

DEBT INVESTORS PRESENTATION

BPIFRANCE – BOND ISSUER

APRIL 2024

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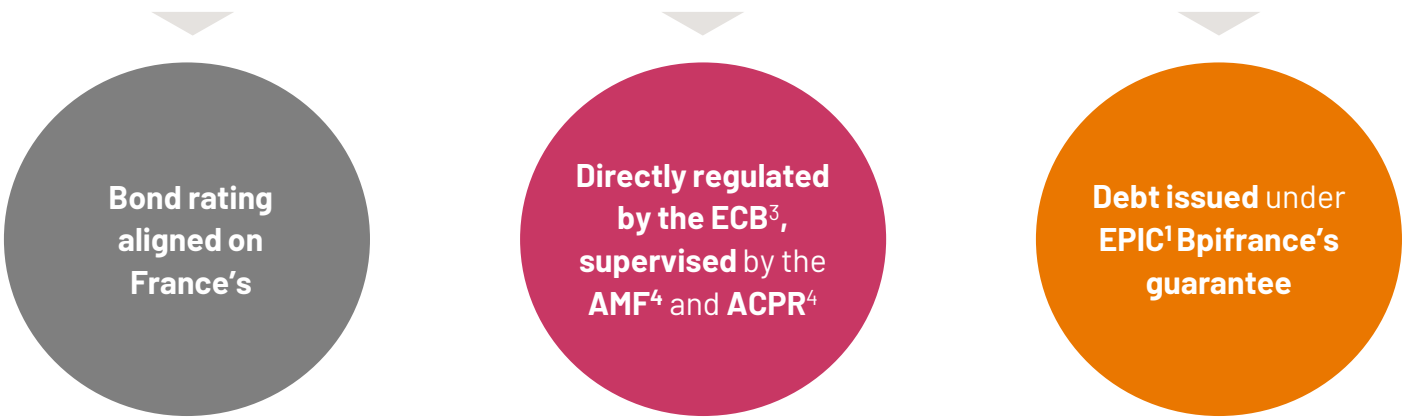
- 1. BPIFRANCE, THE RIGHT HAND OF THE FRENCH STATE**
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1

BPIFRANCE, THE RIGHT HAND OF THE FRENCH STATE

BPIFRANCE, THE RIGHT HAND OF THE FRENCH STATE FOR ECONOMIC DEVELOPMENT

- **Bpifrance** acts as a Development Bank, Innovation Agency, Sovereign Fund, and Export Credit Agency.
- Bpifrance has a **highly protected legal status** and is **closely supervised by the public authorities**: the French State, through EPIC¹ Bpifrance (49.18%) and the Caisse des Dépôts (49.18%), owns and controls Bpifrance
- Its **missions** are **established by the Act** of 12 July 2013: *“Bpifrance is a public group that aims to finance and support the development of companies, acting in accordance with the public policies implemented both by the State and regional authorities”*²



- Rating in line with France's:**
- **Aa2** – stable (long term) / P-1 (short term) by Moody's
 - **AA-** stable (long term) / F1+ (short term) by Fitch Ratings



Bpifrance fully-loaded Basel 3 CET1 ratio: 29.5% as at 31/12/2023



Liquidity: High-Quality Liquid Assets level 1 and recognized as agency paper by the ECB³

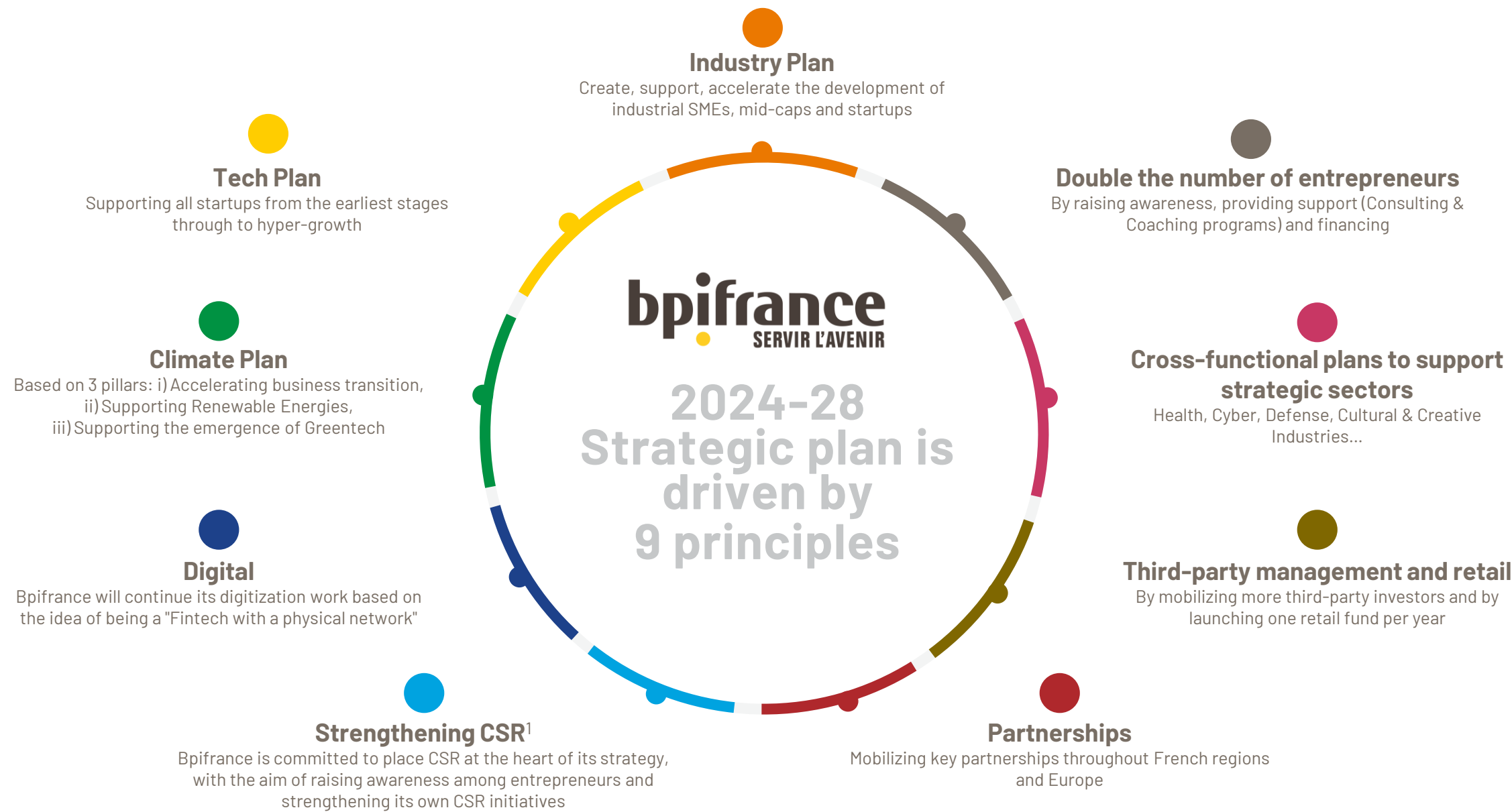
Agency haircut under the ECB³ haircut schedule

Basel II: 20% risk weighting

SCR⁵: risk factor stress of 0% for spread risk on bonds and loans

¹ EPIC Bpifrance is also classified as an Other Government Body (*Organisme Divers d'Administration Centrale* – “ODAC”), which means that its debt is consolidated with that of the State (under the Maastricht Rules)
² Article 1 of Act No. 2012-1559 of 31 December 2012 on the creation of Bpifrance: <http://www.legifrance.gouv.fr/eli/loi/2012/12/31/2012-1559/jo/texte>
³ European Central Bank
⁴ Autorité des Marchés Financiers / Autorité de Contrôle Prudentiel et de Résolution
⁵ Solvency Capital Requirement

BPIFRANCE'S STRATEGIC PLAN IS FULLY ALIGNED WITH FRANCE'S ECONOMIC POLICY



¹Corporate Social Responsibility
Note: https://www.bpifrance.fr/sites/default/files/inline-files/Ambitions%20strat%C3%A9giques%202024-2028%20-%20Bpifrance_5.pdf

BPIFRANCE'S STRATEGIC PLAN: KEY FIGURES

Bpifrance
Target figures
2024 - 2028

Financing

- €50bn Medium and Long-Term loans
- €30bn Short-Term loans
- €20bn Loans and aids for innovation
- €2.5bn Credit Export loans
- €1bn Digital loans

Equity

- €23bn Investment in Equity

Consulting & Coaching

- 48,000 Nb of Advisory missions
- 5,500 Nb of companies accelerated
- 1 million Nb of project leaders supported by networks
 - of which
- 620,000 Nb of entrepreneurs supported

Guarantees

- €27bn Guarantees commitments



€35bn

Deployed to industry



€35bn

Deployed to climate



€10bn

Deployed to health
sector



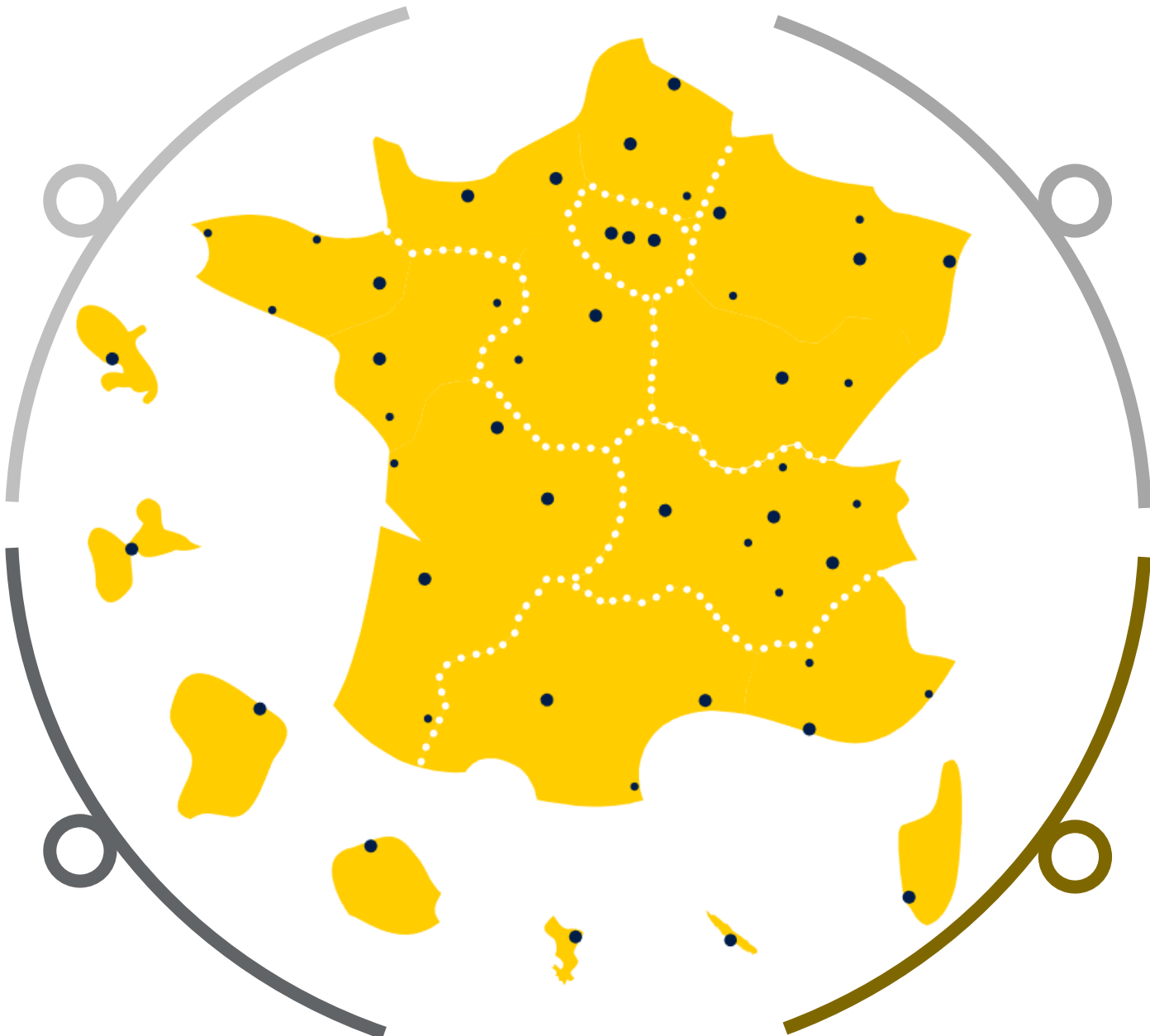
€5bn

Deployed to AI

BPIFRANCE, A WELL-ESTABLISHED NETWORK IN THE HEART OF THE FRENCH REGIONS

Regional Offices
50 implantations in France

Headcount
3,860 headcount¹ as of 31.12.2023



Bpifrance works in cooperation with regional authorities to develop financial solutions adapted to local specificities

Bpifrance is a strong support for companies across France
535,000 companies supported over the 2013-2023 period

¹excluding 295 apprentices and work-study students



2

OVERVIEW OF BPIFRANCE

A FINANCING CONTINUUM, PRESENT IN EVERY KEY PHASE OF BUSINESS DEVELOPMENT

BPIFRANCE CREATION

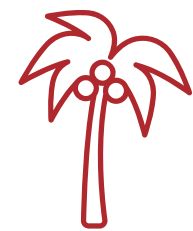
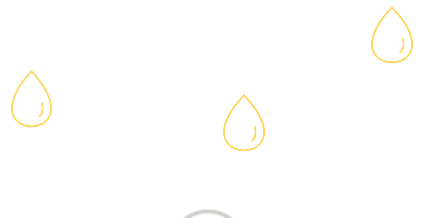
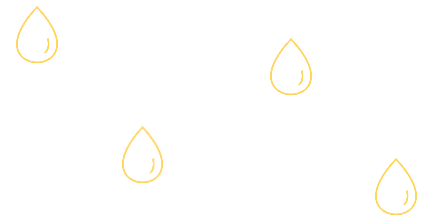
€93m of loans provided to 18,300 entrepreneurs
Bpifrance supports business creation and entrepreneurship throughout France

CONSULTING & COACHING

4,500+ businesses accelerated since 2015
Bpifrance provides advisory services and training programmes to French SMEs

DIGITAL

€400m of digital loans
Bpifrance is a full-fledged fintech with digital platforms able to grant loans to VSEs



INNOVATION

€9.4bn of innovation financing
Bpifrance **supports individual** and **collaborative innovative projects**

FINANCING

€42.8bn of credit loans cofinanced
Bpifrance systematically seeks to **cofinance loans** and **share risks** with banks to finance all businesses

GUARANTEES

€19.9bn of guarantee commitments
Guarantees for loans granted by banking partners and/or equity funding organisations

EQUITY INVESTMENT

€51.9bn AuM (direct & indirect)
Bpifrance takes **minor stakes in growth businesses**, from the **seed phase to the transfer phase**, often alongside national or regional local funds

INTERNATIONAL

€21bn of international financing/insurance
Bpifrance supports export projects through its **export credit insurance** activity and **financing solutions**

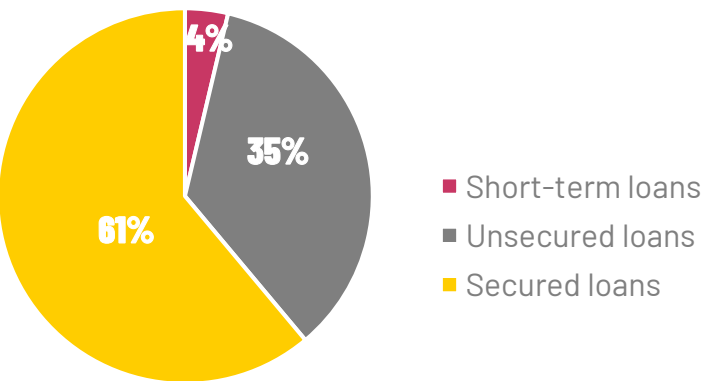
OVERVIEW OF BPIFRANCE: CREDIT COFINANCING

Bpifrance **systematically** seeks to **cofinance loans** and **share risk** with private banks to finance companies, regardless of their size or sector, with the aim of triggering bank financing.

