

CMZRB / Czechia

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

**10,765 sup-
ported SMEs**
in portfolio
(H1 2020)

**New Produc-
tion** in H1
2020 is **2.5x**
the one in the
previous se-
mester

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

