



**MINISTÈRE
DE L'ÉCONOMIE
ET DES FINANCES**

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PRESS RELEASE

Bruno Le Maire, Bpifrance and the French Banking Federation (FBF) announce the launch of government-backed loans starting Wednesday

In accordance with the announcement by the President of the Republic on 16 March, all professional networks of banks belonging to the French Banking Federation will launch, in collaboration with Bpifrance, an unprecedented mechanism enabling the French State to guarantee €300 billion in loans. Said loans will serve to meet the cash flow requirements of businesses and professionals impacted by the consequences of the current health crisis.

A massive, unprecedented support mechanism implemented in one week's time

This morning French Minister for the Economy and Finance Bruno Le Maire unveiled the new "government-backed loan" aimed at helping French companies overcome the major disruption of their business caused by the coronavirus epidemic. Under this mechanism, the French State will be able to guarantee up to €300 billion in loans, i.e. nearly 15% of the country's gross domestic product.

The new government-backed loan is just one of multiple concrete measures taken to support the French economy, as directed by the President of the Republic and upheld by the unanimous passage of the amended Finance Act for 2020. It is the first of its kind in Europe to be approved by the European Commission under the framework adopted on 19 March.

The mechanism could not have been launched so quickly without the banking networks rallying all their efforts in such record time, fully committed to getting these government-backed loans out to businesses, or without Bpifrance which developed the platform needed to manage such a massive undertaking in just 72 hours.

A clear, straightforward mechanism open to all business sectors

Businesses of any size and legal form (e.g. companies, merchants, craftsmen, farmers, self-employed professionals, micro-entrepreneurs, non-profits and foundations exercising an economic activity) – with the exception of non-trading real estate companies (*sociétés civiles immobilières*), credit institutions and financing companies – have until 31 December to ask their regular bank for a government-backed loan to shore up their cash flow.

The loan may cover up to three months of 2019 revenue, or two years of payroll for innovative companies or companies founded since 1 January 2019. Payment is deferred the first year; the company may choose to amortise the loan over a maximum period of five years.

French banks have undertaken to review all applications received and to issue a prompt decision. They have undertaken to massively distribute government-backed loans, at cost, in order to immediately meet the cash-flow requirements of businesses and professionals alike.

Bruno Le Maire, French Minister for the Economy and Finance, stated: *“The government-backed loan will allow all French businesses to meet their cash-flow needs in the challenging circumstances of the next few months. By supplying €300 billion in government guarantees, the French State is implementing a massive and unprecedented instrument designed to protect French businesses during the economic downturn.”*

Nicolas Dufourcq, Executive Director of Bpifrance, stated: *“Bpifrance is helping to bridge the cash gap facing so many French businesses, by providing the infrastructure for the State guarantee on bank loans to the French economy, and by granting collateral-free loans to the country’s VSEs, SMEs and ISEs.”*

Frédéric Oudéa, President of the French Banking Federation, stated: *“In the crisis gripping our country, the French economy has the full commitment of our banking networks and employees. We are stepping up to support all our customers spanning all regions. By combining State resources with our own, we will be able to convey the right solutions to businesses struggling during this unprecedented crisis. French banks are and will remain by their side!”*

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