

## Measures taken by EAPB members to address the economic impact of the coronavirus epidemic

*Last update 5 June 2020*

### ICF (Catalonia, Spain)

The ICF, as a public financial institution, launched specific credit facilities to assist in combating the impact of COVID-19, complementing the State / ICO / Commercial Banks guarantee program.

#### ICO COVID Guarantee Program

ICO has activated four guarantee packages:

- First package of measures (€20 billion) → for SME's and corporates, with a different **guarantee** percentage according to the type of enterprise and the purpose of the loan:
  - 80% guarantee for self-employed workers and SME's, both for new operations and restructuring
  - 70% guarantee for corporates, for new operations
  - 60% guarantee for corporates, for restructuring
- Second package of measures (€20 billion) → the same conditions, but solely SME's.
- Third package of measures (€10 billion) → the same conditions as the first package. In addition:
  - €4,000m to guarantee the promissory notes of non-financial companies of the MARF market up to 70%
  - €500m to reinforce the guarantees granted by CERSA (the Spanish Refinancing Company) up to 80%
- Forth package of measures (€20 billion) → same conditions as the first package but solely for SME's.

#### ICF COVID liquidity program: more than €1.1 billion

In order to complement the ICO-Estate Guarantee program, the ICF COVID program will provide specific liquidity solutions to the Catalan Economy for an amount up to **€1.1 billion**.

1. **ICF-Avalis COVID-19 liquidity (€300m)** → Avalis de Catalunya will **guarantee** 100% of the loans through financial institutions and the ICF, to cover the current working capital needs of self-employed workers and SMEs.
  - Applicants can request these loans through the ICF or other financial institutions.
  - Self-employed workers and SMEs can apply for loans of between **€50,000 and €1 million, up to 5 years**.
2. **ICF COVID-19 loans (€700m)** → The ICF will be able to **provide direct credit to SME'S and mid-caps**.
  - **This credit facility** will enable to applicants to apply for loans **up to a maximum of €2.5m**, with a repayment period of 5 years. The facility also

allows the ICF to guarantee operations with other financial institutions up to a maximum of €5m.

3. **ICF Eurocrédit COVID-19 (€70m)** → The ICF and the European Commission set up a new financing solution, funded by the European Regional Development Fund (ERDF), to help Catalan SMEs affected by the pandemic to cover their liquidity needs.
  - The loans are from €250,000 up to €2m and the repayment period will be up to 5 years.

From the outset of this pandemic, the ICF, together with departments of the Government of Catalonia, has been working to analyse the needs of companies and institutions to create direct credit facilities tailored to the sector's specific requirements (Culture, Social Economy, Sports Clubs, Research and Innovation, among others).

## HBOR (Croatia)

- **Moratorium on existing obligations**

The clients, who have been granted a direct loan, have already received HBOR's notice informing them that they can take a moratorium from 1 April 2020 to 30 June 2020 on unpaid obligations maturing from 1 March 2020 to 30 June 2020 with a possibility of extension should the adverse impacts of the COVID-19 pandemic on the economy last for a longer period of time. Upon expiry of the moratorium period, the principle amount due, accrued interest and fees are charged in 12 equal monthly instalments, the first of which falls due one month after the expiry of the moratorium period. The clients, to whom loans under HBOR's loan programmes have been granted through commercial banks, have to submit their moratorium applications to their commercial banks. HBOR is willing to support any moratorium application submitted by clients to whom loans under HBOR's loan programmes have been approved through commercial banks or under risk-sharing models.

- **Rescheduling of obligations**

Entrepreneurs have been offered a possibility to reschedule their existing loan obligations towards HBOR. The rescheduling includes the possibility of extending loan disbursement, grace and repayment periods by 6 months. The fee for changing the loan terms and conditions is not calculated and charged.

- **Working capital loans**

Under the Working Capital programme, loans will be approved through the risk sharing model in cooperation with commercial banks: 50 percent of funds from HBOR's sources at an interest rate of as low as 0 percent in the first year of loan repayment (level of interest depends on the state aid regulations). The other part of the loan will be approved from commercial bank's sources. Loans will be approved for a period of up to 3 years and may be drawn down by entrepreneurs having been affected by the COVID-19 pandemic for the purposes of financing their current operations and settling short-term obligations. The entrepreneurs (those operating in the tourism industry included) having generated at least 20 percent of revenues from exports in the past business year will be able to use HBOR's portfolio or separate loan insurance as collateral.

- **Portfolio insurance of loans for liquidity of exporters and their suppliers (guarantee)**

It will be possible to use HBOR's portfolio insurance as a guarantee for up to 50 percent of the loan amount approved by commercial banks to exporters as new loans for liquidity (entrepreneurs of all sizes and from all sectors of the economy, tourism included, having generated 20 percent of revenues from exports in the past

business year). Portfolio insurance will facilitate and accelerate the process of obtaining new liquidity loans at low premium rates and longer maturities (up to 6 years, including the possibility of up to 1-year grace periods). Soon, these benefits will also be made available to indirect exporters (suppliers of exporters).

