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SME support in the covid crisis

The role of Guarantee Institutions

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Foreword

As the coronavirus started to spread over Europe in early 2020 and most European governments closed down public life (shops, restaurants, cafés, transport, services, etc.) in an attempt to limit the spread of infections, **guarantee institutions all over Europe reacted in no time and set up extensive support measures for SMEs** that are strongly hampered in the pursuit of their business activities.

In normal times, guarantee institutions support small and medium-sized enterprises in **overcoming market failure** in the area of SME finance. In times of crisis, they are taking up a **counter-cyclical role** in addition and offer quick and unbureaucratic crisis support. Already during the financial crisis between 2008 and the early 2010s, guarantee institutions - supported by national governments and EU programmes - filled in where commercial banks were retreating from risk taking. This bold intervention made it possible to **mitigate negative consequences for the European economy**. But whereas the world financial crisis originated in the financial sector and had only second round effects on SMEs, small companies are in the covid crisis the first in line to suffer from the economic and social consequences of the health crisis.

We learned during the covid crisis, that SMEs are not only the backbone, but also the lungs of the European economy. They are (in some sectors more than in others) the most vulnerable part of the business structure and at the same time they are vital for a healthy recovery. **Guarantee institutions demonstrated throughout the year 2020 that they are an indispensable part of the policy mix in the fight against the economic and social consequences of the crisis**. This is not only due to the **resource-efficient and risk-mitigating nature of the guarantee instrument** but also thanks to the **longstanding intense relation with SMEs** and SME organisations.

Policies supporting the recovery of the European economy unquestionably need to have a strong focus on SMEs. In order to achieve this, guarantee institutions will continue to play an important role in accompanying small businesses on their way back to growth and prosperity.

Throughout 2020, **AECM** as an association played an active role in coordinating its members' activities and in organising an exchange of best practices. At the same time, it was in close dialogue with policy-makers on the EU level, with colleagues at the EIB Group and the OECD as well as with partners from SME and NPBI representatives. It contributed to the discussions on current and future support measures such

as support funds, regulatory relief and advisory services.

In the following, we would like to present you in more detail the measures that our members adopted in order to support the severely affected SMEs. We will first give you an overview of measures put in place throughout the guarantee sector. Secondly, we will present you the statistics behind these measures before turning to the member sheets outlining the measures of our individual members. The member sheets were first published one by one (one per working day with the exception of a short Christmas break) in the period from 30th November 2020 to February 2021. They will continue to be regularly updated.

We wish you a pleasant reading !

Your **AECM** team

Brussels, February 2021

The measures

Throughout the pandemic, guarantee institutions offered their support to small and medium-sized enterprises that were affected by lockdown and social distancing measures. This **support allowed to prevent an insolvency wave and thereby also a credit crunch**. It ensured and will continue to ensure relative continuity in SME lending.

In order to do so, **AECM** members adopted a vast range of measures with favourable conditions. In the case of most guarantee institutions, these measures were backed by the respective national or regional government or by European Union funds. The following list is non-exhaustive but gives a good overview of the adopted measures:

- **Increase of the guarantee capacity**
  Many guarantee institutions received additional funds or benefitted from an increase in the counter-guarantee from the national or regional government or from a European Union programme. This increase allowed them to issue more guarantees in favour of small and medium-sized enterprises.
- **Increase of the maximum and decrease of the minimum guarantee amounts**
  AECM members allowed for larger guarantees than in normal times and this in order to satisfy the higher need for collateral. Some members furthermore lowered the minimum guarantee amount to facilitate access to collateral for very small undertakings.
- **Increase of the coverage rate**
  A widespread measure among guarantee institutions was the increase of the proportion of a loan that can be covered by a guarantee. Before the outbreak of the pandemic the weighted average of coverage rates was 56% (in 2019). This percentage, however, is expected to increase significantly for 2020. Many guarantee institutions increased their coverage to a range of 75 to 90%. For small guarantees, some members increased the coverage even to 100% which was also made possible thanks to the fast adoption by the European Commission of the "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak". The increase of coverage rates coincides with a rise in counter-guarantees offered to guarantee institutions by their national or regional governments or by European Union programmes. Counter-guarantee coverage offered by COSME LGF and InnovFin

SMEG, for example, was increased from 50 to 80% in the frame of the introduction of dedicated covid windows.

- **Reduction or waiver of fees and interest**
  The adaptation of the fee structure is a common way of supporting troubled SMEs throughout the pandemic. While some members lower their regular or one-off (guarantee and/or processing) fees, others are waiving them completely. Furthermore, some guarantee institutions are capping the interest rates that can be charged by lenders for guaranteed loans or they are subsidising these. The aim of this measure is to make a guarantee more affordable and to reduce the burden of debt service.
- **Fast-track procedures with reduced documentation requirements**
  Especially in the beginning of the pandemic, the need of bridge financing for SMEs was acute. At the same time, the explosion of guarantee applications put strain on the resources of guarantee institutions. These reacted to this double challenge by accelerating the application procedure (for example by automatisation), by delegating the decision to on-lenders and by reducing documentation requirements. All of this of course while taking appropriate provisions to prevent fraud, moral hazard and an uncontrolled increase of risk. One important aspect that contributed to the acceleration of the procedures was that under the TF only the viability of the company at the end of December 2019 needed to be proven.
- **Relaxation of repayment schemes**
  AECM members are allowing extensions of repayment periods of guaranteed loans. Moreover, they are granting amortisation-free periods. This is to allow SMEs to breath in a time when they are temporarily cut off from a large part of their revenues.
- **Extension of the scope of the guarantees**
  Some members widened the scope of their guarantees to sectors and to further development stages of companies that were previously not covered. The aim of this measure is to give access to guarantees to the widest possible range of companies in need.
- **Reduction of collateral requirements**
  A number of guarantee institutions reduced the collateral requirements they were having themselves or capped those of lenders granting guaranteed loans. For example, they reduced the percentage of the guaranteed loan that has to be covered by a personal guarantee or they excluded the personal residence of the entrepreneur from a personal guarantee.
- **Equity and quasi-equity measures**
  As the first wave of support measures was rolled out, it became clear that debt measures needed to be supplemented in order to avoid the risk of over-indeptedness of SMEs. That is why quite some **AECM** members decided to

extend their range of products and to offer either guarantees for equity or quasi-equity participations or direct equity participations (often alongside private co-investors).

- **Offering advisory services**
  In times when many businesses are cut off their usual revenue, they do not only need bridge funding but also advice. That is the reason why **AECM** members started extensive information campaigns. They introduced hotlines, set-up FAQs and published dedicated information websites. Some proactively reached out to their customers to discuss the way forward and organised webinars to inform about possibilities of emergency financial support.

An abstract overview of which members offer which types of measures can be found in the annex of this publication.

If you are interested in the respective measures adopted by our individual members, please find the member sheets in the dedicated section.

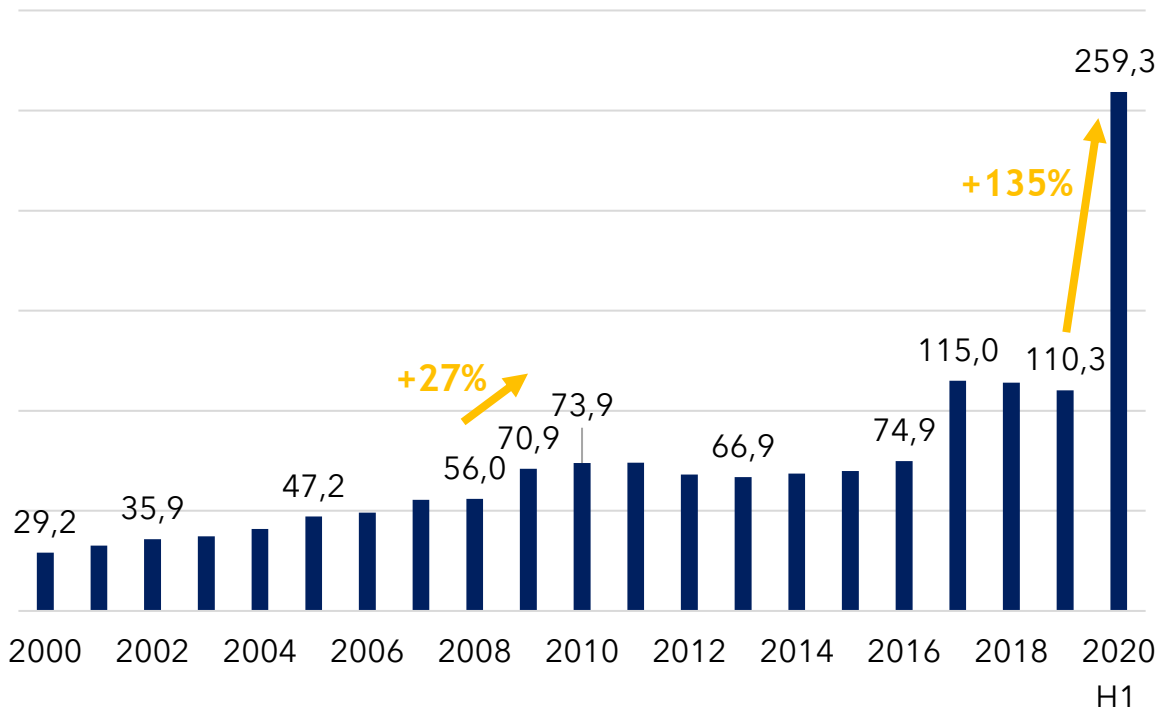
Not all members set up dedicated programmes to fight the crisis. Nonetheless, they continued to support small businesses within their regular programmes. This is for example the case of **MVA/HU, MPME/Luxembourg, FGCR/RO and FRC/RO**. **NGF/Bulgaria** does not have specific crisis programmes, but its holding company BDB has. Furthermore, **NGF** and also **EDC/France** support SMEs within their regular programmes and they agree to payment deferrals. Besides the above, **EDC** has extended guarantees for the suppliers of its clients. These extensions cover about mEUR 30 and will secure their business.

The statistics behind the story

The dynamics of developments in the European guarantee sector are impressively mirrored by the statistics that we collected for the first semester 2020. According to these, the **guarantee activities of AECM members experienced a dramatic increase and reached a level of more than bEUR 259** (see diagram below), the highest level of outstanding guarantee volume ever registered by the totality of **AECM** members. This represents an **increase of 135.2%** with respect to the previous semester.

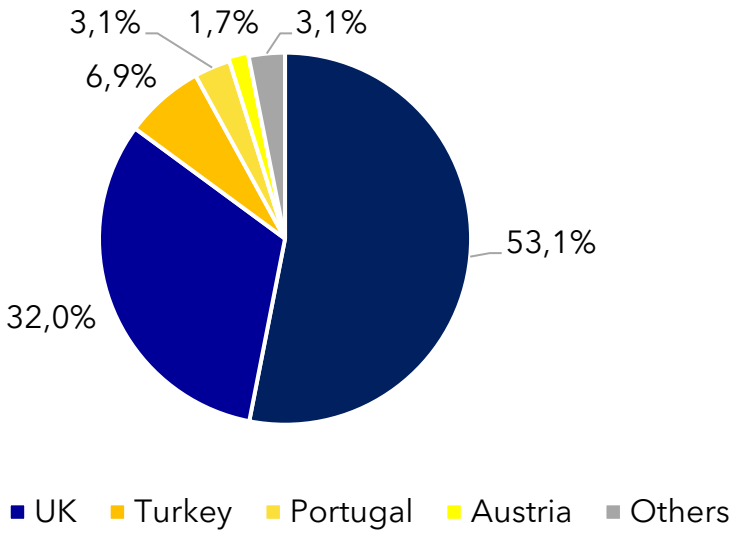
It is important to keep in mind, that these data depict the situation on 30th June 2020 and it seems reasonable to **expect a further increase for the rest of the year 2020** due to restrictions imposed in the frame of the second wave. Furthermore, it is important to mention that in the case of some members, measures that started during the first semester will be visible in the data only in the second semester.

Development of the outstanding guarantee volume in bEUR



The net increase of the outstanding guarantee volume during the first semester 2020 is geographically concentrated mainly in France and the United Kingdom. In both countries, our members **Bpifrance** and the **British Business Bank** are implementing extensive government programmes that allowed them to boost their production of new guarantees. This happened also in other countries leading to huge increases of the guarantee volumes of our members. The following diagram gives an overview of the distributions of increases.

Geographical distribution of the net increase of the outstanding guarantee volume of AECM members

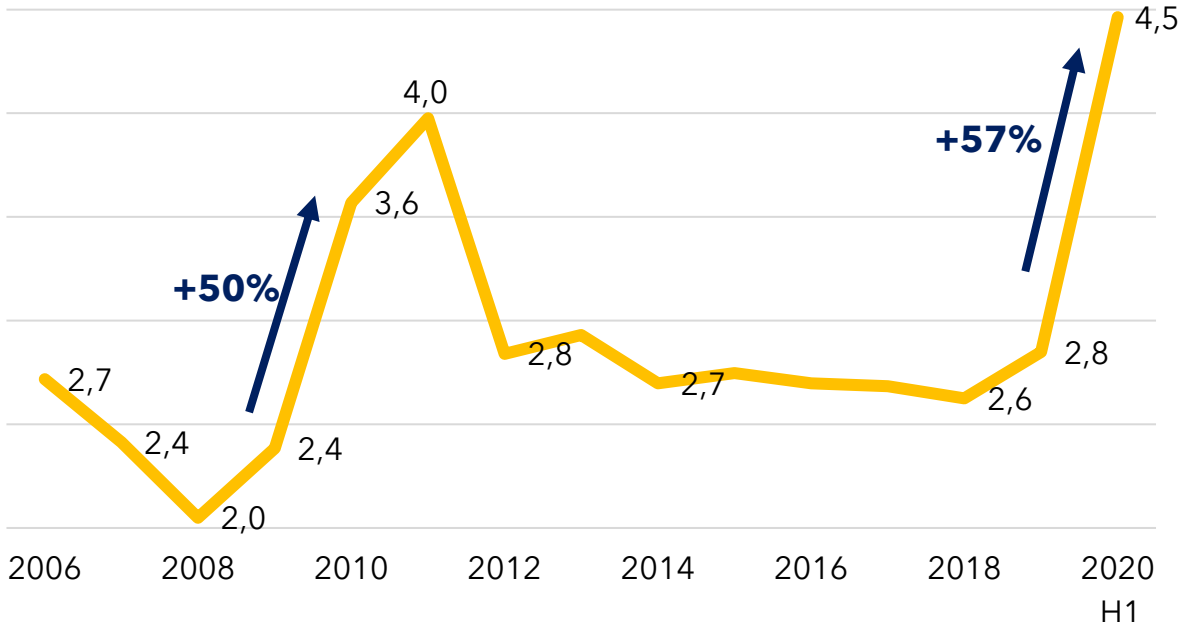


The **number of outstanding guarantees as well increased substantially by 56.5% and reached a level of more than 5.3 million**. The rise in the number, however, was much less important than the one in the volume, indicating a strong increase in the average guarantee size. This increased from kEUR 32.5 in 2019 to kEUR 48.7 at mid-2020. It is interesting to see that among members the trend is nonetheless not uniform. Some members experienced a strong increase in the average size of guarantees, indicating that the COVID-19 measures were more volume-driven, whereas some other members observed a strong decrease in the average guarantee size, indicating an amount-driven increase of their activity.

The **new guarantee production** (in volume) of all **AECM** members over the first semester 2020 was **10.8 times the new production in the previous semester and 7.5 times the one in H1 2019. It reached an unprecedented level of bEUR 171.6**. This corresponds to 66.2% of the outstanding guarantee volume. In normal times the share of new guarantees in the whole portfolio is around 20%.

The total **number of SMEs supported by guarantees from AECM members jumped up by 56.7% attaining the highest level ever reached, 4.5 million**. This increase is even stronger than the 50%-increase during the world financial crisis and emphasises the **strong anti-cyclical role** that guarantee institutions assume in times of crisis. Approximately **15% of EU and UK SMEs are under the auspices of AECM members**. This is a substantial increase up from 8.7% in 2019.

Development of the number of supported SMEs (in million units)



Over the previous semester, the **number of newly supported SMEs increased by 555.5% to 1.95 million**. More than 80% of these newly supported SMEs are located in the UK and France.

The more detailed **AECM** half-yearly statistical report can be found under this link.

The member sheets

Austria	**aws** **NÖBEG**
Azerbaijan	**Mortgage and Credit Guarantee Fund (MCGF)**
Belgium	**Fonds Bruxellois de Garantie** **PMV/z Waarborgen** **SOWALFIN**
Bosnia and Herzegovina	**Guarantee Fund of the Republic of Srpska**
Bulgaria	**MGFSME**
Czechia	**CMZRB**
Croatia	**HAMAG-BICRO**
Estonia	**KredEx**
Finland	**Finnvera**
France	**Bpifrance** **SIAGI** **SOCAMA**
Germany	**VDB**
Greece	**Hellenic Development Bank (HDB)** **TMEDE**
Hungary	**AVHGA** **Garantiqa**
Ireland	**Strategic Business Corporation Ireland (SBCI)**
Italy	**Assoconfidi** **ISMEA**
Kosovo	**Kovoso Credit Guarantee Fund (KCGF)**
Latvia	**ALTUM**
Lithuania	**Garfondas** **INVEGA**
Luxembourg	**MC**
Malta	**Malta Development Bank (MDB)**
Netherlands	**RVO**
Poland	**BGK**
Portugal	**BPF**
Romania	**FNGCIMM**
Russia	**FSECA**
Serbia	**Guarantee Fund of Vojvodina**
Slovenia	**Slovene Enterprise Fund (SEF)**
Spain	**CESGAR**
Turkey	**KGF** **TESKOMB**
United Kingdom	**British Business Bank (BBB)**

austria wirtschafts service aws

aws / Austria

Outstanding volume expected to reach **BEUR 5.4** at year-end 2020 (75% covid share)

17,400 supported SMEs in portfolio (H1 2020)

New production (in units) in H1 2020 is **28x** the one a year ago

When the covid crisis broke out and governments across Europe shut down public life in an attempt to contain the spread of the virus, **aws** – the national promotional institution of Austria – became one of the most important players in the fight against the economic consequences of the crisis.

aws' first measure was the introduction (on 12th March 2020) of the **"aws Überbrückungsgarantien" (bridge finance guarantees)** the aim of which it is to facilitate the financing of working capital (e.g. goods purchases, personnel costs) loans from companies under strain due to the covid crisis. Having started with guarantees under the de-minimis regulation, the guarantee scheme of **aws** currently uses the legal possibilities given by the EU Temporary Framework (TF). Three different guarantee products are available for companies: 100% guarantees for an amount of up to KEUR 500, 90% guarantees for higher amounts (both under the TF) and 80% guarantees under de-minimis. The interest rate for 100% guarantees is capped with 0% in the first two years and then with 75bps on the 3m-EURIBOR. There is no guarantee fee for the 100% and 80% guarantees and a fee of 0.25 to 1% for large loans of up to MEUR 27.7 according to the regulations of the TF. The guarantee period is minimum 6 months and maximum five years and there is no processing fee. An amount of BEUR 5.25 is available for these **bridge guarantees**.

More information on the **bridge finance guarantees** can be found under the following link (in German):
https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/

After a short starting period, **aws** introduced a fast-track procedure allowing to confirm a guarantee within 24 hours (and within 48 hours for guarantees over MEUR 20).

