2019
OVERVIEW
OF THE EXPORT DIVISION
PUSHING BACK FRONTIERS!
We are publishing this report in an unprecedented environment, in the full throes of the COVID-19 crisis. More than ever, Bpifrance is supporting French businesses to enable them to overcome this challenging situation. We have implemented an emergency plan designed for domestic companies in order to support their cash and guarantee requirements, both at home and abroad. In export, the plan incorporates 5 extraordinary measures(1) to support French exporting companies and enable them to maintain their position in international markets. Our collective mission consists of supporting French foreign trade regardless of the context in order to protect the future and maintain French influence.

Despite an eventful social and economic environment, 2019 produced positive results with an improved French balance of trade thanks to the increase in exports (+3.3% to €508 Bn) outstripping that of imports (+2.2% to €567 Bn), with Germany being the leading export destination, highlighting the special relationship between the two countries. Traditional export sectors such as aeronautics, space, automotive and pharmaceuticals contributed to this figure with an even higher number of exporters, now exceeding 128,000 companies.

The Export Division became even closer to the regions in 2019 and reaffirmed its positioning within Team France Export via its one-stop shops bringing together the many operators in French foreign trade, enhancing access to the export mechanism and to our products for companies countrywide.

It was a very busy year for the Division’s three units: Export Financing posted annual production mainly focusing on Eastern Europe in terms of volume, yet remaining highly Africa-centric in terms of the number of applications processed, with total cumulative commitments having reached €760m since 2015, over 140 companies receiving support abroad via 15 premium missions and nearly €12 Bn in guarantee applications were approved by the Export Insurance department, with total credit insurance exposure peaking at €59 Bn.

Bpifrance also confirmed its role as the Climate Bank of entrepreneurs for our companies and the Export Division has committed itself to ceasing all public support for activities relating to the exploration, extraction and combustion of coal.

We are also ceaselessly continuing to analyse how we can best serve our clients. We have therefore adopted the objective of implementing a joint application process for Export Insurance and Export Financing for projects below €25m in order to simplify the process for our SMEs. Similarly, digitalisation is more than ever at the heart of our strategy, in order to make our procedures ever faster and more efficient.

Yet the challenges do not stop there – we will continue to develop alongside you to protect your future interests. We hope to see high attendance levels at Bpifrance Inno Generation on 1 October 2020 in order to celebrate entrepreneurial freedom in France and abroad.

Here’s to successful exporting!

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THE EXPORT DIVISION
SERVING COMPANIES
Bpifrance’s values

**PROXIMITY**
A local presence near you and an international presence near your buyers

**SIMPLICITY**
Processes and products that are accessible to everyone

**WILLINGNESS**
The will to give all entrepreneurs the means to succeed

**OPTIMISM**
An enthusiastic spirit in our teams, to make entrepreneurship a positive experience
Bpifrance in France

A FEW KEY FIGURES:

- A network of 49 regional offices
  One new regional office opened in Noumea
- 90% of decisions taken at regional level
- 3,000 employees
- 1 one-stop shop to meet the needs of companies

Bpifrance worldwide

One new office opened in 2019 in Nairobi, Kenya

Marine Richermoz
North America

Alban d’Herbès and Marie Desjonquères
South America

Arnaud Floris and Christophe Plastre
West, Central and North Africa

Mourad Chouiqa and Andréa Lecuir
East and South Africa

Jan Koscinski
Central & Eastern Europe, Caucasus and Russia

Marianne Wlasewitch and Guillaume Eichene
Asean

Catherine Dorgnac and Inès Taki
Middle East, Turkey and Central Asia
Products supporting exporters throughout the internationalisation process

**Credit insurance**
To guarantee that the export contract will be performed and paid, or that the loan financing will be repaid.

**Foreign investment insurance**
To invest abroad with protection against political risks.

**Market prospection repayable advance**
To provide cash support to companies for their prospecting efforts by taking on some of the costs generated by their export development.

**Bond and working capital insurance**
To facilitate the issue of bonds or obtain pre-financing credit.

**Foreign exchange risk insurance**
To export in foreign currency without exchange risk exposure.

**Premium export missions**
To understand the environment and the target market, identify your future customers and partners and meet local entrepreneurs and experts.

**Internationalisation loan**
To finance intangible investments and working capital requirements relating to international development.

**Buyer credit and purchase of supplier credit**
To offer financing solutions to foreign buyers and protect your export revenue.

**International project guarantees**
To invest abroad with protection against economic risks and safeguard equity contributions from a parent company to its foreign subsidiary.

**Enhanced guarantee**
**Internal guarantee**
**French Pass Export Solution**
**Unconditional guarantee**
**Guarantee for strategic projects**
**Guarantee for local subsidiaries**
**Short-term private reinsurance**
Team France Export brings together all public sector solutions offered by the regions, government departments, Business France, Chambers of Commerce and Bpifrance in order to extend the reach of French companies abroad.