Volume of cofinancing loans

❖ As of 31 December 2023, Bpifrance had €42.8bn¹ **in outstanding cofinanced loans** on its balance sheet, financed by its own funds and by its bond issuance programmes²

Breakdown of cofinanced loans outstanding as of 31 December 2023



Type of loans cofinanced

❖ **Bpifrance cofinances companies** in 3 ways:

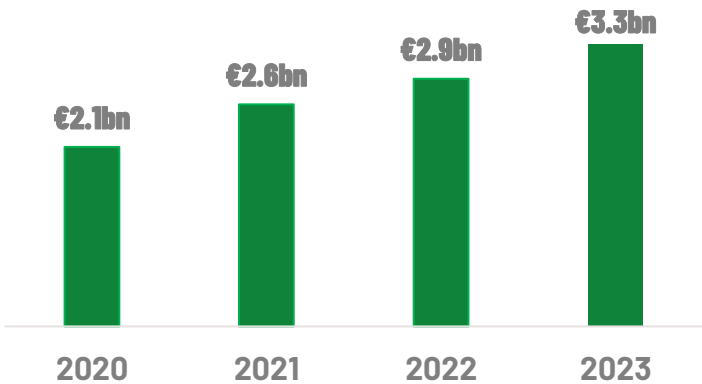
- **Secured loans:** Medium- and Long-Term (MLT) credit under the same conditions as partner banks, for tangible investments, including renewable energies projects
- **Unsecured loans:** MLT credit for intangible investments, backed by Bpifrance guarantee funds
- **Short-term loans:** short-term loans backed by invoices or state taxes

❖ **95% of decisions are made in Bpifrance’s 50 regional offices**

Focus on Environmental and Energy Transition (EET) loans

❖ In 2023, Bpifrance granted €9.3bn of MLT loans, including €3.3bn of Environmental and Energy Transition (EET) loans, in connection with Bpifrance Climate Plan³

Progression of EET loans activity since 2020



¹ Not including unsecured innovation loans, digital loans and export credit

² See dedicated section: Bpifrance: Funding Strategy

³ See dedicated section: Bpifrance’s Global Sustainable strategy

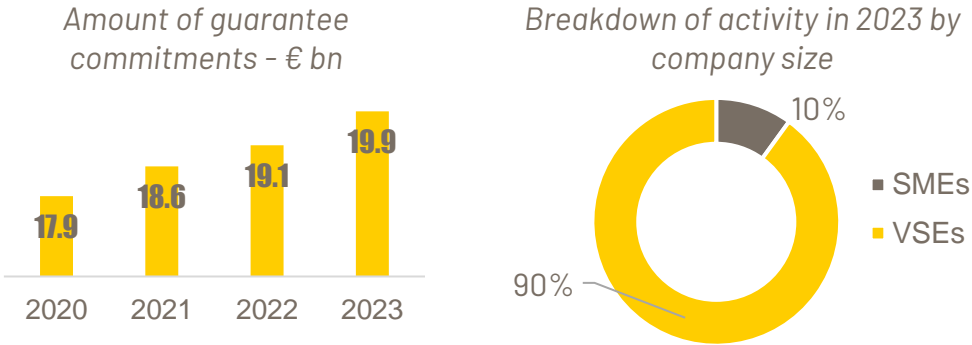
OVERVIEW OF BPIFRANCE: GUARANTEE INSTITUTION

Bpifrance's guarantee activity has two aspects: **offering guarantees** through guarantee funds and **managing State-Guaranteed Loans**¹ on behalf of the French State.



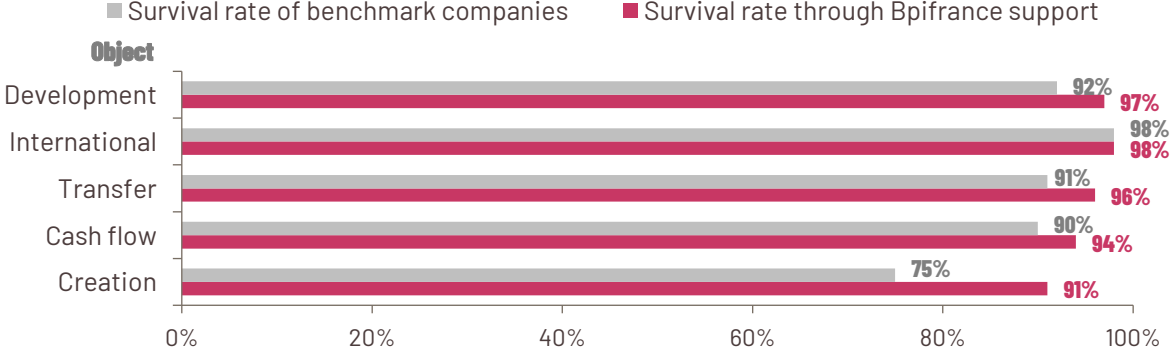
- **The guarantee funds mechanism** covers the credit risk incurred by Bpifrance (unsecured loans) and French commercial banks in the course of their business granting loans to French companies.
- **Record activity** in 2023: €19.9bn in **guarantee commitments**.

Key figures of Bpifrance's guarantee funds



- Bpifrance's guarantee mechanisms have a **positive impact on the economic trajectory of beneficiary companies, in terms of survival and business growth**.
- It contributes to **preserving employment** and **supporting the growth** of French businesses.

3year survival rate of companies supported in 2018



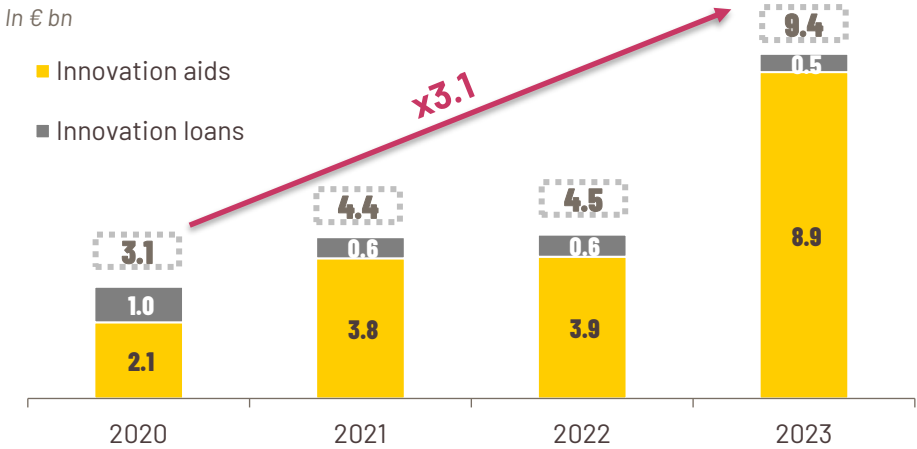
¹ Prêt Garanti par l'Etat: Bpifrance acts as an intermediary between the French State and the banking system (third-party management)

OVERVIEW OF BPIFRANCE: INNOVATION AGENCY

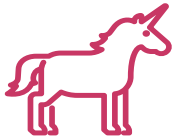
Financing innovation is a public interest mission written into the by-laws of Bpifrance, and financed by subsidies from the French State, the French regions and the European Union.

Innovation activity over the 2020-2023 period

- **Bpifrance offers financing solutions** adapted to companies at every stage of their development:
 - Subsidy: to promote project feasibility
 - Repayable advances: assistance for project development, refundable if successful
 - Innovation loans: to help mass-produce innovations
- **Record activity in 2023 with €9.4bn in aid and loan for innovation**, reflecting the public strategy for a significant increase in aid for innovation (France 2030 Plan¹).



A major role within the French innovation ecosystem



- **Bpifrance plays a leading role** in the deployment of the strategic objectives of France 2030 Plan¹.
- From its creation, Bpifrance has contributed greatly to the emergence of **La French Tech**: a unique ecosystem that brings together start-ups, investors, decision-makers and community builders.
- By the end of 2023, **90% of French unicorns received funding from Bpifrance.**

¹France 2030: <https://www.economie.gouv.fr/france-2030#>

OVERVIEW OF BPIFRANCE: EQUITY INVESTMENT: €51.9BN OF ASSETS UNDER MANAGEMENT

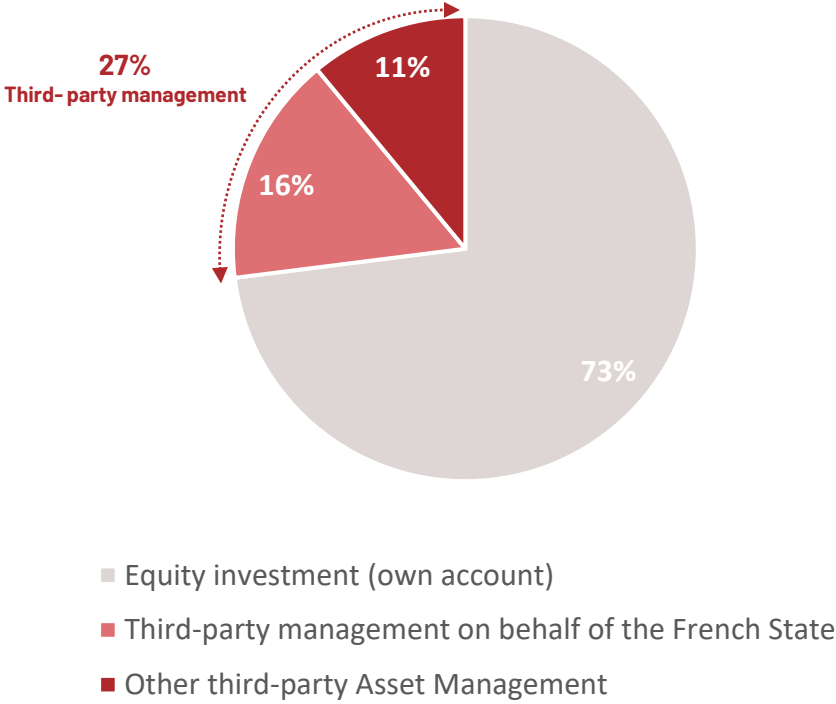
Bpifrance is a unique player in the French ecosystem **with more than €50bn AuM, 900+ companies in portfolio** and **260+ investment professionals**. The investing activity of Bpifrance comprises 3 divisions: (i) Capital Development, (ii) Venture Capital and (iii) Funds Investment.

N°2 Worldwide in 2023¹
162 deals concluded

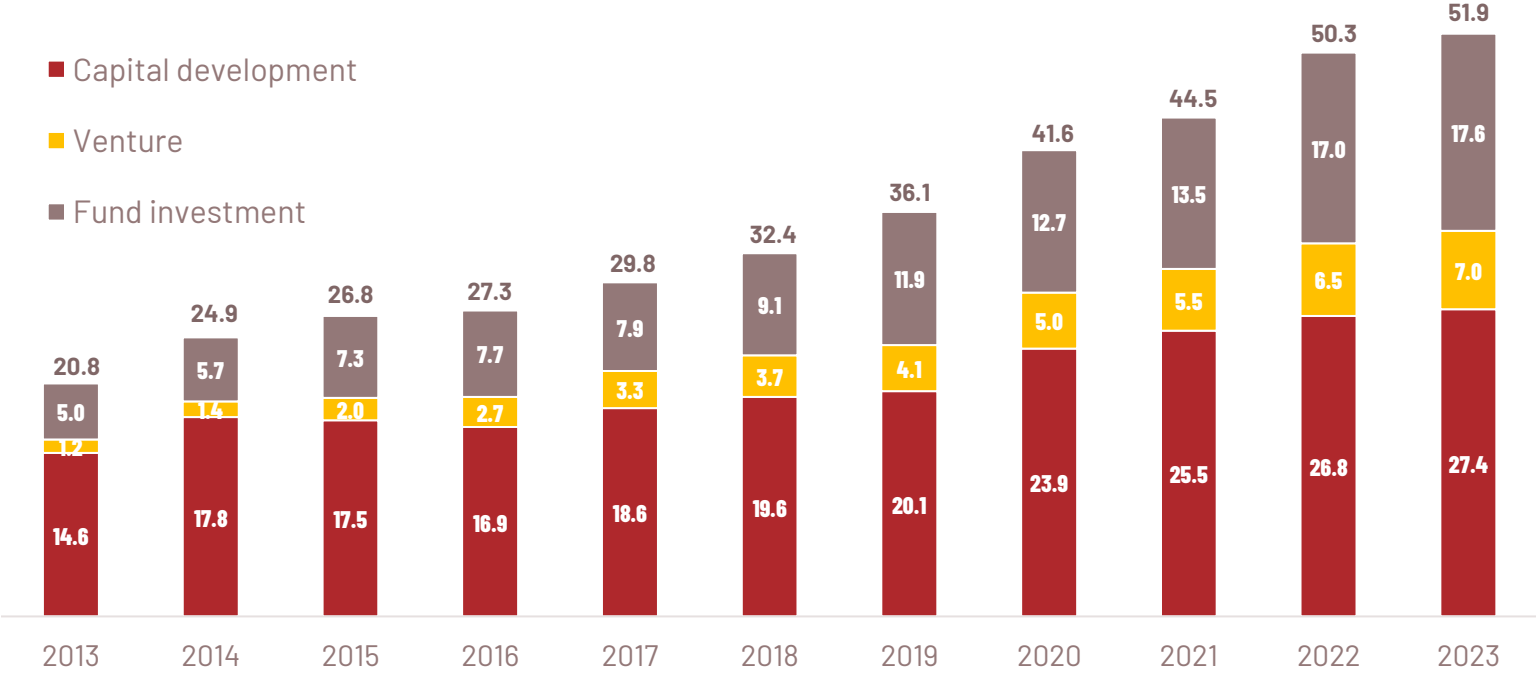
N°1 In Europe in 2023¹
153 deals concluded

N°1 In France in 2023¹

AuM by origin



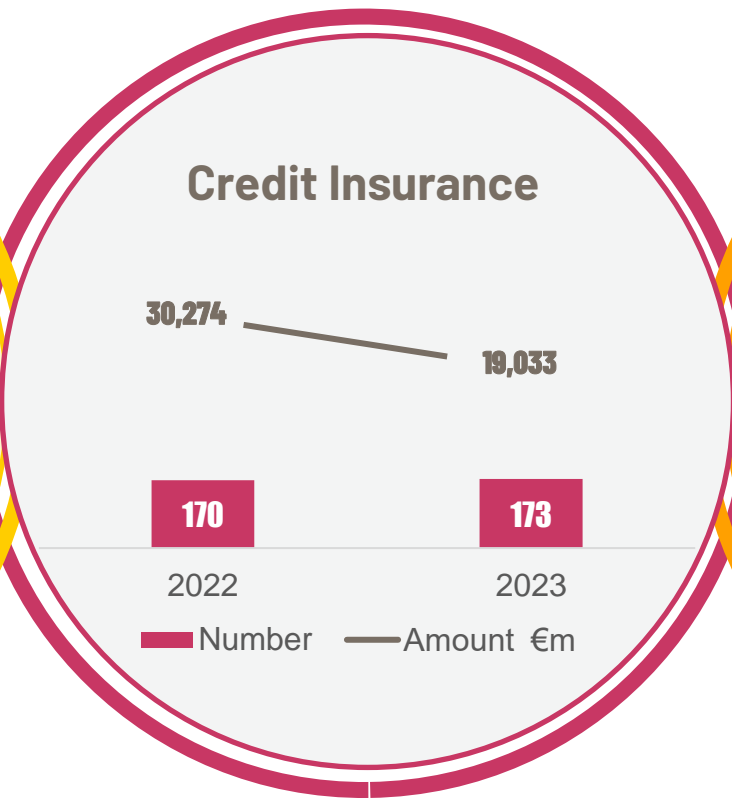
AuM by business (€bn)



