

bpifrance

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- 01.** BPIFRANCE
A new comprehensive support institution
- 02.** The guarantees as a central piece of the system
- 03.** The dynamics of the institution
- 04.** The culture of synergies and efficiency
- 05.** Image and concept , as a reference for efficiency

1. A new comprehensive, multi-instrument support institution

To invest, finance, guarantee and follow up enterprises, from very small to large

INNOVATION

Direct support (grants and soft loans) to enterprises engaging risks in innovation programs

FINANCING

For all material and immaterial investments, working capital needs, together with banks and leasing companies

GUARANTEE

On bank loans and equity investments

Equity investments

As minority shareholder, in SMEs and large companies, through specialized funds, or with partner funds

EXPORT

Follow up and provision of services for international development (in relation with UBIFRANCE, (support network), and foreign risk insurance (Coface)

1. Key figures

Indicators for 2012

€ 42 Billion

(Amount of assets)
A strong financing capacity
to support the French
economy

2 000
employees

To accompany
entrepreneurs

3 200

Innovative projects
supported

1680

International
development projects

72 000

SMEs benefitting from
guarantees on bank
loans or equity
investments

19 500

SMEs co-financed with
banks for their
investments

1 000

Companies (small ,
medium size and large)
provided with equity or
quasi equity, directly or
indirectly by partner
Investment Funds ,

1. Getting close to customers

Bpifrance in direct contact with regions

37 regionales agencies

90% Of decisions are taken locally

1 Unique interlocutor for the relation and contact for enterprises

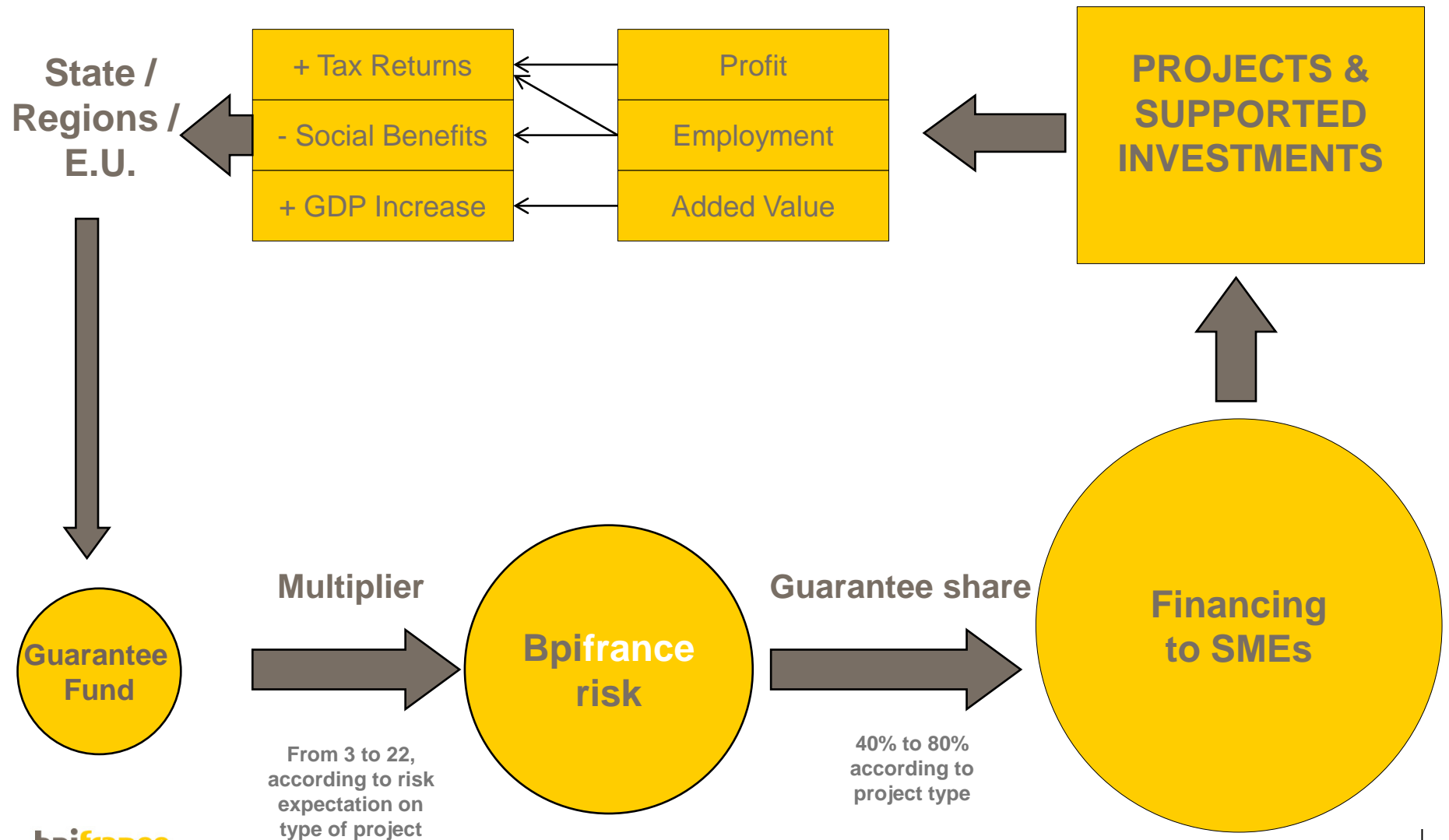


02. Placing the guarantees as a central piece of the system

Guarantee offer **with extensive application** is related to all activities

- Large range of application and beneficiaries
 - Loans (short, medium and long), Mezzanine, and equity
 - Covers from 40 % to 80% of the lender's risk
- Strong implementation
 - Over 72 000 guaranteed files yearly
 - €8.5 billion of financing guaranteed in 2012
- Serves the larger part of Bpifrance customers
 - Start ups, small companies (EU SME definition limit)
 - Also used for larger companies on specific products (guarantee on investments abroad, « mezzanine loans », performance bonds)
- As a public scheme, the guarantee serves a logic of economic development
 - Encouragement to initiatives (limits on personal guarantees)
 - Higher coverage for riskier projects (start ups, innovation, export...)