Team France Export is structured around 13 regional one-stop shops where 250 export advisors provide companies with local advice. Internationally, Team France Export exploits a network of 750 consultants in 65 countries.

The objective is to offer SMEs a more accessible, effective and tailored “export pathway”.

THE EXPORT DIVISION:
Hub for the internationalisation of companies

Companies seeking to penetrate foreign markets

Export support from Bpifrance
DEDICATED INTERNATIONAL STAFF:
- International managers and International delegates at the regional level
- Area managers/IVBs located abroad
- Export managers based in Paris

BESPOKE SUPPORT MEASURES THROUGH THE INTERNATIONAL ACCELERATOR AND PREMIUM EXPORT MISSIONS:
- Selection of priority markets
- Personalised coaching, mentoring and peering
- Business prospection and development – international roll-out

ENERGISE AND DEVELOP PARTNERSHIPS IN THE EXPORT ENVIRONMENT:
- Banking partners
- Institutional partners
- Business export network partners
- Media partners

CONTACTS ESTABLISHED VIA OUR MAJOR EVENTS AND SYSTEMS:
- Premium export missions
- BIG – Jour I events (national events bringing together SMEs and large corporates)
- Excellence events focusing on the International Team France Export solutions platform
- The Mondialomètre tool to measure your export maturity

PARTICIPATION IN THE PROMOTION OF THE ENTIRE RANGE OF BPIFRANCE PRODUCTS:
- Export Finance
- Export Insurance
- Investment
- Business support and advisory services
OVERALL VIEW OF 2019
Regions of the world where France exports

Our main trading partners

Thanks to the increase in exports (+3.3% to €508 Bn) outstripping that of imports (+2.2% to €566.9 Bn), the French balance of trade improved against all the world’s main regions, with the exception of Asia.

- 52% of French exports go to the EU27.
- Germany is by far our most important trading partner in volume (exports and imports), ahead of the US, Italy and Spain.
- In 2019, the French balance of trade in goods⁽²⁾ remained in significant deficit, despite having improved versus 2018 (-€59 Bn vs -€63 Bn).
- In 2019, the manufacturing deficit reduced by €1.2 Bn (to €35.5 Bn).

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⁽¹⁾ CIF goods
⁽²⁾ FOB goods
Scope: excluding intracommunity trade below €460,000 and excluding military equipment
Source: DGDDI, Bpifrance calculations
⁽³⁾ CIF/FOB data including military equipment and energy.
The main export sector for France is aeronautics and space engineering (€64 Bn, i.e. 13% of exports in 2019).

Automotive and pharmaceuticals complete the podium (€35 Bn and €34 Bn of exports in 2019).

In 2019, exports by the aeronautics & space and pharmaceuticals industries remained strong, whereas automotive exports fell slightly.

Aeronautics and pharmaceuticals are the sectors with the largest surplus, automotive is running a deficit.
Types of exporting businesses

In 2019, the number of exporters of goods in France increased by 2.4% to 128,373 against 125,283 in 2018, confirming the strength of the French export system. Approximately 30,000 companies commenced export activities, with 26,870 ceasing to export.

The French export system remains highly concentrated: large corporates account for just 0.4% of the total number but export 53% in volume (versus 95% and 13% for small enterprises\(^1\)).

45% of exporting companies are trading companies, 25% industrial, 17% other services, 11% agriculture and 2% construction.

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\(^{1}\) French definition of enterprise size category.

Source: Customs, "Les opérateurs du commerce extérieur - 2019" (Foreign Trade operators - 2019)
Who are the export division’s customers and where do they come from?

2019 confirms the accelerated regional distribution of the Export Division’s products.

The issue of product marketing throughout France is of critical importance to the support strategy targeting exporting companies and, more specifically, SMEs.

Bpifrance is committed to contributing to the international development of companies in the regions through its one-stop shop approach.

Our conviction: Serving the future by supporting exporting companies and turning them into the international standard bearers of tomorrow.

The Export Division offers a continuum of financing and insurance solutions to companies and entrepreneurs with an international focus.

Export represents a central growth driver for French companies by providing them with access to vast markets offering numerous development opportunities.

Today, the Export Division is committed to energising and promoting French know-how in the theatre of foreign trade. Our support approach is designed to empower SMEs and mid-sized enterprises and to support large corporates on the international stage.

