



# Financial Instruments for SMEs Case study 1: La Réunion Region

**Emmanuelle Lacaille**, Banque Française  
Commerciale Océan Indien, France



 #ficompass



# i-RUN *by* BFC



A loan designed for local SMEs



**i-RUN *by* BFC**



#ficompass





# BFC OI

A subsidiary of two major international Banking Groups

- 97,000 customers
- 29 branches, 400 employees
- Third on Reunion's banking market
- Leader in Mayotte

Retail and Corporate Banking

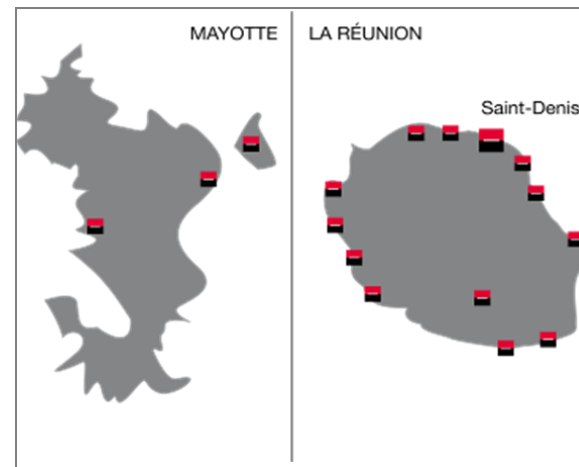
Our ambition

Innovation Quality

Proximity Simplicity



# fi compass ERDF



#ficompass



# A Common Diagnostic



## Partnership basis & Sales strategy



- Industry competitiveness, innovation and spirit of entrepreneurship are key for development and economic upswing
- Access to credit is slow and labourious
- Market is healthier than before the last crisis and Demand is ready to take off



- A regional bank involved in Reunion Island's everyday life
- Innovation as part of our Group values
- A business model built on synergies with local actors (in- and outside the bank)



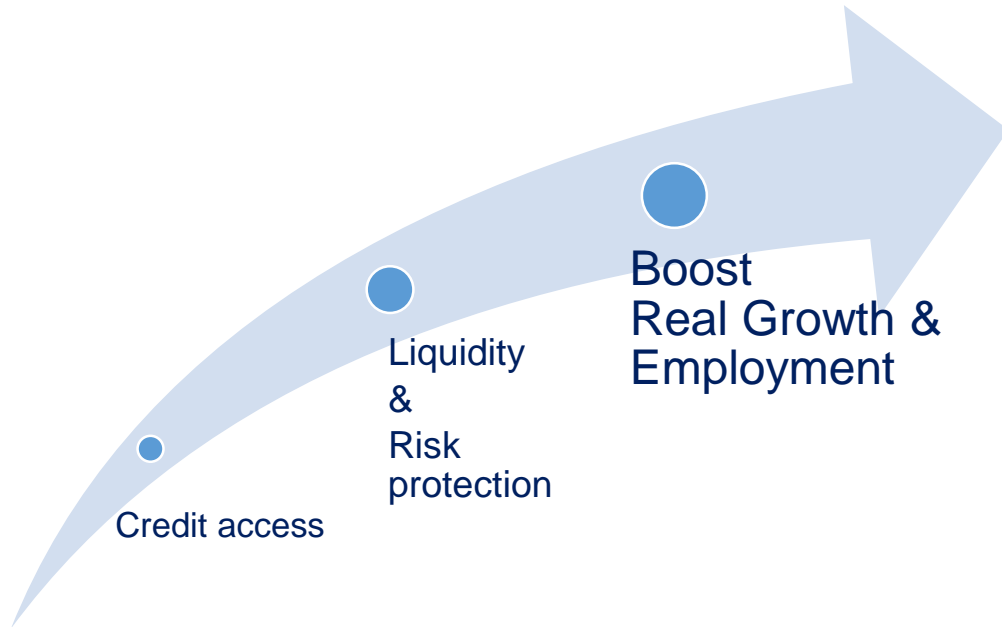
- Salesforces eager to become recognised as best practice in terms of customer relations
- An offer designed to be clear and simple
- An instrument made to provide seed capital and accelerate development