- **Interest-free loans to entrepreneurs in tourism activities**

Based on „The Business Cooperation Agreement on the Implementation of Measures for Ensuring Liquidity for Entrepreneurs in the Tourism Sector“ signed between Ministry of Tourism and HBOR, HBOR can approve direct interest-free loans to entrepreneurs in tourism activities. Ministry of Tourism will provide funds in the amount of HRK 26 million for interest rate subsidies of up to two percentage points for liquidity loans to entrepreneurs in tourism activities under the COVID – 19 Measure. Through this credit line, up to HRK 600 million will be available to entrepreneurs active in the tourism industry in order to preserve jobs, maintain liquidity and prepare them to continue their active and successful business. The funds are intended for subsidised loans to micro, small and medium-sized enterprises with registered accommodation activity (hotels, resorts, campsites, other accommodation), food and beverage service activities (restaurants, catering, other food preparation and service activities), renting water transport vehicles and travel agencies and tour operators. Loan application can be submitted directly to HBOR, which will approve the funds for a period of up to five years with the possibility of using a grace period of up to one year. Owing to subsidy funds, interest rate can be zero percent for the repayment period of up to three years, and in the fourth year and the fifth year of repayment, interest rate can be 1.5 percent (the interest rate depends on state aid regulations).

- **New loans for liquidity to entrepreneurs affected by the COVID-19 pandemic**

Beneficiaries of the new liquidity loans can be micro, small and medium-sized enterprises and mid-caps (up to 3,000 employees) that were not in difficulties on 31 December 2019- Entrepreneurs applying for a loan should, in accordance with the Methodology for the calculation of the COVID score of the Financial Agency (FINA), be assessed as clients whose business is endangered and who need additional financing. This manner of lending will enable faster approval of funds needed by entrepreneurs with a reduced interest rate. Namely, more than HRK 1.2 billion was made available to entrepreneurs for new liquidity loans which banks will, thanks to HBOR sources, approve at an interest rate reduced by 0.75 p.p. compared to the regular interest rate. The maximum loan amount can be HRK 35 million, and the funds can be used for the financing of salaries, overheads and other basic operating expenses (the so-called idle mode), purchase of raw materials, settlement of obligations towards suppliers and other current operating expenses. Loans cannot be used for the settlement of existing loan obligations towards commercial banks and other financial institutions.

- **Working capital for rural development**

As a result of cooperation between the Ministry of Agriculture and HBOR, a new financial instrument called “Working Capital for Rural Development” has been launched providing the funding for liquidity needs at favourable terms and conditions for farmers, entities processing agricultural products and those operating in the forestry industry whose activities have been affected by the COVID-19 pandemic. Loans will be approved by HBOR directly at an interest rate of 0.5 percent, and the borrowers will not be charged any fees usually charged when approving and disbursing loans or modifying loan terms and conditions. Loan amounts can range from HRK 190 thousand to HRK 1.5 million. Loan funds will be granted for a period of up to 5 years (up to 12-month grace period included), or up to 3 years (up to 6-month grace period included) for loans amounting up to HRK 760 thousand. Required collateral includes debentures and blank debentures of borrowers and, if necessary, debentures and blank debentures of associated entities. Loan funds can

be used for the financing of the salaries, overhead costs and other main operating costs, the procurement of raw materials and the settlement of obligations towards suppliers as well as other current operating costs. The funds cannot be used for the settling of existing loan obligations towards commercial banks or other financial institutions. Loan applications can be submitted to HBOR starting from Monday, 1 June 2020. The total volume of funds earmarked for these loans stands at HRK 130 million. This amount has been provided by way of reallocating a portions of the Investment Loans for Rural Development financial instrument to the Working Capital for Rural Development financial instrument. Loan applications will be received until 31 December 2020 or until available funds have been disbursed.

- **Working capital COVID-19 measure for entrepreneurs in the wood processing and furniture production activities**

An Agreement was concluded with the Ministry of Agriculture, on the basis of which financing will be implemented through the Working Capital Programme Measure COVID-19 entrepreneurs in the wood processing and furniture production activities. Application for the approval of a working capital loan under this Measure may be submitted by entrepreneurs that generate at least 20% of their operating income in foreign or international markets according to the data stated in their last official annual financial statements. The amount of proceeds intended for subsidies is HRK 25 million, of which HRK 10 million relate to interest rate subsidies on loans, and HRK 15 million to subsidies for insurance premiums under loan insurance policies. The interest rate subsidy on loans will be used for the entire loan period to compensate the interest rate difference of up to 2 percent p.a., depending on the applicable state aid rules arising from HBOR's State Aid Award Programme harmonised with the EU Provisional Framework for State Aid Measures. From the proceed for co-financing insurance premiums under loan insurance policies, co-financing of insurance premiums under loan insurance policies will be granted to eligible beneficiaries on the basis of De Minimis Aid Programme up to the amount of available de minimis aid.

