

Garantiqa / Hungary

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.

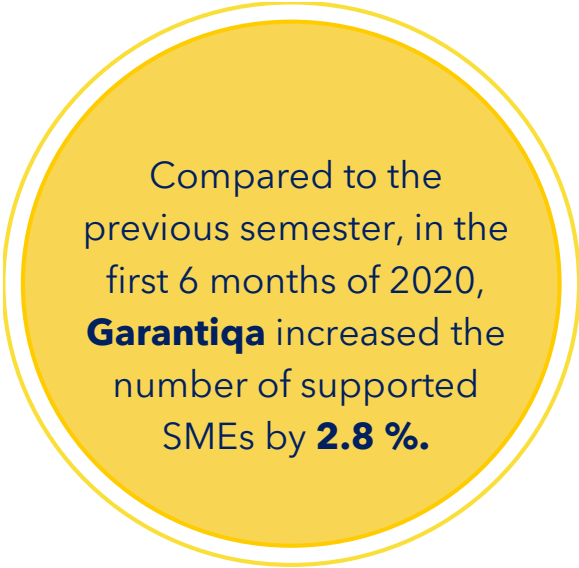
There are no classic industry restrictions in the new guarantee programme, but industry restrictions related to state aid do apply.

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 %**.