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**REGIONAL BREAKDOWN OF OUR CUSTOMERS**

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**BREAKDOWN BY SIZE(1) OF ENTERPRISE**

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**Bpifrance definition:**

- SMEs: companies with revenue of less than €50 M
- Mid-sized enterprises: companies with revenue between €50 M and €150 M
- Large corporates: companies with revenue over €150 M

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DOM - French Overseas Departments: 1%
2019
FOR THE EXPORT DIVISION:

€59 Bn
total credit insurance exposure

2,378
companies receiving export insurance support

317
guarantee applications approved for foreign exchange risk insurance with total currency coverage amounting to

€663 M

€172 M
in buyer credit and purchased supplier credit

1,801
guarantee applications approved in market prospection repayable advance totalling

€329 M

140
cOMPANIES ASSISTED IN THEIR EXPORT DEVELOPMENT IN

15
international missions

€154 M
claims paid out in credit insurance

564
export bond policies and export working capital policies issued totalling

€727 M

222
[1]
credit insurance applications approved totalling

€11.6 Bn

[1] Of which:
• 4 enhanced guarantee applications
• 4 French Pass Export solution applications
• 3 agricultural sector applications

RESULTS
An annual client meeting
150 LARGE CORPORATES AND SMES / MID-SIZED ENTERPRISES

Exchanges with 8,000+ ENTREPRENEURS

OVER 60 OVERSEAS MISSIONS on all 5 CONTINENTS

9 CONFERENCE participations and TXF panels
The environmental and social assessment of projects is a fundamental criterion in the Bpifrance guarantee approval process.

To this end, an analysis is conducted upstream of the operation in order to measure the environmental and social risks associated with the project.

The objective of the assessment is to minimise the environmental and social impact of the projects receiving support by ensuring that the necessary studies are conducted and that the governance and the environmental and social performance required of the project comply with international and local standards.

For certain operations, project monitoring is conducted via an implementation report review process and/or on-site audits.

Bpifrance conducts its environmental and social assessments in compliance with international standards, notably those developed by the World Bank, the International Finance Corporation and the OECD.

In order to respond to the challenges posed by climate change, in 2019 at the request of the French government the Export Division committed itself to ceasing all public support for activities relating to the exploration, extraction and combustion of coal.

The number of projects being assessed has more than doubled between 2017 and 2019.

The projects assessed this year mainly cover the sectors of civil engineering, water & sanitation, nuclear, gas and metalworking.

Multiple on-site audits were also performed, notably in Russia and the United Arab Emirates.
CSR IN THE EXPORT DIVISION

Well-being at work
Internal procedure aiming to improve processes and satisfaction at work

Compliance & Ethics
Committed to tackling corruption, money laundering, terrorism financing and fraud

Gender equality
50% of managerial roles occupied by women

Environment
Ceased support for projects associated with coal

The Climate Bank
Contribution to defining the group’s climate strategy and reduce our carbon footprint
La Bouche Rouge

La Bouche Rouge was granted a new multi-order guarantee in GBP for its sales in the UK.

Founded in 2017 by a former marketing director of L’Oréal, La Bouche Rouge is an eco-responsible cosmetics company that is re-inventing traditional cosmetics. The company embarked on a project promoting greater respect for the environment in order to evolve practices in the cosmetics world – the 3rd biggest industrial polluter in the world.

The company posted revenue of €500,000, half of which for export via online sales.

McPhy


A designer, manufacturer and integrator of hydrogen equipment, McPhy has 3 development, engineering and production centres in Europe (France, Italy and Germany) and international subsidiaries providing it with wide commercial coverage.

The company is enjoying strong growth having increased revenue in 2019 by +43% to €11.4 M, against €8 M in the previous year. It has just been selected by Nouryon, a global leader in speciality chemicals, and by Gasunie, a gas infrastructure company, to equip the first large-scale zero-carbon hydrogen production unit in Europe.

Bpifrance Assurance Export has supported this company internationally by providing bond coverage of up to €7.5 M. With this support, McPhy has been able to reassure a foreign buyer via an international bank guarantee. Thanks to this project, 3,000 tonnes of clean hydrogen will be produced via electrolysis using green energy, participating in the decarbonisation of the industrial sector.

Neoen

Wholly owned and developed by Neoen, an independent French group in the production of renewable energy, the two power plants will be constructed via a turnkey contract by a Franco-Spanish consortium composed of Gensun, (Ponticelli Frères group) and TSK. To support this export contract, Bpifrance Assurance Export has guaranteed the $113.9 M in senior debt alongside multilateral institutions, including Proparco, DEG and ICCF.

Guaranteed by Bpifrance Assurance Export, this non-recourse structured financing firstly supports the offerings of French SMEs and mid-market companies in the renewables sector, in addition to French know-how in the development of solar power stations internationally. It also constitutes an example of cooperation between Bpifrance Assurance Export and multilateral institutions in the promotion of financing from commercial banks.
Expliseat

In 2019, Bpifrance Assurance Export provided support to Expliseat, an innovative start-up in the Paris region founded in 2011, specialising in the manufacture of ultra-lightweight aircraft seats at its production site in Montauban. Credit insurance for a tender in India was a key factor in the award of the contract faced with intense international competition.

