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Bpifrance Assurance Export, the new French export credit agency on behalf of, for and under the control of the State

Bpifrance Assurance Export is now responsible for the management of public guarantees for export. Operated on behalf of, for and under the control of the State by Bpifrance, the simplified management of public guarantees offers support prospects to exporting companies and complements Bpifrance's export offer. The excellent service provided to exporters by the Bpifrance Assurance Export teams will now be accessible to all SMEs and ETIs.

Managed by the Compagnie française d'assurance pour le commerce extérieur (COFACE) since its creation in 1946 on behalf of the State, public guarantees historically involve risks that the private market can not bear due to the size of the amounts, too long durations or too high risk levels. Transferring the management of public guarantees for export to Bpifrance Assurance Export is part of a simplification of the export support system in order to facilitate SMEs access. It reflects the will of the French State to reinforce its support for French companies in their international development through a single entry point for financing and support.

It allows improved international clarity and reinforces the competitiveness of the guarantees delivered vis-à-vis those operated by foreign partners. Indeed, the State will now directly guarantee the operations subscribed by Bpifrance whereas this support was previously indirect.

Nicolas Dufourcq, Director General of Bpifrance states that: *"The transfer of skills related to managing public guarantees complements Bpifrance's support and export financing offer, which has become one of the major players in global banking, offering the most comprehensive and best-fitting financing solutions for every stage of a company's life".*

Bpifrance mobilises to serve ETIs-SMEs as the first banking partner for their international projects

By creating this new business, Bpifrance is expanding its range of solutions dedicated to export businesses, in particular to ETIs and SMEs, to help them conquer international markets. Bpifrance now offers a range of export solutions that cover all the needs of a company wishing to expand internationally:

Bpifrance's existing export offer...

- Cross border investment funds
- International Growth Loan
- Export Credit
- Supporting development or implantation (in partnership with Business France)

... completed by Bpifrance Assurance Export's offer:

- Credit insurance
- Prospecting insurance
- Security and pre-financing guarantees
- Exchange risk insurance
- Investment insurance



Relying on excellence in client support to help ETIs-SMEs bridge the gap to internationalisation

Maintaining the excellent service COFACE¹ has offered to its customers is guaranteed by the transfer of 240 experts and systems to Bpifrance Assurance Export which are dedicated to this activity. Under the management of Christophe Viprey, the Bpifrance Assurance Export teams will strive to maintain the excellent support provided to companies by pursuing the objective of democratising the distribution of its offers to ETIs-SMEs thanks in particular to Bpifrance's strong territorial presence.

Christophe Viprey, Director General of Bpifrance Assurance Export states that: *"The teams will now dedicate themselves to developing the activity for high-potential ETIs and SMEs, which must be larger to go international. As for larger companies, we will support them more closely with their foreign clients in order to demonstrate the competitiveness of public export financial support."*

About Bpifrance Assurance Export

Since January 2017, **Bpifrance Assurance Export**, a subsidiary of **Bpifrance**, administers the management of government export guarantees for and under the control of the State.

It offers companies a range of solutions to support the prospecting of foreign markets, to secure the issuance of bonds and pre-financing by banks, to make competitive financing available to foreign clients, and to secure exports and overseas investments.

Bpifrance, a subsidiary of the Caisse des Dépôts and of the State, trusted partner of entrepreneurs, supports companies from their 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.

Bpifrance offers companies a continuum of financing options for each key stage in their development, and a highly adaptive range of regionally-specific services.

Through its 47 regional offices (90% of decisions taken in the region), **Bpifrance** represents a true economic competitiveness service for entrepreneurs. **Bpifrance** operates via the application of public policies driven by State and Regional governments in order to meet three objectives:

- support business growth;
- prepare the competitiveness of the future;
- contribute to the development of an economic ecosystem that favours entrepreneurial activity.

With **Bpifrance**, companies benefit from having an effective and influential representative at their disposal, able to respond to all their financing, innovation and investment needs.

For more information on: www.bpifrance.fr – Follow us on Twitter: @bpifrance

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¹ A private group, COFACE remains a world leader in credit insurance and offers solutions to companies worldwide to protect them against the risk of financial failure of their customers, in their domestic and export markets.