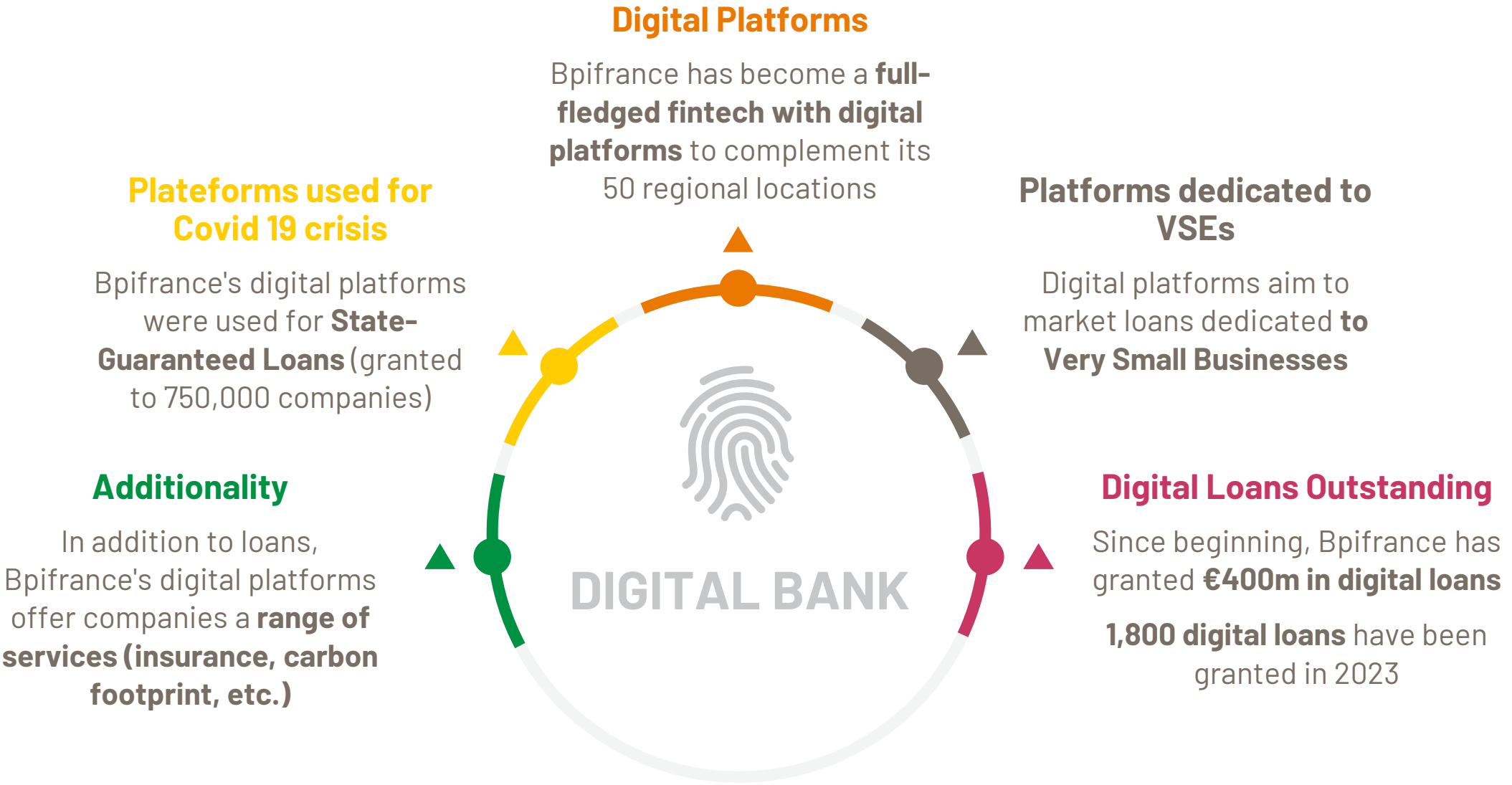
¹ Pitchbook, Global league tables ; #2 after Ares Management (183 deals)

OVERVIEW OF BPIFRANCE: EXPORT AGENCY

- Since 2017, **Bpifrance Assurance Export** manages public export guarantees in the name, on behalf and under the control of the French State. The **guarantee is granted directly by the French State**, thus attesting its support to French exporters.
- **Bpifrance** also offers **Credit Export solutions** (buyer and supplier credit aimed at supporting French exporters)
- **Bpifrance's export activity** represents €21bn in 2023, driven by credit insurance (€19bn):
 - Medium-long term credit insurance
 - Prospecting insurance
 - Guarantee of sureties and pre-financing
 - Foreign exchange insurance
 - Buyer credit solutions
 - Supplier credit solutions



OVERVIEW OF BPIFRANCE: DIGITAL BANK



OVERVIEW OF BPIFRANCE: BPIFRANCE CREATION



Support of Entrepreneurship

➤ **Bpifrance Création** supports business creation and entrepreneurship in France:

- In 2023, €50m in subsidies were granted to 350+ support structures and €93m in loans were provided to 18,300 entrepreneurs.



A strong Creation Network



- In 2022, Bpifrance created **Cap Créa**¹ with 27 partner support networks with the aim of doubling the number of sustainable businesses within the next 5 years.
- With the assistance of nearly **55,000 volunteers**, these networks have helped **153,000 entrepreneurs** and contributed to the **creation of 79,000 businesses**.



Tools for entrepreneurs

- To **remove barriers to creation**, Bpifrance offers 500 methodological modules and tools for business plan creation.

¹<https://www.capcrea.com/>

OVERVIEW OF BPIFRANCE: CONSULTING & COACHING PROGRAMS



Accelerators

Accelerators are intensive, tailor-made programs lasting 12, 18 or 24 months, for classes of around 30 entrepreneurs.

4,500

- Number of companies accelerated since 2015

989

- Number of new companies accelerated in 2023

50

- Number of accelerators programs launched every year



Consulting

Consulting offers adapted to managers of start-ups, SMEs and mid-caps and dedidacted tools (diag)

6,050

- Number of consulting missions realized since 2015

1,182

- Number of Diagnostics innovation in 2023



2,200

- Number of Diag'Actions Climat in 2023



Bpifrance Université

Training solutions to help managers develop the skills they need to grow their businesses

25,054

- Number of active learners on the digital platform in 2023

70,000

- Number of trained executives

+400

- Number of free training program on the digital learning platform



Consulting & Coaching programs aim to ensure a Fair Transition toward Climate Neutrality and employment generation

- Accelerated companies **gain 10 points in sales growth** over comparable non-accelerated companies
- **A direct positive impact on employment¹** has been measured on accelerated companies

- Some Accelerators are dedicated to **environmental transition, reducing losses of energy, waste and GHG reduction of companies**



- Impact of Diag²: An average of **€45k in potential cost savings per year per company**, thanks to the
- **350 Green VTEs³** signed, enabling SME managers to recruit young talent to support them in environmental transition



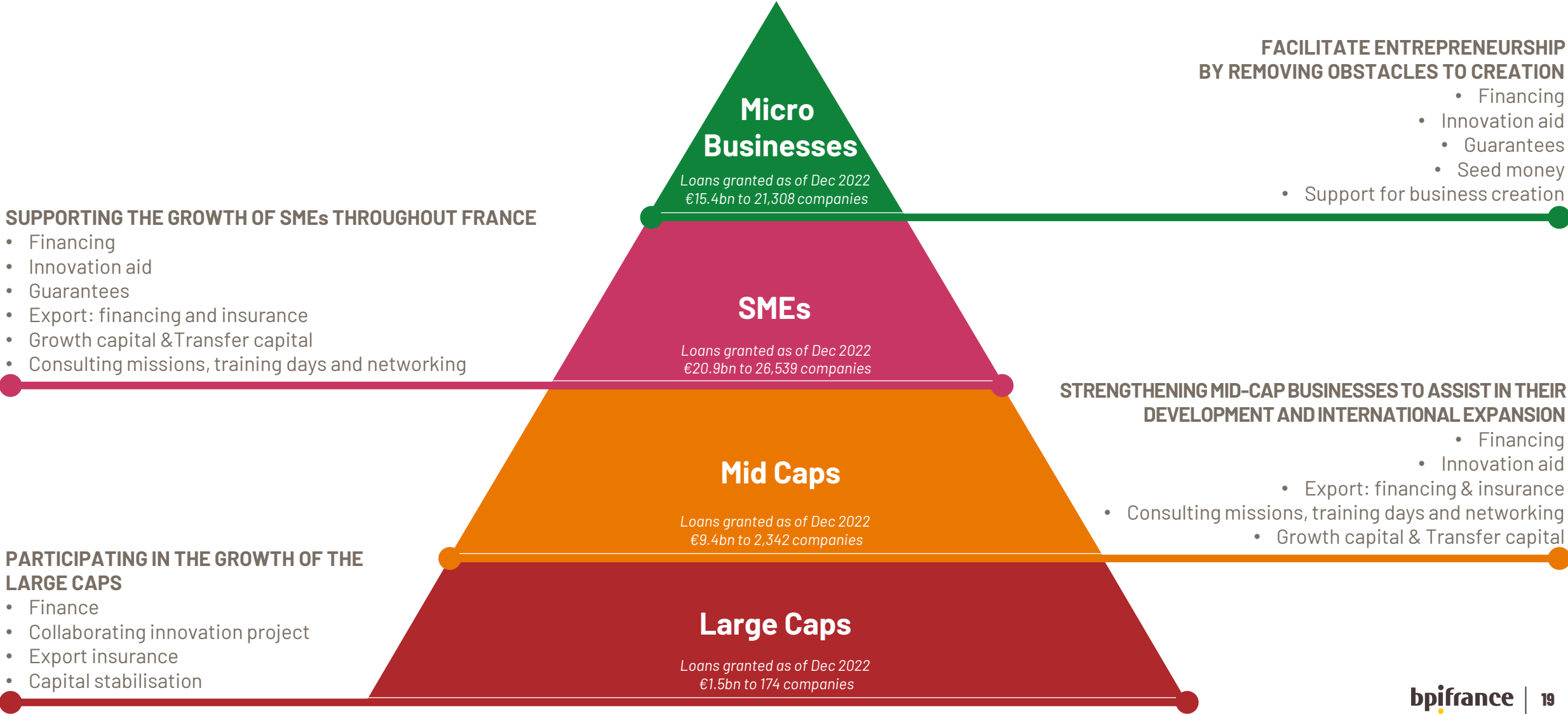
¹Source Fédération de Recherche CNRS: <https://www.bpifrance.fr/sites/default/files/2021-08/RR-BPI-1%20%281%29.pdf>

²Impact analysis in 2022

³Volontariat Territorial en Entreprise

BPIFRANCE'S ACTIVITIES ARE DEDICATED TO BUSINESSES OF ALL SIZES

Bpifrance assists businesses of all sizes, primarily micro-businesses, SMEs, and mid-caps, but it also assists large caps that are considered strategic in terms of the national or regional economies, or for employment:



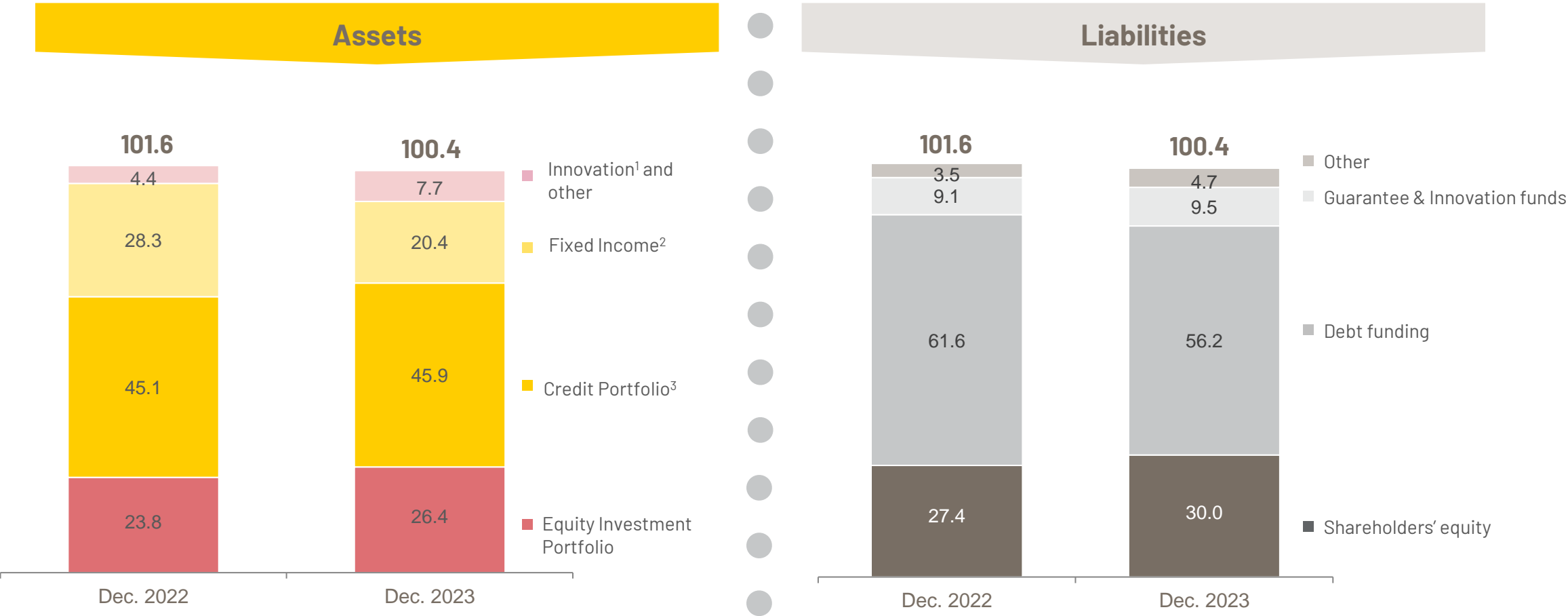


3

KEY FINANCIAL FIGURES

BPIFRANCE HAS A ROCK-SOLID BALANCE SHEET REFLECTING ITS SAFE AND SOUND BUSINESS MODEL

Business unit consolidated balance sheet (€bn)

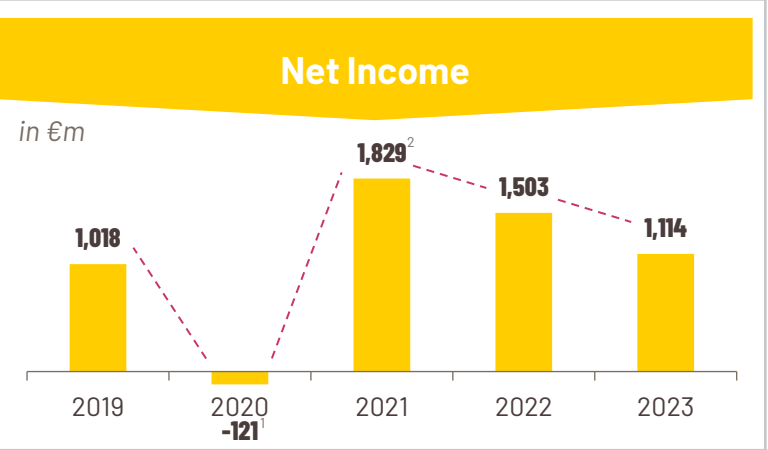
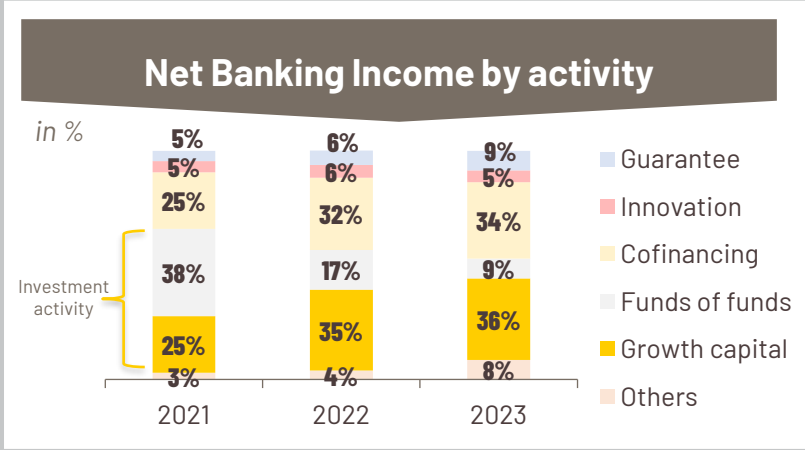
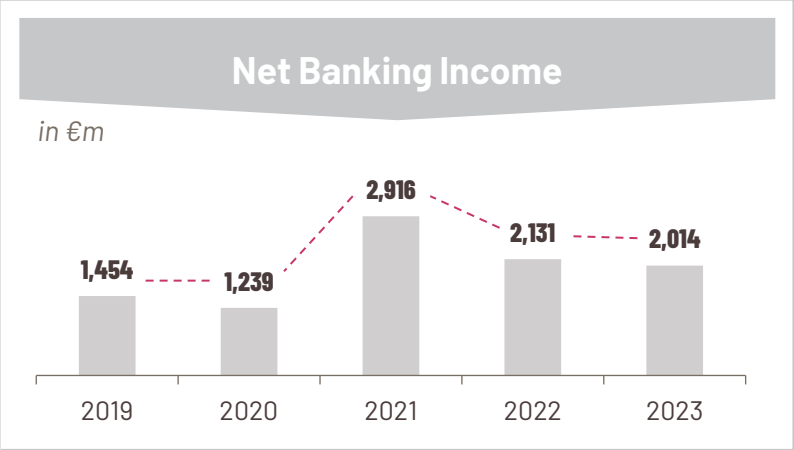


¹Innovation Aids
²Securities portfolio, cash and guarantees
³Innovation loans included