- **Current loan programmes – interest rates of 2 percent and lower**

HBOR's funds for the financing of investment activities and current loan programmes for the financing of working capital (Pre-Shipment Export Finance and Working Capital) are, and will be in the future, available to Croatian entrepreneurs and the public sector at favourable terms and conditions. Interest rates of 2 percent and lower will be charged to a large number of entrepreneurs under these programmes.

- **Future measures**

In cooperation with local and foreign institutions, HBOR has been developing other measures and will, in line with its role, adapt its activities and programmes to the requirements and circumstances in which Croatian entrepreneurs operate. This primarily relates to the development of new guarantee schemes and the financing of sectors affected by the pandemic.

### **Measures implemented by HAMAG-BICRO in cooperation with HBOR (Croatian Agency for SMEs, Innovations and Investments):**

- Moratorium on existing liabilities (ESIF Micro and Small Loans and Micro and Small Rural Development Loans) and the prolongation of repayment of loans for which the ESIFs guarantees are issued, by December 31 2020;
- Reduction of interest rates on investment loans with 30% share of WC (ESIF Micro and Small loans) to 0.1% -0.25% -0.5%;
- Increase in allocation for ESIF Micro loans for working capital loans with the reduction of interest rates (EUR 1,000-25,000; grace period of 12 months; reduction of interest to 0,5% - 0,75% - 1,0%, depending on the development index);

- Increase of the maximum guarantee rate for ESIF individual guarantees for working capital loans from 65% to 80% of the loan principal (guaranteed loan amount EUR 150,000-1,000,000) through 17 financial institutions;
- Establishment of a new financial instrument COVID-19 Loans for working capital for SMEs;
- Establishment of a new financial instrument Micro Rural Development loans for working capital for small business entities in the agricultural, processing and forestry sectors with faster and easier processing, grace periods and lower interest rates;
- Rural Development Individual guarantees of up to 80% of the principal of working capital loans (guarantee amount up to EUR 1,000,000) implemented through 16 financial institutions;
- Counter-guarantees for 50% of the principal of the ESIF Micro loan for working capital for the tourism sector, which significantly reduce the usual collateral instruments and provide a more favorable interest rate of 0.5% - 1.0%.

## NRW.Bank (Nordrhein-Westfalen, Germany)

### Debt capital

#### New business

For companies that get (or have got) into difficulties due to the Corona crisis:

- Adjustments of the NRW.BANK universal loan (number of employees for eligibility to apply not relevant) for working capital financing, in particular:
  - Addition of 80% to the indemnity offer (offer of 50% remains)
  - Abolition of the minimum amount of indemnity (previously EUR 125,000)
  - Introduction of further term variants
    - Loans with 2 and 4 years maturity
    - Instalment loans with 3, 4 and 5 years maturity and option of 1 or 2 grace years
  - Reduction of application requirements to ensure short processing times
  - Open also for lower rating classes

#### Portfolio business:

- Granting of suspensions of redemption from April 2020 until 31 December 2020 without extension of the term, max. 9 monthly instalments (or 3 quarterly instalments) for all promotion programmes upon application by the company using a simplified procedure

### Equity, Convertible loans

- New NRW.BANK. Programme "NRW.Start-up akut". With the convertible loan, companies that are not older than three years will receive up to EUR 200,000 with a term of six years. The loan is repayable at maturity or can be converted into equity at the end of the term or when a new investor comes on board. Advantage: In the acute crisis, the company is not burdened with interest and redemption payments. [www.nrwbank.de/start-up-akut](http://www.nrwbank.de/start-up-akut)
- Adjustment Start-up equity programme NRW.SeedCap:
  - Increase of the investment from max. EUR 100,000 to EUR 200,000 per company
  - Extension of the maximum age of start-ups up to 36 months after foundation, if a business angel adds the same amount. [www.nrwbank.de/seedcap](http://www.nrwbank.de/seedcap)
- NRW.BANK.Venture Funds: Investments of EUR 0.25 to 6.0 million are now also possible in the later growth phase. The aim is on the one hand to compensate



investors who are currently reluctant to invest, and on the other hand - in the sense of a "Matching Fund" - to complement those investors who are still willing to finance NRW start-ups. This will prevent innovations Made in NRW from being slowed down by the acute crisis. [www.nrwbank.de/venturefonds](http://www.nrwbank.de/venturefonds)

## **Finlombarda Spa (Lombardy, Italy)**

### **Liquidity to help businesses and professionals affected by the coronavirus outbreak**

- We have introduced a moratorium on SMEs' (as defined in the European Commission Recommendation no. 2003/361/EC) for loans granted until 30 September 2020 ('Moratoria Cura Italia') in application of the "Cura Italia Decree" provisions
- We have introduced a regional moratorium on businesses and municipalities' loan repayments of principal and interest under existing facilities until 31 December 2020 ('Moratoria regionale')
- We gave continuity - making them more interesting - to two financial instruments already existing to give liquidity loans to SMEs in almost all sectors, from manufacturing to agriculture ("Credito Adesso" e "Bando per il credito di funzionamento delle imprese agricole")
- We have launched a new measure "Credito Adesso Evolution" to ensure that SMEs and professionals have liquidity to face with the difficult situation caused by the coronavirus outbreak, extending the term of the loan up to 72 months with two years of pre-amortization and reduction of the interest rate up to 3%

