
Commission approves €290 million Belgian support to Brussels Airlines

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The European Commission has approved a €290 million Belgian aid measure to support SN Group, which is composed of SN Airholding and its sole subsidiary Brussels Airlines, in the context of the coronavirus outbreak. The aid measure consists of a €287 million loan and an equity injection of around €3 million. The aid measure was approved under the State aid [Temporary Framework](#).

Executive Vice-President Margrethe Vestager, in charge of competition policy, said: “Brussels Airlines plays an important role in terms of jobs and connectivity in Belgium. The airline has been suffering substantial losses as a result of the travel restrictions that Belgium and other governments had to impose to limit the spread of the virus. With this €290 million support package, which mostly takes the form of a loan with subsidised interest rates, but also includes a minor equity injection, Belgium will provide SN Group, to which Brussels Airlines belongs, with the liquidity that it urgently needs to withstand the impact of the current crisis. At the same time, Belgium will be sufficiently remunerated for the risk taxpayers assume, and the support will come with strings attached to limit distortions of competition.”

Brussels Airlines is a major network airline with its main hub at Brussels International Airport. Together with its parent company SN Airholding, Brussels Airlines belongs to SN Group, which in turn is fully owned by Deutsche Lufthansa AG (DLH). Since the start of the coronavirus outbreak, Brussels Airlines, and more generally SN Group, have suffered a significant reduction of their services, resulting in high operating losses and a significant liquidity shortage.

Belgium notified to the Commission under the [Temporary Framework](#) a €290 million aid package in favour of SN Group, comprising:

- a 6-year loan of up to €287.1 million with subsidised interest, not convertible into equity, that may be drawn down in disbursements of minimum €30 million upon request; and
- a recapitalisation of €2.9 million in the form of “profit sharing certificates” (“parts bénéficiaires” / “winstaandelen”), a hybrid instrument that qualifies as equity under Belgian accounting rules.

The measure is part of a larger support package granted by Germany to the entire Lufthansa Group, to which SN Group belongs. As a result of the Belgian support measure, the overall aid previously granted to the Lufthansa Group will be proportionally reduced. Notably, the loan will proportionally reduce the State guaranteed loan granted to DLH as individual aid by Germany under the scheme approved by the Commission decision of 22 March 2020 ([SA.56714](#)). The amount of the recapitalisation will proportionally reduce the recapitalisation of DLH approved by the Commission decision of 25 June 2020 ([SA.57153](#)).