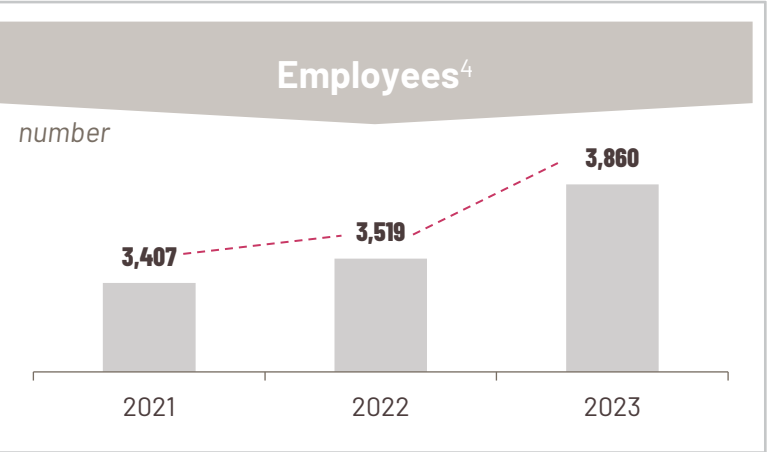
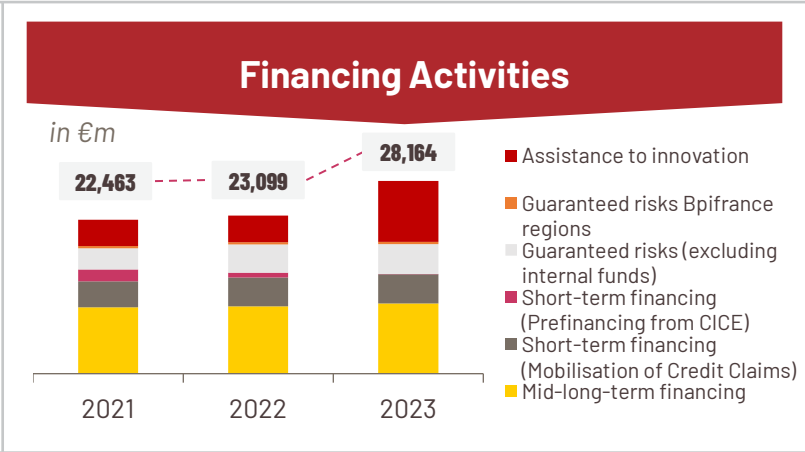
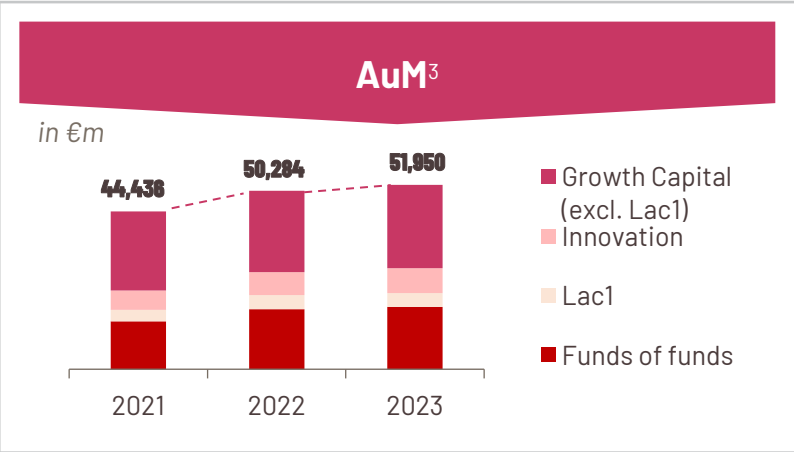
KEY FINANCIAL FIGURES – SUMMARY

Record level of activity in 2023: Bpifrance has injected €63 bn into the French economy. A year marked by strong growth in innovation activity, support for companies in their decarbonization efforts, and financing related to reindustrialization. Bpifrance’s net income amount to €1.1bn, a solid amount thanks to the resilience of financing and investment activities.

P&L



Breakdown of AuM, Financing Activities and Employees



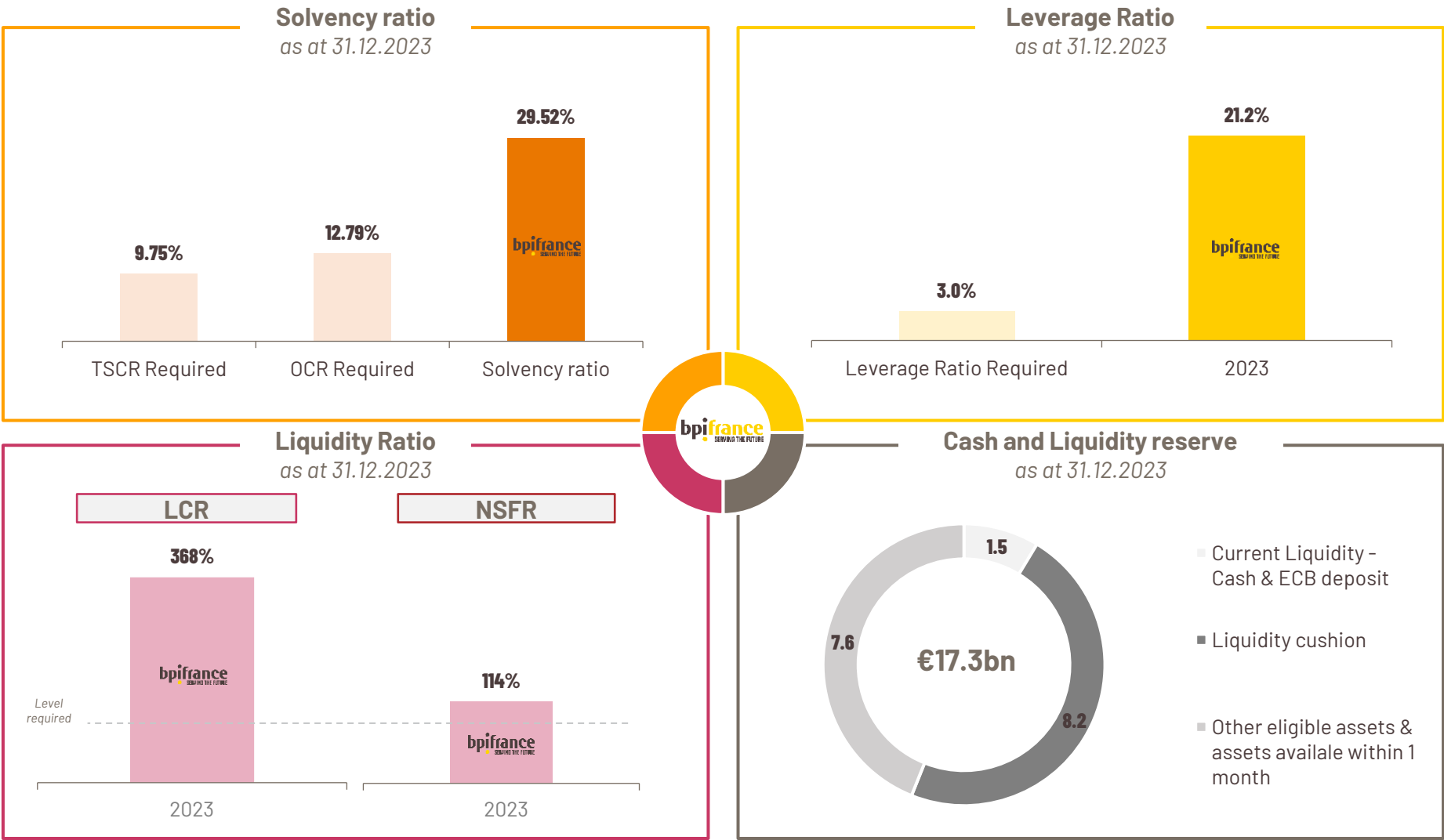
¹ The cost of future risk was conservatively provisioned in 2020, impacting the net income

² In 2021, the net income of €1.8bn included as an exceptional contribution, the Fund of Funds positive portfolio revaluation of €0.9bn

³ AuM from Investing Activities.

⁴ Workforce as of 31 December 2023

BPIFRANCE'S SOLVENCY AND LIQUIDITY RATIOS ARE AMONG THE STRONGEST IN THE EUROZONE



Robust solvency

Capital levels are significantly above Pillar 2 requirements:

- TSCR¹: 9.75%
- OCR²: 12.79%

Leverage ratio maintained well above the 3% level required by the Basel Committee

High liquidity level

LCR and NSFR are far above the 100% level requirements

¹ Total SREP Capital Requirement (minimum CET 1 ratio)
² Overall Capital Requirement (minimum solvency ratio)
LCR: Liquidity Coverage Ratio
NSFR: Net Stable Funding Ratio



4

BPIFRANCE'S GLOBAL SUSTAINABLE STRATEGY

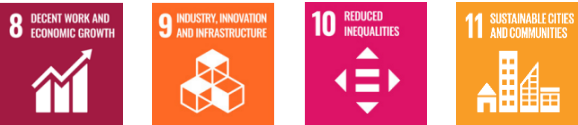
BPIFRANCE'S GLOBAL SUSTAINABLE STRATEGY – COMMITTED TO PEOPLE & CLIMATE



Every Bpifrance activities are aligned with at least one Sustainable Development Goal¹ (SDG)

Bpifrance conducts an impact assessment every year, with a 3-year look-back period, to assess its direct footprint

Economic Impact



- Bpifrance's support is a growth driver:** over a three-year period on companies supported, an impact analysis has demonstrated:
 - Gain of +€121bn in sales
 - 360,000 jobs maintained or created
- A strong commitment to help the most disadvantaged areas**
 - Bpifrance's "Prêt Quartier" product helps businesses that operate in underprivileged neighborhoods
- Societal commitment**
 - Bpifrance encourages female entrepreneurship and supports integration of young people with dedicated tools
- Developing local economies**
 - Bpifrance covers most business needs in the areas of creation, innovation and development with offers tailored to local characteristics

Social Impact



- Direct support for MSMEs**
 - Over the 2013-2023 period, Bpifrance has supported 535,000 Micro, Small & Medium Enterprises
- Social and Solidarity Economy (SSE)**
 - In 2022, Bpifrance's actions had a total value of approximately €440m
- Social Inclusion**
 - Bpifrance grants loans dedicated to disadvantaged populations
- French healthcare**
 - Bpifrance launched dedicated actions to foster and develop healthcare-related activities
- Education**
 - In 2023, 19,500 student loans were guaranteed on behalf of the French state, for a total of €253m in financing

Environmental Impact



- Climate Plan:** Over 2020-2024 period, Bpifrance's Climate Plan is elaborated on 3 pillars:
 - Accelerating business transition
 - Support for Renewable Energies
 - Support the emergence and growth of Greentech
- Restrictions on conventional and unconventional oil and gas investments or financing**
 - Since 2021, Bpifrance is committed to cease all financing or investing in companies whose coal mining or coal-fired power generation activities exceed 5% of their revenues
- Education and training**
 - Raising companies' awareness of energy and ecological transition issues (webinars and *Bpifrance University*). Over 9,000 participants have received training
- Climate diagnostics tools:** carbon emissions and material flows diagnostic tools



Note: Additional information is available in the appendix and here <http://www.bpifrance.fr/Qui-sommes-nous/Developpement-Durable-RSE/Accueil>
Source: Bpifrance Assessment and Studies Department

BPIFRANCE INITIATIVES & COMMITMENTS

Initiatives



Scope 1 and Scope 2 GHG emissions should be **reduced by 40%¹ by 2030**. Work ongoing on Scope 3 reduction measures



Active Carbon Footprint measurement of lending portfolio since 2020



A partner of *CDC Biodiversité* to raise awareness among Bpifrance clients



Bpifrance assesses and monitors a Transition Risk Quantification for highly exposed sectors



Waste management since 2019 at all Bpifrance locations



Since 2014, Bpifrance's headquarters has been rated "Excellent - HQE building". Its second building in Paris obtained the same rating in 2018



Since 2020, Bpifrance has issued Use of Proceeds Bonds to match assets and funding strategy

Commitments

Bpifrance is a **signatory of:**

- Montreal Protocol²
- Paris Agreements³
- Santiago Principles⁴
- Poseidon Principles⁵
- Financial Institutions' Declaration of Intent on Energy Efficiency⁶
- United Nations Principles for Responsible Investment (PRI)⁷
- Charter of Public Investors for Climate⁸
- Charter of Public Investors for SDG⁹
- SISTA Charter¹⁰ and Parity Charter¹¹
- Finance for Biodiversity¹²

Bpifrance **supports and promotes:** **ACT** | **ASSESSING LOW CARBON TRANSITION**® | Planet Tech'Care

Bpifrance is a **member of:**



Bpifrance's **exclusion policy prohibits financing and investing in:**

- Landmines and cluster munitions, chemical and biological weapons, nuclear weapons, tobacco, fossil fuels, speculation on food commodities, gambling

¹ From a 2022 baseline

² <https://ozone.unep.org/sites/default/files/2019-08/Montreal-Protocol2000.pdf>

³ https://unfccc.int/sites/default/files/english_paris_agreement.pdf

⁴ https://www.ifswf.org/sites/default/files/santiagoprinciples_0_0.pdf

⁵ https://www.poseidonprinciples.org/finance/wpcontent/uploads/2019/07/Poseidon_Principles.pdf

⁶ <https://www.unepfi.org/fileadmin/documents/DeclarationIntentEnergyEfficiencyFinance.pdf>

⁷ <https://www.unpri.org/signatory-directory/bpifrance-investissement/966.article>

⁸ <http://www.fondsdereserve.fr/documents/charte-des-investisseurs-publics-francais-en-faveur-du-climat.pdf>

⁹ https://www.rafp.fr/sites/default/files/file/charte_odd_des_investisseurs_publics_francais_.pdf

¹⁰ https://www.economie.gouv.fr/files/2019-10/Charte_engagement_mixit%C3%A9_num%C3%A9rique.pdf

¹¹ https://www.franceinvest.eu/boite-outils/parite/charte-parite/#dearflip-df_16959/12/

¹² <https://www.financeforbiodiversity.org/signatories/>

HUMAN CAPITAL AT THE HEART OF BPIFRANCE

Bpifrance's HR figures



4,155 headcount, including 295 apprentices and work-study students, in 50 regional locations



51% of executives at Bpifrance are women¹



Bpifrance rated among the Best Employers 2023 in France (highest ranked bank) by Glassdoor²



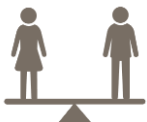
52.3% of people recruited are under the age of 30¹



2.32% of Bpifrance employees are persons with disabilities¹



Bpifrance scores
93 points
in the Gender
Equality Index
*Above the national average
(75.5)



Note: For additional information see <http://www.bpifrance.fr/Qui-sommes-nous/Developpement-Durable-RSE/Accueil>

¹In 2023

²Glassdoor website

ROBUST GOVERNANCE TO MEET ESG CHALLENGES



Due to its particular positioning, Bpifrance's governance includes unique features:

- The **French State**  and **CDC** are represented on the Board of Directors
- **French regional guidance councils** that adapt Bpifrance's actions to the specificities of local areas
- **National Orientation Committee** (CNO) that helps Bpifrance support French businesses and the national economy



Strict **auditing** and **supervision by the French State** through the Ministry of Finance, General Inspectorate and Government Commissioner

In addition, Bpifrance reports to the **French Parliament** (public hearings)

Bpifrance's governance bodies observe the dual principle of competence and **parity**



Expert committees have been set up and feed into a dedicated Climate and Environmental Risk Committee, which reports directly to the board of directors

Sustainable financing committees evaluate and select projects; on annual basis:

- Green Bond Committee
- Social Financing Committee

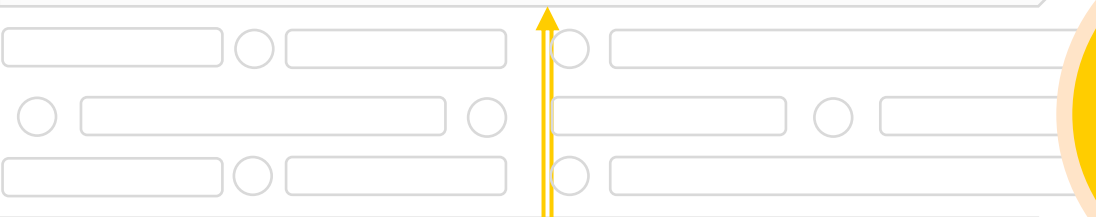
DOUBLE MATERIALITY: BPIFRANCE'S EXPOSURE, IMPACT & CONTRIBUTION TO THE TRANSITION

How Climate Change & the Transition impact Bpifrance

Bpifrance's Physical Climate Risk Approach

An assessment of how the investment portfolio and loan portfolio are exposed and are vulnerable to **physical climate risks**

