BNP Paribas Investment Partners announces successful €500 million final close of newly launched European SME Debt Fund

On 30th September 2016 BNP Paribas Investment Partners completed the €500 million final close of the BNP Paribas European SME Debt Fund (‘the Fund’), attracting a range of top-tier European institutional investors. The Fund finances small and medium sized enterprises in Europe through a unique solution combining bank lending and fund financing.

Strong demand has resulted in the Fund reaching its target of €500 million at first close, offering institutional investors, including insurers and pension funds, access to an innovative way to diversify their credit exposure. Among the investors are AG2R La Mondiale, BNP Paribas Cardif, CNP Assurances, l’ERAFP, Federal Finance Gestion on behalf of Suravenir, La France Mutualiste, Groupama, MACIF, MAIF, Pensio B OFP and the BNP Paribas Group, as well as the European Investment Fund (‘EIF’), part of the European Investment Bank Group, which helps European SMEs to access financing.

The Fund offers SMEs an innovative financing solution that combines a medium term bank loan (of about 5 years), with a long-term loan provided by the fund (7-10 years). BNP Paribas Investment Partners is committed to financing European SMEs and the Fund is dedicated to achieving this through investment mainly in senior secured debt. The Fund’s loan origination will mostly be via privileged access to SME debt deal flow provided by the European banking network of the BNP Paribas Group. Capital is expected to be deployed across 100-150 SME and small mid-caps.

With a focus on long term financing, the Fund is complementary to traditional bank loans. It benefits from European Long Term Investment Fund (‘ELTIF’) status, aimed at providing long term financing to unlisted companies, SMEs and infrastructure projects.

David Bouchoucha, Head of Institutional and Laurent Gueunier, Head of Alternative Debt Management, at BNP Paribas Investment Partners comment:

“We are very pleased to have completed a successful fundraising, reaching our target level of €500 million at first close. This confirms the strong interest from investors in an asset class that offers a compelling investment opportunity. SME debt has a low default risk, a high recovery rate and enables investors to diversify their credit portfolios, while for insurers; it has the additional benefit of an attractive Solvency II Capital Requirement risk-return profile. This success is testament to BNPP Investment Partners’ long experience of private debt, having been present in the market since 2001 and playing a leading role in establishing market standards for private placements”.

Pier Luigi Gilibert, Chief Executive of European Investment Fund (EIF), said:

“The EIF has contributed to the conception and final closing of this €500 million BNP Paribas European SME Debt Fund. The Fund aims at channeling institutional investors' resources towards the financing of European enterprises with a focus on France, Belgium and Italy, and chimes with EIF’s mission and strategy, as well as the EREM mandate’s purpose, to enhance access to finance.”
BNP Paribas Investment Partners' fixed income expertise covers the full market spectrum, from money market to global bonds, including capabilities in sovereign, FX, investment grade & high yield credit, structured securities and alternative fixed income. With a team of more than 180 investment professionals based mainly in Paris, London and New York, BNPP IP manages fixed income assets exceeding €280 billion, as of 30 June 2016.

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About BNP Paribas Investment Partners

BNP Paribas Investment Partners is the BNP Paribas Group's asset management specialist. BNP Paribas Investment Partners offers the full range of asset management services to both institutional and private investors around the world. BNP Paribas Investment Partners has more than 3,000 employees in 35 countries, including more than 600 investment professionals, and manages assets totalling EUR 532 billion (source: BNP Paribas Investment Partners, as at 30 June 2016, assets under management and advisory). For more information, please see www.bnpparibas-ip.com.