Creating a « virtuous circle » with a public guarantee fund, as economic development model



02. The guarantees as a central piece of the system

Impact of guarantees **in association** with other activities

1 / internal aspects

- The guarantee coverage allows to offer the whole range of products to most SMEs
 - All stages of enterprise life are supported
 - An adapted resource exist for each stage of development and project
- Better sustainability of the institution
 - Extends the possible action of other activities, secures them, giving a larger customer base
 - Risk reduction increases opportunities and profit,
 - Operating costs at group level are reduced by common due diligences and instruments.
- Guarantee decisions open **visibility** on clients for offering the other products
 - Use of accumulated data and appreciation from previous operations
 - Same interlocutor at entry point ensures coordination in the relationship between departments

02. The guarantees as a central piece of the system

Impact of guarantees **in synergy** with other activities

2 / the construction of confidence in partners

- Numerous guarantee files create regular relation with financial intermediaries
 - Creates **trust**, and illustrates common interest
 - One stop shop for all the banker's clients
- Simplicity of message
 - « Partnership and risk sharing offered, even for riskier projects »
- A reliable and continuous support encourages initiatives of entrepreneurs
 - In growth, or through difficult stages, the guarantees can facilitate obtaining resources
 - Bpifrance rules sets limits to the pressure of banks on personal guarantees
 - Culture of success in our communication (club « excellence ») stimulates other SMEs

3. The incentive effect of the institution

Key factors to stimulate a favorable attitude in banks

- Dynamics from 1000 technicians in permanent action and contact with local bankers
 - Skilled specialist can offer efficient passage of information to the « generalist » banker
 - Creation of necessary confidence factor, through lasting relations
- A partner combining credible **added value on risks visibility** and **risk sharing** is indispensable
 - Bpifrance is recognized as specialist in high risk operations, with rich experience
 - Asymetry of information is in favor of Bpifrance (wider visibility scope of risk appreciation)
- This trusted relationship encourages banks to participate in projects
 - Leverage effect on public support: the system must promote, not replace
 - For each euro of risk taken by Bpifrance, one euro is also taken by private actors

4. The culture of synergies and efficiency

Financial engineering mixing guarantees with **other types of financing** create new instruments

- Some products require combining action as lender and as guarantor: **mezzanine loans** (patient capital, ideal for financing intangible assets and immaterial investments)
 - Created only 10 years ago, this type of loans represent now 25 % of funding provided.
- For equity actors , we combine resources provision and risk coverage:
 - Bpifrance Investment company can provide funding (via Funds of Funds)
 - The Venture Capital Firm can get guarantee support
- More globally, association of financing types produces a stronger and well adapted financing structure, with each financing paying its ts fullest role.

New objectives and **financial support** in 2013

BRING LIQUIDITY TO ENTREPRISES

- New guarantee fund for Working capital needs financing (loan amount of 500M€)
- Pre-financing of job-related tax relief (Crédit d'Impôt Compétitivité Emploi) , for €2 B)

RENEWAL OF PROVISION OF « MEZZANINE » LOANS

« Patient money »
No guarantees requested from borrower

INNOVATION SUPPORT

- Pré-financing of tax relief on R&D programs (CIR)
- New type of loans for innovation financing (€ 100 M)

FINANCING THE « LEADING SECTORS » OF THE FUTURE

Partnership in the launching of several sectorial funds

FINANCIAL COACHING AND SERVICE FOR ENTERPRISES IN THEIR GROWTH ON FOREIGN MARKETS

Partnership with UBIFRANCE and Coface (export support agencies) in creating an « Export » labelling
A new resource (€ 150 M) is available for « Funds of Funds » which invest equity in exporting companies

4. Synergies in combining the skills

Cumulated experiences and skills create **value and credibility** for our mission

- Cumulated different skills (on financing, on technology, on international practices) help finding the best form of support for a project and in the most rational way.
- Entrepreneurs are accompanied , during their growth, by interlocutors of the same group sharing the same attitude in favor of entrepreneurial support.
- Such factors add credibility on the **risk mitigation effect** brought by presence of Bpifrance in projects
 - Risk sharing **and** risk mitigation (reducing the probability of risk occurrence) are now essential to convince bankers
- The construction of one institution's image helps mobilize the indispensable presence of commercial banks to serve SMEs needs.

5. Image and concept , as a reference for efficiency

The « all inclusive development institution »: a meaningful **reference** for its international counterparts?

- Active Peer to peer relationship with colleagues
 - Participation in EU associations
 - Specific Work groups (AECM, Montreal Group with NAFIN and BNDES)
- Supply of Technical Assistance, to set up or adapt schemes
 - Initially, direct assignments on guarantee entities and innovation support agencies
 - Thematic studies through European programs
- Institutional cooperation (based on agreements between Public Authorities):
 - Dissemination of the organization model
 - Development of a better understanding of the use of financial support by Governments

Thank you for your attention

Muchas gracias

Obrigado

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