



PRESS RELEASE

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EIB Group and BNP Paribas sign new securitisation transaction to support French small businesses and mid-caps

- **The EIB Group has signed a synthetic securitisation transaction with BNP Paribas for a total amount of €106 million.**
- **The EIB Group's support will enable BNP Paribas to partially release its regulatory capital, so facilitating an additional commitment of about €425 million in new financing for French small businesses and mid-caps. At least €85 million of these funds will be allocated to projects promoting the transition to climate neutrality.**

The EIB Group (European Investment Bank, EIB, and European Investment Fund, EIF) has signed its fourth synthetic securitisation transaction with BNP Paribas since 2017. Similar to the three previous transactions, its investment will support small and medium-sized companies while contributing to the transition to climate neutrality.

The EIF is providing protection on a mezzanine tranche of €106 million (which is in turn counter-guaranteed by the EIB) in the form of an unfunded guarantee. The structure, which features synthetic excess spread, a two-year revolving period and pro-rata amortisation of the senior tranche and the mezzanine tranche (subject to performance triggers), comprises a portfolio of small business, micro and corporate loans originated by BNP Paribas with a total outstanding balance of about €1.4 billion. As part of the transaction, BNP Paribas is transferring credit risk on a mezzanine tranche through the EIF guarantee. The securitised loans portfolio remains on the bank's balance sheet.

The securitisation transaction has been structured to achieve optimal risk-weighted asset relief over the next five years and, consequently, free up lending capacity to further support real economy financing.

Under the arrangement, BNP Paribas pledges to supply new lending of €425 million to French small businesses and mid-caps over a two-year period. At least 20% of this financing will be allocated to projects aligned with climate action and environmental sustainability, highlighting the commitment of BNP Paribas and the EIB Group to supporting the transition to a low-carbon economy.

Marguerite Bérard, Head of French Retail Banking of BNP Paribas and member of the Executive Committee, remarked: "We are thrilled to now be able to commit, for the fourth time with the EIB Group, to making €425 million in new financing available to small businesses and mid-caps at reduced rates over the next two years. This new financing will further contribute to our customers' efforts to accelerate their energy transition. This financing comes in addition to our many support schemes for corporate clients designed to accommodate the local economic reality, as closely as possible."

EIB Vice-President Ambroise Fayolle explained: "With their fourth joint securitisation transaction since 2017, the EIB and BNP Paribas are continuing their efforts to facilitate access to finance for small businesses and mid-caps. Financing these entities is an EIB and EU priority — one to be achieved by working with our banking partners to develop attractive credit solutions that help sustain business operations and support investment."

EIF Chief Executive Marjut Falkstedt added: "The EIF is pleased to be working with BNP Paribas to use our securitisation tools to provide additional resources to small businesses and mid-caps. BNP Paribas is

a long-standing and trusted partner for the EIF, enabling it to provide effective support to French companies in their search for financing for their investments.”

Background information

About the European Investment Bank

The EIB was created by the Treaty of Rome and founded in 1958. It is the long-term financing institution of the European Union, and its shareholders are the 27 EU Member States. The EIB's remit is to finance projects that contribute to the integration, balanced development and economic and social cohesion of the European Union. It borrows large volumes of funds on the capital markets and lends them on very favourable terms to support projects that help the European Union achieve its major objectives. As the EU climate bank, it aims to encourage the emergence and deployment of new technologies to meet ongoing challenges such as the energy transition to a new low-carbon growth model. In 2022, EIB investments in France for renewable energy, clean mobility and energy efficiency came to €5.9 billion, 70% of the total financing of €8.4 billion for the country.

About the European Investment Fund

The EIF is part of the EIB Group. Its main goal is to support microenterprises and small businesses by helping them to access finance and venture capital. The EIF also actively supports climate fund investments with a strong focus on environmental sustainability. Its activities foster EU objectives promoting innovation, research and development, entrepreneurship, growth and job creation.

About BNP Paribas

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 65 countries and has nearly 185,000 employees, including more than 145,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Turkey, and Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

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