended 31 December 2026, represented by Ulrich SARFATI.

The separate financial statements and consolidated financial statements for the year ended 31 December 2019 and for the year ended 31 December 2020 were audited and certified by KPMG SA under the responsibility of Ulrich SARFATI.

12.2.2. Alternates

Franck BOYER
61 Rue Henri Regnault – 92075 La Défense Cedex
Appointed by the General Meeting on 27 May 2010 for a 6-year term
Member of the Compagnie Régionale de Versailles
Expiry of mandate: Financial year 2022.

The non-renewal of the term of office of Franck BOYER as alternate auditor is proposed to the General Meeting on 11 May 2022 by applying the option provided for in Article L. 823-1 of the French Commercial Code (see section 5 of this Universal Registration Document).

13. CROSS-REFERENCE TABLES

1. Universal Registration Document cross-reference table

This cross-reference table shows, next to each of the items provided for in Annexes I and II of the Delegated Regulation (EU) number 2019/980 of the European Commission of 14 March 2019 (the "Regulation"), the page number(s) of this universal registration document in which the information relating to each of the items of the Regulation is mentioned.

Unless otherwise specified, the references in this cross-reference table to notes refer to notes in the Notes to the Consolidated Financial Statements.

Annexes I and II to Delegated Regulation (EU) N°2019/980		Universal Registration Document
		Section(s)/Page(s)
I	Persons responsible, information from third parties, expert reports and approval by the competent authority	
1.	Persons responsible	12.1/p. 432
2.	Declaration of persons responsible for the universal registration document	12.1.1/p. 432
3.	Attestation or report attributed to a person intervening 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.	Name and address of the statutory auditors of the issuer	12.2/p. 433
2.	Statutory auditors who have resigned, been dismissed or whose agreement has not been renewed	12.2/p. 433
III.	Risk factors	3.2/p.145-152
IV	Information concerning the issuer	
V	Overview of activities	
1.	Main activities	2.3/p.10-18;3.1.4/p. 26-50
2.	Major markets	2.3/p.10-18;3.1.4/p. 26-50
3.	Significant events in the development of the business	3.1.1; 3.1.2/p.21- 24
4.	Strategy and goals	3.1.3/p. 25
5.	Dependence on patents or licences, industrial, commercial or financial agreements or new manufacturing processes	Not applicable
6.	Competitive position	2.3/p.10-18
7.	Investments	3.1.9.1/p. 143
IV	Organisational structure	
1.	Summary description of the group	p. 20
2.	List of major subsidiaries	3.1.9.1/p. 143 and footnote 7.2 (separate financial statements) p. 359
IX.	Review of financial situation and operating result	
1.	Financial position	3.1.6/p. 53-55
2.	Operating result	2.2/p. 8 and footnote 41 (separate financial statements) p. 392

Annexes I and II to Delegated Regulation (EU) N°2019/980			Universal Registration Document
			Section(s)/Page(s)
X		Cash and capital	
1.		Capital information	3.1.5/p. 50-53
2.		Source and amount of the issuer's cash flow	8/p. 223-224
3.		Information on the financing requirements and financing structure of the issuer	3.1.5/p. 50-53
4.		Information concerning any restrictions on the use of capital that have materially affected or that may materially affect the operations of the issuer	3.2/p.145-152
5.		Information on expected sources of funding	Note 8.3.4.4 (consolidated financial statements) p. 300
XI		Regulatory environment	3.6/p. 174-184
XII.		Information on trends	
1.		Key recent trends	3.1.7/p. 55-58; 11.3.2/p. 431
2.		Trend likely to materially affect the issuer's outlook	3.2/p.145-152
XIII		Profit forecasting or estimation	Not applicable
XIV		Administrative, management and supervisory bodies and CEO	
1.		Board of Directors and CEO	4.1 to 4.3/p. 185-198
2.		Conflicts of interest at the level of the administrative, management and supervisory bodies and the CEO	11.3.5/p. 432
XV		Compensation and benefits of the persons referred to in section XIV.1	
1.		Amount of compensation paid and benefits in kind granted by the issuer or its subsidiaries	4.4/p. 199-204
2.		Total amount of amounts otherwise provisioned or recognised by the issuer or its subsidiaries for the purpose of paying pensions, retirement benefits or other benefits	4.4/p. 204 and note 10 (consolidated financial statements)
XVI		Operation of the administrative and management bodies	
1.		Expiry date of the current term of office of the members of administrative, management or supervisory bodies	4.1.1/4.1.3/4.1.4/p.185-189
2.		Information on service agreements between the members of the issuer's administrative, management or supervisory bodies or one of its subsidiaries	Not applicable
3.		Information on the Audit Committee and the Remuneration Committee of the issuer	4.5.4/p. 207-209
4.		Compliance with the current corporate governance regime	4. /p. 185
5.		Potential significant impacts on corporate governance	4.3/p. 190-198
XVI I		Employees	
1.		Number of employees at the end of the period covered by historical financial information or average number during each financial year of that period and distribution of employees	7./p. 217 and notes 45 (separate financial statements) and 10.3 (consolidated financial statements).
2.		Managers' shareholding and stock options	Not applicable
3.		Agreement providing for employee shareholding in the issuer's capital	Not applicable