The merits of this support was doubly confirmed for the company as the insurance has also helped it to obtain domestic financing for the operation.

Fermob

Fermob is a high-performance SME founded in 1989 and based in Saint-Didier-Sur-Chalaronne, currently a member of Bpifrance Excellence. The company specialises in the design, manufacture and distribution of designer garden and decorative furniture under its own Fermob brand. Fermob achieves total sales of €100 M, of which €42 M in export, and has 350 employees.

With a high-quality image and a standard bearer of French know-how, the company is seeking to consolidate its positioning in Asia where it has identified potential markets in Thailand, Malaysia, Singapore, Vietnam, Cambodia and Laos, in addition to its current markets in China. In order to cover the risks of its business development activities being unsuccessful, it submitted an application for market prospection repayable advance for a zone targeting the aforementioned countries.

Bpifrance Assurance Export therefore made a cash flow advance notably enabling the company to finance the recruitment of export personnel, to cover marketing expenditure on social networks and to participate in specialist trade fairs. The insurance covers an expenditure budget of €738,000 over a 3-year business development period.

Air Sénégal

Within the framework of its support for Airbus exports, Bpifrance Assurance Export has guaranteed the export lease financing of two Airbus A330-900 NEOS (New Engine Option) for the young and dynamic airline Air Sénégal.

Bpifrance Assurance Export is acting as principal credit insurer, with Euler Hermes and UK Export Finance reinsuring the German and UK industrial elements. The arrival of these new aircraft in the Air Sénégal fleet will help to reinforce the position of Dakar and its new international airport as a hub within the region.
Berne Union

Every year, Bpifrance Assurance Export participates in multiple technical workshops alongside credit insurers organised by the Berne Union, a non-political non-profit organisation founded in 1934 bringing together the main public and private sector protagonists in export credit insurance and international investment insurance.

The objective of this year’s workshop was to discuss the main challenges facing exporting SMEs: digital innovation, related bespoke products and best practices.

The workshop was organised by EKN and brought together over 60 participants from 35 countries.

New agreements signed in 2019

1 cooperation agreement signed with ECIC, the South African ECA(1), on 15/10/2019 during the Annual General Meeting (AGM) of Berne Union

1 cooperation agreement signed with KPC on 10/12/2019

1 reinsurance agreement signed with EKF, the Danish ECA(1), on 11/09/2019

Banking mission in India

In June 2019, the ratings unit within the Export Division conducted a mission in India in order to meet up with the 10 main local banks and to draw up a situation report on the banking sector and relationships with the export credit agencies.

The mission provided a better understanding of the banking environment and processes in India, including the distinguishing features and regulatory constraints, notably regarding payment instruments such as letters of credit.

The mission also offered an opportunity to present Bpifrance’s Export Division and to establish cooperation opportunities with French exporters.

(1) ECA : Export Credit Agency.
Our collaboration with other export credit agencies
03.
OUR CORE BUSINESS
OFFERS OF COVER IN 2019

Credit insurance
Amount (€ M) 18,872 14,592 11,658
Number 199 192 222

Export bond and export working capital insurance
Amount (€ M) 736 685 727
Number 559 535 564

Foreign exchange risk insurance
Amount (€ M) 623 703 663
Number 358 325 317

Investment insurance
Amount (€ M) 159 - 2,5
Number 4 - 3

Market prospection repayable advance
Amount (€ M) 192 239 329
Number 2,091 1,855 1,801

Of which:
- 4 enhanced guarantee applications
- 4 French Export Pass solution applications
- 3 short-term agricultural sector applications

Change vs 2018
Export credit insurance

PREMIUMS, CLAIMS PAID AND RECOVERIES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premiums</strong></td>
<td>273</td>
<td>467</td>
<td>344.9</td>
</tr>
<tr>
<td><strong>Claims paid</strong></td>
<td>189</td>
<td>204</td>
<td>154.4</td>
</tr>
<tr>
<td><strong>Recoveries</strong></td>
<td>721</td>
<td>334</td>
<td>345.7</td>
</tr>
</tbody>
</table>

BPIFRANCE ASSURANCE EXPORT’S RESULTS
IN EXPORT CREDIT INSURANCE SINCE 1993 (IN € M)

Despite a higher level of claims in the aeronautics sector, 2019 saw a significant decrease in the amount of claims paid compared to 2017 and 2018. Claims paid are mainly concentrated in Venezuela and Mexico.

With the highest level of claims in aeronautics, 2019 was marked by the exercise of unconditional guarantees for the first time.

