

PMV/z Waarborgen / Belgium

Outstanding guarantee volume reaches **mEUR 821.7** at end-2020

6,010 supported SMEs in portfolio (2020)

The **average guarantee size** remains stable at **kEUR 111.2** in 2020

The Flemish promotional institutions **PMV** launched extensive measures to support SMEs in overcoming the economic consequences of the covid crisis. In order to do so, it has a total guarantee capacity of bEUR 3.4 that will be fully deployed. In addition to the ordinary guarantee scheme and the **corona crisis guarantee**, the guarantee capacity of **Gigant** - for guarantees above mEUR 1.5 - was doubled to bEUR 3.

The 'generic' guarantee scheme, with an already marketed capacity of mEUR 350 was topped-up during the crisis with a **corona crisis guarantee** of mEUR 100. These additional funds were supporting companies suffering from the economic consequences of the covid crisis in the form of financing for reconstitution of working capital for non-paid suppliers up to 12 months. These guarantees offered a 75% coverage and entailed a guarantee premium that was halved from 0.5% to 0.25% p.a. The maximum guarantee amount was mEUR 1.5. Furthermore, it allowed banks to extend existing guarantees and financing up to 5 years. In addition, the **coronavirus guarantee** provided the possibility to bring existing non-covered leasing contracts under this guarantee.

In the context of the temporary relaxation of European state aid rules, **Gigant** was enabled to market an adapted COVID-19 guarantee, which provides more flexibility with regard to subordinated loans, the suspension of repayment and financial assistance to companies. The guarantee premium for the first year was reduced to 0.25% for an SME and to 0.50% for a large company. In exchange, **PMV** asks for an employment commitment. The covid conditions were extended and run until October 2021.

Since May 2020, **PMV** started the implementation of a mEUR 250 '**corona**' **subordinated loan programme** with a three years duration and promotional characteristics (repayment and interest payment deferment). Since July 2020, Corona loans with a credit amount up to and including kEUR 150 benefit from a deferred interest rate of 3%, thanks to the EIF COSME guarantee.

Another measure of **PMV** is the **welfare fund** to boost the solvency of Flemish ...

... companies which shall mobilise bEUR 14 from bank deposits. To support this measure, the Flemish government implements a capital increase of mEUR 240 at **PMV**. In addition to institutional investors, private individuals will also be able to invest in the fund enjoying tax advantages. The intention is to set up a fund worth mEUR 500 that provides capital increases to companies under market conditions.

PMV furthermore implements the **commercial lease programme** that accommodates entrepreneurs who can no longer pay their commercial rent. A maximum of two rental periods is advanced as a loan with an interest rate of 2% if the landlord waives one or two months of rent. The repayment of capital and interest does not start until after 6 months and must be repaid 24 months after the loan has been granted.

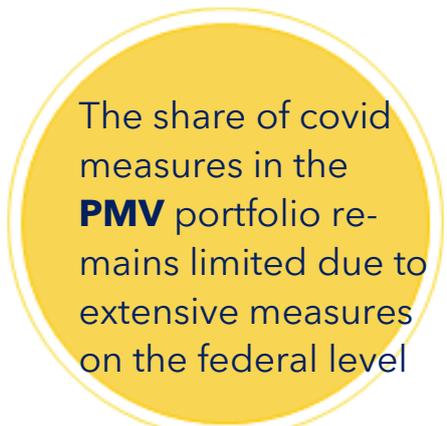
PMV also suspended the reimbursement for 860 SMEs. Anyone who made use of the Start-up Loan, Co-financing and Co-financing + granted from **PMV/z** did not have to repay that financing temporarily. The suspension was valid for six months.

Lastly, **PMV** provides proactive consulting to companies that have a loan from **PMV** or in which **PMV** has a capital participation. The **PMV** experts work with the management of these companies to determine the impact of the corona crisis on the company, which necessary and useful measures have been taken and which other decisions are necessary. The companies receive maximum assistance in any financing issues arising from the crisis and are informed about the available government measures. Companies in which **PMV** has a capital participation are monitored on a frequent basis. This follow-up is done by the board of directors of the portfolio company, in which **PMV** normally has a seat.

At the end of 2020, the Flemish government decided to extend the existing guarantee scheme for **PMV/z-Guarantees** in 3 ways: 1) possibility to guarantee a bridge loan to pay non-bank debts up to 12 months (normally 3 months). A budget of mEUR100 was made available for this extension. 2) extension of the guarantee period at a lowered fee in case of a deferral of repayment for more than 6 months for credits and leases already secured under the guarantee. 3) possibility for a 50% guarantee for existing leasing agreements that are not yet guaranteed. The annual fee for these crisis guarantees is only 0.25% instead of 0.50%.

More information on **PMV** measures can be found under the following link:
<https://www.pmv.eu/nl/maatregelen-van-pmv-tegen-de-impact-van-het-coronavirus>

Latest update: 25th August 2021



The share of covid measures in the **PMV** portfolio remains limited due to extensive measures on the federal level