Annexes I and II to Delegated Regulation (EU) N°2019/980		Universal Registration Document
		Section(s)/Page(s)
XVIII	Major shareholders	
1.	The name of any person who is not a member of an administrative, management or supervisory body who has, either directly or indirectly, a percentage or voting rights to be notified under applicable national legislation	Not applicable
2.	Differences between the voting rights of the main shareholders	Not applicable
3.	Ownership or control of the issuer and measures taken to avoid undue exercise of such control	2.4/p.19
4.	An agreement, known to the issuer, whose implementation could result, at a later date, in a change in its control	Not applicable
XIX	Related party transactions	10.3 p. 418-429/and note 13.1 (consolidated financial statements)/p. 326-328
XX	Financial information relating to the issuer's assets and liabilities, financial position and operating results	
1.	Historical financial information, including annual financial statements (separate financial statements and consolidated financial statements)	7/p.217
2.	Interim and other financial information	Not applicable
3.	Audit of historical annual financial information	11.3.1/p. 431
4.	Pro-forma financial information	Not applicable
6.	Dividend distribution policy	3.1.9.5/p. 143
7.	Judicial and arbitration proceedings	11.3.3/p. 431
8.	Significant change in the financial position of the issuer	11.3.4/p. 431
XXI	Additional information	
1.	Capital stock	11 (preamble)/p. 430
2.	Memorandum of incorporation and articles of association	11.3.6/p. 432
XXII	Significant agreements	Not applicable
XXIV	Documents available	11.3.6/p. 432

2. Cross-reference table of the annual financial report

This Universal Registration Document includes all the elements of the annual financial report referred to in Articles L. 451-1-2 I of the Monetary and Financial Code and 222-3 of the General Regulations of the Financial Market Authority (AMF). The following cross-reference table refers to excerpts from the Universal Registration Document corresponding to the various items of the annual financial report.

It is hereby specified that references in this cross-reference table to notes refer to notes in the Annex on consolidated financial statements.

Annual financial report		Universal Registration Document
		Section(s)/Page(s)
I	Annual accounts of the company	9/p.332 - 397
II	Consolidated financial statements of the company	8/p. 218 -331
III	Management report including, at a minimum, 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 Management Report cross-reference table
IV	Declaration of persons responsible for the annual financial report	
		12.1/p. 432
V	Reports of the Statutory Auditors on the annual accounts and consolidated financial statements	

3. Cross-reference table of the Management Report, the Report on Corporate Governance and the Declaration of Non-financial Performance

This cross-reference table shows, next to the items required by the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors, the page number(s) of the Universal Registration Document where the information relating to these provisions is mentioned.