Recoveries from consolidation agreements relating to the Paris Club(1) stand at €278 M, mainly resulting from payments associated with Pakistan (€99.2 M), Iraq (€76.6 M), Argentina (€30.7 M) and Indonesia (€26 M). Excluding consolidation agreements, recoveries mainly relate to Russia and, to a lesser extent, Canada (€13.6 M), resulting from the resale to Ukraine of aircraft initially intended for Canada.

(1) The Paris Club is a group of public sector creditors whose role is to find coordinated and sustainable solutions to the external payment difficulties of indebted nations.
Export credit insurance (cont.)

Credit insurance allows French exporters to grow their export sales with peace of mind, firstly by providing coverage against the risk of financial losses due to interruption or non-payment of their contracts by the foreign buyer, and secondly by allowing them to offer their buyer financing (supplier credit or granted by a bank) that can be guaranteed. Bpifrance Assurance Export assists companies of all sizes (micro enterprise, SMEs, mid-sized enterprises, large corporates). It changes its products to best meet the needs of each. For example, to focus on SMEs and mid-sized enterprises, the guarantees offered can be up to 100% of the risk on supplier credits and documentary credits undertaking (limited to SMEs).

With over 80 new guarantee applications approved, activity levels of the large corporates unit remained buoyant in 2019. It should be noted, however, that the total amount fell from €13.1 Bn to €9.4 Bn due to the volatility of large transaction amounts, despite multiple large projects being recorded in historical sectors (shipping, air, defence, engineering and space).

The division has also been committed to supporting exporters upstream of the guarantee application by issuing 99 letters of support and multiple missions supporting the companies’ activities with their foreign buyers.

The SME & mid-sized unit had an excellent year 2019 in credit insurance with strong growth in approved guarantee applications by number (over 100, +41% vs 2018) and by amount (over €1.3 Bn, +60% vs 2018). This increase is partly explained by the number of applications submitted, by the catch-up effect of contracts covering Russia and by new clients generated via Bpifrance’s regional network (36%). The portfolio remains significantly focused on Africa and recorded growth in applications for Algeria during H2 as a result of the local political context.

Approved SME & mid-Market export guarantee applications mainly concern Africa and America.

Conversely, approved large corporate guarantee applications mainly concern the Middle East and Europe.

Bpifrance Assurance Export’s exposure, i.e. the balance of signed contracts benefiting from cover, mainly relates to the regions of North America, Europe, the Middle East and to a lesser extent, Africa.

BY GEOGRAPHICAL AREA

<table>
<thead>
<tr>
<th>EXPOSURE</th>
<th>OFFERS OF COVER IN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>16,407 M</td>
</tr>
<tr>
<td>America</td>
<td>13,619 M</td>
</tr>
<tr>
<td>Asia</td>
<td>3,597 M</td>
</tr>
<tr>
<td>Europe</td>
<td>10,996 M</td>
</tr>
<tr>
<td>Middle East</td>
<td>411 M</td>
</tr>
<tr>
<td>Pacific-Oceania</td>
<td>29% 23%</td>
</tr>
</tbody>
</table>

(1) Bpifrance Assurance Export definition.
NEW CONTRACTS

The volume of contracts concluded (guaranteed commercial contracts concluded during the year) stands at €7.2 Bn in 2019. This 22% reduction over the previous year is mainly a function of the reduction in guarantee contracts of significant amounts in the shipping, aeronautics and space sectors.

The amount of contracts fell by nearly 50% in shipbuilding and by 36% in space.

Conversely, the industrial equipment sector saw a significant increase of some 80%.
The total credit insurance exposure of Bpifrance Assurance Export reduced by 10% between 2018 and 2019, falling from €65.1 Bn in 2018 to €59.2 Bn in 2019. This fall is mainly a function of a 10% (€1.2 Bn) reduction in aircraft construction and a 34% fall in the sectors of land transportation equipment and nuclear.

The biggest fall was registered in space exposure, down by one-half and losing some €1.5 Bn as a result of an early repayment.

Shipbuilding exposure increased by 10%, rising from €15.3 Bn to €16.2 Bn.

NEW OFFERS OF COVER

APPLICATION BREAKDOWN BY COMPANY TYPE (IN NUMBER)

<table>
<thead>
<tr>
<th>Company Type</th>
<th>BY VALUE</th>
<th>BY NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>2,517</td>
<td>804</td>
</tr>
<tr>
<td>Mid-sized enterprises</td>
<td>406</td>
<td>665</td>
</tr>
<tr>
<td>Large corporates</td>
<td>15,949</td>
<td>13,123</td>
</tr>
<tr>
<td>Total</td>
<td>18,872</td>
<td>14,592</td>
</tr>
</tbody>
</table>

(1) Unrecognised arrangements:
- 4 enhanced guarantee applications
- 4 French Export Pass solution applications
- 3 agricultural sector applications

(2) Bpifrance Assurance Export definition.
Market prospection repayable advance

Market prospection repayable advance supports micro-enterprises, SMEs and mid-sized enterprises seeking to access export markets. By covering the risk that their development activities abroad may fail or produce inadequate results, it enables them to lighten the financial burden of their internationalisation efforts.

