

FINANCIAL PERFORMANCE IN 2015

THREE YEARS AFTER IT WAS FOUNDED

BPIFRANCE CONSOLIDATES ITS GROWTH MODEL

- ✓ **€8 BN IN GUARANTEED BANK LOANS (3% INCREASE)**
- ✓ **€13.3 BN IN LOANS AND GRANTS (6.4% INCREASE)**
- ✓ **€1.8 BN IN CAPITAL INVESTMENTS (29% INCREASE)**

- **2015 is the third consecutive year of strong growth for Bpifrance, with improved performance across all sectors** (up to 43% for innovation loans, 33% for direct innovation capital and 31% for investment capital in SMEs) **and a 10% growth in net profit**, excluding capital gains for the transfer of Orange securities in 2014. **Between 2012 – the year in which Bpifrance was founded – and 2015, outstanding bank loans notably increased by 80% and annual investments doubled, as did innovation grants.**
- **This growth model has been implemented by reinforcing operational performance, with a ROE of 7% for the loan business and 3% for investment capital, a sector where Bpifrance operates in some of the riskiest market segments: especially innovation capital and SMEs. The operating expenses and cost of risk are well managed for the banking business, the cost/income ratio has dropped by two points to 57.8% and the cost of risk ratio for outstanding loans has been kept at a low level, at 25 basis points.**
- **2015 was the year in which Bpifrance ramped up its support for entrepreneurs via a virtual campus consisting of three accelerators (start-ups, SMEs and mid-caps) as well as a series of consulting initiatives on all the key growth factors: strategy, export, innovation, external growth, Big Data, design, etc.**
- **In 2016, Bpifrance will further strengthen its support activities and, by integrating its activity involving Coface state export guarantees, it will complete its full range of financial services aimed at driving the international expansion of French SMEs and mid-caps .**



Guarantee

**Total
€8 bn**

	2014		2015		Change (€)
	Amount (€ bn)	No. companies	Amount (€ bn)	No. companies	
Total loans guaranteed*	7.8	62,149	8	60,421	3% increase

*One company can apply for several financial services

Financing

**TOTAL :
€13.2 bn****

	2014		2015		Change (€)
	Amount (€ bn)	No. companies	Amount (€ bn)	No. companies	
Co-financing	5.5	5,760	6.1	6,295	11% increase
<i>Including development loans</i>	<i>1.7</i>	<i>2,923</i>	<i>2</i>	<i>3,306</i>	18% increase
Short-term	5.9	-	5.9	-	=
Sub-total	11.4	-	12	-	5% increase
Innovation	1.1	4,600	1.3	5,357	20% increase

**Excluding companies which have received a start-up loan

Investment

**Total
€1.8 bn**

	2014		2015		Change (€)
	Amount (€ bn)	No. funds	Amount (€ bn)	No. funds	
Subscriptions in partner funds Fund of funds activity	641	39	685	44	7% increase
	<i>Amount (€ bn)</i>	<i>No. companies</i>	<i>Amount (€ bn)</i>	<i>No. companies</i>	<i>Change (€)</i>
Direct investment in SMEs	101	96	132	97	31% increase
Investment in Innovation Capital	127	41	169	54	33% increase
Investment Mid & Large Cap	569	39	777	31	36% increase



GUARANTEE: €8 BN IN LOANS TO OVER 60,000 VSMEs AND SMEs, GUARANTEED IN PARTNERSHIP WITH THE FRENCH ADMINISTRATIVE REGIONS

Up by 3% this year, signalling that private bank loans are picking up, the guarantee is the preferred tool when working with SMEs and vSMEs because, since 2015, commercial banks and mutual partners have been given responsibility for implementing these loans up to a threshold of 200,000 euros instead of the previous threshold of 100,000 euros.

The Bpifrance guarantee covers 40% of the loan amount and up to 70% when regional guarantee funds are included.

Also noteworthy is the strong growth (15% increase) in the use of guarantees for company transmission-takeovers, a major issue for the vSME/SME sector in France.

FINANCING: €13.3 BILLION IN FINANCIAL SUPPORT, SIGNIFICANT NEW GROWTH OF GUARANTEE-FREE DEVELOPMENT LOANS

For the third consecutive year, Bpifrance's total outstanding bank loans have achieved considerable growth, reaching €30.6 billion. Commitments to medium and long-term loans amounted to €6.1 billion, of which €2 billion for development loans.

