

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

*Last update 2 April 2020*

### **Bank Gospodarstwa Krajowego (Poland)**

- Companies affected by a difficult coronavirus situation will be able to take advantage of special solutions prepared by Bank Gospodarstwa Krajowego. The assistance will consist, among others, in increasing access to loans in commercial and cooperative banks.
- The first solution consists in increasing the maximum amount of de minimis guarantee to 80% of the loan amount. Currently, it is up to 60% of the loan amount and maximum PLN 3.5 million, while the latter value will not change. Additionally, BGK will renounce the commission charged when granting the guarantee, which today amounts to 0.5% of the guarantee value.
  - From the procedural point of view, the consent for changes in the programme is given by the Polish Financial Supervision Authority. The implementation of the changes also requires the involvement of the lending banks with which BGK cooperates on an ongoing basis, if only due to the adjustment of parameters in IT systems.
  - The increased guarantees will be available to any company from the SME sector that has so far met the criteria set out in the de minimis guarantee scheme, regardless of the industry.
  - De minimis guarantees facilitate taking a working capital or investment loan in one of twenty banks cooperating with BGK. The change in the de minimis guarantee scheme will cover only the amount of the guarantee, the other rules of obtaining guarantees will not change.
  - BGK creates and proposes systemic solutions for the banking sector. Already today, de minimis guarantees enable the lending banks to accept higher risk when granting a credit to an entrepreneur. Increasing the guarantee amount to 80% of the loan amount should result in even greater availability of loans for the SME sector.
- The second solution, which BGK is working on, is a system of subsidies to the interest rate of loans granted by the banking sector to entrepreneurs
- **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 1<sup>st</sup> February 2020 didn't have arrears in the Social Insurance Institution (ZUS), Tax Office and Bank.

- **Loan for technological innovations:** significant changes, including extending the call for proposals in the ongoing competition until 24<sup>th</sup> June (originally 23<sup>rd</sup> April), extension from 30 to 60 days of the deadline for signing a technology loan agreement between the entrepreneur and the lending bank. Additionally, BGK with cooperation of the Ministry of Development Funds and Regional Policy is working on increasing the amount of the technological bonus (currently PLN6 million) and waving the requirements of innovation to projects effects on a national scale.

**Affordable rental housing program (SBC):** BGK is working on possibility of periodically suspending the payments of capital installments of loans granted in the program.

## FINLOMBARDA (Italy)

- In Lombardy we are currently introducing a moratorium on on businesses' loan obligations under existing placements.
- Then we are giving continuity to two financial instruments already existing in the Lombardy Region to give loans for working capital for small and medium business entities in almost all sectors, from manufacturing to agriculture ([CREDITO ADESSO](#) e [CREDITO DI FUNZIONAMENTO AGRICOLO](#)) and, extending, where it's possible, to those micro-enterprises of the commerce and tourism sector currently excluded.
- All this in complementarity with government action: The Italian government on 17<sup>th</sup> March adopted a set of sectoral measures, named [CURA ITALIA](#), to prop up the economy during the COVID-19 epidemic, with the aim of keeping jobs and resolving the problem of liquidity. In evidence the action of the Central Guarantee Fund where the guarantee with coverage up to 80% is granted free of charge to all companies in the national territory up to € 1.5 million.
- Finally, just in these days we are publishing with a new measure (Turnaround Financing) that provides Finlombarda loans combined with a regional guarantee for companies that are already undergoing restructuring and relaunching their business (from April 1<sup>st</sup>).

## Malta Development Bank (MDB)

- The MDB is in the process of finalising 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 MDB intends to notify the scheme under the Temporary Framework for State Aid measures.

## 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).

## **HBOR (Croatia)**

- Introducing a moratorium on clients' loan obligations under existing placements.
- Rescheduling of existing loans to HBOR's clients with introduction of a grace period in the loan principal repayment.
- Approval of new liquidity loans to economic entities for financing salaries, overhead expenses and other basic operating expenses, the so-called 'idle mode' (excluding loan obligations to commercial banks and other financial institutions) in cooperation with commercial banks.
- Approval of guarantees (insurance policies) to commercial banks of exporters and to HBOR under the Export Insurance Guarantee Fund with the aim of granting new loans for working capital – liquidity.
- Expanding the scope of the Export Insurance Guarantee Fund by including the tourism sector with the aim of enabling the issuance of guarantees (insurance policies) for loans to banks and to HBOR, for additional liquidity funds to exporters and tourism sector.
- Expanding the scope of the Export Insurance Guarantee Fund by further extending the circle of eligible beneficiaries of insurance policies from exports and tourism to economic entities that are indirect exporters or are suppliers of direct exporters.

## **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%.

## 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

## 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.
- Following are standard WIBank products applicable for the current crisis:
- 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
- Further crisis related new products are in course of preparation Besides the new support programs WIBank offers its standard products:
- Capital for small enterprises - [Kapital für Kleinunternehmen \(KfK\)](#)
  - For small enterprises, including all social enterprises, and freelancers with up to 25 staff and EUR 5 mil. turnover per year
  - A loan of EUR 25.000 to 150.000 which must be topped up by the house bank by at least 50 %
  - No collateral needed
- Seed and Growth Financing [Gründungs- und Wachstumsfinanzierung Hessen \(GuW\)](#)
  - For SMEs with up to 250 staff and EUR 50 m. turnover per year
  - A loan up to EUR 1 million
  - Application via a house bank
- State guarantee programme - [Landesbürgschaften](#)
  - Programme for serious economic situations addressing liquidity bottlenecks of local companies
- the state of Hessen takes over a guarantee of up to EUR 1,25 million.

## 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.

## ICF (Catalonia) - ICF - Avalis liquidity

- The ICF and Avalis of Catalonia endorse the 75% of the loans of the financial entities in order to cover the needs of liquidity of the Catalan SMEs as a result of the situation deriving from COVID-19. The companies will have to unhold jobs.
- ICF - Avalis liquidity
- Financial terms and conditions
- Avalis guarantee, for 75% of loans between €100,000 and up to €1m.
- ICF guarantee, for 75% of loans from €1m and up to €2.5m.
- Term: up to 4 years with a grace period of up to 1 year.
- Interest: from financial institutions, limited to the 12-month Euribor rate plus a differential of up to 2.5%.
- Fees: 1% annual management and risk fee (CAiR). No commitment or study fee.
- Application: This guarantee facility will be available soon. Application via a commercial financial entity. The financial entity will be the one to contact ICF or Avalis de Catalunya in order to the management of the guarantee.

## 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.

## 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.

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

- The bank is at the moment discussing further measures but no new products are being developed now.
- Affected companies may apply for a liquidity loan up to EUR 1,5 million via their house bank
- NRW.Bank also adjusted its *Universalkredit*
  - Application in the house bank procedure.
  - For companies with an annual turnover of up to €500 million Euro, founders and freelancers
  - Assistance in the event of liquidity bottlenecks
  - Financing of working capital and investments
  - Term in the case of working capital loans max. 10 years, up to 1 year of grace

- Release of liability in favour of the main/house bank - from now on temporary for the duration of the crisis in addition to the existing 50% risk assumption also an 80% risk assumption. The minimum loan amount previously required for this will be suspended.
- For indemnity amounts up to 250,000 euros: loan commitment usually within 72 hours

## 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

## 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.