#ficompass



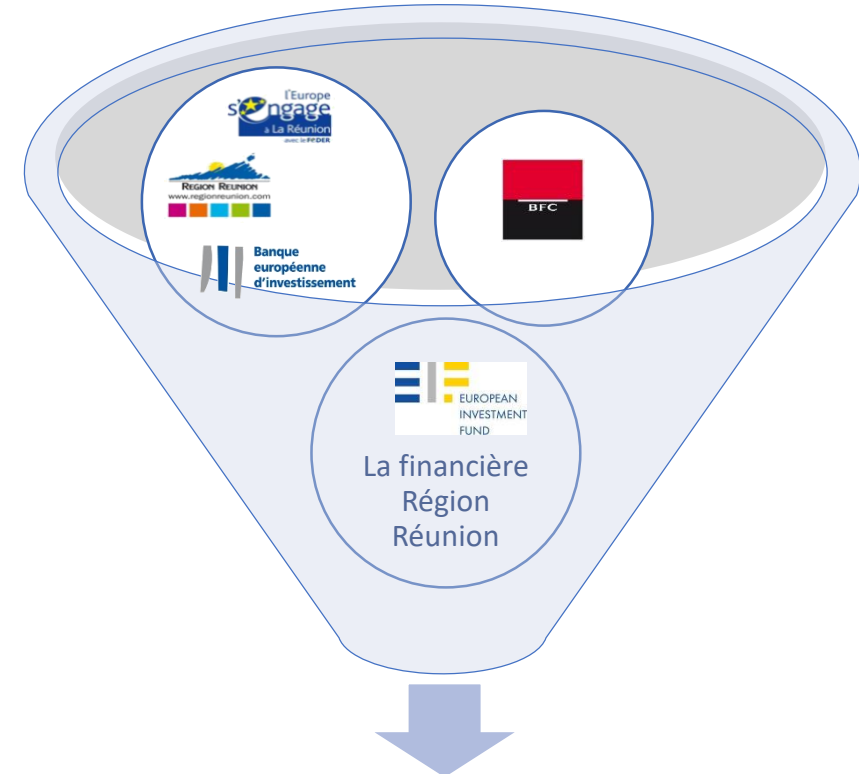
# PRSL lead by La Financière



 #ficompass



**fi**  **compass**  
ERDF



Support to 1,000 SMEs  
Lend 62 MEUR  
Triggering 100 MEUR of investment  
Within 4 years



# Co Financing & Risk Sharing



40% BFC OI - 60% Public resources



*i-RUN by BFC*



 #ficompass



# Make it clear and simple



Aim local SMEs created less than 7 years ago	<ul style="list-style-type: none"><li>• Consistent with our ambitions to develop the local economy and fulfil ESIF regulatory requirements</li></ul>
Loan from 5,000 € upwards	<ul style="list-style-type: none"><li>• A product offered in every branch to any eligible SME</li><li>• Small businesses are in scope</li></ul>
Fixed interest rate, same for everyone Discount on fees	<ul style="list-style-type: none"><li>• Highly competitive commercial conditions that make the difference with BFC's and competitors' standard pricing</li><li>• Two unique interest rates (short /medium term) for all projects</li></ul>
3 months of graceperiod	<ul style="list-style-type: none"><li>• Meet customers' expectations and add value to cover practical needs. Help building working capital and liquidity in order to launch project under better conditions</li></ul>
Bespoke guarantee scheme	<ul style="list-style-type: none"><li>• Simple and quick to implement</li><li>• No additional guarantee required for small projects</li></ul>

**Consistent**



**Convenient**



**Competitive**



**Pragmatic**



**Simple**



#ficompass



# The conditions:



**1.25%**

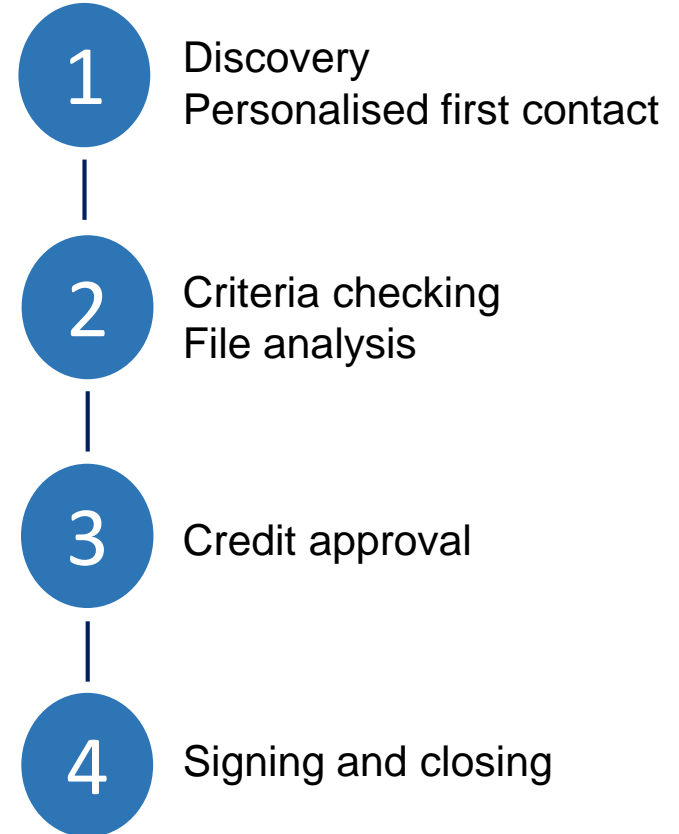


**1.50%**



- Per annum.
- Loan maturity 2- 5y
- 50% discount on fees
- 60% self-guaranteed

- Per annum.
- Loan maturity 5- 10y
- 50% discount on fees
- 60% self-guaranteed



#ficompass





# Serving LaReunion for 40 years



Seed  
Dynamism

i-RUN by BFC finances productive investment and working capital related to new projects.

It encourages business owners to enhance and integrate the value chain.

Sustainable  
Growth

Risk  
Management

Societal role  
Employment  
Innovation

i-RUN by BFC was designed to boost growth and mitigate fledgling project's weaknesses.



 #ficompass



# Our first results



“I am 28 years old, and I always wanted to run my own business”

“Thanks to this partnership, I hope young people like me, will dare to take risk, build their own future and make their dreams come true” \*



 #ficompass

\* « J'ai 28 ans, et j'ai toujours aspiré à gérer ma propre affaire. »  
« Grâce à cette collaboration, des jeunes comme moi, je l'espère, oseront se lancer et réaliseront leurs rêve d'autonomie »



