

France: EIB Group and BNP Paribas launch new securitisation operation to support French companies facing the consequences of the COVID-19 crisis



©Shutterstock

The EIB Group, made up of the European Investment Bank (EIB) and European Investment Fund (EIF), and BNP Paribas have announced the signature of a synthetic securitisation to support French small and medium-sized enterprises (SMEs) and mid-caps hit by the consequences of an unprecedented pandemic crisis.

The operation, supported by the [European Fund for Strategic Investments](#) (EFSI), consists of an EIB Group guarantee on an existing portfolio of loans to SMEs and mid-caps. This credit protection enables BNP Paribas to free up part of the regulatory capital allocated to this portfolio and to deploy €515 million of new loans to SMEs and mid-caps in France over the next two years.

The financing operations may take the form of bank loans or leasing

transactions. The beneficiaries of this financing will have access to favourable financial terms via an onlending deal granted by the EIB.

This operation falls under the European Fund for Strategic Investments (EFSI), the central pillar of the Investment Plan for Europe. It will make it possible to strengthen support for SMEs and mid-caps hit by the consequences of the COVID-19 health crisis by meeting their cash flow and investment recovery needs. As a European operator recognised for its expertise in synthetic securitisations, the EIF was in charge of structuring the operation on behalf of the EIB.

"I am delighted to announce this new securitisation transaction with BNP Paribas," said EIB Vice-President **Ambroise Fayolle**. *"In the face of the economic consequences of the pandemic crisis, it is our responsibility to strengthen support for weakened companies with a solution tailored to their most pressing financing requirements. By doing so, we will help safeguard economic activity and promote investment recovery."*

EIF Chief Executive **Alain Godard** added: *"The EIF is pleased to work with BNP Paribas and the EIB to provide additional financing access to SMEs and mid-caps. Combining the EIF's investment structuring expertise with efficient EFSI fund deployment by the EIB offers a competitive financing solution for BNP Paribas that will serve to boost the supply of finance in the real economy. In these difficult times, it is important for us to work with trusted partners to provide vital support to French businesses."*

European Commissioner for the Economy **Paolo Gentiloni**, said: *"This agreement between the EIB Group and BNP Paribas in France, supported by the Investment Plan for Europe, is good news for SMEs and mid-caps hit hard by the coronavirus crisis. By enabling new loans to be unlocked on favourable terms for companies, this agreement is a clear signal of our steadfast support for businesses in these difficult times."*

"With this operation, we are happy to be able to commit to providing €515 million in new financing with reduced rates to SMEs and mid-caps over the next two years. This enables us to continue offering concrete and effective solutions to help companies to cope with the health crisis. As we have since the beginning of the pandemic, we will tirelessly maintain our role of supporting and advising our clients as well as all our financing and investment efforts to serve the economy," said Head of French Retail Banking and Member of the Executive Board of BNP Paribas **Marguerite Bérard**.

This is the third securitisation transaction between the EIB Group and BNP Paribas since 2015.

[About BNP Paribas](#)

BNP Paribas is a top-ranking bank in Europe with an international profile. It operates in 71 countries and has almost 199 000 employees, including more than 151 000 in Europe. The Group ranks highly in its three core areas of activity: Domestic Markets and International Financial Services (whose retail banking networks and financial services are grouped together under Retail

Banking & Services) and Corporate & Institutional Banking, centred on corporate and institutional clients. The Group helps all of its clients (retail, associations, businesses, SMEs, large corporates and institutional) to implement their projects by providing them with services in financing, investment, savings and protection. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in the field of consumer lending in Europe. BNP Paribas is also rolling out its integrated retail banking model across the Mediterranean countries and in Turkey and Eastern Europe and has a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas enjoys leading positions in Europe, a strong presence in the Americas and has a solid and fast-growing network in the Asia/Pacific region.