For the record, development loans are long-term loans (covering 7 to 10 years with a 2 to 3-year grace period) granted without security rights (on company assets or the entrepreneur's private assets). They can be disbursed only if the client simultaneously obtains a private bank loan or provides equity (the "one for one" rule).

They finance intangible or specific expenditure (digitisation, design, export, working capital in the growth phase, external growth, robotisation, energy transition, etc.).

Short-term activity has stabilised at a high level, almost €6 billion, with renewed strong growth of CICE pre-financing sums outstanding.

Lastly, export loans (International Growth Loans) have grown by 21%, reaching €487 million, compared to €111 million for 2013.

SUPPORT AND FINANCING FOR INNOVATION: € 1.3 BILLION RAISED

With €1.3 billion, support and financing for innovation expanded by 20% in 2015. Between 2013 and 2015, the number of start-ups supported and the sums distributed therefore doubled.

2015 also saw the implementation of a new framework for innovation support and funding ("Innovation Nouvelle Génération") which, beyond technological innovation in the strict sense of the term, includes innovation related to practices, business models, management design, etc.

In addition to funding, Bpifrance also provides innovative companies with help in the form of support activities and the promotion of innovation in all its forms. In this regard, 2015 was marked by two major developments:

- The rising success of Bpifrance Le Hub, which offers an events programme, an accelerator programme for start-ups, consulting services and links with mid-caps or large caps and start-ups;
- In June 2015, BpifranceInnoGénération brought together 13,000 participants, entrepreneurs, start-up managers, vSMEs, SMEs, mid-caps or large caps and representatives of all ecosystems, around the theme of innovation and, more broadly, that of entrepreneurial dynamics.



INVESTMENT CAPITAL: €1.8 billion RAISED

All of Bpifrance's capital investment divisions have also demonstrated significant growth.

- Direct investment in innovation capital is worth €169 million versus €127 million in 2014 (33% increase).
- Direct investment in SMEs at regional level has grown from €101 million to €132 million (31% increase).

For this segment, it is important to note the large proportion of new opening-up of capital (53%, a figure that far surpasses the market average) and companies at a regional level (outside "Ile-de-France": 70%, compared with 52% for the market).

Bpifrance has consolidated its role as an investment-capital "provider" within the fabric of French entrepreneurship.

- The Mid&Large Caps division has progressed from €569 million to €777 million (36% increase), with sizeable operations both in investment (Verralia, Ingenico) and in monetisation (Valeo).
- Finally, investments via partner funds (or 'fund of funds) rose by 7%, reaching €685 million of new subscriptions, following on from 44% growth in 2014.

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RESULTS

€million	2014*	2015*
Net banking income	973	1 331
Operating charges	(486)	(504)
Cost of risk	(99)	(81)
Operating profit	388	746
Investments in equity affiliates (excluding Orange)	164	111
Capital gains from sales and revalorisation IFRS Orange*	894	-
Tax	(170)	(181)
Net income	1276	676
Net income (excluding exceptional items**)	614	676

* Impacts of Orange on the financial result

2014:

Accounted for in NBI (dividend): €61 million

Accounted for in share of NI of consolidated companies and in net gains or losses in other assets: €894 million

- Impact of deconsolidation and other reprocessing : €661 million

- Income from investment in equity affiliates: €93 million

Capital gains from sales: €139 million

2015 :

Accounted in NBI: €377 million

- Dividends: €174 million

- Capital gains from sales: €203 million

** Pro-forma of the capital gains from the transfer of Orange shares in 2014



About Bpifrance

Bpifrance, a subsidiary of the Caisse des Dépôts et de l'État, a trusted partner for entrepreneurs, supports companies from start-up to their listing on the stock market, through credit, guarantees and equity.

Bpifrance also provides support services and enhanced support for innovation, external growth and export in partnership with Business France and Coface.

Bpifrance offers companies a funding continuum for each key stage of their development together with services adapted to different regional needs. Through its 42 regional offices (90% of decisions are taken in region), Bpifrance represents a true financially competitive service for entrepreneurs.

Bpifrance acts in support of public policies implemented by the State and the Regional authorities to meet three objectives:

- support business growth;
- prepare for future competitiveness;
- contribute to the development of an ecosystem favourable to entrepreneurship.

With Bpifrance, companies have a powerful, close and efficient partner to meet all their needs for funding, innovation and investment.

For more information go to: www.bpifrance - Follow us on Twitter: @bpifrance

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