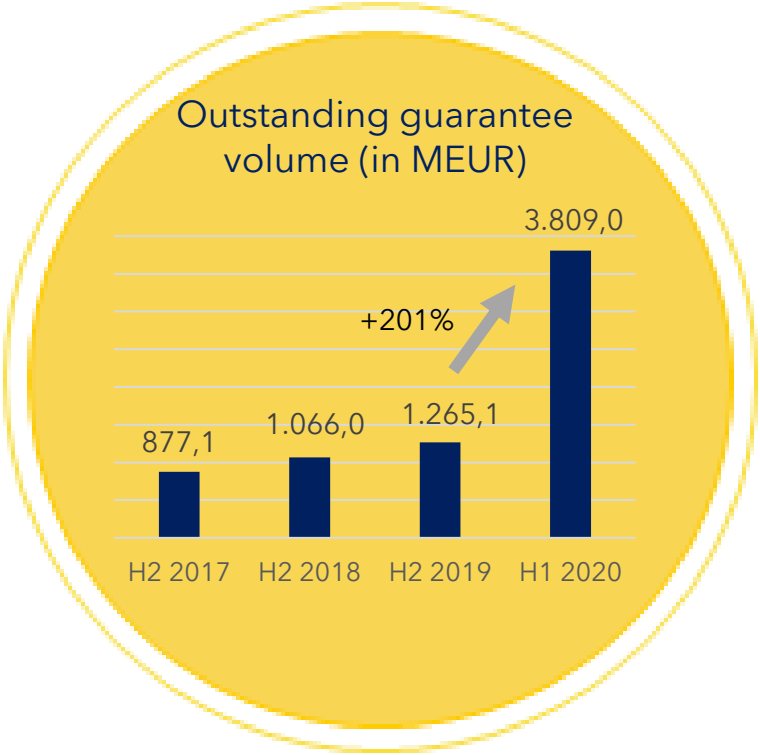
As a measure to boost the economy out of the crises, the Austrian federal government via **aws** starting from 1.9.2020 supports businesses of all sizes and sectors with the so-called **Investitionsprämie (investment premium)** as a grant of 7% of the …

… investment costs (14% for investment costs in the area of digitisation, ecologisation and health). In total, the programme has a budget of BEUR 2 (an increase to BEUR 3 is currently being prepared). More information is to be found under this link (in German): https://www.aws.at/corona-hilfen-des-bundes/aws-investitionspraemie/

On the equity side, **aws** launched the covid package for start-ups including a **covid-start-up aid fund** and the **venture capital fund**. With this **Covid start-up aid fund** (max. volume: MEUR 50), innovative start-ups receive a subsidy on private investments made since the outbreak of the COVID crisis. If a start-up enterprise receives fresh equity or quasi-equity deposits from investors of at least KEUR 10 and maximum KEUR 800, these funds will be doubled by a grant from the federal Austrian government. Under the planned **venture capital fund**, the **aws** capital guarantee of 50% (of the fund volume) is used to mobilise additional risk capital. It assumes a risk of up to MEUR 25 from the **venture capital fund**(s) invested in start-ups in order to better facilitate their delayed implementation of business models due to the crisis. More information on the equity products are available under the following link (in German): https://www.aws.at/covid-paket-fuer-start-ups

Furthermore, in the frame of the covid measures of the federal government of Austria, **aws** manages an **aid fund for non-profit organisations**, and a **Comeback grant** for film and television productions.

Last update: 23rd November 2020



NÖBEG / Austria

The **outstanding guarantee volume** reaches **mEUR 46.1 (+40.3%)** at mid-2020

548 SMEs (+13.7%) under the auspices of **NÖBEG** (H1 2020)

The **new production** in units in H1 2020 is **twice** the one in H1 2019

NÖBEG is the guarantee society for the Austrian federal state of Lower Austria. Lower Austria reacted to the crisis by making available a package of measures with a liability limit of mEUR 20 for rapid support for small and medium-sized enterprises in Lower Austria which have been negatively affected by the economic impact of the coronavirus. The target group are SMEs in the trade and tourism sector. In the frame of this measure, **NÖBEG** offers an 80% guarantee coverage so as to secure a new working capital loan of up to kEUR 500 to be granted by a credit institution with a term of up to 5 years. The processing fee and the current guarantee commission are taken over 100% by the State of Lower Austria / Lower Austrian Economic and Tourism Fund (NÖWTF).

Since November 2020, **NÖBEG** also issues 100% guarantees on investment loans between kEUR 10 and 250 to companies in the commercial and tourism sector. This programme was set up in the frame of the **NÖ Konjunkturprogramm** (economic stimulus package). The guarantee has a duration of up to 10 years and the bank interest rate is capped at the 3-months Euribor + 1%. The one-off processing fee is paid by NÖWTF and the liability commission for the company is 0.5%. This programme has a budget of mEUR 20.

Another measure is the **NÖ Nachrangkapital** (subordinated loan) which is granted to viable Lower Austrian companies suffering from the covid crisis. These loans cover amounts of up to kEUR 500 for SMEs and have a duration of up to 10 years (of which 5 are instalment-free). The processing fee is 0.5% and the interest rate is the 3-month Euribor + 3%.

The programme **NÖBEG Beteiligung Kompakt** offers silent participations of kEUR 100 to 500 with long durations and favourable conditions.

More information on measures by **NÖBEG** can be found under the following link: https://www.noebeg.at/leistung/noekonjunkturprogramm/

Latest update: 2nd February 2020

MCGF / Azerbaijan

The **Outstanding guarantee volume** reaches **mEUR 56** at end-2020

More than **235 supported SMEs** in portfolio (in 2020)

The **average guarantee size is kEUR 203** in 2020

In 2020, the **Azerbaijan Mortgage and Credit Guarantee Fund (MCGF)** made clear that good knowledge of local business landscape in line with entrepreneurs' needs is essential for building a robust partial credit guarantee mechanism.

According to the Central Bank of the Republic of Azerbaijan, the net decrease in the volume of loans issued to entrepreneurs in 2020 amounted to mAZN 396 (mEUR 191.26). However, in such a difficult situation with the coronavirus pandemic, the volume of loans guaranteed by the Fund increased by 3.1 times compared to the previous year and amounted to mAZN 161.6 (mEUR 78.05). Thus, the total amount of issued loans guaranteed by the Fund reached mAZN 231 (mEUR 112) and accrued subsidy to entrepreneurs for interest on loans reached mAZN 30 (mEUR 14.5).

The amount of loans allocated to the sectors affected by the COVID-19 pandemic exceeded mAZN 100 (mEUR 48.3).

55% of all loans guaranteed by the Fund were partially or fully unsecured by collateral.

In the projects, financed by loans under the Fund's guarantee, currently more than 21,000 people work and more than 3,000 new jobs were created, which helps to reduce unemployment and increases the social welfare of the population.

The state provides support within the framework of special programmes to minimise the impact of the coronavirus pandemic on the economy and to support entrepreneurship during this period. In particular, this mechanism aims to increase access to financial resources, preferential loans are provided to entrepreneurs.

Today, entrepreneurs may enjoy a fully electronic application platform that was designed to increase transparency and reduce processing time. The electronic system allows to fully automate the entire process, to obtain the required documents electronically from e-gov resources in real time and to check the workflow and status of application.

In order to meet expectations of the local market in 2020, **MCGF** amended its support programme in the following way:

- The Fund started to provide guarantees and interest subsidies for fully unsecured loans, in addition to secured and semi-secured loans.
- Guarantees for loans up to kAZN 100 (kEUR 48.7) granted on authorised banks' positive opinion without further underwriting in Fund.
- The list of necessary documents required for applications not exceeding kAZN 500 (kEUR 242) were reduced to a minimum;
- Introduction of a new mechanism for short-term guarantees (max. 6 months).
- The commission fees from authorised banks for guarantees have been reduced to a minimum.
- The maximum coverage rate was increased from 75 to 85%.
- Increase of the limit on guarantee payments to banks from 7% to 10%.
- The interest rate subsidy is set at 10% regardless of the loan term in order to further simplify the allocation of interest rate subsidies and to support export-oriented entrepreneurs.
- Review of applications for restructuring of business loans.

More information on measures by **MCGF** can be found under the following link: http://mcgf.gov.az/

Latest update: 25th January 2021

finance & invest .brussels
Fonds Bruxellois de Garantie
Brussels Waarborgfonds

Fonds Bruxellois de Garantie / Belgium

The **outstanding guarantee volume** reaches **mEUR 32.7** in Q3 2020

46 SMEs under the auspices of **Fonds Bruxellois** (Q3 2020)

The **Average guarantee size** is **kEUR 81** as of Q3 2020

The **Brussels Guarantee Fund (Fonds Bruxellois de Garantie/Brussels Waarborgfonds)** continues to support small and medium-sized companies in getting access to finance via public guarantees on bank loans. Dedicated covid guarantees, however, are granted at federal level.

Secondly, the Brussels government has launched the so-called **Proxi loan**. This loan aims to mobilise private savings for the financing of Brussels SMEs and thus ensure a short-term strengthening of their equity capital. In concrete terms, the Proxi loan should enable individuals to lend money to Brussels entrepreneurs while benefiting from tax advantages in the form of a tax credit and a guarantee. If necessary, they can also benefit, under certain conditions, from a one-off tax credit if, for example, the company financed goes bankrupt.

The loans are registered at the **Brussels Guarantee Fund** and have a duration of 5 to 8 years. The interest rate lies between 0.875% and 1.75% (legal rate in force for the fiscal year 2020). The loan is subordinated to both existing and future debt of the company and it can be repaid in a lump sum at the end of the duration or following a regular repayment schedule.

In addition, given the covid context the Fund has analysed around 100 applications for a moratorium for companies already benefiting from a Fund intervention.

More information on measures by the **Fonds Bruxellois de Garantie** can be found under the following link: http://www.fondsbruxelloisdegarantie.be/

Latest update: 4th January 2021

aecm

Brussels, January 2021

PMV/z Waarborgen / Belgium

Outstanding guarantee volume reaches **mEUR 772.4** at mid-2020

5,918 supported SMEs in portfolio (H1 2020)

The **average guarantee size** remains stable at **kEUR 106.1** in H1 2020

The Flemish promotional institutions **PMV** launched extensive measures to support SMEs in overcoming the economic consequences of the covid crisis. In order to do so, it has a total guarantee capacity of bEUR 3.4 that will be fully deployed. In addition to the ordinary guarantee scheme and the **corona crisis guarantee**, the guarantee capacity of **Gigarant** - for guarantees above mEUR 1.5 – was doubled to bEUR 3.

The existing 'generic' guarantee scheme, with an already marketed capacity of MEUR 350 was topped-up with a **corona crisis guarantee** of mEUR 100 (a further expansion of the guarantee capacity can be considered if necessary). These additional funds are supporting companies suffering from the economic consequences of the covid crisis in the form of financing for reconstitution of working capital for non-paid suppliers up to 12 months. Guarantees offer a 75% coverage and entail a guarantee premium that was halved from 0.5% to 0.25% p.a. The maximum guarantee amount is mEUR 1.5. Furthermore, it allows banks to extend existing guarantees and financing up to 5 years. In addition, the **coronavirus guarantee** provides the possibility to bring existing non-covered leasing contracts under this guarantee.

In the context of the temporary relaxation of European state aid rules, **Gigarant** was enabled to market an adapted COVID-19 guarantee, which provides more flexibility with regard to subordinated loans, the suspension of repayment and financial assistance to companies. The guarantee premium for the first year is reduced to 0.25% for an SME and to 0.50% for a large company. In exchange, **PMV** asks for an employment commitment.

Since May 2020, **PMV** started the implementation of a mEUR 250 **'corona' subordinated loan programme** with a three years duration and promotional characteristics (repayment and interest payment deferment). Since July 2020, Corona loans with a credit amount up to and including kEUR 150 benefit from a deferred interest rate of 3%, thanks to the EIF COSME guarantee.

… companies which shall mobilise bEUR 14 from bank deposits. To support this measure, the Flemish government implements a capital increase of mEUR 240 at **PMV**. In addition to institutional investors, private individuals will also be able to invest in the fund enjoying tax advantages. The intention is to set up a fund worth mEUR 500 that provides capital increases to companies under market conditions.

PMV furthermore implements the **commercial lease programme** that accommodates entrepreneurs who can no longer pay their commercial rent. A maximum of two rental periods is advanced as a loan with an interest rate of 2% if the landlord waives one or two months of rent. The repayment of capital and interest does not start until after 6 months and must be repaid 24 months after the loan has been granted.

PMV also suspends the reimbursement for 860 SMEs. Anyone who makes use of the Start-up Loan, Co-financing and Co-financing + granted from **PMV/z** does not have to repay that financing temporarily. The suspension is valid for six months.

Lastly, **PMV** provides proactive consulting to companies that have a loan from **PMV** or in which **PMV** has a capital participation. The **PMV** experts work with the management of these companies to determine the impact of the corona crisis on the company, which necessary and useful measures have been taken and which other decisions are necessary. The companies receive maximum assistance in any financing issues arising from the crisis and are informed about the available government measures. Companies in which **PMV** has a capital participation are monitored on a frequent basis. This follow-up is done by the board of directors of the portfolio company, in which **PMV** normally has a seat.

At the end of 2020, the Flemish government decided to extend the existing guarantee scheme for **PMV/z-Guarantees** in 3 ways: 1) possibility to guarantee a bridge loan to pay non-bank debts up to 12 months (normally 3 months). A budget of mEUR100 was made available for this extension. 2) extension of the guarantee period at a lowered fee in case of a deferral of repayment for more than 6 months for credits and leases already secured under the guarantee. 3) possibility for a 50% guarantee for existing leasing agreements that are not yet guaranteed.
The annual fee for these crisis guarantees is only 0.25% instead of 0.50%.

More information on **PMV** measures can be found under the following link: https://www.pmv.eu/nl/maatregelen-van-pmv-tegen-de-impact-van-het-coronavirus

Latest update: 21st January 2021

The share of covid measures in the **PMV** portfolio remains limited due to extensive measures on the

SOWALFIN
PARTENAIRE DES PME

SOWALFIN / Belgium

Outstanding guarantee volume increased by 18.3% to **mEUR 321.1** (in H1 2020)

3,739 SMEs under the auspices of **SOWALFIN** (H1 2020)

New Production in units increased by **39%** over the previous year

In order to help companies impacted by the coronavirus crisis, our Belgian member for the Walloon Region, **SOWALFIN**, dedicated a substantial portion of its mathematical reserve to **guarantee**:

- at 50%, with a maximum commitment of kEUR 500, the existing short-term lines of credit, granted initially by banks without SOWALFIN guarantee, in order to maintain these means at the disposal of the impacted companies.
- at 75%, the new short-term resources that would be granted to SMEs to help them get through this period of crisis.

SOWALFIN intervenes under two different guarantee schemes: on one hand, under *de minimis* Regulation (with a capacity of mEUR 60) and, on the other hand, under the temporary framework (with a capacity of mEUR 180), as part of global notified guarantee scheme with a total capacity of mEUR 350, which is also available for large companies and companies in « turnaround situations ».

SOWALFIN has adopted a fast-track procedure that allows to respond to a guarantee application within 6 working days.

Also, the instalment in principal and interest of all existing loans within the **SOWALFIN Group** as of March 31, 2020 (quarterly payments for all loans) has not been drawn. The principal amortisation schedule has been automatically deferred for an equivalent period, without any additional interest or charges to be borne by the company. This measure has further been proposed with respect to instalments in principal as of June 30, 2020 and December 31, 2020 to all SME active in sectors forced to close or to significantly reduce their business.

Another measure of the **SOWALFIN Group** is the so-called ***Ricochet* financing**. This product offers to micro and small companies a bank loan guaranteed by the **SOW-**

The second option of use, that can be combined with the guarantee, is a **direct subordinated loan** granted by the **SOWALFIN Group** of up to kEUR 15 which is maximum 50% of the accompanying bank loan, with an interest rate of 0% and an amortisation-free period of maximum 6 months.

The specificity of the product lies in its automatic nature: in practice, the decision to intervene as a guarantee and loan is delegated to **SOWALFIN**'s partner banks. If their analysis is positive, then the financing (guarantee + subordinated loan) is also automatically and instantaneously granted, making the funds lent by **SOWALFIN** available in just a few days on the company's business account.

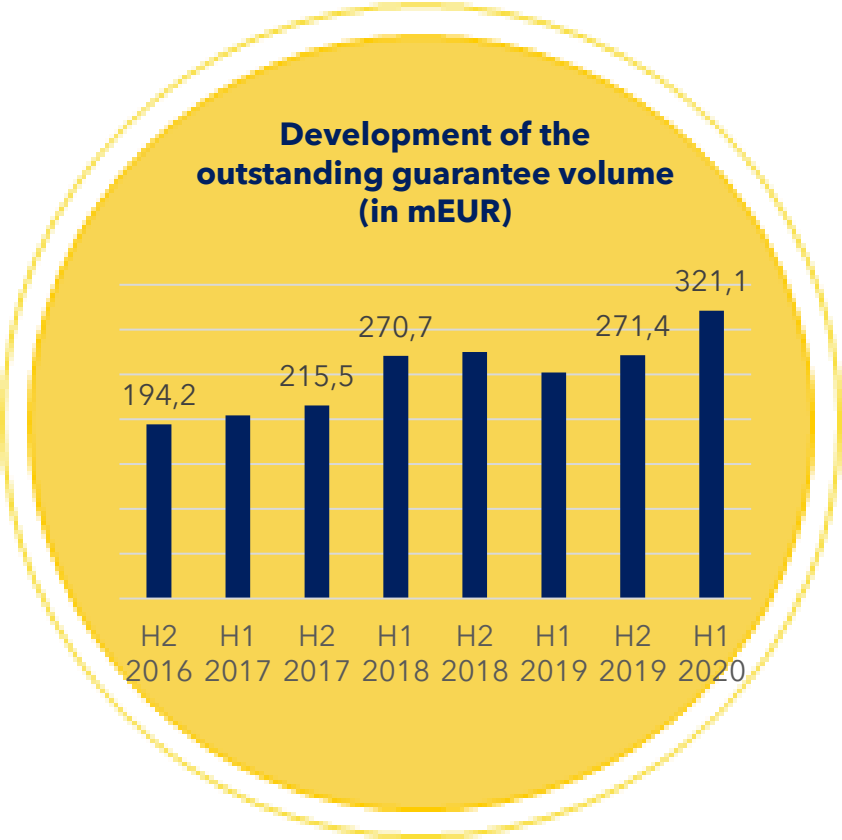
On top of the above, the **SOWALFIN Group** also supports around 800 companies via counter-guarantees for an amount of close to mEUR 19.

Besides financial solutions, **SOWALFIN** furthermore offers the service "1890" (website and call number) to answer any questions from affected companies and to inform them precisely about what they could be entitled to in terms of aid/assistance based on their situation.

More information on **SOWALFIN** measures can be found under the following link: http://www.sowalfin.be/

Latest update: 4th January 2021

The **average guarantee size** is **kEUR 71.7** in H1 2020



ГАРАНТНИ ФОНД
Републике Српске

GF Srpska / Bosnia and Herzegovina

Total outstanding guarantee volume increased by **40.7%** over H1 2020 and reached a level of **mEUR 7.9**

42 supported SMEs (H1 2020)

New production (in EUR) H1 2020 is **3.3 times** the one in the previous semester

Just like many other guarantee schemes, also the **Guarantee Fund of the Republic of Srpska** (an institution that implements the Guarantee Program in the name and on behalf of the Government of the Republika Srpska) had operated changes in their legal framework in order to mitigate the negative effects of the COVID-19 crisis and help SMEs to overcome difficulties related to the pandemic.

Till the end of year 2020, a total number of 33 guarantees were issued in total amount of about mBAM 10.5 (mEUR 5.4), from the regular operations of the Fund.

Also, immediately after the outbreak of the crisis, the Ministry of Finance of the Republic of Srpska proposed a decision on the organization of the Guarantee Program. This program is managed and implemented by the **Guarantee Fund of the Republic of Srpska**, and the Fund is obliged to take all actions in order to preserve and exercise the rights and fulfil the obligations from the issued guarantees in accordance with the Guarantee Program. Republic of Srpska guarantees the obligations of the Fund, based on guarantees issued in accordance with the Guarantee Program.

The assets of the Guarantee Program managed by the Fund are completely separate from the assets of the Fund and may be used exclusively separately in accordance with the rules established by the Guarantee Program.

At the end of 2020. the Ministry of Finance proposed changes relate to increase of the repayment period of the aid from 4 to 7 years as well as the increase of the maximum amount as following:

- for micro enterprises from kBAM 30 (kEUR 15.3) to kBAM 50 (kEUR 25.6)
- for small enterprises to kBAM 200 (kEUR 102.3)
- for medium enterprises to kBAM 400 (kEUR 204.6).

The guarantee rate is 70% of each individual loan and is offered not only for working capital loans but also for technological improvement, in order to facilitate the continuation of business during the pandemic.

Further, following a direct dialogue between the **Guarantee Fund of the Republic of Srpska**, banks, microcredit organisations and potential future borrowers, where impediments related to better use of the **Guarantee programme** were identified, some other changes were implemented aiming at improving the use of the **Guarantee programme**.

The adopted changes allow for refinancing of the existing loans, under the following conditions:

- obligations under these loans are properly established
- the new loan from the Guarantee Programme provides more favourable conditions for the client
- the need for refinancing is caused by the pandemic.

The **Guarantee programme** is implemented through 9 banks and two microcredit organisations. In addition to micro, small and medium enterprises, the beneficiaries of the **Guarantee programme** can also be agricultural farms as well as independent entrepreneurs.

The advantages of this type of financing consists in lower interest rates at which banks approve loans, lower fees, the possibility of using the loan deferral period of up to 12 months, as well as longer loan repayment period to finance current operations compared to standard financing conditions. It is important to note that final beneficiaries do not bear the costs of the guarantee, meaning that the guarantee is free of charge. Loans secured by a guarantee have simpler approval procedures so that the required funds are obtained in a very short period of time.

So far, a total number of 94 guarantees have been approved from Guarantee program with a total amount of about mBAM 6.8 (mEUR 3.5).

More information on the **Guarantee Fund of the Republic of Srpska**'s measures can be found under the following link: https://garantnifondrs.org/

Latest update: 8th February 2021

MGFSME / Bulgaria

The **outstanding guarantee volume** reaches **mEUR 3** as of mid-December 2020

460 SMEs under the auspices of **MGFSME** (H1 2020)

The **Average guarantee size** remains at **kEUR 35.7** as of mid-December 2020

In order to limit the negative economic consequences of the covid pandemic, the **Sofia Municipal Guarantee Fund for small and medium enterprises (MGFSME)** has launched in May 2020 a new guarantee instrument in support of SMEs in Sofia.

