

Press release – 23 April 2020

The Paris Financial Centre fully committed to support businesses and individuals in the face of the COVID-19 outbreak.

Paris - Powerful public action and strong engagement of all the sectors of the Financial Centre provide comprehensive support for businesses and individuals.

In addition to the many actions of solidarity developed by the players of the Paris Financial Centre, at the level of their employees (mutual aid platforms, internal and external actions of solidarity, etc.), a powerful mechanism has been implemented by the French public authorities and strong initiatives have been launched by banks, insurance companies, asset management companies and private equity players in their respective sectors.

The French government has put in place exceptional economic measures to support businesses impacted by the outbreak, in particular¹:

- Delays in the payment of social and/or tax instalments;
- Remittance of direct taxes;
- Deferral of payment of rents and water, gas and electricity bills;
- Solidarity fund for SMEs, self-employed workers and micro-entrepreneurs;
- Loans guaranteed by the State;
- Rescheduling of bank loans;
- Partial unemployment scheme;
- Mediator of companies in case of conflict;
- Public procurement: late penalties will not be applied;
- Support plan for French exporting companies.

Bpifrance has also set up an unprecedented action plan including the following measures²:

- Bpifrance guarantee for cash loans issued by private banks;
- For investment loans, extension of traditional guarantees with no management fees;
- Suspension of calls on capital and interest for most of the funding granted by Bpifrance;
- Loans to support strained cash flow situations.

In addition, sectoral initiatives to support businesses have been put in place by industrial companies, trade bodies, banks, insurance companies, management companies and private equity players.

¹<https://www.economie.gouv.fr/covid19-soutien-entreprises>

²<https://www.bpifrance.fr/A-la-une/Actualites/Coronavirus-Bpifrance-active-des-mesures-exceptionnelles-de-soutien-auxentreprises-49113>

French banks have implemented:

- Accelerated credit appraisal procedures for strained cash flow situations;
- A deferral of loan repayments for companies;
- A removal of penalties and additional costs for postponement of maturities and credits;
- An unprecedented mechanism enabling the French State to guarantee €300 billion in loans. The amount of loans granted currently reaches €100 billion and applications amount to €3 billion per working day. A very low refusal rate (2.6%) is to be noted.

Investor representative bodies have called on their members to:

- Suspend the collection of rents and charges;
- Take automatic measures to support the cash flow of smaller tenants;
- Cancel three months' rent for SME tenants whose activity is interrupted;
- Initiate discussions with distressed tenants;
- Draw up a code of good conduct with merchants' federations.

For their part, insurance companies have committed to:

- Maintaining the contracts of distressed companies in case of late payment due to the epidemic, for the duration of the containment period;
- Offering inter-company credit covers under a new system benefiting from reinsurance by the State;
- Designing a new insurance system that will better protect companies against the economic consequences of a major event such as the COVID-19 epidemic;
- Doubling their participation in the solidarity fund set up by the French public authorities to help small businesses in difficulty, bringing their contribution to €400 billion;
- Implementing a €1.5 billion investment programme to support the economic recovery and in particular SMEs and mid-tier companies as well as the health sector. Up to €150 million will be dedicated to the tourism sector;
- Launching, together with the Caisse des Dépôts et Consignations, a fund to finance mid-tier companies and SMEs in equity and debt worth €2 billion .

About Paris EUROPLACE:

Paris EUROPLACE is the organisation in charge of developing and promoting the Paris financial centre. It brings together all financial services industry stakeholders and is the voice of its 400+ members, corporate issuers, investors, banks and financial intermediaries, professional associations, attorneys and accountants, consulting firms, etc. Paris EUROPLACE is chaired by Augustin de Romanet, Chairman and CEO, Aéroports de Paris (Groupe ADP).

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