

NSGI / Switzerland

**Outstanding
volume** of
bEUR 12.4 at
mid-2021

**122,400
supported
SMEs** in
portfolio (H1
2021)

**Average
guarantee
size** in H1
2021 is **kEUR
101**

The outbreak of the Corona crisis in spring 2020 presented the cooperative guarantee system represented by **AECM member NSGI (Network of Swiss Guarantee Institutions)** with a major challenge. In cooperation with the Swiss economics ministry SECO and the financing banks they found an unbureaucratic and quick solution that allowed to support Swiss SMEs within a few weeks. The lending construct was ready for launch on the **EasyGov.swiss platform** and met with immense demand when it was launched on 26th March 2020. Over the short implementation period until 31st July 2020 (respectively until 31st August 2020 for start-ups), the guaranteed credit volume increased by a factor of 56: from mCHF 300 (mEUR 289) to over bCHF 17 (bEUR 16.4). The number of loans even increased by the factor 65 up to 138,000 units. In order to cope with the high volume of applications, the **cooperatives** had to increase their staff and even brought in a team from PwC for a limited period of time.

Companies and start-ups that got into financial difficulties due to the Corona measures were supported unbureaucratically and quickly with **bridge loans (Covid 19 loans)**. These loans were granted by the SMEs' financing bank and were guaranteed by the Confederation via the four **guarantee cooperatives**. Amounts of up to mCHF 0.5 were guaranteed 100% by the Confederation and granted at an interest rate of 0%. Higher amounts of up to mCHF 20 (so-called **Covid 19 loans plus**) were guaranteed by the Confederation at 85% and interest was charged at 0.5%.

Loan defaults remained at a low level during the crisis. The guarantee organisations only registered a default rate of 1.25% of the loans disbursed. At the beginning of the pandemic, SECO expected defaults of 15%. In contrast, more than 17% of the loans have already in August 2021 been repaid in full - and this in times of continued uncertainty.

More information on the measures of the **Swiss guarantee institutions** is available under the following link (in German, French and Italian): <https://kmu-buergschaften.ch/fr/>

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