Management Report		Universal Registration Document
		Section(s)/Page(s)
I	Group situation and activity	
1.	Review of financial position and operating results	2.2/p. 8-9 3.1.6/p. 53-55
2.	Key performance indicators of a financial nature	2.2/p. 8-9
3.	Non-financial key performance indicators (social and environmental information)	3.1.8/p. 59-135
4.	Significant events that have occurred since the end of the financial year	3.1.2/p. 24
5.	Identity of the main shareholders	2.4/p. 19
6.	Existing branches	Not applicable
7.	Significant equity	3.1.9.1/p. 143
8.	Cross-holding disposals	Not applicable
9.	Predictable developments and future prospects	3.1.7/p. 55-58
10.	Research and development activity	3.1.9.11/p. 7/p. 217
11.	Table of operating results for the last 5 years	3.1.9.9/p. 144-145
12.	Information on payment deadlines for suppliers and customers	10.3/p. 418-429
13.	Amount of intercompany loans granted and statement by the auditors	
II.	Internal control and risk management	
1.	Descriptions of key risks and uncertainties	3.2/p. 145-152
2.	Guidance on financial risks related to the effects of climate change	Not applicable
3.	Preparation and processing of accounting and financial information	3.5/p. 172-174
4.	Risk exposure	3.2/p. 145-152
5.	Anti-corruption mechanisms	3.6.1. /p. 174-176
6.	Risk plan	Not applicable
III.	Corporate governance report	
III.	Corporate governance report	
1.	Remuneration information	4.4/p. 199-204
2.	Governance information	
3.	List of all the mandates and functions exercised by the representatives	4.3/p. 190-198
4.	Agreements between a significant executive or shareholder and a subsidiary	4.9/p. 211
5.	Delegations on capital increases	4.10/p. 211
6.	Modalities of execution of the CEO	4.1.2/p. 189
7.	Composition, conditions for the preparation and organisation of the work of the Board	4.5/p. 204-210
8.	Principle of balanced representation for men and women	4.5.1/p. 204
9.	Limitations on the powers of the CEO	4.5.5/p.
10.	Reference to the Corporate Governance Code	4/p. 185
11.	Modalities of participation in the General Meeting	11.2/p. 431
12.	Procedure for the assessment of current agreements	Not applicable
13.	Information referred to in Article L. 22-10-11 of the French Commercial Code: - Elements likely to have an influence in the event of a public offer	Not applicable

	Management Report	Universal Registration Document
		Section(s)/Page(s)
V	Shareholding and capital	
1.	Structure, evolution of capital	2.4/p. 19
2.	Acquisition and disposal by the company of its own shares	2.4 p. 19 and 3.1.9.3/p. 144
3.	State of employee holdings in capital stock	3.1.9.4/p. 143
4.	Information on executive operations	3.1.9.2/p. 143
5.	Amount of dividends for the last three years	5/p.212
VI	Non-financial performance statement	See cross-reference table p. 440-441
VII	Other information	3.1.9/p. 143-145

4. Cross-reference table of the non-financial performance statement

This Universal Registration Document includes the information required by Articles L. 225-102-1, R. 225-105 and L. 22-10-36 of the French Commercial Code. The following cross-reference table refers to excerpts from the Universal Registration Document corresponding to the various items of the non-financial performance statement.

Non-financial performance statement		Universal Registration Document
		Section(s)/Page(s)
I	Elements that make up the non-financial performance statement	3.1.8/p. 59-142
1.	Business model	A SPECIFIC BUSINESS MODEL/p. 63-63
	Key non-financial risks	OUR NON-FINANCIAL RISKS/p. 64-65
	Due diligence policies and procedures	GOVERNANCE AND ETHICS/p. 65-73 OUR STAKEHOLDERS' SATISFACTION: AT THE HEART OF CONCERNS/p. 73-81 OUR MAJOR TASKS AT THE SERVICE OF THE GENERAL INTEREST/p. 81-115 ECOLOGICAL AND ENERGY TRANSITION/p. 82-90 DIGITAL TRANSFORMATION/p. 90-91 ECONOMIC DEVELOPMENT OF TERRITORIES/p. 92-94 CSR AT THE CORE OF BPIFRANCE/p. 94-115 OUR CORPORATE COMMITMENTS/ p. 114-115
	Key performance result and indicator	INDICATORS FOR MONITORING NON-FINANCIAL RISKS/p. 116-123
II	Information required by Article L. 22-10-36 of the French Commercial Code	
	Social consequences of the business	CSR AT THE HEART OF BPIFRANCE/Human resources, the driving force of Bpifrance dynamics/p. 104-111
	Environmental consequences of the business	ECOLOGICAL AND ENERGY TRANSITION (TEE)/p. 82-90 CSR AT THE CORE OF BPIFRANCE/p. 94-115 INTERNAL OPERATIONS/p. 111-114
	Respect for human rights	GOVERNANCE AND ETHICS/ETHICS AND COMPLIANCE/ p. 65-67 CSR AT THE CORE OF BPIFRANCE/p. 94-115 CSR AT THE CORE OF BPIFRANCE/ Human resources, the driving force of Bpifrance dynamics/p. 104-111
	Fight against corruption	GOVERNANCE AND ETHICS/ETHICS AND COMPLIANCE/p. 69-70
	Combating tax evasion	GOVERNANCE AND ETHICS/p. 65-73