Covering a proportion of the expenditure relating to business development in foreign markets, the terms of this product have been simplified by making it a cash advance product: one-half of the indemnity is paid on contract signature and the exporter has a period of up to 5 years to make the repayment. The advance is only repaid in the event of successful business development, evidenced by export revenue being recorded in the target countries.

The product benefits from a 100% digital pathway, from online application to e-signature of the contract; it is marketed and processed by Bpifrance’s regional network.

The A3P product is a simplified business development insurance designed to support the first steps of micro-enterprises development activities abroad. Marketing of this product was ceased in late 2019.

Production remains at a very high level, testimony to the attractiveness of a product providing companies with immediate cash support.

In 2019, AP insurance application approvals increased by 14% over 2018, yet A3P achieved unsatisfactory results and was therefore withdrawn at the end of the year.

The number of beneficiaries of the AP range continued to total some 10,000 companies as at 31 December 2019.

The main target countries are Germany, the USA, the UK, China and Spain. The main business sectors are research and consulting, information technology, engineering and manufacturing and industrial machinery.

OFFERS OF COVER FOR MARKET PROSPECTION REPAYABLE ADVANCE (IN NUMBERS)

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Export bond insurance and export working capital insurance help French companies grow their exports while preserving their cash flow.

These types of insurance secure the lending/issuing banks by protecting them against the risk of nonrepayment:

- of bonds that could be called in the context of export transactions;
- of working capital credit facilities granted for the performance of export contracts

By reassuring the banking partners, our products facilitate the issuance of performance bonds and the granting of working capital loans, thereby enabling exporters to conquer new overseas markets.

Bpifrance Assurance Export assists a very broad group of companies ranging from very small companies to large companies, engaged in both traditional activities as well as in the most advanced technologies, as well as in artistic/craft fields in which French know-how is highly sought after.

2019 was marked by guarantees covering high-profile transactions in the shipbuilding sector and by the emergence of applications in promising sectors such as e-commerce (order picking automation) and sustainable energies: waste recovery, solar, wind and hydro (engineering, consulting, design, equipment, etc.).

Activity levels remained buoyant with growth of 5% compared with 2018: 564 agreements were issued in 2019 providing nearly 400 companies with export support.

The number of applications received also followed a similar trend with the growing success of pre-financing insurance (+11%) and the continued strength of export bond insurance.

**COVERAGE PROVIDED**

The maximum amount Bpifrance agrees to guarantee vis-à-vis the banks, taking into account the exporter’s requirements and risk level.

**LINES**

The bank wishing to benefit from export bond insurance and export working capital insurance must submit an application to open a line of bond/export working capital (approval request) jointly completed and signed with the exporter. The line is matched with the coverage provided.
Foreign exchange risk insurance

The foreign exchange risk insurance enables French companies to secure their price offers and contracts in a foreign currency, from contract negotiation to execution.

Offering a price in foreign currency is a genuine competitive advantage in international commercial negotiations. Bpifrance’s offering has been expanded and over 40 currencies are now eligible for exchange risk cover at the offer stage.

The spectrum of companies requiring exchange risk insurance is very wide, from the artist offering works of art to American universities, to subsoil investigations in zones of seismic activity, to water desalination manufacturers selling a plant to Kuwait.

The number of beneficiary companies rose slightly in 2019. It should be noted that SMEs and mid-sized enterprises account for over three-quarters of the portfolio, thereby confirming the strong interest in these arrangements among companies of this category.

2019 was marked by a number of significant events:

- **Digitalisation of the offering**
  In addition to a quotation simulator made available to companies in 2018, member companies are now able to submit an online exchange risk guarantee application. They are also able to monitor their exposure in real time. The digital offering will be enhanced further in 2020, with companies able to apply online to modify their payment schedule on their customer portal, with effect from the end of Q1.

- **Creation of a multi-order exchange risk guarantee**
  In the context of Brexit, a new currency risk product covering the pound sterling has been made available to companies for their recurrent commercial activities. It is designed for companies selling on a fixed-price basis wishing to secure their future orders for a given period (3 to 12 months).

- **Eligible exotic currencies**
  The number of eligible currencies has stabilised at 41. Among the new currencies offered, 2019 saw growing interest among companies with an increase in simulation requests for exotic currencies including the Taiwanese dollar, the Romanian leu and the Nigerian naira. With significant coverage provided for the Egyptian pound, it should be noted that Bpifrance is virtually the only market operator offering coverage of this currency.

