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Update on the France Investissement Assureurs partnership

In the space of four years, Bpifrance's partnership with five insurers, Allianz France, AXA France, BNP Paribas Cardif, CNP Assurances and Crédit Agricole Assurances, has resulted in €1.2 billion being committed to investment funds that support the growth and international development of SMEs

Paris, 12 February 2019 – With the France Investissement Assureurs (FIA) partnership, formed on the initiative of Bpifrance in 2012 and extended for another four-year period in 2015, the five partner insurers - Allianz France, AXA France, BNP Paribas Cardif, CNP Assurances and Crédit Agricole Assurances - are committed to financing independent SMEs by investing alongside Bpifrance in investment funds with a three-pronged objective: to support unlisted innovative companies, promote their growth and facilitate their international development.

In the first four years of the partnership (2012-2015), the insurers agreed to invest between €620 million and €740 million in funds endorsed by France Investissement Assureurs. Within three years, instead of the four years initially projected, they had already committed €690 million to 36 funds.

They renewed their commitment to invest considerable amounts in these funds between 2015 and 2018 and again exceeded the target, **going beyond the €1 billion four-year objective by committing €1.2 billion to 63 selected investment funds.**

Alongside the financing provided by Bpifrance, which invested €2.7 billion based on the same investment theses, a total of **€4 billion** was therefore raised **for growth SMEs**. The France Investissement Assureurs partnership accounted for 18% of the total amounts raised by these funds in 2015-2018¹, reflecting considerable leverage.

ICT and industry are the leading investment channels

Between 2015 and 2017, a total of 847 companies received support from FIA-endorsed funds in ICT (39%), industry (23%), services (20%), life sciences (9%) and the clean tech industry (4%)². Ultimately, some 3,000 companies are expected to be backed by FIA funds.

Strong increase in early-stage financing

The amounts committed through the FIA partnership in venture capital funds (including seed investment funds) made up 47% of the total in 2015-2018 compared with 24% over the previous period. This is evidence of the partners' increasing commitment to early-stage private equity ventures, which have been less of a focus for them until now.

¹ In addition to the €4 billion invested by the FIA partners, €18.3 billion has been ploughed into the funds by private investors. With the help of the FIA partnership, this represents a grand total of €22 billion to finance SMEs.

² Total investment across a variety of sectors



Nicolas Dufourcq, Chief Executive Officer of Bpifrance: *“Once again, the partner insurers have played a key role in financing private equity funds, particularly in early-stage investment. Thanks to significant leverage, a total of €22 billion has been channelled into unlisted French SMEs to finance their growth.”*

Matthias Seewald, Chief Investment Officer and member of the Executive Committee at Allianz France: *“Allianz France has been investing in private equity for 20 years with a similar investment philosophy to the ‘France Investissement Assureurs’ programme. FIA is an ideal solution for Allianz as it brings together several French institutions to provide a coordinated and ambitious response to the financing needs of an entire ecosystem of innovative SMEs. Through their capacity to innovate, these companies will develop solutions to address key issues relating to the energy transition and digitisation of the economy. As an insurer and an investor, Allianz France is keenly aware of the importance of these issues.”*

Pascal Christory, Chief Investment Officer at AXA France: *“The France Investissement Assureurs partnership is an ideal vehicle for us to play an active role in the real economy by supporting the local and international development of French SMEs. This fits in perfectly with the commitment we have made to our customers: to deliver financial returns while having a truly positive impact on the French economic fabric”.*

Pierre de Villeneuve, Chairman of the Board of Directors of BNP Paribas Cardif: *“As an insurer, BNP Paribas Cardif plays a key role in financing the economy. We manage our customers’ savings with a long-term view and a two-fold conviction: to provide a financial return and have a positive impact on society. Our investments are intended to finance French companies of all shapes and sizes in a multitude of areas: from large companies to SMEs, mid-market companies and start-ups, as well as companies involved in the social and solidarity economy.”*

Antoine Lissowski, Chief Executive Officer of CNP Assurances: *“Our contribution to France Investissement Assureurs fits in with our ambition to support the real economy by helping innovative French SMEs grow and expand internationally. It is also completely in line with our long-term commitments to our customers. In this third investment campaign, we will be increasing our support for companies involved in the energy and environmental transition, an emerging investment area for private equity.”*

Jean-Jacques Duchamp, Deputy Chief Executive Officer of Crédit Agricole Assurances: *“The France Investissement Assureurs partnership fits in perfectly with our strategy for financing the real economy, in which we are a key player. The funds selected by FIA support issues that are particularly important for us as insurers. By investing over the long term, we enable our customers to secure attractive returns and we invest in the French economy on a broad scale to support the growth and development of unlisted SMEs.”*

The governance of France Investissement Assureurs coordinates implementation of the strategy determined by the partners. It monitors the investments made and ensures full transparency.

Press contacts:

Bpifrance

Allianz

AXA



Nathalie Police
(+33) 1 41 79 95 26
nathalie.police@bpifrance.fr

Anne-Sandrine Cimatti
(+33) 1 58 85 21 55 / (+33) 6 07 80 12
59
anne-sandrine.cimatti@allianz.fr

Julien Parot
(+33) 6 15 04 55 40
julien.parot@axa.com

BNP Paribas Cardif
Caroline Leroux
(+33) 1 41 42 65 61
caroline.leroux@bnpparibas.com

Crédit Agricole Assurances
Françoise Bololanik
(+33) 1 57 72 46 83
service.presse@ca-assurances.fr

CNP Assurances
Florence de Montmarin
(+33) 1 42 18 86 51
servicepresse@cnp.fr

France Investissement Assureurs

Characteristics of the target funds:

- Funds that invest in unlisted growth companies, mostly in France, as part of venture capital transactions, small growth capital deals, small buy-outs and turnaround investing/special-situation investing;
- Funds investing less than €25 million per portfolio company;
- Funds investing in equity capital, mezzanine debt (in the form of bonds entitling the holders to acquire shares) and debt securities;
- A very strong focus on funds that are in a subscription period (primary investments);
- A preference for funds such as FPCIs (professional private equity funds) or SLPs (similar to limited partnerships) and potentially also private equity funds governed by the tax regime applicable to venture capital funds, securitisation funds for investment in debt securities, or equivalent investment entities that are incorporated outside France but invest most of their assets in France;
- Funds of funds that invest in investment funds that satisfy the aforementioned criteria.

Characteristics of the management teams for the target funds:

- Independent teams that have attained the highest level of professional practice and are capable of delivering financial returns;
- Reasonable management fees and carried interest rates in view of the resources implemented to follow the strategy defined for the related fund;
- Ability to take economic objectives into account and to act as a responsible investor to help companies make progress in environmental, social and governance issues;
- Very good levels of disclosure (with respect to financial results and economic performance);
- Bringing tangible added value to portfolio companies.