Non-financial performance statement	Universal Registration Document
	Section(s)/Page(s)
Impact on climate change of activity of the business and the use of the goods and services it produces	ECOLOGICAL AND ENERGY TRANSITION (TEE)/p. 82-90 CSR AT THE CORE OF BPIFRANCE/p. 94-115 INTERNAL OPERATION/p. 111-114
Social commitments for sustainable development	GOVERNANCE AND ETHICS/p. 66-74 OUR STAKEHOLDERS' SATISFACTION /p. 73-81 OUR MAJOR TASKS AT THE SERVICE OF THE GENERAL INTEREST/p. 81 CSR AT THE CORE OF BPIFRANCE/p. 94-115 OUR SOCIAL COMMITMENTS/p. 114-115
Circular economy	CSR AT THE CORE OF BPIFRANCE/p. 94-115 INTERNAL OPERATION/p. 111-114
Fight against food waste	OUR NON-FINANCIAL RISKS/p. 64-65 OUR NON-FINANCIAL RISKS/p. 64-65
Fight against food insecurity	
Respect for animal welfare	
Social commitments to responsible, equitable and sustainable food	
Collective agreements signed at the company and their impact on the economic performance of the company as well as on the working conditions of employees	CSR AT THE CORE OF BPIFRANCE/Social dialogue and quality of life at work/p. 107-111
Combating discrimination and promoting diversity	CSR AT THE CORE OF BPIFRANCE/p. 94-115 CSR AT THE CORE OF BPIFRANCE/Social dialogue and quality of life at work/p. 107-111
Measures taken in favour of persons with disabilities	CSR AT THE CORE OF BPIFRANCE/Combating discrimination/Inclusion of persons with disabilities/p. 110-111
Actions to promote the practice of physical and sporting activities	CSR AT THE CORE OF BPIFRANCE/Social dialogue and quality of life at work/p. 107-111