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**CURRENCIES COVERED IN 2019**

![Currency Pie Chart]

**AMOUNT GUARANTEED IN € M**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount Guaranteed (€ M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>518</td>
</tr>
<tr>
<td>GBP</td>
<td>38</td>
</tr>
<tr>
<td>CHF</td>
<td>30</td>
</tr>
<tr>
<td>EGP (1)</td>
<td>23</td>
</tr>
<tr>
<td>Other Currencies</td>
<td>55</td>
</tr>
</tbody>
</table>

(1) Egyptian pound.
Investment insurance

Investment insurance enables French companies wishing to make an investment abroad, or the credit institutions providing them with support, to take out coverage against political risks. Bpifrance Assurance Export covers up to 95% of the loss of the receivable or asset relating to the investment. The political risks covered are the impossibility of exercising the rights attached to the investment, the total or partial destruction of the asset, the inability to conduct normal operations and the risk of non-transfer of monies payable to the investor.

This product is eligible for investments in EUR or USD. After zero contracts being signed in 2018, the activity saw fresh life in 2019 with 3 guarantee applications approved for a total amount of €2.5 M.
New insurance products

GUARANTEE FOR STRATEGIC PROJECTS

The guarantee for strategic projects covers operations not falling within the scope of credit insurance due to the absence of a significant French content or the lack of an export contract, yet which constitutes a strategic interest for the French economy. The guarantee for strategic projects covers the risk of non-payment following a political event, disaster, non-transfer or commercial incident resulting in loss.

- The contract covered may be a commercial contract, a shareholder loan by a French company or its local subsidiary or a loan granted by a French or foreign credit institution.
- The total amount of the operation must be greater than €10 M.
- There is a wide variety of eligible structures - the French company may be a supplier, investor, operator, etc.

The operation covered must meet at least one of the following criteria:

- An essential industry for national security, the provision of energy resources and raw materials;
- Failure to complete the operation would pose a risk to the national economy or economic sector;
- Generates a competitive advantage for the country;
- Business development for French companies;
- Penetration of a sectoral or geographic market with high growth potential.

Multiple applications have been classified as strategic and are being processed.

GUARANTEE FOR LOCAL SUBSIDIARIES

The guarantee for local subsidiaries is one way a French exporting company is able to structure insurance products in order to directly obtain guarantee for local subsidiaries. It applies to credit insurance, export bond insurance and export working capital insurance and is governed by the same principles as each of the aforementioned guarantees.

This product widens eligibility as it enables the local subsidiary of a French company (its exporting parent company) to enter into a sale contract with the local buyer when required under local legislation or constitutes a determining factor for the supplier selection. Where the beneficiary of the guarantee is the local subsidiary, a legal analysis is required regarding the right to issue a guarantee in favour of a local entity and subrogation law.

4 information breakfast meetings were held to present the guarantee for local subsidiaries. Multiple credit insurance applications are currently being processed.
The objective of Export Development is to ensure the cross-functionality of financing, insurance and support tools for international companies within Bpifrance using our network, international business managers and delegates, and with the actors of the French system that supports French companies’ export efforts: Business France, OSCIs (specialised international trade operators), CCEs (foreign-trade consultants), etc.

The role of Bpifrance is to support companies in their international development by organising premium missions abroad in partnership with Business France. These missions provide a better understanding of the environment and target market of the companies being assisted and make it possible to identify future customers and partners and meet local entrepreneurs and experts. Export Development represents Bpifrance abroad for all business lines; we identify those projects that involve French exporters in order to provide adequate financing solutions via our Area managers.

2019 was a varied and intense year with 1,458 companies receiving support mainly via:
- 15 premium missions abroad and 140 customers supported, an increase of over 10% with 2018. Unique know-how enabling entrepreneurs to accelerate their international development;
- 60 leads originating from export credit;
- 159 foreign buyers met;
- 73 international campuses performed within the framework of Big, by personnel based in Paris and abroad supporting the activity and insurance volumes of Bpifrance.

The year was marked by:
- Deployment of the Franco-German plan;
- The Jour I event in Nantes, a great success with over 1,000 participants meeting up with Bpifrance export partners and bank clients.

15 premium missions abroad
Premium mission "Retail Experience" in Singapore

in partnership with the French Chamber of Commerce in Singapore, sponsored by Devialet.

The delegation brought together 12 companies from the Bpifrance Excellence network who conducted multiple site visits and targeted business meetings with international experts and potential customers and partners.

Hannover Messe mission

where 24 industrial SMEs and Bpifrance customers where able to decipher the key trends of the trade fair and discover solutions offered by the global industrial tech.