### **Further measures to support credit to firms**

- We have launched Turnaround Financing to provide loans combined with a regional guarantee for companies that are already undergoing restructuring and relaunching their business

### **All this in complementarity with government action**

In order to avoid liquidity crisis for Italian companies, the 'Cura Italia Decree' also provides for guarantee mechanisms to encourage SME's access to credit during the Covid-19 epidemic from the enhancement of Central Guarantee Fund. Measures supported by the public guarantee of the SME Guarantee Fund include: the increase of the maximum allowed guaranteed amount from EUR 2.5 million to up to EUR 5 million and the increase of the maximum guarantees amount to up to 80% of the financing (under the direct guarantee scheme) or 90% (under the counter-guarantee or reinsurance scheme), in either case up to an amount of EUR 1.5 million for each borrower.

## **WIBank (Hessen, Germany)**

- **Hessen-Mikroliquidität**, micro loan for small enterprises up to 50 employees, direct loan, 3000 € up to max. 35.000 € to bridge short term liquidity needs, no collateral and no fees or other costs. The loan term is seven years with two repayment-free years. Repayment must be made monthly from the beginning of the 3rd year to the end of the 7th year, the interest rate is 0.75 years per year. The loan is especially designed for small enterprise, for which the grant schemes offered by the national and regional

government (“Corona-Soforthilfe”) is not sufficient and don’t have the same access to finance as larger companies.

- **Liquidity program for SMEs:** subordinated loan in the amount of at least 5,000 € to a maximum of 200,000 € via house bank. The house bank provides co-financing of a further 20% of the loan sum. The program is open for micro-businesses, SMEs in the commercial sector (including commercial social enterprises with the intention of making a profit) and freelancers. The loan term is two years with final repayment or alternatively 5 years with two repayment-free years. The current interest rate is 1.25 percent p.a. nominal.
- **Grant for restructuring opinion** (Sanierungsgutachten) in accordance with IDW S6 financed by the regional government of Hesse. The individual grant can amount to up to 50 percent of the costs of the report, up to a maximum of 10,000 € to support access to finance for companies through their house banks
- **State guarantee programme** Because of COVID-19, the State of Hesse offers state guarantees on changed terms from a guarantee commitment of EUR 2.5 million. Within the framework of the “Bundesregelung Bürgschaften 2020”, increased guarantee rates of up to 90% of the loan amount can be applied for working capital and investment loans.

## Rentenbank (Germany)

- Landwirtschaftliche Rentenbank opened it’s Liquidity Assistance programme for companies in agriculture, horticulture and viticulture that are affected by the outbreak of corona.
- To support those companies, Rentenbank offers Liquidity Assistance loans with a duration of 4,6 or 10 years with generally one redemption-free year and with particularly low-interest rates that currently include grants of 1,5 % of the loan amount. Companies may apply for the loans via their local banks.
- Furthermore, Liquidity Assistance loans for companies in agriculture, horticulture, viticulture, forestry, fisheries and aquaculture can also be combined with a guarantee. Under the Federal Government’s guarantee programme, promotional loans of up to EUR 3 million can be guaranteed up to 90% for SMEs and up to 80% for large companies.
- Granting of redemption suspensions (with or without extension of the term) for all promotional loans on request of the ultimate borrower and application by the local bank.

## Hungarian Development Bank (MFB):

MFB launched 9 recovery programmes (3 loan, 2 guarantee, 4 equity programmes).

### 1) LOAN - Financial ,lifebelt’ to the small enterprises

- The purpose of the loan is to ensure that micro and small enterprises, such as higher-risk clients, can not be financed by commercial banking instruments, so that higher-risk customers can obtain the investment, current asset and liquidity financing necessary for survival.
- Main conditions:
  - Credit target: investment, current and liquidity financing
  - Loan amount: up to HUF 150 m/transaction
  - Client interest rate: maximum fixed 2.5%/year
  - State ready-to-pay guarantee rate: 80%
  - Sales channel: financial firms
  - Credit Source: MNB NHP Go

### 2) LOAN - Professional ,Survival kit’ for the large corporations

- The main target group is large corporations, but it is also an ideal solution for medium-sized enterprises, whether it is investment, acquisition, current assets, liquidity or loan replacement financing.
- Main conditions:
  - Credit target: investment, acquisition, current asset, liquidity and credit redemption
  - Loan amount: minimum HUF 1 bn - up to HUF 10 bn/transaction
  - Customer interest (MFB for direct lending): 1.6-2.6%/year
  - Customer interest (for refinancing): 4.55-6.1%/year
  - State ready-to-pay guarantee rate: 80%
  - Sales channel: MFB or commercial banks
  - Credit source: Market source covered by MFB