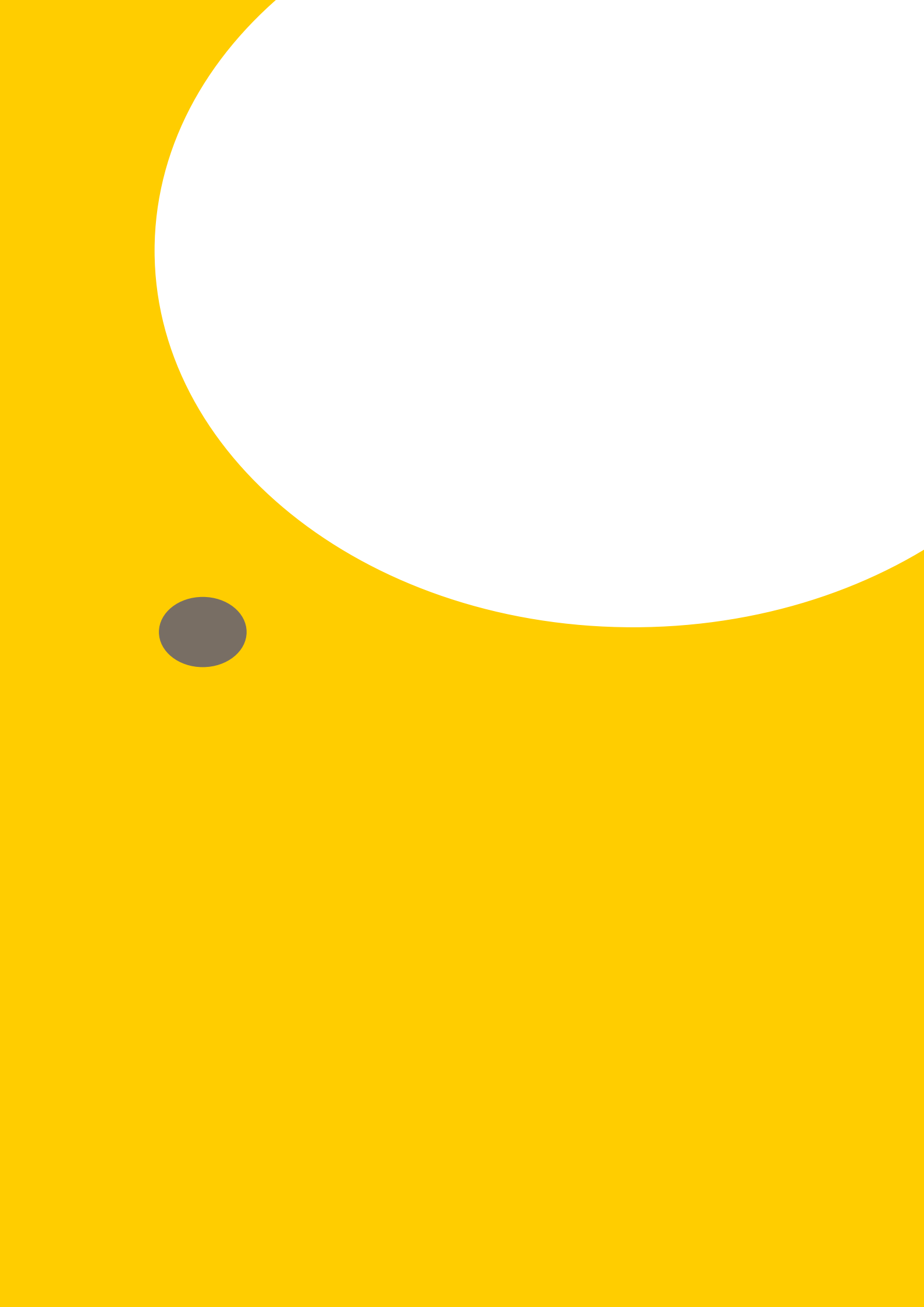
5. Cross-reference table of information included by reference

This cross-reference table shows, next to each of the items provided for in Annexes I and II of Delegated Regulation (EU) number 2019/980 of the European Commission of 14 March 2019 (the "Regulation"), the page number(s) of the 2020 Universal Registration Document and the 2019 Reference Document in which the information relating to each of the items of the Regulation is mentioned.

