

London, 16 November 2017

PRESS RELEASE

BNP Paribas Asset Management enters into strategic alliance with European alternative SME credit specialist Caple

Through a strategic alliance and the acquisition of a 10% stake in Caple, BNP Paribas Asset Management ('BNPP AM') is providing an innovative platform to offer alternative credit to European small and medium-sized enterprises ('SMEs').

Caple facilitates access to alternative credit for SMEs, working with international institutional investors to address gaps in the funding landscape by offering finance that complements traditional bank loans. A proprietary technology platform supports an efficient end-to-end credit application, combining origination by local partner networks of accountancy and advisory firms with an initial credit assessment by Caple's experienced credit analysis teams. Caple's technology also ensures transparency and standardisation of loan terms and documentation. Financing typically takes the form of unsecured loans with a tenor of five to eight years.

While SMEs contribute significantly to economic growth and job creation, they remain under-served by the financial markets, often lacking access to suitable funding. However, increasing bank disintermediation and the growth of fintech solutions is causing an expansion of the alternative credit market and leading to a paradigm shift in SME lending. For borrowers, alternative lending models can offer more rapid access to funding, while for investors, SME loans can offer portfolio diversification and attractive risk-adjusted returns relative to traditional asset classes.

BNPP AM, through its incubation fund, has acquired a 10% stake in Caple. The partnership is part of the establishment of its SME Advanced Solutions platform, a recently-launched initiative within its Private Debt & Real Assets investment group, led by David Bouchoucha. The open architecture platform will source loans across multiple origination channels in Europe, including banks and fintechs, and distribute them to institutional investors such as pension funds and insurance companies. The platform is supported by solid bank infrastructure and selected partners, such as Caple, who will originate loans for BNPP AM through their own network of accountants and advisors across Europe. The platform will operate within a robust credit risk framework and focus on senior unsecured fixed rate loans of between EUR 0.5 million and EUR 5 million (or GBP equivalent). It will initially target SMEs in the UK, Germany and the Netherlands, before broadening out more widely within Europe.

Stéphane Blanchoz, Head of SME Advanced Solutions at BNP Paribas Asset Management comments:
"This alliance combines the needs of BNP Paribas Asset Management's investors with Caple's expertise as an originator of SME loans. The trend towards disintermediation and the growing need for SME funding creates opportunities for lending platforms, such as SME Advanced Solutions, that can offer alternative credit as a complementary source of finance alongside traditional bank lending. Meanwhile, as institutional investors look to diversify their portfolios and generate higher levels of return than are



BNP PARIBAS
ASSET MANAGEMENT

**The asset manager
for a changing
world**

available in public fixed income markets, they are increasingly attracted to the enhanced yields potentially available from SME lending.”

Dominic Buch, Managing Partner of Caple, comments:

“Caple’s experienced local market credit teams, partner networks and proprietary technology, together with BNP Paribas Asset Management’s credit expertise and institutional distribution capability is a compelling combination. This alliance allows us to effectively address the significant gaps in the European funding landscape by offering access to alternative credit to complement traditional lending models. We look forward to working with the SME Advanced Solutions Platform and our Partners in the accountancy and advisory industries to provide successful SMEs with access to fairly priced business loans at scale, across Europe.”

- ENDS -

PRESS CONTACTS

BNP Paribas Asset Management

Quentin Smith

+44 (0) 20 7063 7106

quentin.smith@bnpparibas.com

Caple

UK: Guy Corbet, Corbet Communications

+44 (0) 20 7731 3657

hello@corbet.co

Netherlands/Germany: Andreas Tober, Mediatic

+31 (0) 20 760 2670

info@mediatic.eu

About BNP Paribas Asset Management

BNP Paribas Asset Management is the investment management arm of BNP Paribas, one of the world’s major financial institutions. Managing and advising EUR 571 billion in assets as at 30 September 2017, BNP Paribas Asset Management offers a comprehensive range of active, passive and quantitative investment solutions covering a broad spectrum of asset classes and regions. With more than 700 investment professionals and around 600 client servicing specialists, BNP Paribas Asset Management serves individual, corporate and institutional investors in 73 countries around the world. Since 2002, BNP Paribas Asset Management has been a major player in sustainable and responsible investing.

For more information, please visit bnpparibas-am.com.

About Caple

Caple has opened direct financing from the world’s largest institutional investors to European SMEs. A proprietary technology platform supports an efficient end to end credit process combining origination by local partner networks of accountancy and advisory firms with assessment by experienced country credit teams. Caple’s technology also ensures transparency and standardisation, allowing institutions to create and invest in portfolios of SME credit. The company has offices in London, Amsterdam and Frankfurt, and plans to expand into additional European countries where an SME funding gap presents an attractive opportunity for institutional investors. For more information, please visit caple.eu.



BNP PARIBAS
ASSET MANAGEMENT

**The asset manager
for a changing
world**