

## NRB / Czechia

The outstanding guarantee volume reached **bEUR 1.7** at year-end 2020 (2/3 COVID share)

**14,690 supported SMEs** in portfolio (2020)

**New Production** in 2020 is **2x** the one in the previous year

The Czech National Development Bank **NRB** set up a whole bunch of programmes to fight economic consequences of the COVID pandemic.

Already in early March 2020, **NRB** announced the loan programme **COVID I** that could cover up to 90% of eligible expenses related to working capital needs. It targeted SMEs and allowed for loan amounts of kEUR 20 to 600, funded from the state budget and ESI funds. The programme offered a 2-year maturity with a one year grace period and was set up under de minimis. It was prematurely closed after only 5 days of operation due to high demand. **NRB** received 3,200 applications for this instrument at an amount of mEUR 370. Finally, 165 applications at a total volume of mEUR 36 (total allocation of the program) were approved.

Then, on 20<sup>th</sup> March 2020, **NRB** launched the mEUR 555 guarantee programme **COVID II** which was a quasi-portfolio guarantee for working capital loans with a guarantee cap of 25% and a coverage of 80%. It was open to SMEs outside Prague for loans of up to kEUR 600. The guarantee was free of charge and the programme included an interest rate subsidy for the commercial loan of up to kEUR 40. The guarantee period was three years. The programme closed after having received 5,900 applications submitted during 2 working days in the amount of mEUR 700. Finally, more than 3,200 applications in the total amount of mEUR 571 of guaranteed loans were approved.

For Prague SMEs, **NRB** started on 20<sup>th</sup> April the guarantee programme **COVID PRAGUE** which like **COVID II** was a quasi-portfolio guarantee for working capital loans with the same characteristics as **COVID II**. Finally, 311 applicants received the support in the total amount mEUR 64 of guaranteed loans. The programme ended one day after its start due to high demand.

## Ongoing Programmes

In the second half of May 2020, **NRB** put in place the programme **COVID III** serving primarily as a recovery measure based on the actual needs of the respective enterprise. The programme offers portfolio guarantees with a cap rate of 30% for working capital and investment loans backed by the Czech government. The total allocation of BEUR 5.5 shall enable to guarantee the total volume of BEUR 18.5 guaranteed loans. The guarantee with a duration of up to three years for working capital loans and six years for investment ones can cover 80% of the loan principle of a small mid-cap and 90% in case of an SME. Whereas the lending bank is charged a fee based on the Temporary Framework, the guarantee is free of charge for the final beneficiary.

Since February 2021, **NRB** offers the **COVID TRAVEL** - free of charge guarantee to travel agencies. The aim of this programme is to support tourism-oriented companies that are suffering under covid restrictions. A bank guarantee enables them to obtain obligatory insolvency protection insurance. The guarantee covers up to 75% of the travel agencies' participation on the compulsory insurance and up to 30% of the insurance indemnity limit (maximum kEUR 157).

The **COVID SPORT** working-capital guarantee programme, as part of the **EXPANSION programme**, was launched in January 2021. It aims at helping SMEs operating in the sports sector to overcome crisis induced difficulties. The programme allows to cover up to 80% of working capital loans of maximum kEUR 588. The guarantee is free of charge with an interest rate subsidy up to kEUR 39.2 and runs for maximum 3 years. The programme is supported by ESI funds (ERDF).

More information on **NRB** measures can be found under the following link:  
<https://www.nrb.cz/podnikatele/zaruky/>

Latest update: 1<sup>st</sup> September 2021