Information included by reference Annexes I and II to Delegated Regulation (EU) N°2019/980		Universal Registration Document 2020	Reference document 2019
		Page(s)	Page(s)
I	Persons responsible, information from third parties, expert reports and approval by the competent authority		
1.	Persons responsible	429	310
2.	Declaration of persons responsible for the Universal Registration Document	429	310
3.	Attestation or report attributed to a person intervening as an expert	Not applicable	Not applicable
4.	Information from a third party	Not applicable	Not applicable
5.	Approval of the competent authority	Not applicable	Not applicable
II.	Statutory auditors		
1.	Name and address of the statutory auditors of the issuer	430	311
2.	Statutory auditors who have resigned, been dismissed or whose agreement has not been renewed	430	Not applicable
III.	Risk factors	129-136	70-83;173-196
IV	Information concerning the issuer	427-429	308-309
V	Overview of activities		
1.	Main activities	10-17; 24-47	6-7. 13-19
2.	Major markets	10-17; 24-47	6-7. 13-19
3.	Significant events in the development of the business	20-23	11; 70-83
4.	Strategy and goals	23-24	11-12
5.	Dependence on patents or licences, industrial, commercial or financial agreements or new manufacturing processes	Not applicable	Not applicable
6.	Competitive position	10-17	6-7
7.	Investments	127	25-65; 66-69
VI	Organisational structure		
1.	Summary description of the group	19	9
2.	List of major subsidiaries	127; 350	66; 235
VII	Review of financial position and operating result		
1.	Financial position	52-54	23-24
2.	Operating result	8; 375	5; 257
VIII	Cash and capital		
1.	Capital information	48-52	20-23
2.	Source and amount of the issuer's cash flow	210-211	116-208
3.	Information on the financing requirements and financing structure of the issuer	49-52	20-23
4.	Information concerning any restrictions on the use of capital that have materially affected or that may materially affect the operations of the issuer	129-136	70-83; 173-196
5.	Information on expected sources of funding	299-300	193
IX	Regulatory environment	164-171	83

Information included by reference Annexes I and II to Delegated Regulation (EU) N°2019/980			Universal Registration Document 2020	Reference document 2019
			Page(s)	Page(s)
X		Information on trends	54-57; 428	25; 309
XI		Profit forecasting or estimation	Not applicable	Not applicable
XII.		Administrative, management and supervisory bodies and CEO		
1.		Board of Directors and CEO	172-186	91-98
2.		Conflicts of interest at the level of the administrative, management and supervisory bodies and the CEO	429	310
XIII		Compensation and benefits of the persons referred to in section XIV.1		
1.		Amount of compensation paid and benefits in kind granted by the issuer or its subsidiaries	186-192	98-104
2.		Total sum of amounts otherwise provisioned or recognised by the issuer or its subsidiaries for the purpose of paying pensions, retirement benefits or other benefits	192; 308-313	116-208; 198-204
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1.		Expiry date of the current term of office of the members of administrative, management or supervisory bodies	172-175; 176	91-94
2.		Information on service agreements between the members of the issuer's administrative, management or supervisory bodies or one of its subsidiaries	Not applicable	Not applicable
3.		Information on the Audit Committee and the Remuneration Committee of the issuer	195-196	105-107
4.		Compliance with the current corporate governance regime	172	104 (preamble)
		Potential significant impacts on corporate governance	178-185	91-94
XV		Employees		
1.		Number of employees at the end of the period covered by historical financial information or average number during each financial year of that period and distribution of employees	204; 313; 379	115; 261
2.		Managers' equity and stock options	Not applicable	Not applicable
3.		Agreement providing for employee holdings in the issuer's capital	Not applicable	Not applicable
XVI		Major shareholders		
1.		The name of any person who is not a member of an administrative, management or supervisory body who has, either directly or indirectly, a percentage or voting rights to be notified under applicable national legislation	Not applicable	Not applicable
2.		Differences between the voting rights of the main shareholders	Not applicable	Not applicable
3.		Ownership or control of the issuer and measures taken to avoid undue exercise of such control	18	6
4.		An agreement, known to the issuer, whose implementation could result, at a later date, in a change in its control	Not applicable	Not applicable

Information included by reference Annexes I and II to Delegated Regulation (EU) N°2019/980			Universal Registration Document 2020	Reference document 2019
			Section(s)/Page (s)	Page(s)
XVII		Related party transactions	406-423; 315-316	66; 105; 205-207; 278-307
XVIII		Financial information relating to the issuer's assets and liabilities, financial position and operating results		
1.		Historical financial information	204	115
2.		Interim and other financial information	Not applicable	Not applicable
3.		Audit of historical annual financial information	430	311
4.		Pro-forma financial information	380-385; 424-426	Not applicable
5.		Dividend distribution policy	127	68
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7.		Significant change in the financial position of the issuer	428	309
XIX		Additional information		
1.		Capital stock	427	308 (preamble)
2.		Memorandum of incorporation and articles of association	429	310
XX		Significant agreements	Not applicable	Not applicable
XXI		Documents available	429	310





Bpifrance

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