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PRESS RELEASE

**Participating loans to drive the recovery:
Banks are taking action to help their business customers bounce back**

On Thursday 4 March, Bruno Le Maire, Minister of the Economy, Finance and Recovery, and the French banks announced the details of a government-backed participating loan programme. These loans will serve as a means to revive investment for businesses with development projects that require a strengthened balance sheet.

Since the start of the crisis, French banks have been supporting the economy and helping their clients, particularly businesses, SMEs and mid-size companies. The introduction of these participating loans, put together by the government in cooperation with investors, underscores yet again the determination of French banks and their grassroots mobilisation efforts to revive the economy.

This morning, alongside Bruno Le Maire, they unveiled the terms and conditions for obtaining a participating loan under the programme. This loan programme will allow SMEs and mid-size companies to consolidate their balance sheets so they can access investment capacity and funding for their projects. Through this initiative, these businesses will be able to enjoy enhanced domestic growth, improve their future competitiveness, and participate in the recovery of the French economy as they forge ahead with their digital and ecological transformation.

This exceptional and interim capital mechanism, which is available to businesses at reasonable cost thanks primarily to a state guarantee (which will not apply to the 10% of participating loans carried on the banks' books), represents an alternative for businesses that do not have access to market debt instruments and do not wish to modify their governance structure. It will unlock a portion of the long-term savings accumulated by investors.

For Philippe Brassac, Chairman of the FBF: *"Since the beginning of the health crisis, the banking profession remains mobilised with the public authorities to support companies and help them create the conditions for their recovery. The purpose of this participating loan programme is to meet needs for which there are currently no suitable solutions. Given the direct impact that the crisis is having on businesses, affording them the ability to strengthen their balance sheets is crucial. The banking profession wishes to commend the stakeholders who are co-creating a programme under the authority of the State that is based on the principle of shared efforts. This collective action will help make the recovery a success."*

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