The fund issues guarantees to banks on loans to self-employed persons, micro, small and medium-sized enterprises (SMEs), whose activities are affected by the pandemic.

The guarantee capacity of this instrument is mBGN 1 (= kEUR 511). The fund will provide up to 50% of the principal on each loan approved under this guarantee scheme, with a maximum guarantee volume of KBGN 15 per beneficiary.

The guarantee is valid for up to 24 months from the date of their issuance and no fees or commissions are charged.

In addition, the Municipality of Sofia set up an additional guarantee portfolio in the amount of kBGN 300 managed by a commercial bank licensed by the Bulgarian National Bank (BNB). A loan to one SME can be guaranteed both by the Sofia Municipal Guarantee Fund and by the financial intermediary in the amount of up to 80% of the principal.

More information on measures by the **MGFSME** can be found under the following link: https://ogf-sofia.com/en/

Latest update: 14th December 2020

HAMAG-BICRO / Croatia

The **outstanding guarantee volume** at mid-2020 is almost **mEUR 250**

1,702 supported SMEs (+8.0%) in portfolio (H1 2020)

The **average guarantee size** remains stable at **kEUR 146.6**

In response to COVID-19 crisis and with the aim to help SMEs to mitigate the negative effects of the corona outbreak, Croatian Agency for SMEs, Innovations and Investments **HAMAG-BICRO** has implemented a set of measures under the Temporary Framework for State aid measures (TF). The support under the TF provides aid in the form of:

(a) Guarantees to SMEs active in the maritime, transport, transport infrastructure, tourism and related sectors on new working capital loans, below the kEUR 800 threshold of section 3.1 of the TF
(b) Guarantees to SMEs active in the maritime, transport, transport infrastructure, tourism and related sectors on new working capital loans exceeding the threshold of kEUR 800 of section 3.2 of the TF
(c) Guarantee scheme on loans for undertakings active in the field of culture and creative industries, and
(d) Working capital loans with subsidised interest rates, below the kEUR 800 threshold of section 3.1 of the TF.

Under the **State programme for maritime, transport, transport infrastructure, tourism and related sectors**, **HAMAG-BICRO** provides aid to SMEs in the form of:

- guarantees on new working capital loans below the kEUR 800 with a repayment of 90% of the underlying loan and an interest rate of up to 2%. The guarantee covers a loan for a minimum of 1 year and maximum of 5 years. An application processing fee of 0.2% applies.
- guarantees on new working capital loans above the kEUR 800. The measure covers 90% of the underlying loan with an interest rate of up to 2% and a duration of the loan guarantee limited to a maximum of 6 years. The application processing fee is set as following: for the first year 0.25%, from the second to the third year 0.5% and from the fourth to the sixth year 1%.

Until the end of December 2020, **HAMAG-BICRO** issued a total number of 61 guarantees with a total value disbursed of mEUR 15.8.

Regarding the **Loan guarantee programme for entrepreneurs active in the field of culture and creative industries**, it provides guarantees on new working capital loans and has an estimated budget of mHRK 300 (mEUR 40). The maximum nominal value of underlying loans is kEUR 800 per beneficiary with a guarantee rate of 100% and an interest rate of up to 2%. The minimum duration is 1 year and the maximum duration of the guarantee is 5 years, including a grace period. The beneficiaries pay a one-off fee of 0.1 percent of the nominal loan amount.

Under this measure, **HAMAG-BICRO** issued a total number of 31 guarantees with a total value disbursed of mEUR 2.5.

Finally, the **COVID-19 working capital loan programme** provides working capital loans with a total amount of kHRK 380 (approximately kEUR 50) per beneficiary. The loans are granted at a reduced flat interest rate which equals 0.25% per annum, with a maturity limited to minimum 1 year and maximum 5 years.

Until the end of December 2020, **HAMAG-BICRO** issued a total number of 225 loans with a total value disbursed of mEUR 8.6.

More information on **HAMAG-BICRO** measures can be found under the following link: https://hamagbicro.hr/

Latest update: 28th January 2021

ČESKOMORAVSKÁ ZÁRUČNÍ A ROZVOJOVÁ BANKA, a.s.

CMZRB / Czechia

Expected outstanding volume BEUR 1.8 at year-end 2020 (2/3 COVID share)

10,765 supported SMEs in portfolio (H1 2020)

New Production in H1 2020 is **2.5x** the one in the previous semester

The Czech National Promotional Bank **CMZRB** set up a whole bunch of programmes to fight economic consequences of the COVID pandemic.

Already in early March 2020, **CMZRB** announced the loan programme **COVID I** that could cover up to 90% of eligible expenses related to working capital needs. It targeted SMEs and allowed for loan amounts of KEUR 20 to 600, funded from the state budget and ESI funds. The programme offered a 2-year maturity with a one year grace period and was set up under de minimis. It was prematurely closed after only 5 days of operation due to high demand. **CMZRB** received 3,200 applications for this instrument at an amount of MEUR 370. Finally, 165 applications at a total volume of MEUR 35 (total allocation of the program) were approved.

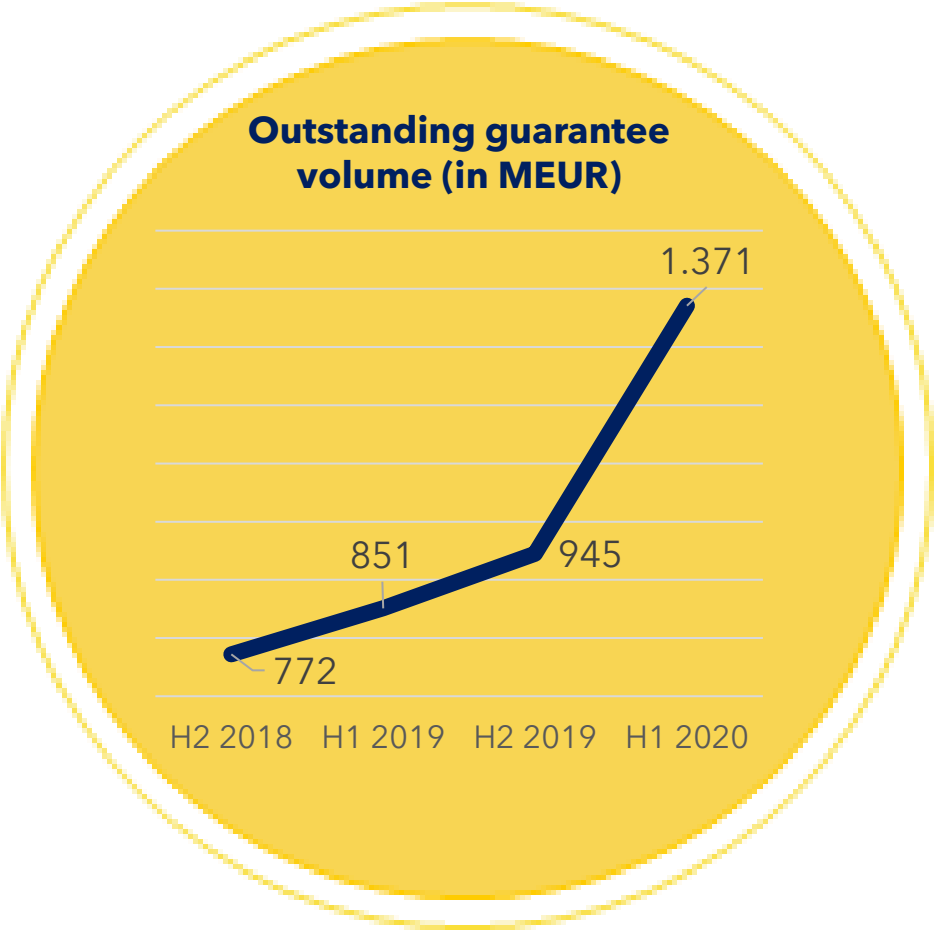
Then, on 20th March 2020, **CMZRB** launched the MEUR 555 guarantee programme **COVID II** which was a quasi-portfolio guarantee for working capital loans with a guarantee cap of 25% and a coverage of 80%. It was open to SMEs outside Prague for loans of up to KEUR 600. The guarantee was free of charge and the programme included an interest rate subsidy for the commercial loan of up to KEUR 40. The guarantee period was three years. The programme closed after having received 5,900 applications submitted during 2 working days in the amount of MEUR 700. Currently, more than 3,300 applications in the total amount of MEUR 552 of guaranteed loans were approved.

For Prague SMEs, **CMZRB** started on 20th April the guarantee programme **COVID PRAGUE** which like **COVID II** was a quasi-portfolio guarantee for working capital loans with the same characteristics as **COVID II**. Finally, more than 310 applicants received the support in the total amount MEUR 59 of guaranteed loans. The programme ended one day after its start due to high demand.

In the second half of May 2020, **CMZRB** put in place the programme **COVID III** serving primarily as a recovery measure based on the actual needs of the respective enterprise. The programme offers portfolio guarantees with a cap rate of 30% for working capital loans backed by the Czech government. The total allocation of BEUR 5.5 shall enable to guarantee the total volume of BEUR 18.5 guaranteed loans. The guarantee with a duration of up to three years can cover 80% of the loan principle of a small mid-cap and 90% in case of an SME. Whereas the lending bank is charged a fee based on the Temporary Framework, the guarantee is free of charge for the final beneficiary. The Czech government recently approved the support of investment projects as well as prolongation of the scheme until the end of June 2021.

More information on **CMZRB** measures can be found under the following link: https://www.cmzrb.cz/en/sme-assistance/

Latest update: 24th November 2020



KREDEX

KredEx / Estonia

Outstanding guarantee volume increases by 41.7% over H1 2020

828 supported SMEs (+12.2%) in portfolio (H1 2020)

The **new production** (in EUR) in H1 2020 is **2.4x** the one in H1 2019

Our member **KredEx**, the national promotional institution of Estonia, rolled out an extensive range of measures to support SMEs during the covid pandemic. In the following, we would like to give you an overview of these measures.

Extraordinary small loan guarantee: As the name already implicated, this scheme focuses on small companies. The maximum guarantee size is kEUR 150 and can be covered at a rate of up to 100%. The interest rate of the guaranteed loan is capped at the 6-month Euribor + 4%, with a maximum contract fee of EUR 150. The estimated ratio between interest-bearing liabilities and EBITDA for the approved annual report for the financial year 2018 or 2019 is lower than 10.

Extraordinary guarantee for businesses in the accommodation and catering sector, travel agencies and tour operators: These guarantees are designed to support enterprises of the gastronomic and travel sector that are particularly hit by the crisis. It has similar conditions as the **Extraordinary small loan guarantee** with the exception of the loan size that can be maximum kEUR 700.

The **extraordinary guarantee for existing bank loans** enables existing loans to have a longer than normal grace period (at least 6 months) and an extension of the maturity. It applies to loans of maximum mEUR 10 and caps the interest rate at the 6-month Euribor + 6% per year. The fee for amending the agreement may not be higher than 1% of the amount of the loan being guaranteed.

The **Extraordinary proportional loan guarantee for new bank loans** offers a coverage rate of up to 90% to loans of maximum mEUR 10. The interest rate of the loan being guaranteed may not be higher than the 6-month Euribor + 6% per year, and the fee for amending the agreement may not be higher than 1% of the amount of the loan being guaranteed. Up to 50% of the loan may be used to service existing loans. Refinancing loans with a loan guaranteed by **KredEx**, however, is generally not permitted.

Extraordinary proportional guarantee for projects of national importance: This instrument shall enable new financing for projects of national importance, to overcome temporary difficulties caused by the COVID-19 pandemic. Guarantees under this scheme have a minimum size of mEUR 10 per undertaking and cover up to 90% of the loan. The interest rate of the guaranteed loan shall not be higher than the 6-month EURIBOR + 5% per year and the contract fee shall not be higher than 1%. The minimum contract or contract amendment fee is 0.1%. The guarantee is valid for up to 72 months.

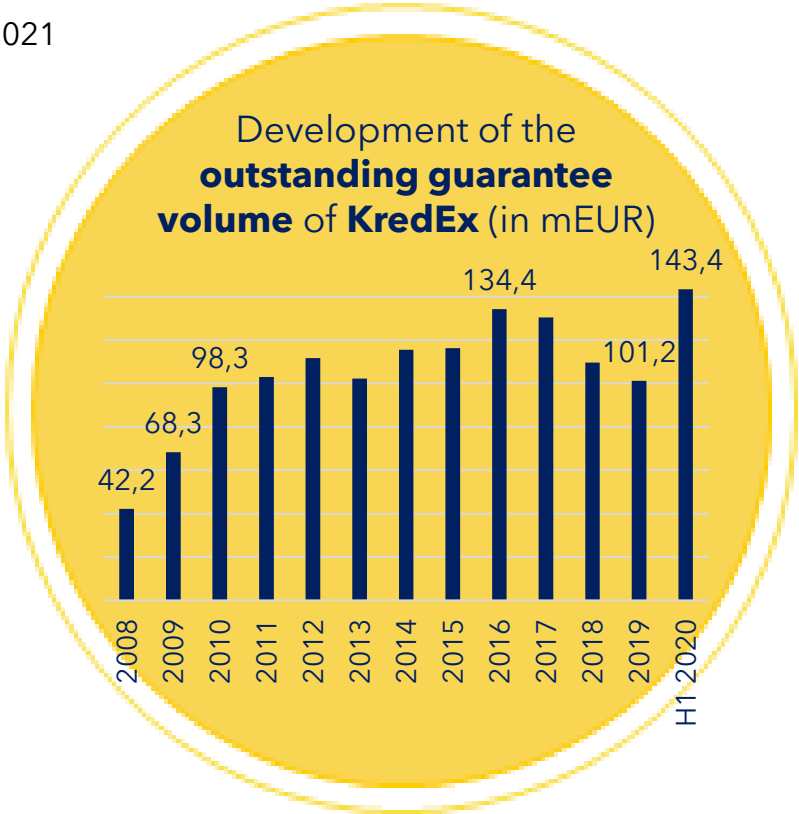
The application for the above-described guarantees is to be done through the financing bank. If the request remains without success, the company can still apply for a direct loan from **KredEx**.

The **Extraordinary working capital loan**, the **Extraordinary investment loan** and the **Extraordinary loan for projects of national importance** have favourable conditions such as low interest rates and a long grace period (not so for the latter).

KredEx crisis guarantee programmes are supported by the **EIF COSME COVID-19 guarantee**. For SMEs this means more favourable financing conditions and better access to funds.

More information on measures by **KredEx** can be found under the following link: https://www.kredex.ee/covid19/en/

Latest update: 20th January 2021



Tallinn / Brussels, January 2021

FINNVERA

Finnvera / Finland

Expected outstanding volume of **BEUR 2.2** at year-end 2020 (37% covid share)

25,913 SMEs under the auspices of **Finnvera** (H1 2020)

New Production in H1 2020 is **2.9x** the one in the previous semester

Finnvera has taken extensive measures to support the Finnish economy through the pandemic. They significantly increased SME corporate financing and are taking a flexible approach towards any reorganisation needs of companies that have the potential to operate profitably in the long run.

Financing support is mainly granted in form of **guarantees on working capital loans** from a commercial bank. However, if bank financing is not possible, a company can also under certain conditions apply for a **working capital loan** for financing needs caused by the corona situation directly from **Finnvera** (with possible instalment-free period of 12 months and favourable service fee).

The range of guarantee products include the following:

- The **Start Guarantee** is directed at companies which have been operating for a maximum of three years. This product allows for the support of both investment and working capital needs and **Finnvera**'s guarantee coverage can be up to 80%. The guarantee amount needs to be between KEUR 10 and 80. At least 25% of the guarantee need to be covered by collateral provided by the shareholders of the beneficiary.
- The **SME Guarantee** is directed at companies which have been in operation for more than three years. It can be used to cover a loan for investment, working capital or product development needs of maximum KEUR 120. This product does not require any collateral.
- The **Finnvera Guarantee** can also be used for the increased working capital needs due to the coronavirus in cases where **Finnvera**'s Start Guarantee or SME Guarantee is not suitable in the company's situation for example due to the amount of loan needed. **Finnvera** has taken into operation a fast and simplified procedure to deal with applications and to validate guarantees for a KEUR 150 to MEUR 1 corporate debt bond granted by a bank and in which **Finnvera**'s guarantee coverage has been raised to 80% and no collateral is required. The application for a **Finnvera Guarantee** can be done by the financier on behalf of the beneficiary company since September 2020.

- **Finnvera** can grant new short-term **export guarantees** for the marketable risk countries as a part of the measures due to the corona virus crisis until 27.12.2021. Private credit insurance companies are still the primary source of credit insurance for these countries, and **Finnvera**'s role is to complement the market. The coverage rate can be up to 90%.
- Financing for large corporates in the corona situation with a maximum guarantee rate of 80% and a maximum guarantee amount of MEUR 100. However, **Finnvera** cannot become the main financier.

A fee is charged for **Finnvera**'s guarantee which shall cover its share of future credit losses caused by guarantees. Guarantees up to MEUR 1 are mainly issued without collateral. The price is affected, for example, by the risk category based on the customer company's financial statements and credit period. **Finnvera** reduced and simplified the pricing of the guarantees used in financing working capital for the corona situation retroactively from the beginning of March 2020. The annual guarantee commission for the **Start Guarantee**, the **SME Guarantee** and the **Finnvera Guarantee** is a maximum of 1.75%. The service fee for the **Start and the SME Guarantee** is 0.1% of the amount of guarantee. For the fast track, the service fee remains unchanged at approximately EUR 400.

Finnvera grants the bank the permission to automatically grant a six months instalment-free period to the loans **Finnvera** has guaranteed. In other changes to the payment programme, the bank seeks consent from **Finnvera**. **Finnvera** does not increase the guarantee commission of the guarantee granted to a loan when the amount of guarantee is KEUR 300 or less.

More information on **Finnvera** measures can be found under the following link: https://www.finnvera.fi/eng/growth/current-news-for-smes

Latest update: 30th November 2020

Bpifrance / France

Outstanding guarantee volume reaches **BEUR 96.1** at mid-2020

746,500 supported SMEs in portfolio (H1 2020)

The **average guarantee size** increases from KEUR 42 **KEUR 104** in H1 2020

Bpifrance is the implementing body of the the French government's exceptional guarantee scheme **PGE** (Prêt garanti par l'Etat - Loan guaranteed by the State) which had an initial financial allocation of up to BEUR 300 to support bank loans for businesses of all sizes. This programme allows the financing bank to cover 90% of its loan. Since the beginning of May 2020, **PGE** is also used for direct **Bpifrance loans**.

At the onset of the crisis, **Bpifrance** staff called its clients in order to explain which possibilities there are to bridge revenue losses due to the covid pandemic. In parallel, they launched a communication campaign as well as a hotline and organised a series of webinars in order to inform enterprises about their products and solutions.

The procedures to apply for government support, check eligibility and process applications have generally been made as simple as possible to save time. This was a leading principle of **PGE**. In part because of the simplicity of the application process, the French government was able to provide support to around 420,000 companies within 2 months of its existence.

Bpifrance's crisis measures are the following:

- 2 unsecured loan programmes, **Prêt Rebond** and **Prêt Atout** for volumes from KEUR 10 to MEUR 5 for SMEs, and up to MEUR 30 for mid-caps, for durations of 3 to 5 years and with a significant installment free period.
- Adaption of the **Creative Industries Loan** for volumes from KEUR 50 to MEUR 2 to strengthen the financial structure of this sector's companies (fashion, luxury goods, culture, music, publishing, audiovisual, design…).
- The **Tourism Loan programme** was increased (in the context of the **Tourism Relaunch Plan**) from MEUR 100 to BEUR 1. MEUR 500 is invested by **Bpifrance** in form of equity and quasi-equity in companies of the sector and MEUR 500 is distributed in form of loans. It is intended for the tourism sector as a whole (hotel, catering, museum, entertainment facilities…) and it provides financing for amount from KEUR 50 to MEUR 2 (maximum amount was doubled in the frame of the covid response). Contracts under this programme can run up to 10 years and cover tangible and intangible assets and cash requirements or …

- … exceptional increases in working capital requirements due to the economic situation and the impact of the crisis.

Furthermore, **Bpifrance** helps to maintain cash in the companies by returning security deposits to its clients and by guaranteeing existing credit lines at the higher 90% rate. **Bpifrance** also suspended the payment of the installments of its loans granted as of 16th March 2020.

With regard to equity, **Bpifrance** strengthens the equity capital of French start-ups and SMEs with the launch of two vehicles: the **Fund for the reinforcement of SMEs** with a financial allocation of nearly MEUR 100 (which will be further increased in 2021), and the **French Tech Bridge**, a MEUR 160 programme for start-ups expected to raise funds in the coming months. This financing, which may range from KEUR 100 to MEUR 5 per beneficiary, takes the form of convertible bonds, with possible access to capital, and must be co-financed by private investors.

