

SOWALFIN / Belgium

Outstanding guarantee volume increased by 18.3% to **mEUR 321.1** (in H1 2020)

3,739 SMEs under the auspices of **SOWALFIN** (H1 2020)

New Production in units increased by **39%** over the previous year

In order to help companies impacted by the coronavirus crisis, our Belgian member for the Walloon Region, **SOWALFIN**, dedicated a substantial portion of its mathematical reserve to **guarantee**:

- at 50%, with a maximum commitment of kEUR 500, the existing short-term lines of credit, granted initially by banks without SOWALFIN guarantee, in order to maintain these means at the disposal of the impacted companies.
- at 75%, the new short-term resources that would be granted to SMEs to help them get through this period of crisis.

SOWALFIN intervenes under two different guarantee schemes: on one hand, under *de minimis* Regulation (with a capacity of mEUR 60) and, on the other hand, under the temporary framework (with a capacity of mEUR 180), as part of global notified guarantee scheme with a total capacity of mEUR 350, which is also available for large companies and companies in « turnaround situations ».

SOWALFIN has adopted a fast-track procedure that allows to respond to a guarantee application within 6 working days.

Also, the instalment in principal and interest of all existing loans within the **SOWALFIN Group** as of March 31, 2020 (quarterly payments for all loans) has not been drawn. The principal amortisation schedule has been automatically deferred for an equivalent period, without any additional interest or charges to be borne by the company. This measure has further been proposed with respect to instalments in principal as of June 30, 2020 and December 31, 2020 to all SME active in sectors forced to close or to significantly reduce their business.

Another measure of the **SOWALFIN Group** is the so-called **Ricochet financing**. This product offers to micro and small companies a bank loan guaranteed by the **SOW-**

The second option of use, that can be combined with the guarantee, is a **direct subordinated loan** granted by the **SOWALFIN Group** of up to kEUR 15 which is maximum 50% of the accompanying bank loan, with an interest rate of 0% and an amortisation-free period of maximum 6 months.

The specificity of the product lies in its automatic nature: in practice, the decision to intervene as a guarantee and loan is delegated to **SOWALFIN**'s partner banks. If their analysis is positive, then the financing (guarantee + subordinated loan) is also automatically and instantaneously granted, making the funds lent by **SOWALFIN** available in just a few days on the company's business account.

On top of the above, the **SOWALFIN Group** also supports around 800 companies via counter-guarantees for an amount of close to mEUR 19.

Besides financial solutions, **SOWALFIN** furthermore offers the service "1890" (website and call number) to answer any questions from affected companies and to inform them precisely about what they could be entitled to in terms of aid/assistance based on their situation.

More information on **SOWALFIN** measures can be found under the following link: <http://www.sowalfin.be/>

Latest update: 4th January 2021

The **average guarantee size** is **kEUR 71.7** in H1 2020