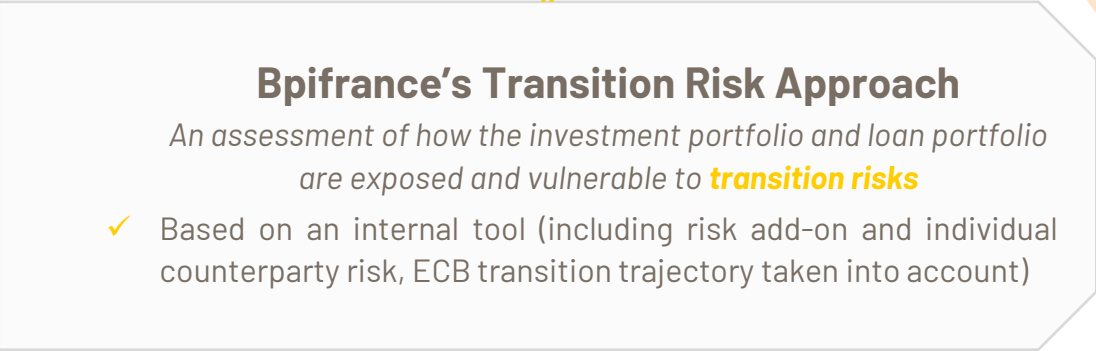
- ✓ A "Heatmap" has been developed to identify territories at risk, over the 2025 and 2100 horizons, which takes into account 5 climate hazards and 88 sector-based activities



Bpifrance's Transition Risk Approach

An assessment of how the investment portfolio and loan portfolio are exposed and vulnerable to **transition risks**

- ✓ Based on an internal tool (including risk add-on and individual counterparty risk, ECB transition trajectory taken into account)



How Bpifrance impacts the Climate system & the Transition

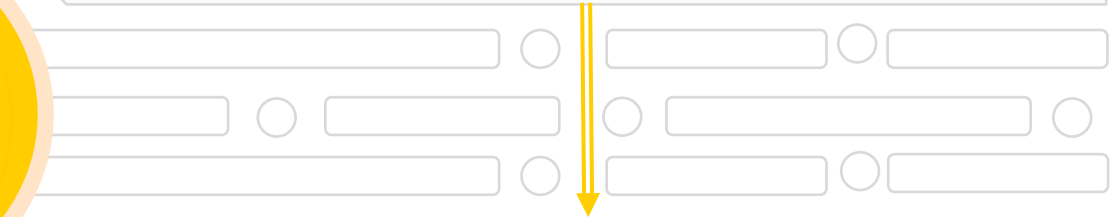
Annual measurement of Bpifrance's Carbon Footprint¹

Scopes 1 & 2

Calculated annually since 2021. Measures in place to decrease GHG emissions by 40% by 2030 on a 2022 baseline

Scope 3

Work In progress on the investment portfolio and loan portfolio



Bpifrance's Climate Plan²

Pillar 1

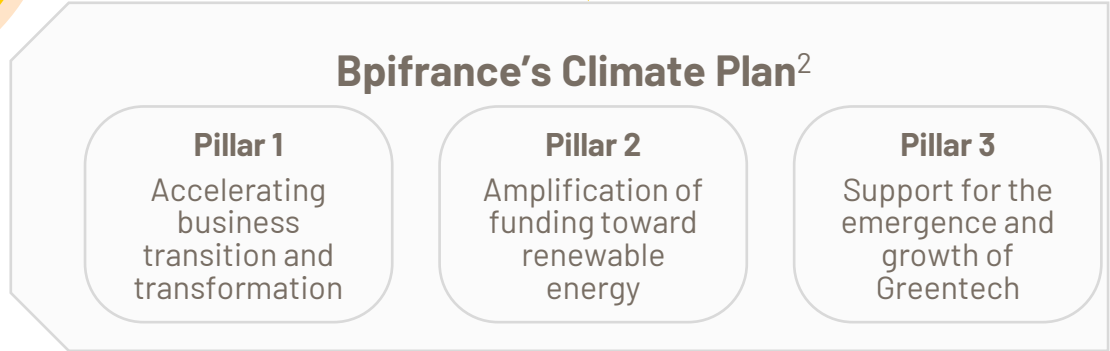
Accelerating business transition and transformation

Pillar 2

Amplification of funding toward renewable energy

Pillar 3

Support for the emergence and growth of Greentech



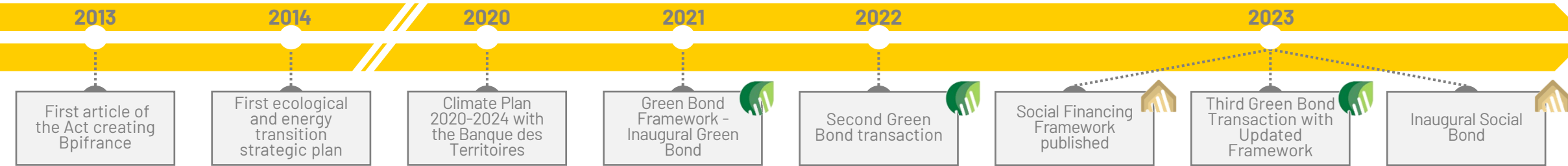
¹<https://www.bpifrance.fr/download/media-file/79090>
² Bpifrance's Climate Plan: see specific discussion on next slide

CLIMATE PLAN: STRATEGY AND AMBITIONS

Bpifrance’s climate strategy focuses on two core priorities:

- 1 Aligning all activities of Bpifrance clients with the carbon neutrality goal of the Paris Agreements
- 2 Increasing the Group’s actions in support of projects and companies that promote the ecological and energy transition

In 2020, **Bpifrance & the Banque des Territoires** launched an ambitious **Climate Plan** covering the 2020-2024 period

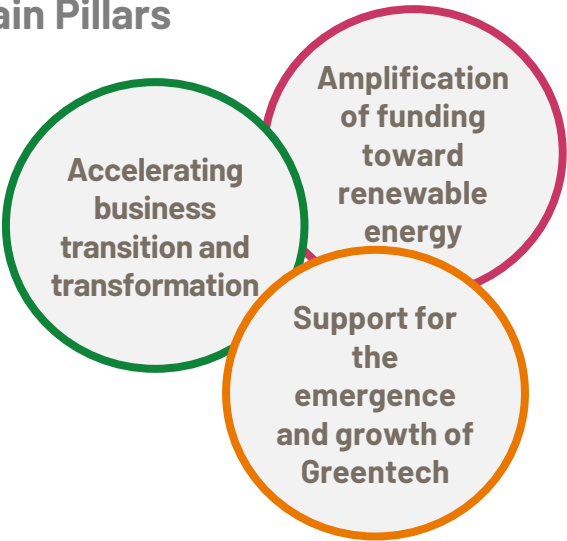


Bpifrance’s Climate Strategy

Bpifrance’s Climate Actions since 2020 (as of December 2023)

2024/28: Climate Target

3 Main Pillars



¹ Including investments made by partner funds
Note: Additional information is available on Bpifrance’s Climate Plan at: <https://presse.bpifrance.fr/plan-climat-de-la-banque-des-territoires-et-bpifrance-2020-2024-point-detape-a-mi-parcours-et-nouvelles-impulsions-pour-accelerer-la-transformation-ecologique-au-coeur-des-territoires-et-repondr/>

DUE TO ITS UNIQUE POSITIONING, BPIFRANCE'S MISSIONS ARE GUIDED BY SOCIAL PRINCIPLES



Supporting development and resilience of SMEs to foster employment in France

- ❖ Supporting the development of SMEs and employment
- ❖ Strengthening economic development and entrepreneurship in local areas in France
- ❖ Encouraging the resilience of SMEs impacted by the Covid-19 Crisis
- ❖ Supporting the international development of SMEs
- ❖ Training and advisory services for entrepreneurs and SMEs
- ❖ Supporting innovation by SMEs
- ❖ Assisting VSEs in their Digital Transformation



Socioeconomic advancement and empowerment

- ❖ **Supporting Social and Solidarity Economy**
 - Financing Social and Solidarity-based Economy companies, such as non-profits, cooperatives and foundations
 - Dedicated programs¹ to support SSE sector
- ❖ **Supporting community inclusion and disadvantaged people**
 - Underprivileged regions
 - Female entrepreneurship
 - Inclusion of young people
 - Senior employment and inclusive recruitment



Financing the access to essential services

- ❖ **French healthcare sector**
 - Financing of public hospitals, long-term care facilities and other social housing
 - Accompanying entities in “*Déserts Médicaux*”
 - Supporting the growth and industrialization of healthcare start-up, in line with the French government’s Strategic Plan²
- ❖ **French education sector**
 - Financing and supporting educational institution
 - Long-standing student loan guarantee scheme
 - Contribution to the French government’s State “*Enseignement et Numérique 2030*” Strategic Plan

¹ “Programme d’Investissement d’Avenir” and the “Fonds d’Innovation Social”

² “Innovation Santé 2030”



5

BPIFRANCE: FUNDING STRATEGY

BPIFRANCE IS A MAJOR BOND ISSUER IN THE SSA¹ SECTOR

Bond and Commercial Paper programmes


€8bn
2024 Funding
Programme

€37bn
EMTN
Outstanding²
Programme Size - €45bn


€6.575bn
Sustainable Bonds
Outstanding²

€4bn
NEU MTN
Programme Size


€8bn
NEU CP
Programme Size
Labelled STEP under ID
2685




A **record-breaking** funding programme




The increasing presence of **sustainability** in the refinancing share



Investor Relations
Bpifrance



Ticker – **BPIFRA** **Bloomberg**
Ticker – **BPIFN** 


Green Bond Programme

- Maturity: 5 to 10 years



Social Financing Programme

- Maturity: 3 to 10 years





Since 2011, an average of **€4bn in EMTN** issues per year targeting various maturities (*from 3 to 10 years*)



Diversity: Benchmarks, Tap, Private Placement
EUR & GBP

¹ SSA: Supranationals, Subnationals and Agencies
² As at end March 2024

BPIFRANCE IS A MAJOR BOND ISSUER IN THE SSA¹ SECTOR

Bpifrance's bonds ratings are aligned on French State's.

Frequent issuer of benchmark bonds in EUR, which benefits from (i) a **HQLA level 1** liquidity and (ii) an **Agency** haircut under the ECB haircut schedule. Bpifrance Debt Program is Eligible for the ECB's Public Sector Purchase Programme (**PSPP**).

Bpifrance's bonds are eligible for a **risk factor stress of 0%** (SCR) for spread risk on bonds and loans (under Solvency 2, Regulation EU 2015/35)

Bpifrance is a regular issuer

Bpifrance is continuously involved on **primary market**:

- **Benchmark bonds** issuance on a regular basis
- c.€1bn of bond issuance **each quarter**
- Funding needs **throughout the year** to match loans disbursement

Bpifrance offers variety of products to investors:

- From 3y to 10y **maturity**
- **EUR & GBP** bonds

A constant care of its own bonds liquidity

Bpifrance proposes **Tap** (public and private) on previously issued bonds to a maximum of €2bn outstanding amount per bond

And continuously monitors **secondary market liquidity indicators**

And the ambition to become a Top issuer of sustainable bonds

Bpifrance issued its first **Thematic Bond** in 2020

Since 2021, Bpifrance issued **Green Bond** annually























From 2023, Bpifrance launched its **Inaugural Social Financing Framework**

Bpifrance's target:

- **50%** of annual funding programme on Green & Social bonds

¹SSA: Supranationals, Subnationals and Agencies













A DIVERSIFIED RANGE OF SUSTAINABLE FINANCING

	<div>The Green Bond Principles</div> <div>Green Bond Framework 2nd version published in 2023</div>	<div>The Social Bond Principles</div> <div>Social Financing Framework Published in 2023</div>	<div></div> <div>Covid 19 Response Framework Published in April 2020</div>
Rationale of the Framework	This 2 nd version is aligned with the latest regulations and best market practices to position Bpifrance as a pioneer player in the market of ecological transition	To further develop the market of sustainable finance in France, especially for the benefit of employment, development of micro-businesses and SMEs	To limit the impact of the Covid-19 pandemic on SMEs economic activity
Review of SPO	<ul style="list-style-type: none">Alignment with the ICMA Green Bond Principles 2021 (with June 2022 appendix) Alignment with current version of EU Taxonomy for Renewable Energy loans and portion of Green Building loans	<ul style="list-style-type: none">Alignment with the ICMA Social Bond Principles 2021 (with June 2022 appendix) Alignment with Social Objectives of the Final Report on Social Taxonomy (February 2022)	
Use of Proceeds <i>Eligible Projects</i>	<div>Renewable Energy Loans</div> <div>Green Buildings Loans </div> <div>Greentech Loans </div>	<div>MSMEs in disadvantaged territories</div> <div>Innovation of MSMEs</div> <div>Loans to SSE</div> <div>Loans supporting social inclusion</div> <div>Training</div> <div>MSMEs affected by natural or health disaster</div> <div>Digitalization</div> <div>Education</div> <div>Health</div> <div>Export to developing countries</div>	<div>Covid-19 response loans that aim to support the economic activity of companies during the Covid 19 pandemic such as “Prêt Atout” and “Prêt Rebond”</div>
SDGs	     	      	 
Reporting	<u>Allocation & Impact Report annually until maturity</u>	<u>Allocation & Impact Report annually until maturity</u>	<u>Allocation & Impact Report annually until maturity</u>
Outstanding	2023: €1bn – maturity date 06/2033 2022: €1.25bn – maturity date 05/2028 2021: €1.25bn – maturity date 11/2027	2023: €1.575bn ¹ – maturity date 09/2027	2020: €1.5bn – maturity date 02/2027
Award	<div>Environmental Finance Sustainable Debt Awards 2024 Winner Social bond of the year – agency</div>		

¹Inaugural Social Bond issued in October 2023 + TAP issued in February 2024
Note: 2021 & 2022 Green Bond issuances have been made under Bpifrance Inaugural Framework, with only Renewable Energy Loans as eligible

OVERVIEW OF GREEN BOND FRAMEWORK

The **net proceeds** of Bpifrance’s Green Bonds will be used to **finance and/or refinance, in whole or in part, new or existing medium and long-term loans, located in France**, aiming at financing the following **three eligible green categories**.

	Eligible Green Categories	Description	EU Environmental Objectives	SDGs	EU Taxonomy Alignment ¹
Use of Proceeds Eligible Projects	Renewable Energy Loans <i>Eligible: Green Bond 1 / 2 / 3 / next</i>	Loans for construction and operation of electricity generation facilities dedicated to onshore and offshore wind and solar power projects	✓ Climate Change Mitigation	 	
	Green Buildings Loans <i>Eligible: Green Bond 3 / next</i>	Loans for acquisition of existing buildings or construction of new buildings or refurbishment of existing buildings	✓ Climate Change Mitigation	  	 <i>Only a part of the eligible loans</i>
	Greentech Loans <i>Eligible: Green Bond 3 / next</i>	Loans to finance and support the emergence and growth of Greentech	✓ Climate Change Mitigation ✓ Climate Change Adaptation ✓ Sustainable Use and Protection Resources ✓ Circular Economy ✓ Pollution Prevention & Control ✓ Biodiversity & Ecosystems	    	

Project Evaluation & Selection	 Credit Risk Policy All Eligible Green Loans will be submitted to Bpifrance’s regular underwriting process which are granted following a strict approval process		 ESG Risk Assessment A simplified analysis of the company’s ESG practices is provided for credit or innovation support cases above certain thresholds		 Green Bond Committee This committee will meet at least once a year and is notably responsible for the compliance of eligibility criteria and to monitor the allocation of the net proceeds
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Management of proceeds	Allocation of net proceeds will be realized at the end of calendar year for each green bond to match the amount of proceeds of Bpifrance Green Bond Program on a portfolio approach . Bpifrance’s treasury team will be responsible for the management of the net proceeds , to ensure that an amount equal to such proceeds is effectively invested in the financing and/or re-financing of Eligible Green Loans.
------------------------	---

Reporting	<ul style="list-style-type: none">An Allocation and Impact Report published on an annual basis, until maturity. Following the ICMA Harmonized Framework for Impact Reporting on sustainability reporting.Impact Reporting Methodology disclosure on an annual basis.Annual external audit certifying a satisfactory allocation of the Use of Proceeds and the compliance of the allocation reporting with the Eligibility Criteria.
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¹ On Substantial Contribution Criteria

OVERVIEW OF SOCIAL FINANCING FRAMEWORK

An amount equivalent to Bpifrance Social Bonds proceeds will be allocated to the financing and/or re-financing, in whole or in part, of new or existing projects as defined by the Eligible Social categories, such projects are defined below.