**Bpifrance
Assurance
Export**

EDITORIAL

Helping companies to see bigger and farther and bring out the champions of tomorrow

The transfer of skills related to managing public guarantees complements Bpifrance's support and export financing offer, which has become one of the major players in global banking, offering the most comprehensive and best-fitting financing solutions for every stage of a company's life.

This support and financing power is available to French companies, regardless of their size, to support their international projection and win new markets.

In particular, Bpifrance is based on the excellent support it provides to companies in their export project while developing support to French SMEs which represent 77% of the exporters of our country.

By acting for and under the control of the State in favour of French exporting companies, Bpifrance is committed to:

- Pursuing excellence in customer service,
- Democratising the Export offer to SMEs through dedicated, simple and effective solutions,
- Covering the entire national territory thanks to the territorial network of Bpifrance
- Listening to the market to adapt the offer to new solutions in order to remain competitive on the international level.

Nicolas Dufourcq

Director General of Bpifrance

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1. Creation of Bpifrance Assurance Export, for export businesses

On 31 December 2016, 240 employees and the information systems dedicated to the management of COFACE's government export guarantees were transferred to the new subsidiary of Bpifrance.

Bpifrance Assurance Export now provides, in place of COFACE, the management of government export guarantees for and under the control of the State.

It offers a range of 5 products:

- Export credit insurance,
- Prospecting insurance,
- Security and pre-financing guarantees,
- Exchange risk insurance,
- Overseas investments insurance.

This transfer is part of an overall government strategy to support French exports in order to reduce the deficit in the country's trade balance. It reflects the will of the State to provide French companies with a single point of entry into

The major stages of the transfer

Managed by the Compagnie française d'assurance pour le commerce extérieur (COFACE) since its creation in 1946 on behalf of the State, public guarantees historically involve risks that the private market can not bear because the amounts or levels of risk are too high or too long in duration.

The Amending Finance Act for 2015 transfers the management of government export guarantees to Bpifrance Assurance Export.

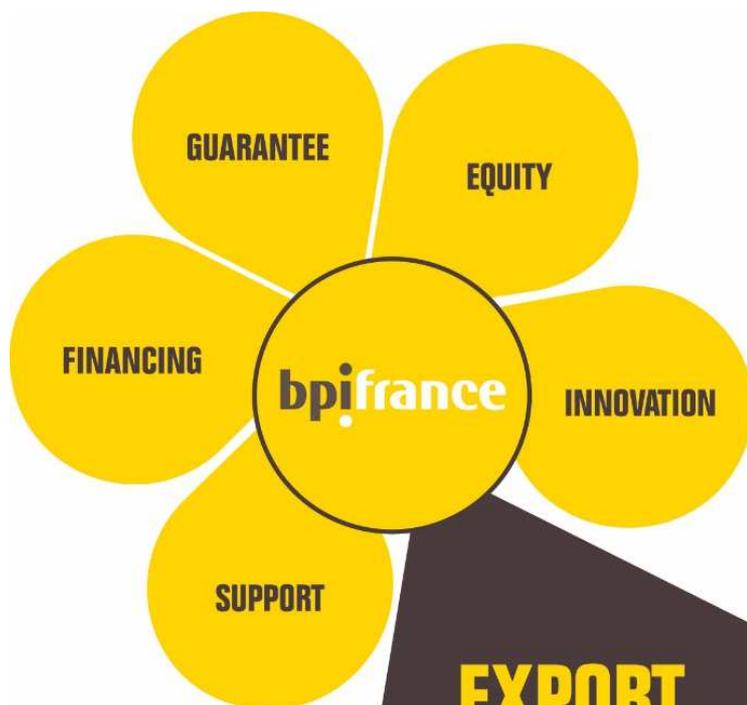
On 18 April 2016, Nicolas Dufourcq, Director General of Bpifrance and Xavier Durand, Director General of COFACE signed an agreement on the transfer of this activity following the preliminary protocol signed with the State on 29 July 2015.

This transfer was final as of midnight on 31 December 2016.