In the area of export support, **Bpifrance** set up the following four exceptional support measures:

- Strengthening of the export guarantee and pre-financing system; Bpifrance covers (in name of the State) up to 90% of export loans for the entire duration of the Covid-19 pandemic, compared with 80% previously. This concerns SMEs and mid-caps. For the other companies, the coverage goes up to 70%, compared to 50% previously.
- Enlargement of the short-term export credit reinsurance scheme
- The State will reinsure, via **Bpifrance Export Credit Agency**, private insurers to support the credit insurance market on short-term export receivables (less than 2 years), with two levels of coverage: in addition to the cover offered by private insurances, or to enable coverage to be maintained on customers who are more difficult to insure.

The operators of Team France Export (Business France and the Chambers of Commerce and Industry, **Bpifrance**), in conjunction with the regions and the network of foreign trade advisors, are launching a new free information offer available to all companies on the development of foreign markets, accessible on www.teamfrance-export.fr and www.businessfrance.fr

New production in H1 2020 is **36.7 times** the new production in H1 2019

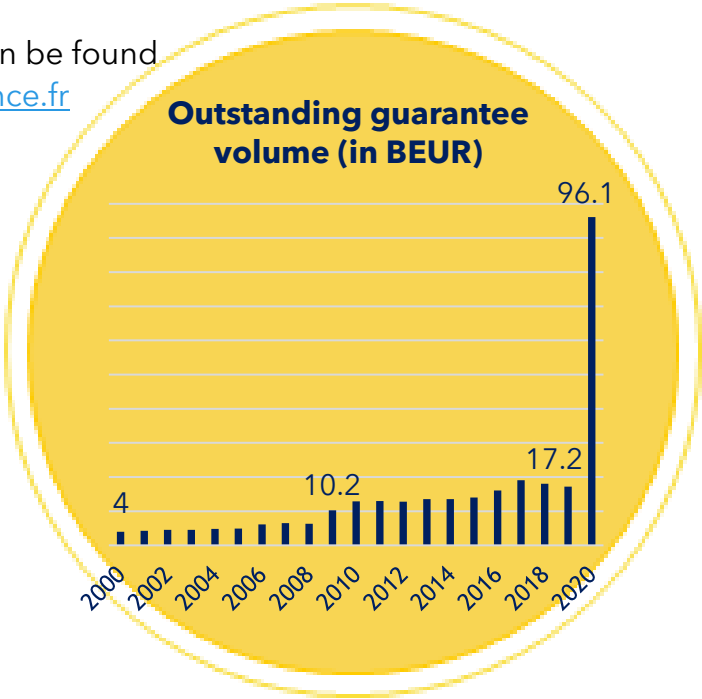
With a view to supporting the recovery, **Bpifrance** offers/will offer the following set of programmes in the area of guarantees:

- In 2021, **Bpifrance** will strengthen its **Creation / Buy-Out / Development Guarantees** both in terms of targeted volume (up to BEUR 9 of guaranteed loans) and coverage rate (60 to 70%) thanks to the **Recovery Plan** (and possibly EU support). Guarantees amount up to MEUR 1.5 per undertaking.
- **Bpifrance's France Investment Guarantee** which is a guarantee on equity as well as quasi-equity operations of up to MEUR 3 (possibly more). This existing guarantee fund will be maintained thanks to the **Recovery Plan** and will benefit in priority to funds benefiting from a new recovery label granted on ESG criteria. It has a financial allocation of MEUR 540 and offers coverage of 50 to 70%. The product will be capped at 30% per investor and is directed to all sectors with some exceptions.
- The so-called **Green guarantee programme** shall also start in 2021 and enable loans of a total volume of at least BEUR 1.5, covered at a rate of up to 80%. This product shall be uncapped and open to SMEs from all sectors with some exceptions. It is envisaged to support this programme via **InvestEU** to enable the increase of the guarantee rate (in comparison with existing guarantee schemes) as well as the targeted volume.
- Still under **COSME**, **Bpifrance** plans the launch of a **Digitisation Guarantee** for January 2021. This programme shall cover guarantees for small loans of up to KEUR 50 financing the digitalisation of SMEs. It shall enable in total loans of MEUR 715, covered at the rate of 80%.

This presentation is by far not exhaustive. The product range of **Bpifrance** is (and will be) much vaster and encompasses notable further measures in the area of equity and direct loans.

More information on **Bpifrance** measures can be found under the following link: https://www.bpifrance.fr

Latest update: 2nd December 2020



Garantir l'accès au crédit

SIAGI / France

The **outstanding guarantee volume** reaches **MEUR 962.8** at mid-2020

22,000 SMEs under the auspices of **SIAGI** (H1 2020)

The **Average guarantee size** remains at **KEUR 30.1** in H1 2020 in the previous semester

In response to the economic consequences of the covid pandemic, **SIAGI** took various measures for sustaining activity of its 22,000 existing customers and of new small business clients :

- **SIAGI guarantees treasury loans**, ranging from KEUR 5 to 150, with a coverage of 80% instead of initially 60%, with the support of European Investment Fund (EIF) that increased its counter-guarantee to an amount of MEUR 235 (from previously MEUR 75) in the frame of the COSME Covid top-up. The guarantee comes with the requirement to pay a one-off financial participation of 1.09 to 3.1% depending on the duration. Administrative fees are offered by **SIAGI**. Loans under this guarantee can be subscribed until 30th June 2021.

- For particularly impacted sectors, such as tourism, taxis and companies closed by government order, **SIAGI** maintains automatically its guarantee engagement for existing loans that are concerned by a suspension of all the payments (capital + interests), up to a twelve months period.

- **SIAGI** proposes to guarantee the restructuring of the existing debt, adapting length and amount to repayment capacity of each client.

- **SIAGI** keeps on guaranteeing 2 to 7-year new loans granted by banks at a rate of up to 80%.

More information on **SIAGI** measures can be found under the following link: https://www.siagi.com/

Latest update: 27th November 2020

SOCAMA
La caution des professionnels

SOCAMA / France

The **outstanding guarantee volume** is stable at around **bEUR 2**

Around **250,000 SMEs** benefit from a **SOCAMA** guarantee

The **average guarantee size** is with **kEUR 8.3** among the lowest in the **AECM** membership base

Our mutual French member **Fédération national des SOCAMA**, representing 13 regional SOCAMA, supports small businesses via its **Prêt SOCAMA Relance (SOCAMA Relaunch Loan)** to overcome the crisis. It was launched in mid-September 2020 and aims to address the situation of companies in a post-confinement situation where they have to adapt flexibly to changing health measures.

This loan granted by Banque Populaire – the exclusive financing partner of **SOCAMA** - does not require any personal guarantee from the manager, his family or a third party. It is 100% guaranteed by **SOCAMA** and supported by the European Investment Fund (EIF). To better adapt to the needs of each professional, this loan of up to kEUR 150 can be repaid over a period of 12 to 84 months, with a possible deferral of up to 12 months.

But in the fight against the virus, the **national Federation of SOCAMA** does not limit itself to the financial support to companies. The federation also supported the research for a vaccine with a donation.

More information on measures by **SOCAMA** can be found under the following link: https://www.socama.com/

Latest update: 31st December 2020

VERBAND DEUTSCHER BÜRGSCHAFTSBANKEN

VDB / Germany

Increase of outstanding volume by 4.8% (in H1 2020) with respect to previous semester

35,000 supported SMEs in portfolio (H1 2020)

New Production in H1 2020 **increased by 35%** with respect to H1 2019

Already mid-March 2020, the Federal Ministries of Economics and Finance presented measures that foresaw extensions of the framework conditions for default guarantees for the **German Guarantee Banks**.

These include:

- Increase of the guarantee ceiling to MEUR 2.5 (from previously MEUR 1.25)
- Increase in the counter-guarantee by the Federal Government
- Various measures to speed up decision-making, e.g. thanks to own decision competence for amounts up to KEUR 250
- Shortly after the adoption of the first favourable conditions, a guarantee coverage of 90% was enabled

The measures support all commercial small and medium-sized enterprises (SMEs) and the liberal professions across all sectors.

If liquidity assistance, e.g. from KfW or the state development banks, is needed to bridge the "corona crisis", the **guarantee banks** can provide this in combination with financing from the main bank. The companies and their business models should have been economically viable before the crisis broke out. For example in the case of the **Guarantee Bank Baden-Württemberg**, these liquidity loans allow for a redemption grant of 10% and they impose promotional conditions according to the RGZS (risk-based interest rate system) setting maximum interest rates and thereby allowing for final borrower interest rates of 1%.

In addition, the institutes are often involved in other aid programmes of the regional governments, e.g. with **100% guarantees for specific target groups**.

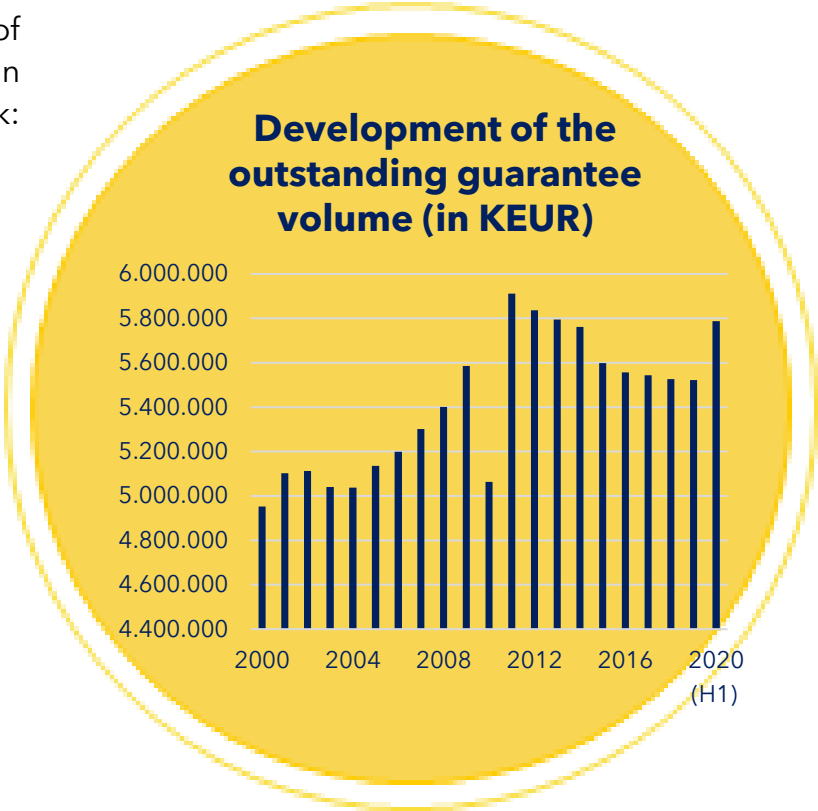
A large proportion of the requests have already been submitted online via the new financing portal (https://finanzierungsportal.ermoeglicher.de) of the **guarantee banks**, especially from very small enterprises. Contact can also be established through the house bank, a chamber or an advisor.

The longer the crisis lasts, the clearer it becomes that also equity products are needed to bridge the economic gap: At the end of the year, more attention is paid to corporate balance sheets. The corona crisis is consuming equity as an important buffer. The partners of the **guarantee banks**, the **Mittelständische Beteiligungsgesellschaften (SME-oriented investment companies, MBG)**, are offering silent participations. The participations are part of the economic equity, which can have a positive influence on the rating of the company. In the exemplary case of the **SME-oriented investment company Baden-Württemberg**, the classic participations, which are counter-guaranteed by the federal and state governments range from KEUR 50 to MEUR 1. The Corona aid package aims to temporarily increase the maximum amount to MEUR 2.5 and to speed up the decision-making process the power of decision from the federal to the regional governmental level. In addition, it should also be possible to finance working capital of up to MEUR 1 and the equity parity normally required will be abolished. Furthermore, a combination with the KfW fast loan shall be temporarily permissible. The **micromezzanine fund** will also allow micro-participations of between KEUR 10 and 50.

With the new **Mezzanin-BW programme**, the MBG Baden-Württemberg offers new opportunities for equity financing. Interested companies can obtain financing in the form of silent participations of up to KEUR 800. Under the programme, MBG can acquire investments totalling up to MEUR 20. Through **Mezzanin-BW**, MBG also provides pure working capital financing in addition to the usual investment projects.

More information on measures of the **German Guarantee Banks** can be found under the following link: https://www.vdb-info.de/

Latest update: 3rd December 2020



Berlin/Brussels, December 2020

ΕΛΛΗΝΙΚΗ ΑΝΑΠΤΥΞΙΑΚΗ ΤΡΑΠΕΖΑ
HDB
HELLENIC DEVELOPMENT BANK

HDB / Greece

The **outstanding guarantee volume** reaches **mEUR 84.4** at mid-2020

3,026 SMEs under the auspices of **HDB** (H1 2020)

The **Average guarantee size** reaches **kEUR 27** in H1 2020

The **Hellenic Development Bank** (formerly ETEAN) offers the so-called **COVID-19 Business Guarantee Fund** to support businesses' access to loan capital, through the provision of collateral. Its objective is to mitigate the effects of the COVID-19 pandemic on the operation of businesses, by enhancing their liquidity with working capital loans. This guarantee can cover new loans with a duration of up to 5 years. In order to secure the loans in addition to the guarantee, supplementary collateral may be requested, but only to the extent justified by the guarantee. Each cooperating bank will at all times maintain at least 20% of each guaranteed loan portfolio as own risk exposure, in order to avoid conflicts of interest. The one-off guarantee fee ranges between 0.25% for guarantees with a duration of 1 year and 1% for guarantees with a duration of 4 to 5 years.

With the activation of the second cycle, the budget of the **COVID-19 Business Guarantee Fund** was strengthened, with resources from the National Public Investment Program (NIP) and co-financed by the European Regional Development Fund (ERDF), with additional mEUR 780. The total available funds of the two cycles of the **COVID-19 Business Guarantee Fund** was upgraded to an amount of bEUR 1.78. The guarantee premium paid by the companies is fully subsidised in the second cycle of the Fund, subject to the limitations of state aid. An important point of differentiation is that 75% to 90% of the new loans of the 2nd cycle are addressed with priority, to SMEs. A basic condition for the eligibility of companies before submitting an application is that they were not considered "problematic" on 31/12/2019. If the company was in trouble on that date and has taken corrective action before submitting a request for funding, it is possible to receive assistance.

In addition to its guarantee programmes, **HDB** can support companies with an interest-free working capital loan.

More information on **HDB** measures can be found under the following link: https://hdb.gr/tag/engyiseis/

Latest update: 11th December 2020

TMEDE
ENGINEERS AND PUBLIC WORKS CONTRACTORS FUND

TMEDE / Greece

Total outstanding guarantee volume reaches **mEUR 859** at mid-2020

10,900 supported SMEs in portfolio (H1 2020)

New production (in mEUR) in H1 2020 is **196.5**

The **Greek Engineers and Public Works Contractors Fund (TMEDE)** actively supports 5,500 small and medium-sized enterprises and its 30,000 members in the midst of two waves of the unprecedented Covid-19 pandemic by covering an increased volume of guarantees and loan demand, offering liquidity and prospects of growth during a very challenging period.

More specifically, during the pandemic, **TMEDE** provides digital services on a 24/7 basis thanks to its state-of-the-art digital platform that was put in place four years ago. This platform enables **TMEDE** to issue letters of guarantee without requiring any physical presence, thus positioning **TMEDE** amongst the pioneer guarantee institutions in Greece and in Europe.

Immediately following the outbreak of the pandemic in March 2020, the Techincal Chamber of Greece, in collaboration with **TMEDE**, drawing upon their long-standing experience, submitted detailed proposals to the Greek Government aiming at the active support of Greek SMEs, by ensuring the most efficient use of the budget of the **Greek Business Guarantee Fund** earmarked for CoVid 19 relief. The budget of the National Public Investment Program (NIP) in Greece that is co-financed by the European Regional Development Fund (ERDF) amounts to bEUR 1.78. It is expected that the overwhelming majority of the funds available will be directed to SMEs.

TMEDE is already examining the prospects of utilising the allocations of the InvestEU programme both for debt and for equity products in order to support the prospects of growth and development of its members.

Furthermore, **TMEDE reduced by 30% the amount of commissions** due for good performance guarantees during the third quarter of 2020.

In addition, **TMEDE** continued to provide contributory insurance products and expanded its **Group Insurance Policy** adding new benefits for its members.

During the pandemic, **TMEDE** also expanded its financial services by providing support to co-financed projects, including, in particular, **energy efficiency programmes**.

During the first half of 2021, **TMEDE** is expected to contribute significantly to the absorption of funds and liquidity that will be made available through alternative financial tools that **TMEDE** is presently developing in cooperation with the Greek State and the European Institutions.

Furthermore, **TMEDE** is assessing all possible prospects for the full utilisation of the funds from the **Recovery and Resilience Facility**, in order to finance not only projects of public interest, but also private investments.

It is also a vital priority for **TMEDE** to provide dynamic services and strong development opportunities to its members through the Real Estate Development Company "Attica Bank Properties", which was recently acquired by **TMEDE**.

Finally, during the pandemic, **TMEDE enlarged the categories of natural and legal persons eligible for TMEDE membership and support. TMEDE** also received two major certifications, notably ISO 37001: 2016 relating to its Anti-Corruption Management System and ISO 19600: 2014 relating to its Compliance Management System.

More information on **TMEDE** activities and support measures can be found under the following link: http://tmede.gr/

Latest update: 15th January 2021

AVHGA / Hungary

RURAL CREDIT GUARANTEE FOUNDATION

Total volume of outstanding guarantees in portfolio per 31/10/2020 **mEUR 814.3**

19,819 supported SMEs in portfolio (01/2020-10/ 2020)

New production (in units) during 01/2020-10/ 2020 is **10,186**

In order to support the economy in the current COVID-19 outbreak, Hungarian Authorities notified aid in the form of guarantees on loans under the Temporary Framework (TF). **The Rural Credit Guarantee Foundation (AVHGA)** has been nominated to implement the measure and consequently, runs the so-called **Crisis Agricultural Guarantee Programme** in place as of 1 June 2020 until 30 June 2021.

In the current situation, numerous enterprises cannot provide collateral, while they urgently need liquidity financing. Thus, the primary objective of the aid is to ensure access to liquidity to undertakings facing a sudden shortage. The measure provides aid in the form of guarantees on loans and the programme is intended to facilitate access to finance for SMEs operating in the sector of agriculture, food industry and rural areas for their investment and working capital financing, including overdraft facilities.

The **Crisis Agricultural Guarantee Programme** has an extended budget of billion HUF 250 (mEUR 710) and till 07 December 2020, **AVHGA** issued a total number of 2,211 guarantees with a total value disbursed of bHUF 60 (mEUR 172). The duration of the guarantee is limited to maximum six years. The maximum guarantee rate is as high as 90%, reducing banks' risk to its half compared to the general limit of 80% outside this programme. The guarantee premiums are flat: there is no processing fee, while the guarantee fee is starting from 0.25% p.a. Losses are sustained *pari passu*, i.e. proportionally and under same conditions by the credit institution and **AVHGA**. The guarantees issued by **AVHGA** are offered both on individual and portfolio basis.

RURAL
CREDIT GUARANTEE FOUNDATION

In accordance with the TF, the overall amount of loans per final beneficiary do not exceed: (i) double the annual wage bill of the beneficiary for 2019, or for the last year available; or (ii) 25% of the beneficiary's total turnover in 2019; or (iii) with appropriate justification and with **AVHGA**'s approval, the amount of the loan may be increased to cover the liquidity needs from the moment of granting for the upcoming 18 months.

It is important to mention that **AVHGA** provides a guarantee for new financial transactions only, existing transactions are not eligible, and so non-performing loans are not covered.

Finally, the aid granted under the measure may be cumulated with aid under the *de minimis* Regulation, the ABER, the FIBER or the GBER provided the provisions and cumulation rules of those Regulations are respected.

More information on the **Crisis Agricultural Guarantee Programme**, can be found under this link (in Hungarian): https://avhga.hu/

Latest update: 8th December 2020

Compared to the previous semester, in the first 6 months of 2020, **AVHGA** increased its total volume of newly granted guarantees by **17,6 %.**

Garantiqa / Hungary

Garantiqa Hitelgarancia Zrt.

33,903 supported SMEs in portfolio (on 30/06/2020)

Total volume of newly granted guarantees in portfolio in H1 2020 was **mEUR 765.7**

New production (in units) during H1 2020 is **11,360**

In order to help micro, small and medium sized enterprises as well as large enterprises to face the liquidity shortage caused by the COVID-19 outbreak, **Garantiqa** runs the so-called **Garantiqa Crisis Guarantee Programme**.

Under this programme, domestic SMEs and large companies can obtain funds with a 90% guarantee to ensure their liquidity needs.

