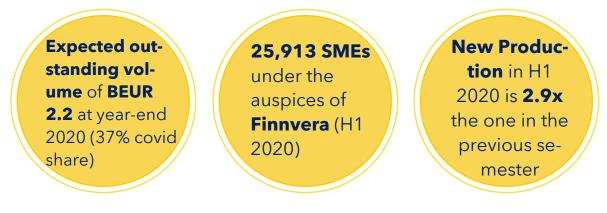
FINNVERA

Finnvera / Finland



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.



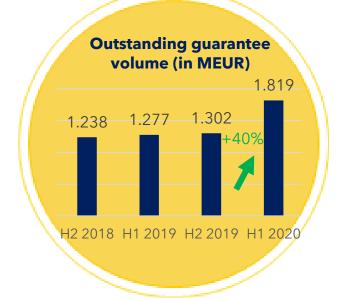
- **Finnvera** can grant new short-term **export guarantees** for the marketable risk countries as a part of the measures due to the corona virus crisis until 27.12.2021. Private credit insurance companies are still the primary source of credit insurance for these countries, and **Finnvera**'s role is 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: <u>https://www.finnvera.fi/eng/growth/current-news-for-smes</u>

Latest update: 30th November 2020





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