Bpifrance mobilises to serve companies as an export bank in France

By creating this new business, Bpifrance is expanding its range of solutions to serve export businesses, in particular SMEs and ETIs, to help them conquer international markets. Bpifrance is adding a range of solutions to its global offering to support the prospecting of foreign markets, to secure the issuance of bonds and pre-financing by banks, to make competitive financing available to foreign clients, and to secure exports and overseas investments.

As such, and in addition to its export financing activities, Bpifrance now has one of the most comprehensive and best-suited offerings in the world to help companies develop internationally.



EXPORT

- Cross border investment funds
- Export Financing
- **Export Insurance**
- Supporting development or implantation (in partnership with Business France)

2. The four major missions of Bpifrance Assurance Export

1. Relying on excellence in business support

Bpifrance Assurance Export maintains the offers and team which gave COFACE its reputation with large companies.

Bpifrance Assurance Export guarantees a total continuity of service and the safeguarding of 70 years of expertise serving its customers.

Bpifrance Assurance Export is committed to developing support for companies with their foreign customers.

2. Helping SMEs and ETIs to bridge the gap to internationalisation

Despite the steady increase in the number of exporting companies in France in recent years (+3.1% in 2015, after +0.2% in 2014), largely driven by SMEs and ETIs, which constitute 77% of exporters, our country has fewer exporting companies - 125,000 in 2015 - compared to Italy where they are twice as numerous, or Germany, where the gap is 1 to 3.

Bpifrance Assurance Export's mission is to support all French SMEs and ETIs in the internationalisation of their development in order to support their growth. These companies constitute the heart of export activity in Bpifrance. The new subsidiary benefits from the strong territorial presence of Bpifrance and its proximity to the local economic fabrics to make the offers of support and development abroad known and to extend their spread within the territories. Bpifrance Assurance Export offers a range of innovative solutions adapted to both exporting businesses and those with strong development potential in foreign markets.

3. Simplifying the process by offering a single point of entry for French companies

By integrating this new activity into its global offering, Bpifrance creates a unique business support centre in France and internationally, combining the public offering of expertise, financial assistance, guarantees and, henceforth, export insurance.

Bpifrance corporate customers now have access to a wide range of solutions tailored to their different stages of development.

The regional network of Bpifrance will thus take over promoting Bpifrance Assurance Export's offer to companies.

4. Giving greater clarity to the State guarantee

By transferring the management of government export guarantees to Bpifrance Assurance Export, the State has chosen to fully integrate this activity into the public sphere.

Government export guarantees are now issued for and under the control of the State, but also directly on its behalf by Bpifrance Assurance Export, in order to improve the competitiveness of public tools for exporters.

Bpifrance Assurance Export is committed to adapting its offer to better meet the needs of its customers.

3. Excellent customer service guaranteed by the continuity of the organisation

The 240 employees transferred are fully integrated into the new entity Bpifrance Assurance Export and the operational organisation is maintained within it. Christophe Viprey is Executive Director of Bpifrance Assurance Export. It is composed of five branches:

- International – Organisation – Expertise
- Large accounts
- ETIs-SMEs
- Regional development and management
- Risk control and management

The transfer has generated numerous interfaces with other Bpifrance branches, thus reinforcing the efficiency and coherence of Bpifrance Assurance Export's actions with these other branches.

➤ Each branch's missions

International – Organisation – Expertise

For all public guarantees, this branch has the general mission of:

- representing Bpifrance Assurance Export in the context of international, multilateral and bilateral relations (Berne Union, OECD and European Union)
- designing and/or improving products, all procedures combined, to play a leading role in developing strategies to increase the effectiveness of Bpifrance Assurance Export's support for the internationalisation of French companies, as well as developing a medium-term prospective outlook for the evolution of public guarantees.
- carrying out environmental and social analyses
- managing general actions decided by the management team and performing the general functions of organisation, process simplification, coordination, communication, training and project management
- rating French and foreign companies as well as foreign banks - risk rating and reporting activities
- carrying out administrative activities and risk monitoring

This branch relies on four services:

- International - Expertise - Environment
- Organisation - Communication - Information
- Rating - Rate setting - Reporting
- Administration and Risk Monitoring

Bpifrance Assurance Export's quality manager works within this branch.