### **3) LOAN - EU 'Lifebelt' to Hungarian SMEs**

- The loan programme is an EU-funded EDIOP financial instrument, distributed by the network of MFB Points. In addition to the investment targets so far, it also provides independent current and liquidity financing at an interest rate of 0.0%/year.
- Main conditions for the investment loan:
  - Loan amount: up to HUF 150 million /transaction
  - Loan interest payable by client: 0.0%/year
  - Sales channel: network of MFB Points
- Main conditions for the working capital loan:
  - Loan amount: up to HUF 150 million /transaction
  - Loan interest payable by client: 0.0%/year
  - Sales channel: network of MFB Points

### **4) Crisis Equity Programme I. – Managed by: Hiventures**

- Fund size 150 mil HUF
- Capital financing, unsecured, with low expected return:
  - 1. For financially distressed firms of strategic national importance,
  - 2. For acquisitions of domestic and foreign companies and real estate
  - 3. For development
- Investment objective, target group: re-organisation and re-structuring, acquisition of companies and real estate, investment; SMEs and large companies
- Main feature: higher risk investments in the management of HIVENTURES
- Fund size: HUF 150 billion
- Transaction size: min. HUF 500 million

### **5) Crisis Equity Programme II. – Managed by: fund managers**

- Fund size: HUF 3x50 million + 30% Private Equity Ratio
- Investment objective: financing of investments and acquisitions of companies and the purchase of property which cannot or cannot be fully resolved by credit
- Number of funds, size: 3 pieces, HUF 50-50 billion + min 30% private equity ratio (common fund)
- Transaction size: min. HUF 500 million
- Fund manager selection: tendering, procedure length of 2-3 months
- Selection criteria for fund managers: min 3 years experience in the management of private equity and/or venture capital funds, placement of at least HUF 5 billion

### **6) Start-up Rescue Programme**

- Rapid support to successful start-ups strongly hit by the crisis to strengthen their domestic innovation potential



- Investment objective: capital investment for liquidity insurance for successful domestic start-ups with high innovation potential
- Fund size: Existing Growth Capital Fund subscribed capital of HUF 20 billion + HUF 10 billion capital increase
- Transaction size: HUF 100 million – HUF 300 million
- HUF 30 million

## 7) SME Rescue Programme

- Fund size: HUF 41 million
- Provision of unsecured capital investment to SMEs excluded from credit markets for liquidity insurance, accelerated procedure with low expected rate of return
- Investment objective: capital investment for SMEs that were performing well before the crisis but now face financial difficulties
- Fund size: SME Capital Fund subscribed capital of HUF 31 billion + HUF 10 billion capital increase
- Transaction size: HUF 50 million – HUF 250 million

### • ESIF contribution

## 8) New Garantiqa Crisis guarantee programme

- Purpose of the programme is to address corporate payment difficulties and liquidity problems of SMEs, but even of large companies in order to restore and preserve corporate viability up to a guarantee amount of HUF 5 billion.
- Until 31 December 2020, the EU's transitional provisions allow for a max. 90% guarantee, which helps to maintain lending possibilities. In the transitional program, the amount of credit is limited, so it is not fully capable of serving all guarantee needs.
- Main conditions:
  - Guarantee amount: maximum HUF 5 Billion/enterprise group
  - Guarantee rate: maximum 90%
  - Guarantee fee payable by the client per year: 0,25-2%
  - Rate of the guarantee fee subsidy: 1% p.a.
  - Rate of the state counter-guarantee: 90% of the guarantee amount
- Expanding the guarantee framework of Garantiqa in order to maintain the financing of enterprises and to support 'MNB NHP fix', 'NHP Hajrá' and refinanced MFB loans, as well as Széchenyi Card Programme and loans from the bank's own resources with institutional guarantee.

## 9) Safety net for the largest ones

- Purpose of the program is to address corporate payment difficulties and liquidity problems, primarily for large companies and medium-sized enterprises, between HUF 5 billion and HUF 10 billion.
- HUF 50 bn
- Main conditions:
  - Guaranteed loan: min. HUF 5 Bn – max. HUF 10 Bn /transaction
  - Amount of the guarantee: 90% of the loan amount
  - Guarantee fee per year: 0.25-2%
  - State counter-guarantee rate: 90% of the guarantee amount
  - Budget support rate: 0.0%

## Bank Gospodarstwa Krajowego (Poland):

### Instruments in place

#### a) De minimis guarantees for SME's:

- In the de minimis programmes dedicated to SMEs BGK will increase the eligibility, the amounts and availability up to 80% (from 60% now) of the total value of the

project/financing required. BGK will also extend duration of guarantee on working capital loans from 27 to 39 months. BGK will not charge any commission for this instrument,

- Available to any company from SME sector that has so far met the criteria set out in the de minimis guarantee scheme,
- De minimis guarantees facilitate taking a working capital or investment loan in one of twenty banks cooperating with BGK,
- Guarantees will be granted according to changed rules until the end of 2020.