The programme started on 26 May 2020 and aims to ensure that sufficient liquidity remains available in the market to counter the damage inflicted upon undertakings impacted by the COVID-19 outbreak and to preserve the continuity of economic activity during and after the outbreak.

Garantiqa Crisis Guarantee Programme has a total budget of bHUF 700 (bEUR 2.0) and till 10 December 2020, **Garantiqa** issued a total number of 13,384 guarantees with a total value disbursed of bHUF 491.8 (mEUR 1406.2). The direct guarantees are issued for existing and new overdrafts, investment and working capital loans with a maturity of maximum 6 years. The maximum amount of loans granted under the **Garantiqa Crisis Guarantee Programme** may not exceed twice the cost of annual wages and contributions paid by the company, or 25 % of their 2019 sales revenue. However, in justified cases, financing may be provided to the extent of the 18-month liquidity needs of the borrowing SME or to the 12-month liquidity needs of the large borrowing companies. The maximum amount of a guarantee given to one debtor cannot exceed bHUF 5 (around mEUR 14).

The fees of the guaranteed loans available under the **Garantiqa Crisis Guarantee Programme** are favourable, as there is a public fee subsidy linked to the scheme: the annual fee to be paid by the borrower is between 0.25% and 1% per SME, depending on the maturity, which is the minimum rate set out in the Commission's TF. The fees paid by large companies are twice the fees paid by SMEs.

Garantiqa Hitelgarancia Zrt.

There are no classic industry restrictions in the new guarantee programme, but industry restrictions related to state aid do apply.

Garantiqa expects that the **Crisis Guarantee Programme** will help a wide range of SMEs and large enterprises regardless of the sector or area of activity, thus contributing to the preservation of domestic jobs while also supporting the promotion of development activities.

In accordance with the prolongation of the Commission's TF Garantiqa also extends the Crisis Guarantee Programme until 30 June 2021 which the Hungarian State will continue to provide 90% counter guarantee support and guarantee fee subsidy. With these measurements bHUF 700 (bEUR 2.0) guarantees will be available under the Programme.

More information on the **Crisis Guarantee Programme** can be found under this link (in Hungarian): https://garantiqa.hu/krizis-garanciaprogram/

Latest update: 10th December 2020

Compared to the previous semester, in the first 6 months of 2020, **Garantiqa** increased the number of supported SMEs by **2.8 %.**

Here to build business.
Strategic Banking Corporation of Ireland

SBCI / Ireland

Increase of the **outstanding guarantee volume by 109%** over H1 2020

3,766 SMEs under the auspices of **SBCI** (as of mid-2020)

New Production in H1 2020 (in units) is **5.3x** the one in the previous semester

SBCI as the national promotional institution of Ireland is dedicated to the support of small and medium-sized enterprises that got into difficulties following the covid outbreak and associated lockdown measures.

In March 2020, **SBCI** adopted its **Covid-19 Working Capital Scheme** which is offered in partnership with the Department of Enterprise, Trade and Employment and the Department of Agriculture, Food and the Marine, and is supported by the **InnovFin SME Guarantee Facility**.

The scheme covers 80% of loans ranging from kEUR 25 to mEUR 1.5. Loans under this scheme are unsecured up to an amount of kEUR 500 and durations go from 1 to 3 years. A repayment-free period may be granted at the beginning of the term. The purpose of the loans are future working capital requirements and funding of innovation, change or adaptation of the business to mitigate the impact of Covid-19. In order to benefit from a loan under the **Covid-19 Working Capital Scheme** a company needs to prove a fall in turnover or profitability of at least 15% due to covid and respect at least one of eleven innovation criteria.

On 9th September 2020, **SBCI** launched its **Covid-19 credit guarantee scheme** with a total budget of bEUR 2 which is a scheme offered by the government of Ireland and administered by **SBCI**.

The scheme covers 80% of loans from kEUR 10 to mEUR 1 for durations from 3 months to 5.5 years to SMEs and small mid-caps with a covid-related fall in turnover or productivity of minimum 15%. The product addresses both, working capital needs and investment requirements. While loans of less than kEUR 250 are generally unsecured, higher amounts may be secured, but a personal guarantee may only be sought in circumstances where it is required to capture supporting security, or where it is an uncollateralised personal guarantee and is limited to a maximum of 20% of the initial finance agreement amount. The product furthermore allows for up to 12 months of interest and/or capital moratoria as well as for refinance and rollover of debt incurred..

…as a result of Covid-19 that were initially funded through short term/temporary facilities such as overdrafts. The applicable guarantee premium depends on the size of the business and the length of time for which the credit is being advanced, starting from 0.15% up to 1.4%. Guaranteed loans under this scheme will be available up to end of June 2021. Applications for the guarantee coverage are to be presented via the participating on-lenders.

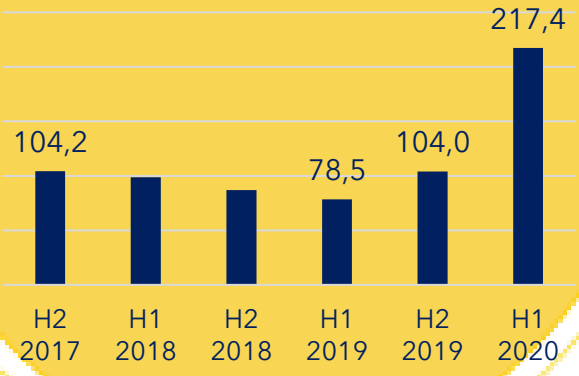
Moreover, the **SBCI Future Growth Loan Scheme** was upgraded by mEUR 200 in the frame of the covid pandemic.

More information on **SBCI** measures can be found under the following link: https://sbci.gov.ie/#products

Latest update: 4th December 2020

The **average guarantee size** increased from **kEUR 36.5 to 57.7** over H1 2020

Evolution of the **outstanding guarantee volume** in mEUR since **SBCI**'s adhesion to **AECM**



ASSOCONFIDI / Italia

Total volume of outstanding guarantees at the end of 2019 was **bEUR 8.7**

787,049 supported SMEs in portfolio

The **average size** of **Confidi guarantees** is **kEUR 11.1**

Following the COVID-19 outbreak and aiming at mitigating the negative effects of the pandemic, Italian authorities has adopted new laws in order to support the economy. In light of the provisions introduced by the **'Cura Italia'**, **'Liquidity'** and **'Rilancio'** law, the Italian **Confidi** united in umbrella association - **Assoconfidi** - have adapted the conditions for their financial products easing the access to finance for SMEs. The following measures refer but are not limited to:

- suspension of monthly payments for loans until 30 June 2021
- increase of private and state guarantees for new loans up to 100%
- reduction of the processing / guarantee fee.

Further, in September 2020, **Assoconfidi** has signed with Cassa Depositi e Prestiti (CDP) an agreement that regulates access to a dedicated platform, the so-called **"Confidi Plafond"** with a total value of mEUR 500 for a period of 7 years. The Plafond is used by the **Confidi** to strengthen their capacity of granting the medium and long-term direct credit to support the liquidity and investment needs of Italian SMEs.

The aforementioned agreement allows **Confidi** registered in the National Register to access the ad hoc platform to support the provision of direct credit to companies with less than 250 employees.

The Plafond is used by the **Confidi** to grant new loans guaranteed by the Public Guarantee Fund. The operating mechanism is similar to the one envisaged for banks.

The new funding instrument is characterised by operational simplicity since it provides for uniform contracts and a standardised pricing method, with the obligation to use liquidity to support SMEs within a maximum period of 3 months from the date of disbursement of the CDP's funding.

Later in December 2020, **Assoconfidi** signed with CDP a strategic partnership aimed at facilitating access to finance, through the **Confidi system**, for SMEs active in the construction sector.

The new project called **'Building Bonus'** offers the possibility to recover the money paid in form of taxes on behalf of the final beneficiaries, whereas **Assoconfidi** plays a role in providing loans.

More information on **Assoconfidi** measures can be found under the following link: https://www.facebook.com/assoconfiditalia

Latest update: 27th January 2021

About **m1 associated companies**, **bEUR 10 of guaranteed loans** are the numbers of a system that takes up the challenge and gets involved to offer its own contribution to support the Italian economy

ISMEA / Italy

ISMEA
Istituto di servizi
per il mercato agricolo alimentare

Total outstanding guarantee volume increases by **6.2%** of H1 2020 and reaches **bEUR 16.9**

143,091 supported SMEs (+4.6%) in portfolio (H1 2020)

New production (in units) in H1 2020 is **7.464**

The Institute of Services for the Agricultural and Food market (Istituto di Servizi per il Mercato Agricolo Alimentare – **ISMEA**) has set up an overall package of measures to counter the damage inflicted upon undertakings impacted by the outbreak of the COVID-19 crisis.

Already in March 2020, **ISMEA** adopted the following measures:

- Suspension of all loan instalments falling due in 2020.
- Exclusion of the period between 1 March 2020 and 31 July 2020 from the calculation of the pre-amortisation duration of the investment plans authorised by the Institute.
- Automatic extension of ISMEA's guarantees on all guaranteed loans for which an extension of the duration of the amortisation plans was requested, without additional charges for companies.
- Settlement of expenses incurred by companies for work progress in simplified mode.
- Suspension of the deadlines for the implementation of business plans whose expiry date is between 1 March 2020 and 31 July 2020.
- Suspension until 31 July 2020 of all non-performing and certification activities pursuant to art. 13 of Decree Law 193/2016.

Further, **ISMEA** has implemented the so-called **Loan guarantees and grants under the ISMEA Guarantee Fund** according to the Temporary Framework for State aid measures. The measure provides aid to the eligible beneficiaries in the form of:

1) Guarantees under Section 3.2 of the Temporary Framework.

The beneficiaries of the measure are SMEs operating in the agricultural, forestry, fishery and aquaculture sectors and the guarantees are provided to the financial intermediaries, banks and mutual guarantee institutions, in relation to new and existing working capital or investment loans.
The maximum loans' maturity is set at six years while the amount of the loan per undertaking does not exceed the amounts specified in the TF. The maximum guaranteed amount is mEUR 5. The duration of the guarantees matches that of the loans and is limited to a maximum of six years.

Under this measure, **ISMEA** issued a total number of 1,018 guarantees with a total value disbursed of around mEUR 229.

2) Guarantees under Section 3.1 of the Temporary Framework.

These guarantees are provided in relation to new loans, whereas the guarantee premiums are zero. The duration of the guarantees matches that of the loans and is limited to a maximum of six years having a coverage rate of 100%.

The loan maximum amount does not exceed the amounts specified in the TF with a 30,000 euros cap.

Under this measure, **ISMEA** issued a total number of 35,500 guarantees with a total value disbursed of around mEUR 688.

Finally, **ISMEA** has also provided **Loans in favour of undertakings of the agricultural and fishery sector affected by the COVID-19 outbreak.** The scheme provides aid to SMEs in the form of interest free loans under Section 3.1 of the TF, with a maximum nominal amount of loans of kEUR 30. The maximum loans' maturity is set at five years. This duration includes a grace period of 24 months.

Until the end of December 2020, **ISMEA** issued a total number of 3,162 loans with a total value disbursed of mEUR 80.

More information on **ISMEA** measures can be found under the following link:
http://www.ismea.it/istituto-di-servizi-per-il-mercato-agricolo-alimentare

Latest update: 5th January 2021

KCGF / Kosovo

The **outstanding guarantee volume** reaches **mEUR 51.4** (+17%) at mid-2020

4,142 SMEs (+19.8%) under the auspices of **KCGF** (H1 2020)

The **Average guarantee size** remains at **kEUR 14.3** in H1 2020

The **Kosovo Credit Guarantee Fund (KCGF)** in cooperation with the Government of the Republic of Kosovo and international donors launched the Economic Recovery Package. **The Economic Recovery Package (ERP)** has the aim to fight the impact of the COVID 19 pandemic crisis and includes a new guarantee line that aims to support Micro, Small and Medium Enterprises (MSMEs) through the credit guarantees.

Within this Package the credit guarantee coverage of the loan volume has increased up to 80% and is expected to help the access to finance for the enterprises that have been affected from the crisis, and enterprises with the strategic importance to the economy of the Republic of Kosovo. The guarantee windows within this Package are expected to support access to finance for MSMEs in the amount of up to mEUR 200 for a period of one year.

The development of **ERP** will focus on the support of lending in the sectors of production, agribusiness, services, trade, with a special focus on women in business, start-ups (such as ICT) and investments in energy efficiency.

To benefit from this measure, companies need to apply for financing through the commercial banks (**KCGF** Partner Financial Institutions).

Considering the increase of guarantee coverage up to 80 % and subsidy of the guarantee fee by the Government, this measure will play an important role in the recovery of Kosovo's economy as it will re-establish the confidence in the banking sector to avoid the credit crunch that would subsequently lead to a lack of liquidity in the market.

In September 2020, **KCGF** signed a subsidiary agreement in the amount of mEUR 22.3 with the Kosovar Ministry of Finance. This agreement, which comes as a result of the Financing Agreement between the Republic of Kosovo and the World Bank for the Financial Sector Strengthening Project, increased the capital of the **KCGF** in volume of mEUR 21.4.

In November 2020, the German Development Bank KfW topped-up its mEUR 18.5 guarantee line by mEUR 5.

All above mentioned financial agreement between donors and **KCGF** are further support for the private sector needs for short-term liquidity and investment through the creation of guarantee windows for certain strategic segments with the aim to strengthen lending to businesses and to mitigate the consequences of the COVID-19 crisis.

More information on measures by **KCGF** can be found under the following link: https://fondikgk.org/

Latest update: 5th January 2021

ALTUM / Latvia

altum
Attīstības finanšu institūcija

Total volume of the new guarantee increases by **100.3%** in respect to the previous semester and reaches **mEUR 53.1**

900 supported SMEs (+5.3%) in portfolio (H1 2020)

The **average guarantee size** in H1 2020 remains stable at **kEUR 166.3**

In March 2020, just a week after the start of the COVID-19 crisis, the **Latvian state development finance institution ALTUM**, launched a **Loan guarantees** and a **Subsidised loan propositions**, providing aid in form of subsidised guarantees for investment and working capital loans (Measure A) and subsidised working capital loans (Measure B), both developed in accordance with the Temporary Framework (TF) to support the economy in the context of the COVID-19 outbreak.

The amount of the public funding for the first measure is mEUR 50 in the form of a capital injection from the State budget into **ALTUM**, while the amount of financial services covered by the guarantee is set at mEUR 715. The guarantees are limited to maximum 6 years for investment loans and finance lease and 3 years for working capital loans and do not exceed 50% of the loan principal. The maximum amount per beneficiary is mEUR 5 and are provided for existing investment loans and financial leasing, where the credit institution postpones the payments of loan principal for a maximum period of two years (grace period), and new or existing working capital loans. The guarantee fee is flat and set at 0.5% in case of individual guarantees and 0.3% for portfolio guarantees.

Under this measure, at the end of December 2020, **ALTUM** issued a total number of 230 guarantees with a total value disbursed of mEUR 35 attracting bank loans for 95.5 mEUR.

In case of Measure B, the overall budget is set at mEUR 200. mEUR 50 were given in the form of a capital injection from the State budget into **ALTUM**, while additional mEUR 150 were raised by **ALTUM** attracting EIB and EIF resources. The financing in the form of working capital loans has a maximum duration of 3 years and a grace period up to 18 months. The maximum amount per beneficiary is mEUR 1, where the total loan amount does not exceed the conditions set in the TF. The loans are offered with reduced interest rate according to the TF, aprx.1.9% - 2.9%.

altum
Attīstības finanšu institūcija

Under this measure, at the end of December 2020, **ALTUM** has granted a total number of 524 loans with a total loan amount of mEUR 91.

Further, **ALTUM** has also offered **Export credit guarantees**, providing up to 90% risk coverage concerning commercial risk and up to 95% risk coverage concerning political risk. The maximum period of a deferred payment of a transaction covered with export credit guarantee is up to 730 days (2 years), while the maximum amount of an export credit guarantee is mEUR 2.

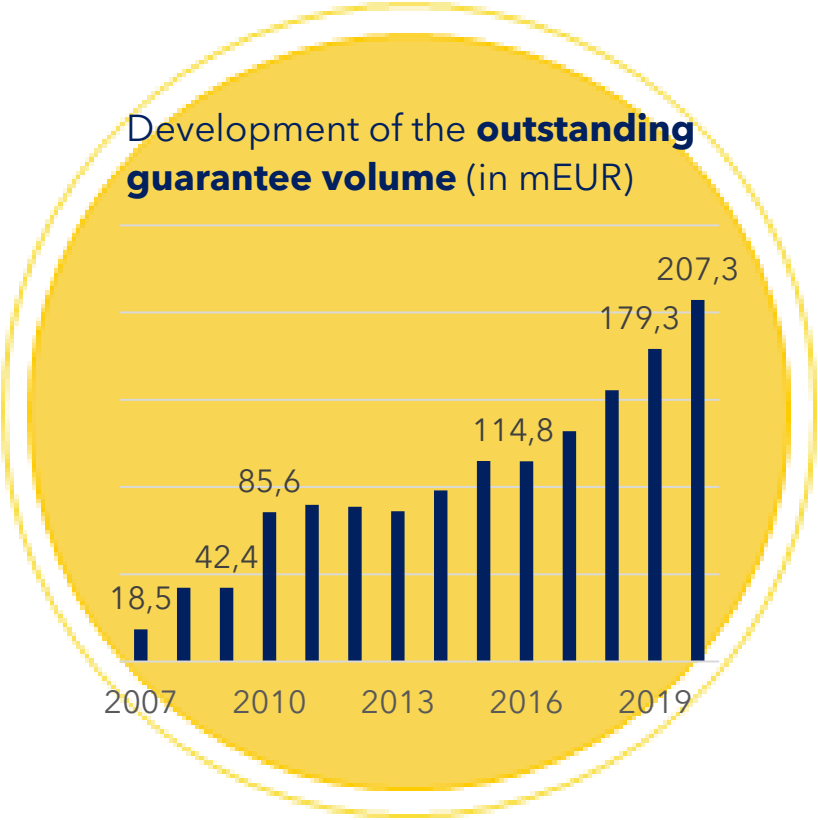
Since the beginning of the COVID-19 crisis, **ALTUM** issued a total number of 114 export credit guarantees with a total value sanctioned of mEUR 9.

Apart from the aforementioned measures, **ALTUM** has also administrated an **Investment fund** that provides financing to large undertakings active in Latvia in the form of equity investments, quasi-equity investments and investments in listed bonds, including convertible bonds. The initial target size of the Fund is mEUR 100 and is meant to finance investments as well as working capital. The investment amount per one company is up to mEUR 10 and the financial support is addressed to all sectors of activity, including agriculture and fisheries.

More information on **ALTUM**'s measures can be found under the following link:

https://www.altum.lv/en/

Latest update: 5th January 2021



aecm

Riga / Brussels, January 2021

Agricultural Credit Guarantee Fund

Garfondas / Lithuania

Total volume of outstanding guarantees reaches **mEUR 99.9 (+25%)** (H2 2020)

1,149 supported SMEs in portfolio (H2 2020)

New production (in units) in H2 2020 **178 (+65%)**

In order to reduce the impact of the coronavirus pandemic and help small and medium-sized enterprises to counter the damage inflicted by the COVID-19 outbreak, the Lithuanian Agricultural Fund - **Garfondas** has implemented an overall package of measures ranging from guarantees to soft loans and compensation instruments.

With regards to guarantees, **Garfondas** has implemented the so called **COVID-19 Individual guarantees programme** aiming at providing aid in the form of guarantees for loans or leasing for SMEs active in agriculture, agricultural production and processing sector, forestry, rural development, aquaculture and fisheries. The financial support is offered for the following purposes:

- to finance investments;
- to supplement working capital (performance of concluded contracts, settlement with suppliers and subcontractors, purchase of agricultural products, other necessary expenses to support economic activities);
- payment of wages and related taxes.

The financial support is offered on more favourable terms than usual and the guarantee is provided for loans or leasing services up to mEUR 5. The amount of the loan is calculated in accordance with the Temporary Framework for State aid measures.

The guarantees under the **COVID-19 Individual guarantees programme** are provided for a maximum of 6 years and have a coverage rate of 90% or 35% of the loan amount.

Under this measure, up to now, **Garfondas** issued a total number of 10 guarantees with a total amount of mEUR 8.

Further, in order to increase the availability of financial support and reduce the borrowing costs for farmers, agricultural entities and SMEs during the COVID-19 outbreak, **Garfondas** has also offered soft loans under the **Liquidity loans for economic operators in the production, processing and marketing of agricultural and fishery products during the COVID-19 outbreak**. The loans are issued via a network of financial intermediaries.

With a total amount of mEUR 134.8, the financial support under this programme is offered for the following purposes:

- acquisition of short-term and biological assets;
- to fulfill concluded contracts, settle accounts with suppliers and subcontractors;
- to pay wages and related taxes;
- other expenses necessary to support economic activities.