Large accounts

The general mission of this branch is to investigate cases, issue policies relating to applications for credit insurance, investment insurance, securities and pre-financing envelopes, from companies with a turnover higher than €150 million and manage the risk until the file can be forwarded to the Risk Management and Control branch.

This branch is based on a sectoral approach grouped into four services:

- Airbus - Unconditional guarantee
- Aeronautics - Defence
- Naval - Rail - Construction and Public works - Engineering - Equipment
- Spatial - Telecommunications - Energy - Project Financing

ETIs-SMEs

The general mission of this branch is to offer guarantees solutions to companies with a turnover of less than or equal to €150 million.

- It examines the files and issues the policies relating to applications for credit insurance and investment insurance, guarantee and pre-financing envelopes. It manages the lines granted to banks under the guarantee of securities and pre-financing.
- It also ensures the entirety of the foreign exchange guarantee process for all companies, regardless of their size.

This branch relies on three services:

- Exchange rates
- ETIs and SMEs Credit-insurance
- ETIs-SMEs Securities - pre-financing

Regional development and management

The mission of this branch is to:

- promote all public guarantees and increase their dissemination, in particular by supporting companies in developing their actions abroad
- investigate and manage prospecting insurance claims
- ensure budgetary and treasury follow-up of prospecting insurance
- supervise the development of prospecting insurance in its various variants, taking into account the requests of the State

This branch relies on two services:

- Development of public guarantees
- Management of prospecting insurance with two treatment centres: Lyon and Paris

Risk control and management

For all public guarantees, this branch has the general mission of:

- managing claims related to credit insurance, investment insurance, guarantee of securities and pre-financing and prospecting insurance, for all companies, regardless of their size
- issuing calls for tenders to expert firms and proceeding with the appointment of the expert on the basis of the replies
- managing the consolidation agreements of the Paris Club
- implementing and monitoring the internal control processes (operational risk control, second-level controls, insured controls, budget monitoring, State audit) and proceeding with the recovery of customer claims

This branch relies on two services:

- Claims and consolidation management
- Inspection

Bpifrance Assurance Export's compliance officer works within this branch.

PROSPECTING

Companies' needs	Solutions
Management of the first prospecting procedures	Prospecting insurance - the first steps
Limiting the financial risk of export development by compensating prospecting expenses	Prospecting insurance
benefiting from a cash advance from the company's bank	Insurance of financing of prospecting insurance

SECURING

Companies' needs	Solutions
Facilitating the issuance of securities and the setting up of a pre-financing credit by the company's bank.	Security and pre-financing guarantees
Protecting the company from currency fluctuations	Exchange risk insurance
Guaranteeing the execution and payment of its export contract during its execution	Credit insurance
Guaranteeing the non-repayment of the credit granted to the foreign buyer	
Protecting the company's sustainable investments against political risks	Investment insurance

5. About Bpifrance Assurance Export

Since January 2017, **Bpifrance Assurance Export**, a subsidiary of Bpifrance, administers the management of government export guarantees for and under the control of the State.

It offers companies a range of solutions to support the prospecting of foreign markets, to secure the issuance of bonds and pre-financing by banks, to make competitive financing available to foreign clients, and to secure exports and overseas investments.

Bpifrance, a subsidiary of the Caisse des Dépôts and of the State, trusted partner of entrepreneurs, supports companies from their 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 continuum of financing options for each key stage in their development, and a highly adaptive range of regionally-specific services.

Through its 47 regional offices (90% of decisions taken in the region), **Bpifrance** represents a true economic competitiveness service for entrepreneurs. **Bpifrance** operates via the application of public policies driven by State and Regional governments in order to meet three objectives:

- support business growth;
- prepare the competitiveness of the future;
- contribute to the development of an economic ecosystem that favours entrepreneurial activity.

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Appendices

GUARANTEES MANAGED ON BEHALF OF THE STATE

These guarantees are managed by Bpifrance Assurance Export in the name, for and under the control of the State under Article L. 432.2 of the Insurance Code.

1 - Instruction

Bpifrance Assurance Export reviews warranty claims directly addressed to it.

2 - Decision

Decisions to grant the guarantee shall be taken by the Minister in charge of Economy and Finance after the advice of the Commission on Guarantees and Trade Credit. According to defined criteria, decisions can also be made by Bpifrance Assurance Export acting as a delegation.