**b) Businessmax guarantee:**

- The guarantee can cover revolving working capital loan (including a revolving overdraft)- guarantee is treated as a de minimis aid,
- Broader range of eligible costs (resignation from a catalog of eligible costs) and no obligation to submit an investment project plan (in the case of a guarantee constituting de minimis aid),
- BGK is expanding the potential target group - introducing an additional subjective criterion that allows eco-efficient companies to take advantage of the subjective (pro-innovative) assessment path, which will allow them to obtain working capital and investment loans not necessarily related to the environmental effect,
- 5% annual rate for calculating interest rate subsidy will be used until the end of 2021.

**c) Liquidity Guarantee Fund:**

- BGK is working on creation Liquidity Guarantee Fund, from which guarantees will be granted to medium and large companies, affected by the effects of a pandemic,
- Security up to 80% of the loan amount (guarantee amount from PLN 3,5 million to PLN 200 million),
- Only for new or renewed loans,
- Loan amount covered by the guarantee- up to PLN 250 million,
- Guarantee period- max. 27 months,
- Loan purpose- ensuring financial liquidity,
- Guarantees from the Liquidity Guarantee Fund will be granted by the end of 2020,
- Guarantee will be available to companies, that as 1st February 2020 didn't have arrears in the Social Insurance Institution (ZUS), Tax Office and Bank.

**d) Significant changes in Loan for technological innovations:**

- Extending the call for proposals in the ongoing round until 24th June (originally 23rd April),
- Extension from 30 to 60 days of the deadline for signing a technology loan agreement,
- Extension of the deadline for providing the documents necessary to sign the co-financing agreement from 30 to 67 days,
- Extension of the deadline for providing environmental documentation from 10 to 12 months,
- Introducing remote panels (so as not to expose entrepreneurs and experts to the need to appear in panels in person).

**e) Program for entities of the social economy sector (EU funds):**

- Capital repayment suspension for a period no longer than 6 months (for new loans and loans already granted, in which the repayment of capital has not yet begun),
- A maximum of 6-month credit holidays (possibility to suspend the repayment of principal or principal-interest installments),
- Double interest rate reduction for a period no longer than 12 months,

- Interest rate reduction to 0% for up to 12 months - decision to reduce made by financial intermediary,
- Extension of the job creation period to a maximum of 12 months (additionally by 6 months - for concluded contracts and new loans concluded until 31.12.2020),
- Extension of the loan repayment period by up to 12 months (for „Start Loan” and „Development Loan”).

**f) EU loans:**

- Additional 6-month suspension period for principal instalments on loans,
- Possibility of extending the loan repayment period,
- 4-month credit suspension of repayment of principal and interest instalments,
- Possibility of reducing interest rates on loans,
- No increased interest in respect of arrears arising from COVID-19 and no debt collection actions before introducing favorable changes to the contract.

**g) Liquidity loans for SMEs:**

- Agreement between BGK and Ministry of Development Funds and Regional Policy from Smart Growth Operational Programme,
- No additional costs (interest subsidy),
- No specific catalog of expenses,
- 6 months grace period,
- Max. amount of loan for 1 company- EUR 15 m,
- Up to PLN 100 000 only collateral is in blanco promissory note,
- Repayment term: up to 6 years.

**h) Additional facilities:**

- Suspension of loan payments for 3 months,
- Renewal of working capital loan for 6 months,

Electronic form of providing documents and dispositions.

## Malta Development Bank (MDB)

- The MDB launched a [COVID-19 Working Capital Guarantee Scheme](#) to be intermediated via commercial banks. The scheme shall ensure access to bank financing for working capital to businesses facing sudden acute liquidity shortage as a result of the COVID-19 outbreak.
- The scheme is funded by a Government Guarantee of €350 million. The Guarantee covers 90% of each loan facility, capped at 50% of the total loan portfolio. The Guarantee is being provided free of charge.
- Commercial banks are expected to pass on the benefit of the guarantee by way of higher volume of finance, riskier portfolio, lower collateral requirement, and lower interest rates.
- The scheme was approved by the European Commission under the Temporary Framework for State Aid measures on 2 April.

## Caisse des dépôts (France)

- Caisse des dépôts is implementing an exceptional cash envelope to provide liquidity for French legal professions: 500 m€
- In addition to these measures, Caisse des Dépôts as a lessor, has suspended rents for VSEs and SMEs.

- Social housing organisations:
  - An access to a €2bn cash facility designed in 2018 to support social landlords in the event of financial tensions will be reactivated
  - A massive deployment of digital services to make loan applications, disbursements and signatures more fluid.
- Measures regarding **companies** active in the sector of **Social Solidarity Economy, real estate and tourism**, Caisse des dépôts will provide liquidity concerning for account advances according to cash requirements met by these actors :
- Caisse des Dépôts as a lessor for companies, has suspended rents for VSEs and SMEs
- **Companies from the real estate and the tourism sector** : Bpifrance announces the release of an additional €50 million in guarantees for VSEs and SMEs eligible for the Bpifrance Tourism Loan, and a deferral, on request, of the 2020 rents collected by real estate companies.
- **The Social and Solidarity Economy (SSE) sector**: Caisse des dépôts Group has introduced an automatic deferral of the next six months' maturities for interest-free loans (Nacre scheme) and a deferral, on request, of the repayment deadlines for loans under the SSE "*Programme d'investissements d'avenir*" (PIA). In addition, CDC Group will accelerate the payment of grants to winners of the Pionniers French Impact program and to associative partners.
- **The Innovation sector within the programs "*Territoires d'innovation*" & "*Ville de demain*" & PIA**: CDC Group announces an acceleration for subsidies' payments for companies (particularly SMEs and start-ups)
- **For legal professions** :
  - Caisse des dépôts is implementing an exceptional cash envelope to provide liquidity for French legal professions: 500 m€
  - Upon request, legal professions can benefit from a six-month extension, free of charge, for maturities of loans contracted with CDC. This budget envelope corresponds to 90 million euros