The total amount per final beneficiary is mEUR 1 for a maximum period of 36 months. This type of financial support is subject to an administration fee calculated by applying up to 2 percent of the loan amount, but not less than EUR 150 and not more than EUR 2,500. On borrower request, a deferral of up to 1 year may be applied.

Until the end of 2020, **Garfondas** issued a total number of 672 loans with a total amount of mEUR 88.5.

To soften the consequences of the coronavirus outbreak, **Garfondas** is also administering the **Compensation of guarantee fee and interest rate for loans and leasing** both for financing covered by **Garfondas** guarantee or not. This type of support is offered for financing with the following purposes:

- to finance investments; purchase of agricultural machinery, other production equipment and / or facilities (leasing);
- for the acquisition of short-term and biological assets;
- for cooperatives to purchase agricultural products from their members (engaged in the processing and / or marketing of agricultural products);
- payment of wages and related taxes.

The total number of 603 SMEs have received mEUR 0.9 in compensations until the end of 2020.

More information on **Garfondas**'s measures can be found under the following link: https://garfondas.lt/lt/

Latest update: 2nd February 2021

Vilnius / Brussels, January 2021

INVEGA / Lithuania

Total volume of the new guarantee increases by **337.5%** in respect to the previous semester and reaches **mEUR 83.3**

2,123 supported SMEs (+71.6%) in portfolio (H1 2020)

New production (in units) in H1 2020 is **711**, indicating an increase over the previous semester by **315.8%**

With a view to ensure that sufficient liquidity remains available in the market and to help small and medium-sized enterprises as well as large companies to counter the damage inflicted upon undertakings by the COVID-19 outbreak, the Lithuanian national promotional institution - **INVEGA** has implemented an overall package of measures ranging from loan guarantees to subsidised interest rates for public loans and direct grants.

Already in April 2020, **INVEGA** started to implement the so-called **Portfolio Guarantee for Loans 2 (PGL2)**, under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (TF). The measure provides aid in the form of guarantees on loans for new and existing loans and has an estimated budget of mEUR 85. Each loan or leasing transaction included in the portfolio of the instrument **PGL2** is guaranteed by the 80% guarantee. The guaranteed portfolio may include:

- working capital loans, including reverse leasing transactions, to support corporate liquidity, granted not earlier than on 16th March 2020;
- previously signed unsecured investment (including leasing transactions) and working capital (excluding reverse leasing transactions) loans for which the repayment schedule was extended or the deferred repayment was applied, without compromising other loan repayment terms, not earlier than on 16th March 2020.

Guaranteed loans are granted for the maximum period of 6 years (72 months).

The amount of the guaranteed loan depends on the amount of salaries accrued to the company's employees during the year, the company's turnover, investment and other liabilities, but does not exceed mEUR 5.

The duration of the guarantee matches that of the loans and is limited to a maximum of six years. The guarantee fees are applied either as a one-time payment instalment paid before including the loan in the guaranteed portfolio or as annual payments.

Until the end of 2020, **INVEGA** issued a total number of 799 PGL2 guarantees with a total amount of mEUR 83.3. All in total, it is estimates that up to 500 undertakings will benefit from the measure.

As a response to COVID-19 outbreak, in addition to aforementioned **Portfolio Guarantee for Loans 2, INVEGA** has also provided **Individual guarantees for operating loans**.

Further, in July 2020 **INVEGA** started the implementation of a new individual guarantee instrument to additionally support travel service providers under the TF - **Guarantees to secure fulfilment of obligations of travel service providers**. According to the legislation, a travel service provider must secure the fulfilment of its obligation towards travellers and obtain a guarantee or an insurance policy from a financial institution or an insurance company. The aim of the new measure is to replace the collateral, which is usually a deposit, given by a travel service provider to a financial institution and an insurer. The budget of the instrument is mEUR 15.

Maximum **INVEGA**'s guarantee coverage to the financial institution or the insurance company is 50% on the guarantee issued by them to the travel service provider. **INVEGA**'s guarantee is free of charge. Other conditions refer to:

- No collateral on **INVEGA**'s guaranteed part of obligation;
- A travel service provider could be an SME, a large company or an entrepreneur that hold a valid certificate granting the right to engage in outbound and local tourism;
- Maximum amount of the guarantee is kEUR 800, minimum amount kEUR 1.5;
- The Assessment on a case-by-case basis.

Until the end of 2020, **INVEGA** issued 29 individual guarantees to support travel service providers with a total amount of mEUR 2.4. The instrument will be implemented by the end of June 2021.

Finally, due to COVID-19 crisis and the recent changes in EU export regulation as well as high-risk export market's definition, **INVEGA** could offer **Export credit guarantees** to temporally risky countries, such as EU member states, Australia, the USA, Canada and Japan.

In view of this changes, during the 9 months of 2020 additional 19 guarantees were issued with a total amount of mEUR 2.4.

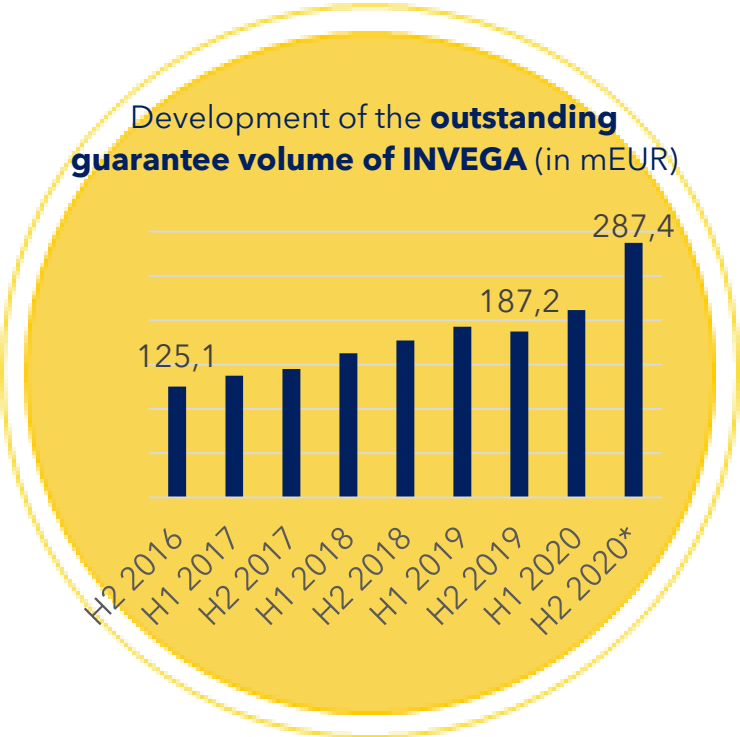
Another financial support offered by **INVEGA** is the so-called **Loans to businesses most affected by COVID-19** also developed in accordance with the TF. The initial budget for the **Loans to businesses most affected by COVID-19** instrument is mEUR 200. The maximum amount of the loan per undertaking is mEUR 1, while the borrower can obtain only one loan under the programme. Loans are granted for a period up to 72 months.

In the same vein, **INVEGA** provides **Direct loans for travel services providers**, **Loans for payable invoices ASAP**, **Partial compensation of loan (lease) interest**, **Loans for payable invoices ASAP as well as Alternatyva** – an instrument aimed at providing loans to SMEs via alternative finance providers due to further decreasing financing by traditional finance providers (e. g. banks) in Lithuania.

Referring to grants, it is worth mentioning that **INVEGA** also provided **Partial compensation of lease payments for businesses most affected by COVID-19** aiming at compensating part of the rent for the undertakings most affected by the COVID-19 outbreak. The budget of the measure was mEUR 45.2, where the maximum amount of partial compensation of lease payments per month is 50% on the lease amount payable by the lessee. At present, mEUR 35.2 have already been paid out for 3,627 companies and 6,427 premises lease agreements were partially financed.

More information on **INVEGA**'s measures can be found under the following link: https://invega.lt/en/

Latest update: 25th January 2021



*The statistics for H2 2020 is not yet final and could be adjusted

MUTUALITÉ DE CAUTIONNEMENT

MC / Luxembourg

The **outstanding guarantee volume** increases by **340.3%** over the first semester 2020

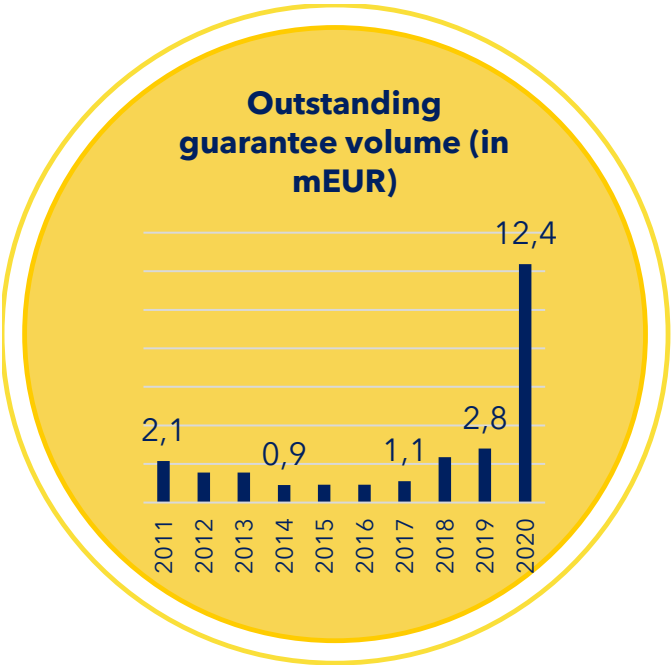
358 SMEs (+302.2%) under the auspices of **MC** (H1 2020)

The number of **new guarantees** (in H1 2020) is more than **25x** the one in H1 2019

In Luxembourg covid support measures have been set up as of mid-March 2020 to help companies facing financial difficulties, particularly liquidity problems. These measures foresee among others the introduction of a specific guarantee that the Chamber of Commerce, Luxembourg offers via **Mutualité de Cautionnement (MC)** to companies that need a line of credit or a bank loan. This guarantee will cover up to 50% of the credit and is available for guarantee amounts of maximum kEUR 250. In order to guarantee rapid assistance to companies that request it, a procedure for analysing files within 48 hours has been put in place.

More information on measures by the **MC** can be found under the following link: https://www.cautionnement.lu/

Latest update: 11th December 2020



aecm

Luxembourg/Brussels, December 2020

MDB
MALTA DEVELOPMENT BANK

MDB / Malta

Outstanding guarantee volume of **mEUR 149.4** (in H1 2020)

283 SMEs under the auspices of **MDB** (H1 2020)

New Production in H1 2020 is **mEUR 146.4** (98% of its portfolio)

The Maltese Government has allocated a fund of mEUR 350 for the **Malta Development Bank (MDB)** to develop the **Covid19 Guarantee Scheme (CGS)**, with the purpose of guaranteeing loans granted by commercial banks in Malta to meet new working capital requirements of businesses facing cashflow disruptions due to the effects of the COVID-19. The **CGS** shall enable the commercial banks to leverage a portfolio of up to mEUR 777.8 in new working capital loans to support all types of businesses in Malta. The **CGS** covers 90% of each facility, capped at 50% of the actual portfolio volume.

In view of the credit enhancement and substantially reduced credit risk exposure provided by the **CGS**, the advantages should be passed on to the final beneficiaries including in the form of : higher volume of finance, lower collateral requirement, and lower interest rates.

Eligible working capital costs under the **CGS** include salaries, rental costs, energy and water bills and fuel, unpaid invoices due to a decrease in revenues, acquisition of material and stock for continuation of business, expenses directly related to contracts which were cancelled or postponed because of the present situation and maintenance costs. Restructuring or rescheduling of existing facilities cannot be covered.

Businesses of any size and type can apply for loan amounts that can go up to mEUR 2 for SMEs and mEUR 5 for larger entities, higher amounts reaching a maximum of mEUR 25 are possible with ad-hoc approval by **MDB**, depending on the firm's size, wage bill and turnover. Under the **CGS**, businesses can also benefit from improved access to liquidity, at lower interest rates. The interest rate is to be determined by the intermediating commercial bank which would need to give an interest rate reduction to beneficiaries of at least 1% on the average lending rate as compared to similar facilities prior to the introduction of the guarantee scheme. The guarantee fee for SMEs is 0.15% for loans of up to 4 years and rises in time from 0.25% to 1% for loans of 5 to 6 years.

The guarantee covers loan terms of minimum 18 to maximum 48 months. The term can increase to 72 months, subject to additional terms and conditions. In addition, the **CGS** will provide the much-needed breathing space for businesses by providing a six-month moratorium on both the interest payments as well as on capital repayments. The moratorium period can be extended by the commercial banks to one year on a case-by-case basis. Guarantees under this scheme can be issued until 30th June 2021.

Following the launch of the **CGS**, the **MDB** launched a complementary **COVID-19 Interest Rate Subsidy scheme (CIRSS)** as an additional measure to further soften the terms of working capital loans extended by banks under the **CGS**. Through **CIRSS**, businesses benefit from a subsidy of up to 2.5% on the interest rate charged by banks during the first two years of working capital loans guaranteed by the **CGS**. The borrower has to pay an interest rate of at least 0.1% on the loan, net of the guarantee fee. Such subsidies are funded by Government and are expected to amount to mEUR 40.

The **MDB COVID-19 Small Loans Guarantee Scheme (SLGS)** is intended to support smaller businesses in taking out loans under the **CGS** without the need to provide high levels of soft collateral in the form of personal guarantees. Through the **SLGS**, the **MDB** provides additional protection to the banks by subordinating its rights to those of the banks in respect of the 10% of the loan which is not covered by the 90% guarantee under the **CGS**. In return, commercial banks are prohibited to request soft collateral in excess of 20% of the loans extended to SMEs. The **SLGS** applies to loan contracts of up to kEUR 250.

More information on **MDB** measures can be found under the following link: https://mdb.org.mt/en/Pages/default.aspx

Latest update: 10th December 2020

The **average guarantee size** is **kEUR 441.9** in H1 2020

Rijksdienst voor Ondernemend Nederland

RVO / Netherlands

Outstanding guarantee volume (BMKB and BMKB-C) reaches **bEUR 2.24** at mid-2020

Almost **22,500 supported SMEs** (+40%) in portfolio (H1 2020)

The **average guarantee size** is around **kEUR 100** in H1 2020

Our Dutch member **RVO / Netherlands Enterprise Agency** is committed to keep SME lending afloat in times of the covid crisis.

In response to the growing liquidity concerns of SMEs affected by the covid outbreak and the subsequent lockdown and social distancing measures, **RVO** expanded and adjusted its **Borgstelling MKB Kredieten (BMKB)** programme by adding a covid section (**BMKB-C**). The budget of the programme was increased from mEUR 765 to bEUR 1.5. Furthermore, this extension includes the increase of the guarantee coverage from 50 to 75% for bridge financing. The duration of **BMKB-C** guarantees has originally been 2 year but was then extended to 4 years. The initial one-off guarantee commission of 3.9% was reduced to 2% for durations of up to 2 years and to 3% for longer terms. This reduction is financed with a budget of mEUR 30 and aims to make financing more accessible to entrepreneurs. Moreover, **RVO** has introduced special assessment criteria for the lenders to enable a quick and simple application.

In the area of agriculture, the **Netherlands Enterprise Agency** offers temporarily more favourable guarantees for working capital under the **Agricultural Credit Guarantee Scheme (BL)**. The covid extension of this programme (**BL-C**) allows for bridge guarantees in the agricultural sector that now also include fisheries and aquaculture companies. This guarantee applies not only to the production, but also to the processing and marketing of fishery and aquaculture products. The programme offers a coverage of 70% and is available for bridge loans of maximum mEUR 1.5 per company (for exceptional cases mEUR 2.8). The maximum term is 4 years and the guarantee commission is reduced to a range from 0.5% for starters and buyers with a loan of up to 2 year to 2.25% for other companies with longer durations. The repayment needs to start at the latest 2 years after the start of the credit and the personal guarantee for the entrepreneur has been reduced from 25% to 10% of the **BL-C** credit.

For small companies with a funding need of kEUR 10 to 50, **RVO** offers the **Small credit guarantee for SMEs (KKC)**. This guarantee is available for companies that are registered at the Dutch Chamber of Commerce and that were profitable before the covid crisis. Furthermore, **KKC** requires the underlying credits to have a 5 year term and a maximum interest rate of 4%. **KKC** is funded with a total budget of mEUR 750, 95% of which are covered by the Dutch government guarantee and 5% of the risk needs to be carried by the financiers.

The largest **RVO** support programme is the **Garantie Ondernemingsfinanciering uitbraak coronavirus (GO-C)** with a budget of bEUR 2.5. This programme covers 80 or 90% of loan of up to mEUR 150 to medium and large companies. It was originally planned to be closed in December 2020 but was then extended to mid-2021.

In addition, the **Netherland Enterprise Agency** offers the so-called **Fixed Cost Allowance (TVL)** to SMEs that are struggling to pay their fixed costs due to the covid crisis. In December 2020, it was decided that the subsidy percentage would depend on the loss of turnover. With a 30% loss of turnover, the subsidy percentage is 50%. With 100% loss of turnover, this increases to 70%. This adjustment applies to TVL Q4 2020 and TVL Q1 2021. While between June and September 2020 the maximum amount was kEUR 50, it was increased to kEUR 90 since October 2020.

More information on **RVO** measures can be found under the following link:
https://www.rvo.nl/subsidie-en-financieringswijzer

Latest update: 1st February 2021

BGK / Poland

BGK
BANK GOSPODARSTWA KRAJOWEGO

Total volume of newly granted guarantees from 01/01/2020 till 30/06/2020 **bEUR 2.9** (**+78.5%** with regard to the previous semester)

103,616 supported SMEs in portfolio (H1 2020)

New production (in units) in H1 2020 is **30,934**

In order to support the economy in the current COVID-19 outbreak, the **Polish Development Bank (BGK)**, has implemented an overall package of measures that can be divided in 3 main groups:
- guarantee systems
- loans
- interest subsidies

On the one hand, the **Polish Development Bank** has significantly improved the guarantee conditions under the existing programmes and, on the other hand, it has launched special measures under the Temporary Framework (TF) for State aid measures.

Under the existing ***de minimis* guarantees for SMEs** programme, **BGK** has increased the eligibility criteria, the guarantee amount up to mPLN 3.5 (mEUR 0.8) and the coverage rate from 60% up to 80% of the loan. The **Polish Development Bank** has also extended the duration of guarantee on working capital loans from 27 to 39 months, reducing the guarantee fee from 0.5% to 0%.
Under the **Biznesmax guarantee programme** for innovative entrepreneurs (unique product being a mix of guarantee and grant) implemented under Smart Growth Operational Programme 2014-2020, guarantees may cover revolving working capital loans, including a revolving overdrafts and non-renewable loans - not related to the investment. The duration of the 5% annual rate for the calculation of interest rate subsidy has been extended until the end of 2021.

The **COSME guarantee** offered by **BGK** to small and medium-sized enterprises is another guarantee whose features have changed during the COVID-19 outbreak. **BGK** has extended the duration of guarantee on working capital loans from 27 to 39 months and reduced the guarantee fee from 1% to 0,7%. As the COSME guarantee is granted on the market conditions, it is complementary to guarantee schemes based on State aid.

Further improvements to the guarantee scheme have been made to the **Guarantees for agricultural sector**. The guarantees may cover working capital loans for a maximum period of 39 months and non-revolving working capital loans for 51 months to finance current business activities not related to the implementation of an investment supported by the EAFRD. Subsidies have also been introduced to the interest rate of these loans.

Under the TF, **BGK** is implementing the so-called **Liquidity guarantee fund** that provides aid in the form of guarantees on loans for the new loans, as well as for renewals of the existing overdrafts and revolving credit lines. This measure allows **BGK** to issue guarantees amounting up to bPLN 100 (ca. bEUR 22). The maximum amount of the loan per undertaking covered by the measure does not exceed mPLN 250 (mEUR 55.9) with a guarantee coverage rate up to 80%, whereby the losses are sustained proportionally and under the same conditions by the credit institution and **BGK**. The final beneficiaries of the measure are all medium and large undertakings. The maximum duration of guarantees granted under the measure is 27 months, while the maximum maturity of the underlying obligation is 24 months.

The Guarantees on Factoring programme provides aid in the form of guarantees on factoring products covering namely recourse and reverse factoring. The estimated budget of the measure is bPLN 11.5 (approx. bEUR 2.6) and the programme is addressed to SMEs and large enterprises. However, financial institutions are excluded from the list of eligible final beneficiaries. The maximum duration of the guarantee is 27 months which covers the maximum maturity of the factoring limit and the claim on a given invoice. The maximum amount of the guarantee is mPLN 200 (approx. mEUR 45, i.e. up to 80% of factoring limit principal), subject to the conditions established under the TF. The guarantee covers only the outstanding principal amount, without interest or other costs.

