

**Total volume of the new guarantee increases by 100.3%** in respect to the previous semester and reaches **mEUR 53.1**

**900 supported SMEs (+5.3%)** in portfolio (H1 2020)

The **average guarantee size** in H1 2020 remains stable at **kEUR 166.3**

In March 2020, just a week after the start of the COVID-19 crisis, the **Latvian state development finance institution ALTUM**, launched a **Loan guarantees** and a **Subsidised loan propositions**, providing aid in form of subsidised guarantees for investment and working capital loans (Measure A) and subsidised working capital loans (Measure B), both developed in accordance with the Temporary Framework (TF) to support the economy in the context of the COVID-19 outbreak.

The amount of the public funding for the first measure is mEUR 50 in the form of a capital injection from the State budget into **ALTUM**, while the amount of financial services covered by the guarantee is set at mEUR 715. The guarantees are limited to maximum 6 years for investment loans and finance lease and 3 years for working capital loans and do not exceed 50% of the loan principal. The maximum amount per beneficiary is mEUR 5 and are provided for existing investment loans and financial leasing, where the credit institution postpones the payments of loan principal for a maximum period of two years (grace period), and new or existing working capital loans. The guarantee fee is flat and set at 0.5% in case of individual guarantees and 0.3% for portfolio guarantees.

Under this measure, at the end of December 2020, **ALTUM** issued a total number of 230 guarantees with a total value disbursed of mEUR 35 attracting bank loans for 95.5 mEUR.

In case of Measure B, the overall budget is set at mEUR 200. mEUR 50 were given in the form of a capital injection from the State budget into **ALTUM**, while additional mEUR 150 were raised by **ALTUM** attracting EIB and EIF resources. The financing in the form of working capital loans has a maximum duration of 3 years and a grace period up to 18 months. The maximum amount per beneficiary is mEUR 1, where the total loan amount does not exceed the conditions set in the TF. The loans are offered with reduced interest rate according to the TF, aprx.1.9% - 2.9%.

Under this measure, at the end of December 2020, **ALTUM** has granted a total number of 524 loans with a total loan amount of mEUR 91.

Further, **ALTUM** has also offered **Export credit guarantees**, providing up to 90% risk coverage concerning commercial risk and up to 95% risk coverage concerning political risk. The maximum period of a deferred payment of a transaction covered with export credit guarantee is up to 730 days (2 years), while the maximum amount of an export credit guarantee is mEUR 2.

Since the beginning of the COVID-19 crisis, **ALTUM** issued a total number of 114 export credit guarantees with a total value sanctioned of mEUR 9.

Apart from the aforementioned measures, **ALTUM** has also administrated an **Investment fund** that provides financing to large undertakings active in Latvia in the form of equity investments, quasi-equity investments and investments in listed bonds, including convertible bonds. The initial target size of the Fund is mEUR 100 and is meant to finance investments as well as working capital. The investment amount per one company is up to mEUR 10 and the financial support is addressed to all sectors of activity, including agriculture and fisheries.

More information on **ALTUM**'s measures can be found under the following link:

<https://www.altum.lv/en/>

Latest update: 5th January 2021

Development of the **outstanding guarantee volume** (in mEUR)

