INVEGA / Lithuania

Total volume of the new guarantee increases by **337.5%** in respect to the previous semester and reaches **mEUR 83.3**

2,123 supported SMEs (+71.6%) in portfolio (H1 2020)

New production (in units) in H1 2020 is **711**, indicating an increase over the previous semester by **315.8%**

With a view to ensure that sufficient liquidity remains available in the market and to help small and medium-sized enterprises as well as large companies to counter the damage inflicted upon undertakings by the COVID-19 outbreak, the Lithuanian national promotional institution - **INVEGA** has implemented an overall package of measures ranging from loan guarantees to subsidised interest rates for public loans and direct grants.

Already in April 2020, **INVEGA** started to implement the so-called **Portfolio Guarantee for Loans 2 (PGL2)**, under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (TF). The measure provides aid in the form of guarantees on loans for new and existing loans and has an estimated budget of mEUR 85. Each loan or leasing transaction included in the portfolio of the instrument **PGL2** is guaranteed by the 80% guarantee. The guaranteed portfolio may include:

- working capital loans, including reverse leasing transactions, to support corporate liquidity, granted not earlier than on 16th March 2020;
- previously signed unsecured investment (including leasing transactions) and working capital (excluding reverse leasing transactions) loans for which the repayment schedule was extended or the deferred repayment was applied, without compromising other loan repayment terms, not earlier than on 16th March 2020.

Guaranteed loans are granted for the maximum period of 6 years (72 months).

The amount of the guaranteed loan depends on the amount of salaries accrued to the company's employees during the year, the company's turnover, investment and other liabilities, but does not exceed mEUR 5.

The duration of the guarantee matches that of the loans and is limited to a maximum of six years. The guarantee fees are applied either as a one-time payment instalment paid before including the loan in the guaranteed portfolio or as annual payments.

Until the end of 2020, **INVEGA** issued a total number of 799 PGL2 guarantees with a total amount of mEUR 83.3. All in total, it is estimates that up to 500 undertakings will benefit from the measure.

As a response to COVID-19 outbreak, in addition to aforementioned **Portfolio Guarantee for Loans 2, INVEGA** has also provided **Individual guarantees for operating loans**.

Further, in July 2020 **INVEGA** started the implementation of a new individual guarantee instrument to additionally support travel service providers under the TF - **Guarantees to secure fulfilment of obligations of travel service providers**. According to the legislation, a travel service provider must secure the fulfilment of its obligation towards travellers and obtain a guarantee or an insurance policy from a financial institution or an insurance company. The aim of the new measure is to replace the collateral, which is usually a deposit, given by a travel service provider to a financial institution and an insurer. The budget of the instrument is mEUR 15.

Maximum **INVEGA**'s guarantee coverage to the financial institution or the insurance company is 50% on the guarantee issued by them to the travel service provider. **INVEGA**'s guarantee is free of charge. Other conditions refer to:

- No collateral on **INVEGA**'s guaranteed part of obligation;
- A travel service provider could be an SME, a large company or an entrepreneur that hold a valid certificate granting the right to engage in outbound and local tourism;
- Maximum amount of the guarantee is kEUR 800, minimum amount kEUR 1.5;
- The Assessment on a case-by-case basis.

Until the end of 2020, **INVEGA** issued 29 individual guarantees to support travel service providers with a total amount of mEUR 2.4. The instrument will be implemented by the end of June 2021.

Finally, due to COVID-19 crisis and the recent changes in EU export regulation as well as high-risk export market's definition, **INVEGA** could offer **Export credit guarantees** to temporally risky countries, such as EU member states, Australia, the USA, Canada and Japan.

In view of this changes, during the 9 months of 2020 additional 19 guarantees were issued with a total amount of mEUR 2.4.

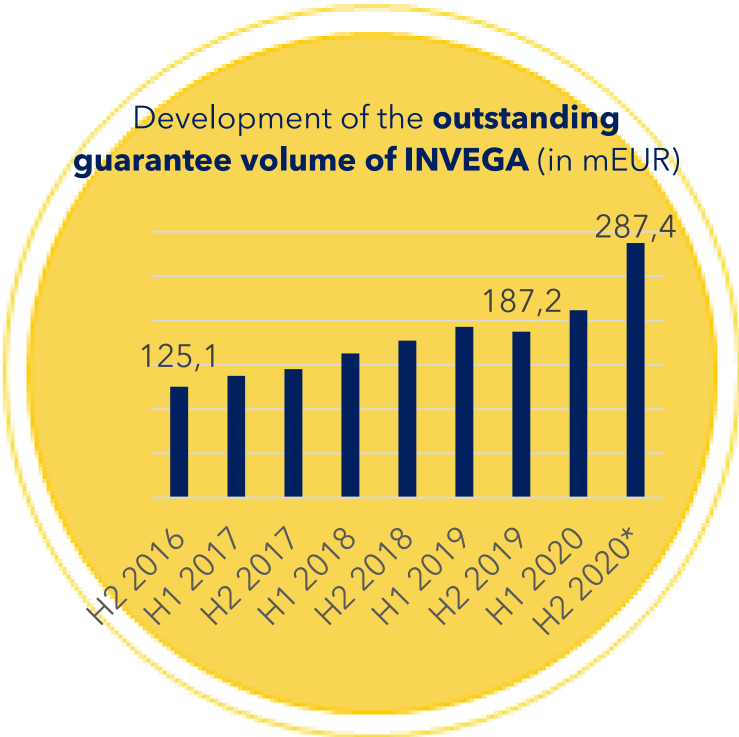
Another financial support offered by **INVEGA** is the so-called **Loans to businesses most affected by COVID-19** also developed in accordance with the TF. The initial budget for the **Loans to businesses most affected by COVID-19** instrument is mEUR 200. The maximum amount of the loan per undertaking is mEUR 1, while the borrower can obtain only one loan under the programme. Loans are granted for a period up to 72 months.

In the same vein, **INVEGA** provides **Direct loans for travel services providers**, **Loans for payable invoices ASAP**, **Partial compensation of loan (lease) interest**, **Loans for payable invoices ASAP as well as Alternatyva** – an instrument aimed at providing loans to SMEs via alternative finance providers due to further decreasing financing by traditional finance providers (e. g. banks) in Lithuania.

Referring to grants, it is worth mentioning that **INVEGA** also provided **Partial compensation of lease payments for businesses most affected by COVID-19** aiming at compensating part of the rent for the undertakings most affected by the COVID-19 outbreak. The budget of the measure was mEUR 45.2, where the maximum amount of partial compensation of lease payments per month is 50% on the lease amount payable by the lessee. At present, mEUR 35.2 have already been paid out for 3,627 companies and 6,427 premises lease agreements were partially financed.

More information on **INVEGA**'s measures can be found under the following link: https://invega.lt/en/

Latest update: 25th January 2021



*The statistics for H2 2020 is not yet final and could be adjusted