The mission culminated in the firing of the starting gun for a Franco-German "New Deal". The objective of the project is to create bridges between the French and German industrial fabrics and to encourage the celebrated "Mittelstand" (equivalent to the SME and mid-sized sectors) to invest in France.

Missions planned for 2020

- Buyer mission with Porsche on 24 June 2020 in Paris and mission in Germany on 16-19 November 2020
- ASEAN booster on 6-10 July 2020
- International accelerator mission supporting 12 companies in Latin America on 26-31 October
- Presidential missions
The export credit business line was launched in 2015, in light of the hugely insufficient support available from traditional bankers to finance contracts worth less than €30 million, and particularly those performed by SMEs and mid-sized enterprises.

The business is organised around a team of experts located in Paris which is responsible for sourcing and structuring financing. Our organisation is different because of the central position devoted to the network to identify business opportunities (provider coverage), the size of our international network, which is positioned in the most promising dynamic zones, and the agility of our model, which enables us to intervene from €1 M of financing upwards.

Export credit

The export financing activity remains focused on Africa for the main part. The activity breaks down into 3 approximately equal parts of syndicated buyer credit, bilateral credit and purchase of supplier credit. 70% of credit volume is composed of applications below €10 M.

Fewer credits were granted in 2019 versus 2018 due to the absence of shipbuilding contracts and the deferral to H1 2020 of certain emblematic projects. The activity remains buoyant, however, in terms of agreements (€500 M) and the number of financing offers issued (100).

Our offering is divided into 2 distinct products: buyer credit from €5 M and the purchase of supplier credit from €1 M, with the coverage of credit insurer Bpifrance Assurance Export. Beyond €25 M of credit, we solicit the bank for a partnership.

The use of private insurance is possible to the extent that the buyer requests full financing.

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Credit (in € millions)</th>
<th>Number of New Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>€186 M</td>
<td>12</td>
</tr>
<tr>
<td>2018</td>
<td>€299 M</td>
<td>16</td>
</tr>
<tr>
<td>2019</td>
<td>€172 M</td>
<td>13</td>
</tr>
</tbody>
</table>

(1) Including 1 credit financing the down payment of the foreign buyer.
Internationalisation loans and international projects guarantee

International Growth loans mainly provide medium-term financing for intangibles relating to an export strategy (creation of a subsidiary abroad, external growth and higher working capital requirement). These requirements are difficult to finance by their very nature, as no security interests can be obtained for such assets.

It therefore provides ongoing security for the company and its banking partners; numerous entrepreneurs would not have been able to successfully implement their projects without this support.

The main development areas remain North America and Asean.

International project guarantees have provided support for subsidiary creation and/or consolidation projects in some thirty countries.

It comes as no surprise that operations are mainly concentrated in the US (23% of operations in 2019), followed by China (including Hong Kong). North Africa has seen remarkable growth: Morocco has confirmed its attractiveness and retakes its place on the podium, which it lost in 2015, ahead of Canada, with Tunisia making a strong comeback after multiple years of absence.

Among the stragglers in 2018, India has made a remarkable (re)entry into the top 5 with nearly 7% of operations. Brazil, on the other hand, has confirmed the difficulties encountered by our companies to establish activities in the country, with the number of operations continuing to fall.

Africa is the region opening up the most with first-time operations in Benin, Mozambique, Uganda and Burkina Faso.
04.
OUR AMBITION: SERVING THE FUTURE
The information given on this map is subject to revision. It indicates available funds, the use of which is contingent on a case-by-case examination of operations, in accordance with the debt commitments made by the countries vis-à-vis the Bretton Woods institutions.
Assess the environmental impact of our portfolio and plan our decarbonisation strategy.

Increase the number of beneficiary clients by focusing on SMEs.

Enhance the synergies with Team France Export.

Implement a common application processing procedure shared by the Export Insurance Division and Export Financing Division.

Improve our processes and products through digitalisation.
COVID-19 SUPPORT PLAN FOR FRENCH EXPORTING COMPANIES

1. Export Bond and Working Capital Insurance
   Until the end of 2020, SMEs and mid-sized enterprises (≤ €1.5 Bn) will benefit from a coverage rate of up to 90% and large corporates of up to 70%.

2. Market prospection repayable advance
   Companies that have already taken out market prospection repayable advance will benefit from an additional year of development activities.

3. Cap Francexport
   A short-term reinsurance mechanism of €2 Bn, valid for all countries apart from those ineligible under the PFE(1) and provided to private credit insurers in order to meet the short term coverage requirements of exporting companies (less than 2 years).

4. Team France Export
   Support and information have been reinforced to help you identify trends in foreign markets and safeguard your business flows.

5. Medium to long-term credit insurance
   Bpifrance Assurance Export is committed to providing optimum support to exporters to structure their medium to long-term contracts as a result of the Covid-19 crisis.

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(1) Export Finance Policy