3 - Signing and managing the insurance contract

Bpifrance Assurance Export issues promises and insurance policies, in accordance with the decision taken. In this context, Bpifrance Assurance Export is also responsible for the collection of insurance premiums, risk management, indemnities and recoveries, etc.

4 - Risk bearer

The risks associated with this procedure are borne by the State: all financial flows relating to this procedure (premiums, indemnities, remittances) are subject to a separate accounting record from Bpifrance Assurance Export. The premiums and recoveries received by Bpifrance Assurance Export are paid directly to the State account and the indemnities are paid by Bpifrance Assurance Export from the same account without any passing through the accounts of Bpifrance Assurance Export.

CREDIT INSURANCE

The company wants to secure the realisation and payment of its contract during its execution or the repayment of the credit granted to its buyer.

We meet its needs for these transactions whose completion time is long and/or if the credit duration is longer than 2 years.

Credit insurance protects the company against the consequences for its market of a commercial loss (insolvency of its buyer) and/or political loss (such as war, moratorium, embargo, non-transfer, or natural disaster).

RISKS COVERED

During the performance of the contract, the company is covered against the risk of interruption of the contract or non-payment of the debtor.

At the end of the contract's performance period, the guarantee covers the non-payment of the debtor on the terms payable at the end of the contract's performance or beyond and the terms on credit in the event of supplier credit granted to its customer. In the event of a credit granted by a bank, the buyer's credit guarantee covers the bank from the risk of non-payment of the credit by the borrower.

SPECIFIC GUARANTEES

Internal guarantee (dedicated to French civil and naval companies) – New product

To enable French companies in the civilian naval and space sectors to be able to offer French buyers, in competition with a foreign supplier benefiting from public export support, competitive financing conditions.

Guarantee of confirmation of documentary credits

In the case of payment by documentary credit confirmed by a bank, the confirming bank can be guaranteed of the risk of non-payment of the documentary credit by the issuing bank.

Guarantee of bank discounts and bank transfer of supplier credits

In the case of a bank discount or credit transfer from a credit provider, banks and financial institutions may be covered by the risk of non-payment of credit by the debtor.

Securities

The company may also be covered by losses resulting from a call of security in the event of abusive calls.

Other specific guarantees

- guarantee of the provision of services and intangible property;
- financing of projects;
- unconditional 100% guarantee for civil aircraft;
- enhanced guarantee for export credit refinancing.

With credit insurance, the company exports without fear of interruption or non-payment of its contract.

PROSPECTING INSURANCE

The company is considering exploring export markets, but is hesitating to get started: the costs are high and the results are unpredictable...

We support its action thanks to...

- prospecting insurance first steps: the company benefits from taking charge of its first steps;
- prospecting insurance: the company limits its financial losses following a commercial failure;
- advance prospecting: the company also gets liquidity support from its bank.

PROSPECTING INSURANCE FIRST STEPS - A3P

The total turnover of the company is less than €50 million. It has an export turnover of less than or equal to €200,000 or representing less than 10% of the total turnover.

In the first year the company incurs prospecting expenditures, Bpifrance Assurance Export compensates it for 65% of its expenditures up to a budget corresponding to 10% of its total turnover and not exceeding €30,000.

At the end of the contract, the company reimburses Bpifrance Assurance Export for indemnities received on the basis of the export turnover realised over 3 financial years counted from the effective date of the contract.

The company can request 2 successive prospecting insurance first steps over different years and then request classic prospecting insurance.

PROSPECTING INSURANCE

The company has a maximum turnover of €500 million and wants to prospect markets.

It chooses the country or countries it wants to prospect.

It established a budget including all expenditures: market research, travel expenses, affiliate creation, trade fairs, French International Volunteers in Business programme (VIE), etc.

In the first phase (1 to 4 years), it incurs its prospecting expenditures. Each year Bpifrance Assurance Export pays up to 65% of its expenditures.

In the second phase (from 2 to 6 years), the company reimburses Bpifrance Assurance Export the maximum amount of the indemnities collected according to the revenues realised in the area covered.

