

# Bpifrance / France

**Outstanding guarantee volume** reaches **BEUR 96.1** at mid-2020

**746,500 supported SMEs** in portfolio (H1 2020)

The **average guarantee size** increases from KEUR 42 **KEUR 104** in H1 2020

**Bpifrance** is the implementing body of the the French government's exceptional guarantee scheme **PGE** (Prêt garanti par l'Etat - Loan guaranteed by the State) which had an initial financial allocation of up to BEUR 300 to support bank loans for businesses of all sizes. This programme allows the financing bank to cover 90% of its loan. Since the beginning of May 2020, **PGE** is also used for direct **Bpifrance loans**.

At the onset of the crisis, **Bpifrance** staff called its clients in order to explain which possibilities there are to bridge revenue losses due to the covid pandemic. In parallel, they launched a communication campaign as well as a hotline and organised a series of webinars in order to inform enterprises about their products and solutions.

The procedures to apply for government support, check eligibility and process applications have generally been made as simple as possible to save time. This was a leading principle of **PGE**. In part because of the simplicity of the application process, the French government was able to provide support to around 420,000 companies within 2 months of its existence.

**Bpifrance's** crisis measures are the following:

- 2 unsecured loan programmes, **Prêt Rebond** and **Prêt Atout** for volumes from KEUR 10 to MEUR 5 for SMEs, and up to MEUR 30 for mid-caps, for durations of 3 to 5 years and with a significant installment free period.
- Adaption of the **Creative Industries Loan** for volumes from KEUR 50 to MEUR 2 to strengthen the financial structure of this sector's companies (fashion, luxury goods, culture, music, publishing, audiovisual, design...).
- The **Tourism Loan programme** was increased (in the context of the **Tourism Relaunch Plan**) from MEUR 100 to BEUR 1. MEUR 500 is invested by **Bpifrance** in form of equity and quasi-equity in companies of the sector and MEUR 500 is distributed in form of loans. It is intended for the tourism sector as a whole (hotel, catering, museum, entertainment facilities...) and it provides financing for amount from KEUR 50 to MEUR 2 (maximum amount was doubled in the frame of the covid response). Contracts under this programme can run up to 10 years and cover tangible and intangible assets and cash requirements or ...

- ... exceptional increases in working capital requirements due to the economic situation and the impact of the crisis.

Furthermore, **Bpifrance** helps to maintain cash in the companies by returning security deposits to its clients and by guaranteeing existing credit lines at the higher 90% rate. **Bpifrance** also suspended the payment of the installments of its loans granted as of 16<sup>th</sup> March 2020.

With regard to equity, **Bpifrance** strengthens the equity capital of French start-ups and SMEs with the launch of two vehicles: the **Fund for the reinforcement of SMEs** with a financial allocation of nearly MEUR 100 (which will be further increased in 2021), and the **French Tech Bridge**, a MEUR 160 programme for start-ups expected to raise funds in the coming months. This financing, which may range from KEUR 100 to MEUR 5 per beneficiary, takes the form of convertible bonds, with possible access to capital, and must be co-financed by private investors.

In the area of export support, **Bpifrance** set up the following four exceptional support measures:

- Strengthening of the export guarantee and pre-financing system; Bpifrance covers (in name of the State) up to 90% of export loans for the entire duration of the Covid-19 pandemic, compared with 80% previously. This concerns SMEs and mid-caps. For the other companies, the coverage goes up to 70%, compared to 50% previously.
- Enlargement of the short-term export credit reinsurance scheme
- The State will reinsure, via **Bpifrance Export Credit Agency**, private insurers to support the credit insurance market on short-term export receivables (less than 2 years), with two levels of coverage: in addition to the cover offered by private insurances, or to enable coverage to be maintained on customers who are more difficult to insure.

The operators of Team France Export (Business France and the Chambers of Commerce and Industry, **Bpifrance**), in conjunction with the regions and the network of foreign trade advisors, are launching a new free information offer available to all companies on the development of foreign markets, accessible on [www.teamfrance-export.fr](http://www.teamfrance-export.fr) and [www.businessfrance.fr](http://www.businessfrance.fr)

**New production**  
in H1 2020 is **36.7**  
**times** the new  
production in H1  
2019

With a view to supporting the recovery, **Bpifrance** offers/will offer the following set of programmes in the area of guarantees:

- In 2021, **Bpifrance** will strengthen its **Creation / Buy-Out / Development Guarantees** both in terms of targeted volume (up to BEUR 9 of guaranteed loans) and coverage rate (60 to 70%) thanks to the **Recovery Plan** (and possibly EU support). Guarantees amount up to MEUR 1.5 per undertaking.
- **Bpifrance's France Investment Guarantee** which is a guarantee on equity as well as quasi-equity operations of up to MEUR 3 (possibly more). This existing guarantee fund will be maintained thanks to the **Recovery Plan** and will benefit in priority to funds benefiting from a new recovery label granted on ESG criteria. It has a financial allocation of MEUR 540 and offers coverage of 50 to 70%. The product will be capped at 30% per investor and is directed to all sectors with some exceptions.
- The so-called **Green guarantee programme** shall also start in 2021 and enable loans of a total volume of at least BEUR 1.5, covered at a rate of up to 80%. This product shall be uncapped and open to SMEs from all sectors with some exceptions. It is envisaged to support this programme via **InvestEU** to enable the increase of the guarantee rate (in comparison with existing guarantee schemes) as well as the targeted volume.
- Still under **COSME**, **Bpifrance** plans the launch of a **Digitisation Guarantee** for January 2021. This programme shall cover guarantees for small loans of up to KEUR 50 financing the digitalisation of SMEs. It shall enable in total loans of MEUR 715, covered at the rate of 80%.

This presentation is by far not exhaustive. The product range of **Bpifrance** is (and will be) much vaster and encompasses notable further measures in the area of equity and direct loans.

More information on **Bpifrance** measures can be found under the following link: <https://www.bpifrance.fr>

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