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## PRESS RELEASE

### Government-backed loans: adjustments and update to repayment indicators

France has seen a massive roll-out of government-backed loans (GBLs) since end-March 2020: at 9 April, nearly €137bn had been disbursed to more than 675,000 businesses.

The programme was set up in record time and has proved highly adaptable to the conditions of the health crisis and to economic requirements. It has since evolved to aid professional and corporate customers dealing with cash flow problems due to the constraints of the health crisis: Seasonal GBLs are available in particular for cafés, hotels, restaurants, and tourism, sports and cultural organisations; principal repayments can be deferred for an additional year; GBLs extended until 30 June 2021.

**French banks have been in talks with the government authorities to take into consideration the health crisis and the resulting restrictions for certain sectors: subject to the adoption of the laws and regulations already announced by the government, French banks will be able to process GBL applications until 31 December 2021. They have also confirmed that GBLs can be taken out to cover operating liabilities.**

Recent indicators on GBL repayment intentions underscore that the loan has successfully adapted to the variety of post-health crisis scenarios. A very large number of businesses have held on to the cash stemming from their loans, including GBLs, serving as a buffer to launch a full-scale recovery. At 16 April 2021, out of more than 459,000 GBLs for which customers have indicated their selection (contract or clear intention):

- 53% have elected to delay principal repayment for one year;
- Around 14% will begin repaying the loan starting in 2021;
- 6% will begin repayment between 2022 and 2023;
- 11% will begin repayment between 2024 and 2025;
- 68% have opted for the longest possible loan term (2026 maturity).

**French banks have stood by their customers throughout the health crisis, rolling out massive solutions and individual support. They are ready, willing and able to find the right solutions for each of their customers.**

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