## Investitionsbank Berlin (Germany)

- Liquidity bottlenecks due to coronavirus
- Support for Berlin companies - applications possible from 19.03.2020
- The dynamic spread of the coronavirus is slowing down the Berlin economy and causing liquidity bottlenecks for many companies.
- Short-term support in the form of bridging loans, guarantees or liquidity assistance as well as other measures such as short-time work can be helpful here.
- To this end, the Senate will provide a volume of up to EUR 100 million in bridging loans via the IBB. Access to these funds will be given to previously excluded and now severely affected sectors such as retail, gastronomy, accommodation and consumer-oriented services (e.g. clubs).

## Thüringer Aufbaubank (Germany)

- Launch of a grant scheme providing immediate liquidity support mainly for SMEs
- open up certain credit and guarantee schemes to particularly affected sectors
- Examination of the extent to which maximum aid levels can be increased

- Extension of the project period for investment projects from 24 to 36 months (grant area) for state and EU funds
- In the Consolidation Fund, increase the amount of loans from EUR 1 to 2 million and open the programme to sectors particularly affected by the Corona crisis
- New launch of an additional liquidity protection programme likely
- Making funding regulations more flexible - for example by extending investment periods.

## **L-Bank (Baden-Württemberg, Germany)**

- Use of existing programmes: Liquidity loan, start-up financing (working capital), growth financing (working capital), further education financing 4.0, innovation financing 4.0, agriculture - liquidity assurance
- Possible optimisation of the existing offer (e.g. extension of the maximum loan amount for the liquidity loan and guarantee ratios up to 80%).
- Expansion and more flexible handling of the guarantee offer
- Provision/use of subsidy reserves for support measures
- (Bürgschaftsbank BW will increase both the pro-rata and the amount of the guarantee to up to 80 % and EUR 2,5 million, in line with the nationwide approach in the combined offer (Li50 =Liquidity Credit 50))

## **Bulgarian Development Bank**

- The Bulgarian Minister of Finance announced an increase of BDB's capital by BGN 500 million (approx. EUR 255 million) in order to help Bulgarian business (SMEs) because of the coronavirus epidemic. The amount will be used for two purposes (for now) :
- Measure One: Issuing SME portfolio guarantees in favor of commercial banks. Description of the scheme, State aid test and the reasons for implementing this programme are described below:
  - Bulgarian Development Bank Program for Support and recovery of the economy from the effects of Covid-19 epidemics through SME Portfolio Guarantees for Intermediated Local Business Finance
  - The Program's target is to ensure up to 80% guarantee coverage, primarily on existing loans to SMEs with good credit history throughout 2019. Under this guarantee, the intermediary banks can relax the existing repayment conditions (e.g. through rescheduling, prolongation and liquidity support). The Guarantee will also cover new working capital unsecured SME loans for payment of wage bills, rents, overheads and other expenses directly related to their business activity. The measure will be applied on a temporary basis with an inclusion period of three years and up to five years' duration of the guarantee. It will support companies suffering direct and secondary consequences from the COVID-19 outbreak and the slowdown of the economic activity. (1 EURO = 1.95583 BGN)
- Measure Two: Issuance of portfolio guarantees for soft (interest-free) loans to individuals, channeled through the commercial banks.
  - Bulgarian Development Bank Program for consumer interest free loans guarantees for individuals with suspended employment due to Covid-19 outbreak

## **Sächsische Aufbaubank – Förderbank – (SAB) – Saxony, Germany**

- SAB offers its standard products.
- Furthermore it is intended to amend the existing guidelines of the GuW-programme (see the following short description):
  - Purpose: Promoting of start-up, growth financing and liquidity support measures; promotion is aimed in particular for innovation and growth-projects.
  - Eligible applicants: Founders (natural persons), SME



- Form of aid: Loan with interest subsidy
- Amount: up to 100 % of eligible costs
- Maximum amount: up to EUR 2,5 million per project for investment and working capital
- Duration:
- Investment loans:
  - 5 years / of which max. one year redemption-free or up to 10 years / of which max. two years redemption-free or up to 20 years / of which max. three years redemption-free
  - Working capital / 5 years / of which max. one year redemption-free liquidity aid loans
- Loans are refinanced on the basis of the programmes "ERP-Gründerkredit - Universell" and "KfW-Unternehmerkredit" and are additionally reduced in price by the Free State of Saxony.
- State-aid-basis: De-minimis
- Collateral: The house bank bears the full risk.
- New features are still to be negotiated:
  - Option 1 Combination of a high subsidy value of the loan for final borrowers with a reduction of the risk for the transmitting bank ("house bank") by granting a subsidy to the bank. The house bank would receive an additional 80% guarantee from the Saxon guarantee bank.
  - Option 2: Combination of the GuW-loan with a release from liability for the house bank.