Use of Proceeds Eligible Projects	Social Category	Eligible Social Project	Contribution to SDGs	EU Social objectives
	Employment generation and preservation	Loans to MSMEs in disadvantaged territories	   	Decent work
		Loans to MSMEs affected by natural or health disaster		
		Loans to finance Innovation	 	Inclusive and sustainable communities and societies & Decent work
		Loans to finance digitalization		
	Socioeconomic advancement and empowerment	Loans to SSE companies	 	Inclusive and sustainable communities and societies
	Access to essential financing services	Loans supporting social inclusion	 	Inclusive and sustainable communities and societies & Decent work
	Access to essential education services	Training & Educational Expenditures		Decent work
		Loans to support Education		Inclusive and sustainable communities and societies
	Access to essential healthcare services	Loans to support Health		
	Access to essential services and Basic Affordable Infrastructure	Export loans to Developing Countries	   	


Project Evaluation & Selection



Credit Risk Policy

All Eligible Social Projects will be submitted to Bpifrance’s regular underwriting process. Loans are granted following a **strict approval process**

+



ESG Risk Assessment

A simplified **analysis of the company’s ESG practices** is provided for credit or innovation support cases above certain thresholds. For Export credit, a dedicated team performed an E&S assessment

+



Social Financing Committee

This committee will meet **at least once a year** and is notably responsible for the compliance of eligibility criteria and to monitor the allocation of the net proceeds

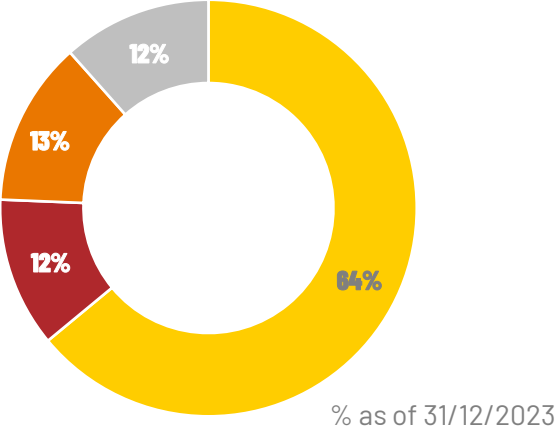
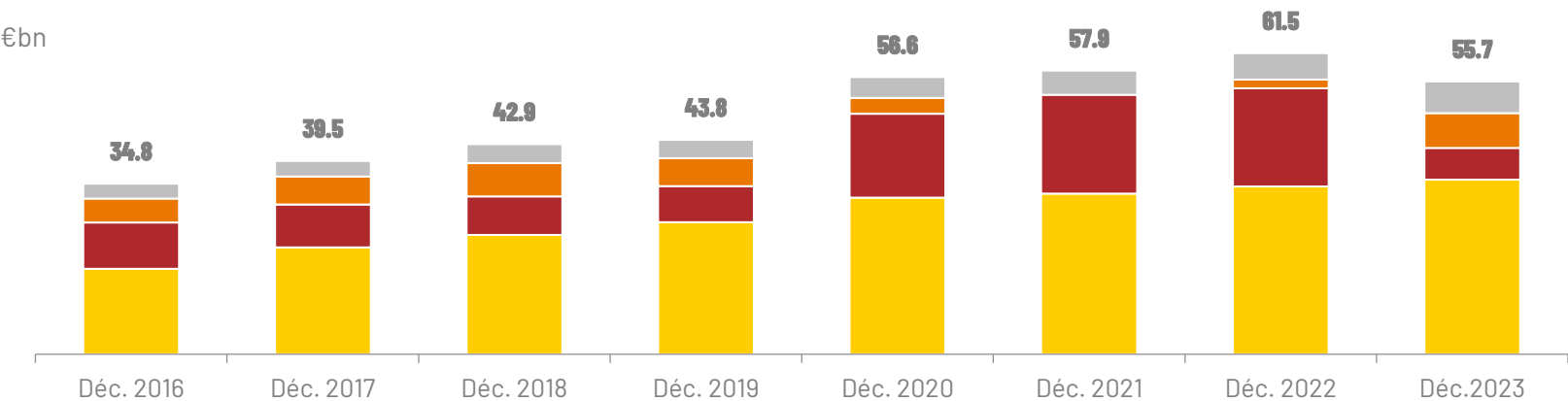
Management of proceeds

Allocation of net proceeds will be realized at the end of calendar year for each social financing to match the amount of proceeds of Bpifrance Social Program on a **portfolio approach**. Bpifrance’s treasury team will be **responsible for the management of the net proceeds**, to ensure that an amount equal to such proceeds is effectively invested in the financing and/or re-financing of Eligible Social Projects.

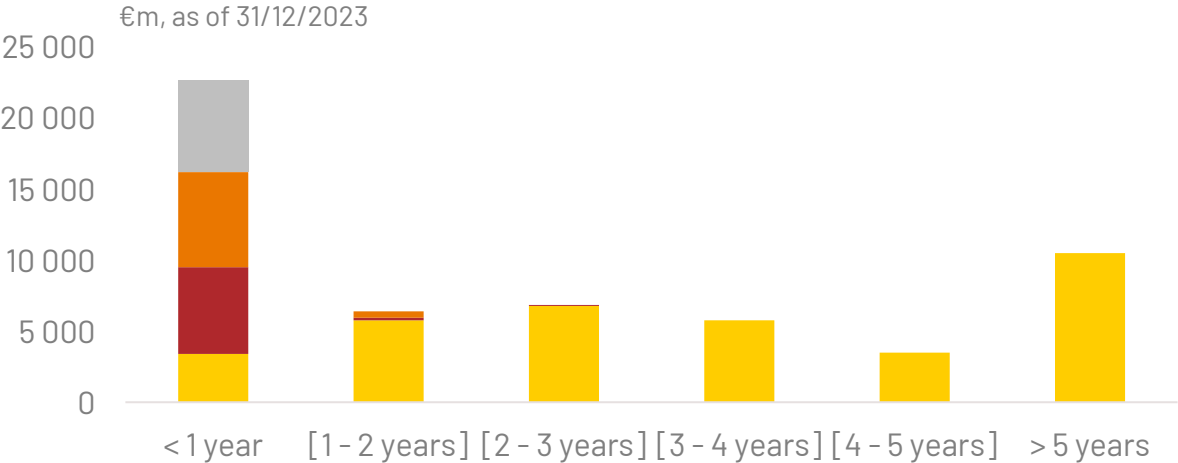
- Reporting
- An Allocation and Impact Report published on an annual basis, until maturity. Following the **ICMA Harmonized Framework for Impact Reporting** on sustainability reporting.
 - **Impact Reporting Methodology** disclosure on an annual basis.
 - **Annual external audit** certifying a satisfactory allocation of the Use of Proceeds and the compliance of the allocation reporting with the Eligibility Criteria

AN EXPANDING REFINANCING STRUCTURE TO SUPPORT BUSINESS GROWTH

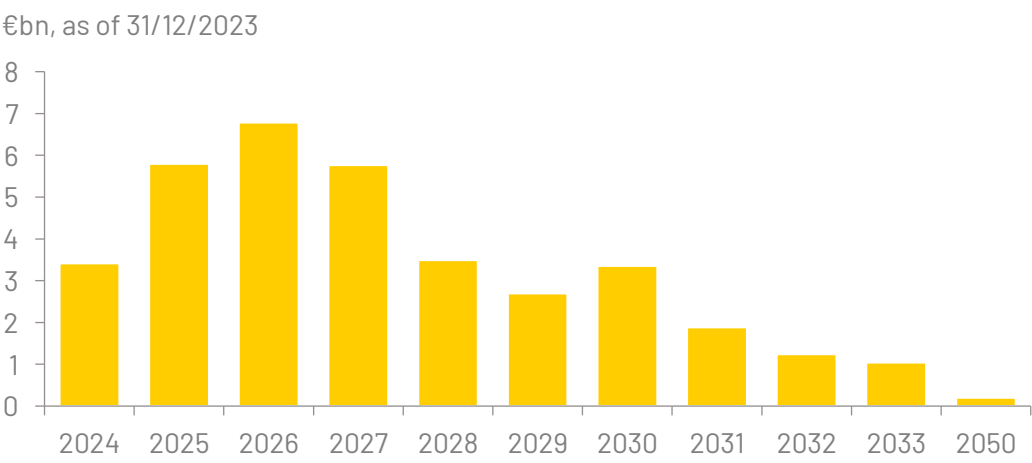
Bpifrance is regularly active in the primary market with Benchmark Bonds and Tap issues.



Refinancing Breakdown

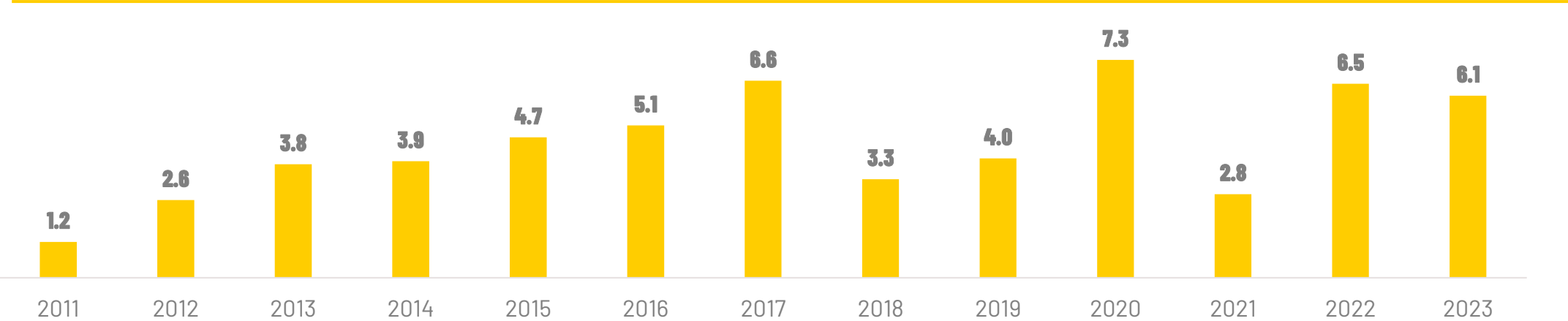


Maturity breakdown



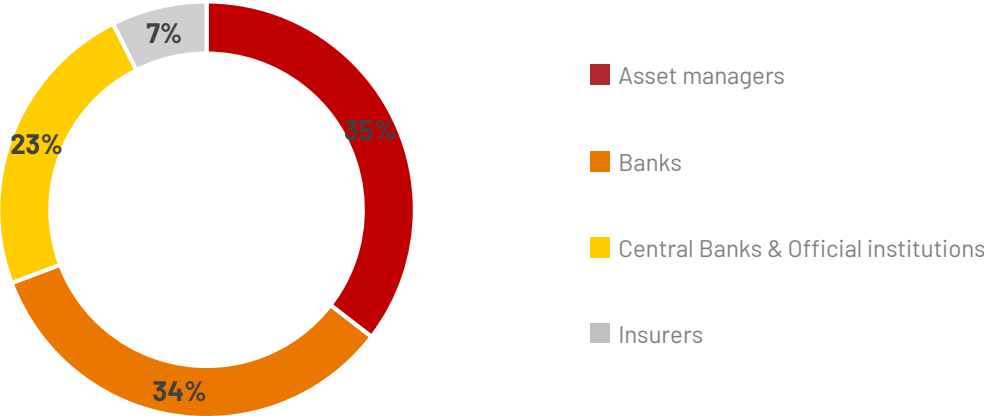
A DYNAMIC REFINANCING PROGRAMME TO SUPPORT BUSINESS GROWTH

Bpifrance’s annual issuances (eq €bn)

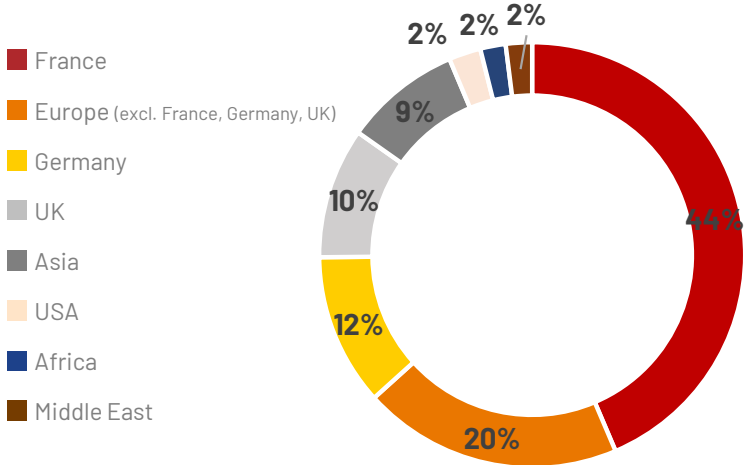


Bpifrance’s investor base*

By type of Investor



By geographical area

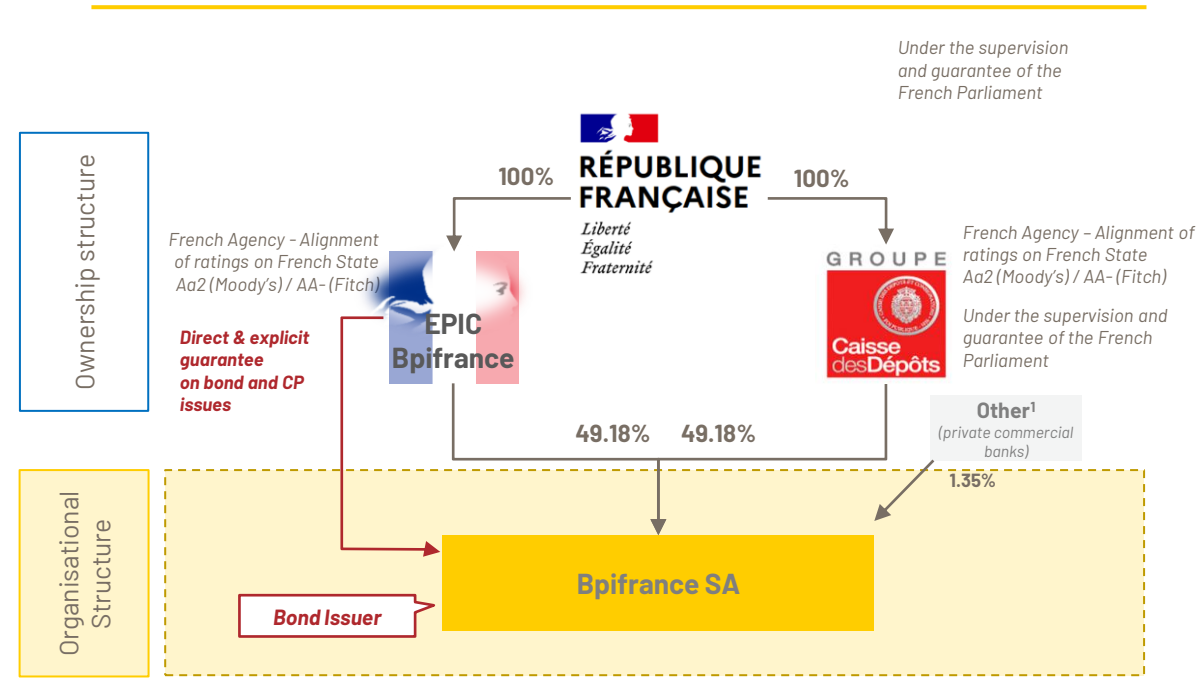


→ A growing interest among international investors: over 500 investors in more than 40 countries

* at each issuances

BPIFRANCE ISSUES BONDS AND COMMERCIAL PAPERS TO FINANCE ITS LOAN PORTFOLIO

Ownership structure



Main business lines

	Nature of activity	Funding
Credit (cofinancing)	<ul style="list-style-type: none">● Own own-account activities	<ul style="list-style-type: none">● Debt funding● Equity
Guarantee	<ul style="list-style-type: none">● State activities for the account of the State	<ul style="list-style-type: none">● Allocations of public funds
Innovation		
Investment	<ul style="list-style-type: none">● Own own-account activities	<ul style="list-style-type: none">● Equity
Consulting and coaching	<ul style="list-style-type: none">● Own and State own-account activities and activities for the account of the State	<ul style="list-style-type: none">● Equity● Allocations of public funds
Creation	<ul style="list-style-type: none">● Own and State own-account activities and activities for the account of the State	<ul style="list-style-type: none">● Equity● Allocations of public funds



The bonds and commercial papers issued by Bpifrance are guaranteed by EPIC¹ Bpifrance by means of an autonomous, unconditional and irrevocable on-demand guarantee

¹Commercial banks hold a 1.35% stake in Bpifrance and Bpifrance holds 0.29% of its own capital

EPIC BPIFRANCE AND THE DEBT ISSUANCE PROGRAMMES HAVE EARNED HIGH-QUALITY RATINGS

The rating agencies deem **EPIC¹ Bpifrance** to be a government-related issuer, credit-linked to the French State

MOODY'S > **Aa2** (Stable) / P-1

RATIONALE

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



An EPIC (Etablissement Public Industriel et Commercial) is a legal entity that carries out commercial and industrial activities but is also governed by certain rules

¹EPIC status: see details in the Appendix

FitchRatings > **AA-** (Stable) / F1+

RATIONALE

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

BPIFRANCE IS AMONG TOP-PERFORMERS IN ESG

Bpifrance is a **responsible Group** with a **mission-statement defined by law** and supports **Energy and Environmental Transition**. Bpifrance aims to be among the top-ranking agencies, to match its ambitious objectives



Bpifrance's rating is at the highest level possible «Advanced» and above the industry¹

