

24TH APRIL 2020

Bpifrance successfully launched the first French Covid-19 Response Bond, a new EUR 1.5 billion 7-year Benchmark

On Friday 24th April 2020, Bpifrance Financement, rated Aa2 / AA (Moody's / Fitch) successfully launched its first Covid-19 Response Bond under a framework set up specifically for the exceptional situation: a new EUR 1.5 billion benchmark due on 26th February 2027, bearing a coupon of 0.125%. This is the first French Response Bond launched in the market with a dedicated framework across SSA, Financial Institutions and Corporates. The proceeds of the bond will be fully used to alleviate the economic and social impact of the current pandemic on the French companies. Bpifrance plays indeed a key role in the financing and implementation of the massive plan deployed by the French state and aims to support French companies, notably with the objective of preserving employment.

The new bond was priced at a re-offer yield of 0.244%, equating to a spread of +40 bps over interpolated OATs. Despite a volatile market backdrop, the Covid-19 Response Bond received an outstanding support from investors with an orderbook closed in excess of EUR 3.4 billion of interests (excluding JLMs), corresponding to the issuer's largest orderbook ever achieved. Joint lead managers were BNP Paribas, Crédit Agricole CIB, Goldman Sachs International, J.P. Morgan and NatWest Markets.

Covid-19 Response Bond Highlights:

This Covid-19 Response Bond transaction is issued under Bpifrance's Covid-19 Response Bond Framework, the first one of its kind in France, of which the funds will be allocated to the fight against the economic consequences of the current Coronavirus health crisis.

The proceeds will be used to finance loans specifically referred to as "*Prêt Atout*" and "*Prêt Rebond*", and any other dedicated loans designed to help enterprises which activity has been affected by the economic crisis related to the Covid-19 pandemic (the "Eligible Projects"). The Covid-19 response loans will mainly assist companies with ongoing cash flow for their operations and employees, thereby aiming at preserving employment as well as reducing the social consequences the pandemic generates.

In case the total outstanding amount of Eligible Projects in the portfolio is lesser than the total outstanding amount of Bpifrance Financement Covid-19 Response Bond (due to amortised and/or redeemed Eligible Projects), Bpifrance Financement commits to reallocate an amount equal to the remaining funds to loans to MSMEs which contribute to the UN's Sustainable Development Goals #8 - Decent work and Economic Growth, and/or #9 – Industry, Innovation and Infrastructure ("Additional Projects").

Bpifrance Financement will publish a report one-year after issuance with a detailed breakdown and key performance indicators on the allocation of the portfolio and the impact of the Eligible Projects. Bpifrance Financement will also publish an annual follow-up on allocation of disbursements between the Eligible Projects and the Additional Projects. The reporting will be reviewed by Bpifrance Financement's Permanent Control Department.

Transaction Details:

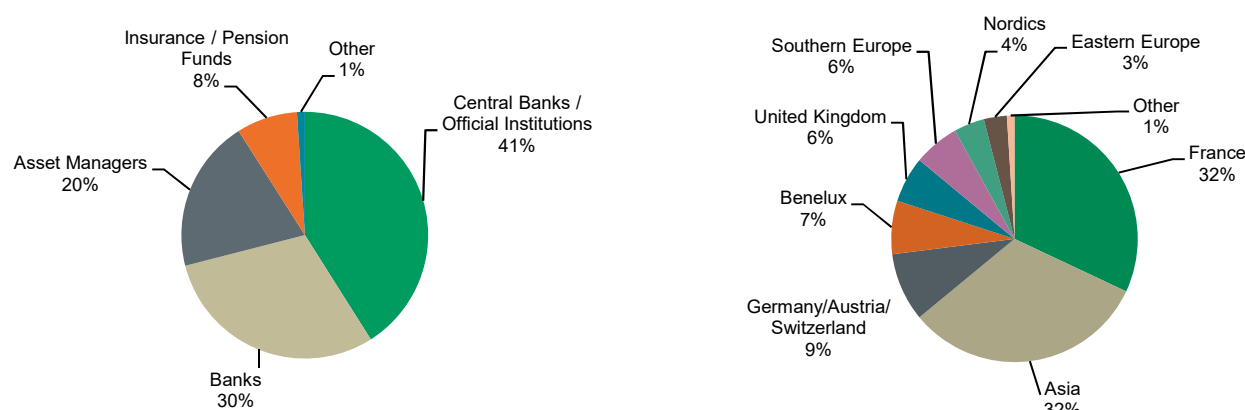
The mandate for an Inaugural Covid-19 Response Bond at 7-year was announced to the markets on Thursday 23rd April mid-day. The following day, despite a weaker tone in the market after disagreements on the European Recovery Fund, the issuer decided to officially open books at 9:25 am CET with a price guidance of OATs+42 bps area. The momentum for the Covid-19 Response Bond was immediate and very strong from the outset with more than EUR 1 billion of interests (excl. JLMs) gathered in only forty minutes. The orderbook continued to grow at a rapid pace with top quality orders, which allowed the issuer to set the final spread 2 bps tighter at OATs+40 bps



when books reached EUR 2.1 billion (excl. JLMs). Based on a high quality orderbook of EUR 3.4 billion, including a strong support from ESG investors, the issuer decided to set the final size at EUR 1.5 billion, the maximum amount achievable upon the Eligible Projects defined under the Covid-19 Response Bond framework. The exceptionally granular demand, with more than 90 investors participating in the transaction and the very well diversified distribution, is a true testament of the broad investor base supporting Bpifrance and its missions despite historically volatile market conditions. This transaction enabled the issuer to continue to extend its investor base, highlighting the reach of Response bond products.

Composition of demand for the issue by allocation breakdown:

By Investor type:		By Geography:	
Central Banks / Official Institutions	41%	France	32%
Banks	30%	Asia	32%
Asset Managers	20%	Germany/Austria/Switzerland	9%
Insurance / Pension Funds	8%	Benelux	7%
Other	1%	United Kingdom	6%
		Southern Europe	6%
		Nordics	4%
		Eastern Europe	3%
		Other	1%



Summary of the Terms and Conditions for the Covid-19 Response Bond Issue:

Issue Amount	EUR 1.5 billion
Pricing Date	24 April 2020
Payment Date	6 May 2020
Maturity Date	26 February 2027
Re-offer Price	99.197%
Re-offer Yield	0.244%
Annual Coupon	0.125%
Re-offer Spread	Interpolated OATs+ 40 bps
Listing	Euronext Paris
Structuring Advisors	BNP Paribas, NatWest Markets
Joint Lead Managers	BNP Paribas, Crédit Agricole CIB, Goldman Sachs International, J.P. Morgan, NatWest Markets

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Bpifrance is the French national investment bank: it finances businesses – at every stage of their development – through loans, guarantees, equity investments and export insurances. Bpifrance also provides extrafinancial services (training, consultancy) to help entrepreneurs meet their challenges (innovation, export...).

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