## **SID Banka (Slovenia) - information from website**

- In cooperation with the Slovenian government, SID Banka will offer SMEs and large companies financial products totaling EUR 800 million, of which EUR 200 million will be new or newly personalized products and EUR 600 million allocated to existing products.
- Financial products will be available to the market **from April 2020 onwards**.
- These funds will primarily address the liquidity problems of companies, including liquidity in the supply of services and products, problems with reduced demand, production downtime, supply chain problems and investment problems, including in the form of collateral and refinancing of loans taken from banks. In particular, we will cover the loan segment from EUR 100,000.00 to EUR 7 million, with some existing programs up to EUR 20 million.
- SID Bank will also adjust the assessment of the treatment of existing clients facing the consequences of coronavirus (eg. financial commitments, insurance, moratoriums, demonstration of eligibility of financing purposes, etc.).
  
- The changes under the Sustainable Tourism Loan Facility aim to help SMEs and large tourism sector companies manage their liquidity crunch. We intend to extend the purpose of the credit beyond the purposes of the tourism strategy (investments in accommodation facilities, sports and entertainment infrastructure, lifts, marinas and tourist resorts) to working capital. The latter will also be expanded to catering. The measure will be implemented under the existing Sustainable Tourism Loan Fund quota of EUR 160 million, which will be partly adjusted to the stated needs due to the spread of the coronavirus, partly in the amount of EUR 100 million.
- Changes within the loan fund for financing business and capital consolidation will enable the up to 12-year financing of tangible and intangible assets and / or working capital or without limiting the maximum capitalization of SMEs to date. We intend to offer EUR 50 million to the market through a transfer from the existing programs of this loan fund.
- For the purposes of indirect financing (through your custodians at NLB, NKBM, Abanka, Adicco banks, Gorenjska banka, Sberbank and Savings Bank Lon), banks and savings banks already have a total of EUR 600 million of SID Bank assets. The adjustments

foreseen here will be made in the direction of abandoning some of the existing limitations of the SID Bank source, which will enable higher, up to 100% financing of the project costs or. SMEs and large businesses, and the credit may also be fully earmarked for refinancing.

- SID Bank is also preparing a financing program that will provide SMEs and large companies with short-term loans from the Bank's own funds under the existing de minimis scheme for the purpose of liquidity financing for companies facing the effects of coronavirus. The product will be available in an indicative quota of EUR 50 million, the resources will be usable for 6 months.
- In the area of insurance instruments for exporting companies, SID Bank will supplement the offer of credit protection for export preparations and, depending on the circumstances of each case, provide coverage (insurance and reinsurance) of commercial and non-commercial risks related to the effects of coronavirus. It will also examine the possibilities of covering the risks arising from the interruption of supply chains, as well as the possibility of providing import-export insurance.

## **Municipal Funding Banks and Agencies**

### **Bank Nederlandse Gemeenten (the Netherlands)**

- The coronavirus has far-reaching social consequences, also for our customers. We are committed to helping our customers through this difficult period as much as possible. We take care of each other and ensure the continuity of our services.
- Continuity of Service: BNG Bank works partly at a fallback location. In addition, a number of employees work from home. The basic principle is that employees at the main location and fallback location have no physical contact with each other. Physical contacts with customers and other stakeholders are temporarily severely restricted.
- Lending: BNG Bank participates in the Task Force Corona of the Dutch Banking Association, which meets daily by telephone. The joint aim is to help customers through this difficult period as much as possible. Where possible, BNG Bank contributes.
- Funding: We have sufficient liquidity at our disposal to provide financing to our clients. We expect to continue to have access to the capital market to raise funding. However, interest rate spreads may be affected by volatility in the financial markets.

### **SFIL (France)**

- SFIL is not preparing new measure outside of the scope of its usual products
- In 2019, with EUR 650m of healthcare financing, SFIL provided nearly one-third of the needs of French public hospitals. This dominant position has been achieved thanks to very effective financing conditions.
- Since 2013, SFIL has financed investments by French public hospitals for nearly 300 establishments totalling EUR 3.5 billion.
- With financing capacities which are not at all saturated (notably through the launch of social bonds, which was very successful in 2019), SFIL remains at the disposal of the public authorities to develop its interventions.

### **KommuneInvest (Sweden)**

- KommuneInvest is not preparing new measure outside of the scope of its usual products

## **MuniFin (Finland)**

- MuniFin continues financing its clientele based on the existing product portfolio and has necessary liquidity to support its clientele also in a situation where other players (commercial banks) are focusing on other customer segments.