Advanced

Carbon footprint: **A** B C D

No involvement in controversial activities

Keys outputs:

- ✓ A strong environmental strategy
- ✓ Management of environmental impacts
- ✓ Social and economic development
- ✓ Environmental responsible financing



Bpifrance's ESG maturity score is «Advanced»² with an average ESG score of 73 out of 100

Advanced

Absence of any serious controversy provides further comfort on the robustness of ESG policies

Keys outputs:

- ✓ Robust HR practices and external stakeholders' relationship
- ✓ Solid governance structure
- ✓ ESG risk management system at corporate level seems mature



Bpifrance's ESG risk rating is «Low Risk»³ with an ESG score of 12.7 out of more than 40

Low Risk

Industry Group: **Bpifrance** is classified 73 out of 1,051 banks⁴

Keys outputs:

- ✓ Exposure to different material ESG issues is rated **Low** for Bpifrance (highest level possible)
- ✓ Management to relevant ESG issues is rated **Average** for Bpifrance

¹ Vigeo Report for Bpifrance 2021
² EthiFinance score as of end of 2023
³ Sustainalytics score as of February 2024
⁴ Ranking as of February 2024



6

APPENDICES

BPIFRANCE IS THE PUBLIC TRUSTED PARTNER OF ENTREPRENEURS, BANKS AND INVESTORS

Corporate mission established by the Act of 12 July 2013:

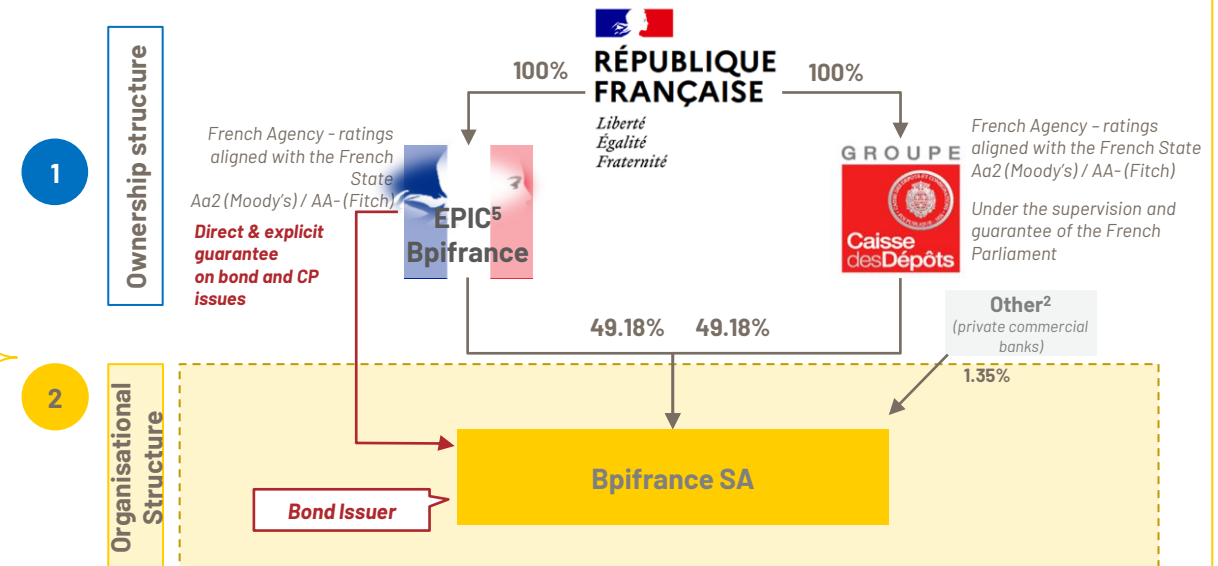
- “Bpifrance is a public group that aims to finance and support the development of companies, acting in accordance with the public policies implemented both by the State and regional authorities.”¹
- A century of public banking: see details in the specific appendix

Structure of the Entity

Bpifrance is a financial company:

- 1 Major shareholders are **the French State** (via EPIC Bpifrance) and the **Caisse des Dépôts** (98.36%)²
- 2 Its organisation consists of **a holding company and two main operating subsidiaries**:
 - **A bank - the holding company (Bpifrance)**
→ **Bond issuer: Debt issued under EPIC Bpifrance's guarantee**
 - **An asset management company (Bpifrance Investissement)**³
 - **An export credit agency (Bpifrance Assurance Export)**

The Order-law of 24 June 2020 simplified the structure of the entity⁴



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

² Commercial banks hold a 1.35% stake in Bpifrance and Bpifrance holds 0.29% of its own capital

³ Bpifrance Investissement is wholly-owned by Bpifrance Participations, a holding company, in which Bpifrance has a 99.99% interest

⁴ Order No. 2020-739 of 17 June 2020 created a new structure following the merger and takeover of Bpifrance SA by Bpifrance Financement

⁵ EPIC status: see details in the Appendix

A PUBLIC AGENCY THAT MEETS ALL NEEDS OF BUSINESSES WITH TWO DIFFERENT COMPLEMENTARY FOCUSES

A

Own-account activities

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

Funding: debt funding and shareholders' equity

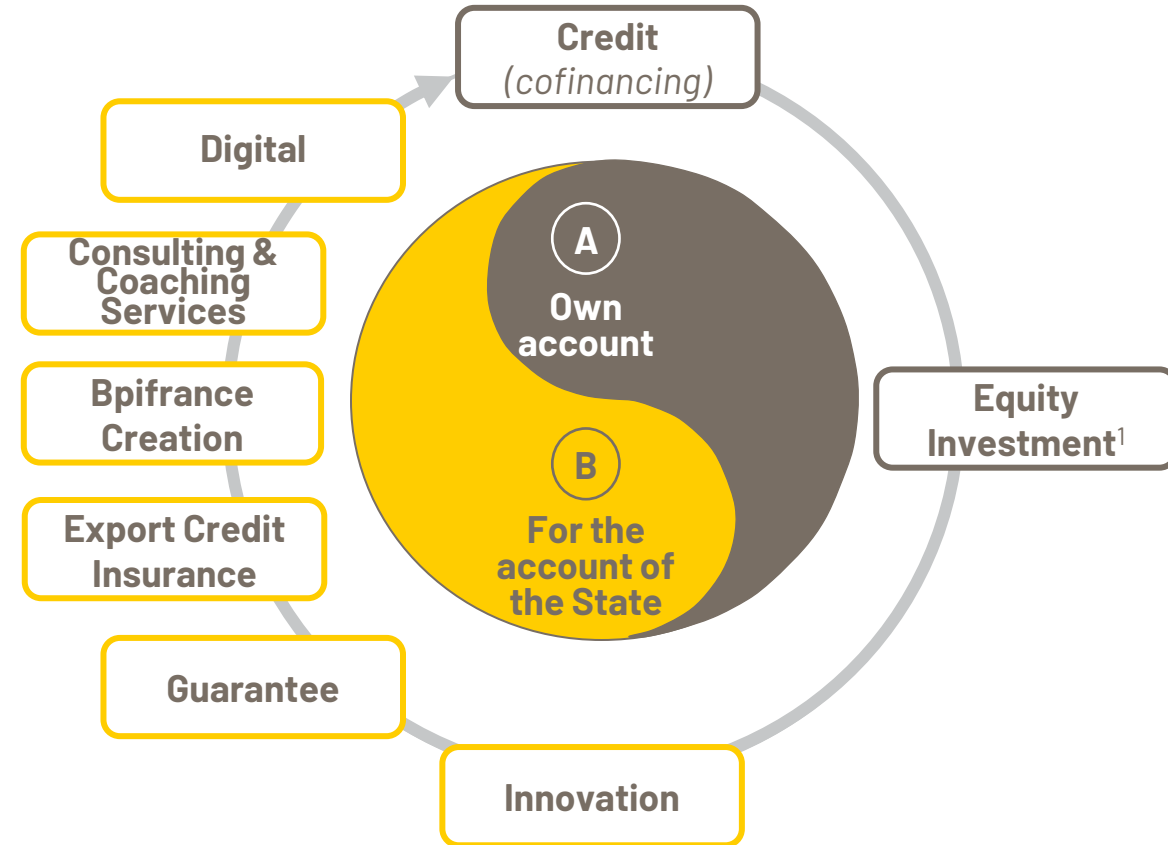
B

Activities carried out under public policies

These activities use dedicated funds² intended to cover commitments made in connection with these missions:

- Financing **innovation** through aid³ or loans
- **Guaranteeing** loans granted by banking partners and/or equity funding organisations
- Granting of public **export credit insurance** in the name, on behalf of and under the control of the French State
- **Bpifrance Creation** which supports business creation and entrepreneurship
- **Consulting & Coaching Services** at every stage of business growth
- **Digital** tools, such as the deployment of digital platforms to grant loans to VSEs.

Funding: allocations of public funds



¹ Bpifrance also manages assets on behalf of third parties

² Primarily from the State and other public funders (regional authorities, Europe)

³ In the form of grants, repayable advances, interest-free loans

INTEGRATION OF ESG FACTORS INTO INVESTMENT PROCESSES & SIGNIFICANT FUNDING APPLICATIONS

Direct Investment

- Mandatory ESG evaluation to consider extra-financial criteria likely to have an impact on Bpifrance's investments
- Results are discussed during Investment Committee and are included in the investment memo
- ESG evaluation is used to assess the company's progress

Indirect Investment

- Prior to any investment, Bpifrance assesses the investment doctrine of the targeted fund and considers whether it has adopted a responsible investor approach

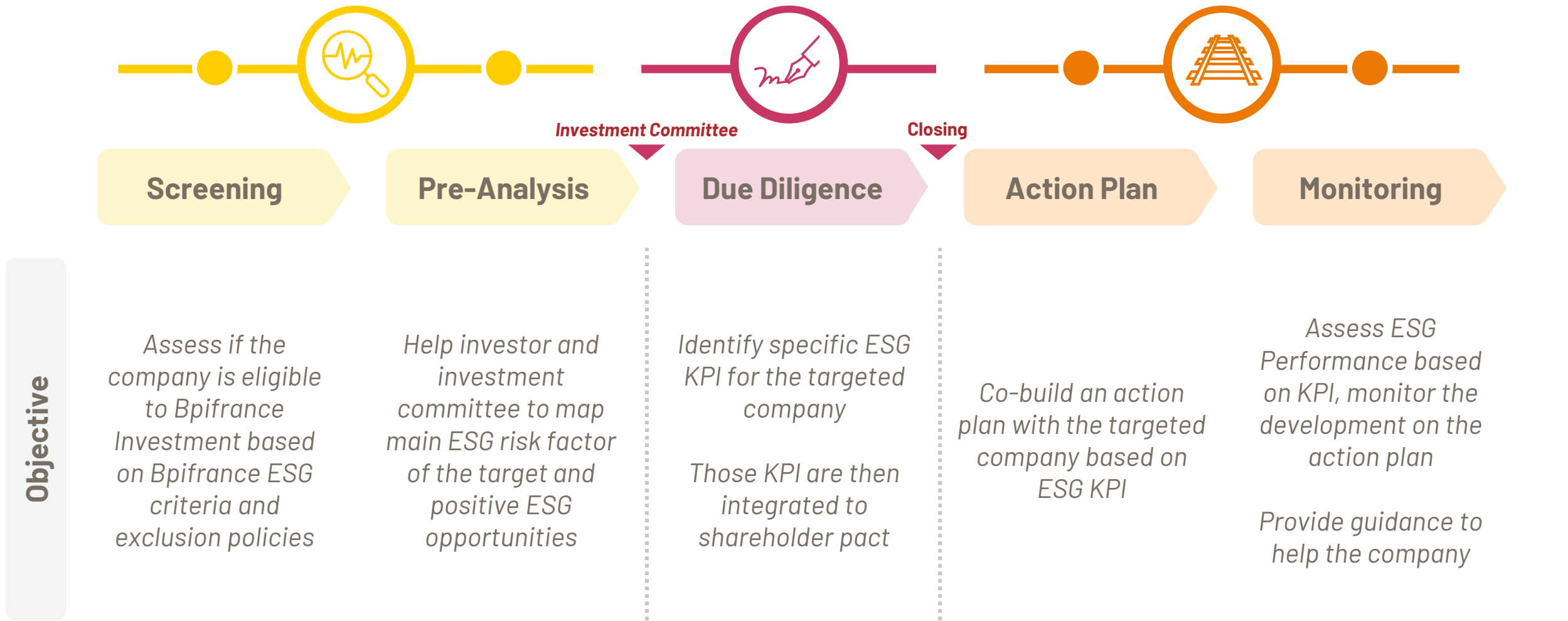
Export Credit

- An environmental and social assessment is performed by Bpifrance by internal expert team dedicated to the subject
- This assessment is framed by OECD recommendations and is built on International Finance Corporations standards (performance standards and EHS guidelines)

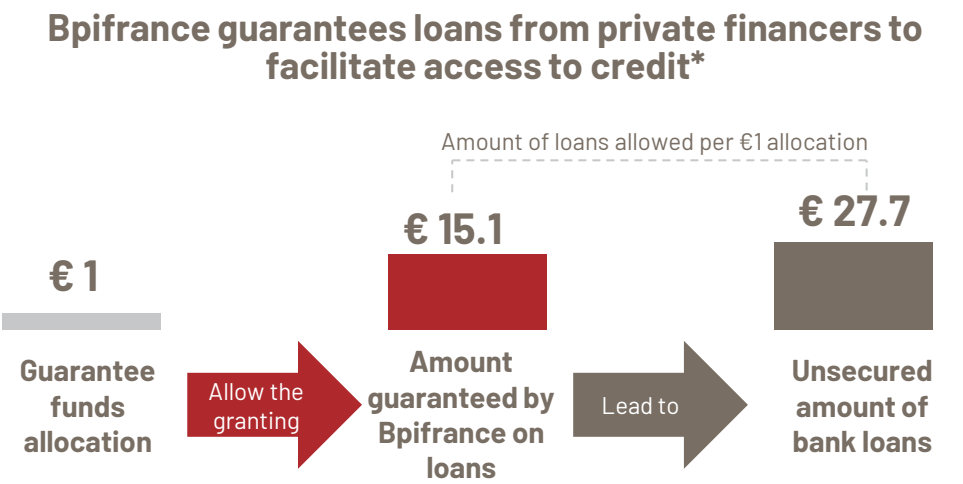
Financing & Innovation activities

- Before funding decision and in addition with internal procedure for credit origination, all financing applications with a gross amount equal to or greater than €1m and all innovation support applications, with a gross amount equal to or greater than €0.5m per program have to pass a 12-question analysis (CSR assessment) of the company's ESG practices is provided. These questions are structured upon 4 pillars: governance, environment, social, and society

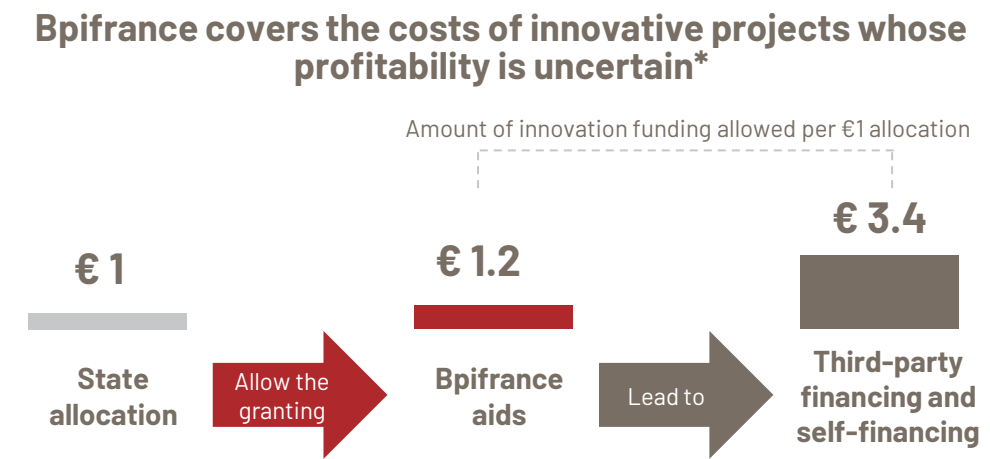
FOCUS ON INVESTMENT: AN ADAPTED SOLUTION DEDICATED TO ESG FACTORS



BPIFRANCE SOCIAL IMPACT - GO BEYOND



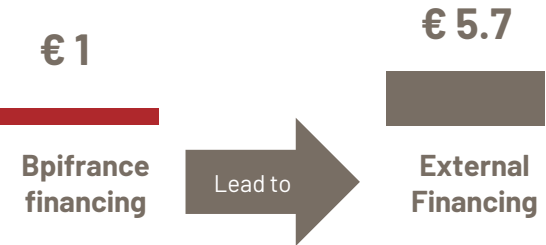
Note: €1 of guarantee funds allocation dragged €27.7 of external loans, of which €15.1 are covered and €12.6 are not covered corresponding to the level of risk assumed by the partner banks



Note: €1 of innovation funding generates €1.2 of Bpifrance aid and €3.4 in additional financing

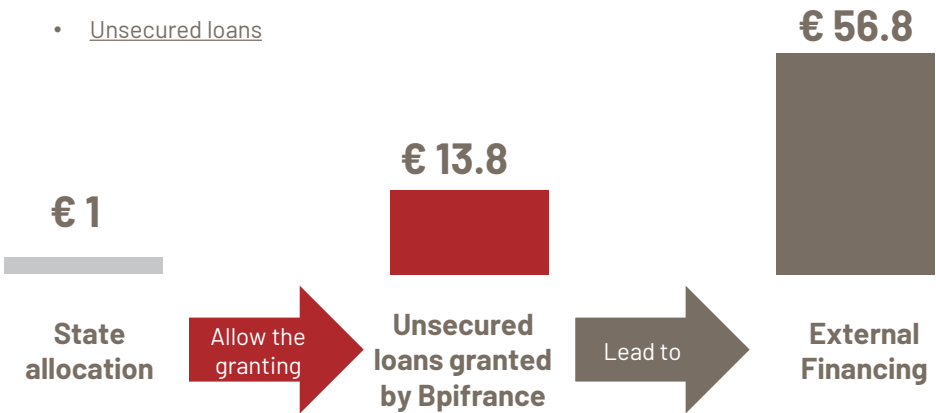
Bpifrance cofinances intangible investments and large-scale projects*

• Secured: Medium- and Long-Term (MLT) loans



Note: €1 of secured loans granted by Bpifrance dragged €5.7 of External Financing

• Unsecured loans



Note: €1 allocation for unsecured loans enables Bpifrance to grant €13.8 of unsecured loans and dragged €56.8 of external loans

Bpifrance's Additionality

Leverage

➤ Bpifrance acts as a **financer catalyst for its borrowers**. The presence of Bpifrance in the analysis of a project **provides guarantee to external partners** and **attract them** to be part of a co-financing loan.


















































Contracyclical bank

➤ Bpifrance fills market discrepancies and **is active where commercial banks would not bear the risk**.