Apart from the aforementioned measures, **BGK** has also implemented **Loan instrument programmes**, namely:

1. **Liquidity Loans from Smart Growth Operational Programme 2014-2020.** Loans are granted to SMEs affected by COVID-19. The total amount of funding per undertaking is up to mPLN 15 (approx. mEUR 3) with an interest rate of 0%. Loan maturity up to 6 years.
2. **EU loans from Regional Operational Programs.** Grace period in repayment of capital for already granted loans has been extended up to 12 months. Entrepreneurs can take advantage of up to 6-month payment holidays in the repayment of existing liabilities. There are differences in products between each region.
3. **Liquidity Loans for Social Economy Entities.** The maximum value of the loan is 25% of the annual turnover, but not more than PLN 100 000 (EUR 22 000). The loan maturity is up to 4 years, while the grace period for repayment is up to 12 months. During this time, the borrower only pays the interest rate.

Regarding these loan programs with an overall funding of about mEUR 590 and a total value sanctioned of around mEUR 280, **BGK** has served a total number of 5.099 beneficiaries.

In the field of equity and quasi-equity, **BGK** has implemented the **Interest subsidies for working capital loans programme**. This programme has a total budget of bEUR 124.4, serving a total number of 218 users.

BGK is also managing the **COVID-19 Response Fund** launched in April 2020 in order to accumulate and transfer resources to support a wide range of instruments combating the negative effects of the COVID-19 pandemic. **BGK** is gathering financing for the Fund via issuance of bonds. The maximum nominal volume of issues for 2020 is set at the level of bPLN 112.5 (approx. bEUR 25.3), of which bPLN 98.8 (approx. bEUR 22.2) has been issued until 11 December 2020.

Additional products offered by the **Polish Development Bank** are:

- Program for entities of the social economy sector (EU funds)
- Broadband loan
- First Business - start-up support
- Entrepreneurial Eastern Poland Tourism
- Loan for technological innovations from Smart Growth Operational Programme.

More information on the programs implemented by **BGK** can be found under this link (in Polish): https://www.bgk.pl/

Latest update: 4th January 2021

Warsaw / Brussels, January 2021

BPF / Portugal

Banco Português de Fomento

Total volume of the new guarantees increases by **694.4%** in respect to the previous semester and reaches **bEUR 5.3**

74,114 supported SMEs (+29.2%) in portfolio (H1 2020)

The **average guarantee size** increases from kEUR 37.7 to **63.1**

As a first reaction to the COVID-19 crisis, the Portuguese AECM member - **Banco Português de Fomento** (**BPF**) launched already in March 2020 a first credit line of mEUR 200 as a sub-line of the already existing credit line, called **Capitalizar - 2018.**

The extension of the aforementioned credit line was called **Capitalizar – Covid 19** and was made available under the *de minimis* Regulation.

The very high demand for the financial support resulted in an immediate increase of the total budget of the programme to mEUR 400, which was fully taken in less than 2 weeks.

Later in March 2020, Portugal notified under the Temporary Framewok (TF) for State aid measures aid in the form of guarantees on loans (the so-called **COVID-19 Economy Support Line**) with an initial budget of bEUR 3, that was later on increased to bEUR 6.2. The measures take the form of four guarantees schemes:

1) aid to companies active in the touristic sector in the form of guarantees;
2) aid to restaurants and similar companies in the form of guarantees;
3) aid to extractive/manufacturing companies in the form of guarantees, and
4) aid to Travel Agencies, Touristic Animation and Event Organisation and similar companies in the form of guarantees.

Under the **COVID-19 Economy Support Line** the loans are guaranteed from 80% to 90%. The guarantee covers the whole maturity of the loan (i.e. up to 4 years). This period includes a grace period of up to 12 months.

Just like in case of **Capitalizar – Covid19**, there was a huge demand also for the financial support offered under the **COVID-19 Economy Support Line**. To illustrate, just in the first 5 days after the launch of the programme there were around 40,000 applications with a total value of around bEUR 9.

This is just 4 times the total annual volume of the **BPF** in terms of guaranteed loans, 6 times the volume of guarantees and 2.5 times the total number of applications per 1 year.

BPF, has also offered support in form of guarantees on loans to SMEs and large enterprises that have an economic activity in the Autonomous Region of Madeira. With a total budget of up to mEUR 20, the guarantees are granted in accordance with the TF for new working capital loans under the following conditions:

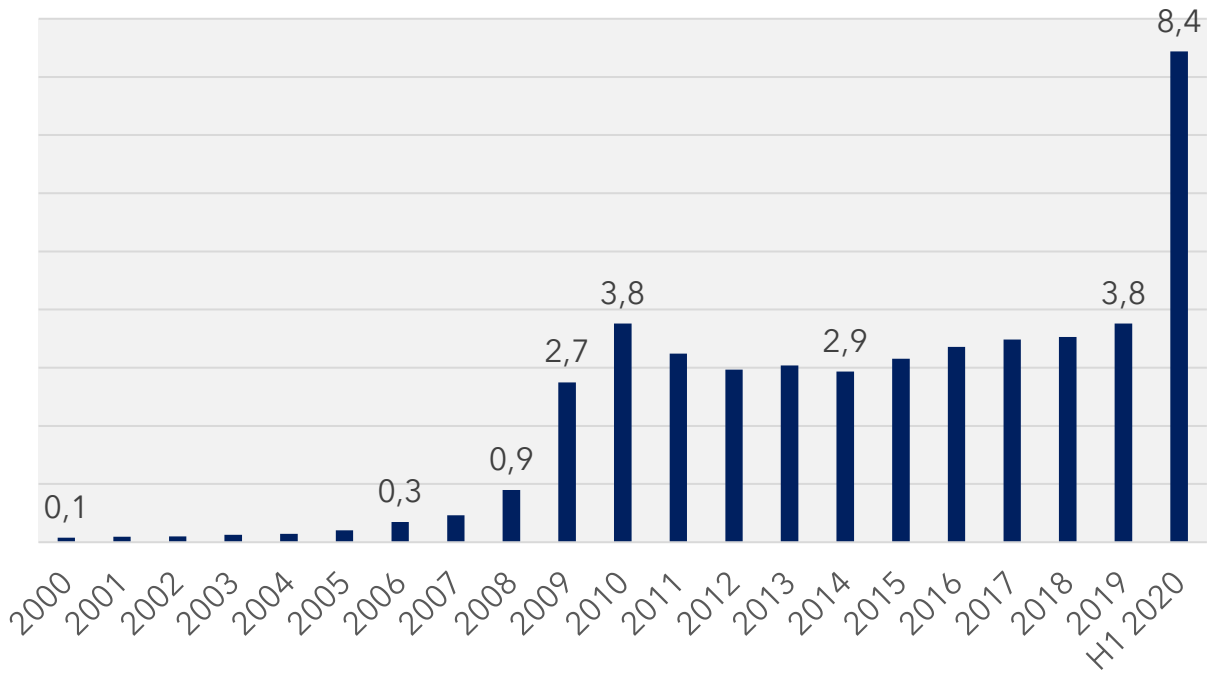
- the guarantees do not exceed 80% of the loan principal;
- the maximum duration of the guarantees is five years;
- the guarantee premiums are set in accordance with point 25(a) of the TF;
- there is a fixed or variable interest rate plus a maximum spread of 1.5%.

Apart from the aforementioned measures, **BPF** has also provided, under the TF, aid in form of direct grants and guarantees on loans.

More information on **BPF**'s measures can be found under the following link: https://www.bpfomento.pt/pt/

Latest update: 5th February 2021

Development of the **outstanding guarantee volume** of **BPF** (in bEUR)



FNGCIMM / Romania

Total volume of outstanding guarantees in portfolio per 30/06/2020 **MEUR 152.7**

3,568 supported SMEs in portfolio (H1 2020)

New production (in units) in H1 2020 is **1,090**

Just like in many other EU countries, also in Romania the COVID-19 crisis has put an enormous pressure on SMEs. A bold intervention from the state was expected in order to mitigate the economic and social effects generated by the pandemic. So it comes, **FNGCIMM – the National Credit Guarantee Fund for small and medium enterprises** - has become one of the mainstays of the National Investment and Economic Recovery Plan launched by the Romanian Government.

Together with the Ministry of Public Finance and in cooperation with financing partners, **FNGCIMM** designed 3 new programmes aiming at helping SMEs to overcome the economic consequences of the pandemic.

1. **SME INVEST ROMANIA**, in place as of 28 April 2020 represents the largest capital injection in the Romanian economy over the last 30 years. With a total funding worth BRON 8.54 (BEUR 1.75), **SME INVEST ROMANIA** is intended to facilitate SMEs' access to finance by granting guarantee facilities to SMEs for investment and working capital loans (e.g. goods purchases, personnel costs). These guarantees are issued under the State aid Temporary Framework (TF). The maximum amount of state-guaranteed financing per beneficiary is MRON 10 (MEUR 2) for investments with a coverage rate of up to 80% and MRON 5 (MEUR 1) for working capital with a coverage rate of up to 90% of the value of the loan. In case of investment loans, the duration of the financing is up to 72 months with a grace period of maximum 18 months, where the interest rate is 3m-ROBOR + 2% per year subsidised 100% from the state budget. For working capital loans, the maximum duration of financing is 36 months with the possibility of extension for another 36 months. The interest rate is 3m-ROBOR + 2.5% per year, again 100% subsidised from the state budget. In both cases, the guarantee fee and other granting costs are 100% supported by the state.

Currently, the **SME INVEST ROMANIA** programme is in its fifth phase of implementation, meaning that most of the requested loans have already reached their beneficiaries. 22.000 loans worth BRON 15 (BEUR 3.08) were already approved, representing 1.5% of GDP.

For these loans, **FNGCIMM** has a total value sanctioned (refused guarantees) of about MRON 64.9 (MEUR 13.3) and around 18,119 guarantee beneficiaries.

More information on the **SME INVEST ROMANIA**, can be found under this link (in Romanian): https://www.fngcimm.ro/imm-invest

2. Another programme deployed by **FNGCIMM** is called **SME Leasing of equipment and machinery** and is aimed at stimulating the development of small and medium size enterprises with a total number of employees equal to or greater than 250. The programme supports SMEs' access to finance for the purchase of new or second-hand movable property and provides the necessary financial flows through specific sell-and-lease-back operations.

The product is structured as an indirect guarantee, capped at the amount of BRON 1.5 (MEUR 307.8) of the portfolio. The maximum guarantee rate is 80% of the financing value for the acquisition of IT equipment and information technology and 60% of the financing value for the acquisition of technological machinery and equipment, vehicles for transporting goods and persons, used for commercial purposes. The financing costs are subsidised by the state on the de minimis aid scheme, covering 50% of the interest cost, while the administration and the risk costs are 100% subsidised by the state. The maximum duration of the leasing is 72 months with the possibility of granting a grace period from 3 to 12 months.

The programme has been implemented since 26 October 2020 and more information can be found under the following link (in Romanian): https://www.fngcimm.ro/imm-leasing-de-echipamente-si-utilaje

3. Finally, **SME Factor** supports the access to finance of SMEs by granting guarantee facilities for short-term loans. The programme consists in granting state guarantees in favour of beneficiaries eligible for regressive factoring financing. The financial support is granted by the banks registered in the programme within a renewable financing cap and guaranteed by the state through the Ministry of Public Finance.

The maximum value of a guarantee for a factoring facility is KRON 750 (KEUR 152.9) where the guarantee rate is up to 50% of the total financing amount. Financing costs are covered by a state aid scheme in the form of grants under the TF. The maximum amount of grants granted per final beneficiary is up to KEUR 800. In case of pisciculture and aquaculture sectors the grants are limited to a maximum of KEUR 120 per beneficiary and KEUR 100 for enterprises operating in the field of primary agriculture. The commercial credit guarantee scheme is accessible until 30 June 2021.

Latest update: 2nd December 2020

Compared to 2019, in the last 10 months, **FNGCIMM** issued **twice as many** guarantees with a total volume of **5.5 times**.

The results have been achieved by adapting the guarantee products, by digitising the processes and improving the communication with the beneficiaries.

ФОНД СОДЕЙСТВИЯ КРЕДИТОВАНИЮ МАЛОГО БИЗНЕСА МОСКВЫ

FSECA / Russia

Outstanding guarantee volume at end-2020 is **mEUR 218.8**

842 SMEs are under the auspices of **FSECA** in H2 2020

The **average guarantee size** is **kEUR 213** in H1 2020

The **Moscow Small Business Credit Assistance Fund (FSECA)** rolled out substantial measures to support small and medium-sized companies in the Russian capital throughout the pandemic.

In March 2020, the Fund confirmed that applications for the restructuring of current loans secured by guarantees of the Fund will be considered as a matter of priority. Furthermore, it informed that the Department of Entrepreneurship and Innovative Development has opened a hotline for entrepreneurs of the city, including on lending issues. **FSECA** also introduced additional types of guarantees and special conditions for restructuring loans for SMEs. The fund offers entrepreneurs in crisis situations to restructure their debts and to extend its duration by 6 months without additional financial analysis. It will be possible to reconsider the term of the loan, the size of the payment or apply other options for restructuring the debt for the entire duration of the guarantee provided by the Fund. There are also additional types of guarantees for small and medium-sized businesses with 70% coverage and a maximum guarantee amount of mRUB 100 (mEUR 1.1).

To ensure the stable operation of the Fund, the Department will provide a subsidy to cover the costs of payments on defaults, as well as carry out a capitalisation, increasing its own funds.

In addition, the Moscow government subsidises up to 6% of the interest rate on guaranteed loans to SMEs received before April 15, 2020 and up to 8% on loans received after April 15, 2020 to finance current activities. The final rate would then be in the range of 3-7% p.a.

Among the beneficiaries of the promotional programme is a company that produces medical masks and other medical equipment.

FSECA moreover significantly simplified the application procedure by supporting pre-approved subsidised and guaranteed loans. The analysis of these applications takes up to 3 days. This significantly reduces the package of documents that will need to be provided to the entrepreneur.

In November, **FSECA** announced that restrictions on the type of activity of companies benefitting from the guarantee programme are lifted. This change allows to provide assistance to restaurants, cafés and other small businesses, which, due to the work with excisable goods, could not receive it before, despite the difficult situation due to the pandemic.

Most often, entrepreneurs applied for guarantee support to obtain loans to replenish working capital (75%), to execute commercial and government contracts (12%), to re-finance (7%) and investments (2%).

In total, in 2020, Moscow entrepreneurs received bRUB 23.2 (mEUR 254.9) of guaranteed loans. Between January and December 2020, **FSECA** issued guarantees to the capital's entrepreneurs in the amount of bRUB 10.7 (mEUR 117.5). The average guarantee amount is mRUB 19-20 (around kEUR 215). The sectoral structure of guarantees repeats the sectoral structure of small businesses in Moscow: about half of the issued volume of guarantees went wholesale and retail trade enterprises, up to a third was received by companies of priority sectors for the capital (among them - manufacturing, construction, transport, innovation, medicine, etc.) the remaining share went to a variety of services.

More information on **FSECA** measures can be found under the following link: https://www.mosgarantfund.ru/

Latest update: 2nd February 2021

ГАРАНЦИЈСКИ ФОНД
АП ВОЈВОДИНЕ

GF Vojvodina / Serbia

Total volume of outstanding guarantees at mid-2020 was **mEUR 4.8**

306 SMEs are **supported** by **GF Vojvodina** as of mid-2020

New production (in kEUR) in H1 2020 is **414**

Since the beginning of the COVID-19 crisis, the Guarantee Fund of the Autonomous Provence of Vojvodina has adopted the following measures to support the economy in the context of the coronavirus outbreak:

1) Guarantees to help SMEs to cope with their liquidity needs

Financial support under this measure is granted to maintain liquidity needs of SMEs, including working capital needs such as purchase of materials, salaries payments etc., except for refinancing loans with commercial banks and other financial organisations.

The financial support is offered to micro, small and medium companies, agricultural cooperatives and entrepreneurs that have their business headquarters on the territory of the Autonomous Province of Vojvodina. Natural persons - holders of registered family farms can also benefit from the financial assistance provided they have their residence on the territory of the Autonomous Province of Vojvodina.

One basic condition for the issuance of guarantees is that the final beneficiary should not reduce the number of employees by more than 10% in the period from 15.03.2020 until the expiration of three months after the release of funds.

Guarantees are issued in the amount of up to 100% of the loan principal, approved under the following conditions:

- The amount of the approved loan is minimum of kEUR 5 and maximum kEUR 100.
- Loan repayment period up to 36 months which includes a grace period of up to 12 months.

- The total loan duration is 24 months.
- Grace period up to 12 months.
- Interest rate is 1% per annum, i.e. the lowest interest rate approved by a commercial bank.
- Bank's fee for loan application processing in accordance with the Bank's business policy.
- Early repayment fee 0%.
- Monitoring fee 0%.

Until the end of 2020, Guarantee Fund of the Autonomous Provence of Vojvodina issued a total number of more than 50 guarantees with a total value disbursed of EUR 5.000.000,00.

2) Further, the Guarantee Fund of the Autonomous Provence of Vojvodina has signed a protocol of cooperation with Provincial Secretariat for Economy aiming at offering financial support to the guarantee fund in order to strengthen its guarantee capacity. The aforementioned agreement is intended at helping SMEs and tourism workers to achieve better conditions when contracting a bank loan. This measure is intended not only to help SMEs to survive the current pandemic but also to continue with the development of the economy and tourism sector. The support is expected to be launched in early 2021.

More information on Guarantee Fund of the Autonomous Provence of Vojvodina measures can be found under the following link: http://garfond.rs/

Latest update: 5th February 2021

SLOVENE ENTERPRISE FUND

SEF / Slovenia

The **total outstanding guarantee volume** reaches **mEUR 308**

2,310 supported SMEs (+13,2% in portfolio end of Q3 2020)

The **average guarantee size** slightly decreases to **kEUR 100.2** (but remains at a high level)

In order to help micro, small and medium sized enterprises to mitigate the effects of the economic impact of the COVID-19 outbreak, the **Slovene Enterprise Fund (SEF)** has put in place the following measures:

(i) Guarantees for bank loans with subsidised interest rate. Under the **P1 plus 2020 programme**, a credit which is secured by **SEF**'s guarantee is more favourable for enterprises due to lower collateral requirements, lower interest rates, maturity of the credit and the possibility of granting grace period for repayment of the credit. Moreover, there are no extra costs for the approval of the guarantee. Enterprises that obtain a credit within this product at one of the participating banks, have the possibility to obtain a guarantee in the framework of the three credit - guarantee lines, which include:

- the possibility to secure classic projects,
- the possibility to secure technologically innovative projects,
- the possibility to secure trade activities.

Further, thanks to **P1 plus 2020 programme**, **SEF** improved the maturity of guarantees in line with the Emergency Deferral of Borrowers' Liabilities Act.

(ii) Microcredits for problematic regions (**P7R 2020**). The product allows easy and fast access to liquidity for enterprises located in certain regions such as border areas or regions with high unemployment rate. This type of financing enables enterprises to get access to finance for investments in current or future operations. These microcredits are offered on favourable terms, among which are lower collateral requirements, maturity of the credit, grace period for repayment of the credit as well as fast track procedure for accessing the credit.

(iii) Liquidity credit (**P7C**) for SMEs, self-employed entrepreneurs and cooperatives. These credits cover liquidity needs of the most vulnerable entrepreneurs.

(iv) Microcredits for micro, small and medium size enterprises (P7-2 2020 COVID). The product enables easy financing of investments in current or future operations and is addressing additional requirements of enterprises that arise from the Covid crisis. These microcredits are offered on favourable terms, among which are lower collateral requirements, maturity of the credit and grace period for repayment of the credit.

Further, **SEF** has also adjusted the financing conditions for the existing financial instruments. For instance, **SEF** has granted a moratorium for 12 months and prolonged the due date of guarantees for all microcredits granted by commercial banks that has already been covered with **SEF**'s guarantee.

Apart from the above-mentioned measures, **SEF** has also implemented the following interventions to mitigate the effects of the COVID-19 under the Temporary Framework for State aid measures (TF):

a. Aid in the form of direct grants (co-financed from the European Regional Development Fund).

   The purpose of this intervention is to compensate for working capital related costs of SMEs and to stimulate investments in SMEs, which have been affected by the COVID-19 outbreak. This measure is meant to help the affected SMEs to re-establish, preserve or adapt and transform their business as well as to support the functioning or liquidity of enterprises. Priority is given to sectors most affected by the COVID-19 outbreak.

b. Loans with zero interest rate. The purpose of this measure is to support the working capital and investments by SMEs. The loans are granted starting from kEUR 5 to kEUR 50 limited to up to five years and the possible moratorium up to six months. There is work in progress to rise the amount of loans up to kEUR 100.

More information on **SEF** measures can be found under the following link:
https://podjetniskisklad.si/en

Latest update: 3rd February 2021

CESGAR / Spain

Spanish guarantee system

CESGAR – the Spanish national umbrella organisation of 18 Mutual Guarantee Societies in collaboration with their Regional Governments have implemented various urgent measures in order to help SMEs to mitigate the negative effects of the COVID-19 crisis. **CESGAR's** actions include, but are not limited to:

- Set-up of a dedicated programme to fight the COVID-19 crisis
- Increase of the guarantee capacity
- Increase of the maximum guarantee volumes per beneficiary
- Increase in the coverage rate
- Another action refers to the extension of the maximum duration of revolving credit lines that is now capped at 3 years for InnovFin programme and 5 years for COSME programme.

