

BPF / Portugal

Total volume of the new guarantees increases by **694.4%** in respect to the previous semester and reaches **bEUR 5.3**

74,114 supported SMEs (+29.2%) in portfolio (H1 2020)

The average guarantee size increases from kEUR 37.7 to **63.1**

As a first reaction to the COVID-19 crisis, the Portuguese AECM member - **Banco Português de Fomento (BPF)** launched already in March 2020 a first credit line of mEUR 200 as a sub-line of the already existing credit line, called **Capitalizar - 2018**.

The extension of the aforementioned credit line was called **Capitalizar - Covid 19** and was made available under the *de minimis* Regulation.

The very high demand for the financial support resulted in an immediate increase of the total budget of the programme to mEUR 400, which was fully taken in less than 2 weeks.

Later in March 2020, Portugal notified under the Temporary Framework (TF) for State aid measures aid in the form of guarantees on loans (the so-called **COVID-19 Economy Support Line**) with an initial budget of bEUR 3, that was later on increased to bEUR 6.2. The measures take the form of four guarantees schemes:

- 1) aid to companies active in the touristic sector in the form of guarantees;
- 2) aid to restaurants and similar companies in the form of guarantees;
- 3) aid to extractive/manufacturing companies in the form of guarantees, and
- 4) aid to Travel Agencies, Touristic Animation and Event Organisation and similar companies in the form of guarantees.

Under the **COVID-19 Economy Support Line** the loans are guaranteed from 80% to 90%. The guarantee covers the whole maturity of the loan (i.e. up to 4 years). This period includes a grace period of up to 12 months.

Just like in case of **Capitalizar - Covid19**, there was a huge demand also for the financial support offered under the **COVID-19 Economy Support Line**. To illustrate, just in the first 5 days after the launch of the programme there were around 40,000 applications with a total value of around bEUR 9.

This is just 4 times the total annual volume of the **BPF** in terms of guaranteed loans, 6 times the volume of guarantees and 2.5 times the total number of applications per 1 year.

BPF, has also offered support in form of guarantees on loans to SMEs and large enterprises that have an economic activity in the Autonomous Region of Madeira. With a total budget of up to mEUR 20, the guarantees are granted in accordance with the TF for new working capital loans under the following conditions:

- the guarantees do not exceed 80% of the loan principal;
- the maximum duration of the guarantees is five years;
- the guarantee premiums are set in accordance with point 25(a) of the TF;
- there is a fixed or variable interest rate plus a maximum spread of 1.5%.

Apart from the aforementioned measures, **BPF** has also provided, under the TF, aid in form of direct grants and guarantees on loans.

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

<https://www.bpfomento.pt/pt/>

Latest update: 5th February 2021

Development of the **outstanding guarantee volume** of **BPF** (in bEUR)