➤ By its presence, Bpifrance is a financing partner at the **service of the collective interest**, which has the vocation to intervene in market segments or in companies where other financial players are not, or not sufficiently, present.

* Charts above have been realized following a 10year impact analysis of Bpifrance activity: <https://www.bpifrance.fr/download/media-file/78315>

INFORMATION PROVIDED IN FUTURE IMPACT REPORTS

 Green Eligible Loans	Renewable Energy Loans	 Renewable Energy Capacity installed (MW)	 Estimated annual GHG emissions avoided/reduced(tCO2e)	 Nationality of Wind Turbine Constructor		
		 Annual Energy Production (MWh)	 Project's locations	 Nationality of Solar Panels Constructor		
	Green Building Loans	 Number of buildings	 Estimated GHG emissions avoided relative to local baseline in tCO2eq/year	 Label and certification obtained		
		 Type, localization and surface of buildings		 Number of square meter impacted		
	Greentech Loans	 Number of job supported	 Number of projects (by geographical area)	 Split by EU Environmental Objectives		
 Social Eligible Projects	Loans to MSMEs in disadvantaged territories	 Nb jobs created, supported and/ or retained	 Nb jobs created, supported and/ or retained in disadvantage territories	 Nb of loans to MSMEs	 Nb of loans to MSME with an executive woman	 Nb of French communes supported
	Loans to MSMEs affected by natural or health disaster	 Nb jobs created, supported and/ or retained	 Nb of loans to MSMEs	 Nb of loans to MSME with an executive woman		
	Loans to finance Innovation	 Nb jobs created, supported and/ or retained	 Nb of loans to MSMEs	 Nb of loans to MSME with an executive woman	 Nb of start-ups supported	
	Loans to finance digitalization	 Nb jobs created, supported and/ or retained	 Nb of loans to MSMEs	 Nb of loans to MSME with an executive woman		
	Loans to SSE companies	 Nb of SSE financed	 Split by region	 Split by type of SSE		
	Loans supporting social inclusion	 Nb jobs created, supported and/ or retained	 Nb of unemployed and state benefit recipient beneficiaries	 Nb of women beneficiaries	 Split of beneficiaries aged above 65 and below 30	
	Training & Educational Expenditures	 Nb of beneficiaries trained	 Nb of training hours provided	 Nb of entrepreneurs trained / advised	 Number of consulting missions achieved	
	Loans to support Education	 Nb of education infrastructures	 Breakdown by location			
	Loans to support Health	 Nb of healthcare infrastructures	 Breakdown by location			
	Export loans to Developing Countries	 Nb of projects supported in developing countries	 Nb of loans to MSMEs supported in developing countries	 Breakdown by developing countries impacted		

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BPIFRANCE HAS A SOLID RISK PROFILE

Bpifrance Group: Income Statement

€m	Dec 2022	Dec 2023
Net banking income	2,131	2,014
•o.w. Investment Division	1,124	893
Operating expenses	-900	-1,053
Cost of risk (CoR)	-163	-56
•o.w. incurred cost of risk	-181	-164
•o.w. expected cost of risk ¹	18	108
Operating Income	1,068	904
Net Income	1,503	1,114
Key ratios		
Cost / Income ratio	42.2%	52.3%
CoR² / loans outstandings³	35 bps	14 bps
RoE	5.5%	3.7%

Bpifrance Group: Balance Sheet

€m	Dec 2022	Dec 2023
Total balance sheet	€101.6bn	€100.4bn
Loans outstanding	€46.0bn	€46.7bn
Solvability		
CET1 ratio⁴	27.6%	29.5%
Leverage ratio⁵	19.1%	21.2%
Shareholders' equity	27,503	30,060
Equity buffers		
• Fair value of public guarantee and innovation funds	9,106	9,493
Liquidity		
LCR	427%	368%
NSFR	117%	114%

Note: For more details, please see our reports available on: <https://www.bpifrance.fr/Espace-Investisseurs>

¹ Expected Credit Losses; application of IFRS 9 as of 01/01/2018; see details in the dedicated Appendix

² Incurred and expected cost of risk

³ Gross loans outstanding to customers and finance leases, at amortised cost (medium- and long-term loans, short-term financing, finance leases)

⁴ Phased-in

⁵ Fully loaded Basel 3

EPIC BPIFRANCE AND BPIFRANCE BENEFIT FROM A HIGHLY PROTECTED LEGAL STATUS (1/2)

EPIC¹ Status

1. Set up by a specific Law or Decree

- **Law required** to create a new category of EPIC
- Decree for an EPIC belonging to an existing category

2. Public interest missions defined by law

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

3. Rigorous controls by public authorities

- **Members of the Board of Directors appointed in whole or in part by public authorities**
- **Supervision by public authorities**

4. Implicit but automatic guarantee of the State

- **No administration or judicial liquidation proceedings for an EPIC**
- If an EPIC is unable to comply with its obligations, **the State is legally bound to fulfill them**
- **Solvency is protected by law²**

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

Applicable to Bpifrance

- **Act 2005-722 of 29 June 2005**, as amended and ratified, **established the missions and organisation of EPIC Bpifrance**, which (i) created the EPIC and (ii) converted the National Agency for Research Promotion (ANVAR) from a public corporation into a limited company. This Act, together with Act 2013-529 of 21 June 2013 and Act 2012-1559 of 31 December 2012, confirmed the creation of Bpifrance

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

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

- EPIC Bpifrance is also **classified as an Other Government Body³ or ODAC** (Organisme Divers d'Administration Centrale), which means that **its debt is consolidated with that of the State (under the Maastricht Rules)**
- As a subsidiary, Bpifrance benefits **from an explicit guarantee from EPIC Bpifrance for its bond issues**. In addition, **Bpifrance benefits from an implicit guarantee from the State**

- The Act of June 2005 was amended in 2010 and 2012 to specify the missions and governance of Bpifrance, and to grant specific powers to the State's representatives who are Board members



Continuity of Bpifrance's Legal Status as a Public Institution

¹ An EPIC (*Etablissement Public Industriel et Commercial*) is a legal entity that carries out commercial and industrial activities but is also governed by certain specific rules applicable to public law entities

² Article 1 of Act 80-539 of 16 July 1980 → <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000006068696&dateTexte=20110729>

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

EPIC BPIFRANCE AND BPIFRANCE BENEFIT FROM A HIGHLY PROTECTED LEGAL STATUS (2/2)

Act 2005-722 of 29 June 2005, as amended and ratified, established the missions and organisation of EPIC Bpifrance, which (i) created the EPIC and (ii) converted the National Agency for Research Promotion (ANVAR) from a public corporation into a limited company. This Act, together with **Act 2013-529 of 21 June 2013** and **Act 2012-1559 of 31 December 2012**, confirmed the creation of Bpifrance.

→ “Bpifrance is a public group that aims to finance and support the development of companies, acting in accordance with the public policies implemented both by the State and regional authorities”¹

- **Act 2005-722 of 29 June 2005**

→ <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT0000000810872>

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

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

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

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

- **Act 2020-739 of 17 June 2020**

→ <http://www.legifrance.gouv.fr/eli/decret/2020/6/19/2020-739/jo/texte>

¹ Article 1 of Act No. 2012-1559 of 31 December 2012 on the creation of Bpifrance

GUIDING PRINCIPLES OF THE EQUITY INVESTMENT ACTIVITY

● “Bpifrance’s action principles” were presented to the French National Assembly and to the French Senate on 15 May 2013

- Prudent Investors
- Public Interest
- Long Term
- Socially Responsible

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

Targeted Sectors and Companies

- Investment in all sectors except:
 - Infrastructure, property and real estate, banking and finance, media organisations and research institutes
- Focus on:
 - Growth sectors, particularly biotechnology, digital technology and the energy and ecological transition
 - Building up existing operations
- From small (SME size) to large caps
- Limited stakes in funds involved in company restructuring proceedings

Systematic Partnership with Partner Funds

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

BPIFRANCE: A CENTURY OF PUBLIC BANKING

1923 > Creation of **Crédit national hôtelier**

1936 > Act that establishes the mutual guarantee schemes (Art. 8) and creates the **Caisse nationale des marchés de l'État (CNME)**

1938 > **Crédit national hôtelier** becomes **Caisse centrale de crédit hôtelier, commercial et industriel (CCCHCI)**

1967 > Creation of **Agence nationale de valorisation de la recherche (ANVAR)**

1974 > Creation of **Groupement interprofessionnel de la petite et moyenne entreprise (GIPME)**, a spin-off from **Confédération générale des petites et moyennes entreprises (CGPME)**

1979 > Act governing State aid granted for innovation purposes; programme entrusted to ANVAR

1980 > Creation of **Crédit d'équipement des PME (CEPME)** by the merger of CCCHI, CNME and GIPME

1982 > Creation of **Sofaris**, which is tasked with managing the guarantee funds

1984 > Creation, in conjunction with CdC¹, of **Avenir Entreprises**, the equity investment business of CEPME

1996 > Creation of **Banque du développement des PME (BDPME)** resulting from the merger of CEPME and Sofaris

1998 > Creation of **CDC PME**, a direct subsidiary of CdC, which was tasked with managing the "SME Programme"²

2002 > **CDC PME** becomes a majority shareholder of **Avenir Entreprises**

2004 > **CDC PME** becomes **CDC Entreprises**, a wholly-owned subsidiary of CdC

2005 > Creation of **OSEO** by the merger of BDPME and ANVAR

2007 > **Agence de l'innovation industrielle (AII)** merged into **OSEO**

2008 > Creation of **Fonds Stratégique d'Investissement (FSI)**

2011 > **Avenir Entreprises** becomes **FSI Régions**

2012 > Act creating **Bpifrance** (31/12/2012)

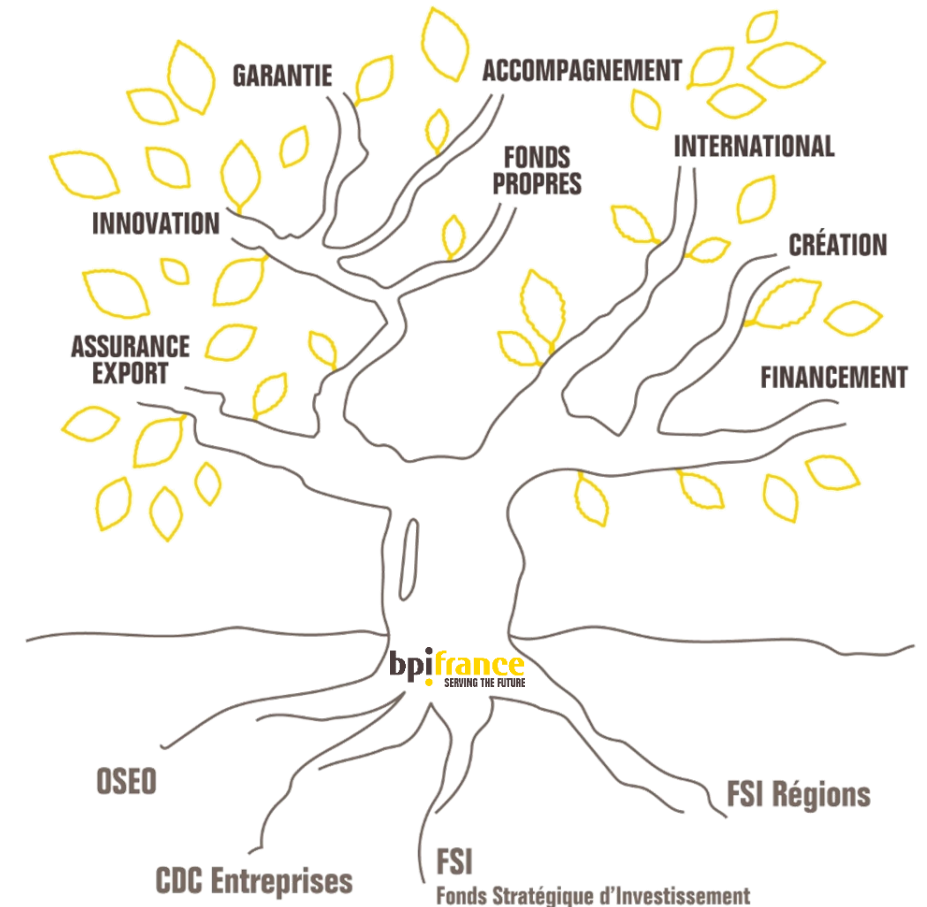
2013 > **Bpifrance** officially set up; formed by the merger of **OSEO**, **CDC Entreprises** and **FSI** (12/07/2013)

2014 > **CDC Entreprises**, **FSI** and **FSI Régions** are transferred to **Bpifrance Investissement**, the group's sole asset management company (01/04/2014)

2017 > **Coface DGP**, the State Export Guarantees business, is transferred to **Bpifrance** and becomes **Bpifrance Assurance Export** (01/01/2017), the new French Export Credit Agency (ECA) on behalf of, for and under the control of the State

2019 > **Agence France Entrepreneur (AFE)** is transferred to **Bpifrance** and becomes **Bpifrance Creation**. **CDC International Capital** is transferred to **Bpifrance** and becomes **Bpifrance International Capital**

2020 > Intragroup merger and takeover of **Bpifrance SA** by **Bpifrance Financement**. The entity resulting from the takeover becomes **Bpifrance**



¹ Caisse des Dépôts et Consignations (CdC)

² CdC started the equity investment business in 1994

ACPR:

Autorité de Contrôle Prudentiel et de Résolution

AMF:

Autorité des Marchés Financiers

AuM:

Assets Under Management

CDC:

Caisse des Dépôts et Consignations

CET1:

Common Equity Tier 1 (CET1)

Cost of Risk:

Sum of incurred and expected cost of risk

ECB:

European Central Bank

EMTN:

Euro Medium Term Note

EPIC:

Etablissement Public Industriel et Commercial

ESG:

Environmental, Social, and Governance

HQLA:

High Quality Liquid Assets

ICMA:

International Capital Market Association

LCR:

Liquidity Coverage Ratio

MSME:

Micro, Small, and Medium Enterprises

Net Banking Income:

Mostly composed of revenues from banking activities (net interest margin, commissions) and investment activities (dividends, commissions, interest and fund valuation evolution).

NEU MTN:

Negotiable European Medium-Term Note

NEU CP:

Negotiable European Commercial Paper

NSFR:

Net Stable Funding Ratio

Operating Expenses:

Expenses incurred through normal business operations.

PSPP:

Public Sector Purchase Programme

ROE:

Return On Equity

SCR:

Solvency Capital Requirement

SME:

Small and Medium Enterprise

Solvency Ratio:

Tier 1 Capital / Risk Weighted Assets (based on CRR3)

VSE:

Very Small Enterprise



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