In the aftermath of the Covid-19 pandemic, the Spanish Ministry of Industry, Commerce and Tourism increased the funding of CERSA allowing the Spanish public counter-guarantor to increase its counter-guarantee capacity by mEUR 60. This bold action permitted not only to raise the number of SMEs beneficiary but also to allow **Mutual Guarantee Societies** to assume greater risks towards SMEs.

Following this governmental decision, the Spanish **Mutual Guarantee Societies**, all associated to **CESGAR**, have received a guarantee of 75-80% (depending on the operation) from CERSA for all operations under the **COVID-19 Counter-Guarantee CERSA programme**. Thanks to this measure, **CESGAR's members** are granting 100% guarantees, offering to SMEs sufficient liquidity to face the financial shortage generated by the COVID-19 crisis. Thus, the **Mutual Guarantee Societies** have been an oxygen balloon for many SMEs and self-employed affected by the crisis.

The COVID-19 Counter-Guarantee CERSA programme is in place as of April 2020 and has a total funding of EUR 2 million. The capped 100% guarantees issued under the Temporary Framework for a maximum amount of mEUR 1.35 are granted for working capital loans and channelled directly to SMEs. The guarantee period varies between 2 and 5 years and can reach, in some cases, 10 years.

Since the beginning of the programme, **CESGAR** has a total value sanctioned of about bEUR 2.4 and around 33,354 guarantee beneficiaries.

More information on **CESGAR's** measures can be found under this link (in Spanish): http://www.cesgar.es/

Latest update: 2nd February 2021

Total volume of newly granted guarantees in portfolio per 31/12/2020

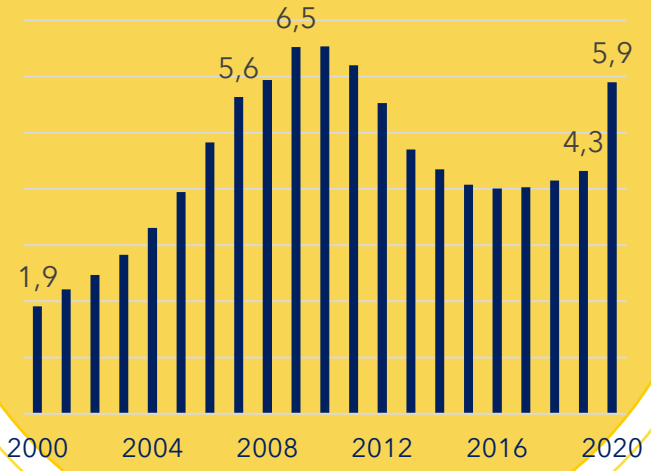
bEUR 2.7

154,054 supported SMEs in portfolio (as of end-2020)

New production (in units) per 31/12/2020 is

37,939

Evolution of the outstanding guarantee volume (in bEUR)



Madrid / Brussels, February 2021

KREDİ GARANTİ FONU

KGF / Turkey

New production is 2.5 times the one in H1 2019

More than **340,000 supported SMEs** (+10.1%) in portfolio (H1 2020)

The **average guarantee size** is **44.5** in H1 2020

Kredi Garanti Fonu (KGF) is one of our two Turkish members and one of the largest AECM members (it was the largest from 2017 to 2019). During the pandemic, **KGF** rolled out extensive support programmes through putting pre-established state-backed guarantees mechanism into use with tailor-made and pinpoint solutions to help SMEs to overcome economic impacts of the crisis.

The first programme was the **Business Continuity Support** that offered guaranteed loans to cover working capital needs in return for meeting the requirement of maintaining current employment levels. The guarantee covers 80% of a loan of maximum mTRY 125 (mEUR 13.7). The maximum maturity was 3 years with half a year grace period option. **KGF** charges a one-off guarantee fee of 0.75%. In the case of a loan restructuring before 31st December 2020 (closure of the scheme) no fee was charged. The commission of the bank was capped at 0.75% as well.

Secondly, **KGF** offered the **Operating Expenses Support programme**, also funded by The Ministry of Treasury and Finance. The maximum term of a guarantee under this scheme was 1 year with a maximum of 3 months grace period. The coverage rate was 80% and the maximum loan amount mTRY 62.5 (mEUR 6.9). There has been a strict control over the use of loans borrowed to ensure that beneficiaries indeed spent to cover their operating expenses. **KGF** charged a one-off fee of 0.5%. Like **Business Continuity Support**, the scheme was open until end-2020.

The third programme carried into action has been the **Cheque Repayment Support**, resembling the first two programmes in terms of loan amounts and maturities but specifically conditioning that the loans to be spent on covering already issued business cheques of the beneficiaries.

Whereas all the above programmes target SMEs and non-SMEs, the **Micro SMEs Lifeline Loan** exclusively targeted SMEs. It is aimed to finance the working capital needs of the firms, to reduce the negative economic effects of the pandemic and to…

…maintain their current employment levels. The 80% guaranteed loans of maximum kTRY 25 (kEUR 2.7) had a maximum term of 3 years with a grace period of 6 months. For these loans, **KGF** did not seek any additional collateral other than the collaterals required by the bank. The one-off commission was 0.75% and the banks' commissions were capped at 0.75%.

On the other hand, **KGF** exceptionally provided guarantees for retail loans first time in its entire history under the programme **Major Needs Support**. The maximum loan amount was kTRY 10 (kEUR 1.1). It was aimed to provide financing support through loan guarantees to face problems that may occur in the financial situation of the citizens.

Bigger tickets could be guaranteed under the **Turkey Investment and Development Bank Credit Support Package** where the maximum loan amount was mTRY 312.5 (mEUR 34.6). Business loans had a maximum duration of 5 years, with a maximum grace period of 1 year. The maturity of investment loans was a maximum of 10 years, with a maximum grace period of 3 years. The one-off **KGF** commission was 0.5% and the bank commission was capped at 1%.

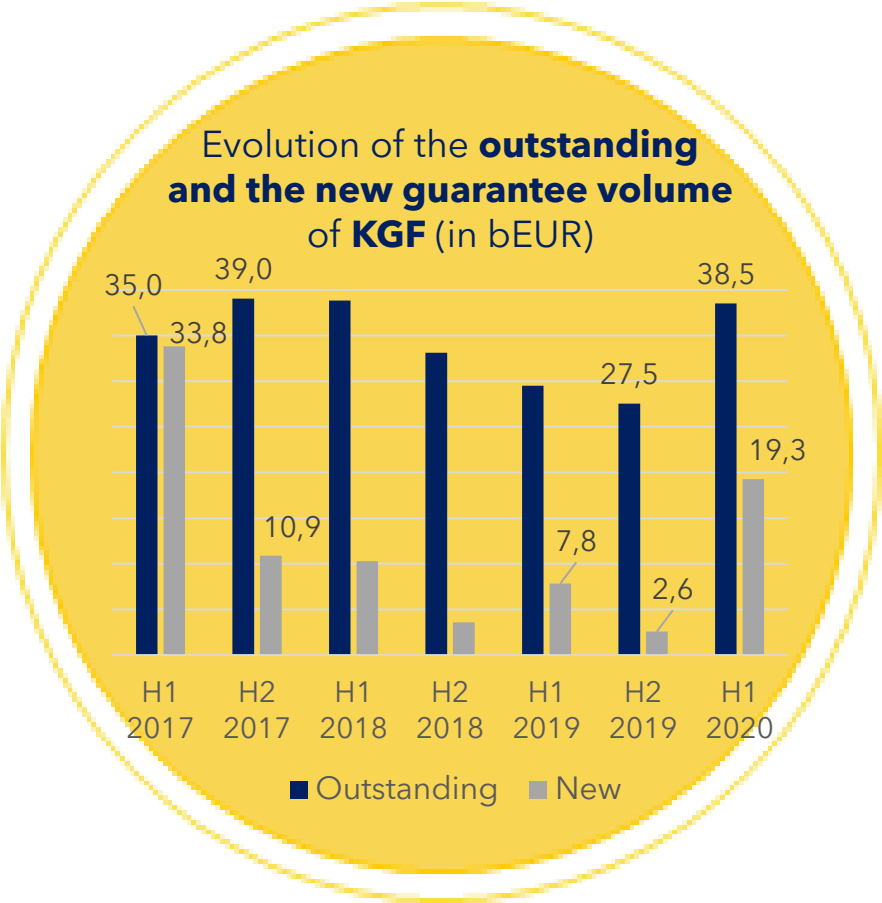
A total of 11 separate precautionary support programmes, including the above detailed, have been implemented collectively during 2020 under the general policy of the government namely "Economic Stability Shield". Owing to its ongoing scheme which includes 30 banks representing 99% of the banking sector in Turkey, **KGF** has been able to structure and initiate pandemic support programmes promptly.

The **Tourism Support Programme** was the last one launched in 2020 which is also open for applications currently. It aims to ensure coverage of all fixed expenses and cash needs of enterprises operating in the tourism sector, especially the wages and rent payments and thus to reduce the negative impact of the pandemic on cash flows and to protect their production and employment capacities. Under this scheme, loans with a maximum amount of mTRY 40 (mEUR 4.4) can be covered at a rate of 80%. The maximum guarantee term is 3 years with a grace period of 1 year, provided that it does not exceed 1st November 2021. Under the **Tourism Support Package**, the following products can be guaranteed: Cash Loan (loans to be used in instalments or revolving, overdraft account which is closed to cash withdrawal, murabaha products) and Non-Cash Loan (corporate credit card, direct debit system, supply chain finance, purchase guarantee letter, guaranteed check). The one-off guarantee fee is 0.5% and the bank commission for each loan extension is limited to 0.5%.

All the programmes presented above are financed in virtue of doubling of the national budget spared for Credit Guarantee Fund scheme from bTRY 25 to bTRY 50 and increasing the guarantee portfolio volume from bTRY 250 to bTRY 500 (bEUR 55) by the same token.

More information on **KGF** measures can be found under the following link: https://www.kgf.com.tr/index.php/en /

Latest update: 28th January 2021



TESKOMB / Turkey

THE CENTRAL UNION OF TRADESMEN AND CRAFTSMEN CREDIT AND GUARANTEE COOPERATIVES OF TURKEY

The **outstanding guarantee volume** reaches **bEUR 5.3** at mid-2020

585,000 SMEs (+7.6%) under the auspices of **TESKOMB** (H1 2020)

The **new production** in units in H1 2020 **increased by 76.3%** with regard to H1 2019

TESKOMB is a mutual guarantee society with 1,008 cooperatives and about 1.8 million voluntary partners all over Turkey. **TESKOMB** guarantees 100% of the credits by Halkbank for tradesmen and craftsmen. The maximum maturity period was increased to 60 months for credits.

TESKOMB supports Turkish SMEs affected by the pandemic via the following measures:

- **TESKOMB** provides additional guarantees at a maximum amount of kTRY 25 (kEUR 2.8) to its partners with no collateral. They have a duration of 3 years and a grace period of 3 months. Under this programme, a total of bTRY 17 (bEUR 1.9) additional credit is granted to 680,000 tradesmen and craftsmen, bTRY 4 for 160,000 tradesmen and craftsmen by **TESKOMB** and bTRY 13 for 520,000 tradesmen and craftsmen by **TESKOMB**'s partner Halkbank.
- **TESKOMB** granted a loan deferment of 6 months. The first deferment for April, May, June and second deferment for July, August, September. **TESKOMB** deferred all its partners' loans by 6 months during which no interest had to be paid. A letter of commitment was received from the partners who deferred their instalments, stating that they will not end their employees' employment contracts during the deferment period. A new deferment programme is planned for 2021.
- The interest rate was reduced to 4.5% for all credits.
- **TESKOMB** forewent all partners non-performing credits' interest payments. The principal debt is restructured over 24 months.
- The grace period of default credits is increased from 30 days to 90 days.

More information on measures by **TESKOMB** can be found under the following link: http://www.teskomb.org.tr/

Latest update: 15th January 2021

British Business Bank

BBB / United Kingdom

British Business Bank (BBB) is the public UK development bank that, beside its standard programmes that aim to make finance markets work better for small businesses in the UK at all stages of their development, is implementing the crisis support programmes of Her Majesty's Treasury. This role allowed **BBB** to become within one semester the **AECM** member with the second largest outstanding guarantee volume.

On 23rd March 2020, **BBB** launched its **Coronavirus Business Interruption Loan Scheme (CBILS),** a demand-led scheme offering lending for smaller businesses with a turnover of less than mGBP 45 (mEUR 49.6). To access the scheme, only lenders need to pay a fee. For SMEs, access is for free. Lender-levied interest and fees are paid by the UK government during the first 12 months. A lender can provide up to mGBP 5 (mEUR 5.5) in the form of term loans, overdrafts, invoice finance and asset finance, which are then covered by an 80% guarantee with an overall cap per lender. Durations are up to 6 years for term loans as well as asset finance facilities and up to 3 years for overdrafts and invoice finance facilities. Under the scheme, personal guarantees will not be taken for facilities below kGBP 250 (kEUR 275). Above this threshold, recoveries are capped at a maximum of 20% of the outstanding balance and a principal private residence cannot be taken as security to support a personal guarantee. Nonetheless, the borrower remains fully liable for the debt. Already on 2nd April 2020, **CBILS** has been significantly expanded along with changes to the scheme's features and eligibility criteria. Importantly, insufficient security is no longer a condition to access the scheme.

On 20th April 2020, **British Business Bank** started its **Coronavirus Large Business Interruption Loan Scheme (CLBILS)**, another demand led scheme that targeted mid-size and larger businesses with a turnover of more than mGBP 45. On 15 May, the Government changed the scheme to allow an increase of turnover of mGBP 50. The maximum amount available through **CLBILS** to a borrower and its group was increased from mGBP 50 to 200. Term loans and revolving credit facilities over mGBP 50 will be offered by **CLBILS** lenders which have secured additional accreditation. The maximum size for invoice finance and asset finance facilities remains at mGBP 50. Companies borrowing more than mGBP 50 through **CLBILS** are subject to further restrictions on dividend payments, senior pay and share buy-backs during the period of the loan. Facilities backed by **CBILS** include term loans and asset finance, which have a maximum term of 6 years and invoice finance and revolving credit which have a maximum term of 3 years. They are covered by an 80% guarantee and for the liability and the personal guarantee, the same applies as under **CBILS.**

From 20th April 2020, **BBB** also delivered the **Future Fund** that supports the UK's innovative businesses that have currently been unable to access other government business support programmes such as **CBILS**, because they are either pre-revenue or pre-profit and typically rely on equity investment. The **Future Fund** supports those innovative businesses currently affected by Covid-19 through the issuing of convertible loans. The initial budget of the fund was mGBP 250 with the UK Government making clear the amount could be increased if needed. Investments by the fund must be at least 100% matched by private investors. The fund's loan amount ranges from kGBP 125 (kEUR 137.9) up to a maximum amount of mGBP 5. The loans will have a minimum of 8% p.a. interest charge. The interest is not payable on a monthly basis but will accrue until the loan converts to equity. On conversion, the interest will either be repaid or convert in equity. The loan matures after 36 months and will convert into shares in the company under certain circumstances. The scheme is set to end on 31st January 2021.

On 4th May 2020, **BBB** launched the **Bounce Back Loan Scheme (BBLS)**, another demand-led scheme offering lending targeted at small and microbusinesses requiring facilities between kGBP 2 and 50 (kEUR 2.2 and 55) – up to 25% of businesses' turnover with a maximum loan of kGBP 50. These are granted for a duration of up to 6 years and benefit from a 100% government-backed guarantee. The government furthermore covers the first 12 months of interest payments via the so-called Business Interruption Payment. After that, the interest rate is set at 2.5% p.a. There are neither fees to be paid by lenders nor by businesses. Repayments start only after the first 12 months. Lenders are not permitted to take personal guarantees or take recovery action over a borrower's personal assets (such as their main home or personal vehicle). Since November 2020, smaller businesses are allowed to apply for a top-up to their existing **Bounce Back Loan** if they originally borrowed less than the maximum amount.

In December 2020, the end dates of **CBILS**, **CLBILS** and **BBLS** were extended to 31st March 2021.

More information on **BBB** measures can be found under the following link: https://www.british-business-bank.co.uk/finance-hub/find-a-way/

Latest Update: 1st February 2020

About us

The 47 members of the **European Association of Guarantee Institutions (AECM)** are operating in 30 countries in Europe. They are either private /mutual sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure[1]. By guaranteeing for these enterprises, guarantee institutions help to address this market failure and facilitate SMEs' access to finance. The broader social and economic impact of this activity includes the following:

- Job creation and preservation of jobs by guaranteed companies
- Innovation and competition: crowding-in of new ideas leading to healthy competition with established market participants
- Structure and risk diversification of the European economy
- Regional development since many rural projects are supported
- Counter-cyclical role during crises

SME guarantees generally pursue a long-term and our members, if public, private, mutual or with mixed ownership structure, have a promotional mission.

AECM's members operate with counter-guarantees from regional, national and European level. As of mid-2020, **AECM**'s members had about bEUR 259 of guarantee volume in portfolio, thereby granting guarantees to around mEUR 4.5 SMEs. **AECM**'s members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU guarantees from the very beginning in 1998.

European Association of Guarantee Institutions – AECM
Avenue d'Auderghem 22-28, bte. 10, B-1040 Brussels
Interest Representative Register ID number: 67611102869-33

[4] OECD (2006). The SME finance gap. Vol. 1. Theory and evidence.
For an overview of market failures in SME lending and mitigation techniques: OECD (2018). Financing SMEs and entrepreneurs 2018. An OECD Scoreboard, OECD Publishing, Paris.

Annex : Overview of measures

Country	Organisation	Support via standard programmes	Support via dedicated covid programmes	Increase of the guarantee capacity	Increase of the maximum and decrease of the minimum guarantee amounts	Increase of the coverage rate	Reduction or waiver of fees and interest	Fast-track procedures and/or reduced documentation requirements	Relaxation of repayment schemes	Extension of the scope of the guarantees	Reduction of collateral requirements	Equity and quasi-equity measures	Offering advisory services (incl. FAQ and hotlines)
Austria	aws	√	√	√	√	√	√	√	√	√	√	√	√
	NÖBEG	√	√	√	√	√	√	√				√	√
Azerbaijan	MCGF	√		√	√	√	√	√	√				
Belgium	PMV/z Waarborgen	√	√	√		√	√		√			√	
	Fonds Bruxellois de Garantie	√	√									√	
	SOWALFIN	√	√	√		√	√	√	√			√	√
Bosnia and Herzegovina	GF Srpska	√			√		√	√	√	√			
Bulgaria	NGF	√							√				
	MGFSME	√	√	√		√	√						
Croatia	HAMAG-BICRO	√	√	√		√				√			
Czechia	CMZRB	√	√	√		√	√	√	√				√
Estonia	KredEx	√	√	√		√	√	√			√		√
Finland	Finnvera	√	√	√		√	√	√	√	√	√		√
France	SOCAMA	√	√						√		√		
	SIAGI	√	√	√		√			√				
	Bpifrance	√	√	√		√		√	√		√	√	√
	EDC	√		√					√				
Germany	VDB	√	√	√	√	√	√	√				√	√
Greece	HDB	√	√	√			√						
	TMEDE	√		√			√			√			
Hungary	Garantiqa	√	√	√	√	√	√						
	AVHGA	√	√	√		√	√	√			√		
	MVA	√											
Ireland	SBCI	√	√	√		√	√		√		√		√
Italy	Assoconfidi	√		√		√	√		√				
	ISMEA	√	√	√		√	√	√	√				
Kosovo	KCGF	√	√	√		√	√						
Latvia	Altum	√	√	√	√			√		√		√	√
Lithuania	Invega	√	√			√	√		√		√		√
	Garfondas	√	√	√		√	√						√
Luxembourg	MC	√	√					√					
	MPME	√											
Malta	MDB	√	√	√	√	√	√	√	√		√		
Netherlands	RVO	√	√	√		√	√	√			√		
Poland	BGK	√	√	√		√	√	√	√	√		√	√
Portugal	BPF	√	√	√		√	√		√		√		
Romania	FGCR	√						√	√				
	FNGCIMM	√	√	√		√	√	√	√				√
	FRC	√					√	√	√	√			
Russia	FSECA	√		√									
Serbia	GF Vojvodina	√		√		√	√			√			
Spain	CESGAR	√	√	√	√	√	√	√	√				
Slovenia	SEF	√	√	√		√	√	√	√		√		√
	SRDF	√	√				√		√		√		√
Turkey	TESKOMB	√					√		√		√		
	KGF	√	√	√			√		√				
UK	BBB	√	√	√	√	√	√	√	√	√	√	√	√
	aecm TOTAL	47/47	34/47	35/47	10/47	30/47	34/47	23/47	28/47	10/47	15/47	10/47	17/47