At the end of the contract, any sums not reimbursed remain vested.

The company can make several successive requests for insurance prospecting (new countries or products).

ADVANCE PROSPECTING / FINANCING PROSPECTING INSURANCE

Advance prospecting = Prospecting insurance + guarantee Prospecting Insurance Financing (FAP)

The company has a turnover of between €1.5 million and €500 million.

Advance prospecting is:

- prospecting insurance for the company;
- and pre-financing by its bank which does not require a guarantee; it is covered by Bpifrance Assurance Export against the risk of non-repayment of credit.

With the prospecting insurance, the company limits the financial risks of its commercial approaches. Furthermore, with the advance prospecting, the bank pre-finances these actions without difficulty. The company can calmly prospect new markets and develop its turnover.

SECURITY AND PRE-FINANCING GUARANTEES

The company must provide securities or obtain a pre-financing credit in connection with its export operations.

We help the company's bank to set up securities and pre-financing credits by covering it against the risk of non-repayment.

SECURITIES GUARANTEE

The company must provide securities related to an export contract (from the bid bond to the performance bond), in all currencies, on all countries (except certain prohibited countries).

It chooses the institution that issues the security.

In the event of an appeal by the guarantor, we cover the company against the risk of non-repayment of sums owed by the company (deficiency or insolvency).

The risk is covered up to a maximum of 80%.

No premium is invoiced to the company, Bpifrance Assurance Export shares the commissions of the issuer.

PRE-FINANCING GUARANTEE

The company needs a pre-financing credit to meet its cash requirements related to the execution of an export contract on all countries (except certain prohibited countries).

It chooses its bank.

We cover the bank up to 80% maximum against the risk of non-repayment by the company of the pre-financing credit.

No premium is invoiced to the company, Bpifrance Assurance Export shares the commissions of the bank.

The guarantee of securities and pre-financing facilitates setting up securities and obtaining pre-financing credits. The company develops its turnover and strengthens its partnership with the banker.

EXCHANGE RISK INSURANCE

The company gives foreign currency offers to foreign buyers and wants to protect itself against currency fluctuations.

Exchange risk insurance for negotiation cover, contract exchange risk insurance and the exchange rate guarantee on invoice flows meet these needs.

EXCHANGE RISK INSURANCE FOR NEGOTIATION COVER

The company negotiates in one of the 11 guaranteed currencies.

We protect it against the fall of the currency as soon as the offer is submitted and is indemnified by 100% of the exchange loss until the last payment.

If the company wants, it can benefit from a favourable 50% or 70% change in the currency during the trading period. It is committed only if the contract comes into force.

CONTRACT EXCHANGE RISK INSURANCE

The company has signed or will sign a contract in USD or GBP for a maximum amount of €15 million.

We cover 100% of the foreign exchange loss recorded on the due dates of the payment.

EXCHANGE RATE GUARANTEE ON INVOICE FLOWS

The company operates in the aerospace sector, European SMEs or European ETIs.

Its framework contracts are negotiated and invoiced in USD.

We can accompany it over periods of 1 to 5 years by protecting up to 50% of its turnover. To minimise its cost, this coverage is based on a price tunnel chosen by the company for each billing year.

It is compensated to the extent of 50% of the exchange loss when the price of the maturity is located inside the tunnel. If it is outside, the additional loss is offset at 100%.

A flexible coverage that follows the actual rate of its billings.

With the exchange risk insurance, the company negotiates in a foreign currency without losing the exchange.

INVESTMENT INSURANCE

The company wants to make a sustainable investment abroad, but hesitates to launch: there is a significant political risk...

PROTECTION AGAINST POLITICAL RISKS

The company invests abroad in the long-term in a new or already existing company.

We guarantee that all forms of investment (capital, securities, shareholder loan, etc.) will be carried out or have already been carried out within the 24 months preceding the guarantee request.

The accompanying bank may also benefit from a guarantee on the loan.

Bpifrance Assurance Export covers the risks of:

- property damage;
- non-recovery.

The company chooses the causes of loss for which they wish to insure up to 95%:

- voluntary acts of the foreign country's authorities;
- political violence;
- non-transfer.

With investment insurance, the company chooses to set up abroad.

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